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HOUSE OF REPRESENTATIVES

WEDNESDAY, SEPTEMBER 6, 1961

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

From the prophecy of Isaiah (Isaiah 35: 4): *Say to them who are of a fearful heart, Be strong, fear not.*

O Thou who art always seeking to enlighten and encourage us with the supply and strength of Thy divine guidance and goodness, bless our President and the Congress, who, in this time of grave peril, are burdened with heavy responsibility and facing the arduous task of safeguarding our freedom.

Gird their minds and hearts with that intrepid and indomitable faith which will enable them to meet fearlessly and valiantly the forces of tyranny and aggression striving to enslave us.

Grant that, in this time of world tragedy and tension, we may have the grace of heart to pray even for our enemies who, in their blindness and brutality, are threatening and terrorizing mankind with indescribable suffering and sorrow.

Inspire us with the dynamic virtues of love and forgiveness and show us how we may lift humanity into that higher spiritual unity where all antagonism and antipathies are transcended by the spirit of brotherhood and good will. Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which concurrence of the House is requested:

S. 2481. An act to amend the National Aeronautics and Space Administration Authorization Act for the fiscal year 1962.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 7916) entitled "An act to expand and extend the saline water conversion program being conducted by the Secretary of the Interior," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JACKSON, Mr. BIBLE, Mr. CARROLL, Mr. KUCHEL, and Mr. ALLOTT to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1540) entitled "An act to amend the law establishing the Indian revolving loan fund," agrees to the conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHURCH, Mr. GRUENING, Mr. BURDICK, Mr. GOLDWATER, and Mr. ALLOTT to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7576) entitled "An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes."

STATEMENT OF REP. CARL ALBERT ON PROPOSAL THAT LAKE TO BE FORMED BY EUFAULA DAM, NOW UNDER CONSTRUCTION, LOCATED ON THE CANADIAN RIVER, 12 MILES EAST OF EUFAULA IN McINTOSH COUNTY, BE NAMED "LAKE OF THE FIVE CIVILIZED TRIBES"

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, I have introduced a bill today to designate a great new lake now being constructed on the Canadian River in Oklahoma, the "Lake of the Five Civilized Tribes." Since this lake will be located in the very heart of the country occupied by the five civilized tribes in eastern Oklahoma prior to statehood, no more appropriate name could be proposed for it than the "Lake of the Five Civilized Tribes." This lake will be one of the largest manmade lakes in the world. Probably no other manmade monument of equal dimension ever will be constructed in Oklahoma. There does not now exist an adequate monument to the five civilized tribes whose contributions have been indispensable to the life and character of Oklahoma. The lake will become one of the great playgrounds of the Nation. It deserves a name which will be an attraction to tourists from all parts of the country, many of whom still identify Oklahoma in terms of its Indian heritage.

COMMITTEE ON APPROPRIATIONS, PUBLIC WORKS APPROPRIATION BILL

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the public works appropriation bill.

Mr. HALLECK. Mr. Speaker, reserving the right to object, I would like to inquire of either the chairman of the Appropriations Committee or the acting majority leader as to when it is expected this bill will be taken up. If I remember correctly, the chairman of the Appropriations Committee obtained consent for the consideration of the bill tomorrow, and in connection with that indicated that the vote would go over until Friday. I have now been informed that it is proposed to delay the consideration longer. If that is the plan, and I certainly hope it is not the plan, but if it is, I do not know what all the rush is about regarding the filing of the report. I would hope that the matter could be taken up tomorrow as was originally planned and programed for action by the House. That measure has to be acted on so that we may adjourn sine die. I see no reason why it should not be called up tomorrow as originally planned. It is one of the last obstacles to a sine die adjournment, and I would express the hope under this reservation that it could be called up tomorrow.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Of course the leadership is anxious in connection with this matter to cooperate with the House membership and with the Committee on Appropriations. The leadership will only change the date on which the bill is programed if the chairman and members of the Committee on Appropriations desire a change to be made.

Mr. HALLECK. I would like to inquire of the chairman of the committee if this request is granted when do you propose to call up the bill, and if it is not called up tomorrow, why?

Mr. CANNON. That is a matter which rests with the majority leader.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. HALLECK. Mr. Speaker, further reserving the right to object, if I am in error about my recollection that this measure was programed for tomorrow, I would like to have someone so inform me.

Mr. ALBERT. The chairman of the Committee on Appropriations has advised me, and he is here, that the committee will not be ready tomorrow. It is only on that basis that we have considered postponing consideration of this bill.

Mr. HALLECK. Mr. Speaker, the committee could be ready tomorrow, without any question. This matter has been before the committee for a long, long time. I fail to see any real reason why it could not have been brought to the floor of the House a long time ago, unless there were some extraneous matters under consideration.

I am constrained to believe that is the real reason, but I want the Members of the House generally to know, those who hope for an early sine die adjournment, that this sort of delay only postpones the date of adjournment and, in my opinion, is not right. Of course there is nothing further I can do about it.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JENSEN reserved all points of order against the bill.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 186]

Alger	Davis, Tenn.	McSween
Ashley	Diggs	Milliken
Baker	Evins	Pilcher
Bell	Gubser	Rabaut
Boykin	Hall	Reece
Brooks, La.	Hébert	Santangelo
Broyhill	Holland	Siler
Buckley	Johnson, Md	Van Pelt
Cramer	Kilburn	Westland
Dague	McDowell	

The SPEAKER pro tempore. On this rollcall, 406 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERSONAL ANNOUNCEMENT

Mr. BONNER. Mr. Speaker, on rollcall No. 180, I was unavoidably absent from the House on official business. Had I been present, I would have voted for the resolution prohibiting the entry of Red China into the United Nations.

THERE SHOULD BE NO PENALTY FOR DELAYED FILING FOR OLD-AGE INSURANCE BENEFITS

Mr. YATES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Speaker, I am today introducing a bill which will correct a gross inequity in the social security law. In the spring of 1952 a resident of my district called at his local social security office in Chicago to inquire whether he would be eligible for benefits at age 65 and was told that he was not fully insured. When he reached 65 years of age in 1954, he again called at the social security local office and was once more informed that he was not fully insured, and no application for benefits was taken.

In 1961 this gentleman attended a meeting where a representative of the Social Security Administration spoke, and he was advised at that time to file a claim inasmuch as the speaker believed he was qualified for benefits. His claim was filed in February 1961, at which time his earnings record was obtained and he was found to have been fully insured as of the month in which he became 65 years of age in 1954. Under the law, since no written claim for benefits was filed, his social security annuity payments could be retroactive only to February 1960.

Mr. Speaker, it seems to me that this is a very unfair situation and I believe the law should be amended. Certainly, this is not an isolated case. I have, therefore, introduced a bill to amend title II of the Social Security Act to provide that an individual who is otherwise qualified but delays filing his application for old-age insurance benefits—or for wife's, husband's, or child's benefits in certain cases—should be entitled to such benefits from the time he originally became so qualified.

THE CONSENT CALENDAR

The SPEAKER pro tempore. This is Consent Calendar Day. The Clerk will call the first bill on the calendar.

PRACTICABILITY OF ADOPTING THE METRIC SYSTEM

The Clerk called the bill (H.R. 2049) to provide that the National Bureau of Standards shall conduct a program of investigation, research, and survey to determine the practicability of the adoption by the United States of the metric system of weights and measures.

Mr. GROSS. Mr. Speaker, reserving the right to object——

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. FULTON. May I ask the gentleman what is his particular objection to the bill? Is it because two investigations will be going on at the same time, each of which will be expensive? If so, I would like to take up that matter with the committee and eliminate his objection.

Mr. GROSS. My objection to the bill is that it provides half a million dollars for a study of the metric system. I am not opposed to the establishment of the metric system as the standard of weights and measures for the country, but I know of no reason why we should spend half a million dollars for a study. As I have said before, if it is decided that we should go to the metric system, then let a firm date be fixed, say 5, 7, or 10 years hence; let the children be educated in the metric system and information about it disseminated throughout the country.

Mr. FULTON. Would the gentleman object to the sum of $50,000 for an information program to promote the changeover to the metric system?

Mr. GROSS. I would not object to an appropriation of $50,000 for that purpose, but I think it ought to be provided in a different bill. This bill calls for an investigation and study, which in my opinion are unnecessary.

Mr. GEORGE P. MILLER. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from California.

Mr. GEORGE P. MILLER. May I point out to the gentleman that this changeover to the metric system would create a great impact upon American industry. Desirable as the metric system is, it is something that is going to cause a great deal of confusion and expense. The best way of approaching it is to let those who are competent in this field make this study and report back to the House.

I am convinced in my own mind that the metric system is very desirable, but who am I to tell the automobile industry, or the aircraft industry, that the great changeover that must take place is going to be made upon my judgment? I do not think anyone can question the competency of the Bureau of Standards to do this work.

May I point out to the gentleman that whereas there is a money factor in this bill, it does provide for this investigation by the Bureau of Standards; but they would have to come to the Appropriations Committee next year and ask for money and justify the way they would spend it. I feel we are generous in providing $500,000, but on the other hand I do not want this thing put over under any false pretenses.

Mr. GROSS. Mr. Speaker, I have no doubt that the Bureau of Standards can give us the answer to this question today. It is unnecessary to spend half a million dollars for a study.

Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

ISSUE CERTIFICATES OF HONORABLE DISCHARGE

The Clerk called the bill (H.R. 2292) to authorize the Secretary of the Treasury to issue certificates of honorable discharge in lieu of certificates of disenrollment to certain persons who served as temporary members of the U.S. Coast Guard Reserve during World War II.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 21 of title 14, United States Code, be amended by inserting therein after section 762 the following new section:

"§ 763. Honorable discharge of temporary members

"In recognition of the service of temporary members of the Reserve during World War II, the Secretary may upon request issue a certificate of honorable discharge in lieu of a certificate of disenrollment issued to any person following disenrollment under honorable conditions from service as a temporary member during the period from December 7, 1941, to July 1, 1946, both dates inclusive. Issuance of a certificate of honorable discharge to any person under this section does not entitle him to any rights, privileges, or benefits under any law of the United States."

(b) The analysis of chapter 21 of title 14, United States Code, is amended by inserting following

"762. Women's Reserve"

the following:

"763. Honorable discharge of temporary members."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF REVERSIONARY RIGHTS TO JASPER COUNTY, GA.

The Clerk called the bill (H.R. 4939) to provide for the conveyance of all right, title, and interest of the United States in a certain tract of land in Jasper County, Ga., to the Jasper County Board of Education.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object——

Mr. VINSON. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Georgia.

Mr. VINSON. I may say to the gentleman from Iowa if there is no objection, I propose to offer an amendment on page 2, line 1, inserting the words "at fair market value." The bill would then read in part:

The Farmers Home Administration, is authorized and directed to convey by quitclaim deed to the Board of Education of Jasper County, State of Georgia, its successors and assigns, at fair market value, all of the right, title, and interest retained by the United States of America.

Mr. GROSS. In other words, the gentleman's amendment would provide that the county in Georgia would pay the fair market value for the property to be conveyed, as well as for the improvements, whatever they may be.

Mr. VINSON. Yes, whatever the fair market value would be for the interest the Government has, and that will have to be paid before the county gets the property.

Mr. GROSS. I thank the gentleman for offering the amendment, and I regret that I had to ask that the bill be passed over last time.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That upon the written consent of the assistant secretary of the Georgia Development Authority, a public corporation organized and existing under the laws of the State of Georgia, the United States of America, acting through the Administrator of the Farmers Home Administration, is authorized and directed to convey by quitclaim deed to the Board of Education of Jasper County, State of Georgia, its successors and assigns, all of the right, title, and interest retained by the United States of America in its quitclaim deed to the Board of Education of Jasper County, Georgia, dated the 26th day of April 1940, and recorded on the 18th day of June 1940, in deed recorded in book A–6, pages 160, 161, and 162, in the office of the clerk of the superior court of Jasper County, Georgia, covering a tract of land containing 42.65 acres, more or less, in Jasper County, Georgia, and more particularly described as follows:

Beginning at the point of intersection of the northern right-of-way line of Benton Road with the eastern right-of-way line of road "A" and running along the eastern right-of-way line of said road "A" north 44 degrees 52 minutes east 1,384.33 feet to the point of curvature of a curve to the right having a degree of curvature of 22 degrees 00 minutes;

Thence, along the said curve through the arc whose chord is north 55 degrees 40 minutes 30 seconds east 99.22 feet to a point of tangency; thence along said eastern right-of-way line north 66 degrees 37 minutes east 632.90 feet; thence, leaving said right-of-way line south 12 degrees 05 minutes for a distance of 891.10 feet; thence south 34 degrees 28 minutes west 1,290.76 feet to a point on the northern right-of-way line of Benton Road;

Thence along said northern right-of-way line north 63 degrees 28 minutes west 271.25 feet to the point of curvature of a curve to the right, having a degree of curvature of 04 degrees 04 minutes; thence along said curve through the arc whose chord is north 61 degrees 57 minutes west 74.52 feet to a point of tangency; thence north 60 degrees 26 minutes west 392.32 feet to the point of curvature of a curve to the right, having a degree of curvature of 04 degrees 04 minutes;

Thence along said curve through the arc whose chord is north 58 degrees 13 minutes west 108.90 feet to a point of tangency; thence north 56 degrees 00 minutes 426.48 feet to the point of beginning; all of which is more clearly shown on a plat thereof prepared by the United States Department of Agriculture, Farm Security Administration, dated March 17, 1938, together with all buildings and other improvements thereon, including all equipment of whatsoever nature therein.

With the following committee amendments:

Page 1, line 3, strike out "of the Assistant Secretary".

Page 2, line 21, after the word "minutes" insert "east".

Page 3, line 9, after the word "minutes" insert "west".

Page 3, line 13, after "1938" insert "and revised November 14, 1939, and designated as plan numbered 3003–PP,".

The committee amendments were agreed to.

Mr. VINSON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VINSON: On page 2, line 1, after the word "assigns," insert the words "at fair market value".

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RECOGNIZING OFFICIALLY SAN DIEGO AS THE BIRTHPLACE OF NAVAL AVIATION

The Clerk called House Resolution 208.

The SPEAKER pro tempore. Is there objection to the present consideration of House Concurrent Resolution 208?

Mr. STRATTON. Mr. Speaker, reserving the right to object, this is a relatively innocent looking bill that provides for designating a historical site; namely, the birthplace of naval aviation. This bill would put the House in the position of writing history. If this legislation were to be passed, we would in fact be rewriting history and indeed distorting it. The bill passed the Committee on Armed Services on the basis of inadequate information. I voted against the bill at the time, and one other member of the committee, if my recollection is correct, voted against it also.

The bill was based on the basis of a letter from the Navy Department which agreed that some early flight of the first naval aviator had taken place in San Diego, Calif. But, as a matter of fact, Mr. Speaker, as the RECORD for August 23 will disclose, there are two important bits of information bearing on this subject which the Navy did not disclose in its letter to the committee that which I uncovered later on through careful investigation.

One of them is that the first aircraft ever owned by the Navy first flew on the 1st of July 1911, not in San Diego, Calif., but in the great Empire State of New York at Hammondsport. The second fact that the Navy did not disclose to the committee at the time this legislation was under consideration was the fact that way back in 1948 the Navy had already officially designated the birthday of naval aviation as May 8, 1911. Now that day happens to be the day when Glen Curtiss was conducting his flying operations in the great Empire State of New York at Hammondsport, not at San Diego. It was in fact the day on which the first naval plane was requisitioned by the Navy, the famous A–1, built and flown in New York State, not California.

So it is quite clear, Mr. Speaker, that the birthplace of naval aviation is not San Diego but is in New York State, at Hammondsport, to be exact, and I think we would be making a great mistake if we were to pass this bill today and thereby to distort the actual record of our Nation's history.

Mr. ROBISON. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from New York.

Mr. ROBISON. Mr. Speaker, I would like to join with the gentleman from New York [Mr. STRATTON] in behalf of the good people of Hammondsport, N.Y.,

which is located in my congressional district, and who have, I think, a sound and responsible claim for being recognized as the birthplace of naval aviation. In fact, they are planning to commemorate that occasion this October.

Mr. STRATTON. I think there may be some confusion here, because there were, of course, a number of birth pangs of naval aviation that took place in other locations around the country. But it is quite clear, as I have shown, that the actual birth itself took place in New York State.

Mr. WILSON of California. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from California.

Mr. WILSON of California. Mr. Speaker, I would point out that many sections of the country contributed to the birth pangs of naval aviation. There is no question about that. But in California—and I really hate to bring this up—the fact that Glen Curtiss came out to San Diego in January to conduct his first flight experiments with a seaplane is obvious; he could fly in January there, whereas he could not fly in New York in January. So, climate became a very important factor in the fact that the very first birthplace of aviation was in San Diego.

Mr. Speaker, we have the best place for it, the Armed Services Committee considered this carefully and passed it, with only two votes against it. It is obvious, Mr. Speaker, that we are backing up the Navy's position that San Diego is truly the birthplace of naval aviation. I would ask the House to support the Navy's point of view in this regard.

Mr. GEORGE P. MILLER. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from California.

Mr. GEORGE P. MILLER. Mr. Speaker, I want to get into this birth pang business, too; after all, the first airplane to fly off the deck of a battleship took place in San Francisco Harbor when the U.S.S. *Pennsylvania* was anchored in battleship row, if I am not mistaken, this took place in the portion of the bay that lies in Alameda County.

Mr. SIKES. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Speaker, I do not want this occasion to get by without associating Pensacola with all of this activity. After all, the Navy's air arm did not amount to anything until it got down to Pensacola and started making Pensacola its principal training area.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from North Carolina.

Mr. BONNER. Mr. Speaker, with reference to all of this discussion about the birthplace of aviation of the Army, the Navy, and so forth, I want to call to the attention of the House again, lest it be overlooked and forgotten in this turmoil, that the Wright brothers were the first aviators to fly, at Kitty Hawk on the coast of North Carolina.

Mr. LANKFORD. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Maryland.

Mr. LANKFORD. Mr. Speaker, may I add one word to this? There are many places that are the birthplace of naval aviation. I would like to add Annapolis, Md., to these claims, because the first naval aviation camp ever established was established on Greenbury Point just across the Severn River in Anne Arundel County.

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HARDY. Mr. Speaker, reserving the right to object, let me make a few observations. I have listened intently to these claims of my colleagues from widely separated localities, and I must observe that the mother of naval aviation must have been extremely ubiquitous. I do not contest the statement of my friend from California [Mr. WILSON] that the first naval aviator training was conducted in San Diego. Likewise, I would concede the contention of my friend from New York [Mr. STRATTON] that naval aviator No. 1 was so designated in Hammondsport, and perhaps my colleagues who have participated in this discussion can support their claims if we let each of them provide a separate definition of what the term "birthplace" connotes.

But now let me put all of these claims to rest. History accurately records that the Navy's early interest in aviation prompted the construction of a 57-foot platform on the deck of the U.S.S. *Birmingham*. By my definition it was here that naval aviation was born on November 14, 1910, for that was the date on which the Navy arranged for the takeoff of an aircraft from this platform on the U.S.S. *Birmingham* while she was in Hampton Roads, 2½ miles from the shore of what is now the city of Norfolk. The record of this historic flight indicates that the plane dipped dangerously close to the water, but the pilot had made a successful takeoff and landed safely on the Norfolk shore.

Mr. Speaker, since this was the first actual naval flight from a Navy ship, and since it predates all of these claims of my colleagues, the Members will understand why I must object both to the request that the bill be passed over without prejudice and to the consideration of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HARDY. Mr. Speaker, I object.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. HARDY. Mr. Speaker, I object.

THE JOHN A. BLATNIK LOCK IN MICHIGAN

The Clerk called the bill (H.R. 947) to designate the new lock on the St. Mary's River at Sault Ste. Marie, Mich., as the John A. Blatnik lock.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. PELLY. Mr. Speaker, at the request of another Member I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

NATIONAL BOTANIC GARDEN, HAWAII

The Clerk called the bill (H.R. 5628) to provide for a study and investigation of the desirability and feasibility of establishing and maintaining a National Tropical Botanic Garden.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

PROTECTION OF CERTAIN COMMUNICATIONS FACILITIES

The Clerk called the bill (S. 1990) to amend section 1362 of title 18 of the United States Code so as to further protect the internal security of the United States by providing penalties for malicious damage to certain communications facilities.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DOWDY. Mr. Speaker, I ask unanimous consent to extend by remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DOWDY. Mr. Speaker, I support this legislation, and urge that it be given serious consideration by the House.

The bill S. 1990 was passed by the other body on June 29, 1961. The House Judiciary Committee, at my request reported the Senate bill as a substitute for my bill, H.R. 3749, on the same subject. I preferred my own proposal, but, realizing the immediate need for legislation, was and am willing to accept this.

Its purpose is to correct certain deficiencies in section 1362 of title 18 of the United States Code to provide more adequate penalties for willful and malicious damage to or interference with communication facilities of the United States, and extends the coverage of the statute to include communication facilities used or intended to be used for military or civilian defense functions of the United States.

When we discuss war, we immediately associate tanks, planes, guns, and ships; men, materiel, transport, and production. All of these are essential elements of waging war. All are vital to the outcome of a battle. So indeed, are generals

and admirals, vital to the outcome of a military operation. Yet none of these essential elements of defense or combat could be utilized to fulfill its assigned mission without adequate, available, and efficient communications. Military strategists from Von Clausewitz to MacArthur have made particular note of the overriding importance of communications in military operations. Field commanders consider personnel, intelligence, operational plan, logistics, and communications in that order because the success or failure of their mission ultimately rests on their communications capability.

Even at the risk of being dubbed an armchair tactician, I urge we do not overlook the possibility that should war again be our fate, it may well be fought here in these United States, and should that war come, communication facilities, as we know and enjoy them, will be our most precious asset. Nothing is more vital to our modern defense effort.

Section 1362 of title 18 United States Code currently provides that the willful or malicious injury to or destruction of communication facilities operated or controlled by the United States, is a criminal offense. The bill under consideration would extend this definitive coverage to include communication facilities used or intended for use in military or civilian defense functions of the United States.

The current statutes provide maximum penalties on conviction under this statute of a fine of $1,000, or imprisonment for not more than 3 years, or both. The bill under consideration would impose a maximum fine of $10,000, or imprisonment for not more than 10 years, or both. I would have welcomed objection on the basis these penalties were insufficient for the enormity of the crime, however, a step in the right direction is a constructive step.

Mr. Speaker, there is no question this legislation is needed and warranted. The Defense Department has this to say on the issue:

> The Defense Department is one of the largest users of commercial communications in the United States. Commercial circuits are utilized for the aircraft and warning network, ground observer telephone system, military air raid warning system, Strategic Air Command communication network, and other systems and networks necessary for weather reporting, command and logistical support. In view of the responsibility of the Department of Defense, the disruption, by willful or malicious acts, of any commercial communications system so employed, could gravely endanger the national existence.
>
> The Department of Defense feels that enactment (of this legislation) would establish a deterrent which would do much to protect the integrity of commercial communications systems utilized by the military departments.

I submit that Congress must afford the safeguard of Federal criminal sanctions against willful and malicious disruption and destruction of these facilities, without which, the core of our defense effort would be paralyzed. In the past, the Congress has seen fit, and I believe wisely, to extend the protection of a Federal criminal law to include the major commercial modes of transportation. Today, when time is expressed in microseconds, when a delay or even a second's pause might spell the difference between the destruction of an enemy missile or the destruction of an American city and its entire population, we would be negligent to our responsibility were we to fail to afford protection to this vulnerable facet of our defense system. In taking final action on the bill before us, we are faced with the choice of protecting our defense communications system, or inviting espionage, sabotage and the possible defeat of this Nation by an invader. There is no other consideration or deliberation germane to this issue.

Let us therefore think long and hard on the consequences before objecting to or passing over this proposal. Should it fall by the wayside, our very lives may well fall with it. Adjournment may likely foreclose possibility of another opportunity to consider the bill during this session.

Mr. Speaker, this bill should pass.

RECREATION FACILITIES IN RESERVOIR AREAS

The Clerk called the bill (S. 48) to authorize the Secretary of the Army to modify certain leases entered into for the provision of recreation facilities in reservoir areas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Chief of Engineers, under the supervision of the Secretary of the Army, is authorized to amend any lease entered into before November 1, 1956, providing for the construction, maintenance, and operation of commercial recreational facilities at a water resource development project under the jurisdiction of the Secretary of the Army so as to provide for the adjustment, either by increase or decrease, from time to time during the term of such lease of the amount of rental or other consideration payable to the United States under such lease, when and to the extent he determines such adjustment or extension to be necessary or advisable in the public interest. No adjustment shall be made under the authority of this Act so as to increase or decrease the amount of rental or other consideration payable under such lease for any period prior to the date of such adjustment.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FUNDS OF CONFEDERATED TRIBES OF COLVILLE RESERVATION

The Clerk called the bill (H.R. 8236) to authorize the use of funds arising from judgments in favor of any of the Confederated Tribes of the Colville Reservation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the funds on deposit in the Treasury of the United States to the credit of the Colville Tribe, San Poells-Nespelem Tribe, Okanogan Tribe, Methow Tribe, and Lake Tribe (certain constituent groups of the Confederated Tribes of the Colville Reservation) that were appropriated to pay a judgment of the Indian Claims Commission dated March 1, 1960, in docket numbered 181, and the funds which may be deposited in the Treasury of the United States to the credit of the said constituent groups or any other constituent groups of the Confederated Tribes of the Colville Reservation to pay any judgments arising out of proceedings presently pending before the Indian Claims Commission in dockets numbered 161, 179, 181–A, 181–B, 181–C, 222, and 224, and the interest on said judgments, after payment of attorney fees and expenses, shall be credited to the account of the Confederated Tribes of the Colville Reservation, and may be advanced or expended for any purpose that is authorized by the tribal governing body of the Confederated Tribes of the Colville Reservation and approved by the Secretary of the Interior. Any part of such funds that may be distributed per capita to the members of the tribes shall not be subject to Federal or State income tax.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FUNDS TO THE NEZ PERCE TRIBE OF IDAHO

The Clerk called the bill (S. 322) to make certain funds available to the Nez Perce Tribe of Idaho.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I should like to ask a question about this bill. Is it true that this provides for a payment of $6,455 to the Nez Perce Indians, money that has been due them for 60 years?

Mr. HALEY. Mr. Speaker, if the gentleman will yield, that is correct.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I am happy to yield.

Mr. ASPINALL. These are moneys which under previous commitments have gone to individuals of the tribe and they were never picked up. These are interest moneys. They have been held in this account.

Mr. GROSS. Mr. Speaker, all I want to say is, having established that fact, if these were a bunch of foreigners they would have been paid $6,455,000, and in 60 minutes, not 60 years.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. HALEY. Mr. Speaker, I would like to say to the gentleman from Iowa [Mr. GROSS] that I was trying to get these moneys disbursed to the Indians of the United States before they paid out those billions of dollars abroad. I wanted to get this money to them before the Treasury was completely cleaned out because of spending on the foreigners.

Mr. GROSS. Mr. Speaker, I compliment the gentleman in his efforts to provide justice for these Indians; I withdraw my reservation of objection.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That the Secretary of the Interior make available the unexpended balances of funds in the Treasury of the United States under the following symbols and titles:

(1) 14X7063 Nez Perces of Idaho fund;

(2) 14X7563 interests and accruals on interest, Nez Perces of Idaho fund;

to the Nez Perce Tribe of Idaho for purposes the tribe requests and approved by the Secretary of the Interior.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE SENECA LEASING ACT

The Clerk called the bill (S. 344) to amend the Seneca Leasing Act of August 14, 1950 (64 Stat. 442).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act of August 14, 1950 (64 Stat. 442), be, and hereby is, amended to read as follows: "The money so received shall be available for disposal and expenditure by the council of the Seneca Nation in accordance with the constitution and laws of the nation. The council of the Seneca Nation shall keep complete and detailed records of all payments and disbursements from the funds under its control, and shall make such records available for inspection by members of the Seneca Nation at all reasonable times."

SEC. 2. Section 5 of the Act of August 14, 1950 (64 Stat. 442), is amended by inserting after "to lease" the last time the verb appears the words "or grant easements or rights-of-way on".

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. FORD. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. GOODELL], may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GOODELL. Mr. Speaker, the purpose of S. 344 is to amend the act of August 14, 1950 (64 Stat. 442) by allowing the Seneca Nation more discretion in the handling of its affairs. The bill would remove the limitation of $5,000 on the amount of expenditures from lease income, permitting the nation to use all or part of that income for expenditures, for accumulation or for per capita distribution.

The bill is similar to H.R. 6298 which I introduced on April 13, 1961. The Senate bill was introduced by Senator KENNETH B. KEATING, of New York.

The Council of the Seneca Nation, by formal resolutions dated December 8, 1959, and again in December 1960, supported the removal of the expenditure limitation.

At the suggestion of the Department of the Interior, the respective committees in the House and Senate amended the respective bills to eliminate the original provision which would have required the per capita distribution of those amounts of lease income not actually expended. In addition and again at the suggestion of the Department, the bills were amended to permit the Senecas to grant easements and rights-of-way without prior departmental approval. By resolution dated June 9, 1961, the Seneca Council endorsed both these amendments.

As amended the bills have the support of the Bureau of Indian Affairs of the Department of the Interior.

Passage of this measure will do much to aid the Seneca Nation which has been sorely beset with tribulation caused by the violation of its treaty with the United States and the flooding of its lands by the Allegheny River project.

DISPOSITION OF JUDGMENT FUNDS OF OMAHA INDIANS

The Clerk called the bill (S. 1518) providing for the disposition of judgment funds of the Omaha Tribe of Indians.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed, pursuant to such regulations as may be issued by him, to prepare a roll of Omaha Indians whose names appear on the Omaha allotment rolls finally approved pursuant to the Acts of Congress of August 7, 1882 (22 Stat. 341) and March 3, 1893 (27 Stat. 612), and who are living on the date of this Act, and the descendants of such allottees who are born and living on the date of this Act and who possess Omaha blood of the degree of one-fourth or more regardless of whether such allottees are living or deceased: *Provided,* That no person who is enrolled with any other tribe of Indians or who has received an allotment of land on any other reservation shall be enrolled under the provisions of this Act unless the application for enrollment by such person is approved by a two-thirds vote of the governing body of the Omaha Tribe of Nebraska. Applications for enrollment must be filed with the area director of the Bureau of Indian Affairs, Aberdeen, South Dakota, within four months after the date of this Act. For a period of three months thereafter, the Secretary shall permit the examination of the applications by the governing body of the Omaha Tribe of Nebraska for the purpose of lodging protests against any application. The determination of the Secretary regarding the eligibility of an applicant shall be final.

SEC. 2. The roll prepared pursuant to section 1 of this Act shall constitute the membership roll of the Omaha Tribe of Nebraska as of the date of this Act, notwithstanding the provisions of article II, section 1 of the tribal constitution, and children who are born after the date of this Act may be enrolled if they meet the requirements of section 1(b) of article II of the tribal constitution, applicable to children born after the date that amendment I to said constitution was approved, or any amendment thereof.

SEC. 3. Of the funds on deposit in the Treasury of the United States to the credit of the Omaha Tribe of Nebraska that were appropriated to pay a judgment by the Indian Claims Commission dated February 11, 1960, and the interest thereon, after payment of attorneys' fees and expenses, the Secretary of the Interior shall make a per capita distribution of a sum up to a maximum of $750, to the extent available, to each person whose name appears on the roll prepared pursuant to section 1 of this Act; and the balance of such funds after making payment of or provision for such per capita distribution and accrued and accruing interest, if any, may be advanced or expended for any purpose that is authorized by the tribal governing body and approved in writing by the Secretary. The funds so distributed shall not be subject to Federal or State income taxes.

SEC. 4. (a) Except as provided in subsection (b) of this section, the Secretary shall distribute a per capita share payable to a living enrollee directly to such enrollee, and the Secretary shall distribute a per capita share payable to a deceased enrollee directed to his next of kin or legatees as determined by the laws of the place of domicile of the decedent upon proof of death and inheritance satisfactory to the Secretary, whose findings upon such proof shall be final and conclusive.

(b) A share payable to a person under twenty-one years of age or to a person under a legal disability shall be paid in accordance with such procedures as the Secretary determines will adequately protect the best interests of such persons.

SEC. 5. No part of any of the funds which may be so distributed shall be subject to any lien, debt, or claim of any nature whatsoever against the tribe or individual Indians except delinquent debts owed by the tribe to the United States or owed by individual Indians to the tribe or to the United States.

SEC. 6. All costs incurred by the Secretary in the preparation of the roll and in the payment of the per capita shares in accordance with provisions of this Act shall be paid by appropriate withdrawals from the judgment fund.

SEC. 7. The Secretary is authorized to prescribe rules and regulations to carry out the provisions of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESTORATION TO TRIBES OF CERTAIN TRUST FUNDS

The Clerk called the bill (S. 1768) to provide for the restoration to Indian tribes of unclaimed per capita and other individual payments of tribal trust funds.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That unless otherwise specifically provided by law, the share of an individual member of an Indian tribe or group in a per capita or other distribution, individualization, segregation, or proration of Indian tribal or group funds held in trust by the United States, or in an annuity payment under a treaty, heretofore or hereafter authorized by law, shall be restored to tribal ownership if for any reason such share cannot be paid to the individual entitled thereto and remains unclaimed for a period of six years from the date of the administrative directive to make the payment, or one year from the date of this Act, whichever occurs later: *Provided,* That if such individual is a member of an Indian tribe or group that has no governing body recognized by the Secretary of the Interior as authorized to act on behalf of the tribe or group, such unpaid share shall be regarded as not

capable of restoration to a tribal or group entity and shall be deposited in the general fund of the Treasury of the United States.

With the following committee amendments:

Page 1, line 8, after the word "law," insert the following: "and any interest earned on such share that is properly creditable to the individual".

Page 2, line 6, after the word "share" insert "and interest".

Page 2, after line 8, add a new section to read as follows:

"SEC. 2. The Secretary shall not restore to tribal ownership or deposit in the general fund of the Treasury any funds pursuant to this Act until 60 calendar days (exclusive of days on which either the Senate or the House of Representatives is not in session because of an adjournment of more than three days to a day certain) after he has submitted notice of his proposed action to the Committees on Interior and Insular Affairs of the Senate and House of Representatives unless each of said Committees has theretofore notified him that it has no objection to the proposed action."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CRIMINAL OFFENSES NOT COMMITTED IN ANY DISTRICT

The Clerk called the bill (H.R. 7037) to amend section 3238 of title 18, United States Code.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3238 of title 18, United States Code, is amended to read as follows:

"§ 3238. Offenses not committed in any district

"The trial of all offenses begun or committed upon the high seas, or elsewhere out of the jurisdiction of any particular State or district, shall be in the district in which the offender, or any one of two or more joint offenders, is arrested or is first brought; but if such offender or offenders are not so arrested or brought into any district, an indictment or information may be filed in the district of the last known residence of the offender or of any one of two or more joint offenders, or if no such residence is known the indictment or information may be filed in the District of Columbia."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BAR TRANSPORTATION OF FRAUDULENT STATE TAX STAMPS

The Clerk called the bill (H.R. 1777) to amend title 18 of the United States Code to prohibit the counterfeiting of State obligations in certain cases, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 25 of title 18 of the United States Code is amended by adding at the end thereof the following new section:

"§ 510. Obligations of States

"(a) Whoever makes any thing which appears or is intended to appear to be an obligation of any State, with reasonable grounds for belief that such thing will be used for a fraudulent purpose, and with reasonable grounds for belief that such thing will be transported in interstate commerce, shall be fined not more than $5,000, or imprisoned not more than five years, or both.

"(b) Whoever makes any thing which appears or is intended to appear to be an obligation of any State, and which shows on its face the probable nature of such obligation and the identity of such State, in any other State, without lawful authorization by the apparent issuer, shall be presumed to have done so with reasonable grounds for belief that it would be used for a fraudulent purpose and that it would be transported in interstate commerce.

"(c) Whoever willfully makes or possesses any plate, die, stone, or other thing used or intended to be used in the commission of a violation of subsection (a) of this section, shall be fined not more than $5,000, or imprisoned not more than five years, or both.

"(d) For the purposes of this section—

"(1) The term 'obligation' includes a bond, note, certificate of indebtedness, tax stamp, tax token, or other similar evidence of an obligation running to or from a State, or evidence of the discharge thereof.

"The term 'an obligation of any State' includes an obligation of the District of Columbia, the Commonwealth of Puerto Rico, and the several territories and possessions of the United States, and any political subdivision of any of them."

SEC. 2. The analysis at the beginning of chapter 25 of title 18 of the United States Code is amended by adding at the end thereof the following:

"510. Obligations of States."

Amend the title so as to read: "A bill to amend title 18 of the United States Code to prohibit the transportation of fraudulent State tax stamps in interstate and foreign commerce, and for other purposes."

With the following committee amendment:

Strike all after the enacting clause and insert:

"That section 2311 of title 18 of the United States Code is amended by inserting, immediately before the last paragraph, the following new paragraph:

" ' "Tax Stamp" includes any tax stamp, tax token, tax meter imprint, or any other form of evidence of an obligation running to a State, or evidence of the discharge thereof;'

"SEC. 2. Section 2314 of title 18 of the United States Code is amended as follows:

"(a) by inserting after the word 'securities' in the third paragraph thereof, the words 'or tax stamps', and

"(b) by inserting after the word 'security' in the fourth paragraph thereof, the words 'or tax stamp', and

"(c) by amending the heading of section 2314 to read as follows:

" '§ 2314. Transportation of stolen goods, securities, monies, fraudulent State tax stamps, or articles used in counterfeiting.'

"SEC. 3. Section 2315 of title 18 of the United States Code is amended as follows:

"(a) by inserting after the word 'securities' wherever it appears in the second paragraph thereof, the words 'or tax stamps', and

"(b) by inserting after the word 'security' wherever it appears in the third paragraph thereof, the words 'or tax stamp', and

"(c) by amending the heading of section 2315 to read as follows:

" '§ 2315. Sale or receipt of stolen goods, securities, monies, or fraudulent State tax stamps.'

"SEC. 4. The section analysis of chapter 113 of title 18 of the United States Code is amended to read as follows:

" 'CHAPTER 113.—STOLEN PROPERTY

" 'Sec.
" '2311. Definitions.
" '2312. Transportation of stolen vehicles.
" '2313. Sale or receipt of stolen vehicles.
" '2314. Transportation of stolen goods, securities, monies, fraudulent State tax stamps, or articles used in counterfeiting.
" '2315. Sale or receipt of stolen goods, securities, monies or fraudulent State tax stamps.
" '2316. Transportation of cattle.
" '2317. Sale or receipt of cattle.' "

The committee amendment was agreed to.

Mr. McCULLOCH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McCULLOCH. Mr. Speaker, I rise to support H.R. 1777 as amended by the Committee on the Judiciary. As amended this bill will permit Federal authorities to be of assistance to State and local officials in apprehending the counterfeiters of State tax stamps and other State obligations.

Very exhaustive hearings were held before Subcommittee No. 2 of the Judiciary Committee. Many State tax officials including the tax commissioner of the State of Ohio, testified concerning the need to strengthen criminal law enforcement in the field of forged and counterfeited State obligations.

The States are able to cope with this problem in those instances in which the entire illegal operation is carried out within the jurisdiction of the State. But, as with some of the other criminal activities with which the Judiciary Committee has concerned itself this year, these operations often are conducted across State boundaries. Therefore, State officials acting alone are under a great handicap in apprehending and arresting the individuals who are principally responsible.

H.R. 1777, as amended by the Judiciary Committee, will be of great assistance to State officials. It will add a new classification, that of counterfeited State tax stamps and other counterfeited obligations of the States, to the offenses specified in title 18 of the United States Code. The bill will make knowingly transporting or knowingly concealing, storing or selling counterfeited State tax stamps or other counterfeited State obligations which have been transported across a State line a Federal offense. The bill will also make transportation of equipment used in counterfeiting a Federal offense.

Again referring to my own State of Ohio, the evidence before the subcommittee revealed that Ohio sustained a

loss approximating a million and a half dollars on counterfeit cigarette tax stamps and that the State has also sustained a loss, the full extent of which has not been yet determined, on forged bonds of the Ohio Turnpike Authority.

The enactment of H.R. 1777 would be at least a deterrent to this type of operation and would be of great assistance to local authorities in seeking and obtaining the cooperation of Federal authorities.

I, therefore, urge the House to pass the bill as amended.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend title 18 of the United States Code to prohibit the transportation of fraudulent State tax stamps in interstate and foreign commerce, and for other purposes."

A motion to reconsider was laid on the table.

RELIEF OF MEMBERS OF THE NATIONAL GUARD

The Clerk called the bill (S. 935) for the relief of certain members of the Army National Guard of the United States and the Air National Guard of the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 15 through 20, inclusive, of the Federal Employees' Compensation Act, as amended (U.S.C., title 5, secs. 765–770), are hereby waived with respect to cases involving those members of the Army National Guard and the Air National Guard of the United States alleged to have suffered disability or death from compensable causes which arose during the period from August 7, 1947, to December 31, 1956, inclusive, and their claims or the claims of their dependents for compensation by reason of the Act of July 15, 1939 (5 U.S.C. 797, 797a), are authorized and directed to be considered and acted upon under the remaining provisions of the Federal Employees' Compensation Act, as amended and extended to members of military reserve components, if filed with the Department of Labor (Bureau of Employees' Compensation) within one year from the date of enactment of this Act.

SEC. 2. Notwithstanding the provisions of section 206(b)(1) of the Servicemen's and Veterans' Survivor Benefits Act any person whose rights may be affected by section 1 of this Act may receive any benefits to which he should be found eligible under the Federal Employees' Compensation Act provided he makes the election required under section 7 thereof. In the event of such an election, any benefit amounts received under any other Act for the same death shall be deducted from amounts payable for similar purposes under the Federal Employees' Compensation Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the bill, S. 935 would, by a waiver of applicable time limitations, extend to members of the Army National Guard and the Air National Guard of the United States alleged to have suffered disability or death from compensable causes which arose in the scope of their duty during the period from August 7, 1947, to December 31, 1956, authority to file their claims or the claims of their dependents for compensation under the Federal Employees' Compensation Act, as amended and extended to members of military Reserve components, provided that the claim is filed within 1 year from the date of enactment of this act.

S. 935 was originally introduced in the Senate as a private bill for the relief of Lillian Frank Sclavi, to permit her to file under the Federal Employees' Compensation Act for benefits arising out of the death of her husband, Lt. William Joseph Frank, on April 8, 1951, while serving on active Federal duty as a member of the Air National Guard.

The bill was amended in the Senate to grant general relief to similarly situated persons by providing for a waiver of applicable time limitations as to claims under the Federal Employees' Compensation Act.

The compensation provided for in the Federal Employees' Compensation Act is paid for disability or death of an employee resulting from injury sustained while in the performance of his duty as an employee of the United States. The committee in reporting this bill noted that the claims filed in accordance with the waiver of limitations contained therein are to be considered under the otherwise applicable provisions of the Federal Employees' Compensation Act. It is therefore clear that this bill merely provides for a waiver of the time requirements relating to such claims, and each of such claims must be established in accordance with the same provisions of the law that would have been applicable had the claims been filed in time.

The benefits of the Federal Employees' Compensation Act were extended by the act of July 15, 1939, to include "members of the Officers' Reserve Corps and the Enlisted Reserve Corps of the Army." Commissioned officers and enlisted men in the Air Force Reserve received derivative coverage of the act by operation of the various statutes concerning the Air Force. From the period August 7, 1947, to December 1955, the Bureau of Employees' Compensation ruled that National Guard officers were not members of the Officers' Reserve Corps and, consequently, not entitled to the benefits of the Federal Employees' Compensation Act. In December 1955 the Employees' Compensation Appeals Board set aside this long-established rule and held that Air National Guard officers, when on active Federal duty, were Reserve officers within the meaning of the Federal Employees' Compensation Act and therefore entitled to its benefits.

The Secretary of Labor suggested in his transmittal to the Senate committee that although no statistics are available, that it is a safe assumption there are numbers of instances involving National Guard officers and their survivors who were precluded from filing a timely claim because of this prior ruling of the Bureau. It was the Secretary's feeling that legislation covering all cases similar to that covered by the private bill before it would be preferable to a bill which would provide relief merely in an individual case. He therefore recommended the substitute language which is now incorporated in S. 935.

The committee was of the opinion that members or survivors of members of the Army National Guard and the Air National Guard of the United States who would have been entitled to assert their claims for benefits during the time period involved should now be given the opportunity so to do. The method suggested by the Secretary of Labor in the proposed bill is the fairest and most equitable way in which this purpose can be achieved. It is, therefore, recommended that S. 935 be favorably considered.

In addition, I think that it should be made clear that coverage extended to these officers by this bill is intended to extend only to those cases where the disabilities or deaths for which claims are filed under the act are alleged to have been caused by service on active Federal duty.

VALIDATING CERTAIN SALARY OVERPAYMENTS

The Clerk called the bill (H.R. 6535) to validate the salary overpayments made to certain officers and employees incident to the salary adjustment provisions of the Federal Employees Salary Increase Act of 1955, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the payments of compensation, including overtime, holiday, and other compensation, heretofore received by any officer or employee of the United States or the District of Columbia for the period beginning with the first day of the first pay period which began after February 28, 1955, and ending on June 28, 1955, and which were based upon erroneously retroactive wage increases administratively granted in addition to the retroactive salary adjustments authorized by section 2(c) of the Federal Employees Salary Increase Act of 1955, are hereby validated. In any case in which the amount of any such payment has heretofore been refunded to the United States, the head of the agency concerned, upon application therefor filed within two years after the enactment of this Act, shall pay out of any money currently available for the payment of compensation of employees to the officer or employee making the refund, or in the event of his death to the person entitled thereto in accordance with section 1 of the Act of August 3, 1950 (5 U.S.C. 61F), an amount equal to the amount so refunded. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States or of the municipal government of the District of Columbia, full credit shall be given for the amount of any payments validated by this Act.

With the following committee amendment:

Page 2, line 11, strike out "61F" and insert "61f".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE ACT OF SEPTEMBER 2, 1958

The Clerk called the bill (H.R. 8490) to amend the act of September 2, 1958, establishing a Commission and Advisory Committee on International Rules of Judicial Procedure, as amended.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to know from someone on the committee whether this is going to cost us any money in the future.

Mr. WALTER. I think the gentleman will be very pleased to know that this will not cost the United States a single penny. It is being financed by various foundations. This is an effort on the part of lawyers throughout the world to devise means of settling matters like decedents' estates, procurement of evidence, and so forth. It is not costing the taxpayer a penny.

Mr. GROSS. I thank the gentleman. I withdraw my reservation of the right to object, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second paragraph of subsection (b) of section 7 of the Act of September 2, 1958, "An Act to establish a Commission and Advisory Committee on International Rules of Judicial Procedure" (72 Stat. 1743, 1745), as amended by the Act of September 16, 1959 (73 Stat. 567), is further amended to read as follows:

"The Commission shall submit its final report and the Commission and the Advisory Committee shall terminate prior to December 31, 1963."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CENTENNIAL OF ENACTMENT OF HOMESTEAD ACT

The Clerk called the joint resolution (S.J. Res. 98) to provide for the observance of the centennial of the enactment of the Homestead Act.

There being no objection, the Clerk read the joint resolution as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is requested (1) to issue a proclamation designating the calendar year 1962 as the centennial of the enactment of the Homestead Act, and calling upon the Governors of the States, mayors of cities, and other public officials, as well as other persons, organizations, and groups, particularly in the States most directly affected by the Homestead Act, to observe such centennial by appropriate celebrations and ceremonies; and (2) to provide, in such manner as he deems appropriate, for participation by Federal agencies and officials in such observance.

Mr. WEAVER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. WEAVER. Mr. Speaker, I welcome this opportunity to express my support and urge passage of Senate Joint Resolution 98, a bill to authorize and request the President to proclaim 1962 Homestead Act Centennial Year. This resolution is identical with one I introduced in the House, House Joint Resolution 442 but to save time and expedite matters, it was felt by the Committee on the Judiciary that the Senate resolution should be taken up at this time instead of my bill. I would like to say that I worked closely with those interested in the Homestead Act celebration and that the two bills were introduced the same day.

The need for passage during this session of Congress stems from two facts. First of all, the centennial celebration would be proclaimed for the entire year, 1962, and this session will be our last opportunity to request this proclamation. Second, I know there are yearlong celebrations planned to commemorate this historic event and enactment of this resolution must come now in order to lend the support of the Congress, the Executive, and the American people to these celebrations.

Mr. Speaker, I have a special interest in this legislation because the first homestead patent was issued to one Daniel Freeman, a Union soldier on leave, in Gage County which lies within the First Congressional District of Nebraska. However, this matter goes far beyond sectionalism of any kind. The significance of the Homestead Act is that, by all standards, it was one of the most forward-looking, far-reaching pieces of legislation enacted by any parliamentary body in the civilized world.

For instance, it is significant that the first patent, issued to Daniel Freeman, went to a soldier serving his Nation. Freeman was the forerunner of thousands upon thousands of veterans who have been rewarded by their country for the services they rendered in time of war. To these veterans acceptance of a land patent under the Homestead Act meant the beginning of a new life, a life of freedom which gave them full opportunity to express their individualism and to develop to their fullest potential.

Between issuance of that first patent to Daniel Freeman in Gage County and June 30, 1960, 1,466,033 patents were issued. They cover some 248,015,473 acres. The significant figure here is not the vast acreage covered but rather the tremendous number of patents issued. The million and more Americans who received these patents were the men and women who became the backbone of our American development, economically, socially, and to a great extent, morally, during the decades which followed.

During the past 100 years there has been a great deal of talk about land reform. It has been the slogan of revolutionary parties in all parts of the world. And yet, right here in America there developed quietly but effectively—without slogan—the greatest, most magnificent and lasting land reform in the history of mankind.

The Homestead Act was no mere means of disposing of land. It was a vehicle by which our Congress and Government provided new hope, new inspiration to the artisan and laborer faced with the devastating effects of the industrial revolution. It provided hope and inspiration for the small landholder deeply concerned by the trend to plantation and absentee landlord agriculture.

The Homestead Act fulfilled that hope and promise. For those who availed themselves of the opportunity, a new life opened. This new life not only benefited them; it led in large part to the greatness of our land.

Mr. Speaker, I do not believe that many persons in the uncommitted and backward nations of the world fully comprehend the significance of this act of greatness. I doubt seriously if many of their leaders even know that the Homestead Act was even written. They should know about it because it would, I think, give a real boost to the regard in which free institutions of our American society are held in these areas.

The operation of the Homestead Act which provided homes and farms for over a million Americans provides a clear contrast between democracy at work and the brutal collectivization which is presented as land reform by the Communist world.

This resolution, if enacted, would provide our country with a dramatic, effective method to bring home to these uncommitted millions the difference in approach between free men and totalitarians.

For these reasons, Mr. Speaker, I most respectfully urge prompt and favorable action on Senate Joint Resolution 98.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESIDUAL RIGHTS IN LAND IN FLORIDA

The Clerk called the bill (H.R. 7932) to amend the act of July 2, 1948, so as to repeal portions thereof relating to residual rights in certain land on Santa Rosa Island, Fla.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subparagraph e of the first section and the first sentence of section 3 of the Act entitled "An Act to authorize the Secretary of the Army to sell and convey to Okaloosa County,

State of Florida, all the right, title, and interest of the United States in and to a portion of Santa Rosa Island, Florida, and for other purposes", approved July 2, 1948 (62 Stat. 1229), are hereby repealed.

(b) The Secretary of the Army shall issue such written instruments as may be necessary to bring the conveyance made to Okaloosa County, Florida, on May 22, 1950, under authority of the Act of July 2, 1948, into conformity with the amendment made by subsection (a) of this section.

SEC. 2. The first section of this Act shall take effect on the date the county of Okaloosa, Florida, shall pay to the Secretary of the Army the fair market value, as of May 22, 1950 (as determined by the Secretary), of the property interest authorized to be conveyed to such county under the first section of this Act.

With the following committee amendment:

Page 1, strike out all of lines 3 through 9 and insert in lieu thereof the following:

"That (a) the first sentence in the first section of the Act entitled 'An Act to authorize the Secretary of the Army to sell and convey to Okaloosa County, State of Florida, all the right, title, and interest of the United States, including any restriction on use thereof, in and to a portion of Santa Rosa Island, Florida, and for other purposes', approved July 2, 1948 (62 Stat. 1229), is hereby amended by striking the words 'for recreational purposes'. Subparagraphs a, e, and g of the first section, and all of sections 2 and 3 of the Act are thereby repealed."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE NATIONAL SCIENCE FOUNDATION ACT

The Clerk called the bill (H.R. 8556) to amend the National Science Foundation Act of 1950 to require certain additional information to be filed by an applicant for a scholarship or fellowship, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. FORD. Reserving the right to object, Mr. Speaker, I would like to ask the author of the bill or some other member of the committee why in this proposal we are abolishing or limiting the non-Communist declaimer affidavit whereas in another bill that is to be before us this afternoon to extend the Defense Education Act we are retaining such a provision?

Mr. GEORGE P. MILLER. The only reason is that this bill arises from an unfortunate incident where a young man was awarded a scholarship, but without the knowledge of the National Science Foundation had been in contempt of Congress and had been convicted. The committee worked very hard and very long and worked out a plan whereby it would be a felony to withhold any information of this nature including any previous convictions. In this case we have eliminated misdemeanors where fines of less than $25 were involved where there was no penalty invoked. It is ironclad now. Under provision of the bill we cannot have a repetition of this case. It was established by the committee that the oath is not necessary.

Mr. FORD. I would like to ask two questions: One, Will the provision that is included in the proposed legisation permit the remedial action against the young man who was involved in this instance mentioned by the gentleman from California?

Mr. GEORGE P. MILLER. It was already revoked. The scholarship was revoked before it went into effect.

Mr. FORD. But this legislation will not in any way whatsoever impede executive action against incidents of this kind?

Mr. GEORGE P. MILLER. In no way that I know of.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I have asked the National Science Foundation to bring to the attention of the Justice Department that this Edward Yellin, at the time that he applied for a job with the steel corporation, had said he was a mechanic's assistant in Lansing, Mich. When he applied for a National Science Foundation scholarship, he swore he was then attending the College of the City of New York in New York in the same period, which would seem on its face to be a violation of our statutes and he is guilty of perjury. There has been no action taken on that yet by the Justice Department. I hope there is.

In answer to the gentleman's first question, I would like to refer him to page 2 of the report, which says under "section I" that we have substituted a new provision, subsection (d)(2), "which would make it a crime punishable by a fine of not more than $10,000, or imprisonment not more than 5 years, or both, for any member of any organization registered or ordered to register under section 3 of the Subversive Activities Control Act of 1950, with knowledge or notice of such registration or order, to apply for, use, or attempt to use any National Science Foundation scholarship or fellowship award."

We have made specific provision that if even the application is made, let alone the scholarship be granted or used, there is this criminal penalty.

Mr. FORD. My second question is whether this new provision conforms to the amendment which was made in the Taft-Hartley Act in 1959.

Mr. GEORGE P. MILLER. Yes, it does.

Mr. FORD. It is identical.

Mr. GEORGE P. MILLER. The precedent for this provision of criminal penalties for an affidavit is contained in the provisions of the 1959 amendments to the Taft-Hartley Act, after which it is patterned.

Mr. FULTON. It is the 1959 amendments and not the Taft-Hartley Act.

Mr. GEORGE P. MILLER. Yes, as I said, it is contained in the provisions of the 1959 amendments to the Taft-Hartley Act.

Mr. FORD. Mr. Speaker, I withdraw my reservation of objection.

Mr. GROSS. Mr. Speaker, further reserving the right to object, in reading the report, I was shocked by the language of the telegram which the National Science Foundation sent to this man, in view of his record, in which the National Science Foundation said, "We regret to advise you that your scholarship has been revoked." That is strange language to a man who is in contempt of the Congress, and who refused to answer questions with respect to whether he is a Communist or associated with subversives.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Pennsylvania.

Mr. WALTER. I think if the gentleman would read the hearings conducted by the Committee on Un-American Activities concerning the manner in which the National Science Foundation operates, he will conclude, as I have, that the National Science Foundation just does not care whom they select or what the background of the selected individual is. They take the position that this man's "politics" is none of their concern.

Mr. GROSS. I certainly appreciate the statement of the gentleman.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Pennsylvania.

Mr. FULTON. It must be said that the National Science Foundation does not favor the passage of this bill. The Science and Astronautics Committee drew up the bill without, shall we say, the concurrence of the National Science Foundation.

When questioning the Director of the National Science Foundation, I asked him if, under present law, the Foundation knew that Edward Yellin had been convicted of refusing to answer the House Committee on Un-American Activities whether he was a Communist and was later convicted of contempt of Congress, would they again give him a fellowship? The answer was, "Yes, we would give him the fellowship."

My comment was that we must then change the statutory provisions to make clear the intent of the Congress. We must make it clear that people of this type are not to get such awards. In fact, the National Science Foundation said at the time that the only reason Edward Yellin was not getting the fellowship, after being convicted of contempt of Congress and sentenced to the Federal penitentiary for a year, is not the fact that he was convicted, it was because he could not serve out the fellowship at the same time that he was serving time in the Federal penitentiary.

That is quite a remarkable statement. It was because of the man's inability to take the fellowship because he might be confined, that the National Science Foundation revoked the fellowship. It was not revoked because it was wrong to be held in contempt of Congress. I asked was it not prima facie that a man, held to be in contempt of Congress and sentenced to the Federal penitentiary for a year, should be denied the right to receive a Federal grant or fellowship of

$3,800. The National Science Foundation could not answer that question. I should like to ask the gentleman from Pennsylvania, my good friend, Mr. WALTER, if he agrees with me on this unfortunate attitude of the National Science Foundation?

Mr. WALTER. I do not think the gentleman from Pennsylvania has gone as far as I would go as to their attitude, if having had these people before you, you had the opportunity to deal adequately with, shall we say, the lax attitude that they showed toward people who are undoubtedly card-carrying, hard-boiled Communists. This fellow, Yellin, was not one of those frustrated idealists. He was an agent of Soviet Russia.

Mr. FULTON. So far as I know, the Department of Justice has taken no action against this man by bringing charges against him, even though the National Science Foundation, at our prodding, called the case to the attention of the Department some weeks ago.

I have one other question I would like to ask the gentleman from Pennsylvania.

How many other people, such as Edward Yellin, who belong to subversive organizations listed by the Attorney General, to your knowledge as chairman of the House Committee on Un-American Activities, have been considered or have received fellowships or scholarships from the National Science Foundation?

Mr. WALTER. Our inquiry has not been completed, but there are others, I think three, that we have discovered, and we are going to continue to find out who they are.

Mr. FULTON. Therefore, in addition to Edward Yellin, there are still pending three cases of people belonging to subversive organizations, who have received fellowships from the National Science Foundation; is that correct?

Mr. WALTER. That is correct.

Mr. ROUDEBUSH. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Indiana.

Mr. ROUDEBUSH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ROUDEBUSH. Mr. Speaker, I rise in support of H.R. 8556, a bill to amend the National Science Foundation Act of 1950. The provisions of this bill will tighten controls against Communists and assorted fellow travelers who apply for scholarship and fellowship scientific study grants.

Members of this body are well aware of the openly announced Communist objective of internal subversion and infiltration of our youth centers and organizations. America's college and university campuses are a prime target of these Red advances.

H.R. 8556 will give the National Science Foundation the legislative tools it requires to weed out these students before they can infect our schools while at the same time receive extraordinary scientific educations from our best schools at taxpayer expense.

This bill provides a severe criminal fine and penal sentence for any Communist who applies for a fellowship or scholarship award from the National Science Foundation. A prison term of not more than 5 years and a fine up to $10,000 or both can result for a Communist who makes an unlawful application for an award.

Another provision of this bill to amend the 1950 act gives the National Science Foundation the needed authority to reject any application it deems not in the best interests of the United States.

The bill provides, furthermore, that every scientific award applicant swear allegiance to the United States and the Constitution. Persons seeking awards also will be required to furnish full statements on past criminal convictions punishable by 30 days or more imprisonment, and any information on any criminal charges pending at the time of the application.

When it is realized that, since 1950, a total of 18,000 National Science Foundation grants costing the taxpayers of this country $54 million have been parceled out, we readily realize what a tremendous weapon this gives the Communists if they can deflect some of these scholarships to their coconspirators.

The dire need for this legislation was shockingly proved recently when it was disclosed that one Edward Yellin, a graduate student at the University of Illinois, had received a National Science Foundation grant of $3,800 for 2 years' advanced engineering study.

I am most familiar with Mr. Yellin's record in the State of Indiana. Yellin was summoned as a witness by the House Un-American Activities Committee during hearings at Gary, Ind., in February 1958. Yellin refused to answer whether he belonged to the Communist Party and was later convicted of contempt of Congress. These hearings were designed to investigate Communist infiltration and colonization in the highly industrialized northern Indiana steel mill area.

Following Yellin's conviction by the Federal court in Hammond, Ind., the conviction was upheld by the U.S. circuit court of appeals.

Nearly 2 years after this episode in Indiana, which received widespread publicity during 1958, Mr. Yellin's name turned up again on June 8 of this year.

That was the date I learned from the House Un-American Activities Committee that this same Mr. Yellin, whose background and court record was so widely known, had been awarded a $3,800 grant to continue his higher education at taxpayer expense.

I immediately brought this shocking situation to the attention of the House Committee on Science and Astronautics, and hearings were instituted as a result. The committee was just as appalled as myself to learn of this highly undesirable award to a person of questionable loyalty.

Two days of hearings on the Yellin grant exhibited a most urgent need for remedial legislation to give the National Science Foundation Board unquestioned authority to refuse grants to persons whose faith and allegiance to the United States are questionable.

There was an expression from National Science Foundation officials during the hearing that under the present law their authority to reject applicants is limited, and their selections are based solely on merit and ability without reference to criminal or subversive background. This body, I am sure, is cognizant of the need to preserve intellectual freedom and furtherance of our scientific endeavors through the advanced education of our best young scientific minds. However, I do not subscribe to the proposition that men of science constitute some special or privileged class.

By the same token Members of this body are equally aware that there is an internal danger that rivals our security as surely as foreign military might. Without proper safeguards at the academic and scientific levels, we not only risk the loss of valuable secrets vital to our security but the more far-reaching danger of Communist infiltration and subversion on our college campuses where young, pliable minds may fall victim to insidious propaganda efforts of the enemy.

By enactment of this bill, we can give the National Science Foundation the tools to implement an anti-Communist award program that will forestall further cases of the Yellin type and insure that tax money goes to students of not only outstanding scientific ability and promise but of unquestioned loyalty to the United States of America.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

Mr. SIKES. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

CAPE HATTERAS RECREATIONAL AREA, N.C.

The Clerk called the bill (H.R. 6729) to provide for the disposal of certain lands held for inclusion in the Cape Hatteras National Seashore Recreational Area, N.C., and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, could the gentleman from North Carolina, the author of the bill, tell me whether or not in the disposition of this land currently owned by the Federal Government there is a safeguard that this land will only be sold at a fair market value?

Mr. RUTHERFORD. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Texas.

Mr. RUTHERFORD. In response to the gentleman's question, this bill only encompasses releasing the Secretary of the Interior of ownership in this land

and reverting it to the General Services Administration, and they will, in turn, dispose of it in the normal procedure.

Mr. FORD. I notice in the summary of the legislation which I have before me that the land will be disposed of in accordance with the Federal Property and Administrative Services Act. I do not have a copy of that act before me. I only raise the question under that act, if this land is sold, will it be sold at the fair market value to the highest competitive bidder?

Mr. RUTHERFORD. I presume it will, but the purpose of this bill is not to sell or dispose of the land. It is to dispossess the Secretary of the Interior from further operation of the land. This is to release the land from ownership by the Secretary of the Interior and turn it over to the General Services Administration. They can either retain it or sell it, but the purpose of this bill is not to sell the land.

Mr. FORD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the tract of Federal property comprising eight and one-tenth acres of land situated in Dare County, North Carolina, approximately two miles north of Kitty Hawk, which was transferred to the administrative jurisdiction of the Department of the Interior by the Act of June 3, 1948 (62 Stat. 301; 16 U.S.C. 459a–4), to be administered as a part of the Cape Hatteras National Seashore Recreational Area, may be disposed of by the Administrator of General Services in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TEMPORARY APPOINTMENTS IN U.S. COAST GUARD

The Clerk called the bill (H.R. 8719) to amend the act of July 23, 1947, chapter 301, as amended, to extend for 2 years the authority to make temporary appointments and promotions in the U.S. Coast Guard.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 16 of the Act of July 23, 1947, chapter 301 (61 Stat. 413; 14 U.S.C. 435, note), as amended, is amended, to read as follows:

"SEC. 16. Nothwithstanding the limitations contained in subsection (a) of section 435, and subsection (a) of section 436, of title 14, United States Code, the authority granted by those sections may be exercised until—

"(1) such time as the Secretary of the Treasury determines that the number of officers holding permanent appointments on the active list of the Coast Guard is equal to 95 per centum of the number of such officers authorized by law, exclusive of extra numbers; or

"(2) January 1, 1964;

whichever occurs earlier."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REPEALING PART OF THE ACT OF MARCH 2, 1889

The Clerk called the bill (S. 931) to repeal that part of the act of March 2, 1889, as amended, which requires that grantors furnish, free of all expenses to the Government, all requisite abstracts, official certifications and evidences of title.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the proviso in the third full paragraph on page 941 of volume 25 of the Statutes at Large, in the Act of March 2, 1889, as amended (40 U.S.C. 256), is hereby repealed.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING EASEMENTS IN REAL PROPERTY OF THE UNITED STATES

The Clerk called the bill (H.R. 8355), to authorize executive agencies to grant easements in, over, or upon real property of the United States under the control of such agencies, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. McINTIRE. Mr. Speaker, reserving the right to object, this bill is one of which there are a number of bills before our House Subcommittee on Forestry, and because of the fact that there are some areas here in which there is some common interest, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maine?

There was no objection.

GOVERNMENT-OWNED ELECTRIC AND TELEPHONE LINES

The Clerk called the bill (S. 1501) to authorize the Secretary of the Interior to contract for the sale, operation, maintenance, repair, or relocation of Government-owned electric and telephone lines and other utility facilities used for the administration of the Bureau of Indian Affairs.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, except for electric utility systems constructed and operated as a part of an irrigation system, the Secretary of the Interior is authorized to contract under such terms and conditions as he considers to be in the best interest of the Federal Government for the sale, operation, maintenance, repairs, or relocation of Government-owned utilities and utility systems and appurtenances used in the administration of the Bureau of Indian Affairs. The Secretary shall not execute a contract pursuant to this Act until he has submitted to the Committees on Interior and Insular Affairs of the Senate and the House of Representatives a copy of the contract and a statement of his reasons for proposing the contract, and until such materials have lain before the committees for sixty days (excluding the time during which either House is in recess for more than three days) unless prior thereto the Secretary is notified that neither committee has any objection to the proposed contract.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAND OF CHILOCCO INDIAN INDUSTRIAL SCHOOL, OKLAHOMA

The Clerk called the bill (S. 1807) to authorize the disposition of land no longer needed for the Chilocco Indian Industrial School at Chilocco, Okla.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any part of the lands that were reserved by section 10 of the Act of March 3, 1893 (27 Stat. 640), for the Chilocco Indian Industrial School until further action by Congress, and the improvements thereon, that become excess to the needs of the Bureau of Indian Affairs may be transferred or disposed of in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, as amended or supplemented.

SEC. 2. The Secretary of the Interior is authorized to convey, without consideration, to Charlie Gray, his successors or assigns, and to Esau Greenwood, his successors or assigns, respectively, title to the homestead sites within the Chilocco Indian Industrial School Reserve that are described below when all payments required by their homestead agreements have been paid:

(a) Charlie Gray homestead: Beginning at a point 39 rods south of the northeast corner of the northeast quarter section 17, township 29 north, range 2 east, Indian meridian; thence 24 rods south, thence 33⅓ rods west, thence 24 rods north, thence 33⅓ rods east to point of beginning, containing 5 acres.

(b) Esau Greenwood homestead: Beginning at a point 67 rods north of southeast corner of the northeast quarter section 20, township 29 north, range 2 east, Indian meridian, thence north 20 rods, thence west 50 rods, thence south 10 rods, thence east 20 rods, thence south 10 rods, thence east 30 rods to point of beginning, containing 5 acres.

With the following committee amendments:

Page 1, lines 3 through 10, strike out all of section 1.

Page 1, line 11, strike out "SEC. 2. The" and insert in lieu thereof the words "That the".

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GIVING RESERVED MINERALS TO WALKER RIVER PAIUTE TRIBE

The Clerk called the bill (S. 2016) to give to the Walker River Paiute Tribe the reserved minerals underlying its reservation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all lands set aside and added to the Walker River Indian Reservation, Nevada, by the Secretary of the Interior under the authority of section 2 of the Act of June 22, 1936 (49 Stat. 1806), are hereby withdrawn from all forms of exploration, location, and entry under the public land mining laws and the minerals underlying such lands are hereby made a part of the reservation to be held in trust by the United States of America subject to valid existing rights, and such minerals shall be subject to lease for mining purposes pursuant to the provisions of the Act of May 11, 1938 (52 Stat. 347; 25 U.S.C. 396a–g) as amended or supplemented.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FORT BELKNAP INDIAN IRRIGATION PROJECT

The Clerk called the bill (S. 2216) to authorize the transfer of three units of the Fort Belknap Indian irrigation project to the landowners within the project.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to transfer to an association or organization of the landowners whose lands are served by the following units of the Fort Belknap Indian irrigation project all of the right, title, and interest of the United States in the irrigation project works of each unit:

(1) Upper Peoples Creek (Hays) unit, located in township 26 north, ranges 23 and 24 east, P.M.M., about 24 miles south of the Fort Belknap agency headquarters.

(2) Big Warm unit, located along the east boundary of the Fort Belknap Reservation in township 27 north, range 26 east, P.M.M., about 36 airline miles from the Fort Belknap agency headquarters.

(3) Lower Peoples Creek (Ereaux) unit, located in the northeast corner of the Fort Belknap Reservation in townships 30 and 31, range 26 east, P.M.M., about 21 airline miles from the Fort Belknap agency headquarters.

The transferees shall thereafter have sole responsibility for the care, operation, and maintenance of the irrigation works of the units, and the United States shall have no responsibility therefor. The transfer of each unit shall be made in such form and under such conditions as the Secretary deems adequate to protect the interests of each landowner served by the unit, and shall include the rights-of-way for canals, laterals, and other project works that are transferred.

SEC. 2. The Secretary of the Interior is authorized to cancel all accrued operation and maintenance charges at the time a transfer authorized by section 1 of this Act is made.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE FREEPORT HARBOR PROJECT, TEXAS

The Clerk called the bill (H.R. 8320) to amend the Freeport Harbor project, Texas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the existing project for Freeport Harbor, Texas, is hereby modified by revoking the provision of local cooperation set forth at paragraph 12(a) of the report of the Board of Engineers for Rivers and Harbors as contained in House Document Numbered 1469, Sixty-third Congress, insofar as it requires the town of Freeport to own in perpetuity the strip of land specifically referred to therein and to maintain a dock thereon. The assurance heretofore furnished by the town in compliance with this requirement is hereby nullified.

SEC. 2. The Freeport Harbor project shall be subject to a condition that local interests shall maintain adequate public terminal facilities at the harbor.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MODIFY PROJECT FOR DULUTH-SUPERIOR HARBOR

The Clerk called the bill (H.R. 7854) to modify the project for the Duluth-Superior Harbor, Minn. and Wis., to provide for the abandonment of the 21st Avenue West Channel, and for other purposes.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That the project for the Duluth-Superior Harbor, Minnesota and Wisconsin, authorized by the Act entitled "An Act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved August 30, 1935 (49 Stat. 1028, 1035), and the project for such harbor authorized by the River and Harbor Act of 1960, are each modified to abandon those portions of the Twenty-first Avenue West Channel more particularly described in section 2 of this Act, and that portion of the Duluth-Superior Harbor in the Twenty-first Avenue West Channel area bounded by harbor lines as approved by the Secretary of War on November 17, 1899, more particularly described in section 2 of this Act, is hereby declared to be a nonnavigable water of the United States within the meaning of the Constitution and laws of the United States. The right to alter, amend, or repeal this section is expressly reserved.

SEC. 2. The area to be abandoned referred to in the first section of this Act is more particularly described as follows:

About the northerly 1,250 feet of the 3,300-foot-long Twenty-first Avenue West Channel authorized by the Act of August 30, 1935, as described in House Document Numbered 482, Seventy-second Congress, second session, 1932; and about the northerly 500 feet of the 2,500-foot-long Twenty-first Avenue West Channel authorized by the River and Harbor Act of 1960, as described in House Document Numbered 196, Eighty-sixth Congress, first session, 1960; and the harbor area beginning at harbor line point 40, situated south 62 degrees 25 minutes 49 seconds west, 1,375.00 feet from a point on city monument line of Garfield Avenue produced 1,462.50 feet northerly from a granite city monument, situated 25 feet southerly from centerline of Ash Avenue and 25 feet easterly of centerline of Garfield Avenue;

thence south 62 degrees 25 minutes 49 seconds west, a distance of 793.40 feet to harbor line point 42;

thence south 27 degrees 34 minutes 11 seconds east, parallel with city monument line of Garfield Avenue and 2,168.40 feet therefrom, a distance of 654.00 feet to harbor line point 42a, to be established;

thence south 56 degrees 28 minutes 40 seconds east, a distance of 620.60 feet to harbor line point 40b, to be established;

thence south 49 degrees 52 minutes 29 seconds east, a distance of 1,300.00 feet to harbor line point 40a; situated on the harbor line between points 38 and 40, as approved by Secretary of War, November 17, 1899;

thence on said approved harbor line north 27 degrees 34 minutes 11 seconds west, for a distance of 2,400.00 feet to harbor line point 40, the point of beginning.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHANGE NAME OF PLAYA DEL REY INLET, VENICE, CALIF.

The Clerk called the bill (H.R. 157) to change the name of the Playa del Rey Inlet and Harbor, Venice, Calif., to the Marina del Rey Small Craft Harbor, Los Angeles, Calif.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the body of water designated as the Playa del Rey Inlet and Harbor, Venice, California, by section 101 of the River and Harbor Act of 1954 (68 Stat. 1252; Public Law 780, Eighty-third Congress), shall be known and designated hereafter as the "Marina del Rey Small Craft Harbor, Los Angeles, California". Any law, regulation, map, document, record, or other paper of the United States in which such body of water is referred to shall be held to refer to it as the "Marina del Rey Small Craft Harbor, California".

With the following committee amendments:

Page 1, line 7, strike "Small Craft Harbor."
Page 2, line 1, strike "Small Craft Harbor."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

The title of the bill was amended to read: "A bill to change the name of the Playa del Rey Inlet and Harbor, Venice, California, to the 'Marina del Rey, Los Angeles, Calif'."

A motion to reconsider was laid on the table.

LANDS HELD IN TRUST FOR THE PUEBLOS

The Clerk called the bill (S. 203) to declare that the United States holds in trust for the pueblos of Santa Ana, Zia,

Jemez, San Felipe, Santo Domingo, Cochiti, Isleta, and San Ildefonso certain public domain lands.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title to the following public domain lands and improvements thereon, situated within Sandoval County in the State of New Mexico, is hereby declared to be held by the United States in trust for the pueblo of Santa Ana:

NEW MEXICO PRINCIPAL MERIDIAN

Township 13 north, range 3 east:
Section 5, that portion of the section situated west of New Mexico Highway 44;
Section 6, lots 4, 5, 6, 7, 11, 12, and 13, southeast quarter northwest quarter, south half northeast quarter east half southwest quarter, southeast quarter.
Township 14 north, range 3 east:
Section 1, lots 1, 2, 3, 4, 5, 6, and 7, south half north half, north half south half, southeast quarter southeast quarter;
Section 3, lots 1, 2, 3, 4, 5, 6, 7, and 8, south half north half, north half south half;
Section 4, lots 1, 2, 3, 4, 5, 6, 7, and 8, south half north half, north half south half;
Section 5, lots 1, 2, 3, 4, 5, 6, 7, and 8, south half north half, north half south half;
Section 6, lots 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10, south half northeast quarter, northeast quarter southeast quarter;
Section 7, lots 3, 4, 5, 6, 11, 12, 13, and 14;
Section 12, lots 1, 4, 5, and 8, east half east half;
Section 13, lots 1, 4, 5, and 8, east half east half;
Section 18, lots 2, 3, 4, 5, 8, 9, 10, and 11;
Section 19, lots 2, 3, 4, 5, 8, 9, 10, and 11;
Section 24, lots 1, 4, 5, and 8, east half east half;
Section 25, lots 1, 4, 5, and 9, east half east half;
Section 30, lots 2, 3, 4, 5, 8, 9, 10, and 11;
Section 31, lots 2, 3, 4, 5, 8, 9, 10, and 11.
Township 14 north, range 4 east:
Section 6, lots 3 and 4, south half northwest quarter, southwest quarter;
Section 7, west half;
Section 18, west half, west half east half;
Section 19, west half, west half east half;
Section 30, northwest quarter, west half northeast quarter, southwest quarter, west half southeast quarter;
Section 31, northwest quarter northeast quarter, northeast quarter northwest quarter.
Township 15 north, range 3 east:
Section 5, lots 7 and 8;
Section 10, lots 1, 3, and 4, southeast quarter southwest quarter;
Section 11, lots 1, 2, 3, and 4;
Section 12, lots 1, 2, 3, and 4;
Section 13, all;
Section 14, all;
Section 15, all;
Section 17, all;
Section 18, east half;
Section 19, east half;
Section 20, all;
Section 21, all;
Section 22, all;
Section 23, all;
Section 24, all;
Section 25, all;
Section 26, all;
Section 27, all;
Section 28, all;
Section 29, all;
Section 30, lot 4, east half, southeast quarter southwest quarter;
Section 31, all;
Section 33, all;
Section 34, all;
Section 35, all.
Township 15 north, range 4 east:
Section 7, lots 2 and 3;
Section 18, west half;
Section 19, west half;
Section 30, west half;
Section 31, west half; containing 22,975.87 acres, more or less.

SEC. 2. Title to the following described public domain lands and improvements thereon, situated within Sandoval County in the State of New Mexico, is hereby declared to be held by the United States in trust for the pueblo of Zia:

NEW MEXICO PRINCIPAL MERIDIAN

Township 14 north, range 1 east:
Section 11, west portion of section not included in Zia Pueblo trust land described in Act of August 13, 1949 (63 Stat. 604);
Section 12, all;
Section 14, all;
Section 15, all;
Section 22, all;
Section 23, west portion of section not included in Zia Pueblo trust land described in Act of August 13, 1949 (63 Stat. 604);
Section 24, all;
Section 26, all;
Section 27, all.
Township 14 north, range 2 east:
Section 1, lots 11, 12, 13, 14, 15, 16, and 17, south half southwest quarter, southwest quarter southeast quarter;
Section 4, lots 9, 10, 11, and 12, south half south half;
Section 6, lots 10, 11, 12, 13, 14, 15, 16, 17, and 18, south half southeast quarter, southeast quarter southwest quarter, northeast quarter southwest quarter, southeast quarter northwest quarter;
Section 8, all;
Section 10, all;
Section 11, east half east half;
Section 12, all;
Section 13, all;
Section 14, all;
Section 18, all;
Section 20, all;
Section 22, all;
Section 23, east half east half;
Section 24, all;
Section 25, all;
Section 26, all;
Section 28, lots 1, 2, and 5, north half, north half southeast quarter, southeast quarter southeast quarter;
Section 30, all;
Section 34, all;
Section 35, lot 1, east half northeast quarter, northeast quarter southeast quarter.
Township 15 north, range 2 east:
Section 1, lots 1, 2, 3, and 4;
Section 4, lots 1, 2, 3, and 4;
Section 6, lot 1;
Section 8, lots 1, 2, 3, and 4, north half north half;
Section 10, lots 1, 2, 3, and 4, north half north half;
Section 11, lot 1, northeast quarter northeast quarter;
Section 12, lots 1, 2, 3, 4, 5, and 6, north half north half;
Section 13, lots 1, 2, 3, and 4;
Section 18, west half west half;
Section 24, lots 1, 2, 3, and 4;
Section 25, lots 1, 2, 3, and 4;
Section 30, lots 1, 2, 3, and 4, west half.
Township 15 north, range 3 east:
Section 6, lots 3, 4, 5, and 6;
Section 7, all;
Section 8, all;
Section 9, lots 1, 2, 3, and 4, west half, south half southeast quarter;
Section 10, lot 2, southwest quarter southwest quarter;
Section 18, west half;
Section 19, west half;
Section 30, lots 1, 2, and 3, east half northwest quarter, northeast quarter southwest quarter, containing 20,163.41 acres, more or less.

SEC. 3. Title to the following described public domain lands and improvements thereon, situated within Sandoval County in the State of New Mexico, is hereby declared to be held by the United States in trust for the pueblo of Jemez:

NEW MEXICO PRINCIPAL MERIDIAN

Township 15 north, range 3 east:
Section 4, lots 1, 2, 3, 4, 5, and 6, southwest quarter, south half northwest quarter;
Section 5, lots 1, 2, 3, 4, 5, 6, and 9, south half northeast quarter, north half southeast quarter, southeast quarter southeast quarter, southeast quarter northwest quarter;
Section 6, lots 1 and 2.
Township 16 north, range 2 east:
Section 12, lots 1, 2, 3, and 4, east half east half;
Section 13, lots 1, 2, 3, and 4, east half east half;
Section 24, lots 1, 2, 3, and 4, east half east half;
Section 25, lots 1, 2, 3, and 4, east half east half.
Township 16 north, range 3 east:
Section 17, north half, southeast quarter, north half southwest quarter, southeast quarter southwest quarter;
Section 18, north half, southwest quarter, north half southeast quarter, southwest quarter southeast quarter;
Section 19, south half, south half northeast quarter, northwest quarter northeast quarter, northwest quarter;
Section 20, south half, northeast quarter, south half northwest quarter, northeast quarter northwest quarter;
Section 21, lots 1, 2, 3, and 4, west half;
Section 28, lots 1, 2, 3, and 4, west half;
Section 29, all;
Section 30, all;
Section 31, lots 1, 2, and 3, north half, north half southeast quarter, southeast quarter southeast quarter, northeast quarter southwest quarter;
Section 33, lots 1, 2, 3, and 4, west half, containing 7,819.28 acres, more or less.

SEC. 4. Title to the following described public domain lands and improvements thereon, situated within Sandoval County in the State of New Mexico, is hereby declared to be held by the United States in trust for the pueblo of San Felipe:

NEW MEXICO PRINCIPAL MERIDIAN

Township 14 north, range 4 east:
Section 2, lots 11, 12, 13, 14, and 15, southwest quarter southwest quarter;
Section 11, lots 5, 6, 7, and 8;
Section 14, lots 5, 6, 7, and 8, west half west half;
Section 15, all;
Section 21, east half;
Section 22, all;
Section 23, lots 5, 6, 7, and 8, west half west half.
Section 26, lots 5, 6, 7, and 8, west half west half;
Section 27, north half, southeast quarter, north half southwest quarter, southeast quarter southwest quarter;
Section 28, northeast quarter;
Section 34, north half northeast quarter;
Section 35, lots 6, 7, and 8, west half northwest quarter.
Township 15 north, range 4 east:
Section 14, lots 1, 2, 3, and 4, southwest quarter northwest quarter, west half southwest quarter;
Section 15, east half east half;
Section 22, east half;
Section 23, lots 1, 2, 3, and 4, west half west half;
Section 26, lots 1, 2, 3, and 4, west half west half;
Section 27, east half east half;
Section 35, lots 1, 2, 3, and 4, west half west half, containing 5,347.73 acres, more or less.

SEC. 5. Title to the following described public domain lands and improvements thereon, situated within Sandoval County in the State of New Mexico, is hereby declared to be held by the United States in trust for the pueblo of Santo Domingo:

NEW MEXICO PRINCIPAL MERIDAN

Township 15 north, range 4 east:
Section 4, lots 1, 2, 3, and 4, west half;
Section 5, lots 1, 2, 3, 4, and 5, southeast quarter northeast quarter, east half southeast quarter;
Section 8, lot 1.
Township 16 north, range 4 east:
Section 16, lots 5, 6, 7, and 8, west half;
Section 17, lots 1, 4, 5, and 6, northeast quarter northeast quarter;
Section 20, lots 1, 2, 3, and 4;
Section 21, lots 5, 6, 7, and 8, west half;
Section 28, lots 5, 6, 7, and 8, west half;
Section 29, lots 1, 2, 3, and 4;
Section 32, lots 1, 2 3, and 4;
Section 33, lots 5, 6, 7, 8, 9, and 10, northwest quarter, north half southwest quarter, containing 3,022.87 acres, more or less.

SEC. 6. Title to the following described public domain lands and improvements thereon, situated within Sandoval County in the State of New Mexico, is hereby declared to be held by the United States in trust for the pueblo of Cochiti:

NEW MEXICO PRINCIPAL MERIDAN

Township 16 north, range 5 east:
Section 8, all;
Section 9, all;
Section 10, lots 1, 2, 3, and 4, west half;
Section 15, lots 1, 2, 3, and 4 west half;
Section 17, all;
Section 20, lots 1, 2, 3, and 4, north half, north half southeast quarter;
Section 21, all;
Section 22, lots 1, 2, 3, and 4, west half;
Section 27, lots 1, 2, 3, 4, 5, and 6, northwest quarter, northeast quarter southwest quarter;
Section 28, lots 1, 2, 3, and 4, north half northeast quarter, southeast quarter northeast quarter, northeast quarter northwest quarter;
Section 29, lot 1;
Section 34, lot 1, containing 5,384.49 acres, more or less.

SEC. 7. Title to the following described public domain lands and improvements thereon, situated within Bernalillo and Valencia Counties in the State of New Mexico, is hereby declared to be held by the United States in trust for the pueblo of Isleta:

NEW MEXICO PRINCIPAL MERIDIAN

Township 7 north, range 1 west:
Section 4, lots 1, 2, 3, and 4, southwest quarter southwest quarter, north half southwest quarter, northwest quarter;
Section 6, all;
Section 8, all;
Section 16, lots 1, 2, 3, and 4;
Section 18, lots 1, 2, 3, and 4.
Township 7 north, range 2 west:
Section 12, northeast quarter, east half southeast quarter.
Township 8 north, range 1 west:
Section 4, lots 1, 2, 3, 4, 13, 14, 15, and 16, south half northeast quarter;
Section 6, lots 1, 8, and 9.
Township 8 north, range 1 east:
Section 4, lots 1, 2, 3, 4, 13, 14, 15, and 16, south half north half;
Section 6, lots 1, 2, 12, 13, 14, and 15, northeast quarter east half northwest quarter.
Township 8 north, range 2 east:
Section 3, northwest quarter;
Section 4, north half;
Section 6, lots 1, 2, 12, 13, 14, and 15, northeast quarter, east half northwest quarter, containing 4,559.74 acres, more or less.

SEC. 8. Title to the following described lands and improvements thereon, situated within Santa Fe County in the State of New Mexico, is hereby declared to be held by the United States in trust for the pueblo of San Ildefonso:

NEW MEXICO PRINCIPAL MERIDIAN

Township 20 north, range 8 east:
Section 26, lots 1, and 2;
Section 27, lot 5;
Section 34, lots 1, 4, 5, and 8;
Section 35, lots 3, 4, 5, and 6, west half west half, containing 433.27 acres, more or less.

SEC. 9. Nothing in this Act shall affect valid rights existing at the date of approval of this Act.

SEC. 10. (a) For the purpose of improving the land tenure pattern and consolidating Pueblo Indian lands, the Secretary of the Interior is authorized, under such regulations as he may prescribe, to acquire by exchange any lands or interests therein, including improvements and water rights, within the Pueblo land consolidation areas, and to convey in exchange therefor not to exceed an equal value of unappropriated public lands within the State of New Mexico, or, with the consent of the Pueblo authorities any Pueblo tribal lands or interest therein, including improvements and water rights.

(b) Either party to an exchange under this section may reserve minerals, easements, or rights of use.

(c) The Secretary may execute any title documents necessary to effect the exchanges authorized by this section.

(d) Title to all lands acquired under the provisions of this section shall be taken in the name of the United States in trust for the respective Pueblo Indian tribes.

SEC. 11. The lands held or acquired for the pueblos pursuant to this Act shall be administered the same as other trust or restricted Indian lands subject to regulations prescribed by the Secretary of the Interior for the protection and conservation of the soil, proper utilization of the land, and other purposes, and shall be a part of the respective Pueblo reservations.

SEC. 12. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MINERAL DEPOSITS ON NORTHERN CHEYENNE RESERVATION

The Clerk called the bill (S. 2224) to grant minerals, including oil, gas, and other natural deposits, on certain lands in the Northern Cheyenne Indian Reservation, Mont., to certain Indians, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act of June 3, 1926 (44 Stat. 690), as amended by the Act of July 24, 1947 (61 Stat. 418), is hereby amended to read as follows:

"SEC. 3. (a) The coal or other minerals, including oil, gas, and other natural deposits, on said reservation are hereby reserved for the benefit of the tribe and may be leased with the consent of the Indian council for mining purposes in accordance with the provisions of the Act of May 11, 1938 (52 Stat. 347; 25 U.S.C. 396 a-f), under such rules, regulations, and conditions as the Secretary of the Interior may prescribe: *Provided,* That at the expiration of fifty years from the date of the approval of this Act, the coal or other minerals, including oil, gas, and other natural deposits, of said allotments shall become the property of the respective allottees or their heirs or devisees, subject to any outstanding leases, regardless of any prior conveyance by such allottee, heirs, or devisees of the land overlying such minerals, oil, gas, or other natural deposits and regardless of the form of reference in such conveyance, or lack of reference, to the minerals, oil, gas, or other natural deposits reserved by this Act.

"(b) Title to the minerals so granted shall be held by the United States in trust for the Indian owners, except that if upon the expiration of said fifty years the entire Indian interests in the minerals within any allotment or parcel thereof is granted by this Act to a person or persons who at that time hold an unrestricted title to the lands overlying such minerals, oil, gas, or other natural deposits, then the Secretary of the Interior shall by fee patent transfer to such person or persons the unrestricted fee simple title to such minerals, oil, gas, or other natural deposits, which title shall vest in such person or persons as of the date of the patent.

"(c) The unallotted lands of said tribe of Indians shall be held in common, subject to the control and management thereof as Congress may deem expedient for the benefit of said Indians."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DONATE LAND TO THE JICARILLA APACHE TRIBE

The Clerk called the bill (S. 2241) to donate to the Jicarilla Apache Tribe of the Jicarilla Reservation, N. Mex., approximately 391.43 acres of federally owned land.

Mr. LAIRD. Mr. Speaker, reserving the right to object, I would like to direct a question to the chairman of the Indian Affairs Subcommittee of the House Committee on Interior and Insular Affairs regarding another important piece of legislation which has to do with the Menominee Indian Tribe of Wisconsin. H.R. 4130, was discussed under a rule here on the floor in the House of Representatives. There was adequate discussion. Members of the House unanimously supported the approach recommended by the Interior and Insular Affairs Committee, a very fine approach in handling a tribe that has been terminated from Federal supervision, in that it continued the educational, health, and welfare aid on a 100 percent reimbursable basis for the first year, 80 percent for the second year—60, 40, 20, and 10 percent in each succeeding year.

The Menominee Indian Tribe was one of the first tribes to be terminated, and this termination took place in April of this year. This bill went to conference on June 13, and I would like to find out, if I could, the progress that has been made in the conference committee on this important piece of legislation.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. LAIRD. I yield.

Mr. HALEY. The gentleman, of course, knows the attitude of the gentleman from Florida, chairman of the subcommittee. I think we worked out a very fine bill.

Mr. LAIRD. I agree with the gentleman that the House worked a fine bill and commend the gentleman and members of the Interior and Insular Affairs Committee for their outstanding work.

Mr. HALEY. I think the bill did justice to the Indians; I think it did justice to the taxpayers. In that conference I listened for 30 minutes to the conferees on the other side and the firm attitude they took on the position of the Senate. The bill has not got beyond that stage. I thought a conference was for the purpose of adjusting differences between the two Houses.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from Colorado, the chairman of the Interior and Insular Affairs Committee.

Mr. ASPINALL. The gentleman from Wisconsin will remember that when we went to conference we had suggested to Members of the House that we would attempt to get agreement on the bill as it passed the House. The bill, as the gentleman knows, is really a termination, is a part of so-called termination legislation. But when we went to conference, the conferees of the other body wanted to treat it as a relief bill. The House conferees did not desire to treat it that way. So we reached a stalemate, we cannot get together. We feel that our approach is not only logical but will be effective. We are waiting for consideration by the other body.

Mr. LAIRD. I thank my friend from Colorado for his help. I hope the other body will give consideration to compromising their position. This is important legislation. I shall not object to this Senate bill presently before us. I have been assured that the other body will make an effort to compromise their differences with the House on the direct aid features contained in H.R. 4130.

Mr. REIFEL. Mr. Speaker, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from South Dakota.

Mr. REIFEL. Mr. Speaker, I have a bill similar to this one which was passed by unanimous consent by this body. The Senate added some general legislation to it. It came back to the Interior Committee. I wonder if some explanation might be given of that?

Mr. ASPINALL. We are in a somewhat similar situation as far as that legislation is concerned. We feel that the bill we have sent over to the other body will take care of a certain situation that should be taken care of at once. Then we could consider general legislation which has been introduced. We do not feel that a general rider on a House bill, which is sponsored to take care of a specific instance, should cause the House bill the burden of carrying the whole responsibility of an approach to a general problem.

Mr. REIFEL. I thank the gentleman. I wanted to have this information to inform my folks back home.

May I ask the gentleman, will this bill be considered further in the next session?

Mr. ASPINALL. It is our hope it will be. We have not thrown any particular blocks against the bill.

Mr. REIFEL. I appreciate the excellent consideration by the committee and what the chairman has given to this bill. The appropriate Indians back home are giving consideration to the bill.

Mr. ASPINALL. The committee feels that the U.S. Senate and the House of Representatives are coordinate bodies, that we in the House have certain responsibilities, and when we go to conference we are obliged to hold out for what we consider to be our authority and responsibilities.

Mr. REIFEL. I appreciate the gentleman's position, and I know he is going to maintain it.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the right, title, and interest of the United States in the following described land containing 391.43 acres, more or less, situated in the State of New Mexico and now in use by the Jicarilla Apache Tribe of the Jicarilla Reservation—

Township 32 north, range 1 west, New Mexico principal meridian:

Section 31, lots 1, 2, 3, east half northwest quarter, northeast quarter southwest quarter, containing 234.38 acres, more or less;

Section 30, lot 4, northeast quarter southwest quarter, lot 3, southeast quarter southwest quarter, containing 156.20 acres, more or less;

Beginning at corner numbered 1, from which the northwest corner of section 30, township 32 north, range 1 west, New Mexico principal meridian, bears north 57 degrees 40 minutes west a distance of 2,676 feet;

Thence from corner numbered 1 south 53 degrees 33 minutes west a distance of 396 feet to corner numbered 2; thence south 36 degrees 27 minutes east a distance of 100 feet to corner numbered 3;

Thence north 53 degrees 33 minutes east, a distance of 352 feet to corner numbered 4; thence north 12 degrees 32 minutes west, a distance of 112 feet to point of beginning, containing 0.85 acres, more or less;

is hereby declared to be held by the United States in trust for the Jicarilla Apache Tribe of the Jicarilla Reservation, New Mexico, subject to a reservation of the right of the United States to use so much of said land, together with all facilities now thereon or hereafter installed by the United States, as shall in the opinion of the Secretary of the Interior be needed for the administration of the affairs of the tribe, and subject to a reservation in the United States of a right-of-way across any part of said land which the Secretary of the Interior deems desirable in connection with the administration of the affairs of the tribe.

With the following committee amendment:

Page 3, after line 4, add a new section to read:

"SEC. 2. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALUTING "UNCLE SAM" WILSON, OF TROY, N.Y.

The Clerk called Senate Concurrent Resolution 14, saluting "Uncle Sam" Wilson, of Troy, N.Y., as the progenitor of America's national symbol of "Uncle Sam."

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

Mr. ADAIR. Mr. Speaker, because there is some controversy about the birthplace and place of death and burial of the man who was the progenitor of the figure we know as Uncle Sam, and because it is such an important matter to the Nation, I rise to ask some questions of the gentleman from New York [Mr. O'BRIEN].

By way of preface, let me say there are those, including myself, who believe that the "Uncle Sam" who was born in the State of Delaware, who lived for a period of time in Troy, N.Y., and is buried in Indiana, is the progenitor of "Uncle Sam." I know the gentleman from New York and many others like him, have a somewhat different point of view.

My first question, Mr. Speaker, is: Does the resolution, as now worded, fix a birthplace or a burial place for Samuel Wilson?

Mr. O'BRIEN of New York. Mr. Speaker, I may say the resolution before us now has nothing to do with the birthplace of Samuel Wilson. It falls squarely upon the one matter, on which the gentleman and I are in agreement, that the gentleman did live in Troy, N.Y. That is where he acquired the name "Uncle Sam."

I may say that the other matters on which we are in disagreement are still to be determined by the historians, and I would not suggest that the House try to decide them today.

Mr. ADAIR. No memorial is provided for in this resolution as now worded?

Mr. O'BRIEN of New York. I would say that all we do in this resolution is to tip our hat in the general direction of Samuel Wilson.

Mr. ADAIR. I thank the gentleman.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Iowa.

Mr. GROSS. I wondered if the gentleman from Indiana was going to let New York get away with a victory over Massachusetts, Delaware, and Indiana? Apparently that is about what would happen here.

Mr. ADAIR. We believe that Samuel Wilson, who is buried in Indiana, did for a time live in Troy, N.Y., as he was on

his way westward through Pennsylvania, and eventually into Indiana. I think we are in agreement on that point.

Mr. Speaker, I ask that all Members be permitted to extend their remarks on the resolution under present consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BASS of New Hampshire. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from New York why the committee struck out from Senate Concurrent Resolution 14 all reference to Uncle Sam's connection with New Hampshire, in particular, the fact that he spent 20 years of his younger life in Mason, N.H.

Mr. O'BRIEN of New York. I might say to the gentleman from New Hampshire that I personally agree that Samuel Wilson lived for a considerable period of time in Mason, N.H. I also felt if we attempted to argue at this time about where the gentleman lived before he went to Troy and where his bones rest now, we would get nothing, and the historians would have, not a field day, but a field year.

Mr. BASS of New Hampshire. If the gentleman will yield further, is there any chance that the committee would accept an amendment restoring that language which was put in by the Senate?

Mr. O'BRIEN of New York. May I say to the gentleman I would hope that the gentleman would be satisfied with the expression on my part that I am convinced that the progenitor of Uncle Sam did live in Mason, N.H. As long as the gentleman and I are trying to honor the same man, I think we can accomplish that by passing this resolution. At the same time, we will not be closing the door to Indiana or any place that might claim at some future time to be his final resting place.

Mr. GROSS. If the gentleman will yield, I cannot help but ask the gentleman from New York which Samuel Wilson he is referring to. There seems to be two or three of them.

Mr. O'BRIEN of New York. I think there were quite a number of them. I think one of the unfortunate things in those days was the multiplicity of Samuel Wilsons. I think that after one of them acquired the title of "Uncle Sam" many of the others thought it might impress their children or their grandchildren to say that they were really the one, just as some of us try to impress our grandchildren by telling them we were much better baseball players in our younger days than we really were.

Mr. BASS of New Hampshire. Mr. Speaker, reserving the right to object, I regret very much the parliamentary situation is such that an amendment to this resolution is not in order recognizing the fact that "Uncle Sam" Wilson spent 20 years as a young man in the town of Mason, N.H. The Wilson farm, including the original house, still remains in excellent condition and very little changed from the time it was "Uncle Sam" Wilson's boyhood home for over 20 years.

In the book "Uncle Sam, the Man and the Legend," by Alton Ketchum, published by Hill and Wang, New York, there is not only an account of Wilson's life in Mason, but on page 49 is a photograph of the Uncle Sam house in Mason Valley.

The family register of Edward Wilson, father of "Uncle Sam" Wilson, taken from the family Bible, passed down through his youngest son, Capt. Thomas Wilson, a lifetime resident of Mason, shows: Edward Wilson, father of "Uncle Sam," born July 6, 1734, West Cambridge, Mass., died June 17, 1816, Troy, N.Y., aged 82 years; Lucy Francis (mother of "Uncle Sam"), born March 21, 1739, Medford, Mass., died December 8, 1835, Mason, N.H., aged 97 years.

They were married in November 1757. The family moved to Mason in 1780, staying 20 years. The family moved to Troy in 1804.

Children of Edward and Lucy Wilson: Joseph, born October 9, 1759; Lucy, born January 12, 1761, died December 23, 1819; Edward, born April 4, 1762, died March 7, 1843, Milton, N.Y.; Ebenezer, born August 18, 1763, died July 1825; Rachel, born February 13, 1765, died October 16, 1846; Samuel, born September 16, 1766, died July 31, 1854; Nathaniel, born February 10, 1768, died August 19, 1854; William, born October 25, 1769; Aron, born March 10, 1771; Andrew, born January 1, 1777, died April 23, 1841; Thomas, born October 23, 1778.

Edward, Jr. and Samuel—"Uncle Sam"—went to Troy in 1800 and for many years were actively engaged in meat packing business there. Notice of the death of Sam Wilson and history of how the United States derived the name "Uncle Sam" is given in the New England Historical and Genealogical Register, volume 8, page 277, as well as in the History of Mason, published in 1858.

In view of these facts, I would like to have the comments of the gentleman from New York.

Mr. CONTE. Mr. Speaker, this country has many symbols that reflect portions of its national purpose, of its history, and of its traditions. Uncle Sam, however, is the only personification of the United States and it is fitting that the Congress should recognize Samuel Wilson of Troy, N.Y., as the progenitor of America's national symbol of "Uncle Sam."

Let us reflect for a moment on the characteristics that this figure embodies—Uncle Sam is of a Lincolnian stature and his garb is of the same basic design as the American flag. He radiates a certain superhuman power, a ruggedness of build and a sterness of face. Our conception of an individual largely self-sustaining and certainly self-made could not be better portrayed in any other figure. So I say that the image presented by Uncle Sam accurately corresponds to the history and development of our Nation, for we are proud that the individual man has stood as the cornerstone for America's strength.

Whether or not it was a coincidence that Samuel Wilson was called "Uncle Sam" is unimportant—it is, however, significant. Many nations have given their symbols a parental association. For instance, Mother India, Little Father of all the Russians and the jolly father figure of Great Britain, John Bull. Having certain difficulties with the system under which a monarch represented the benevolent father, Americans are not too anxious to acquire another powerful parent. It is significant, therefore, that we should adopt an uncle figure to personify our Nation. What does an uncle represent in an American family? An uncle to his nephews and nieces seems aloof, but nevertheless vitally concerned about their well-being. When all other sources have been tapped and run dry, an uncle is always there to provide. While he does not possess or exert the absolute authority of a parent, his influence over the young is considerable. In a word, his relationship is more genial and less strict than the parental association.

It is fair to compare this form of relationship with the attitude of Americans toward their Government. We have never wanted a government to bear down upon us, supervise our daily lives, or dictate our actions. Yet we have the security of the knowledge that a strong protecting national uncle keeps our freedom safe. Our people want their full rein of social and economic liberty although they fully expect to be reprimanded by their influential uncle when they overstep the bounds of law. It is this rather oblique and remote functioning of the Government that was built into our system by the Founding Fathers.

We should strive to establish and maintain a similar viewpoint of America by our friends abroad. If they look at us as an uncle in the background rather than as a dominant, know-all type of parent, our world respect will increase widely. We should aid them with sagacity and stand behind them protectively. So the uncle figure is indeed appropriate for the United States in her association with its citizens and with the people of other nations.

United States policy in all its aspects increasingly takes on more of the characteristics of the traditional uncle. Therefore, it is right that Samuel Wilson who began his early life in Arlington, Mass., but who spent the greater part of it in Troy, N.Y., should be officially recognized as the progenitor of America's national symbol of Uncle Sam.

Mr. BASS of New Hampshire. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

CONVEYANCES OF RIGHTS-OF-WAY BY RAILROAD COMPANIES

The Clerk called the bill (H.R. 6630) to amend the act of May 25, 1920, relating to conveyances of certain parts of rights-of-way by railroad companies.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to ask if this is the bill that was recommended by the Department of the Interior, and does it meet the original objections of the Department of the Interior?

Mrs. PFOST. If the gentleman will yield to me——

Mr. GROSS. Yes; I am glad to yield to the gentlewoman.

Mrs. PFOST. The bill has been amended and does meet the objections of the Department of the Interior.

Mr. GROSS. Will the grantee pay the Federal Government the fair market value for any land it takes?

Mrs. PFOST. A fair market value is not provided in the legislation. As the gentleman knows, rights-of-way were granted, or given to the railroad companies many years ago, ranging in width from 60 feet to 400 feet. Where the rights-of-way are wide and there are no multitract installations, there are considerable areas within the rights-of-way which are not needed for railroad purposes.

Mr. GROSS. These lands were originally donated?

Mrs. PFOST. These lands were originally donated to the railroad companies to facilitate the settlement of the West.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

Mrs. PFOST. Mr. Speaker, in bringing H.R. 6630 to the floor today, the Committee on Interior and Insular Affairs has taken a large step toward clearing up a harassing problem that has been with us for many years.

The development of the West was materially assisted by the construction of railroads induced by land grants from Congress. These grants were of several kinds and I will not attempt to distinguish among them. It suffices to say at this time that the courts have found that the railroads do not have authority to convey good title to third parties.

This has meant, over the years, that when an occupant of railroad right-of-way land required a grant of title in order to qualify for a loan, or otherwise to permit productive use of the right-of-way, we have had to enact enabling legislation either to validate a group of conveyances or validate conveyances on a case-by-case basis. In either event it has been bothersome and time-consuming. In this Congress alone three bills were introduced and referred to the Committee on Interior and Insular Affairs for validation of conveyances made by the Central Pacific Railroad Co. and the Southern Pacific Railroad Co.

Enactment of H.R. 6630 with the committee amendment will eliminate the need to act on individual private bills now and in the future. In this connection I should like to call my colleagues' attention to the fact that, while three bills are pending in this Congress, we have been told that many more would probably be introduced in the near future if general legislation is not enacted.

Among the difficulties in considering general legislation were the conflicting views concerning the real estate interest or title held by the railroads and the extent of any reversionary interest of the United States. We have not solved this problem. Nonetheless, we have a bill that adequately safeguards the interests of the United States whatever those interests might be.

The Subcommittee on Public Lands, of which I have the honor to be chairman, held extensive hearings on this and related legislation concerned with railroad right-of-way grants. Despite the need for additional time in which to consider and solve the underlying problem, we were impressed with the fact that the United States had no need for the lands involved in the three private bills now pending and that Congress had in the past on several occasions been similarly impressed with specific situations and had enacted validating legislation. Accordingly, we concluded that it would be in the public interest, and an act of fairness to the individuals whose bills are pending, to develop a solution that will permit the individual cases to be handled expeditiously without requiring the fulfillment of the complete legislative process for each conveyance.

H.R. 6630 as amended and reported by the Committee on Interior and Insular Affairs authorizes a railroad company, with the concurrence of the Secretary of the Interior, to convey any portion of its right-of-way or station grounds previously granted to it by the United States subject to the reservation of oil, gas, and other minerals in the United States. Concurrence of the Secretary of the Interior would be withheld if the grantor railroad receives payment above reimbursement for administrative costs or if, in the judgment of the Secretary, the interests of the United States are adversely affected. These provisions, on the one hand, preclude any windfall to the railroads and at the same time protect the interests of the United States.

Because H.R. 6630 presents a reasonable approach to these problems I urge all Members to support its enactment.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of May 25, 1920 (ch. 197, 41 Stat. 621; 43 U.S.C. 913), is amended by the addition of the following new section:

"SEC. 2. Any railroad company to which a grant for a right-of-way through the public lands has been made by Congress, or its successor in interest or assign, is authorized to convey any portion of that right-of-way, except any right, title, and interest of the United States in and to the oil, gas, and other minerals underlying such right-of-way, which traverses or occupies a legal subdivision of the public land surveys, title to which is no longer in the United States except for a reversionary interest in the right-of-way, to the party holding title to the lands adjoining that portion or to the State or to the county, municipality, or other political subdivision containing that legal subdivision: *Provided,* That no conveyance under this section shall have the effect of decreasing the width of any right-of-way to less than fifty feet on each side of the centerline of the main track or tracks of railroad as established and maintained upon the date of approval of this section: *Provided further,* That any conveyance made under this section shall be subject to any right, title, and interest of the United States in and to the oil, gas, and other minerals in the land conveyed, with the right to prospect for, mine, and remove those minerals."

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the Act of May 25, 1920 (ch. 197, 41 Stat. 621; 43 U.S.C. 913), is amended by the addition of the following new section:

"'SEC. 2. Any railroad company to which a grant for a right-of-way through the public lands or a site for station grounds has been made by Congress, or its successor in interest or assign, may, with the concurrence of the Secretary of the Interior, convey any portion of that right-of-way or station grounds, except any right, title, or interest of the United States in and to the oil, gas, and other minerals underlying such right-of-way or station grounds, which traverses or occupies a legal subdivision of the public land surveys, title to which is no longer in the United States except for a reversionary interest in the right-of-way or station grounds, to the patentee or purported patentee of the portion of the legal subdivision occupied by such right-of-way or station grounds or to the patentee's successor in interest, or to the State, county, municipality, or other political subdivision containing that legal subdivision. No conveyance under this section shall have the effect of decreasing the width of any right-of-way to less than fifty feet on each side of the centerline of the main track or tracks of railroad as established and maintained upon the date of approval of this section, and every conveyance made under this section shall be subject to any right, title, or interest of the United States in and to the oil, gas, and other minerals in the land conveyed, with the right to prospect for, mine, and remove those minerals. A copy of each instrument of conveyance, other than for a public highway or street, proposed to be executed and delivered under authority of this section 2, and a verified statement of the amount of compensation which has been or will be paid to the railroad company for the same shall be filed in the Land Office of the United States in the district in which the land described in the conveyance is located. The Secretary shall not concur in any proposed conveyance with respect to which he concludes that the grantor has received or will receive compensation in excess of the administrative costs and expenses incurred in connection with the issuance of such conveyance nor shall he concur in any proposed conveyance which will, in his judgment, adversely affect the interests of the United States.'"

The committee amendment was agreed to.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, I strongly support the bill H.R. 6630 and urge its immediate passage. This legislation is necessary and is long overdue. With the adoption of the committee amendment, H.R. 6630 will authorize railroad companies, subject to certain

limitations, to convey portions of rights-of-way, over, or station grounds on, public lands. However, conveyances could be made only with the concurrence of the Secretary of the Interior, and would be limited to those instances where the rights-of-way or station grounds are within surveyed areas where the United States does not have title to the underlying land, could be made only to the patentee of such underlying land or his successor in interest, and would be subject to a reservation in the United States of minerals.

Mr. Speaker, the Subcommittee on Public Lands of the Interior Committee of the House, of which I am the ranking minority member, has held extensive hearings on this legislation. We heard all interested parties and this bill is the result of those hearings. In addition to the bill before us, H.R. 6630, I introduced an identical bill, H.R. 6945 which is referred to in the committee report.

H.R. 6630, as amended, does not solve all of the problems in this complicated field of railroad rights-of-way but it is a long step in the right direction. I urge its adoption.

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHNSON of California. Mr. Speaker, as author of H.R. 6630, I first would like to point out that the Committee on Interior and Insular Affairs and its Subcommittee on Public Lands reported this bill only after careful consideration of its importance and I would like to say here and now that I personally appreciate the attention given to this matter by the committee's distinguished chairman, the gentleman from Colorado [Mr. ASPINALL] and the gracious chairman of the subcommittee, the gentlewoman from Idaho [Mrs. PFOST].

H.R. 6630, as amended, adds another section to the act of May 25, 1920, 43 United States Code, section 913, providing that a railroad company holding such congressional grant right-of-way or station grounds may, with the concurrence of the Secretary of the Interior, convey a portion of that right-of-way or station grounds—except any oil, gas, and other mineral rights of the United States—to the patentee of the underlying subdivision or his successor, or to the State, county, or municipality in which the subdivision is located. H.R. 6630, as amended, is an additional provision allowing grants to patentees in cases where the Secretary of the Interior joins in the conveyance, and does not in any way affect or limit the right of the railroads to make conveyances of granted right-of-way for public highway or street purposes.

This bill includes several other provisions. The right-of-way may not be decreased below 100 feet in width, that is, 50 feet on either side of the centerline. Conveyances may be made only subject to any oil, gas, and other mineral rights of the United States. Also, a copy of the proposed conveyance is required to be filed in the U.S. Land Office together with a verified statement showing the compensation the railroad is receiving for the conveyance. The Secretary of the Interior is not authorized to concur in any proposed conveyance if the railroad, in his opinion, has received or will receive greater compensation than administrative costs and expenses. In addition, he is not authorized to concur in any conveyance he believes will adversely affect the interests of the United States.

This bill has been introduced as a general measure which would make unnecessary the introduction in Congress of numerous private bills. Such bills have been introduced from time to time to enable individual landowners to clear title to land owned by them but clouded by railroad right-of-way grants. These situations have arisen in a number of cases because owners of land adjoining railroad rights-of-way had inadvertently encroached on right-of-way or for some other reason needed their title cleared. In some such cases the railroads have given deeds to convey their interests to aid in clearing title for the owner. However, the people to whom such deeds were granted found in many cases that to secure a good title it was necessary also to have a release from the U.S. Government of any reversionary interest it might have. This arose from the fact that the U.S. Government might claim such an interest in the land underlying the right-of-way after its use for railroad purposes had ended.

There are several precedents for this bill. In addition to the act of May 25, 1920—43 United States Code, section 913—which I have mentioned, Congress provided in the act of March 8, 1922—43 United States Code, section 912—that whenever the use of public lands granted a railroad for railroad purposes ceased to be used for such purpose and a competent court or Congress declared a forfeiture or abandonment, then the interest of the United States in such land included in the right-of-way passed to the owner of the underlying subdivision, except for any oil, gas, or other minerals, and except when such land was in a municipality, in which case the title of the United States went to the municipality.

H.R. 6630, as amended, was favorably reported by the House Committee on Interior and Insular Affairs without dissent on August 23, 1961. I understand that the Interior Department and the Bureau of the Budget have no objection to the proposed legislation and have so indicated.

I hope that H.R. 6630 will be approved by this Congress and respectfully request your approval of this measure.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING FLOOD CONTROL ACT OF 1958

The Clerk called the bill (H.R. 7888) to amend the Flood Control Act of 1958 to extend the time within which land in certain reservoir projects in Texas may be reconveyed to the former owners thereof.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (i) of section 205 of the Flood Control Act of 1958 is amended by striking out "three" and inserting in lieu thereof "four".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONCERNING THE WHITE HOUSE AND ITS CONTENTS

The Clerk called the bill (H.R. 7997) to establish the White House as a national monument.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I have read the report and I still do not understand the necessity for this legislation unless it is to be found on page 2 of the report, from which I quote:

> History records many examples of carelessness in the handling and disposition of such objects which ought not to be repeated.

Is that the reason for this legislation?

Mr. KYL. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I am glad to yield.

Mr. KYL. Perhaps I should first say what this bill does not do. What we are actually considering is a substitute which was also presented to the committee by the able subcommittee chairman, the gentleman from Texas [Mr. RUTHERFORD]. This amendment does not designate the White House as a national monument. There is no money involved. There is no departmental jurisdiction which is altered at all. It does not alter the residential or business use by the President or his family of the White House. All it does, as the gentleman suggests, is provide that if White House furnishings are removed from use—these objects which are of historic interest shall be loaned to the Smithsonian Institution so that they will not be lost. There have been instances in which there have been such losses.

For instance, there is a President Madison table which was removed from the White House and put into the basement and was actually used as a sawhorse. This was a fine piece of furniture and it is presently being restored or resurrected. There was a set of dishes which had historic interest, which was put away in barrels in the basement of the White House. These would now be transferred to the Smithsonian Institution so that they would not be lost.

Mr. GROSS. Will this change the appropriations procedure?

Mr. KYL. It changes no appropriations procedure nor does it alter any jurisdiction of any department.

Mr. GROSS. I thought that under the provisions of this bill the Department

of the Interior would administer the property in the White House.

Mr. KYL. No. All we are actually considering is a substitute to the original bill, and the only purpose which is involved is indicated on page 1 of the report, in section 2, which says:

Articles of furniture, fixtures, and decorative objects of the White House, when declared by the President to be of historic or artistic interest—

And so on, shall be loaned to the Smithsonian Institution until such time as they will be returned to the White House.

Mr. GROSS. Mr. Speaker, I thank the gentleman and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that an identical Senate bill, S. 2422, be considered in lieu of the House bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all of that portion of reservation numbered 1 in the city of Washington, District of Columbia, which is within the President's park enclosure, comprising eighteen and seven one-hundredths acres, shall continue to be known as the White House and shall be administered pursuant to the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1–3), and Acts supplementary thereto and amendatory thereof. In carrying out this Act primary attention shall be given to the preservation and interpretation of the museum character of the principal corridor on the ground floor and the principal public rooms on the first floor of the White House, but nothing done under this Act shall conflict with the administration of the Executive offices of the President or with the use and occupancy of the buildings and grounds as the home of the President and his family and for his official purposes.

SEC. 2. Articles of furniture, fixtures, and decorative objects of the White House, when declared by the President to be of historic or artistic interest, together with such similar articles, fixtures, and objects as are acquired by the White House in the future when similarly so declared, shall thereafter be considered to be inalienable and the property of the White House. Any such article, fixture, or object when not in use or on display in the White House shall be transferred by direction of the President as a loan to the Smithsonian Institution for its care, study, and storage or exhibition, and such articles, fixtures, and objects shall be returned to the White House from the Smithsonian Institution on notice by the President.

SEC. 3. Nothing in this Act shall alter any privileges, powers, or duties vested in the White House Police and the United States Secret Service, Treasury Department, by section 202 of title 3, United States Code, and section 3056 of title 18, United States Code.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 7997) was laid on the table.

AUTHORIZING THE POSTMASTER GENERAL TO DISPOSE OF CERTAIN LAND

The Clerk called the bill (H.R. 7890) to authorize the Postmaster General to dispose of certain land, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding section 2103(b) of title 39, United States Code, the Postmaster General is authorized to dispose of the following described real property:

Beginning at the southwest corner of the intersection of West Lexington Avenue and South Osage Street; thence south 0 degrees 09 minutes 47 seconds east along the west side of South Osage Street 215.17 feet more or less to a point; thence south 90 degrees 00 minutes 00 seconds west 235.79 feet more or less to a point; thence north 0 degrees 06 minutes 46 seconds west 215.17 feet more or less to a point; thence north 90 degrees 00 minutes 00 seconds east 235.62 feet more or less to the place of beginning.

as provided in section 2103(a)(2)(B) of title 39, United States Code.

With the following committee amendments:

Page 1, line 5, strike out "of the following described real property" and insert in lieu thereof the following: "of, as provided in section 2103(a)(2)(B) of title 39, United States Code, the following-described real property situated in Independence, Jackson County, Missouri:".

Page 2, lines 11 and 12, strike out "as provided in section 2103(a)(2)(B) of title 39, United States Code.".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MIGRATION AND REFUGEE ASSISTANCE

The Clerk called the bill (H.R. 8291) to amend the act of July 14, 1960, enabling the United States to participate in the resettlement of certain refugees, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. FASCELL. Reserving the right to object, Mr. Speaker, I should like to ask the distinguished chairman of the Subcommittee on Immigration and Nationality of the Committee on the Judiciary several questions. Under this legislation, would it be necessary that an individual determination be made before assistance could be provided?

Mr. WALTER. No, it would not be. We did, I think, develop in the course of the hearings and also indicated in the report that there should be a continuance of the present practice of obtaining all the information possible concerning the refugees that are coming from Cuba, their economic condition and, of course, the security aspects. Actually all this bill does is to restate three provisions of existing law that are contained in other statutes, which should have been within the jurisdiction of the Committee on the Judiciary, plus one novel matter in which the gentleman is interested, the assistance to the refugees from Cuba.

Mr. FASCELL. I appreciate that. Of course the legislation is highly essential and desirable. I just want to be sure we are not creating any administrative problems. That is the reason for my question.

A further question is, Does this legislation in any way make necessary assistance payments to an individual? I have in mind specifically the case of cooperative agreements with the county on matters of education and other matters, whereunder the present administrative arrangement a lump-sum payment is made by the Federal Government without the necessity for individual payments.

Mr. WALTER. If the gentleman will refer to the hearings he will see that the Secretary of Health, Education, and Welfare has indicated the system he will employ in the disbursement of funds to the several school districts in the State of Florida to relieve them, at least partially, from the burden created by the influx of the many refugee children of school age.

Mr. FASCELL. I thank the gentleman. Many of these refugees who came in subsequent to the Castro administration in January of 1959 under our policy at that time came in on visa. I just want to be sure that the language of the legislation does not preclude those people from receiving assistance because the present practice in many of the cases, as the chairman well knows, is to make payments to people coming in under visas. At the present time these people although they have visas are considered also refugees escaping from the Communist tyranny. I want to be certain the language of this bill does not preclude assistance to those who are in fact refugees from the Castro administration, but may have entered under visa for permanent residence.

Mr. WALTER. All they need to do is establish their status as refugees and apply for the appropriate type of assistance which could then be granted under the discretionary authority of the Secretary of Health, Education, and Welfare.

Mr. FASCELL. Notwithstanding the fact that they may have been admitted for permanent residence in the United States under a visa?

Mr. WALTER. Yes, that is correct, subject, of course, to the provisions of the bill which will have to be administered in conjunction with the permanent law.

Mr. FASCELL. I thank the gentleman very much. I withdraw my reservation of objection, Mr. Speaker.

Mr. WIDNALL. Reserving the right to object, Mr. Speaker, is this the bill that has to do with the Korean orphans, or is that bill coming up under suspension?

Mr. WALTER. No; that bill will come up under suspension.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of July 14, 1960 (74 Stat. 504) is hereby redesignated as section 1(a) and the following is added thereto:

"(b) The President is hereby authorized to continue membership for the United States in the Intergovernmental Committee for European Migration in accordance with its constitution approved in Venice, Italy, on October 19, 1953. For the purpose of assisting in the movement of refugees and migrants and to enhance the economic progress of the developing countries by providing for a coordinated supply of selected manpower, there is hereby authorized to be appropriated such amounts as may be necessary from time to time for the payment by the United States of its contributions to the Committee and all necessary salaries and expenses incident to United States participation in the Committee:

"(c) There is hereby authorized to be appropriated such amounts as may be necessary from time to time (1) for contributions to the activities of the United Nations High Commissioner for Refugees for assistance to refugees under his mandate or in behalf of whom he is exercising his good offices; (2) for assistance to or in behalf of refugees, escapees, and selected persons from Communist-dominated or Communist-occupied areas, or to or in behalf of refugees, escapees, and selected persons from other areas, except as may be otherwise provided for by the Act for International Development or other Acts, whenever the President shall determine that such assistance would be in the interest of the United States, or (3) for a special emergency fund to meet unexpected refugee and migration developments when the President shall determine that such assistance is in the interests of the United States. Funds appropriated for the purpose of this Act shall remain available until expended."

SEC. 2. The Act of July 14, 1960 (74 Stat. 504), is amended by adding a new section 12 to read as follows:

"SEC. 12. (a) Unobligated and unexpended balances of funds made available under authority of the Mutual Security Act of 1954, as amended, and allocated or transferred for the purpose of providing assistance to or in behalf of refugees, migrants, escapees, and selected persons are hereby authorized to be continued available for such purposes and may be consolidated with appropriations authorized by subsections (b) and (c) of section 1.

"(b) The President may exercise any functions or authority conferred upon him by subsections (b) and (c) of section 1 of this Act through such agency or officer of the United States Government as he shall direct. The head of any such agency or such officer may from time to time promulgate such rules and regulations as may be necessary to carry out such functions or authority, including, if he shall so specify, the authority to redelegate to any of his subordinates.

"(c) The President may allocate or transfer to any agency of the United States Government any part of any funds available for carrying out the purposes of subsections (b) and (c) of section 1 of this Act. Such funds shall be available for obligation and expenditure for the purposes for which authorized in accordance with authority granted in this Act or under authority governing the activities of the agencies of the United States Government to which such funds are allocated or transferred. Funds allocated or transferred pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury.

"(d) Whenever the President determines it to be in furtherance of the purposes of this Act, the functions authorized under subsections (b) and (c) of section 1 of this Act may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951 (65 Stat. 7), as amended), regulating the making, performance, amendment, or modification of contracts and the expenditure of funds of the United States Government as the President may specify.

"(e) Notwithstanding the provisions of title 10, United States Code, section 3544(b) and 8544(b), personnel of the Department of Defense may be assigned or detailed to any civil office for the purpose of enabling the President to furnish assistance under this Act.

"(f) Except as otherwise specifically provided in this Act, the President may make loans, advances and grants to, make and perform agreements and contracts with, or enter into other transactions with, any individual, corporation, or other body of persons, government or government agency, whether within or without the United States, and international and intergovernmental organizations in furtherance of the purposes of this Act.

"(g) The President may accept and use in furtherance of the purposes of subsections (b) and (c) of section 1 of this Act money, funds, property, and services of any kind made available by gift, devise, bequest, grant, or otherwise for such purpose.

"(h) Funds made available for the purposes of subsections (b) and (c) of section 1 of this Act shall be available for—

"(1) compensation, allowances, and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purpose of this Act, and without regard to the provisions of any other law, for printing and binding, and for expenditures outside the United States for the procurement of supplies and services and for other administrative and operating purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditures of Government funds as may be necessary to accomplish the purposes of this Act;

"(2) contracting with individuals for personal services abroad;

"(3) exchange of funds without regard to section 3651 of the Revised Statutes (31 U.S.C. 543), and loss by exchanges;

"(4) expenses authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), not otherwise provided for;

"(5) expenses authorized by the Act of August 1, 1956 (70 Stat. 890–892), as amended; and

"(6) all other expenses determined by the President to be necessary to carry out the purposes of this Act.

"(i) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law contained in the Mutual Security Act of 1954, as amended, whether repealed or not, shall continue in full force and effect until modified by appropriate authority."

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That this Act may be cited as the 'Migration and Refugee Assistance Act of 1961'.

"SEC. 2. (a) The President is hereby authorized to continue membership for the United States in the Intergovernmental Committee for European Migration in accordance with its constitution approved in Venice, Italy, on October 19, 1953. For the purpose of assisting in the movement of refugees and migrants and to enhance the economic progress of the developing countries by providing for a coordinated supply of selected manpower, there are hereby authorized to be appropriated such amounts as may be necessary from time to time for the payment by the United States of its contributions to the Committee and all necessary salaries and expenses incident to United States participation in the Committee;

"(b) There are hereby authorized to be appropriated such amounts as may be necessary from time to time—

"(1) for contributions to the activities of the United Nations High Commissioner for Refugees for assistance to refugees under his mandate or in behalf of whom he is exercising his good offices;

"(2) for assistance to or in behalf of refugees in the United States whenever the President shall determine that such assistance would be in the interest of the United States: *Provided,* That the term 'refugees' as herein used means aliens who (A) because of persecution or fear of persecution on account of race, religion, or political opinion, fled from a country of the Western Hemisphere; (B) cannot return thereto because of fear of prosecution on account of race, religion, or political opinion; (C) have not been admitted for permanent residence under the Immigration and Nationality Act; and (D) are in urgent need of assistance for the essentials of life, or for education, or for transportation; and

"(3) for assistance to escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia, or the Communist-dominated or Communist-occupied areas of Germany, or any Communist-dominated or Communist-occupied areas of Asia and any other countries absorbed by the Soviet Union, either to form such persons into elements of the military forces supporting the North Atlantic Treaty Organization or in furtherance of the objectives of the foreign policy of the United States when the President determines that such assistance will contribute to the defense of the North Atlantic area or to the security of the United States.

"Funds appropriated for the purposes of this subsection shall remain available until expended;

"(c) Of the funds made available for use under section 451 of the Act for International Development of 1961, not to exceed $10,000,000 may be used in any fiscal year in order to meet unexpected refugee and migration developments, when the President determines such use to be important to the national interest;

"(d) The President shall keep the appropriate committees of Congress currently informed of the use of funds and the exercise of functions authorized in this Act;

"(e) Unobligated and unexpended balances of funds made available under authority of the Mutual Security Act of 1954, as amended, and allocated or transferred for the purpose of providing assistance to or in behalf of refugees, migrants, escapees, and selected persons are hereby authorized to be continued available for the purposes of this section and may be consolidated with appropriations authorized by this section.

"SEC. 3. (a) In carrying out the purpose of this Act, the President is authorized—

"(1) to make loans, advances, and grants to, make and perform agreements and contracts with, or enter into other transactions with, any individual, corporation, or other body of persons, government or government agency, whether within or without the United States, and international and intergovernmental organizations;

"(2) to accept and use money, funds, property, and services of any kind made available by gift, devise, bequest, grant, or otherwise for such purposes;

"(b) Whenever the President determines it to be in furtherance of the purposes of this Act, the functions authorized under this Act may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951 (65 Stat. 7)), as amended, regulating the making, performance, amendment, or modification of contracts and the expenditure of funds of the United States Government as the President may specify.

"SEC. 4. (a) Subject to the provisions of section 301 of title 3, United States Code, the President is authorized to designate the head of any department or agency in the executive branch, or any official thereof who is required to be appointed by the President by and with the advice and consent of the Senate, to perform any functions conferred upon the President by this Act. Any individual so designated by the President under this subsection shall prescribe such regulations as may be necessary to carry out such functions. If the President shall so specify, any individual so designated under this subsection is authorized to redelegate to any of his subordinates any functions authorized to be performed by him under this subsection, except the function of prescribing regulations or exercising any action or authority specified in section 3 of this Act.

"(b) The President may allocate or transfer to any agency of the United States Government any part of any funds available for carrying out the purposes of this Act. Such funds shall be available for obligation and expenditure for the purposes for which authorized in accordance with authority granted in this Act. Funds allocated or transferred pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury.

"SEC. 5. (a) Funds made available for the purposes of this Act shall be available for—

"(1) compensation, allowances, and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purpose of this Act, and without regard to the provisions of any other law, for printing and binding, and for expenditures outside the United States for the procurement of supplies and services and for other administrative and operating purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of Government funds as may be necessary to accomplish the purposes of this Act;

"(2) employment or assignment of Foreign Service Reserve officers for the duration of operations under this Act;

"(3) exchange of funds without regard to section 3651 of the Revised Statutes (31 U.S.C. 543), and loss by exchanges;

"(4) expenses authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), not otherwise provided for;

"(5) expenses authorized by the Act of August 1, 1956 (70 Stat. 890–892), as amended; and

"(6) all other expenses determined by the President to be necessary to carry out the purposes of this Act.

"(b) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements and other actions issued, undertaken, or entered into under authority of any provision of law contained in the Mutual Security Act of 1954, as amended, whether repealed or not shall continue in full force and effect until modified by appropriate authority.

"SEC. 6. Subsections (a), (c), and (d) of section 405 of the Mutual Security Act of 1954, as amended, are hereby repealed."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to enable the United States to participate in the assistance rendered to certain migrants and refugees."

A motion to reconsider was laid on the table.

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

Mr. SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, the bill H.R. 8291 proposes to enact the Migration and Refugee Assistance Act of 1961, recommended by the President in a message dated July 21, 1961.

The original bill, as introduced by myself, contained the language suggested by the administration. After an extensive hearing was held and the subject matter thoroughly examined, the committee proposed to amend the original version of the bill mainly for the purpose of clarification but also in order to use a more precise language of those provisions which refer to the administration of the various programs authorized under this legislation. The Committee on the Judiciary recommends unanimously that the House adopt the amendment in lieu of the language of the original bill.

The purpose of this legislation is, basically, to reenact three provisions of the old Mutual Security Act for which a substitute was approved last week in the form of the Foreign Assistance Act of 1961.

These provisions authorize the continuation of the participation by the United States in two internationally concerted programs administered by the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees, respectively. The third authorization relates to an assistance program administered unilaterally by the United States for the purpose of aiding the escapees from Communist-dominated or Communist-occupied countries.

The fourth assistance program authorized by this legislation—assistance to Cuban refugees in the United States—is a necessity which arises out of the fact that the United States has become a country of first asylum. Since the end of World War II this country has admitted close to 1 million displaced persons, refugees, and escapees from countries of first asylum. Now, we have not only opened the doors, but assumed heavy responsibilities in behalf of escapees from Cuba coming across that narrow body of water which, in fact, became an extension of the Iron Curtain established by international communism in the Western Hemisphere.

The President in requesting this legislation has stressed the necessity for the continuation of refugee and migration activities hitherto authorized and financed by the Congress through the mutual security program. The President has, however, deemed it necessary to recommend that these programs be eliminated from the recently reshaped foreign-aid legislation.

The main reason for this, as explained to us by the Deputy Under Secretary of State for Administration, Mr. Roger W. Jones, was to return to the jurisdiction of the Committee on the Judiciary matters which have traditionally been the concern of that committee, but which in recent years have been, for a variety of reasons, or as Mr. Jones put it—"as a matter of convenience," included in the mutual security legislation.

My colleagues on the Committee on the Judiciary appreciate the President's thoughtfulness in recommending that this legislation remain within the jurisdiction of the committee of the House which is responsible for legislation, and continuing supervision of problems, relating to migration, immigration, refugees, and escapees. The Committee on the Judiciary has, since 1947, remained in close touch with all the problems reflected in this legislation and it, therefore, is fully qualified to pass on the merits of it and make the proper recommendation to the House.

In that connection, it should be noted that H.R. 8291, as introduced, or as amended, is not an immigration bill. Not one additional person will be permitted to enter the United States under this legislation.

However, this legislation may permit a great many people fleeing their enslaved countries, or simply desiring to leave their native lands in quest for a better life, to reach countries other than the United States and find their new homes, new employment opportunities and a new chance to enjoy freedom and happiness.

Thus, the main purpose of the two principal programs authorized to be continued under this legislation is for the United States not to go it alone in the effort of solving the economic and social problems of manpower which is in surplus in one country and in demand in another. Similarly, the purpose of these provisions is to participate in an international—and not a unilateral—effort to provide relief and resettlement opportunities for refugees driven out of their abodes by the oppressive forces of tyranny. Our participation in existing, multilateral, successfully operating programs appears to be the most important and compelling feature of this legislation.

As far as the two unilateral programs are concerned, one of them—the problem of Cuban refugees—has been imposed upon this country practically overnight by the seizure of neighboring Cuba by Communist forces. The State of Florida, Dade County, and the city of Miami, have incurred heavy burdens and demonstrated magnificent generosity of their citizens in providing assistance to the needy Cuban refugees. Florida's activities in this field will for a long time remain not only an example of hospitality for a neighbor in need, but will shine as a beacon of hope and the monument of a big human heart which is a truly American characteristic.

However, Florida and its political and administrative subdivisions could not be expected to bear the burden alone. Shortly before the end of his term, President Eisenhower had allocated certain funds to relieve the suffering of Cuban refugees and to assist the citizens of Florida in their humanitarian task. Soon after his inauguration, President Kennedy has done likewise and placed the supervision of the program in the trusted hands of the distinguished Secretary of Health, Education, and Welfare, Mr. Ribicoff. The Committee on the Judiciary agrees fully with the President and with Secretary Ribicoff, that if further assistance is to be rendered to Cubans, funds for that purpose ought not to be taken from the President's emergency or contingency funds. We are of the opinion that it is much more preferable to have the financing of the assistance program for Cuban refugees placed under the regular congressional authorization and appropriations proceedings. This is precisely what this legislation will achieve.

The other unilaterally operated assistance program relates to escapees from countries whose misfortune it was to be enslaved by Communist tyranny. This provision of the instant legislation represents a continuation of the concept and the program first authorized under the Mutual Security Act of 1951 pursuant to a provision generally referred to as the Kersten amendment.

In authorizing the continuation of this program, the committee has included in the report—House Report No. 1066, pages 26 and 27—certain recommendations designed to prevent the further erosion, misconstruction, and misapplication of the program as originally conceived. We are convinced that political and defense aspects of the escapee program are the sole justification for its existence. If strictly humanitarian and social welfare aspects of the escapee program were to remain as manifest in its operations as they are evident now, the entire program could be placed in the hands of the United Nations High Commissioner for Refugees and the Intergovernmental Committee for European Migration operating jointly. The only reasons why the committee recommends that the program be continued, are considerations of the national interest in its political and defense aspects, not readily ascertainable within the last several years of the programs operations. The committee pledges to the House its continuous supervision of that particular program and wishes to serve notice that the tenor of further recommendations as to the continuation of this effort will depend on the results of an urgently needed full and complete review of the policies and operations.

The administrative provisions of this legislation follow closely the pattern of the Foreign Assistance Act of 1961, approved by the House and the Senate. The important difference, contained in section 4(a), relates to a limitation of the President's authority to delegate the powers vested in him. In view of the highly sensitive human, political, and financial elements involved in this legislation, the President would not be authorized to delegate his powers, as specified, below the level of an officer or officers appointed by him with the advice and consent of the Senate.

In the light of the committee's experience in observing and studying the operation of the programs authorized in this legislation, I feel fully justified to recommend that the bill, H.R. 8291, as amended, be approved.

EMPOWERING ADMINISTRATOR OF GENERAL SERVICES TO APPOINT NONUNIFORMED SPECIAL POLICEMEN

The Clerk called the bill (S. 541) to amend the act of June 1, 1948 (62 Stat. 281), to empower the Administrator of General Services to appoint nonuniformed special policemen.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, does not this create still another police force in the District of Columbia?

Mr. JONES of Alabama. No, it does not.

Mr. GROSS. Will it mean an increase in personnel?

Mr. JONES of Alabama. No, it is not anticipated that there will be additional employees.

Mr. GROSS. I understand.

Mr. JONES of Alabama. The reason for this request is, if the gentleman will recall, last year we had a numbers racket going on at the Pentagon, so it is to abate this kind of practice.

Mr. GROSS. Mr. Speaker, may I say to my colleague, I do not care to prolong this discussion. My questions have been answered, that it will not mean another police force or a substantial increase in personnel. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of June 1, 1948 (62 Stat. 281), is amended by adding at the end thereof the following new section:

"SEC. 5. Officials or employees of the General Services Administration who have been duly authorized to perform investigative functions may be empowered by the Administrator of General Services, or officials of General Services Administration duly authorized by him, to act as nonuniformed special policemen in order to protect property under the charge and control of the General Services Administration and to carry firearms, whether on Federal property or in travel status. Such officials or employees who are empowered to act as nonuniformed special policemen shall have, while on real property under the charge and control of the General Services Administration, the power to enforce Federal laws for the protection of persons and property and the power to enforce rules and regulations made and published for such purposes by the Administrator or duly authorized officials of the General Services Administration. Any such special policeman may make arrests without warrant for any offense committed upon such property if he has reasonable ground to believe (1) the offense constitutes a felony under the laws of the United States, and (2) that the person to be arrested is guilty of that offense."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ORGANIZATION OF BUREAU OF PUBLIC ROADS

The Clerk called the bill (H.R. 8558) to amend section 303(a) of title 23, United States Code, relating to the organization of the Bureau of Public Roads, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 303 of title 23, United States Code, is hereby amended to read as follows:

"(a) The Bureau of Public Roads shall be in the Department of Commerce as a primary unit administered by the Federal Highway Administrator, appointed by the President by and with the advice and consent of the Senate. The Administrator shall receive basic compensation at the rate prescribed by law for Assistant Secretaries of executive departments and shall perform such duties as the Secretary of Commerce may prescribe or as may be required by law. There shall be a Deputy Federal Highway Administrator, who shall be appointed by the Secretary and perform such duties as may be prescribed by the Federal Highway Administrator. The Deputy Federal Highway Administrator shall receive basic compensation at a rate $1,000 less than the rate provided for the Federal Highway Administrator."

SEC. 2. Section 107(a) of the Act approved July 31, 1956 (70 Stat. 739), is hereby amended by deleting the paragraph which reads:

"(16) Commissioner of Public Roads."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL POISON PREVENTION WEEK

The Clerk called the joint resolution (H.J. Res. 358) authorizing the President to issue annually a proclamation designating the third week in March as "National Poison Prevention Week," in order to aid in bringing to the American people the dangers of accidental poisoning.

There being no objection, the Clerk read the resolution as follows:

Whereas eight hundred and twenty-two thousand persons in all age groups are accidentally poisoned in the United States annually; and

Whereas daily almost one thousand five hundred children under the age of five years ingest products containing harmful chemicals; and

Whereas household products sometimes are not adequately marked so as to warn of their poisonous properties, with the result that

they sometimes are not stored out of the reach of children; and

Whereas there is a great need for the education of the American people as to the dangers of accidental poisonings, and of the need to keep from the reach of children all household products which contain harmful chemicals: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue annually a proclamation designating the third week in March as "National Poison Prevention Week," to aid in encouraging the American people to learn of the dangers of accidental poisoning and to take such preventive measures as are warranted by the seriousness of the danger.

With the following committee amendment:

On page 1 and 2 of the bill strike out all the whereas clauses.

The committee amendment was agreed to.

The join resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROHIBITING THE USE OF SLUGS AND SIMILAR DEVICES

The Clerk called the bill (H.R. 8038) to amend section 491 of title 18, United States Code, prohibiting certain acts involving the use of tokens, slugs, disks, devices, papers, or other things which are similar in size and shape to the lawful coins or other currency of the United States.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 491 of title 18, United States Code, is amended by striking out all of that section and inserting in lieu thereof the following:

"§ 491. Tokens or paper used as money

"(A) Whoever, not lawfully authorized, makes, issues, or passes any coin, card, token, or device in metal, or its compounds, which may be intended to be used as money, or whoever, with intent to defraud, makes, utters, inserts, or uses any card, token, slug, disk, device, paper, or other thing similar in size and shape to any of the lawful coins or other currency of the United States, or any coin or other currency not legal tender in the United States, to procure anything of value, or the use or enjoyment of any property or service from any automatic merchandise vending machine, postage-stamp machine, turnstile, fare box, coin-box telephone, parking meter, or other receptacle, depository, or contrivance designed to receive or to be operated by lawful coins or other currency of the United States, shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"(B) Whoever manufactures, sells, offers, or advertises for sale, or exposes or keeps with intent to furnish or sell any token, slug, disk, device, paper, or other thing similar in size and shape to any of the lawful coins or other currency of the United States, or any token, disk, paper, or other device issued or authorized in connection with rationing or food and fiber distribution by any agency of the United States, with knowledge or reason to believe that such tokens, slugs, disks, devices, papers, or other things may be used unlawfully or fraudulently to procure anything of value, or the use or enjoyment of any property or service from any automatic merchandise vending machine, postage-stamp machine, turnstile, fare box, coin-box telephone, parking meter, or other receptacle, depository, or contrivance designed to receive or to be operated by lawful coins or other currency of the United States shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"(C) Knowledge or reason to believe, within the meaning of subsection (B) of this section, may be shown by proof that any law enforcement officer has, prior to the commission of the offense with which the defendant is charged, informed the defendant that tokens, slugs, disks, devices, papers, or other things of the kind manufactured, sold, offered, or advertised for sale by him or exposed or kept with intent to furnish or sell, are being used unlawfully or fraudulently to operate certain specified automatic merchandise vending machines, postage-stamp machines, turnstiles, fare boxes, coin-box telephone, parking meters, or other receptacles, depositories, or contrivances designed to receive or to be operated by lawful coins or other currency of the United States."

With the following committee amendments:

No. 1: On page 1, line 7, strike out "A" within the parentheses and insert instead "a".

No. 2: On page 2, line 1, strike out "which may be".

No. 3: On page 2, line 5, insert a "comma" after "United States".

No. 4: On page 2, line 10, after the word "other" insert "lawful".

No. 5: On page 2, line 12, insert a "comma" after "United States".

No. 6: On page 2, line 15, strike out "B" within the parentheses and insert instead "b".

No. 7: On page 2, line 23, strike out "may be" and insert instead "are intended to be".

No. 8: On page 3, line 3, after the word "other" insert "lawful".

No. 9: On page 3, strike out line 7 through line 20 and insert the following new subsection (c):

"(c) Nothing contained in this section shall create immunity from criminal prosecution under the laws of any State, Commonwealth of Puerto Rico, territory, possession, or the District of Columbia."

The committee amendments were agreed to.

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Speaker, in the few minutes set aside for consideration of H.R. 8038 I want to briefly give the background of this legislation. I have received some inquiries as to why Congress should be worrying about slugs in automatic vending devices, and it is to that point I want to direct my remarks.

As the Members know—particularly those who have served with me for any length of time—I try to give every constituent of mine who has a problem involving Federal agencies or Federal law as much help as I can, and this sometimes gets me into issues far removed from my own committee work. This bill is a good illustration.

A firm in St. Louis with extensive interest in vending machines called my attention last year to the fact that it is—and has long been—a Federal crime to use counterfeit slugs or tokens intended to be used as money for any 1-cent, 2-cent, 3-cent, or 5-cent pieces, with a penalty of fines up to $1,000 and/or imprisonment up to 1 year. However, at the time this law was enacted in 1944, vending machines were not in very great use. The volume of business in coin-operated machines and devices of various kinds—excluding illicit ones, of course—was about $500 million a year. In 1960, it was estimated at $2.5 billion, or five times as much, and at the present rate of expansion and with the progress of automation, it is estimated that by 1965 this volume will reach $4 billion. And we are no longer dealing only with coin equivalents of 1-cent, 2-cent, 3-cent, or 5-cent pieces, but with dimes, quarters, half dollars, and currency up to $20.

Hence, while it is a Federal crime to use counterfeit coins or metal slugs to defraud these automatic devices of a penny, or 2 cents, or 3 cents, or a nickel, anything over that is all right as far as the Federal Government is concerned. Obviously, this is a situation which requires correction.

The telephone industry reported it loses $1 million a year in slugs. As more and more items are dispensed by machines, more and more industries are going to suffer substantial losses. Currency-changing machines now in use or coming into operation change bills up to $10 or $20, and while they are rather sophisticated devices and often able to reject counterfeit, nevertheless, it is strange that it is not a Federal crime to attempt to pass counterfeit paper for currency when the attempt involves feeding it into a machine rather than handing it to a person.

The Treasury had some reservations about the language in a few particulars of a similar bill which I introduced in the previous Congress. The bill as it now stands conforms to the Treasury Department's recommendations. The Justice Department, however, questions whether this kind of cheating should be a Federal offense.

The answer to that is twofold: first, it is now a Federal offense when it involves a token or slug used to obtain something of very small value—a penny, 2 cents, 3 cents, or a nickel—hence the principle of having cheating of larger proportion made a Federal offense is not out of line; second, the Congress and the Federal Government are traditionally concerned over the integrity of coins and currency and this is definitely part of that responsibility. As the committee report states, a slug designed to deceive a machine is as much a counterfeit as a device intended to deceive the eye. This bill merely brings existing law up to date with present day economic reality.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR CONVEYANCE OF A PORTION OF HENRY G. SHIRLEY MEMORIAL HIGHWAY AND OTHER HIGHWAYS ON PENTAGON ROAD NETWORK TO THE COMMONWEALTH OF VIRGINIA

The Clerk called the bill (H.R. 8678) to provide for the conveyance of a portion of the Henry G. Shirley Memorial Highway and other highways on the Pentagon road network to the Commonwealth of Virginia, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. PELLY. Mr. Speaker, reserving the right to object, could someone give us an explanation as to the cost of this bill. As Members know, the official Objectors Committee have a rule which sets a limit on the cost of any bill going through under this procedure. The limit is $1 million and I note that the cost involved in this bill is stated as $2,500,000.

Mr. BALDWIN. Mr. Speaker, will the gentleman yield?

Mr. PELLY. I yield to the gentleman from California.

Mr. BALDWIN. Actually, this will not involve any appropriations from the U.S. Treasury. The sum involved comes from the highway trust fund and, therefore, will not involve any new appropriations. This will actually save money to the Government of the United States because under the present circumstances, the Federal Government is responsible for the full maintenance and repair of all roads in the vicinity of the Pentagon network. This will authorize the State of Virginia to take over the responsibility, and in the long run it will be to the financial advantage of the Federal Government.

Mr. PELLY. Mr. Speaker, in view of the fact that this measure does not violate the rule of the Committee of Objectors on the Consent Calendar, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Commerce may convey to the Commonwealth of Virginia all the right, title, and interest of the United States in and to that portion of the Henry G. Shirley Memorial Highway in Arlington County, Virginia, as described in subsection (b) of this section, if the Commonwealth of Virginia agrees to promptly undertake the necessary project or projects to bring such highway up to the standards of the National System of Interstate and Defense Highways. The Federal share payable on account of such project on the Interstate System shall be 95 per centum of the total cost of such project.

(b) That portion of the Henry G. Shirley Memorial Highway in Arlington County, Virginia, authorized to be conveyed to the Commonwealth of Virginia by subsection (a) of this section shall be deemed to include the following roads, together with such pertinent bridges, interchanges, approaches, connections, and other facilities as may be agreed upon by the Secretary of Commerce and the Secretary of the Army:

(1) United States Route 1 from the vicinity of bridge 21 as may be agreed upon by the District of Columbia Highway Department and the Secretary of Commerce to the present northerly limit of State maintenance on such route in the vicinity of Army and Navy Drive (G road), approximately seven-tenths mile (NS road);

(2) The Henry G. Shirley Memorial Highway (State Route 350) from United States Route 1 to State Route 7, approximately four miles (CD road); and

(3) Connecting road, between the Henry G. Shirley Memorial Highway and Arlington Ridge Road, approximately two-tenths mile (JK road).

SEC. 2. (a) The Secretary of Commerce may convey to the Commonwealth of Virginia, together with interchanges, frontage roads, structures, and other facilities appurtenant thereto, the following routes:

(1) Jefferson Davis Highway from United States Route 1 to the intersection with Arlington Ridge Road near Wilson Boulevard, approximately two and three-tenths miles (H. road);

(2) Connecting road, from the Henry G. Shirley Memorial Highway along the south boundary of Fort Myer, to a point near Arlington Boulevard, approximately one and three-tenths miles (AB road);

(3) Connecting road, from the Henry G. Shirley Memorial Highway to Columbia Island, approximately one mile (AB road); and

(4) Columbia Pike Extension, from old Arlington Ridge Road to connecting road between Henry G. Shirley Memorial Highway and Columbia Island, approximately four-tenths mile.

(b) There is hereby authorized to be appropriated to the Department of Commerce an amount not to exceed $2,500,000 to improve the routes authorized to be conveyed to the Commonwealth under subsection (a) of this section to adequate standards for current traffic. Such sums shall be available until expended for the purposes of this section: *Provided,* That no funds authorized under this section shall be used to improve the routes under subsection (a) of this section until the Commonwealth has agreed to accept the conveyance of these routes after the improvements herein authorized.

With the following committee amendments:

Page 2, strike out lines 13 through 18 and substitute in lieu thereof the following:

"(1) United States Route 1 from the boundary line between the District of Columbia and the Commonwealth of Virginia established by section 101 of the Act approved October 21, 1945 (59 Stat. 552; sec. 1–101 note, D.C. Code, 1951 ed.), to the present northerly limit of State maintenance on such route in the vicinity of Army and Navy Drive (G road), approximately one mile (NS road);".

Page 3, strike out line 19 and all that follows down through and including line 4 on page 4, and insert in lieu thereof the following:

"(b) There is authorized to be appropriated, out of the Highway Trust Fund created by the Highway Revenue Act of 1956, not to exceed $2,500,000 to be expended by the Secretary of Commerce without regard to sections 104 and 120 of title 23 of the United States Code to pay the full cost of improving to adequate standards for current traffic the routes authorized to be conveyed under subsection (a) of this section. Such sum shall be available until expended. No funds authorized by this subsection shall be used until the Commonwealth of Virginia has agreed to accept conveyance of these routes and until such routes shall have been selected and designated by the Commonwealth and approved by the Secretary of Commerce as part of one of the Federal-aid highway systems. Amounts authorized by this subsection shall be in addition to and not in lieu of any other amounts otherwise authorized to be appropriated for expenditure on such Federal-aid highway systems."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REQUIRING SUBMISSION OF A REPORT TO CONGRESS CONCERNING ELIGIBLE PUBLIC BUILDING PROJECTS

The Clerk called the bill (H.R. 7477) to repeal section 409 of the Public Buildings Act of 1949, requiring the submission of a report to the Congress concerning eligible public building projects.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, do I understand from reading the report that this would repeal the law which makes it necessary for the Committees on Public Works of the House and Senate to come in with resolutions, if the construction is to cost more than $100,000? In other words, if I read this proposal correctly, you are simply making it much easier to authorize more buildings in Washington and elsewhere.

Mr. JONES of Alabama. No, I will say to the gentleman from Iowa, it discontinues the reporting under the General Services Act of 1948, for the simple reason that under the Public Buildings Act of 1959 they are required to give more exact accounts to the Congress. It does not change any of the substantive law in regard to authorizations and appropriations for projects.

Mr. GROSS. This deals only with reporting; is that correct?

Mr. JONES of Alabama. That is correct. It just relieves the General Services Administration from reporting under the General Services Act but makes them report under the Public Buildings Act of 1959. That is the only change and the only thing that this bill accomplishes.

Mr. GROSS. Does this change the requirement that the Administrator of General Services provide a prospectus?

Mr. JONES of Alabama. It does not change in any respect the reporting to the Congress of the proceedings that GSA must follow under the law in reporting to the Congress.

Mr. GROSS. This does not change section 11(a)?

Mr. JONES of Alabama. No, it does not change anything except to discontinue the request of their reports under the 1948 act, since they report under the 1959 act.

Mr. GROSS. It does not make it any easier for the House Committee on Public Works or its counterpart in the other

body to come before the Congress to squeeze some more new Federal buildings?

Mr. JONES of Alabama. No, sir; there is no squeeze to it.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 409 of the Public Buildings Act of 1949 (40 U.S.C. 355) is hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SURVEYS OF WATERSHED AREAS FOR FLOOD PREVENTION

The Clerk called the bill (H.R. 3801) to authorize the Secretary of the Army and the Secretary of Agriculture to make joint investigations and surveys of watershed areas for flood prevention or the conservation, development, utilization, and disposal of water, and for flood control and allied purposes, and to prepare joint reports on such investigations and surveys for submission to the Congress, and for other purposes.

Mr. ANDERSEN of Minnesota. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

WAIVING SECTION 142, TITLE 28, UNITED STATES CODE

The Clerk called the bill (H.R. 7259) to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Western District of Louisiana, Lafayette Division, holding court at Lafayette, La.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the limitations and restrictions contained in section 142 of title 28, United States Code, shall be waived with respect to the holding of court at Lafayette, Louisiana, by the United States District Court for the Western District of Louisiana.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONTINUING HOUSE RESOLUTION 190 AND HOUSE RESOLUTION 386, 83D CONGRESS

The Clerk called the resolution (H. Res. 417) to continue in effect House Resolution 190 and House Resolution 386, 83d Congress.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That effective from January 3, 1961, the provisions of H. Res. 190, Eighty-third Congress, agreed to March 26, 1953, and H. Res. 386, Eighty-third Congress, agreed to August 1, 1953, are continued in effect.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INCREASE UNDER WAR HAZARDS COMPENSATION ACT

The Clerk called the bill (H.R. 4357) to increase certain compensation benefits payable pursuant to the War Hazards Compensation Act.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law the disability and death compensation benefits payable pursuant to the War Hazards Compensation Act shall, with respect to injuries or deaths occurring prior to July 1, 1946, be increased by 15 per centum.

SEC. 2. The increase authorized by this Act shall be effective only with respect to disability and death compensation benefits payable on and after the date of enactment of this Act.

With the following committee amendments:

Page 1, line 3, after "the" insert "monthly".

Page 1, line 4, strike "benefits" and insert "section 101(a) of" following "to".

Page 1, line 6, strike "occurring" and insert "resulting from injury sustained".

Page 1, line 10, strike "benefits" and insert following "payable" the words "for periods commencing".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to increase monthly disability and death compensation payable pursuant to the War Hazards Compensation Act."

A motion to reconsider was laid on the table.

INDIAN RESERVATION ROADS

The Clerk called the bill (S. 1719) to amend title 23 of the United States Code with respect to Indian reservation roads.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 208 of title 23 of the United States Code is amended by adding at the end thereof the following new subsection:

"(d) Cooperation of States, counties, or other local subdivisions may be accepted in such construction and improvement, and any funds received from a State, county, or local subdivision shall be credited to appropriations available for Indian reservation roads."

With the following committee amendment:

Page 1, line 10, after "roads" insert "and bridges".

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LICENSING INDEPENDENT OCEAN FREIGHT FORWARDERS

The Clerk called the bill (H.R. 2488) to amend the Shipping Act, 1916, to provide for licensing independent ocean freight forwarders, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. LENNON. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 1368, be considered in lieu of the House bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Shipping Act, 1916 (46 U.S.C. 801), is amended by adding at the end thereof the following new paragraphs:

"The term 'carrying on the business of forwarding' means the dispatching of shipments by any person on behalf of others, by oceangoing common carriers in commerce from the United States, its Territories, or possessions to foreign countries, or between the United States and its Territories or possessions, or between such Territories and possessions, and handling the formalities incident to such shipments.

"An 'independent ocean freight forwarder' is a person carrying on the business of forwarding for a consideration who is not a shipper or consignee or a seller or purchaser of shipments to foreign countries, nor has any beneficial interest therein, nor directly or indirectly controls or is controlled by such shipper or consignee or by any person having such a beneficial interest."

SEC. 2. The Shipping Act, 1916, is further amended by redesignating section 44 as section 45, and inserting immediately after section 43 the following new section:

"SEC. 44. (a) No person shall engage in carrying on the business of forwarding as defined in this Act unless such person holds a license issued by the Federal Maritime Commission to engage in such business: *Provided, however,* That a person whose primary business is the sale of merchandise may dispatch shipments of such merchandise without a license.

"(b) A forwarder's license shall be issued to any qualified applicant therefor if it is found by the Commission that the applicant is, or will be, an independent ocean freight forwarder as defined in this Act and is fit, willing, and able properly to carry on the business of forwarding and to conform to the provisions of this Act and the requirements, rules, and regulations of the Commission issued thereunder, and that the proposed forwarding business is, or will be, consistent with the national maritime policies declared in the Merchant Marine Act, 1936; otherwise such application shall be denied. Any independent ocean freight forwarder who, on the effective date of this Act, is carrying on the business of forwarding under a registration number issued by the Commission may continue such business for a period of one hundred and twenty days thereafter without a license, and if application for such license is made within such period, such forwarder may, under such regulations as the Commission shall prescribe, continue such business until otherwise ordered by the Commission.

"(c) The Commission shall prescribe reasonable rules and regulations to be observed by independent ocean freight forwarders and no such license shall be issued or remain in force unless such forwarder shall have furnished a bond or other security approved by the Commission in such form and amount as in the opinion of the Commission will insure financial responsibility and the supply of the services in accordance with contracts, agreements, or arrangements therefor.

"(d) Licenses shall be effective from the date specified therein, and shall remain in effect until suspended or terminated as herein provided. Any such license may, upon application of the holder thereof, in the discretion of the Commission, be amended or revoked, in whole or in part, or may upon complaint, or on the Commission's own initiative, after notice and hearing, be suspended or revoked for willful failure to comply with any provision of this Act, or with any lawful order, rule, or regulation of the Commission promulgated thereunder.

"(e) A common carrier by water may compensate a person carrying on the business of forwarding to the extent of the value rendered such carrier in connection with any shipment dispatched on behalf of others when, and only when, such person is licensed hereunder and has performed with respect to such shipment the solicitation and securing of the cargo for the ship or the booking of, or otherwise arranging for space for, such cargo, and at least two of the following services:

"(1) The coordination of the movement of the cargo to shipside;

"(2) The preparation and processing of the ocean bill of lading;

"(3) The preparation and processing of dock receipts or delivery orders;

"(4) The preparation and processing of consular documents or export declarations;

"(5) The payment of the ocean freight charges on such shipments:

Provided, however, That where a common carrier by water has paid, or has incurred an obligation to pay, either to an ocean freight broker or freight forwarder, separate compensation for the solicitation or securing of cargo for the ship or the booking of, or otherwise arranging for space for, such cargo, then such carrier shall not be obligated to pay additional compensation for any other forwarding services rendered on the same cargo. Before any such compensation is paid to or received by any person carrying on the business of forwarding, such person shall, if he is qualified under the provisions of this paragraph to receive such compensation, certify in writing to the common carrier by water by which the shipment was dispatched that he is licensed by the Federal Maritime Commission as an independent ocean freight forwarder and that he performed the above specified services with respect to such shipment. Such carrier shall be entitled to rely on such certification unless it knows that the certification is incorrect."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 2488) was laid on the table.

RELATING TO EXCHANGE OF VESSELS

The Clerk called the bill (H.R. 8632) to amend section 510(i) of the Merchant Marine Act, 1936, relating to the exchange of vessels.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of paragraph (3) of subsection (i) of section 510 of the Merchant Marine Act, 1936 (46 U.S.C. 1160), is amended to read as follows: "In determining said fair and reasonable value the Secretary shall consider the cost of placing the vessel in class with respect to hull and machinery."

With the following committee amendment:

On page 1, following line 8, add a new section 2 as follows:

"SEC. 2. The amendment made by this Act shall not affect applications for the exchange of vessels pursuant to subsection (i) of section 510 of the Merchant Marine Act, 1936, filed with the Secretary of Commerce prior to August 11, 1961."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. That concludes the call of the Consent Calendar.

AMENDING THE NATIONAL SCIENCE FOUNDATION ACT

Mr. GEORGE P. MILLER. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Consent Calendar No. 282, the bill (H.R. 8556) to amend the National Science Foundation Act of 1950 to require certain additional information to be filed by an applicant for a scholarship or fellowship, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. GEORGE P. MILLER]?

There was no objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 16(d) of the National Science Foundation Act of 1950 is amended to read as follows:

"(d)(1) No part of any funds appropriated or otherwise made available for expenditure by the Foundation under authority of this Act shall be used to make payments under any scholarship or fellowship awarded to any individual under section 10, unless such individual—

"(A) has taken and subscribed to an oath or affirmation in the following form: 'I do solemnly swear (or affirm) that I bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies, foreign and domestic'; and

"(B) has provided the Foundation (in the case of applications made on or after October 1, 1961) with a full statement regarding any crimes of which he has ever been convicted (other than crimes committed before attaining sixteen years of age and minor traffic violations for which a fine of $25 or less was imposed) and regarding any criminal charges punishable by confinement of thirty days or more which may be pending against him at the time of his application for such scholarship or fellowship.

The provisions of section 1001 of title 18, United States Code, shall be applicable with respect to the oath or affirmation and statement herein required.

"(2)(A) When any Communist organization, as defined in paragraph (5) of section 3 of the Subversive Activities Control Act of 1950, is registered or there is in effect a final order of the Subversive Activities Control Board requiring such organization to register, it shall be unlawful for any member of such organization with knowledge or notice that such organization is so registered or that such order has become final (i) to make application for any scholarship or fellowship which is to be awarded from funds part or all of which are appropriated or otherwise made available for expenditure under the authority of section 10 of this Act, or (ii) to use or attempt to use any such award.

"(B) Whoever violates subparagraph (A) of this paragraph shall be fined not more than $10,000, or imprisoned not more than five years, or both."

SEC. 2. Section 10 of the National Science Foundation Act of 1950 is amended by adding at the end thereof the following new sentence: "Nothing contained in this Act shall prohibit the Foundation from refusing or revoking a scholarship or fellowship award, in whole or in part, in the case of any applicant or recipient, if the Board is of the opinion that such award is not in the best interests of the United States."

Mr. CORMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CORMAN. Mr. Speaker, I rise in support of H.R. 8556. When the circumstances of the Yellin case were brought to the attention of the Science and Astronautics Committee, it became apparent that the security or loyalty provisions of the National Science Foundation program warranted careful study and possible change. In my opinion, the proposed amendment substantially improves the existing law from two points of view:

The first purpose is the matter of security, or drafting an enforceable statute which prevents taxpayers' money being awarded to persons seeking to overthrow the U.S. Government. The second purpose of the proposed amendment is entirely separate from the matter of security, and concerns itself with the criminal record of applicants for Federal scholarships and fellowships. The two should be, and in the following are, dealt with separately.

We deal first with the matter of security, or an earnest effort on the part of the committee to make certain that federally subsidized scholarships or fellowships would not be awarded to Communists or others knowingly attempting to overthrow the constitutional form of government of this Nation. It seems to me that the first objective of legislation of this nature is to precisely define the persons whom we wish to eliminate from consideration. This precision is essential if prosecutors are to be able to prosecute those who violate the law. Second, the law should be so drafted that it constitutes a minimum imposition on the academic world, subject, of course, to the primary objective of safeguarding our security.

A strong case can be made for the fact that the disclaimer affidavit is an undue imposition on the academic world without being an effective tool to prevent Communists from receiving the benefits which we are attempting to deny them. A more practical, simple, and, I believe—after studying recent Supreme Court decisions—constitutional method of accomplishing the objective is to eliminate the disclaimer affidavit completely, providing that membership in a Communist organization, or any other organization required to register under the Subversive Activities Control Act, shall constitute ineligibility, and that the mere act of applying for fellowship or scholarship with knowledge that such organization is required to register shall constitute a felony.

For the loyal student, nothing other than a normal, affirmative declaration of loyalty to his country is required. For the Communist, the mere act of application shall constitute the crime and enable the prosecutor to proceed without the additional burden of making a case of perjury.

I believe this statute takes a long step forward, both in the area of enforcible security measures and in the protection of the civil liberties of the truly innocent. It would be my hope that the House and Senate Education Committees give careful consideration to amending the National Defense Education Act at their earliest opportunity, so that those Federal fellowships, scholarships and other academic subsidies may be administered under an identical security provision.

The second subject matter considered by the committee, and covered by the proposed amendment, has to do with the criminal record of an applicant. There was a strong feeling by all members of the committee that the National Science Foundation should take into account prior criminal convictions, in ascertaining the ability of an applicant to carry out scientific research. It is to be noted, however, that this portion of the amendment requires only disclosure, and—assuming one is honest in his application—he is not disqualified merely because of his criminal record.

At this point, I would call to the attention of the House the fact that there was much discussion concerning the kind of criminal record which would require disclosure. At one point, the committee considered the possibility of requiring only felonies to be disclosed by the applicant. The theory was that a felony was of such magnitude that the National Science Foundation would be obligated to take such conviction into consideration without inquiring further into the facts of the case. This is my own view, and I would say for the record that it would be difficult for me to imagine a convicted felon qualifying under the terms of the National Science Foundation fellowship or scholarship program.

However, the final determination was made by the committee that all crimes should be disclosed, down to but excluding those offenses committed prior to the 16th birthday, and those in which a fine of $25 or less was imposed. It seems to me that in the area of misdemeanors, the National Science Foundation is obligated to look beyond the mere conviction, to ascertain the gravity of the crime, the punishment which was inflicted, and make an independent determination as to whether this particular crime so affected the ability of the applicant that it would influence an award.

Witnesses testifying for the Foundation indicated great reluctance in having to undertake any kind of investigation, other than the rather broad one as to ability, which was to be indicated principally by those in the universities recommending the applicants. In my opinion, the Congress in adopting this amendment will place upon them the obligation to make an independent investigation as to convictions of misdemeanors as disclosed by the applicant. It is to be noted that the committee went one step beyond requiring disclosure of conviction of crime, and required the applicant to disclose pending criminal charges. In supporting this portion of the statute, I would like to make it crystal clear that I do not, and I believe the committee did not, intend to prejudge and punish one who is merely charged with an offense. However, the wisdom of requiring disclosure of pending criminal action is clear when it is realized that should that prosecution result in confinement the applicant is obviously in no position to take advantage of the fellowship or scholarship. In the event of disclosure of such pending prosecution, it would be incumbent, it seems to me, on the National Science Foundation to scrutinize the facts and without reaching a nonjudicial determination of guilt or innocence, accept the very practical fact that a conviction might lead to confinement, and thus the applicant should not be considered until the charge is determined judicially.

Again, Mr. Speaker, I commend this portion of the proposed amendment to the consideration of the House Education and Labor Committee, in conjunction with their review of similar provisions in the National Defense Education Act. I urge adoption of H.R. 8556.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF FEDERAL AIRPORT ACT GRANTS

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8102) to amend the Federal Airport Act so as to extend the time for making grants under the provisions of such act, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

The Chair hears none and appoints the following conferees: Messrs. HARRIS, WILLIAMS, FRIEDEL, JARMAN, BENNETT of Michigan, SPRINGER, and COLLIER.

COMMUNITY HEALTH SERVICES AND FACILITIES ACT OF 1961

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4998) to assist in expanding and improving community facilities and services for the health care of aged and other persons, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate and request a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

The Chair hears none and appoints the following conferees: Messrs. HARRIS, ROBERTS, RHODES of Pennsylvania, O'BRIEN of New York, BENNETT of Michigan, SCHENCK, and NELSEN.

EXTENSION OF PUBLIC LAWS 815 AND 874 OF 81ST CONGRESS AND THE NATIONAL DEFENSE EDUCATION ACT OF 1958

Mr. POWELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9000) to extend for 2 additional years the expired provisions of Public Laws 815 and 874, 81st Congress, and the National Defense Education Act of 1958, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—EXTENSION OF PUBLIC LAWS 815 AND 874, EIGHTY-FIRST CONGRESS

Amendments to Public Law 815

SEC. 101. (a) The first sentence of section 3 of the Act of September 23, 1950, as amended (20 U.S.C. 633), is amended by striking out "1961" and inserting in lieu thereof "1963".

(b) Subsection (b) of section 14 of such Act is amended (1) by striking out "1961" each time it appears therein and inserting in lieu thereof "1963", and (2) by striking out "$40,000,000" and inserting in lieu thereof "$60,000,000".

(c) Paragraph (15) of section 15 of such Act is amended by striking out "1958–1959" and inserting in lieu thereof "1960–1961".

Amendments to Public Law 874

SEC. 102. (a) The Act of September 30, 1950, as amended (20 U.S.C. 236–244), is amended by striking out "1961" each place where it appears in sections 2(a), 3(b), and 4(a) and inserting "1963" in lieu thereof in each such place.

Effective date

SEC. 103. The amendments made by this title shall be effective for the period beginning July 1, 1961.

TITLE II—EXTENSION OF NATIONAL DEFENSE EDUCATION ACT OF 1958

Amendments to title II (loans to students in institutions of higher education)

SEC. 201. (a) Section 201 of the National Defense Education Act of 1958 is amended by striking out "for the fiscal year ending June 30, 1962, and such sums for the fiscal year ending June 30, 1963, and each of the three succeeding fiscal years as may be necessary to enable students who have received a loan for any school year ending prior to July 1, 1962" and inserting in lieu thereof the following: "each for the fiscal year ending June 30, 1962, and for the two succeeding fiscal years, and such sums for the fiscal

year ending June 30, 1965, and each of the three succeeding fiscal years as may be necessary to enable students who have received a loan for any school year ending prior to July 1, 1964".

(b) Section 202 of such Act is amended by striking out "1962" each place where it appears therein and inserting in lieu thereof "1964".

(c) Section 206 of such Act is amended by striking out "1966" each place where it appears therein and inserting in lieu thereof "1968".

Amendments to title III (financial assistance for strengthening science, mathematics, and modern foreign language instruction)

SEC. 202. (a) Section 301 of the National Defense Education Act of 1958 is amended by striking out "three succeeding fiscal years" both places where it appears therein and inserting in lieu thereof "five succeeding fiscal years".

(b) The last sentence of section 302(a)(2) of such Act is amended by striking out "two fiscal years in the period beginning July 1, 1960, and ending June 30, 1962" and inserting in lieu thereof the following: "four fiscal years in the period beginning July 1, 1960, and ending June 30, 1964".

(c) The second sentence of section 304(b) of such Act is amended by striking out "two succeeding fiscal years" and inserting in lieu thereof "four succeeding fiscal years".

Amendment to title IV (national defense fellowships)

SEC. 203. Section 402 of the National Defense Education Act of 1958 is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

Amendments to title V (guidance, counseling, and testing; identification and encouragement of able students)

SEC. 204. (a) Section 501 of the National Defense Education Act of 1958 is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

(b) The second sentence of section 504(a) of such Act is amended by striking out "two succeeding fiscal years" and inserting in lieu thereof "four succeeding fiscal years".

(c) The first sentence of section 504(b) of such Act is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

(d) The first sentence of section 511 of such Act is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

Amendments to Title VI (language development)

SEC. 205. (a) Section 601 of the National Defense Education Act of 1958 is amended by striking out "1962" both places where it appears therein and inserting in lieu thereof "1964".

(b) Section 611 of such Act is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

Amendment to title VII (research and experimentation in more effective utilization of educational media)

SEC. 206. Section 763 of the National Defense Education Act of 1958 is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five suceeding fiscal years".

Amendment to title VIII (area vocational education programs)

SEC. 207. Section 301 of the Vocational Education Act of 1946 is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

Amendment to section 1009 (improvement of statistical services)

SEC. 208. Section 1009(a) of the National Defense Education Act of 1958 is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

The SPEAKER pro tempore. Is a second demanded?

Mr. HIESTAND. Mr. Speaker, I demand a second.

Mr. ROOSEVELT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. ROOSEVELT. Is the gentleman entitled to demand a second if he is not opposed to the bill?

The SPEAKER pro tempore. Is the gentleman from California opposed to the bill?

Mr. HIESTAND. No, I am not.

Mr. ROOSEVELT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Is the gentleman from California opposed to the bill?

Mr. ROOSEVELT. I am opposed to the bill.

The SPEAKER pro tempore. The gentleman qualifies. Without objection a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York is recognized.

Mr. POWELL. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks following mine.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. POWELL. Mr. Speaker, in presenting H.R. 9000 to you today, I am trying, as the chairman of the Committee on Education and Labor, to save minimal education for this year of Congress. In these last days when we are tired and tense, it is utterly impossible to bring before this body any piece of legislation that demands calm and measured judgment. It was a mistake to have pressed for the Federal aid to school construction last week, and I so conveyed my opinions concerning this to the proper individuals involved. I have been here for going on 18 years, and I know the climate of this House in the last days is not conducive to anything that borders on the controversial.

Now, what I am doing today is entirely on my own initiative. It is true that I have talked to most of the members of the Committee on Education and Labor, but there has been no formal action and this bill is being called up under suspension of the rules by me, on my own initiative, because I believe that this is the maximum we are going to be able to pass this year, 1961. I have conferred with the leadership on both sides of this House and they agree to go along with me.

In brief, we have before us a package containing two time-tested and proven education acts that have expired or will expire very shortly. Important provisions of Public Laws 815 and 874 expired on June 30, 1961; and the National Defense Education Act will expire on June 30, 1962.

Let me briefly trace Public Laws 815 and 874, authorized by that great pioneer in the field of Federal aid to education, my distinguished colleague, the gentleman from West Virginia [Mr. BAILEY]. Public Law 815, for the construction of minimum school facilities in impacted areas, was enacted in September 1950. From its enactment through the 1961 fiscal year, a total of $908,781,575 has been appropriated. Under my bill, an estimated additional appropriation of $37,150,000 will be required to take care of the extended portion of this public law for the fiscal year 1962. While there is no way of estimating fiscal year 1963 requirements at this time, at least the same amount and possibly more will be required, making an approximated estimated total for the 2 years of $74,300,000.

Public Law 874, authorizing cost of maintenance and operation, including teachers' salaries, in impacted areas, was also enacted in September 1950. The total amount expended from its enactment through June 30, 1961, is $1,162,551,312. Under H.R. 9000, an estimated additional appropriation of $164,346,000 will be required to take care of the extended portion of this public law for the fiscal year 1962. Here again, we cannot now estimate for the fiscal year 1963, but we do know that at least the same amount and possibly more will be needed, making an approximate estimated total for the 2 years of $328,692,000.

In connection with this, I wish to point out that approximately two-thirds of the expenditure under Public Law 874 has been spent for teachers' salaries, or a total of approximately $775 million. Now, all this hue and cry against teachers' salaries has been raised by many Members of this House on both sides of the aisle who have received tremendous sums from this legislation. While the money has been spent for teachers' salaries in their districts, they have never uttered one word of complaint. In fact, this is indisputable: not one single Member of Congress has complained, in the 11 years of operation of these two public laws, about Federal control or teachers' salaries.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 187]

Alger	Hall	Morrison
Anderson, Ill.	Hébert	O'Konski
Bolton	Holland	Pilcher
Boykin	Jarman	Rabaut
Broyhill	Johnson, Md.	Santangelo
Buckley	Keith	Siler
Carey	Kilburn	Thompson, La.
Coad	Landrum	Westland
Dague	McSween	Willis
Davis, Tenn.	Madden	
Evins	Milliken	

The SPEAKER pro tempore. On this rollcall 404 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF PUBLIC LAWS 815 AND 874 OF 81ST CONGRESS AND THE NATIONAL DEFENSE EDUCATION ACT OF 1958

The SPEAKER pro tempore. The gentleman from New York may proceed.

Mr. POWELL. Mr. Speaker, now, as regards the National Defense Education Act, authored by our distinguished colleague from Alabama, formerly a member of the committee of which I am the chairman, now a member of the Rules Committee, the Honorable CARL ELLIOTT, this is the extension of a very vital phase of our American educational life.

I would like to point out briefly what each title of this act has accomplished and what my proposed bill will do:

Title II—Loans to students in institutions of higher education: In the first 3 years, 1959, 1960, and 1961, 230,000 students received loans totaling $130,100,000; $75 million is being appropriated by this Congress for the fiscal year 1962, which should aid more than 100,000 additional students. My 2-year extension authorizes up to $180 million for 1963 and 1964 to continue this vital program, and should aid approximately 250,000 additional students.

Title III—Financial assistance for strengthening science, mathematics and modern foreign language instructions: The estimated total for the 4 years, 1959 through 1962, is $239,800,000. My bill would authorize an additional $150 million for 1963 and 1964.

Title IV—National defense fellowships: In the first 3 years, 4,000 graduate students have been aided; and another 1,500 are expected to be granted aid in 1962, and the total amount in fellowships through 1962 will be $61,500,000. My bill would authorize a continuation at the present level of 1,500 fellowships per year, at an estimated 2-year cost of $50 million.

Title V—Guidance, counseling, and testing; identification and encouragement of able secondary school students; and training of counselors: At the end of 4 years, approximately $74,900,000 will have been spent. My bill authorizes approximately $44,500,000 to continue the program at its present level for 2 years.

Title VI—Language development: We will have spent, in the 4 years 1959–62, approximately $44,700,000. An additional $30,500,000 is authorized by my bill to continue this program at its present level.

Title VII—Research and experimentation in more effective utilization of audiovisual media for educational purposes: In the first 4 years, approximately $14,200,000 will have been spent. My bill authorizes an additional $10 million for the next 2 years.

Title VIII—Area vocational educational programs: Approximately $31,600,000 will have been spent over the 4 years. My bill authorizes up to an additional $30 million for 1963 and 1964.

Section 1009 of title X—Improvement of statistical services: Over the 4 years, approximately $4,700,000 will have been spent. My bill authorizes continuation of this program at an estimated total of $5,200,000 for 1963 and 1964.

In summary, this package carries a total for education in the United States for the next 2 years of approximately $902,992,000.

I am extremely sorry that the Powell amendment banning funds to schools in defiance of the Supreme Court decision is not a part of the impacted areas portion of this legislation. Federal money is being spent for totally Federal projects in areas that have become impacted because of Federal work, most of them due to defense installations. It is shocking and totally inexcusable to have the children segregated in these schools. At the proper time next year, I shall press for action. I also believe that this entire phase should be carefully reexamined by my committee during the forthcoming year, because it is in danger of becoming an education pork barrel rather than really reaching the children who need this assistance; namely, school construction, maintenance, and teachers' salaries.

I regret, too, that the forgiveness clause, as written, is a part of the National Defense Education Act because I, for one, would like to see this forgiveness clause completely changed, so that all people who obtain loans under this act and who teach for 5 years in public or private schools shall be forgiven their loan. This would encourage more teachers to go into private and public teaching. The way it is now constituted, it waives 50 percent of the loan for those who go into public school teaching only.

Also, I believe that the disclaimer affidavit should be abolished; and here, the gentleman from California [Mr. HIESTAND] offered in committee an amendment which will take care of this problem without forcing our educators to be placed in an untenable position.

I promise that during the coming year proper study and consideration will be given to both of these important portions of NDEA.

As chairman of the Committee on Education and Labor, may I say that our sights for 1962 have been aimed at a tremendous increase of legislation in the field of higher education. I am not going to initiate any legislation in the field of school construction for elementary and secondary schools, nor teachers' salaries, unless I am directly requested by the President, as I was this time, or unless the majority of my colleagues of the committee so decide. It is my personal opinion, and I may be totally wrong, that the temper of this House is of such nature that Federal aid to school construction, per se, is dead for at least the next year. I think it is deplorable, but we must face the stark, brutal, and disheartening fact and not dissipate the energies of this committee nor this House on that which will bring no results whatsoever.

I do think the mood of this House, in this era of atomic energy and astronauts, is keyed to higher education. For this purpose, our committee has brought out several bills, especially the higher education bill of the gentlewoman from Oregon [Mrs. GREEN] which received bipartisan support. We intend to press for passage of this bill during the remaining days of this year or the early days of next year.

It is most important that we institute a crash program for training American young people in the sciences. Upon the basis of statistics prepared for me by the Department of Health, Education, and Welfare, and my very capable professional staff, I would like to announce the startling fact that by 1970, just 8 years from now, the Soviet bloc will have 15 million students enrolled in colleges and universities, and the free world will have only 7,500,000. They are outproducing us each year, and we will automatically become a second-class educational power.

I know what I am about to say will be heartbreaking to those who believe in the humanities and the liberal arts, but I believe we cannot afford to continue to spend money disproportionately in those fields. The crisis is one of science. We are rapidly being lost sight of in the technological race for world survival. Therefore, whether we like it or not, we must, for a while, emphasize the sciences, even if it means deemphasizing the humanities. Otherwise, we might wake up one day to find that we have no humanity.

In connection with this, a bipartisan study group of individual members is going to Soviet Russia as soon as Congress concludes, and they will bring back to our committee a detailed analysis of the Soviet system versus ours.

Also, I would like to announce that I am appointing the young members of the Committee on Education and Labor on both sides as a special task force to advise the chairman on new insights and new emphasis on the New Frontier of scientific education for the year 1962.

The great philosopher, Alfred North Whitehead, put it concisely when he said:

> In the conditions of modern life, the rule is absolute, the race which does not value trained intelligence is doomed. Not all your heroism, not all your social charm, not all your wit, not all your victories on land or at sea can move back the finger of Fate. Today we maintain ourselves. Tomorrow science will have moved forward yet one more step, and there will be no appeal from the judgment which will then be pronounced on the uneducated.

Mr. ROOSEVELT. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN. Mr. Speaker, I rise in support of this legislation.

Mr. Speaker, it may be recalled—and I am sure the gentleman from West Virginia [Mr. BAILEY], the legislative father of the so-called Federal impacted school district bills, Public Laws 815 and 874, will recall—that when the original legislation was enacted back in 1950

I joined in support of that measure as best I could, from this side of the aisle. These two laws were enacted.

I have supported extensions of these two public laws ever since, because in my opinion neither Public Law 815 nor 874 can in any way be termed Federal aid to education legislation. Instead, we are simply providing by law that the Central Government shall make payments, in lieu of taxes, to the school districts that are federally impacted, that is, where many additional children have been sent into existing schools as a result of the establishment of some Federal installation or military base within, or near a public school district. If any large privately owned industry should locate near or in any established school district, thus greatly increasing school enrollments, such industry would automatically be required to pay taxes in and to such affected school districts to help them meet the increased cost of operating such school. Therefore the enactment and extension of this legislation is amply justified in my opinion and I hope it will receive the full support of the House.

I also, of course, favor the extension of the National Defense Education Act, especially so far as the provisions that permit colleges and universities to make loans to students, loans that will be repaid by the students later, are concerned.

I appreciate fully the need for this legislation. I hope it will be enacted.

Mr. ROOSEVELT. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Speaker, there is much that is good in this bill—for example, the renewal of the National Defense Education Act.

But there is also much which deserves very serious examination. I am particularly thinking of that part of the impacted areas aid which has gone way beyond the original concept of trying to help communities whose school systems are genuinely hurting because of the sudden influx of Federal employees who pay no local taxes.

Let us take the case of nearby Montgomery County, where I happen to live when Congress is in session, and where my children go to school. Montgomery County is filled with high-income white-collar workers for the Federal Government who live in the metropolitan area. They pay their full share of local taxes, and Montgomery County is delighted to have them. Yet Montgomery County receives Federal aid to education based upon the number of children in the Montgomery County schools whose parents are employed by the Federal Government.

There are some scores of communities like this around the country, receiving Federal aid to education without regard to need. But here is the pity—there are thousands of counties throughout the country whose school districts are desperately in need of help to fill a need the local real estate taxpayers, who pay the local school tax, cannot meet. They get no Federal aid to education.

The present system of aid to impacted areas has become capricious, whimsical, and arbitrary. The whole subject should be restudied and remedies applied to correct the inequities.

I also hope that when a properly drawn impacted areas bill comes to the floor, it will come under a parliamentary situation where it is capable of being amended, and that it will come accompanied by a report, as it is not accompanied today, so that we may be fully informed in the matter.

Mr. FRELINGHUYSEN. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I agree, as a member of the Committee on Education and Labor, that a thorough examination should be made of this whole question regarding the scope of the impacted program. Unfortunately, the specific proposals along these lines which President Kennedy made earlier this year were not even considered by our committee. Neither, I might add, were earlier proposals previously made by President Eisenhower.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has expired.

Mr. POWELL. Mr. Speaker, I yield myself such time as I may consume. I stated in my prepared manuscript that a study would take place next January.

Mr. Speaker, I now yield 4 minutes to the gentleman from New Jersey [Mr. THOMPSON].

Mr. THOMPSON of New Jersey. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include an editorial.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, I am in the unhappy position today of finding myself in support of this bill in its present form. But I would like to call the attention of the House to certain facts.

First of all, Public Laws 815 and 874 are in fact, and to a very large extent, Federal aid to education. To the full extent to which the moneys received by impacted districts exceed the actual loss in ratables, you have Federal aid to education.

Incidentally, Public Laws 815 and 874 were amended 3 years ago, in a bill offered by myself, making permanent the putting of the Federal Government in the education business; the education of the category (a) children whose parents live and work on military establishments. There can be no other assumption, there can be no other hypothesis except to take this bill today as a proposition that this is Federal aid to education. No other equation or logic would be acceptable.

The vote will be interesting today, if there is one, for the House in its wisdom the other day rejected consideration of legislation which was identical except that it would have added one thing in addition to that which is in this legislation—it would have added a school construction section. The House exercised its will. As the author of the bill which was refused consideration, my initial reaction was one of anger and frustration, and I thought, "Well, I will oppose this," which I am not going to do today, not because of Public Laws 815 and 874 but because of title II of the National Defense Education Act. Under title II some 30,000 youngsters going to college would be unable to get loans in the next fiscal year. So that you see they are wrapped in here in such a way that either you support them and their desire for education, so badly needed, or else you prevent them, at least for the coming year, from realizing their aspirations.

The remainder of the National Defense Education Act could very well wait until it expires next year. I rather doubt that there will be much action on this next year, however, for reasons which are known to all of us.

We are in the unique position today of asking those of you who voted against consideration of an almost identical bill last Wednesday to vote for just a bit less of Federal aid this week. Many of you will, on this Wednesday avail yourselves of the opportunity to fatten up your own districts. I remind you that the impacted districts in this land are not confined by any means to those surrounding military establishments or Government agencies. I consider that a district is impacted if its children are on double or triple shifts, even if there is not a military establishment within 500 miles.

Education should be the principle busines of this body and of our great Nation, since our very survival depends upon it. The great classroom shortage has been established, as has the fact that the States and municipalities cannot keep up with it. Please consider these facts between now and the next time you have the opportunity to alleviate that shortage. Between now and that time we shall redouble our efforts to find a solution acceptable to a majority of you.

By this action today in extending for 2 years help to those now covered by Public Laws 815 and 874, we are discriminating against all of those not covered; those who must attend schools on part-time sessions in classrooms which are totally inadequate; those who are taught by poorly paid teachers.

Perhaps last week the vehicle was the excuse or the parliamentary situation was the excuse for your refusal to consider school construction legislation, but the fact is that the refusal of this body to consider a bill under circumstances which would have allowed it to come out with anything in the form of substitutes or amendments did a great, a permanent, and a terrible injustice to the schoolchildren of the United States, except those who benefit from this narrow piece of Federal aid to education.

I shall include, following these statements, an editorial from this morning's New York Times which I consider most worthy of your attention. Our situation here in the Congress appears to me to make impossible the Times' suggestion that a combination of impacted areas grants with general Federal aid to education be passed before we adjourn. Indeed, there is time remaining but the unhappy fact seems to me to be that we have not found a formula acceptable to

a majority of this House. The bill, H.R. 7300, contained such a formula but is hopelessly bogged down in the Committee on Rules. This is a tragic set of circumstances. The editorial follows:

SCHOOL AID: HYPOCRISY

Senator MCNAMARA, of Michigan, is quite correct in rebelling against the hypocrisy that has impelled Congress to turn its back on genuine and general Federal aid to education while it shows great eagerness to renew assistance to the local federally impacted areas.

The hypocrisy is documented by well over a hundred votes which are regularly cast for aid to the impacted areas by Members who, with equal regularity, help to defeat nationally distributed Federal aid to the schools. The impacted-area grants are based on the theory that school districts which feel the unusually heavy impact of children of parents working in defense establishments and other Federal projects need such help. They probably do, although it should not be overlooked that Federal projects, even though they take real estate off the local tax rolls, contribute heavily to the nearby communities' economic well-being. At any rate, there are many nonimpacted areas whose schools are in far greater need of help.

Congressmen, in the interest of legislative decency and national responsibility, ought to think of what they can do for the country, not merely what the country can do for them, by supporting their local vote-getting interests. Let the politically popular impacted-area grants be continued—provided that they can be made part and parcel of straightforward, nonpolitical, generalized Federal aid to education wherever it is needed. There is no satisfactory reason why this cannot be done in this session. If there is time to pass impacted-area aid, there is time to pass general aid to the public schools.

It is intolerable for legislators to cash in on their pseudo support of education when it suits local vote-getting expediency while they continue to block real aid to the public schools. The time to drive this home—by insisting on general public school aid, along with renewal of the grants to the impacted areas—is now. But the failure of leadership, in the White House, in the Department of Health, Education, and Welfare, and in the House of Representatives gives little cause for hope. Compromise has been the order of the day—and the result has been a fiasco for Federal aid to education and a disaster for the Nation's public schools.

Mr. ROOSEVELT. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Speaker, I rise in opposition to this legislation. I think it is bad in principle. I think it is bad in equity. It is tragic that this legislation comes before the House under the peculiar rule of suspension, where we are denied extensive debate, we are denied extensive amendments, and under which the House of Representatives of the United States is denied an opportunity to work its will in meeting the problems of all the children in this country in the field of education.

Mr. Speaker, Congress properly enacted legislation in 1950 to pay to local school communities an assistance from the Federal Treasury for children whose parents live and work on military installations. That law is on the books today and is in no way affected by the legislation now before us. Then, in 1958, Congress amended the original impacted areas bill to pay an additional sum to local communities for children who go to public schools and whose parents merely work on a Federal installation, but do not necessarily live on the Federal installation. That first part of the bill, that $100 million, I emphasize, will remain available to impacted areas regardless of what we do here today. What is in question here today is whether or not we want to make available an additional $200 million a year to those school districts who have youngsters who live off the installations and go to public schools. I say this legislation before us today is unfair. It discriminates against the overwhelming majority of American schoolchildren. I say federally employed parents of children in impacted areas are making a contribution to the local community. If we say to nonimpacted area taxpayers that they cannot get any Federal aid for education; that they should carry out their responsibility through local taxes, then, Mr. Speaker, I say this same principle should be applied to impacted areas whose economy is substantially improved on the presence of these Federal employees. Proponents of this legislation are in effect saying to local taxpayers that they must pay more for maintaining their school system out of their own pockets because they have no Federal employees in their community.

Mr. Speaker, this bill discriminates against large cities. We in Chicago must provide facilities for an additional 16,000 elementary grade students in public schools this year at a cost of several million additional dollars to my constituents. But because Chicago is not a federally impacted area, we will not get a penny under this bill. This is nothing more than a vast pork-barrel bill for those communities which already are getting the bulk of the Federal tax dollar.

Mr. Speaker, I regret this bill has tied into it continuation of the National Defense Education Act, which I consider to be one of the greatest pieces of legislation ever passed in this Congress. This is a most desirable law but since its enactment 3 years ago, experience has shown that several technical changes are necessary if it is to be applied with fairness to all who can benefit under it.

Because of the closed rule under which this legislation is being considered today, I regret that I will not be able to offer an amendment which would permit our private schools to obtain loans for 40 years instead, as the bill now provides, loans for only 10 years of science and mathematics. Private schools have not been able to benefit from this legislation because under the present law limiting loans to 10 years, most private schools can get better terms for similar loans from private banks. If we are to pass any legislation in the form of Federal aid to education, certainly this legislation should not discriminate against children attending private schools consistent with constitutional limitations. I regret also that I will not be permitted to offer an amendment which would permit teachers trained under the NDEA to have 50 percent of their loans written off if they go into teaching in private schools. The present bill permits teachers who go into public schools to write off 50 percent of their loans. Why should we discriminate against private schoolteachers who are also doing a magnificient job of training and educating young Americans. Yet, under the procedure here today, I am forbidden from offering an amendment to eliminate this inequity. Nor am I permitted, under the steamroller procedure being used here today, to offer an amendment which would permit a private schoolteacher to get the same stipend for postgraduate seminars that we now pay public schoolteachers. Under the NDEA which we are expected to continue today, a public schoolteacher gets $75 a week from the Federal Government while attending summer seminars but the private schoolteacher gets nothing. Is it not time we stopped treating our private schoolteachers like second-class citizens? Yet, you would expect me to vote for this bill today and perpetuate this brazen discrimination against the Nation's private schoolteachers who are doing such a magnificent job of training our youngsters.

Mr. Speaker, I say that this bill does not help the majority of the country. Based upon the figures at the committee table, this bill is going to help only 10 percent of the 38,000 school districts in America. Of that number, 3,800 school districts that do benefit under this legislation, 10 percent get 40 percent of all the money. I say that this is not fair; it is discriminatory. Take, for instance, the State of Illinois, with 94 school districts benefiting under this impacted-areas bill, they will get only $3 million under this bill. These same 94 school districts spend a total of $54 million annually for operating costs and facilities.

Mr. Speaker, if the legislation is defeated today we may then come back and try and bring to the Congress a bill that will help all of the youngsters in this country whether they live in impacted areas or not. I am confident that Congress can pass a bill based on the needs of the local school districts where the local school districts demonstrate they cannot meet these additional needs with local funds. These would include school districts that have children attending double-shift classes; where they have other problems that cannot be met with local tax resources.

Mr. Speaker, this present legislation will continue to discriminate against decent taxpayers all over America if it is renewed today. I say there are thousands of school districts in the country that have reached their saturation point on local taxes for school needs. If we are to help education let us help all the children who are today forced to get their education in substandard facilities and not only those who live in areas where there happens to be a concentration of Federal employees. I hope this bill will be rejected so Congress can then make a sincere effort toward meeting the problems of all the youngsters in this country in the educational field, both in public and, consistent with the Constitution, in private schools.

Mr. ROOSEVELT. Mr. Speaker, I yield 3 minutes to the distinguished

ranking minority member of the committee, the gentleman from Pennsylvania [Mr. KEARNS].

Mr. KEARNS. Mr. Speaker, I rise to urge that the House approve H.R. 9000. This body cannot afford to adjourn without keeping faith with all the school districts that are burdened because of Federal activities. Neither can we afford to let the National Defense Education Act expire. The NDEA programs initiated under the Eisenhower administration have been highly successful. Therefore, I think every Member in this Chamber knows that extension of this act is most essential to defense now and in the crucial times ahead.

This bill, Mr. Speaker, simply embodies titles I and II of the bill which I introduced on August 16, H.R. 8748. Unfortunately, it does not embody title III of my bill which would have authorized a program to help our colleges and universities build necessary academic facilities for the huge increase in college enrollment which we face. Therefore, I cannot understand why the Secretary of Health, Education, and Welfare, as well as the chairman of the Education and Labor Committee, the gentleman from New York [Mr. POWELL], did not incorporate title III of my bill, in H.R. 9000 and thus provide facilities for higher education at this critical period in our American life.

Then, too, I regret that the present bill does not provide for needed amendments to the NDEA which easily could have been made had the administration supported H.R. 4253, which I introduced back on February 3 of this year. In view of all the controversial issues injected into the administration's education proposals, however, it is obvious that justifiable action on such amendments had to be ruled out at this time.

May I remind my colleagues on the other side of the aisle that it will be wise henceforth to refrain from legislative maneuvering such as we have seen during the past 8 months, so that we can enact proper legislation that is clearly defined in the national interest.

We cannot delay longer, so I urge all the Members on my side of the aisle to join with me in supporting the bill which is now before us.

Mr. FRELINGHUYSEN. Mr. Speaker, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Speaker, I should like to commend the gentleman from Pennsylvania for his statement. He has made some sound comments. I regret there is not more time for more of us members of the Education and Labor Committee as well as others, to speak on this legislation.

Mr. Speaker, in my opinion it is essential that we pass this bill today. After 8 months, this session of Congress still has done nothing of consequence in the field of education. It is of crucial importance, at least, that we extend the impacted school program, as well as the various titles of the NDEA.

Why, several Members have asked, has no more been done? Why, apparently, is no aid to be given to colleges so they may expand their facilities? Why should we not be considering a possible expansion, rather than a simple extension of NDEA? Why, as others have suggested today, are we not considering, though not necessarily accepting a possible cutback in Public Laws 815 and 874?

Answers are not easy to give. Let me simply say that time is working against us. Months of inaction cannot be overcome by feverish last-minute efforts to develop legislation. At least in the field of education, legislative proposals all too often have a controversial flavor. Unless the ground is carefully prepared prior to their consideration, such bills face an uncertain fate.

Mr. Speaker, it may not be particularly tactful but I personally feel that the most glaring failure of the Kennedy administration, so far as legislative accomplishments are concerned, is in the field of education. The President himself has described education as "the most urgent domestic issue" facing Congress. Yet virtually nothing has been done during the past 8 months. The death knell of Democratic hopes was sounded when this body on August 30 decisively defeated a last-minute proposal, H.R. 8890, hastily put together in an effort to avoid disaster. This action by the House Mr. Kennedy described as a "clear defeat" for his administration.

Why have the Democrats failed so egregiously in an area which they feel to be so important? Is it true, as Mr. Kennedy asserts, that the real losers are the Nation's schoolchildren, "who need this assistance"? To what extent, if any, did the opposition of Republicans to Democratic efforts contribute to the lack of action?

First of all, the Democrats unquestionably bear the basic responsibility for action, controlling both the executive branch and the House and Senate. In my opinion they have failed miserably in their leadership responsibility. They have muffed their opportunities with astonishing ineptitude.

To begin with, President Kennedy asked for so much that his original proposals bogged down in Congress. Furthermore, the specific bills in each case contained very controversial features along with unobjectionable provisions. This set the stage for the stalemate which resulted. Then weeks were wasted in a futile search for compromise proposals. Belatedly there was brought up last week H.R. 8890, a bill of questionable value. To make matters worse, by highhanded tactics an attempt was made to ram this bill through the House, almost literally overnight. All this was attempted without any regard for regular legislative procedure. This effort deserved to fail. Indeed, it might be called more accurately merely a gesture.

Does failure to enact new programs deprive the schoolchildren of the Nation of assistance they need? I doubt it. The impact of new Federal programs would not have had any great significance, except insofar as they defined the Federal responsibilities. Certainly the bill rejected would have done very little. On the other hand, if Congress fails to authorize a program to help colleges build needed facilities, real hardships may result. Yet here again, apparently there is no plan to do anything.

It is perhaps unwise, if not impossible, to assess accurately who is to blame. Yet I do feel compelled to say that Republicans have sought consistently for enactment of essential educational programs, such as extension of aid to federally impacted areas. We have urged extension of the National Defense Education Act, and a broadening of Federal responsibility with respect to college facilities. Admittedly on controversial subjects, such as subsidies for teachers, we have not been enthusiastic. Understandably, opinion has been divided on issues such as the advisability of Federal scholarships, and the responsibility of the Federal Government for aid in construction of classrooms. At all times, however, we have sought to avoid developing issues at the expense of needed programs. The Democrats, on the other hand, while presumably not seeking issues, obviously have been unsuccessful in securing enactment of new programs. Now we have no choice but to undertake what is essentially a salvage operation.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from California.

Mr. ROOSEVELT. Is it not true, however, that the committee did consider the NDEA bill and we did make certain amendments which at this time are completely ruled out; we are now being asked to pass for 2 years—not 1 year, but 2 years—without the amendments which everybody agrees are now necessary. Would it not be better for us to come back in January of next year and enact considered legislation?

Mr. KEARNS. Mr. Speaker, may I say to the gentleman from California, whom I thank for yielding me this time, that he will remember that we amended the National Defense Education Act, but the amendments were not agreeable to the committee.

Mr. POWELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to say to the gentleman from California that he knows full well that in January we are going to bring before the committee full consideration of higher education, amendments to NDEA, and a complete study of impacted areas.

Mr. Speaker, I now yield 2 minutes to the gentleman from West Virginia, the distinguished author of Public Laws 815 and 874.

Mr. BAILEY. Mr. Speaker, almost 2 months ago the majority of the House Committee on Rules in effect said they did not even wish to discuss education. Last week 241 of my colleagues agreed that they did not wish to discuss education. Without impugning the motives behind any one of the 8 members of the Committee on Rules or any one of my 241 colleagues, I say that these two actions were tragic. Had I voted against education I would dislike what I had to look at in the morning when I shave. Today we have a bill that keeps going

two programs with which all the Members of the House are familiar. I am speaking now to Public Law 815 and Public Law 874. I am also speaking of the extension of the National Defense Education Act.

It just so happened that I was the original author of Public Laws 815 and 874 and have been an ardent supporter of the program for 11 years. I also cosponsored the legislation, along with our distinguished Member of the House from Alabama, that set up the National Defense Education Act. It cleared through the joint action of the two subcommittees of the House.

Today, Mr. Speaker, the least we can do is to pass this bill. If we are not going to move education forward, for Heaven's sake do not let us send it backward. The time for talking is long since passed. The time for action is today. I am sure the House will approve this partial program for education.

Mr. ROOSEVELT. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Speaker, I rise in support of H.R. 9000. I think the principles on which the Congress passed Public Laws 815 and 874 quite a few years ago have quite definitely been established as needed and should be continued. In fact, I think it is unfortunate that we are this late in the session and this late in date in extending these two laws. Actually, many of the school districts have already begun sessions, and they have begun sessions in an uncertain atmosphere when they have not known whether the category (b) allocations would be available to them as they have been during the past 10 to 12 years.

I think this legislation merits passage on its own merits. I was one of those who voted last week for a broader bill, but I actually think we should have passed the extension of Public Laws 815 and 874 at a much earlier stage in this session so that the school districts throughout the country that have looked to these bills for support could have counted on them in planning their budgets for the school year 1961-62.

Mr. ROOSEVELT. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. GOODELL].

Mr. GOODELL. Mr. Speaker, I rise reluctantly in support of this legislation. I want to make it clear that I enthusiastically am in favor of the National Defense Education Act, but I would have preferred that we had a revised bill expanding the present act. I would support with enthusiasm even a straight extension of the National Defense Education Act, but I want to make it clear that I am very much in opposition to the impacted areas program as it stands today. Because the two programs are combined in the same bill I must vote for both of them in order to support the NDEA program.

It should be pointed out that the impacted areas program started with a very simple formula which has now been made permanent law, providing aid where children's parents worked and lived on Federal property. If parents both worked and lived on federally owned property a payment was made, actually 90 percent of the average cost per pupil in that area. This legislation does not have anything to do with the situation where the parents live and work on the Federal installation. That is permanent law. This legislation does not even affect that. It refers to children whose parents either work or live on Federal property, and I emphasize the word "either." It also applies to children whose parents are employed by companies primarily engaged in defense contracts. In rare instances, such Federal aid might be justified, especially when a national emergency causes a sudden influx of defense workers into an area, thus overburdening the school system temporarily. Both the categories of aid covered by this bill are badly abused, however, and I cannot favor them in their present form.

I want to make it clear that I have no quarrel with the category (a), permanent impacted-areas program. I think it is justified. In that case there is a clear Federal impact and the Federal Government is responsible. As to category (b), we have departed far from the original purpose of the act. Parents may work in a Federal Army camp, for instance, and live in the town. In such a case they own houses or pay rent on property in the town and thus pay taxes to support the schools. In spite of this fact, full impacted-area aid is given to those school systems by the Federal Government. It is wrong. It is a boondoggle program in its present form. We badly need to revise it and I hope our committee can do so next year.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. POWELL. Mr. Speaker, I yield the balance of my time to the distinguished gentlewoman from Oregon [Mrs. GREEN], chairman of the Special Committee on Education.

Mrs. GREEN of Oregon. Mr. Speaker, it seems to be abundantly clear to the membership of the House that there must be something terribly wrong with this bill which is before us for consideration today. There has not been one speaker for this legislation who has given it his unqualified endorsement. The chairman of the Committee on Education and Labor, in presenting the bill, said he was very unhappy to be in this situation today. The gentleman from New Jersey [Mr. THOMPSON] expressed his regrets about the bill in every particular except with respect to continuing student loans under the National Defense Education Act. The ranking Republican member of the Committee on Education and Labor expressed his regrets that the bill does not contain any amendments to the National Defense Education Act or any additional provision for higher education. The gentleman from New York who just spoke said he was in favor of extending the National Defense Education Act, but that he was opposed to the section of the bill regarding federally impacted school districts. The gentleman from California [Mr. ROOSEVELT], who has always been a leader in the continuing fight for better schools, for Federal aid, now finds himself forced to oppose this inadequate bill.

Mr. Speaker, with everybody so unhappy about this legislation, it seems to me all of us would ask ourselves: Why, then, should we consider it? I would suggest that if there are so many Members who are so unhappy about this legislation, it would be most unwise to freeze in that unhappiness for a period of 2 years, and that we should at least consider the possibility of an extension of aid to federally impacted areas for only 1 year and thus give the subcommittees and the full committee time to really work on this bill. I wish every Member would read a recent report by the Comptroller General on the operation of the impacted areas program.

I most certainly am not suggesting, Mr. Speaker, that the members of the Committee on Education and Labor have not given many, many hours of serious consideration to legislation in this field. Certainly, the chairman of the committee has given excellent leadership on various bills that have been before us. He has shown untiring interest in the passage of educational legislation to meet the demands of our times. May I say, however, that the particular bill before us today never has been considered for one moment either by the subcommittees or by the full committee. This particular bill comes before you without any consideration by the committee designated and authorized by the House of Representatives to consider legislation in this vital area of Federal aid to education.

May I also say that the committee approved a number of amendments to the National Defense Education Act when that act was considered separately by the committee. This fact, certainly, should be given consideration by the House. There is a provision in the National Defense Education Act, which I am sure you all know about, that if a person who received a student loan goes into public school teaching, he is forgiven 50 percent of the loan that he obtained under the act. This could be a forgiveness of as much as $2,000. However, there is no such forgiveness of any part of the loan for those teachers who go into private schools. I submit that this is very unfair. This House should not continue such inequitable treatment to these teachers for 2 more years.

Mr. Speaker, I need not point out to anyone that the religious issue has been a major factor in the consideration of legislation affecting education. Everyone of us in the House of Representatives knows that that is true. But we are not avoiding the religious issue this year or next year by voting on this bill today.

In one part of the bill it says: We will forgive loans to teachers if they go into the public schools, but we will not forgive loans to teachers who go into private schools who are also desperately needed in the teaching profession. Then, we turn around and say in another provision in this bill: We will lend money to private schools for special equipment. I repeat, Mr. Speaker, the so-called religious issue is not being avoided by bringing this bill up under suspension and preventing any amendments or in fact even a full discussion of the issues involved.

Mr. Speaker, it seems to me we cannot act upon this bill today and claim, that by doing so, we are solving the problems of education; nor can we fool ourselves by thinking we have found an easy way out. Some argue for this 2-year extension to avoid considering an adequate educational program next year—election year. If this is the purpose, then the boys and girls of this country are the ones who are going to be shortchanged.

Mr. Speaker, I urge the defeat of this legislation, not because I am opposed to Federal aid for our schools—but rather because I am convinced of the desperate need of an adequate program, a better program, carefully worked out, carefully considered and designed to meet the challenges of the space age in a more comprehensive way.

Let me also say if this bill is defeated today, certainly the leadership of this House can make it possible for us to vote on a 1-year extension of the federally impacted area bill, but we do not need to vote for this 2-year extension which has never, I repeat, never been considered by the Education and Labor Committee and which really does not have the wholehearted support of a single person who has spoken.

May I conclude by inserting an editorial from today's New York Times:

SCHOOL AID: HYPOCRISY

Senator MCNAMARA of Michigan is quite correct in rebelling against the hypocrisy that has impelled Congress to turn its back on genuine and general Federal aid to education while it shows great eagerness to renew assistance to the local federally impacted areas.

The hypocrisy is documented by well over a hundred votes which are regularly cast for aid to the impacted areas by Members who, with equal regularity, help to defeat nationally distributed Federal aid to the schools. The impacted-area grants are based on the theory that school districts which feel the unusually heavy impact of children of parents working in defense establishments and other Federal projects need such help. They probably do, although it should not be overlooked that Federal projects, even though they take real estate off the local tax rolls, contribute heavily to the nearby communities' economic well-being. At any rate, there are many nonimpacted areas whose schools are in far greater need of help.

Congressmen, in the interest of legislative decency and national responsibility, ought to think of what they can do for the country, not merely what the country can do for them, by supporting their local vote-getting interests. Let the politically popular impacted-area grants be continued—provided that they can be made part and parcel of straightforward, nonpolitical, generalized Federal aid to education wherever it is needed. There is no satisfactory reason why this cannot be done in this session. If there is time to pass impacted-area aid, there is time to pass general aid to the public schools.

It is intolerable for legislators to cash in on their pseudosupport of education when it suits local vote-getting expediency while they continue to block real aid to the public schools. The time to drive this home—by insisting on general public school aid, along with renewal of the grants to the impacted areas—is now. But the failure of leadership, in the White House, in the Department of Health, Education, and Welfare and in the House of Representatives gives little cause for hope. "Compromise" has been the order of the day—and the result has been a fiasco for Federal aid to education and a disaster for the Nation's public schools.

Mr. ROOSEVELT. Mr. Speaker, I yield 2 minutes to my colleague, the gentleman from California [Mr. HIESTAND].

Mr. HIESTAND. Mr. Speaker, I rise in support of this bill. I am opposed to Federal aid to education, promiscuously, universally, and in principle. Here, however, we have a real issue before us. Education of children in federally impacted areas is clearly a Federal responsibility. The Federal Government has moved into these areas, taken large acreage off the tax rolls, and simultaneously multiplied the school population. As I say, this is a Federal responsibility, and therefore I feel that we are justified in supporting this bill because it is a Federal responsibility to help these children be educated. That, in my judgment, is the real issue.

Now, speaking generally, Mr. Speaker, I am convinced that the Nation as a whole does not want general Federal aid to education. The people have so demonstrated repeatedly. Likewise, they are now becoming conscious of the fact that the school districts have over the years done a perfectly magnificent job in building classrooms and in raising teachers' salaries. That is not a Federal matter. This is. And, I feel we are justified in supporting the renewal before us of Public Laws 815 and 874.

Some people have some objections to the operation of these two measures, and to a degree they undoubtedly are justified. May I suggest that they are justified by the administration of the measures which are, grantedly, quite difficult but not to the principle that the Federal Government has this responsibility.

Mr. Speaker, because so many Members are asking for time and would like to be heard on this subject, I ask unanimous consent that all Members be given permission to extend their remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHLEY], may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ASHLEY. Mr. Speaker, I will vote against the bill now under consideration because I think it is poor legislation on its merits and because I disapprove of the manner in which it is being considered.

The bill, which involves an expenditure of some $1 billion, lumps together the extension of two very different programs, each of which is subject to considerable question as far as their details are concerned. Yet under the procedure of suspending the rules as we are being asked to do today, neither is subject to amendment and the entire bill is limited to 40 minutes debate. This simply does not meet even the shabbiest test of a sound legislative process.

As far as the substantive aspects of the bill are concerned, I find myself in substantial agreement with the statement of President Eisenhower in 1959 with respect to Federal assistance to schools in federally impacted areas. He stated at that time:

The substantial increase in Federal employment during World War II, which led to the enactment of this legislation in 1950, has been superseded by a relatively stable Federal establishment. In many cases, the presence of Federal installations in the communities adds to rather than detracts from the revenue base for the support of schools. * * * The pressing need now is not for aid to federally affected districts on the basis initiated in 1950 but for general aid to help localities with limited resources to build public schools.

In short, I feel the formula by which Federal funds are distributed to impacted areas is in need of a complete overhauling and I think a thoroughly wrong result will be achieved if we extend the program 2 years on its present basis. Certainly consideration should be given communities where the Federal Government has come in and established a base or facility, thereby eliminating valuable land from the tax roles. Generally speaking, however, I would say that any assistance which goes beyond compensating for the loss of tax revenue from such land gives these so-called impacted areas a form of Federal aid which is not available to other communities, many of which may actually have a far greater need.

I believe strongly in the need for a general aid to education program but this is not the right approach. The right approach was contained in the education bill which came before the House last week and which was defeated by the votes of Members who today will vote for funds for their own particular district.

The record will show, Mr. Speaker, that I have always been a strong supporter of the National Defense Education Act. However, this program, too, needs reconsideration to make it more responsive to the national interest. In my view, it, too, deserves a better fate than to be considered under a procedure which allows only the briefest discussion and no possibility of refinement—especially since it does not expire until 1962.

Mr. DELANEY. Mr. Speaker, the impacted areas bill and the National Defense Education Act, which are combined in the bill H.R. 9000, have many worthwhile features. This bill merely provides an extension of both acts as they are now written into law.

In the NDEA we have discriminatory legislation, with one very discriminatory clause.

For example, take two students who are making teaching a career. They could even be classmates in college and graduate together. If one should teach in a public school he would be granted forgiveness of 50 percent of the amount he borrowed. If the other one taught in a nonpublic school, he would not receive this benefit. This should not be.

Not only are these features discriminatory, but they are not compatible with

the national interest, which is to stimulate education in the subjects of mathematics, science, and languages. Since we are dealing with people rather than schools, there should be nothing that precludes participation by all teachers.

We are considering this bill under suspension of rules, so it is not possible to offer amendments. We have the choice of taking the bill as written or voting against it.

With this explanation I shall vote for the bill, and it is my hope that this discrimination can be eliminated.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY], may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FOGARTY. Mr. Speaker, I rise in support of H.R. 9000, a bill to extend for 2 additional years the programs of Federal assistance to school districts burdened by Federal activities and the program of loans to needy college students.

This bill, if enacted, will provide urgently needed relief to 3,800 school districts for the school year which is now beginning throughout the country. These districts educate 12.5 million schoolchildren including 1.8 million of whose parents are employed in Federal projects. The districts depend on Federal payments for the normal operation and construction of school facilities which have been provided by Federal appropriations since 1950. Unless the bill is enacted in this session, school programs in these districts will be curtailed and hundreds of thousands of children will receive a diluted education program.

In my home State of Rhode Island some 21 federally impacted school districts received approximately $1,117,000 in the 1960 fiscal year on account of some 7,851 children residing with a parent employed on Federal property—the so-called B category of Federal impact, now expired, but which H.R. 9000 would extend for 2 additional years. These districts would be unable at this late date to raise the additional revenues to make up this loss—and as a result, unless the Congress acts promptly, would be under the necessity of curtailing the school program, increasing the size of classes, and in other ways restricting necessary school expenditures at a time when enrollments are continuing to increase because of the presence nearby of major Federal projects vital to the national defense:

Public Law 874 entitlements, State of Rhode Island, fiscal year 1961 [1]

Project No.	Applicant	Pupils in attendance		Entitlements paid		Total entitlements [2]
		Permanent provisions	Temporary provisions	Permanent provisions	Temporary provisions	
1	Newport School System	285	2,123	$100,408	$373,977	$474,385
2	Town of Middletown School Committee	592	1,032	184,704	160,992	345,696
3	Town of Tiverton School Committee		150		18,655	18,655
4	Town of East Greenwich School Department.	3	256	880	37,550	38,430
5	Town of North Kingstown School Department.	736	1,138	258,373	199,747	458,120
6	Town of Portsmouth School Committee	41	446	12,549	68,253	80,802
7	Town of Jamestown School Committee		151		21,380	21,380
8	Coventry School Department	13	400	3,445	53,000	56,445
9	Warwick School Committee		1,047		155,207	155,207
501	Town of Westerly School Committee		300		43,482	43,482
502	Town of Charlestown School Committee	9	30	2,624	4,374	6,998
601	Richmond School Committee, Shannack		23		3,313	3,313
602	Town of Narragansett School Committee		92		13,026	13,026
603	Hopkinton School Department		101		14,446	14,446
701	West Greenwich School Department		25		2,576	2,576
801	Town of West Warwick School Department		265		35,148	35,148
802	Town of Smithfield Department of Public Schools		65		7,457	7,457
804	Bristol School Committee	3	85	795	11,261	12,056
805	Exeter School Department		34		5,222	5,222
806	South Kingston School Committee		275		39,057	39,057
901	Foster School Department	13	16	3,840	2,363	6,203
1,201	Chariho Regular High School Department, Richmond		69		9,939	9,939
	Total	1,695	8,123	567,618	1,280,425	1,848,043

[1] Data based on initial processing of fiscal year 1961 applications.

[2] Based on estimated data for the Nation as a whole, it is estimated that school districts in the State of Rhode Island will receive under Public Law 874, for fiscal year 1962, $732,110 for A category children (permanent provisions of the act) and $1,353,890 for the B category children (if temporary provisions of the act are extended). This makes for a combined estimated total of $2,086,000.

As the Members of Congress know, I have been a consistent supporter of this Federal impact legislation in the past because I believe it is right in principle. It is based on the concept that the Federal Government as the Nation's largest real property owner—over 750 million acres of tax-exempt property—should make payments, in the nature of in-lieu-of-tax payments, for the support of free public education in those school districts in or near which its property holdings are located—thus accepting the role of a local property taxpayer in support of these essential educational services. In so doing the Federal Government has only accepted and discharged its equitable obligation. I believe that it should continue to do so.

This program has received the enthusiastic bipartisan support of the Congress for the past 10 years and is fully justified as a Federal contribution reimbursing communities who are deprived of local revenues by the tax-exempt status of Federal property.

As in the past, I will give my full support to the appropriation of supplemental funds needed to support this program for the fiscal year 1962 totaling $201 million.

Another emergency need met by the bill is the 2-year extension of the popular program of Federal assistance to student loan programs aiding needy college students, along with all other titles of the National Defense Education Act. Some 1,500 colleges and universities participate in this program and 220,000 college students are continuing their college education with the Federal support given under the National Defense Education Act. With this extension, the Congress could appropriate funds to enable the colleges to plan programs of assistance for some 36,000 high school students who will graduate next spring and who will need loans to enroll in college in the fall of next year. I will support appropriation requests needed to bring the program up to its full authorized strength of $90 million in fiscal year 1962 and again in fiscal year 1963.

Mr. GEORGE P. MILLER. Mr. Speaker, I shall vote for H.R. 9000, a bill to extend for 2 additional years the expired provisions of Public Laws 815 and 874, 81st Congress, and the National Defense Education Act of 1958.

My vote will be a matter of expediency because most of the school districts in my area are greatly dependent on this Federal aid for their respective programs. The public laws have been on the statute books for many years and it would be deleterious to public schools throughout the Nation to see the financial provisions lapse at this time.

Naturally, I was hopeful that Congress would pass a comprehensive Federal aid program for schools. Since this is not possible in the current session, we must endeavor to take minimal action now, to extend existing aid provisions and at the same time continue our efforts to realize a more complete aid-to-education plan in the near future.

With the Soviet Union offering renewed challenges to the United States in every facet of our way of life, we can ill afford to weaken our educational institutions by depriving them of financial support. Also, with property owners straining under increasing local tax rates and assessments, it would be disastrous to place extra burdens on them to fill the revenue vacuum which would be created if Public Laws 815 and 874 funds were not available.

Mr. Speaker, these are the reasons which motivate my vote for H.R. 9000.

Mr. RIVERS of Alaska. Mr. Speaker, I rise in support of H.R. 9000 introduced by the distinguished gentleman from New York [Mr. POWELL]. Inasmuch as the administration's general program for Federal aid to education has become so controversial as to preclude legislative action thereon during the short remaining period of the present session, I see no alternative other than to extend the federally impacted school area laws, Public Laws 815 and 874, and the National Defense Education Act.

In greater or less degree 319 of the Nation's 437 congressional districts contain impacted school areas, and the schools involved throughout the country

have already budgeted for the newly commencing school year in reliance upon an extension of Public Laws 815 and 874. To do other than to pass the legislation now before us would create a fiscal fiasco in school districts all over America. Neither do we wish to disappoint several thousand college students counting on the availability of student loans for this school year which phase is also provided for in H.R. 9000. I urge passage of this legislation.

Mr. DOMINICK. Mr. Speaker, I rise in support of H.R. 9000, not because I think that this is the best bill that could be put together, but because I believe that it is the best bill which can be passed at this late date in the session when schools all over the country have already reopened and have included in their operating budgets sums which they reasonably and confidently expected to receive under proposed extension of Public Law 815, Public Law 874, and NDEA introduced as early as January of this year.

All other school proposals have been beaten down either in committee or in the newly reorganized Rules Committee or on the floor of the House. They have been poorly drawn or have become embroiled in religious controversy or have simply been unacceptable to the majority of the Members of this great body, but the basic question of the degree of responsibility of the Federal Government for local education has neither been determined by this Congress or even thoroughly debated. The bill before us at least provides a measure of Federal responsibility for Federal activities; namely, payments to public school districts providing education for children of Federal employees. Furthermore, the provisions of this bill extending these activities for 2 years instead of one should reduce election pressures in later consideration of education legislation.

Finally, passage of this Act extending relatively noncontroversial programs should eliminate the practice of using them as sweetners for other legislation which might be otherwise unacceptable to many Members.

For all these reasons, Mr. Speaker, I urge the adoption of H.R. 9000.

Mr. HAGEN of California. Mr. Speaker, I rise in support of H.R. 9000, to extend the expiring portions of the Federal impactment school assistance program and to continue in effect the National Defense Education Act.

I am certain that a majority of the Members of the House agree with me as to the value of these two programs and the necessity for their continuation.

Should the impactment provisions not be extended, thousands of school districts which have been swollen populationwise due to the proximity of Federal activity will face disastrous budgetary problems. There are at least 12 affected school districts in the 14th Congressional District, which I am privileged to represent, and I have been informed by officials of these districts of the great necessity for this legislation.

This bill affects only those children in impacted areas who reside off the Federal installation on which their parents are employed. Those who reside on Federal facilities are taken care of in permanent legislation. Since the same classroom facilities and teachers are required for students in both categories it is only equitable that the pending legislation to extend the expiring portion of the program for 2 years be enacted.

We are all aware that the Congress recognized in 1950 the need for Federal aid to impacted areas when it enacted Public Laws 815 and 874, the basic Federal impactment laws. H.R. 9000 merely extends expiring portions of this program, for which there is ample precedent and justification, and I urge that the bill be approved.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND], may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BOLAND. Mr. Speaker, I rise in support of H.R. 9000, a bill providing for a 2-year extension of so-called federally impacted school aid laws, Public Law 874 and Public Law 815; and a 2-year extension of titles II, III, IV, V, VII, and VIII of the National Defense Education Act.

The extension of the federally impacted school aid laws is vital not only to 11 school districts in my Second Congressional District of Massachusetts, but to thousands of other school districts in some 315 congressional districts in the United States.

These school districts are planning their local budgets for the current 1961–62 school year, starting today. These budgets are being based in part on estimates the school districts will receive under Public Laws 874 and 815 because of the number of pupils whose parents work and live on a military installation or Federal reservation; are employed at the military base or reservation but live in a nearby community; or have moved into the community because of employment in a strategic defense industry.

Mr. Speaker, the Federal Government has been making payments for 12 years under Public Law 874 to school districts to defray the cost of educating these students. The Government has been giving grants, under Public Law 815, over the same number of years to these school districts, toward the cost of constructing new schools because of the influx of these pupils. Many of the school districts are planning new school construction now and financing is based on Public Law 815 grants. Only last week School Supt. John Fitzpatrick, of Chicopee, Mass., in my district, came to Washington to tell me how important it is to his school district that these laws be extended. He was also representing the Massachusetts Superintendents Association. Chicopee is the home of Westover Air Force Base, headquarters of the 8th Air Force, Strategic Air Command. Mayor Edward Lysek, of Chicopee, also came down here earlier this summer to appeal for the extension of these laws, which have actually already expired, as of June 30, 1961. Today I received the following telegram from Springfield:

> Urgently request your support to extend Public Laws 874 and 815 for new 2 years.
>
> JOSEPH E. BUCKLEY,
> *Assistant Superintendent of Schools.*

Mr. Speaker, the Chicopee School District received $623,217 in Public Law 874 funds during the last school year, 1960–61, and $483,322 in Public Law 815 funds for the construction of a new comprehensive high school. Superintendent Fitzpatrick told me Chicopee will have to begin planning for another new elementary school within the next 2 years and Public Law 815 funds will be sought.

The Springfield school district received $299,580 in Public Law 874 funds during the 1960–61 school year. Other school departments in my district and the amounts received during the law year under this law are: Ludlow, $34,505; Wilbraham, $8,908; Hampden-Wilbraham, $3,421; Northampton, $52,631; Granby, $19,892; South Hadley, $42,254; Hatfield, $4,169; Hadley, $6,430; and Amherst, $5,419. These communities are all depending on Congress extending these laws so that they can plan budgets for the current school year.

Mr. Speaker, it is also very important that Congress extend provisions of the National Defense Education Act before it adjourns, so as to insure continuity of its programs and to allow young people completing their high school education to plan for college training. I would like to include with my remarks a letter I received from President John W. Lederle of the University of Massachusetts on this subject. President Lederle also refers to the need for Federal assistance in construction of academic facilities—classrooms, laboratories, and libraries. The letter follows:

> COMMONWEALTH OF MASSACHUSETTS,
> UNIVERSITY OF MASSACHUSETTS,
> *Amherst, August 31, 1961.*
>
> Hon. EDWARD P. BOLAND,
> *House Office Building,*
> *Washington, D.C.*
>
> MY DEAR REPRESENTATIVE BOLAND: As president of the University of Massachusetts I am writing to express our deep concern about the widely accepted belief that Congress may adjourn this year without approving either of the two major items of legislation affecting higher education. We are convinced that if this happens, at least three serious results may be expected to follow:
>
> 1. Many of our young men and women will be deprived of opportunities for college or university education which rightfully are theirs, and which are essential to the strength and continuing leadership of the United States.
>
> 2. The colleges and universities, struggling to meet demands for a higher standard of education for greater numbers of students, will have to face a responsibility for which they simply do not have the resources.
>
> 3. A world convinced that the future lies with the best educated peoples will wonder about the vision, the wisdom, and the determination of the people of the United States.
>
> Knowing that you share our concern in this matter, I am writing to set forth the position of the American Council on the

two major items of legislation affecting higher education:

Higher education bill: By consensus in higher education, a program of Federal assistance in construction of academic facilities—classrooms, laboratories, and libraries—should have a top priority. Even when all potential private, State, and local support is taken into account, these capital needs cannot be met by the institutions. The American Council for several years has advocated optional Federal grants or loans for this purpose. We have recommended a Federal program of about $1 billion a year, based on a 1960 council survey of demand among its member institutions. While legislation now before Congress provides only $300 million annually, this amount with required matching funds would provide tremendous stimulus and encouragement to the institutions. Postponement of action for at least another year will mean delay at a critical time for the Nation's educational and scientific progress.

Scholarships provided by the higher education bill are also strongly supported by the council. The loss of student talent for lack of educational opportunity, by reason of financial inadequacy, can no longer be afforded by this country. With college costs rising rapidly, the loan program under the NDEA has helped many families in the middle-income brackets, but qualified students at the very low income levels are finding the financing of college more and more difficult.

Now that hearings have been concluded on this legislation we urge the Congress to give it early and favorable consideration.

National Defense Education Act: There can be no question as to the substantial contribution the programs under the NDEA have made in the last 3 years to the improved quality of education, and the broadened opportunity for education, in the United States. The American Council strongly recommends extension during the 1st session of the 87th Congress of a revised and strengthened NDEA. Careful study by educational organizations and by committees of Congress over many months has resulted in approval of two bills by the responsible Senate and House committees. These bills contain all the essential elements for a fully acceptable piece of legislation.

It is of the greatest urgency that action be taken in this first session not only to make appropriate changes in the NDEA, but also to insure that programs now successfully under way will suffer no loss of continuity or momentum. If action on a revised and expanded NDEA is finally determined by congressional leadership to be impossible the council will support in the emergency a 1-year extension of the existing programs. In any event, we urge that action be taken this year. Delay will be costly to the Nation.

We are encouraged to read in the papers that a new effort is under way toward passage of educational legislation. Your personal interest and assistance will be greatly appreciated.

Sincerely yours,

JOHN W. LEDERLE,
President.

Mr. Speaker, I also ask permission to have included with my remarks a letter from the Citizens Committee for Extension of the National Defense Education Act, signed by Chairman George J. Hecht, an identification list of eminent American scientists headed by Dr. James B. Conant, president emeritus of Harvard University, and the statement of the scientists. The letter and statement follow:

CITIZENS COMMITTEE
FOR EXTENSION OF THE
NATIONAL DEFENSE EDUCATION ACT,
Washington, D.C., August 25, 1961.

Hon. EDWARD P. BOLAND,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BOLAND: It is imperative, we believe, that you consider carefully the enclosed statement about the National Defense Education Act issued by a group of our Nation's most distinguished scientists headed by Dr. James B. Conant, president emeritus, of Harvard University.

Their statement points to the "confusion, uncertainty, and partial loss of the gains already made" under the NDEA which they feel will result if the Congress fails to extend the act before adjournment of the 1961 session.

For our Citizens Committee, may I stress that it is extremely alarming that measures are being introduced to single out one title of the NDEA for renewal while abandoning the other nine titles for this year. This act is actually an interdependent series of programs which were carefully balanced to produce the essential scientific and technical manpower our Nation needs.

School superintendents, teachers of science, mathematics and foreign languages, vocational guidance personnel, college presidents, vocational educational teachers, and heads of State departments of education—those who bear grassroots responsibility for carrying out the objectives of the NDEA—assure us that no valid educational purpose is served by this proposed piecemeal approach which they feel would scuttle the most successful and crucial weapon in the educational arsenal of the United States.

We urge you to extend every power and influence at your command to prevent the dismemberment of the NDEA and to support, at the very least, a simple 1-year extension of the entire act this year.

May we have your reassurance?

Cordially,

GEORGE J. HECHT, *Chairman.*

P.S.—The scientists issuing the enclosed statement made their statement as individuals and not in affiliation with any organization. You may, however, wish to have the attached page of indentification notes.

Members of Citizens Committee for extension of the National Defense Education Act: William Benton, A. B. Bonds, James B. Conant, Arthur S. Flemming, Marion B. Folsom, Richard G. Folsom, John W. Gardner, George J. Hecht, Gaylord P. Harnwell, Frederick L. Hovde, Bernard Locker, Earl J. McGrath, M. D. Mobley, Elmo Roper, Anna M. Rosenberg, George N. Shuster, and Charles P. Taft.

A STATEMENT TO THE AMERICAN PEOPLE AND TO THE U.S. CONGRESS URGING IMMEDIATE EXTENSION OF THE NATIONAL DEFENSE EDUCATION ACT

We, the undersigned, are disturbed by the serious damage which will be done to the vital program of the National Defense Education Act if the Congress fails to extend that act before adjournment of the 1961 session. If action is delayed until 1962, State legislatures which must appropriate matching funds, school and university officials who must now plan for the 1962–63 academic year, and students whose educational plans are in part dependent on NDEA programs will be unable to plan with confidence. Unless the act is extended now, the school year of 1961–62 will inevitably be one of confusion, uncertainty, and partial loss of the gains already made.

The National Defense Education Act, enacted by Congress in 1958, provided major help toward the improvement of science and mathematics instruction in the Nation's schools and colleges. Specifically it has:

1. Enabled thousands of high schools to secure laboratory equipment, libarary books, and teaching facilities in science and mathematics that they would not otherwise have obtained.

2. Enabled many States to engage the services of science and mathematics supervisors or scientific consultants to help classroom teachers improve their teaching of science and mathematics. These supervisors and consultants have been particularly helpful in introducing new and improved texts and teaching materials in science and mathematics.

3. Offered financial help to high school graduates who have the desire and ability, but not the money, to go to college. Among these students, preference has been given to those who want to specialize in science, mathematics, engineering, or foreign languages.

4. Helped universities—widely scattered over the United States—to develop new or improved programs for graduate students.

5. Aided graduate students who want to become college teachers, and who will be needed for the much larger college enrollment that must be expected in the next few years.

6. Provided similar improvements in the teaching of foreign languages.

These results of the National Defense Education Act have benefited students who wish to become scientists, mathematicians, or engineers. They have benefited students who plan on careers in other fields but to whom a knowledge of science is an essential part of education for intelligent participation in the affairs of a scientific and technically oriented world. In benefiting these two groups the National Defense Education Act has started to make an important contribution toward strengthening the Nation that both groups will serve.

The job is well started, but far from complete. The National Defense Education Act has been in effect for only 3 years. The first year was largely one of tooling up. The second and third were years of growth and improvement. There is good momentum now. However, failure to extend the National Defense Education Act this year will bring many of the gains to a halt. Extending the act this year will enable the Nation to continue to build upon the improvements that have already been started. These improvements in science education are too vital to the welfare of the Nation to allow the act to be weakened.

Detlev W. Bronk, James B. Conant, Lee A. Du Bridge, Frederick L. Hovde, James R. Killian, George B. Kistiakowsky, W. A. Noyes, Thomas Park, J. A. Stratton.

IDENTIFICATION NOTES

Detlev W. Bronk, president, National Academy of Sciences; president, Rockefeller Institute; formerly, president, Johns Hopkins University.

James B. Conant, presently engaged in a study of the American public schools under a grant from the Carnegie Corp. of New York; president emeritus, Harvard University formerly, U.S. Ambassador to the Federal Republic of Germany.

Lee A. DuBridge, president, California Institute of Technology; formerly, member of the President's Scientific Advisory Committee.

Frederick L. Hovde, president, Purdue Univeristy; Chairman of the Task Force Commit-

tee on Education for President-elect Kennedy.

James R. Killian, chairman of the corporation of the Massachusetts Institute of Technology; formerly, Special Assistant to the President of the United States for Science and Technology; formerly, Chairman, President's Scientific Advisory Committee.

George B. Kistiakowsky, professor of chemistry, Harvard University; formerly, Special Assistant to the President of the United States for Science and Technology; formerly, Chairman, President's Scientific Advisory Committee.

W. A. Noyes, chairman of the department of chemistry and dean of the graduate school, University of Rochester.

Thomas Park, president, American Association for the Advancement of Science; professor of zoology, University of Chicago.

J. A. Stratton, president, Massachusetts Institute of Technology.

Mr. ELLIOTT. Mr. Speaker, this is a great day for American education when we propose to extend the National Defense Education Act for 2 years, and when we propose to extend Public Laws 815 and 874 for the benefit of schools and schoolchildren in areas that are affected by or "impacted" by the activities of the Federal Government.

The National Defense Education Act, passed just 3 years ago, has already become a landmark in the field of education. Its extension here, for 2 full years, without changing a word, is a great testimonial to the good it has done.

I am proud to have been the author in the House of the National Defense Education Act in 1958. I worked nearly 10 years working with my colleagues, staff members, and other interested parties in fashioning this act. I am proud of the good the act has done. I continue to be thrilled at the prospect of all the good that it can do in the future.

I like to think of the National Defense Education Act as a reservoir of needed educational opportunities for America's young people. More than 230,000 young people have received loans with which to attend college. Thousands of science laboratories in America's high schools have been greatly improved. About 3,000 fellowships have been granted to train needed college teachers. There are several other programs. I wish I had time to discuss them all.

I urge the adoption of this bill. I hope we can give it an overwhelming vote. This is an opportunity for the Congress to reaffirm its interest in these two great educational laws.

Mr. CORMAN. Mr. Speaker, I rise in opposition to H.R. 9000. If I may paraphrase an old saying, a Member's stand on this bill may well depend on whose taxpayers are being gored. In this instance, the taxpayers of the 22d District of California, whom I represent, are being gored unreasonably by H.R. 9000, and thus I vigorously object.

I would hasten to point out that I have never attempted to evaluate legislation based solely on the effect of that legislation in my own district. I have supported a great number of legislative proposals designed to strengthen this Nation, to promote the general welfare, to deal with specific problems in specific areas of the Nation—all of which were remotely, or not at all, to the direct benefit of my district.

This legislation I oppose because it purports to solve a problem which is an acute problem in the 22d District of California but which it does not solve at all so far as my district is concerned. The distinguished gentleman from Ohio [Mr. BROWN] pointed out very candidly that Public Laws 815 and 874, which are to be perpetuated for 2 years by H.R. 9000 are not, and are not intended to be, Federal aid to education. They purport to be in lieu of taxes to be paid to that branch of government providing education which has lost a portion of its tax base because of Federal activity. Parenthetically, I would like to state that I favor the principle of Federal participation in the cost of education on the condition that such legislation is drafted to raise the general level of education in this Nation, gives consideration to the burden being borne by the local taxpayers and gives equitable assistance to the real property taxpayer by shifting a portion of the high cost of education to the broader base of Federal taxes.

Second, I favor the general theory that the Federal Government should pay in lieu taxes to compensate local governments when tax base is lost because of Federal activity. It is to be noted that the only in lieu taxes contemplated by this bill are to offset the cost of education. I know from experience, as do the real property taxpayers in my district, that this is only one of a great number of municipal services which must be performed, which are very expensive, and which become unbearably expensive in a community which has lost a substantial part of its tax base because of the tax exemption of federally owned property.

Now to my specific objection to Public Laws 815 and 874 the impacted areas statute which would be continued for 2 additional years. It purports to be both Federal aid to education and in lieu taxes and so far as my district is concerned, it is neither, because of the manner in which the legislation has been drafted. Every taxpayer in the county of Los Angeles is acutely aware of the tax burden which falls on him as a homeowner caused in part by the fact that a substantial portion of the industrial community is not subjected to ad valorem taxes because it is held in Federal ownership. This problem has been wrestled with by the State of California for a number of years but has not been resolved. At one point the Los Angeles County Board of Supervisors assumed it had the capacity to tax Federal properties held in ownership by the Federal Government but used by private industry. When the Supreme Court determined to the contrary, it became necessary to refund collected taxes well in excess of $20 million. The impact on the taxpayers of the 22d District was cruel. Briefly, I would call to your attention that in my congressional district 13 percent of the students educated in the public schools are within the definition of "impacted students." The tax rate for public education is extremely high. We have a very high bonded indebtedness, and we have 22,000 schoolchildren in the Los Angeles School District who will be on half-day sessions starting next Monday morning.

With all this, because of the formula set up in this statute, the Los Angeles School District, of which the 22d Congressional District is a part, gets not one penny under this bill. It is to be noted that other school districts within this same county, because of their size, get substantial assistance under Public Law 874, even though their loss of tax base is substantially less, their tax rate is less, their comparative bonded indebtedness is less, and they have had no children on half-day sessions during their history. A Federal proposal so drafted that it creates this kind of inequity within a single county is in my opinion indefensible.

Others who have spoken before me have pointed out that normal procedure has not been followed in bringing H.R. 9000 to the floor. On studying this matter, I became aware of the serious inequities. I discussed with the chairman of the committee and a number of other members the possibility of appearing and offering proposed changes which would at least make this bill a true in-lieu tax bill. Unfortunately, no such opportunity was presented. Should this bill fail of adoption, I would hope that those of us whose districts are so adversely affected might have an opportunity to appear before the committee and discuss this dilemma.

Should H.R. 9000 fail of adoption, I would be willing to concede to continuation of Public Laws 815 and 874 for 1 year to permit careful review of proposed changes plus a consideration of a more direct and honest approach of providing in lieu taxes to finance all of the services provided by local governments including education. So far as the NDEA provisions which would be continued under H.R. 9000, I certainly support them in principle. As has been pointed out by the distinguished Congresswoman from Oregon, the committee itself recognizes the necessity for substantial changes in the present law. As I had occasion to point out earlier today, in discussing the National Science Foundation statute, it seems to me that the security provisions of the existing NDEA are far from satisfactory. This is only one of many changes which this Congress should be permitted to review. Again should H.R. 9000 fail, I would be pleased to support the continuation of the existing NDEA for 1 year. This the House can easily do, and considering the fine record of the Education Committee during this first session, it is more than obvious that constructive legislative proposals would be before this Congress during the second session. I do not wish, and I am certain no Member of this House wishes, to cut off from an honestly impacted school district funds to which they are entitled, nor do we wish for a semester, a month or a day to interrupt those portions of the National Defense Education Act which are

so essential to higher education, but passage of H.R. 9000 clearly is not necessary to avoid these perils. When it is demanded of me to vote to continue for 2 years a so-called Federal-aid bill, sole justification for which is correction of a local tax inequity, when that tax inequity is as severe in my district as in any district in this land, and when the taxpayers I represent are cut off without one cent, I say too much is demanded. So that the record may be perfectly clear, I would observe that there is one tiny school district within my congressional district, which lies outside the Los Angeles City School District, which does qualify for assistance—assistance in the sum of $3,300 per year. If the Los Angeles City School District were treated similarly, the Federal payments would be something in excess of $5 million a year. I am hardly persuaded by the argument that so little help to so few warrants my support of a bill so patently unfair to so many in my congressional district.

I urge the defeat of H.R. 9000.

Mr. QUIE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. QUIE. Mr. Speaker, I rise in support of H.R. 9000. It is extremely important that we extend Public Law 815 and Public Law 874, which expired on June 30 of this year. It is under these laws that the Federal Government fulfills its obligation to help finance the education of children whose parents either work in establishments owned by the Federal Government or live on Federal property.

The other part of H.R. 9000 would be extension for 2 years of the present National Defense Education Act. Title II is of greatest importance because it is necessary to program longer than 1 year in advance in order to provide the monies for student loans.

It is advisable also that the remainder of the National Defense Education Act be extended in order that those who administer these programs might be insured of their continuance. It is unfortunate that the House has been placed in the position that we are forced to legislate in this manner. If it had not been that efforts all through this session were being made by the majority to: First, use impacted school districts' extension as a "gimmick" to force the more than 300 Members of Congress, who have impacted school districts within their congressional districts, to vote for the unwise and unnecessary general aid to elementary and secondary schools bill, H.R. 7300, which was earlier reported by our committee but stopped in the Rules Committee; and, second, use the National Defense Education Act as a legislative vehicle to promote Federal aid for private and parochial schools in the amendments in that act, this would never have happened.

Last week both laws were again used to force consideration of a completely unacceptable Federal aid to school construction bill. This is a deplorable way to legislate. However, it is my hope that next year we will immediately give further study to these two operating programs and consider amendments which are greatly needed.

I might point out one statement made by Secretary Ribicoff on page 16 of the hearings entitled "Federal Aid to Schools," stating that, "The draft bill would repeal categories of Federal payments under both Public Law 815 and Public Law 874 which are not based on the school attendance of children whose parents live or work on Federal property." As it has been stated by others, this and other amendments have been recommended by both President Kennedy and former President Eisenhower. This law should definitely receive thorough study. It is unfortunate that our committee neglected to do so this year. Amendments should be considered on their own merits in order that proper continuance of this program be insured for future years.

The National Defense Education Act received thorough study this year, and had it not been for the attempt to add a section providing for aid to private and parochial schools without similar aid to public schools, I believe that the many beneficial amendments, which were thoroughly discussed, would have been adopted with the extension of this law.

Two points I would mention today which I hope will receive serious thought by all of my colleagues as we look forward to the day that this program will be considered on the floor again are these: First, the present division under student loans in title II providing for forgiveness up to 50 percent of the loan for students who go into teaching should be repealed. The reason for this is that many of the students, whose advisers recommend they not go into teaching, have chosen that profession because it gives them an opportunity to receive the 50 percent forgiveness on their loans. If this is continued, it may influence more teachers to go into the profession, but not necessarily the high-quality teachers which we are looking for.

Present statistics point to the fact that during this decade there will be an adequate supply of teachers due to the fact that the huge increase in birth rate after World War II will be hitting the colleges during the 1960's while the rate of increase in elementary and secondary schools will drop from 1,400,000 during the first 5 years to 655,000 in the last 5 years of this decade. If college graduates continue to go into the teaching profession at the present rate of 31 percent, quite a surplus of teachers will develop.

Of the students who now receive loans under the National Defense Education Act, 47 percent have indicated they will go into the teaching profession. This means approximately 24 percent of the loan made is actually a grant while 76 percent is repaid.

I believe it would be a wise change in the law so the moneys provided for financial assistance to needy students will be made available, 25 percent for grants and 75 percent for loans, no matter which profession a student pursues.

I believe the entire program should be administered exactly the way the National Defense Education Act loans are presently administered through the colleges. This would keep the administrative costs low, and from present experience, we know that most colleges and universities are now quite expert in choosing the able and needy student.

It is significant to note that in the bill considered last week, only title II of the National Defense Education Act was to be extended. However, the forgiveness was to be broadened rather than reduced.

Second, the special assistance given for math, science, and modern foreign languages may eventually lead to overemphasis in these subjects.

Either much of these special programs should eventually be phased out or else it will be necessary to give assistance to other languages and other courses of study. It is true that in prior years, there was considerable lack of emphasis given to science, math, and modern foreign languages. I believe it would be equally undesirable if overemphasis were given to these subjects in our schools.

In conclusion, I believe that both laws, the one providing Federal aid to impacted school districts, and the National Defense Education Act are basically good pieces of legislation, and I am looking forward to working with the other members of the committee and our colleagues to perfect these laws in order that we might accomplish the work that they were set out to do.

Congress should consider future Federal aid to federally impacted school areas and changes in the National Defense Education Act on their own merits.

Mr. BERRY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. BERRY. Mr. Speaker, I rise in support of this bill providing an extension of the impacted areas laws and the National Defense Education Act.

I dislike the method by which these extensions come to the floor. Public Laws 815 and 874 should be amended. As presently written there are many inequities in these two laws. There is, for instance, no logical reason why school districts in the District of Columbia or the adjoining counties in Maryland or Virginia should be benefiting from these laws.

By the same token, however, where there is actual impaction of school districts created by the Federal Government through defense installations or through Government construction contracts where the impaction is of short duration or with no definite period of termination, there the Federal Government has a definite responsibility to assist local school districts in the education of the children of families who move into these areas for short periods.

In spite of the fact that the present law should be amended there is no opportunity to do so under the present

procedure and the law must be extended in its present form, until such time as Congress has an opportunity to correct these laws at a later date.

Likewise I do not approve of the NDEA provisions, but because of the fact the extension of this act is attached to the impacted areas bills there is no opportunity to make any change in this law. We must take both without change and live with them during this session of Congress.

I trust Members of the House will join me in extending these laws now and then correct them at a later date.

Mr. JOELSON. Mr. Speaker, H.R. 9000 will provide hundreds of millions of dollars in Federal aid in the form of funds for both school construction and teachers' salaries in federally impacted school districts. By the device of tying to the bill the extension of the valuable National Defense Education Act containing a scholarship loan program for college students, its sponsors have made opposition most difficult. Furthermore, by a parliamentary maneuver, the offer of amendments has been made impossible.

It is interesting to examine the position of Congressmen who only a week ago voted against even considering a bill to provide Federal aid merely for school construction in overcrowded areas. These same gentlemen now urge millions in expenditures for federally impacted areas. Absent are the anguished cries that such aid will result in the destruction of local school systems, Federal interference with local education, and all the other dire eventualities heretofore predicted concerning Federal aid generally.

It is also interesting to hear the gentlemen talk about the hardships caused to their districts by Federal installations. Nowhere was mention made of the fact that Army bases and Federal installations greatly stimulate local economies, and that any attempt to pry loose a Federal installation invariably results in violent protests from local residents and their representatives.

Finally, there was a deafening silence from those so-called friends of civil rights who originally advocated tacking on nonsegregation provisions to a general aid to education bill in order to insure its ultimate defeat. How strangely silent they were on segregated schools in federally impacted areas. Although it is the policy of our Armed Forces that military personnel be racially integrated, no protest has been heard against educational segregation for the children of our soldiers, sailors, and airmen. No attention was given to the fact that many of these children who must move from integrated sections of our country are required to take a humiliating step backwards in attending segregated schools.

Mr. ROSTENKOWSKI. Mr. Speaker, it is most unfortunate that the membership of this House has been subjected to make a decision on a measure that was put together during the waning days of this session of the 87th Congress—a time when expediency takes precedence over genuine principle. I refer to H.R. 9000, a bill to extend Public Laws 815 and 874, which provide Federal funds for the construction of minimum school facilities in impacted areas and authorizing cost of maintenance and operation, including teachers' salaries; and extends the National Defense Education Act of 1958 for 2 years.

The haste in bringing these measures to the floor of the House as one package under suspension has resulted, I believe, in poor legislation with no opportunity for improvement at this time.

The two programs condensed in this bill are vastly different, and yet, we are asked to submit to acceptance of the impacted area program if we favor the National Defense Education Act, for there is no choice under the rules of suspension. Proponents of the sport of boxing would agree this to be the best one-two punch ever delivered because the defense of extended debate and amendments are overruled.

The New York Times eloquently revealed the true nature of this proposal when they titled it "Hypocrisy." For, in analyzing the course of events regarding Federal aid to education in this Congress, how else can we describe what has happened in this Chamber? If there is such overwhelming support to assist impacted areas, then this same support should be given to nationally distributed Federal aid to schools, for there are many nonimpacted areas whose schools are in far greater need of help.

I have publicly announced my support for a general aid to education program and I strongly favor it. There is a great need for advancing our educational programs at all levels, which has been revealed by many surveys that have been taken.

But I object to H.R. 9000, for we sacrifice those amenities which spell civilized living for local vote-getting interests. The defeat of this bill would not impair the National Defense Education Act, which I fully support, since it does not expire until 1962. The impacted area provision of H.R. 9000 turned me against the bill. Federal aid to education is needed nationally, not only in impacted areas. Refusing to support those select areas may result in the needed support of a national program. Expediency can work both ways.

Mr. COHELAN. Mr. Speaker, I will vote for H.R. 9000—which will extend the expired provisions of Public Law 815 and 874, and the National Defense Education Act for another two years—but I will do so with great reluctance. In fact, if this legislation were not of such great financial importance to my district, I would vote against it.

Let me make it clear that I fully recognize the importance of this legislation in its own right. I believe, however, that it is a sad commentary on our perception of the crucial problems confronting us nationally in the field of education today when legislation as limited as this is the maximum effort which can be brought before the Congress. To be blunt, Mr. Speaker, I am sorely disappointed that the constructive proposals for dealing with our serious shortage of classrooms and qualified teachers—have been sidetracked.

I can only say that I am very hopeful that legislation of a similar magnitude will be brought before the House in the second session of this Congress, and that it will be passed.

Mr. Speaker, it is my best judgment that legislation of this nature is absolutely essential if we are to meet one of our fundamental commitments as a Nation—a commitment of insuring every child the opportunity for an education that will develop him to the fullest of his abilities. These are crucial times in which we live and nothing short of such an effort will enable us to remain strong and free as a nation—nothing short of such an effort will enable us to remain the leader of the free world in these troubled and difficult times.

Mr. ROOSEVELT. Mr. Speaker, I yield myself such time as I may consume.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ROOSEVELT. I will be happy to yield to the gentleman from Iowa.

Mr. GROSS. I have tried to get a copy of the report here at the desk, and I find no copy of the report. Can the gentleman tell me why there is no report on this bill?

Mr. ROOSEVELT. The gentleman has asked me why he could not get a report on this bill. May I make very clear to the Members of this House that the reason for that is that this bill was never considered by the committee in any way, shape, or form. There have been various elements of it that have been considered, but this bill, a 2-year extension, was never considered by the committee, I have to tell the gentleman. And, as far as I am concerned, I think it is rather unfortunate that we have to proceed with legislation on suspension day when the committee has never even been presented with an opportunity to work its will and to offer amendments to the bill.

I think, too, it is important to point out, as has been pointed out many times today, that there can be no question with respect to the NDEA, which is the National Defense Education Act; that with respect to the National Defense Education Act the committee did consider it. It was widely recognized that it needed amendments. The committee adopted amendments, and yet today we are being asked to freeze this act, with all its imperfections, not for 1 year but for 2 years. And, I do not see how anybody, in the interest of good legislation, can want to do that, particularly when this NDEA Act does not expire until the 1st of July next year.

If my good friend the gentleman from New York, chairman of the committee, says his committee is going to consider these things next year, why then do we now have to get into the business of freezing it for 2 years? It is not logical, it does not make any sense.

Mr. CURTIS of Missouri. If the gentleman will yield, has the committee voted the bill out?

Mr. ROOSEVELT. The committee never considered the bill.

Mr. CURTIS of Missouri. What was the reason it was not acted on? It was referred to your committee.

Mr. ROOSEVELT. It has not been voted out; it has not been before the committee even for discussion, and I think the gentleman will agree that is not a very wise way to legislate.

Mr. CURTIS of Missouri. With that I agree.

Mr. ROOSEVELT. May I just say that speaking for myself, I would be for an extension of 1 year for the impacted areas bill in spite of the fact—and I say this to my friends over on this side of the aisle, that both President Eisenhower and President Kennedy have each said this act also needs amendment; yet here we are going ahead with the same bill exactly as it is. I say to my friend from California I am a little astonished by his point of view, because I know what a truly conservative gentleman he is, yet he would act in contravention both of the President of his party and the President of my party and freeze it for 2 years, not even limit it to a period of 1 year.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. ROOSEVELT. I yield.

Mr. HOFFMAN of Michigan. Who brings this bill here?

Mr. ROOSEVELT. The bill was introduced by the gentleman from New York [Mr. POWELL].

Mr. HOFFMAN of Michigan. But who brings it to the floor?

Mr. ROOSEVELT. The leadership, of course, has the right to bring it up for consideration, and it has done so. I do not argue with their right; I think it is not wise, but they certainly have the right.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield since he has mentioned my name?

Mr. ROOSEVELT. I yield.

Mr. HEISTAND. Does not the gentleman agree that the most important issue is whether the Federal Government has a responsibility or not?

Mr. ROOSEVELT. I certainly do, but the gentleman and I know in our hearts that the Federal Government's responsibility no longer exists in many areas. That has been pointed out by President Eisenhower and President Kennedy. The gentleman would carry it out where it no longer exists, not for 1 year but for 2 years. My good friend, how can you do that?

Mr. HEISTAND. But the gentleman says that nationally we do have that responsibility.

Mr. ROOSEVELT. I did not say that. I say we have a responsibility in those impacted areas where the need is demonstrated, not in those areas where the need no longer exists or which are no longer impacted. We should be given a reasonable opportunity to legislate properly.

The SPEAKER pro tempore. The time of the gentleman from California has expired. All time has expired.

The question is, Will the House suspend the rules and pass the bill H.R. 9000?

Mr. THOMPSON of New Jersey. Mr. Speaker on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 378, nays 32, not voting 27, as follows:

[Roll No. 188]

YEAS—378

Abbitt	Dorn	Kirwan
Abernethy	Dowdy	Kitchin
Adair	Downing	Kluczynski
Addabbo	Doyle	Knox
Addonizio	Dulski	Kornegay
Albert	Durno	Kowalski
Alexander	Dwyer	Kunkel
Alford	Edmondson	Kyl
Andersen, Minn.	Elliott	Lane
Anderson, Ill.	Ellsworth	Langen
Andrews	Everett	Lankford
Anfuso	Fallon	Latta
Arends	Farbstein	Lennon
Ashbrook	Fenton	Lesinski
Ashmore	Findley	Libonati
Aspinall	Finnegan	Lindsay
Auchincloss	Fino	Lipscomb
Avery	Fisher	Loser
Ayres	Flood	McCormack
Bailey	Flynt	McCulloch
Baker	Fogarty	McDonough
Baldwin	Ford	McDowell
Baring	Forrester	McFall
Barrett	Fountain	McIntire
Barry	Frazier	McMillan
Bass, N.H.	Frelinghuysen	McVey
Bass, Tenn.	Friedel	Macdonald
Bates	Fulton	MacGregor
Battin	Gallagher	Mack
Becker	Garland	Magnuson
Beckworth	Garmatz	Mahon
Beermann	Gary	Mailliard
Belcher	Gathings	Marshall
Bell	Gavin	Martin, Mass.
Bennett, Fla.	Gilbert	Martin, Nebr.
Bennett, Mich.	Glenn	Mason
Berry	Goodell	Mathias
Betts	Goodling	Matthews
Blatnik	Granahan	May
Blitch	Grant	Meader
Boggs	Gray	Merrow
Boland	Green, Pa.	Miller, Clem.
Bolling	Griffin	Miller, George P.
Bolton	Gubser	Miller, N.Y.
Bonner	Hagan, Ga.	Mills
Bow	Hagen, Calif.	Minshall
Brademas	Haley	Moeller
Bray	Halleck	Monagan
Breeding	Halpern	Moore
Brewster	Hansen	Moorehead, Ohio
Bromwell	Harding	Moorhead, Pa.
Brooks, Tex.	Hardy	Morgan
Broomfield	Harris	Morris
Brown	Harrison, Wyo.	Morrison
Bruce	Harsha	Morse
Burke, Ky.	Harvey, Ind.	Mosher
Burke, Mass.	Harvey, Mich.	Moss
Burleson	Healey	Moulder
Byrne, Pa.	Hechler	Multer
Cahill	Hemphill	Murphy
Cannon	Henderson	Murray
Carey	Herlong	Natcher
Casey	Hiestand	Nelsen
Cederberg	Hoeven	Nix
Chamberlain	Hoffman, Ill.	Norblad
Chelf	Hoffman, Mich.	Norrell
Chenoweth	Holifield	Nygaard
Chiperfield	Holtzman	O'Brien, Ill.
Church	Horan	O'Brien, N.Y.
Clark	Hosmer	O'Hara, Ill.
Cohelan	Huddleston	O'Hara, Mich.
Collier	Hull	O'Konski
Colmer	Ichord, Mo.	Olsen
Conte	Ikard, Tex.	O'Neill
Cook	Inouye	Osmers
Cooley	Jarman	Ostertag
Corbett	Jennings	Patman
Cramer	Jensen	Pelly
Cunningham	Joelson	Perkins
Curtin	Johnson, Calif.	Peterson
Curtis, Mass.	Johnson, Wis.	Pfost
Curtis, Mo.	Jonas	Philbin
Daddario	Jones, Ala.	Pike
Daniels	Jones, Mo.	Pillion
Davis, James C.	Judd	Pirnie
Davis, John W.	Karsten	Poage
Delaney	Karth	Poff
Dent	Kastenmeier	Powell
Denton	Kearns	Price
Derounian	Kee	Quie
Derwinski	Keith	Rains
Devine	Kelly	Randall
Dole	Keogh	Reece
Dominick	Kilday	Reifel
Donohue	Kilgore	Rhodes, Ariz.
Dooley	King, Calif.	Rhodes, Pa.
Riehlman	King, N.Y.	Tupper
Riley	King, Utah	Udall, Morris K.
Rivers, Alaska	Shriver	Ullman
Rivers, S.C.	Sibal	Utt
Roberts	Sikes	Vanik
Robison	Sisk	Van Pelt
Rodino	Slack	Van Zandt
Rogers, Colo.	Smith, Calif.	Vinson
Rogers, Fla.	Smith, Miss.	Wallhauser
Rogers, Tex.	Smith, Va.	Watts
Rooney	Spence	Weaver
Roudebush	Springer	Weis
Roush	Stafford	Whalley
Rousselot	Staggers	Wharton
Rutherford	Steed	Whitener
St. George	Stephens	Whitten
St. Germain	Stratton	Wickersham
Saund	Stubblefield	Widnall
Schadeberg	Taber	Williams
Schenck	Taylor	Willis
Schneebeli	Teague, Calif.	Wilson, Calif.
Schweiker	Teague, Tex.	Wilson, Ind.
Schwengel	Thomas	Winstead
Scott	Thompson, La.	Wright
Scranton	Thompson, N.J.	Young
Seely-Brown	Thompson, Tex.	Younger
Selden	Thomson, Wis.	Zablocki
Shelley	Thornberry	Zelenko
Shipley	Toll	
Short	Tollefson	
	Trimble	
	Tuck	

NAYS—32

Ashley	Griffiths	Reuss
Byrnes, Wis.	Gross	Roosevelt
Clancy	Harrison, Va.	Rostenkowski
Corman	Hays	Ryan
Dawson	Johansen	Saylor
Diggs	Laird	Scherer
Dingell	Machrowicz	Smith, Iowa
Fascell	Michel	Sullivan
Feighan	Passman	Walter
Giaimo	Pucinski	Yates
Green, Oreg.	Ray	

NOT VOTING—27

Alger	Evins	Milliken
Boykin	Hall	Montoya
Brooks, La.	Hébert	Pilcher
Broyhill	Holland	Rabaut
Buckley	Johnson, Md.	Santangelo
Celler	Kilburn	Sheppard
Coad	Landrum	Siler
Dague	McSween	Westland
Davis, Tenn.	Madden	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Landrum and Mr. Pilcher for, with Mr. Hébert against.

Mr. Buckley and Mr. Santangelo for, with Mr. Brooks of Louisiana against.

Until further notice:

Mr. Johnson of Maryland with Mr. Hall.
Mr. Evins with Mr. Broyhill.
Mr. Rabaut with Mr. Alger.
Mr. Madden with Mr. Siler.
Mr. Coad with Mr. Westland.
Mr. McSween with Mr. Kilburn.

Mr. MACK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The Chair cannot recognize the gentleman for a parliamentary inquiry during a rollcall.

Mr. MACK. I am incorrectly recorded. I would like to be recorded as having voted "aye."

Mr. JENNINGS changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PARLIAMENTARY INQUIRY

Mr. MACK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MACK. Mr. Speaker, I was incorrectly recorded on the last rollcall. I am wondering if the RECORD will show that I was incorrectly recorded or whether it will show that I changed my vote.

The SPEAKER pro tempore. All the Chair can state is that the RECORD will show what actually transpired.

Mr. MACK. Mr. Speaker, I ask unanimous consent that I be recorded as having voted "aye" on the last rollcall.

The SPEAKER pro tempore. The Chair will state that according to the information given the Chair the gentleman is recorded as voting "aye."

WELFARE AND PENSION PLAN AMENDMENTS OF 1961

Mr. POWELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8723) to amend the Welfare and Pension Plans Disclosure Act with respect to the method of enforcement and to provide certain additional sanctions, and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Welfare and Pension Plans Disclosure Act Amendments of 1961".

SEC. 2. The first line of section 3 of the Welfare and Pension Plans Disclosure Act is amended by striking out "(a)".

SEC. 3. Paragraph (1) of section 3 of such Act is amended by striking out the word "to" after the word "communicated".

SEC. 4. Paragraph (9) of section 3 of such Act is amended to read as follows:

"(9) The term 'State' includes any State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island, the Canal Zone, and Outer Continental Shelf lands defined in the Outer Continental Shelf Lands Act (43 U.S.C. 1331–1343)."

SEC. 5. Section 3 of such Act is further amended by striking out paragraph (11) and adding the following new paragraphs (11), (12), and (13):

"(11) The term 'industry or activity affecting commerce' means any activity, business, or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce and includes any activity or industry 'affecting commerce' within the meaning of the Labor-Management Relations Act, 1947, as amended, or the Railway Labor Act, as amended.

"(12) The term 'Secretary' means the Secretary of Labor.

"(13) The term 'party in interest' means any administrator, officer, trustee, custodian, counsel, or employee of any employee welfare benefit plan or employee pension benefit plan, or a person providing benefit plan services to any such plan, or an employer any of whose employees are covered by such a plan or officer or employee or agent of such employer, or an officer or agent or employee of an employee organization having members covered by such plan."

SEC. 6. Paragraphs (3) and (4) of subsection (b) of section 4 of such Act are amended to read as follows:

"(3) such plan is administered by an organization which is exempt from taxation under the provisions of section 501(a) of the Internal Revenue Code of 1954 and is administered as a corollary to membership in a fraternal benefit society described in section 501(c)(8) of such Code or by organizations described in sections 501(c)(3) and 501(c)(4) of such Code: *Provided*, That the provisions of this paragraph shall not exempt any fraternal benefit society or organization which represents its members for purposes of collective bargaining; or

"(4) such plan covers not more than twenty-five participants."

SEC. 7. Subsection (a) of section 5 of such Act is amended by striking out the last sentence thereof and inserting in lieu thereof the following: "Such description and such report shall contain the information required by sections 6 and 7 of this Act in such form and detail as the Secretary shall by regulations prescribe and copies thereof shall be executed, published, and filed in accordance with the provisions of this Act and the Secretary's regulations thereunder. No regulation shall be issued under the preceding sentence which relieves any administrator of the obligation to include in such description or report any information relative to his plan which is required by section 6 or 7. Notwithstanding the foregoing, if the Secretary finds, on the record after giving interested persons an opportunity to be heard, that specific information on plans of certain kinds or on any class or classes of benefits described in section 3(a) (1) and (2) which are provided by such plans cannot, in the normal method of operation of such plans, be practicably ascertained or made available for publication in the manner or for the period prescribed in any provision of this Act, or that the information if published in such manner or for such period would be duplicative or uninformative, the Secretary may by regulations prescribe such other manner or such other period for the publication of such information as he may determine to be necessary and appropriate to carry out the purposes of this Act."

SEC. 8. Subsection (b) of section 6 of such Act is amended by adding at the end thereof the following new sentence: "Any change in the information required by this subsection shall be reported to the Secretary within sixty days after the effective date of such change."

SEC. 9. (a) Section 7(a) of such Act is amended by striking out "twenty" and inserting in lieu thereof "fifty".

(b) Section 7(b) of such Act is amended by striking out the first sentence of the second paragraph and inserting in lieu thereof the following: "The amount contributed by each employer; the amount contributed by the employees; the amount of benefits paid or otherwise furnished; the number of employees covered; a statement of assets specifying the total amount in each of the following types of assets: cash, Government bonds, non-Government bonds, and debentures, common stocks, preferred stocks, common trust funds, real estate loans and mortgages, operated real estate, other real estate, and other assets; a statement of liabilities, receipts, and disbursements of the plan; a detailed statement of the salaries and fees and commissions charged to the plan, to whom paid, in what amount, and for what purposes. The Secretary, when he has determined that an investigation is necessary in accordance with section 9(d) of this Act, may require the filing of supporting schedules of assets and liabilities."

(c) Section 7(b) is further amended by adding at the end thereof the following new sentence: "In the case of reports sworn to, but not certified, the Secretary, when he determines that it may be necessary to investigate the plan in accordance with section 9(d) of this Act, shall, prior to investigation by the Department of Labor, require certification of the report by an independent certified or licensed public accountant."

SEC. 10. Subparagraph (B) of paragraph (1) of subsection (f) of section 7 of such Act is amended by striking out "summary" and by striking out "broken down by types, such as cash investments in governmental obligations, investments in nongovernmental bonds, and investments in corporate stocks" and inserting in lieu thereof the following: "as required by section 7(b)".

SEC. 11. Subparagraph (C) of paragraph (1) of subsection (f) of section 7 of such Act is amended by striking out "total fund" and inserting "total funds", by striking out "by reason of being an officer, trustee, or employee of such fund," and by striking out "listed at their aggregate cost or present value, whichever is lower" and inserting in lieu thereof "valued as provided in subparagraph (B)".

SEC. 12. Subparagraphs (D) of paragraph (1) of subsection (f) of section 7 of such Act is amended by striking out the words "by reason of being an officer, trustee, or employee of such fund".

SEC. 13. Section 7 of such Act is amended by adding thereto the following new subsection (g):

"(g) If some or all of the benefits under the plan are provided by an insurance carrier or service or other organization, such carrier or organization shall certify to the administrator of such plan, within one hundred and twenty days after the end of each policy year, such reasonable information determined by the Secretary to be necessary to enable such administrator to comply with the requirements of this Act."

SEC. 14. Section 8(a)(2) of such Act is amended by striking out "a summary" and inserting in lieu thereof "an adequate summary".

SEC. 15. (a) Section 9(a) of such Act is amended by striking out "of section 5 or 8".

(b) Section 9 of such Act is amended by striking out subsections (d) and (e) and inserting in lieu thereof the following new subsections:

"(d) The Secretary may, after first requiring certification in accordance with section 7(b), upon complaint of violation not satisfied by such certification, or on his own motion, when he continues to have reasonable cause to believe investigation may disclose violations of this Act, make such investigations as he deems necessary, and may require or permit any person to file with him a statement in writing, under oath or otherwise, as to all the facts and circumstances concerning the matter to be investigated.

"(e) For the purposes of any investigation provided for in this Act, the provisions of section 307 (relating to the attendance of witnesses and the production of books, records, and documents) of the Federal Power Act of June 10, 1920, as amended (16 U.S.C. 825f), are hereby made applicable to the jurisdiction, powers, and duties of the Secretary or any officers designated by him.

"(f) Whenever it shall appear to the Secretary that any person is engaged in any violation of the provisions of this Act, he may in his discretion bring an action in the proper district court of the United States or United States court of any place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted.

"(g) The United States district courts and the United States courts of any place subject to the jurisdiction of the United States shall have jurisdiction, for cause shown, to restrain violations of this Act.

"(h) Nothing contained in this Act shall be so construed or applied as to authorize the Secretary to regulate, or interfere in the management of, any employee welfare or pension benefit plan, except that the Secretary may inquire into the existence and amount of investments, actuarial assumptions, or accounting practices only when it has been determined that investigation is required in accordance with section 9(d) of this Act."

SEC. 16. (a) Such Act is further amended by renumbering sections 10, 11, and 12 as sections 16, 17, and 18, respectively, and by adding the following new sections to the Act:

"REPORTS MADE PUBLIC INFORMATION

"SEC. 10. The contents of the descriptions and reports filed with the Secretary pursuant to this Act shall be public information, and the Secretary may publish any information and data which he obtains pursuant to the provisions of this Act. The Secretary may use the information and data for statistical and research purposes, and compile and publish such studies, analyses, reports, and surveys based thereon as he may deem appropriate.

"RETENTION OF RECORDS

"SEC. 11. Every person required to file any description or report or to certify any information therefor under this Act shall maintain records on the matters of which disclosure is required which will provide in sufficient detail the necessary basic information and data from which the documents thus required may be verified, explained, or clarified, and checked for accuracy and completeness, and shall include vouchers, worksheets, receipts, and applicable resolutions, and shall keep such records available for examination for a period of not less than five years after the filing of the documents based on the information which they contain.

"RELIANCE ON ADMINISTRATIVE INTERPRETATIONS AND FORMS

"SEC. 12. In any action or proceeding based on any act or omission in alleged violation of this Act, no person shall be subject to any liability or punishment for or on account of the failure of such person to (1) comply with any provision of this Act if he pleads and proves that the act or omission complained of was in good faith, in conformity with, and in reliance on any written interpretation or opinion of the Secretary, or (2) publish and file any information required by any provision of this Act if he pleads and proves that he published and filed such information in good faith, on the description and annual report forms prepared by the Secretary and in conformity with the instructions of the Secretary issued under this Act regarding the filing of such forms. Such a defense, if established, shall be a bar to the action or proceeding, notwithstanding that (A) after such act or omission, such interpretation or opinion is modified or rescinded or is determined by judicial authority to be invalid or of no legal effect, or (B) after publishing or filing the description and annual reports, such publication or filing is determined by judicial authority not to be in conformity with the requirements of this Act.

"BONDING

"SEC. 13. (a) Every administrator, officer, and employee of any employee welfare benefit plan or of any employee pension benefit plan subject to this Act who handles funds or other property of such plan shall be bonded as herein provided; except that where such funds or property are not segregated for the purposes of such plan, the Secretary in his discretion may accept the filing of other security or certificate of insurance in lieu of the bonding requirements set out herein. The amount of such bond shall be fixed at the beginning of each calendar, policy, or other fiscal year, as the case may be, which constitutes the reporting year of such plan. Such amount shall be not less than 10 per centum of the amount of funds handled, determined as herein provided, except that any such bond shall be in at least the amount of $1,000 and no such bond shall be required in an amount in excess of $500,000: *Provided*, That the Secretary, after due notice and opportunity for hearing to all interested parties, and after consideration of the record, may prescribe an amount in excess of $500,000. For purposes of fixing the amount of such bond, the amount of funds handled shall be determined by the funds handled by such administrator, officer, or employee and their predecessor or predecessors, if any, during the preceding reporting year, or if the plan has no preceding reporting year, the amount of funds to be handled during the current reporting year by such administrator, officer, or employee, estimated as provided in regulations of the Secretary. Such bond or other security or insurance shall provide protection to the plan against loss by reason of acts of fraud or dishonesty on the part of any administrator, officer, or employee of such plan, directly or through connivance with others. Any bond shall have as surety thereon a corporate surety company which is an acceptable surety on Federal bonds of like amount under authority granted by the Secretary of the Treasury pursuant to the Act of July 30, 1947 (6 U.S.C. 6–13). Any bond, other security, or insurance shall be in a form or of a type approved by the Secretary. The Secretary may, in lieu of individual bonds, approve the use of schedule or blanket forms of bonds to cover individuals required to be bonded as herein provided.

"(b) It shall be unlawful for any administrator, officer, or employee to whom subsection (a) applies, to receive, handle, disburse, or otherwise exercise custody or control of any of the funds or other property of any employee welfare benefit plan or employee pension benefit plan, without being bonded as required by subsection (a), or without the Secretary having accepted other security or insurance under the provisions of subsection (a), and it shall be unlawful for any administrator, officer, and employee of such plan, or any other individual having authority to direct the performance of such functions, to permit such functions, or any of them, to be performed by any such individual, with respect to whom the requirements of subsection (a) have not been met.

"(c) It shall be unlawful for any person to procure any bond, other security, or insurance, required by subsection (a) for the protection of funds and property of any employee welfare benefit plan or of any employee pension benefit plan, from any surety, insurance, or other company or through any agent or broker in whose business operations such plan or any party in interest in such plan has any significant control or financial interest, direct or indirect.

"(d) Nothing in any other provision of law shall require any person, required to be bonded as provided in subsection (a) because he handles funds or other property of an employee welfare benefit plan or of an employee pension benefit plan, to be bonded insofar as the handling by such person of the funds or other property of such plan is concerned.

"(e) The Secretary shall from time to time issue such regulations as may be necessary to carry out the provisions of this section. When in the opinion of the Secretary other bonding arrangements covering the Administrator, officers, and employees, of a plan are adequate for the protection of the beneficiaries and participants, he may, in his discretion, exempt such Administrator, officers, and employees, from the bonding requirements of this section.

"ADVISORY COUNCIL

"SEC. 14. (a) There is hereby established an Advisory Council on Employee Welfare and Pension Benefit Plans (hereinafter referred to as the 'Council') which shall consist of thirteen members to be appointed in the following manner: One from the insurance field, one from the corporate trust field, two from management, four from labor, and two from other interested groups, all appointed by the Secretary from among persons recommended by organizations in the respective groups; and three representatives of the general public appointed by the Secretary.

"(b) It shall be the duty of the Council to advise the Secretary with respect to the carrying out of his functions under this Act, and to submit to the Secretary recommendations with respect thereto. The Council shall meet at least twice each year and at such other times as the Secretary requests. At the beginning of each regular session of the Congress, the Secretary shall transmit to the Senate and House of Representatives each recommendation which he has received from the Council during the preceding calendar year.

"(c) The Secretary shall furnish to the Advisory Council an executive secretary and such secretarial, clerical, and other services as are deemed necessary to the conduct of its business. The Secretary may call upon other agencies of the Government for statistical data, reports, and other information which will assist the Council in the performance of its duties.

"(d) Appointed members of the Council shall be paid compensation at the rate of $50 per diem when engaged in the work of the Council, including travel time, and shall be allowed travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 73b–2) for persons in the Government service employed intermittently and receiving compensation on a per diem, when actually employed, basis.

"(e)(1) Any member of the Council is hereby exempted, with respect to such appointment, from the operations of sections 281, 283, and 1914 of title 18 of the United States Code, and section 190 of the Revised Statutes (5 U.S.C. 99), except as otherwise specified in paragraph (2) of this subsection.

"(2) The exemption granted by paragraph (1) of this subsection shall not extend—

"(A) to the receipt or payment of salary in connection with the appointee's Government service from any source other than the private employer of the appointee at the time of his appointment, or

"(B) during the period of such appointment, to the prosecution or participation in the prosecution, by any person so appointed, of any claim against the Government involving any matter with which such person, during such period, is or was directly connected by reason of such appointment.

"ADMINISTRATIVE PROCEDURE ACT

"SEC. 15. The provisions of the Administrative Procedure Act shall be applicable to this Act."

(b) Subsection (b) of the section renumbered as section 16 by this Act, is amended by inserting after "of this section" the following: "and section 13".

(c) The table of contents of the first section of such Act is amended by striking out the last three lines and inserting in lieu thereof the following:

"Sec. 10. Reports made public information.
"Sec. 11. Retention of records.
"Sec. 12. Reliance on administrative interpretations and forms.
"Sec. 13. Bonding.
"Sec. 14. Advisory Council.
"Sec. 15. Administrative Procedure Act.
"Sec. 16. Effect of other laws.
"Sec. 17. Separability of provisions.
"Sec. 18. Effective date."

CRIMES

SEC. 17. (a) Chapter 11 of title 18, United States Code, as amended, is amended by adding a new section captioned and reading as follows:

"§ 224. Offer, acceptance, or solicitation to influence operations of employee benefit plan

"Whoever, being an administrator, officer, trustee, custodian, counsel, or employee of

any employee welfare benefit plan or employee pension benefit plan, or a person providing benefit plan services to any such plan, or an employer any of whose employees are covered by such a plan, or officer or employee or agent of such employee, or an officer or agent or employee of an employee organization having members covered by such a plan, receives or agrees to receive any money or thing of value because of, or with intent to be influenced with respect to, any of his actions, decisions, or other duties relating to any question or matter concerning such plan, or any person who directly or indirectly gives or offers, or promises to give or offer, any payment or delivery of money or other thing of value prohibited by this section, shall be fined not more than $10,000 or imprisoned not more than three years, or both: *Provided*, That this section shall not prohibit the payment to or acceptance by any person of bona fide salary, compensation, or other payments made for goods or facilities actually furnished or for services actually performed in the regular course of his duties as such administrator, officer, trustee, custodian, counsel, agent, or employee of such plan, employer, or employee organization, or person providing benefit plan services to such plan.

"As used in this section, the term 'any employee welfare benefit plan or employee pension benefit plan' means any such plan subject to the provisions of the Welfare and Pension Plans Disclosure Act.

"(b) Whenever in the judgment of a United States attorney the testimony of any witness, or the production of books, papers, or other evidence by any witness, in any case or proceeding before any grand jury or court of the United States involving any violation of this section, or any conspiracy to violate such section, is necessary to the public interest, he, upon the approval of the Attorney General, shall make application to the court that the witness shall be instructed to testify or produce evidence subject to the provisions of this subsection, and upon order of the court such witness shall not be excused from testifying or from producing books, papers, or other evidence on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture. But no such witness shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, nor shall testimony so compelled be used as evidence in any criminal proceeding (except prosecution described in the next sentence) against him in any court. No witness shall be exempt under this subsection from prosecution for perjury or contempt committed while giving testimony or producing evidence under compulsion as provided in this subsection."

(b) The analysis of chapter 11, title 18, United States Code, immediately preceding section 201 thereof, is amended by adding at the end thereof the following new item:

"224. Offer, acceptance, or solicitation to influence operations of employee benefit plan."

(c) Chapter 31 of title 18, United States Code, as amended, is amended by adding a new section captioned and reading as follows:

"§ 664. Theft or embezzlement from employee benefit plan

"Any person who embezzles, steals, or unlawfully and willfully abstracts or converts to his own use or to the use of another, any of the moneys, funds, securities, premiums, credits, property, or other assets of any employee welfare benefit plan or employee pension benefit plan, or of any fund connected therewith, shall be fined not more than $10,000, or imprisoned not more than five years, or both.

"As used in this section, the term 'any employee welfare benefit plan or employee pension benefit plan' means any such plan subject to the provisions of the Welfare and Pension Plans Disclosure Act."

(d) The analysis of chapter 31, title 18, United States Code, immediately preceding section 641 thereof, is amended by adding at the end thereof the following new item:

"664. Theft or embezzlement from employee benefit plan."

(e) Chapter 47 of title 18, United States Code, as amended, is amended by adding a new section captioned and reading as follows:

"§ 1027. False statements and concealment of facts in relation to documents required by the Welfare and Pension Plans Disclosure Act

"Whoever, in any document required by the Welfare and Pension Plans Disclosure Act (as amended from time to time) to be published, or kept as part of the records of any employee welfare benefit plan or employee pension benefit plan, or certified to the administrator of any such plan, makes any false statement or representation of fact, knowing it to be false, or knowingly conceals, covers up, or fails to disclose any fact the disclosure of which is required by such Act or is necessary to verify, explain, clarify or check for accuracy and completeness any report required by such Act to be published or any information required by such Act to be certified, shall be fined not more than $10,000, or imprisoned not more than five years, or both."

(f) The analysis of chapter 47, title 18, United States Code, immediately preceding section 1001, is amended by adding at the end thereof the following new item:

"1027. False statements and concealment of facts in relation to documents required by the Welfare and Pension Plans Disclosure Act."

SEC. 18. The Welfare and Pension Plans Disclosure Act is further amended by substituting the term "Secretary" for the term "Secretary of Labor" wherever the latter term appears in such Act.

SEC. 19. The amendments made by this Act shall take effect January 1, 1962, except that section 13 of the Welfare and Pension Plans Disclosure Act shall take effect July 1, 1962.

The SPEAKER pro tempore. Is a second demanded?

Mr. HIESTAND. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. HIESTAND. I am, Mr. Speaker.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. POWELL. Mr. Speaker, I yield myself such time as I may desire.

GENERAL LEAVE TO EXTEND

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. POWELL. Mr. Speaker, before this Congress opened, when we were examining the tasks that lay ahead of the committee, one of the obvious tasks was the amendment of the Welfare and Pension Plans Disclosure Act. Just 2 years of experience with that statute confirmed what many of us knew when it was passed. The statute, as passed in 1958, was a misrepresentation and sham.

Former President Eisenhower and his Secretary of Labor had both asked the previous Congress to tighten this legislation to provide sorely needed protection. I would like to say that the gentleman from New Jersey [Mr. FRELINGHUYSEN] introduced a bill in the 86th Congress for that purpose. His bill was the model from which I drew my own legislative recommendations submitted as H.R. 4929 early in the year. The legislation before you today draws heavily upon those Frelinghuysen recommendations and also incorporates the best thinking of the executive branch of our Government on this subject.

I have been concerned for a number of years about the awesome responsibility placed in the hands of trustees of the pension and welfare funds which now cover over 85 million Americans. These funds have been growing at an astronomical rate. Today the annual payments into these funds, which are the subject matter of these amendments and the basic statute, exceed the budgets of the State of New York, the State of California, and 1 dozen other States combined. Annual payments into such funds exceed the amounts invested by individuals in all the corporate securities of the United States of America. These fund reserves now far exceed $50 billion and are increasing at the rate of well over $5 billion a year.

This Congress must assure the 85 million workingmen and women in the United States, who are the beneficiaries or covered by these plans, that their interests and benefits are properly handled and safeguarded. How the fiduciary relationship to these wage earners is carried out must be guided and scrutinized. This is not done by the present law. The present law is toothless. The 1958 statute merely makes the Secretary of Labor the depository for "summary" reports of plan operations. He may study these vague and concealing statements, but he can do nothing about abuses, even if he were to find them.

Before our committee embarked upon an inquiry on this subject this year, earlier legislative inquiries had disclosed flagrant disservice to the fiduciary relationship by fund trustees. Yet, not one single instance of prosecution has resulted under the present provisions of the law. We did not need further disclosures to underscore the need for amendment. Requiring an accounting from all types of plans, singly or jointly administered, level of benefit, insurance type, and so forth, will establish for the trustees and imbue in their operations a code of conduct which will act as a deterrent for those who require supervision lest they transgress.

Some confusion still exists about this type of legislation. It should be dispelled. It is not meant to regulate union-management relations. It is not a Taft-Hartley or a Landrum-Griffin Act. It is designed to protect a much broader public—all the policyholders, beneficiaries, and others who have a stake in receiving the full benefits from the funds

to which they and their employers have contributed.

During the course of the hearings on this bill, a very distinguished member of the other body came before our subcommittee to document a number of abuses in the operation of these funds which his own investigations had revealed. He was not able to report that any of these irregularities, to his knowledge, had been corrected since they were disclosed in a legislative hearing. An official of the New York State Welfare Fund Bureau also testified that under their law, which subjects these plans to a more detailed type of scrutiny than has been possible under our present law, abuses and irregularities have been found in the plans operating in that State. Some opponents of this legislation state that need for these amendments has not been shown because the Department of Labor has no mass of evidence indicating irregularities exist. What these opponents have not told you is that, under the present law—without these proposed amendments—there is no way in the world for the department to find out whether the funds are or are not properly administered.

This can truly be called a bipartisan measure. As I stated earlier in these remarks, former President Eisenhower and his Secretary of Labor requested such legislation from the last Congress and a distinguished member of our committee, from the minority, sponsored a bill for this purpose. The deliberations of our Special Subcommittee on Labor, under the very capable guidance of the gentleman from California [Mr. ROOSEVELT] took careful note and adopted many of the suggestions made by the minority members—and a majority, two out of three Republican members of this subcommittee, supported the measure as it was finally reported out. The third member was not recorded in subcommittee. The subcommittee also sought guidance and counsel from representatives of labor, industry, insurance companies, investment counselors, and pension and welfare plan experts. All of their meritorious suggestions and recommendations have been incorporated in the measure before you this afternoon.

Your vote for and support of H.R. 8723 is now solicited to close a glaring loophole in the present law.

Mr. FRELINGHUYSEN. Mr. Speaker, will the gentleman yield?

Mr. POWELL. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I would like to thank the gentleman from New York for his kind remarks about the bill which I introduced in the 86th Congress, providing him with what he charitably describes as a model for the bill which he introduced at this session. I should like also to say that I do support this bill, because I feel that this legislation is needed and will be beneficial.

I think it should be pointed out, however, that 3 years have elapsed since the legislation which we are now considering amending was first enacted. Actual experience during that period has not demonstrated any major or flagrant abuse or scandal. The gentleman from New York indicated that a major scandal might break at any time and, of course, with a toothless law that could be the case. I might say I am surprised, with the passage of time, that more abuses have not developed. At least there were very few that were called to the attention of the committee. For that reason I think this legislation is not so urgently needed, as I felt it was 2 years ago when I first introduced a bill along these lines. For some reason or other no action was taken at that time. Nonetheless, I should like to repeat once again that I do feel that this bill is a step in the right direction, Mr. Speaker.

Mr. HIESTAND. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. KEARNS] ranking minority member of the committee.

Mr. KEARNS. Mr. Speaker, I would like to commend the gentleman from California [Mr. ROOSEVELT] and the members of his subcommittee, for the marvelous job they have done with respect to this bill, H.R. 8723.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. WALTER). 156 Members are present, not a quorum.

Mr. BROOKS of Texas. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 189]

Alger	Diggs	Morrison
Anfuso	Evins	Pilcher
Arends	Hall	Rabaut
Auchincloss	Harding	Riehlman
Blatnik	Hébert	Rivers, S.C.
Boykin	Hemphill	Santangelo
Bray	Holland	Shelley
Brooks, La.	Johnson, Md.	Siler
Broyhill	Kelly	Teague, Tex.
Buckley	Kilburn	Thompson, La.
Celler	Landrum	Weaver
Coad	McSween	Westland
Curtis, Mass.	Madden	Wilson, Ind.
Dague	Martin, Nebr.	
Davis, Tenn.	Milliken	

The SPEAKER pro tempore (Mr. WALTER). On this rollcall, 390 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

WELFARE AND PENSION PLAN AMENDMENTS OF 1961

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. KEARNS] is recognized.

Mr. KEARNS. Mr. Speaker, I had just finished congratulating the gentleman from California [Mr. ROOSEVELT] on the fine work his committee had done on this bill, H.R. 8723, when we had the quorum call. I might say all interested parties were afforded an opportunity to appear and to testify.

At the conclusion of the hearings, a number of executive sessions were held and all of the provisions of this bill were carefully analyzed and considered.

As a result of the subcommittee work, many important amendments were made and the bill which is before us today is much superior to the bill which was first assigned to the subcommittee.

The growth of private welfare and pension benefit plans has been phenomenal. At the present time there are approximately 150,000 such plans which have assets totaling $50 billion. It is estimated that by 1970 there will be 300,000 such plans with assets totaling $100 billion. Certainly everyone is agreed that these plans must be adequately safeguarded so that the benefits which are so important to so many people can be fully realized.

In my opinion there are two very important provisions in this bill which merit special mention. The first provision, which is section 9(d), limits the Secretary of Labor's investigatory powers to those situations where there has been a complaint of violation or he has reasonable cause to believe investigation may disclose violations of the act. This means that the Secretary of Labor is prohibited from conducting fishing type investigations or investigations which are not supported by a valid complaint or a reasonable belief that a violation has occurred. Moreover, it is also my understanding that the investigations conducted by the Department of Labor will be only in the nature of preliminary inquiries and in the event there is any evidence of a violation of the criminal offenses or a willful violation of the reporting or publication provisions, the case will be forwarded to the FBI for final investigation. I believe that these restrictions on the investigatory power of the Secretary of Labor meet the honest criticism that this bill unjustifiably broadens the scope and investigatory power of the Secretary of Labor.

The second important provision is section 15(h) which provides that nothing in this act shall authorize the Secretary of Labor to regulate or interfere in the management of any plan. It is not the intent of this bill that the Secretary of Labor be given supervisory powers with respect to welfare and pension plans. This provision specifically states this fact and thus effectively meets the criticism that this legislation provides the Secretary of Labor with the power to regulate these plans.

Therefore, although I, too, am reluctant to see the powers of the Secretary of Labor expanded, even in this limited manner, whether it be a Republican or a Democratic administration, I believe that the need for this type of legislation has been demonstrated. Accordingly, I recommend its adoption.

Mr. POWELL. Mr. Speaker, I yield to the gentleman from California [Mr. ROOSEVELT], chairman of the subcommittee, such time as he may require.

Mr. ROOSEVELT. Mr. Speaker, may I first express my appreciation to the members of the subcommittee and particularly the ranking members, the gentleman from Ohio [Mr. AYRES], the gentleman from New York [Mr. GOODELL], and the gentleman from New Jersey [Mr. FRELINGHUYSEN], who joined the subcommittee in our endeavors to try to write as constructive a bill as we possibly could. I think it can be said that the majority and the minority did work

together, did accomplish its purpose, and that while the administration's original proposals were essentially the same as those of the prior administration, nevertheless the committee in its wisdom—and we were backed by the full committee with very few dissenting votes—made certain amendments which are not only necessary but which will definitely define the powers of the Secretary and limit him to doing the job which needs to be done without allowing any fishing expedition or any abuse of power.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from West Virginia.

Mr. BAILEY. I would like to ask the gentleman from California if his subcommittee, in considering this legislation, heard the protests of the UMWA; what was the nature of that protest, and to what extent did your committee eliminate the objectionable features of the bill?

Mr. ROOSEVELT. I would say to the gentleman that there were two labor organizations which appeared against the bill. One was the United Mine Workers of America and the other was the Teamsters Union. In both instances they joined in saying that their primary purpose was not to destroy the bill but to demand that the Secretary only be allowed to act upon reasonable cause. And, we did write into the bill that he must have reasonable cause before he could launch any investigation. Upon general agreement among the members of the committee that this was proper, we wrote that specifically into the bill.

It was also stated, if my memory is correct, by a representative of the United Mine Workers that they felt we should specifically provide that the Secretary had no power to run the plan itself or to decide the investment of the plan.

Mr. BAILEY. Did you write that proviso in the bill?

Mr. ROOSEVELT. We wrote that in specifically, and I will refer to it at a later time. Perhaps the gentleman from New York has it. But, it was written in, in very precise form.

Mr. GOODELL. Mr. Speaker, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from New York.

Mr. GOODELL. The gentleman is correct, and I think this is very clearly stated in the report. The whole record indicates that there was no intent here to have him have any say whatsoever about where these funds are invested. This is a disclosure act. It is to make sure that the investments are disclosed through the Secretary of Labor, and that is all.

Mr. ROOSEVELT. I thank the gentleman.

Mr. BAILEY. Mr. Speaker, if the gentleman will yield for one more question, was the action of the committee in any way indicated by advising these people who had testified of the changes made in the original bill as introduced?

Mr. ROOSEVELT. We made it known to every witness that the so-called blue sheet, describing the bill, would be available and was available. However, as far as I know, we did not send it to anybody who did not ask for it.

Mr. BAILEY. I thank the gentleman. I will not impose any more on your time.

Mr. ROOSEVELT. I thank the gentleman.

Mr. GOODELL. Mr. Speaker, if the gentleman will yield further, you mentioned the question of reasonable cause. I would be glad to have you explain that if you have sufficient time. I think that is a very vital part of this bill, and I would like to have it clarified. May I proceed now?

Mr. ROOSEVELT. Please.

Mr. GOODELL. Under 7(b) reports, as I understand, these are the annual reports that must be filed. Now, they may be sworn to but not necessarily certified by an accountant of some kind. It is my understanding that the Secretary of Labor, if he finds reasonable cause to believe there is something wrong with the annual report, must find that reasonable cause exists before he does anything, and he may then require the report to be certified; is that correct?

Mr. ROOSEVELT. That is absolutely correct.

Mr. GOODELL. He must have it certified before he takes any other action?

Mr. ROOSEVELT. If the report has not been certified, he must do that before he can make any investigation.

Mr. GOODELL. Going further, assuming that a report is filed and then the Secretary of Labor requires it be certified, if the Secretary of Labor then wants to subpena any documents, I understand, it is provided in section 9(e); he still, at that stage, must have a continuing reason, reasonable cause, to believe there is a violation; is that correct?

Mr. ROOSEVELT. That is correct, sir, and anybody would have that defense if he believed he did not so have reasonable cause.

Mr. GOODELL. On page 19 of the report, which is the text of the bill, there is the section giving the Secretary of Labor the power under sections 6 and 7 to require the filing in such form and detail as the Secretary shall by regulation prescribe. I would just like to clarify that by saying that this also requires that the Secretary make a determination that there is reasonable cause to believe there has been a violation before he makes this requirement upon the plan concerned.

Mr. ROOSEVELT. The gentleman is correct; and, if the gentleman will permit—and again it is suggestion—we wrote in the specifics of what could be required in any report in order again not to allow the Secretary to ask for extraneous matter.

Mr. GOODELL. The gentleman realizes I am asking these questions to establish a bona fide unquestionable legislative history as to what the Secretary's powers are. I appreciate the gentleman's yielding. These are mostly amendments I proposed in the subcommittee.

One other question: In the bill there is a provision giving the Secretary—it is on page 21 of the report:

> The Secretary when he has determined that an investigation is necessary in accordance with section 9(d) of this act may require the filing of supporting schedules of assets and liabilities.

Once again, this power in the Secretary's hands can be exercised only upon a determination that there is reasonable cause to believe a violation has occurred.

Mr. ROOSEVELT. The gentleman is correct; and we wrote it in there so there could be no misunderstanding on that point.

Mr. GOODELL. I appreciate the gentleman's responses and thank him.

Mr. ROOSEVELT. May I just say in the very few seconds I have left, that I will put into the RECORD a rather detailed description of the need. The immediate need arises largely from the New York law which covers 3,500 out of 17,000 cases and shows very clearly that there is an immediate need to protect these plans. I would refer to testimony before the subcommittee where facts show that in New York, which has a disclosure law, with the right of investigation, an examination of a welfare fund was begun on September 4, 1958. Subsequently, the fund bookkeeper was convicted on February 26, 1959, of grand larceny first degree. On March 4, 1960, she received a suspended sentence with probation. The union president and a fund trustee also were indicted on November 19, 1959, in connection with the receipt of payments and loans from the welfare fund. On November 18, 1960, he received a $500 fine or 30-day jail sentence, and both of these persons are no longer connected with the fund.

An examination of the reports filed with the Labor Department was made, and on their face, disclosed no information which would indicate larceny, forgery, or illegal loans. It was disclosed, however, that the report was verified by the administrator only of the fund, who was an employee of the fund, whereas regulations request that each member of the board of trustees attest to the D–1 report. Not only that, but there was a discrepancy in the figures on the reporting D–2 form. At one place, employer contributions were listed as $43,775; whereas in another place, contributions were put at $33,509.12.

I emphasize to the Members, that under present law, the Department has no right to inquire into these matters.

Another case investigated by the New York authorities, disclosed withdrawal of welfare funds, for the benefit of certain trustees and union officials. The grand jury on June 29, 1959, indicated the trustees on two counts, grand larceny, first degree, and forgery in the third degree.

An investigation of filings with the Labor Department disclosed no plan descriptions or annual reports made by this fund. Subsequent investigation has revealed some question concerning coverage of the Federal law of this plan.

The basic point in all this, is that even where the right of investigation is provided, abuses of the trust relationship continue to be uncovered. Under the present Federal law, there is no right of investigation, no protection for these 80 million participants, and their interests in this $50 billion in assets in these plans.

An analogy would be the provisions in Landrum-Griffin, dealing with unlawful trusteeships in title III, but providing no investigatory right to the Secretary; or those provisions relating to union elections.

The realistic fact, of course, is, as every single Member of this House knows, filing reports with the Department, without the right to make sure that the reports are accurate and honest, is an empty protection to the participants of these plans and to the public; or as former Secretary of Labor Mitchell stated, a "shameful illusion."

I would also note that those who say the aim of the bill is to control or regulate these plans, ignore the plain facts of the record. The bill itself in section 9(h) clearly states that nothing in the law shall authorize the Secretary to regulate, or interfere in the management of, any of these plans. The committee report on page 9 reiterates this clear statement of intention. And the Secretary himself in his testimony stated on page 18 of the printed record that:

> It is not the desire or the reach of this proposal to subject these plans to Federal control. These proposals have a very simple objective and that is to make known to the beneficiaries of these plans and to the public what the contents of these plans are and to give the Secretary the necessary authority to investigate the reports that the statute calls for.

I note that under the Landrum-Griffin law, the Secretary is given authority, but I don't recall the argument that he therefore, would be able to control or regulate union internal processes and business, or that of employers or labor relation consultants.

Similarly, the contention that these amendments would require a staff of 8,550 people and $45 million, is another illustration of flagrant disregard for the facts. The Secretary plainly testified an appropriation of $2,500,000 and a total staff of 290 would be adequate. I am now advised that because of the amendments made by the committee, the actual budget would be reduced to $1,500,000 and a total staff of 171—only 86 more than the present staff.

With respect to use of departmental forms, I have here two examples of reports received by the Department, and note that on the first there is no information filled in concerning the date of the plan year ending; or when the annual report is due; what kind of plan it is; or who is the administrator.

Looking at the second form, there is no information showing how the plan is financed; how much money goes into the plan; or even how many employees are covered by the plan.

The argument, therefore, that most plans use the Department forms, becomes meaningless, unless the information requested by the form is given; and the Department has the right to make sure that the information is accurate and honest.

Further along this line, the testimony before the subcommittee showed that over 12 percent of the forms received by the Department of Labor had deficiencies on their face; that is, there were omissions of such critical information as the name of the plan administrator, what type of workers were covered and information indicating when the annual report should be filed. As a matter of fact, a considerable number of reports were not even signed by the plan administrator and many others were not sworn to as required by the legislation.

In conclusion I would refer the Members to an editorial in the Washington Daily News, of May 26, 1961, dealing with the need for this legislation. It stated:

TEETH FOR PENSION FUND LAW

> Scandalous abuses of union pension funds, as revealed by the McClellan committee, inspired passage of a sham law which provides no real protection.
>
> Labor Secretary Goldberg used strong but well-justified language this week in discussing this law before a committee of Congress.
>
> It is, he said, confusing, toothless and widely ignored. It is a betrayal of the 85 to 100 million Americans who have money estimated at nearly $50 billion in these funds.
>
> He considers it likely that many of the abuses discovered before passage of the law, 2 years ago, still are taking place.
>
> Mr. Goldberg thus backs the criticism of President Eisenhower, when he signed the act, and of his Labor Secretary, James P. Mitchell.
>
> The law requires pension fund administrators to file reports showing sources of the funds and their uses; but the process stops there. The Labor Department, which receives the reports, can't do anything much about them. There are no effective criminal penalties in the law for such things as embezzlement and kickbacks.
>
> What Mr. Goldberg wants is power to subpena witnesses and seek injunctions to compel compliance with honest standards. For embezzlement he would fix a Federal penalty of $10,000 fine and 5 years imprisonment.
>
> These provisions—or even stiffer—should have been in the original law. Congress should not wait to act until there are new revelations of callous theft and misuse of these funds, accumulated from the dues of union members.

Mr. HIESTAND. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. GOODELL], a member of the committee.

Mr. GOODELL. Mr. Speaker, I rise in favor of this bill. I will try to clarify some further points with reference to its provisions.

I would like to point out first of all that the original Welfare Pension Plan Disclosure Act was passed in 1958. When President Eisenhower signed the bill, which was cut back considerably here in Congress, he made this statement. It was on August 29, 1958. He said he was approving the act, and I quote:

> Because it establishes a precedent for Federal responsibility in this area. It does little else. If the bill is to be at all effective, it will require extensive amendment at the next session of Congress.

It was not amended in the next session; it has gone to this time to be amended and have some teeth put into it so that the Secretary of Labor may require those who are administering the pension and welfare plans to file a report with him to make the disclosures. We wrote a provision in here that the Secretary of Labor may not use this subpena power or investigatory power without first having reasonable cause to believe there had been a violation. The violation is that they refuse to disclose in what categories their funds are invested.

We went further and wrote in a limitation in this bill that the Secretary could not explore the types of stock, the types of bonds, the kind of companies these funds are invested in except on reasonable cause to believe that the original filing was inaccurate. That means that the filing which is called for here is to inform beneficiaries of pension and welfare plans: How much money do you have invested in Government bonds? How much in corporate bonds? How much in common stocks? How much in preferred stocks? How much in real estate? The general categories are written right into the act to be sure that that is the power of the Secretary of Labor and no more. Then if the Secretary of Labor has reasonable cause to believe that that company is inaccurate in its report and has thus violated the law, then and only then may he request a filing of a full schedule of assets and liabilities in regard to the pension or welfare plan.

May I ask the gentleman from California if he will not confirm what I have said in this respect?

Mr. ROOSEVELT. Not only can I confirm it but I can specify exactly where it is. It is on page 5, line 17, where it is clearly stated:

> The Secretary, when he has determined that an investigation is necessary in accordance with section 9(d) of this act, may require the filing of supporting schedules of assets and liabilities.

Mr. GOODELL. One other point. In the early stages there was some suspicion that this was an attempt to control the investment of these funds, that maybe the Secretary of Labor or somebody else wants to tell the administrators where they can invest funds. Some union leaders appear to have such an objective, particularly one Mr. Carey, who was quoted in a newspaper as saying:

> It is our belief that the nature of the pension funds may yet require the establishment of rules by the Congress to govern the way such money is invested.

Does not the gentleman from California agree that we wrote specifically and clearly in this legislation that there is no power anywhere for anybody to tell the Administrator where he may invest these funds?

Mr. ROOSEVELT. May I read from page 8, line 19, where it is stated:

> Nothing contained in this act shall be so construed or applied as to authorize the Secretary to regulate, or interfere in the management of, any employee welfare or pension benefit plan, * * *

Mr. GOODELL. I have one other question. The Senate has passed a bill in this matter and its bill is generally

more favorable and more liberal in this respect than the bill that is now before us. The Senate made three major additions to this bill. One, they have exempted plans covering 100 or fewer employees, except under unusual circumstances. This will eliminate the filing of a great number of plans, and it will reduce the administrative burden considerably.

Another is to give the Secretary discretion to allow simplified reports where a detailed report would be unduly burdensome. This is in the same tradition as the Landrum-Griffin Act where a similar provision was made to cut down burdensome details. Is that correct, may I ask the gentleman from California? The Senate bill also would require full annual reports by the Secretary of Labor to the Congress. Does the gentleman have any comment on these amendments?

Mr. ROOSEVELT. If the Speaker would appoint me to the conference committee, I will join with my friends in hoping we can agree to those amendments.

Mr. HIESTAND. Mr. Speaker, I yield 4 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, I am glad that someone who is opposed to this can have an opportunity maybe of explaining in a few minutes why this is an inopportune time to present a matter of this depth to the House. The very fact the speaker just preceding me stating some amendments—I happen to have these amendments—will be adopted in conference demonstrates that the House cannot possibly understand this bill under suspension of the rules. The only way we could possibly debate is under a rule which would give us a chance of getting into this in depth.

I happen to think this is an area in which we need legislation, and we need it badly. I have read enough of the bill and of the report, some 35 pages, and the hearings consisting of some several hundred pages, and think that essentially this looks good, but we cannot legislate here in the House, or should not, on the basis of faith.

A committee has the responsibility to the House to come before us and give us the information.

Mr. Speaker, this matter which appears on page 4 of the committee report clearly shows it has become sizable because the Government tax structure made it possible to deduct contributions to pension plans and thus significantly minimize their cost.

Mr. Speaker, the Ways and Means Committee is very much concerned about this whole area of pension trusts and what has developed in their regulation to some degree. Essentially, the regulation must come under the Secretary of the Department of Labor, it is true. But in flipping through these hearings I have not noticed a single witness from the Bureau of Internal Revenue who was brought before this committee to gain an understanding of their requirements under the law now—the tax laws now, at any rate—as to what qualifications there are and how the pension plans have to continue to qualify. I again say that the bill itself, or the subject matter, is something we should legislate upon.

Mr. Speaker, I would like to ask the chairman of the committee who says it is so urgent, why have we not had a rule? This House has been sitting week after week, month after month, doing nothing. Why could we not have had this bill on the floor of the House under a rule where those who are interested in this subject could have developed the situation through questions, and possibly there should have been some amendments other than those which could have been accepted, possibly in conference? Why is it not better on a major thing like this, which is going to affect $50 billion of our people's investment, to have it brought out next year early in January when the House can really get into it and debate it?

Mr. POWELL. If the gentleman will yield, I should like to state that that question should be directed to the gentleman from Virginia [Mr. SMITH]. I am not a member of the Rules Committee. All I know is that for 7 weeks I have been asking the Rules Committee for a hearing.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from North Carolina.

Mr. JONAS. The date on the bill shows it was not even introduced until August 15.

Mr. CURTIS of Missouri. I know it does.

Mr. JONAS. I would like to congratulate the gentleman upon what he is saying. I think this bill is too important to be rushed through the House under suspension of the rules procedure which allows only 40 minutes for explanation debate and consideration. I have some questions I would like to ask, but I cannot get any time to ask them because time is simply unavailable under this procedure. I do not think this is a good way to legislate and it is not necessary in this instance because a rule should have been obtained to allow adequate time to consider this bill in detail.

Mr. CURTIS of Missouri. I think the Rules Committee has been unfairly accused of a lot of things. I notice the hearings concluded on June 28, 1961. It is true that the bill was introduced on August 15. Surely, the Rules Committee was not holding up this bill. What happened between the closing of the hearings and the executive session, I do not know. However, I suggest that we vote this down.

Mr. HIESTAND. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. ASHBROOK].

Mr. ASHBROOK. Mr. Speaker, I rise in opposition to this bill. Good reasons have already been given but two additional points need to be made. First, the proposed bill would provide, in section 9(e), the following subpena powers:

> For the purposes of any investigation provided for in this act, the provisions of section 307 (relating to the attendance of witnesses and the production of books, records, and documents) of the Federal Power Act of June 10, 1920, as amended (16 U.S.C. 825f), are hereby made applicable to the jurisdiction, powers, and duties of the Secretary or any officers designated by him.

On the other hand, section 601(b) of the Landrum-Griffin Act provides for the following subpena powers:

> For the purpose of any investigation provided for in this act, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (15 U.S.C. 49, 50), are hereby made applicable to the jurisdiction, powers, and duties of the Secretary or any officers designated by him.

The provision of the subpena powers under the Federal Power Act which are to be duplicated in the proposed bill are much broader than the provisions of the Federal Trade Commission Act which are incorporated in the Landrum-Griffin Act. For instance, under the FTC provisions the power of access shall be only at reasonable times and against any corporation being investigated or proceeded against. This could be interpreted to mean that the subpena powers would be valid only if there was a valid basis for investigation as provided in the bill.

The Federal Power Act provisions state the Commission may investigate any facts, conditions, practices, or matters which it may find necessary or proper in order to determine whether any person has violated or is about to violate any provision of this chapter or any rule, regulation, or order thereunder or to aid in the enforcement of the provisions of this chapter, or in prescribing rules or regulations thereunder, or in obtaining information to serve as a basis for recommending further legislation.

Mr. Speaker, it is obvious that this legislation very easily lends itself to any type of fishing expedition that the Secretary of Labor might wish to make. Much has been made of the word "reasonable" by the proponents of this bill. Let them try to define "reasonable" and I feel they will be forced to admit that as far as Washington bureaucracy is concerned, "reasonable" is synonymous to anything and everything.

While powers of subpena available to Secretary of Labor are more stringent on the one hand, the bonding provisions regarding unions are relaxed at the same time.

Section 13(a) of the bill provides:

> Such bond or other security or insurance shall provide protection to the plan against loss by reason of acts of fraud or dishonesty on the part of any administrator, officer, or employee of such plan directly or through connivance with others.

Section 13(d) of the bill provides:

> Nothing in any other provision of law shall require any person, required to be bonded as provided in subsection (a) because he handles funds or other property of an employee welfare benefit plan or of an employee pension benefit plan, to be bonded insofar as the handling by such person of the funds or other property of such plan is concerned.

The above provision therefore exempts the union officers and employees from the bonding provisions of section 502 of the Landrum-Griffin Act. In this

act these individuals are bonded for the faithful discharge of their duties.

Accordingly, union officers and employees are exempted from the more onerous bonding provisions of the Landrum-Griffin Act by the bonding provisions of the proposed bill.

Mr. HIESTAND. Mr. Speaker, I yield myself the remainder of the time on this side.

Mr. JONAS. Mr. Speaker, will the gentleman yield for a question?

Mr. HIESTAND. I yield.

Mr. JONAS. Is it true that this bill would cover all plans even though the employers pay all of the money that goes into the program?

Mr. HIESTAND. Certainly.

Mr. JONAS. And with no contributions from the employees?

Mr. HIESTAND. That is correct.

Mr. Speaker, in addition to the numerous ambiguities and technical points in the bill, pointed out by the gentleman from Missouri and others, I would like to direct the attention of the House to what I believe to be a flagrant bid for increased and unnecessary authority and power on the part of the Secretary of Labor. Despite the amendments that were put in, the bill still remains a bad bill and I oppose it.

The need for this bill, Mr. Speaker, has never been proven—indeed, cannot be proven. The Secretary in his testimony before the Education and Labor Committee stated:

> I think we can all assume that there are still areas where abuses are occurring.

There were some abuses 5 or 10 years ago. This need is based upon suspicion, this is assumption not based upon facts, because there are no such facts. The Secretary does not have any actual cases of abuses. What he wants, apparently, is a blank check to carry in his pocket.

Mr. Speaker, this blank check could cost the taxpayers of this country, already the overburdened taxpayers, anywhere from $42 million to $60 million a year. These figures are not just suspicion. They are based on facts. The experience of two States in administering similar laws would so show.

In New York, for instance, the cost of administering their State law runs $280 per fund, per year. In Wisconsin the costs runs $350 to $400 per fund per year. When it is estimated that we have 150,000 funds or plans operating in this country it is easy to see the cost runs up.

Mr. Speaker, our taxpayers do not want to spend that kind of money on suspicion. The need has not been shown.

Now, let us look at the other side of the coin. Are there presently laws on the books which could take care of these suspected abuses?

Indeed, there are. We have both Federal and State laws which govern operations of pension and welfare funds. The Congress itself passed one in 1958, and since that time 118,660 pension and welfare plans have filed annual reports. Here is the D–2 form. It is vast and it is complete. I see no reason for multiplying this a good many times. Beneficiaries of these plans were given authority by the Congress in 1958 to "self police" their funds. And, Mr. Speaker, one important fact about this new request for power on the part of the Secretary is that he is the only one complaining—the pension and welfare plan beneficiaries have not complained. They are satisfied. If they become dissatisfied, both the Congress and the States now have provided legal remedies.

Even in those States which do not have a State law specifically addressed to pension and welfare plans, they do have other laws which cover criminal fraud, larceny, embezzlement, even breach of contract, negligence, misrepresentation, or unlawful possession.

Mr. Speaker, we have the laws we need. We simply cannot further burden our people to give the Secretary of Labor this blank check, this power that even he says is needed only because of his suspicions.

There are a lot of things about this bill that are doubtful. I suggest the Members turn to pages 20 and 21 of the bill and try to make sense out of section 1027. It would make somebody apparently punishable for not doing what is not in the existing law, and that is rather vague.

I have read this thing many times and studied it. There are a good many weaknesses in this bill, including the fact that the vast majority of these funds, maybe up to 90 percent of them, are administered by private coverage companies, and so forth. They have good management. There has been no case yet brought of improper management on the part of a company. The only company that failed to live up to its obligation was a small company that failed years ago. This bill will not correct their situation. This is a bad bill, Mr. Speaker, and it should be defeated.

Mr. POWELL. Mr. Speaker, I yield 3 of the remaining 4 minutes to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Speaker, I want to thank the chairman of the committee for referring this bill to me and permitting me to offer it. Before coming to Congress, I helped to develop some of these plans for joint committees and have been very interested in this field. I also want to thank the chairman of the subcommittee for the skillful manner in which he handled this bill in subcommittee, and all the people on both sides of the aisle who have very much helped in a very constructive manner to develop this bill to its present form.

Mr. FRELINGHUYSEN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I should like to commend the gentleman from Iowa for his contributions in developing this bill, and to reiterate what I said to the chairman of the committee, that there was strong bipartisan support in committee for the objectives of this bill. While there may have been minor differences as to the kind of power to be given to the Secretary, and so forth, really in substance there was a general agreement that a bill of this kind is desirable and should be adopted.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Minnesota.

Mr. QUIE. I support the bill, and did in committee. I want to commend the gentleman on his work, and the work of the gentleman from New York [Mr. GOODELL], on this subject. I think what will be worked out in connection with the Senate will be a very acceptable bill.

Mr. SMITH of Iowa. I thank the gentleman. I am grateful for the wide support this bill has received from almost all quarters. I know there are few in Congress who are very conscientiously against this bill but I do not think very many. As far as I can find out, the opposition from outside of Congress is largely limited to those people who do not want to be caught by the criminal provisions of this bill. Naturally, the thieves and cheaters do not like the criminal provisions of this bill. Naturally those who do not want to be subject to the bonding requirements and also the bribery requirements in the bill do not want this bill. That is only natural. But I think most people want the bill.

The bill gives authority to the Secretary to interpret the law. The bill makes it a crime to embezzle, bribe, file false statements and conceal facts. I think this bill merely seeks disclosure of information already that would be in the file of any competent administrator of any of these plans. It seeks to compel him to disclose this information so that those interested can see it.

I would like to emphasize what the gentleman from California has said, relating to the need for this legislation. The assets in pension and welfare benefit plans totals at present $50 billion, and is increasing at the rate of $4 to $5 billion annually. The number of persons having a direct interest in such funds approximates 80 million. It is clear therefore that these plans have become on the one hand a cornerstone of the protection of many millions of our citizens, and on the other a vast and continuously increasing body of funds which exercises a most significant effect upon our national economy.

The basic weakness in the present statute is that it makes the Department only a repository for the plan descriptions and annual reports. There is no authority for the Department to render authoritive interpretations of the provisions of even the present law. There is no authority for ascertaining the accuracy of the filed forms; nor is there any authority to prescribe uniform reporting forms. There is not even any bonding requirement, to protect the beneficiaries against theft or embezzlement.

Rather, the basic policing power rests upon suits by beneficiaries. Upon this point, the President's Commission on Money and Credit stated in its recent report:

> More effective safeguards also should be provided for the protection of beneficiaries of pension funds against mismanagement and maladministration. • • • The underlying premise of the Federal Welfare and Pension Plans Disclosure Act of 1958 is that the in-

dividual participant * * * is expected to detect maladministration and invoke legal remedies to protect his own interest, whereas experience has shown that employee suits alone are inadequate as enforcement remedies.

This Commission consisting of many who are considered conservative businessmen also recommended regulating these funds. We do not propose to go that far.

The weaknesses have been recognized by President Kennedy, former President Eisenhower, Secretary of Labor Goldberg, and former Secretary of Labor Mitchell.

I also would point out that in a recent report the Appropriations Committee in discussing the budget for the Bureau of Labor Standards which receives these reports, noted that:

Activities required of this Bureau by the * * * act costs approximately $500,000 per year. * * * The committee does not like to see funds wasted and hopes that legislative action will be taken.

I also would emphasize, Mr. Speaker, that under the proposed bill, the act would remain a disclosure law. These funds would not be regulated in any way; nor would they be controlled. Both the bill and the committee report so state. Nor would it infringe upon State action in this field. Facts show there are only five States which have any regulation; and in most of them the disclosure is limited. The record shows that the Federal and State authorities have worked harmoniously to cut costs of administration and repetitive filings. Indeed most of the States accept the Federal forms.

In conclusion I would point out that present Federal statutes are inadequate to provide needed protection in this field. The Internal Revenue Code deals mainly with income tax purposes, nor is there any provision against embezzlement or kickbacks. It is of interest that in 1958 upon this point, the Service testified that its procedures do not insure against abuse, or provide means for the disclosure of information to the participants or beneficiaries.

Regarding the Landrum-Griffin law, I note that this statute is concerned only with union funds, and approximately 90 percent of welfare and pension plans are employer-managed plans.

The bill merely seeks to remedy a disclosure statute regarded almost universally as inadequate in a very moderate and reasonable way.

It has been claimed by the minority views in the report, that there is no demonstration of need for further legislation—that is, no abuses. The fact is that the Douglas subcommittee indicated that because of lack of time it did not spend much time investigating level of benefit plans. Rather, its investigations were confined chiefly to jointly administered plans. It should be noted that in his testimony on S. 2888, Mr. Meany pointed out a number of level of benefit plans in which there were alleged abuses. Similarly, in the 1961 hearings before the Roosevelt subcommittee in the House, Mr. Carey pointed out a number of alleged abuses. Under the present law, however, it is almost impossible for the Department of Labor to uncover and bring to light such abuses.

It would appear that there has been little congressional investigation into employer-managed plans. The Senate committee report on S. 2888, stated, page 2, that the committee confined its field investigations to collectively bargained and jointly administered welfare funds. This is reiterated on page 11 of the same report where it is stated that most of the abuses were disclosed in jointly administered employer-union plans where most of the investigations were conducted, noting here that there was evidence of abuse in employer-administered plans. Again on page 12, it is said that most of the field investigations have been conducted on jointly administered employer-union plans. This all points to the fact that there was insufficient investigation of employer-run plans rather than a finding that there were no abuses in such plans.

It has been claimed by a few that the amendments contemplate the establishment of a vast bureaucracy, the cost of which would be exorbitant.

The problems of employee benefit plans are intimately connected to the responsibility the Federal Government has for the national welfare. The impact of these plans on the economy of this country is tremendous. The manner in which such plans supplement and are interrelated with the Government's social security programs, the billions of dollars in favorable tax treatment yearly accorded to such plans, the interstate and national character of so many plans plus the fact that powerful and frequently conflicting interests have created a variety of overwhelming problems in regard to welfare and pension programs, are all factors which indicate that the only practical means of affording adequate protection to plan participants and beneficiaries and to assure honest and effective administration of all such plans is to provide for a strengthened Federal reporting and disclosure act. The benefits derived by the country from this legislation are well worth the cost.

In addition, it is to be noted that the proposed bill is not a regulatory statute but retains the essential character of the present Act as a disclosure measure. Basically, all the bill does is add the teeth to make the Act enforcible and to discourage wrongdoing. The proposed legislation does not contemplate a gigantic bureaucracy. Most of the policing will still be done by employees, the public, and other parties in interest. More important, plan participants and beneficiaries would finally be afforded the rights and protections they are entitled to. Therefore, whatever the additional costs—and increased manpower—they would be greatly outweighed by the protection that would be afforded to participants and beneficiaries and by other benefits, direct and indirect, flowing out of the legislation.

It has been said that the costs and increased burdens to plan administrators which would result from passage of the amendments, especially in regard to administrators of small plans, are excessive; however, the proposed amendments would not unduly burden plan administrators since, for the most part, administrators already have available to them in the ordinary course of their operations the information required to be disclosed under the act. It may be noted that in this connection, the proposed bill would permit the Secretary of Labor to relieve plan administrators from unreasonable burdens which, in some instances, they must bear under the present act without relief. In regard to small plans it has been demonstrated that this is the area where the greatest lack of information exists. Certainly, the amendments would not be any more burdensome on small plans than the Landrum-Griffin Act was on small unions and there can be no doubt that any additional burdens or costs imposed by the amendments would be more than outweighed by the benefits derived from having such information reported.

It has also been said that the amendments infringe upon State laws; States are the proper authority to legislate in this area; the amendments impose multiple and duplicatory burdens on plans subject to both State and Federal laws; however, it is difficult to infringe upon State laws that do not exist. It should be pointed out that up to the present time, Federal and State authorities in this area have worked together on a mutually compatible basis to avoid duplication of reporting obligations insofar as the few States that have laws covering part of the subject matter is concerned. Most States have no legislation whatsoever in this area. There are only five States that do and many of these statutes are severely limited in their scope of coverage. For example, New York only requires disclosure from jointly administered funds. In addition, there are many multistate plans which would be burdened if required to report on a State-by-State basis. In this regard, it is to be noted that in an attempt to strike a balance between the interests of the Federal Government and the interests of the States, and in order to avoid duplication in reporting to the two governments, proposed section 13 of the amendments retains section 10 of the act. This section provides that in the case of an employee welfare or pension benefit plan providing benefits to employees employed in two or more States, no person shall be required by reason of any law of any such State to file with any State agency—other than an agency of the State in which such plan has its principal office—any information included within a description of the plan or an annual report published and filed pursuant to the provisions of the act, if copies of such description of the plan or annual report are filed with the State agency and are distributed to participants and beneficiaries in accordance with the requirements of such State law with respect to scope of distribution. It is also provided that this provision shall not be construed to prevent any State from obtaining such additional information relating to any such plan as it may desire or from otherwise regulating such plan. This provision would appear to

meet most of the objections regarding possible Federal-State problems in this area.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. CORMAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. CORMAN. Mr. Speaker, I support H.R. 8723.

It was about this time of year 3 years ago that the House was considering the problem of welfare and pension funds. At that time there were two principal bills which dealt with this subject, H.R. 13507 and S. 2888.

Congressional concern over this subject began in May 1954, when the Senate established a subcommittee to conduct studies and investigations of the management and operation of pension and welfare funds. The subcommittee held hearings and conducted extensive investigations and published a final 365-page report on April 6, 1956. The subcommittee report recommended congressional action in this area.

The Senate report accompanying S. 2888 stated, "numerous instances have been disclosed by previous investigations, ranging from outright looting of the funds of employee-benefit plans and corrupt administration on the part of the administrators or trustees of such plans, to waste, indifference, ineptness, lack of know-how, and downright disregard for the rights of employee beneficiaries"—85th Congress, Senate Report No. 1440, page 11.

The committee report accompanying H.R. 8723, which we are considering today, indicates the vast importance of these funds. The report states:

> Figures relating to pension plans show that their number grew from 7,400 in 1945 to an estimated 25,000 in 1960, while the number of persons covered moved from 5.6 million to approximately 80 million.
>
> Tabulations introduced into the record of the subcommittee hearings show that in 1959 the assets of both welfare and pension plans amounted to over $50 billion; and that they were growing at a rate of from $4 to $5 billion a year (87th Cong., H. Rept. 998, p. 4).

A brief comparison of the main differences of the two bills which were before the Congress in 1958 is helpful in analyzing the measure before us today.

The Senate bill, S. 2888, provided for registration with the Secretary of Labor of welfare and pension plans and for the filing of annual reports. The accuracy of these reports was to be certified by an independent accountant after an audit. The Secretary of Labor was given authority to issue regulations to implement the statutory provisions. He was also given the powers to investigate violations and to institute proceedings in the Federal court to enjoin violations. The bill declared unlawful such practices as embezzlement and kickbacks and provided for criminal penalties for these offenses.

The House bill, H.R. 13507, contained many of the reporting provisions of the Senate bill but eliminated the enforcement powers of the Secretary of Labor; and it did not contain the provisions concerning embezzlement and kickbacks. The House bill reduced the function of the Secretary of Labor to that of a custodian of reports. The Secretary had no power to investigate, examine, audit. The single most important omission in the House bill was that, unlike the Senate version, the Secretary was not empowered to institute judicial proceedings to compel compliance with the act. Instead, enforcement was primarily the responsibility of the employee participant.

In the House debate Mr. Teller, one of the principal architects of the House bill, after admitting that H.R. 13507 provided "solely for disclosure" attempted to justify the House version as follows:

> When we addressed our attention to the provisions of S. 2888, the bill of the other body, one of the things that concerned us was that under that bill vast delegations of power were given to the Secretary of Labor, subpoena powers, hearing powers, powers to make rules and regulations almost without limit, powers of enforcement and investigation. This was delegation running riot in which the Congress diminished its own sense of responsibility in favor of somebody else not a congressional officer or agent. Our special subcommittee felt, and the full committee felt, that the Secretary of Labor ought not to be given these broad and unspecified powers, but that such powers should reside in the Congress, and that the enforcement of the rights given to the employees under this proposed law should be left primarily to the employees who, after all, are the primary beneficiaries. In this bill we propose rights for employees, not for the Secretary of Labor or any other Government official. Throughout, the concept of H.R. 13507 provides for enforcement by the employees. They have a right to bring a private action in court if the administrator refuses to give the employee the information" (CONGRESSIONAL RECORD, vol. 104, pt. 13, p. 16421).

Instead of providing for the employee's protection by the Secretary of Labor, it left the employee to shift for himself.

The gentlewoman from Oregon, [Mrs. GREEN], was alert to this deficiency and brought it to the attention of the House. Mrs. GREEN stated during the debate:

> Mr. Chairman, it has been said that the enforcement provisions of this bill have been and should be left up to the employee—that if he is not satisfied, he can sue the employer.
>
> Let us see how real this remedy is.
>
> The employee can take it to court and advance the costs of the litigation—if he has the money to advance—in the hopes of winning the lawsuit and getting attorneys' fees and costs.
>
> On the other hand, as soon as he starts to sue, the employer can fire him—in which case he no longer has any standing to sue, since such legal actions can only be brought by one who is an employee. Or we have been told if the employee is afraid to ask the employer to see the plan, he can see the plan filed with the Secretary of Labor. I submit, Mr. Chairman, that according to the present language in the bill this means the employee must, at his own expense, take a trip to Washington to inspect the plan in the public document room of the Department of Labor. This is a ridiculous provision. The gentleman from New York argues that the Secretary of Labor could mail a copy of the plan and annual report to the employee. As to that, I point to the clear language of the bill which refers only to the Secretary of Labor making them available in the public document room of the Department of Labor.
>
> I submit, Mr. Chairman, that these are not effective enforcement provisions by any stretch of the imagination (CONGRESSIONAL RECORD, vol. 104, pt. 13, p. 16442).

The House passed its version, and the Senate passed S. 2888. When the bill came out of conference it closely resembled H.R. 13507.

Senator John F. Kennedy, one of the principal sponsors of the Senate bill, stated:

> Many Members of the other body preferred no bill at all to the bill which had been passed by the Senate. Therefore, the Senate conferees negotiated under considerable difficulties, for they recognized that if they did not agree to make substantial concessions, no bill at all would be enacted. Therefore, the Senate conferees gave way on substantial points in disagreement, although we greatly regretted the necessity to do so (CONGRESSIONAL RECORD, vol. 104, pt. 14, p. 17963).

The conference bill passed both Houses.. William J. Isaacson, a leading New York lawyer, commented on H.R. 13507 as follows:

> One need not be a cynic to suspect that strong political pressures, not wholly apparent in the debate, manifested themselves in the final results. These pressures did not eminate from labor unions. Labor unions were early on record in favor of welfare fund legislation at the Federal level, and the AFL–CIO had already expressly endorsed the Senate bill (William J. Isaacson, "Employee Welfare and Pension Plans," 59 Columbia Law Review 96, 121).

When President Eisenhower signed the law on August 29, 1958, he stated that he was approving the act "because it establishes a precedent of Federal responsibility in this area. It does little else. If the bill is to be at all effective, it will require extensive amendment at the next session of Congress—87th Congress, House Report No. 998, page 2.

President Kennedy, in a letter transmitting his proposed amendments to the House and Senate, stated:

> Since the enactment of the act in 1958 we have had an opportunity to observe its operation and effect. This has disclosed several serious deficiencies. The act is designed to prevent repetition of abuses and irregularities in the administration of employees' benefit plans. I believe these amendments are necessary to carry out that purpose (87th Cong., H. Rept. 998, p. 3).

In an accompanying letter Secretary of Labor Goldberg stated that the law's "reliance on the concept of self-policing" had proved unsuccessful and that the Labor Department is now "virtually powerless to uncover abuses"—New York Times, May 20, 1961, page 21.

According to the present committee report:

> Secretary of Labor Goldberg and other Department representatives in testimony on the administration bill before the Special Subcommittee on Labor, showed clearly that many thousands of covered plans had not been filed; that over 25,000 plans for both 1959 and 1960 were delinquent in reporting on their finances and operations; and that the lack of power to interpret the law left plan administrators with no authoritative agency to turn to for advice and assistance

upon which they could depend in the event of litigation (87th Cong., H. Rept. 998, p. 4).

If H.R. 8723 is enacted, the Welfare and Pension Plan Disclosure Act will bear a close resemblance to the Senate bill of 1958.

This measure puts teeth into the 1958 act by giving to the Secretary of Labor the power to investigate, make regulations, issue rulings, and bring violators to court. Section 15(b) of H.R. 8723 amends the act to include the following new section:

Whenever it shall appear to the Secretary that any person is engaged in any violation of the provisions of this act, he may in his discretion bring an action in the proper district court of the United States or U.S. court of any place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted.

The present measure provides for criminal penalties for kickbacks, embezzlement, theft, fraud, and false statements.

In 1958 the Congress attempted to protect the rights of employees through voluntary disclosure on the part of the administrators of welfare and pension plans. After 2½ years of nondisclosure and employee nonprotection, it is apparent that "to continue the law in its present form in the belief that it assures adequate protective safeguards is a shameful illusion"—former Secretary of Labor Mitchell, 87th Congress, House Report No. 998, page 3.

It is time to end the illusion and enact H.R. 8723.

Mr. POWELL. Mr. Speaker, in closing I should like to point out five inaccuracies.

In the first place, the gentleman from California said the States do have such laws now. Only 5 have these laws, and 45 do not.

The gentleman from Missouri said he would not vote for this bill because it had not been considered in committee. In his colloquy on the preceeding bill he made the same statement, but he voted for the impacted area bill.

There have been two convictions in New York, one on February 26, 1959, of a trade union trustee, and again on November 18, 1960, of the president of a trade union, both convicted of larceny.

The last thing I should like to refer to is that the gentleman referred to this as a blank check to the Secretary of Labor.

This is a blank check for dishonesty as long as you let this continue. Not one single organization opposed this bill. The President of the United States wants it. Former President of the United States, Mr. Eisenhower, wanted it. Former Secretary of Labor Mitchell wanted it. The present Secretary of Labor Goldberg wants it.

This bill came out of the subcommittee of the Committee on Education and Labor unanimously. It came out of the full committee on a voice vote with only one vote against it. I say this is the time now, to stop any further action that might lead to larceny or dishonesty. We are responsible for this today and what happens between now and January, if it happens, and we hope it does not happen, but if we do not pass this bill, the guilt will be in the hands of those who are here.

The SPEAKER pro tempore. The time of the gentleman from New York has expired. All time has expired.

The question is, Will the House suspend the rules and pass the bill, H.R. 8723.

The question was taken; and on a division (demanded by Mr. HIESTAND), there were—yeas 76, nays 52.

Mr. POWELL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently, a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 244, nays 161, not voting 31, as follows:

[Roll No. 190]

YEAS—244

Addabbo	Fogarty	Mack
Addonizio	Frazier	Magnuson
Albert	Frelinghuysen	Mahon
Andersen, Minn.	Friedel	Mailliard
Ashley	Fulton	Marshall
Aspinall	Gallagher	Martin, Mass.
Auchincloss	Garland	Martin, Nebr.
Avery	Garmatz	Mathias
Ayres	Gavin	Merrow
Baldwin	Giaimo	Miller, George P.
Baring	Gilbert	Mills
Barrett	Glenn	Moeller
Barry	Goodell	Monagan
Bass, Tenn.	Granahan	Montoya
Bates	Green, Oreg.	Moorhead, Pa.
Battin	Green, Pa.	Morris
Beckworth	Griffin	Morse
Bennett, Fla.	Griffiths	Moss
Bennett, Mich.	Hagen, Calif.	Moulder
Blatnik	Halpern	Multer
Boggs	Hansen	Murphy
Boland	Harding	Natcher
Bolling	Harris	Nix
Brademas	Harsha	Norblad
Breeding	Healey	O'Brien, Ill.
Brewster	Hechler	O'Brien, N.Y.
Brooks, Tex.	Hemphill	O'Hara, Ill.
Broomfield	Holifield	O'Hara, Mich.
Burke, Ky.	Holtzman	O'Konski
Burke, Mass.	Huddleston	Olsen
Byrne, Pa.	Hull	O'Neill
Cahill	Ikard, Tex.	Osmers
Carey	Inouye	Ostertag
Casey	Jarman	Patman
Cederberg	Jennings	Pelly
Celler	Joelson	Perkins
Chamberlain	Johnson, Calif.	Peterson
Chelf	Johnson, Wis.	Pfost
Clark	Jones, Ala.	Philbin
Cohelan	Judd	Pike
Conte	Karsten	Pirnie
Corbett	Karth	Poage
Corman	Kastenmeier	Powell
Cramer	Kearns	Price
Cunningham	Keith	Pucinski
Curtin	Keogh	Quie
Curtis, Mass.	Kilday	Rains
Daddario	Kilgore	Randall
Daniels	King, Calif.	Reuss
Dawson	King, Utah	Rhodes, Ariz.
Delaney	Kirwan	Rhodes, Pa.
Diggs	Kluczynski	Riehlman
Dingell	Kowalski	Rivers, Alaska
Donohue	Kunkel	Roberts
Dooley	Kyl	Rodino
Doyle	Lane	Rogers, Colo.
Dulski	Lankford	Rooney
Durno	Latta	Roosevelt
Dwyer	Lesinski	Rostenkowski
Edmondson	Libonati	Roush
Elliott	Lindsay	Rutherford
Ellsworth	Loser	Ryan
Fallon	McCormack	St. Germain
Farbstein	McDowell	Saund
Fascell	McFall	Schneebeli
Feighan	McIntire	Schweiker
Finnegan	Macdonald	Schwengel
Fino	MacGregor	Seely-Brown
Flood	Machrowicz	Shelley
Flynt	Mailliard	Sheppard
Ford	Marshall	Shipley
Forrester	Martin, Mass.	Sibal
Fountain	Martin, Nebr.	Sikes
Gary	Mathias	Sisk
Gathings	Merrow	Smith, Iowa
Goodling	Miller, George P.	Smith, Miss.
Grant	Mills	Spence
Gray	Moeller	Springer
Gross	Monagan	Stafford
Gubser	Montoya	Steed
Hagan, Ga.	Moorhead, Pa.	Stratton
Haley	Morris	Stubblefield
Halleck	Morse	Sullivan
Hardy	Moss	Thomas
Harrison, Va.	Moulder	Thompson, N.J.
Harrison, Wyo.	Multer	Thompson, Tex.
Harvey, Ind.	Murphy	Thornberry
Harvey, Mich.	Natcher	Toll
Hays	Nix	Tollefson
Henderson	Norblad	Trimble
Herlong	O'Brien, Ill.	Tupper
Hiestand	O'Brien, N.Y.	Udall, Morris K.
Hoeven	O'Hara, Ill.	Ullman
Hoffman, Ill	O'Hara, Mich.	Vanik
Hoffman, Mich.	O'Konski	Van Zandt
Horan	Olsen	Vinson
Hosmer	O'Neill	Wallhauser
Ichord, Mo.	Osmers	Watts
Jensen	Ostertag	Weaver
Johansen	Patman	Weis
Jonas	Pelly	Wickersham
Jones, Mo.	Perkins	Widnall
Kee	Peterson	Willis
King, N.Y.	Pfost	Wright
Kitchin	Philbin	Yates
Knox	Pike	Young
Kornegay	Pirnie	Zablocki
Laird	Poage	Zelenko
Langen	Powell	
Lennon	Price	
Lipscomb	Pucinski	
McCulloch	Quie	
McDonough	Rains	
McMillan	Randall	
McVey	Reuss	
Mason	Rhodes, Ariz.	
Matthews	Rhodes, Pa.	
May	Riehlman	
Meader	Rivers, Alaska	
Michel	Roberts	
Miller, N.Y.	Rodino	
Minshall	Rogers, Colo.	
Moore	Rooney	
Moorehead, Ohio	Roosevelt	
Morgan	Rostenkowski	
Mosher	Roush	
Murray	Rutherford	
Nelsen	Ryan	
Norrell	St. Germain	
Nygaard	Saund	
Passman	Schneebeli	
Pillion	Schweiker	
Poff	Schwengel	
Ray	Seely-Brown	
Reece	Shelley	
Reifel	Sheppard	
Riley	Shipley	
Rivers, S.C.	Sibal	
Robison	Sikes	
Rogers, Fla.	Sisk	
Rogers, Tex.	Smith, Iowa	
Roudebush	Smith, Miss.	
Rousselot	Spence	
St. George	Springer	
Saylor	Stafford	
Schadeberg	Steed	
Schenck	Stratton	
Scherer	Stubblefield	
Scott	Sullivan	
Scranton	Thomas	
Selden	Thompson, N.J.	
Short	Thompson, Tex.	
Shriver	Thornberry	
Slack	Toll	
Smith, Calif.	Tollefson	
Smith, Va.	Trimble	
Staggers	Tupper	
Stephens	Udall, Morris K.	
Taylor	Ullman	
Teague, Calif.	Vanik	
Teague, Tex.	Van Zandt	
Thomson, Wis.	Vinson	
Tuck	Wallhauser	
Utt	Watts	
Van Pelt	Weaver	
Walter	Weis	
Whalley	Wickersham	
Wharton	Widnall	
Whitener	Willis	
Whitten	Wright	
Wilson, Calif.	Yates	
Wilson, Ind.	Young	
Winstead	Zablocki	
Younger	Zelenko	

NAYS—161

Abbitt	Fisher	Moore
Abernethy	Flood	Moorehead, Ohio
Adair	Flynt	Morgan
Alexander	Ford	Mosher
Alford	Forrester	Murray
Anderson, Ill.	Fountain	Nelsen
Andrews	Gary	Norrell
Arends	Gathings	Nygaard
Ashbrook	Goodling	Passman
Ashmore	Grant	Pillion
Bailey	Gray	Poff
Baker	Gross	Ray
Bass, N.H.	Gubser	Reece
Becker	Hagan, Ga.	Reifel
Beermann	Haley	Riley
Belcher	Halleck	Rivers, S.C.
Bell	Hardy	Robison
Berry	Harrison, Va.	Rogers, Fla.
Betts	Harrison, Wyo.	Rogers, Tex.
Blitch	Harvey, Ind.	Roudebush
Bolton	Harvey, Mich.	Rousselot
Bonner	Hays	St. George
Bow	Henderson	Saylor
Bray	Herlong	Schadeberg
Bromwell	Hiestand	Schenck
Brown	Hoeven	Scherer
Bruce	Hoffman, Ill	Scott
Burleson	Hoffman, Mich.	Scranton
Byrnes, Wis.	Horan	Selden
Cannon	Hosmer	Short
Chenoweth	Ichord, Mo.	Shriver
Chiperfield	Jensen	Slack
Church	Johansen	Smith, Calif.
Clancy	Jonas	Smith, Va.
Collier	Jones, Mo.	Staggers
Colmer	Kee	Stephens
Cook	King, N.Y.	Taylor
Cooley	Kitchin	Teague, Calif.
Curtis, Mo.	Knox	Teague, Tex.
Davis, James C.	Kornegay	Thomson, Wis.
Davis, John W.	Laird	Tuck
Dent	Langen	Utt
Denton	Lennon	Van Pelt
Derounian	Lipscomb	Walter
Derwinski	McCulloch	Whalley
Devine	McDonough	Wharton
Dole	McMillan	Whitener
Dominick	McVey	Whitten
Dorn	Mason	Wilson, Calif.
Dowdy	Matthews	Wilson, Ind.
Downing	May	Winstead
Everett	Meader	Younger
Fenton	Michel	
Findley	Miller, N.Y.	
	Minshall	

NOT VOTING—31

Alger	Hall	Milliken
Anfuso	Hébert	Morrison
Boykin	Holland	Pilcher
Brooks, La.	Johnson, Md.	Rabaut
Broyhill	Kelly	Santangelo
Buckley	Kilburn	Siler
Coad	Landrum	Taber
Dague	McSween	Thompson, La.
Davis, Tenn.	Madden	Westland
Evins	Miller, Clem	Williams

So (two-thirds not having voted in favor thereof) the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert and Mr. Morrison for, with Mr. Pilcher against.

Mr. Buckley and Mr. Santangelo for, with Mr. Landrum against.

Mr. Madden and Mr. Rabaut for, with Mr. Hall against.

Mr. Anfuso and Mr. Johnson of Maryland for, with Mr. Kilburn against.

Mrs. Kelly and Mr. Thompson of Louisiana for, with Mr. Broyhill against.

Mr. McSween and Mr. Clem Miller for, with Mr. Holland against.

Mr. Evins and Mr. Coad for, with Mr. Alger against.

Until further notice:

Mr. Brooks of Louisiana with Mr. Westland.

Mr. Davis of Tennessee with Mr. Taber.

Mr. Williams with Mr. Siler.

Mr. GRAY, Mr. FENTON, and Mr. SCHERER changed their vote from "yea" to "nay."

Mr. WIDNALL, Mr. BOGGS, and Mr. WILLIS changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

PUBLIC WORKS APPROPRIATION BILL

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HALLECK. Mr. Speaker, some days ago, at the request of the chairman of the Committee on Appropriations, permission was given for consideration on tomorrow of the public works appropriation bill. It was so listed on the whip notice we all received. Today permission was granted to the Committee on Appropriations to have until midnight tonight to file a report on the bill. Mr. Speaker, this is my parliamentary inquiry. Would it be in order on tomorrow for the chairman of the Committee on Appropriations to move for consideration of that appropriations bill as it was scheduled on the whip notice, and when we thought it would be considered?

The SPEAKER pro tempore. In reply to the parliamentary inquiry the present occupant of the Chair will say that if such a report is made on a privileged matter and if the chairman of the Committee on Appropriations sought recognition on such a privileged matter, the Chair would recognize the chairman of the Committee on Appropriations.

Mr. HALLECK. I certainly would express the hope that the chairman of the Appropriations Committee would so move tomorrow.

Mr. CELLER. Will there be a vote tomorrow, because the New York delegation has a very important primary.

Mr. HALLECK. May I say to the gentleman, further making a parliamentary inquiry, that when the chairman of the Appropriations Committee asked for the consideration of the bill on tomorrow, Thursday, he at that time said, if I remember correctly, and I am sure I so remember, that if there was a vote it would have to go over to Friday. It is all right with me, also.

The SPEAKER pro tempore. The Chair will state that the gentleman from Indiana answers his own parliamentary inquiry. Also, the majority whip made a unanimous-consent request that any rollcall tomorrow go over to Friday.

MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961

Mr. HAYS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8666) to provide for the improvement and strengthening of the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Educational and Cultural Exchange Act of 1961".

SEC. 101. STATEMENT OF PURPOSE.—The purpose of this Act is to enable the Government of the United States to promote a better understanding of the United States in other countries; to increase mutual understanding between the people of the United States and the people of other countries by means of educational and cultural exchange; to strengthen the ties which unite us with other nations by demonstrating the educational and cultural interests, developments, and achievements of the people of the United States and other nations, and the contributions being made toward a peaceful and more fruitful life for people throughout the world; to promote international cooperation for educational and cultural advancement; and thus to assist in the development of friendly, sympathetic, and peaceful relations between the United States and the other countries of the world.

SEC. 102. (a) The President is authorized, when he considers that it would strengthen international cooperative relations, to provide, by grant, contract, or otherwise, for—

(1) educational exchanges, (i) by financing studies, research, instruction, and other educational activities—

(A) of or for American citizens and nationals in foreign countries, and

(B) of or for citizens and nationals of foreign countries in American schools and institutions of learning located in or outside the United States;

and (ii) by financing visits and interchanges between the United States and other countries of students, trainees, teachers, instructors, and professors;

(2) cultural exchanges, by financing—

(i) visits and interchanges between the United States and other countries of leaders, experts in fields of specialized knowledge or skill, and other influential or distinguished persons;

(ii) tours in countries abroad by creative and performing artists and athletes from the United States, individually and in groups, representing any field of the arts, sports, or any other form of cultural attainment;

(iii) United States representation in international artistic, dramatic, musical, sports, and other cultural festivals, competitions, meetings, and like exhibitions and assemblies;

(iv) participation by groups and individuals from other countries in nonprofit activities in the United States similar to those described in subparagraphs (ii) and (iii) of this paragraph, when the President determines that such participation is in the national interest.

(3) United States participation in international fairs and expositions, including trade and industrial fairs and other public or private demonstrations of United States economic accomplishments and cultural attainments.

(b) In furtherance of the purposes of this Act, the President is further authorized to provide for—

(1) interchanges between the United States and other countries of handicrafts, scientific, technical, and scholarly books, books of literature, periodicals, and Government publications, and the reproduction and translation of such writings, and the preparation, distribution, and interchange of other educational and research materials, including laboratory and technical equipment for education and research;

(2) establishing and operating in the United States and abroad centers for cultural and technical interchanges to promote better relations and understanding between the United States and other nations through cooperative study, training, and research;

(3) assistance in the establishment, expansion, maintenance, and operation of schools and institutions of learning abroad, founded, operated, or sponsored by citizens or nonprofit institutions of the United States, including such schools and institutions serving as demonstration centers for methods and practices employed in the United States;

(4) fostering and supporting American studies in foreign countries through professorships, lectureships, institutes, seminars, and courses in such subjects as American history, government, economics, language and literature, and other subjects related to American civilization and culture, including financing the attendance at such studies by persons from other countries;

(5) encouraging and promoting medical, scientific, cultural, and educational research and development;

(6) promoting modern foreign language training and area studies in United States schools, colleges, and universities by supporting visits and study in foreign countries by teachers and prospective teachers in such schools, colleges, and universities for the purpose of improving their skill in languages and their knowledge of the culture of the people of those countries, and by financing visits by teachers from those countries to the United States for the purpose of participating in foreign language training and area studies in United States schools, colleges, and universities;

(7) encouraging independent research into the problems of educational and cultural exchange.

SEC. 103. (a) The President is authorized to enter into agreements with foreign governments and international organizations, in furtherance of the purposes of this Act. In such agreements the President is authorized, when he deems it in the public interest, to seek the agreement of the other governments concerned to cooperate and assist, including making use of funds placed in special accounts pursuant to agreements concluded in accordance with section 115(b)(6) of the Economic Cooperation Act of 1948, or any similar agreements, in providing for the activities authorized in section 102, and particularly those authorized in subsection 102(a)(1), of this Act with respect to the expenses of international transportation of their own citizens and nationals and of activities in furtherance of the purposes of this Act carried on within the borders of such other nations.

(b) Such agreements may also provide for the creation or continuation of binational or multinational educational and cultural foundations and commissions for the purpose of administering programs in furtherance of the purposes of this Act.

(c) In such agreements with international organizations, the President may provide for equitable United States participation in and support for, including a reasonable share (not in excess of 25 percent) of the cost of, educational and cultural programs to be administered by such organizations.

SEC. 104. (a) The President may delegate, to such officers of the Government as he determines to be appropriate, any of the powers conferred upon him by this Act to the extent that he finds such delegation to be in the interest of the purposes expressed in this Act and the efficient administration of the programs undertaken pursuant to this Act: *Provided,* That where the President has delegated any of such powers to any officer, be-

fore the President implements any proposal for the delegation of any such powers to another officer, that proposal shall be submitted to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate, and thereafter a period of not less than sixty days shall have elapsed while Congress is in session. In computing such sixty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days.

(b) The President is authorized to employ such personnel as he deems necessary to carry out the provisions and purposes of this Act and fix their compensation in accordance with the Classification Act of 1949, as amended.

(c) For the purpose of performing functions under this Act outside the United States, including participation in binational or multinational foundations or commissions, the Secretary of State may employ or assign or authorize the employment or assignment for the duration of operations under this Act of persons in or to the Foreign Service Reserve or Foreign Service Staff and alien clerks and employees in accordance with applicable provisions of the Foreign Service Act of 1946, as amended (22 U.S.C. 801).

(d) For the purpose of performing functions under this Act outside the United States, the President is authorized to provide that any person employed or assigned by a United States Government agency shall be entitled, except to the extent that the President may specify otherwise in cases in which the period of employment or assignment exceeds thirty months, to the same benefits as are provided by section 528 of the Foreign Service Act of 1946, as amended (22 U.S.C. 928), for persons appointed to the Foreign Service Reserve and, except for policymaking officials, the provisions of section 1005 of the Foreign Service Act of 1949, as amended (22 U.S.C. 807), shall apply in the case of such persons.

(e)(1) In providing for the activities and interchanges authorized by section 102 of this Act, grants may be made to or for individuals, either directly or through foundations or educational or other institutions, which foundations or institutions are public or private nonprofit, and may include funds for tuition and other necessary incidental expenses, for travel expenses from their places of residence and return for themselves, and, whenever it would further the purposes of this Act, for the dependent members of their immediate families, for health and accident insurance premiums, emergency medical expenses, costs of preparing and transporting to their former homes the remains of any of such persons who may die while away from their homes as participants or dependents of participants in any program under this Act, and for per diem in lieu of subsistence at rates prescribed by the President, for all such persons, and for such other expenses as are necessary for the successful accomplishment of the purposes of this Act.

(2) Funds available for programs under this Act may be used (i) to provide for orientation courses, language training, intercultural seminars, counseling, or other appropriate services and materials for persons traveling out of the countries of their residence for educational and cultural purposes which further the purposes of this Act, whether or not they are receiving other financial support from the Government, and (ii) to provide or continue services to increase the effectiveness of such programs following the return of such persons to the countries of their residence.

(3) For the purpose of assisting foreign students in making the best use of their opportunities while attending colleges and universities in the United States, and assisting such students in directing their talents and initiative into channels which will make them more effective leaders upon return to their native lands, the President may make suitable arrangements, by contract or otherwise, for the establishment and maintenance at colleges and universities in the United States attended by foreign students of an adequate counseling service.

(4) The President is authorized to provide for publicity and promotion abroad of activities of the type provided for in this Act.

(f) All persons employed or assigned to duties under this Act shall be investigated with respect to loyalty and suitability in accordance with standards and procedures established by the President.

SEC. 105.(a) Appropriations to carry out the purposes of this Act, to remain available until expended, are hereby authorized, and this authorization includes the authority to grant, in any appropriation Act, the authority to enter into contracts, within the amounts so authorized, creating obligations in advance of appropriations.

(b) Funds appropriated for programs under this Act may, without regard to section 3651 of the Revised Statutes (31 U.S.C. 543), be used for the acquisition from any source of foreign currencies in such amounts as may be necessary for current expenditures and for grants, including grants to foundations and commissions in accordance with international agreements providing for the accomplishment of the purposes of this Act.

(c) The President is authorized—

(1) to reserve in such amounts and for such periods as he shall determine to be necessary to provide for the programs authorized by subsections 102(a)(1) and 102(a)(2)(i), and

(2) notwithstanding the provisions of any other law except the Mutual Defense Assistance Control Act of 1951, to use in such amounts as may from time to time be specified in appropriation Acts, to the extent that such use is not restricted by agreement with the foreign nations concerned, for any programs authorized by this Act,

any currencies of foreign nations received or to be received by the United States or any agency thereof—

(i) under agreements disposing of surplus property or settling lend-lease and other war accounts concluded after World War II;

(ii) as the proceeds of sales or loan repayments, including interest, for transactions heretofore or hereafter effected under the Agricultural Trade Development and Assistance Act of 1954, as amended;

(iii) in repayment of principal or interest on any other credit extended or loan heretofore or hereafter made by the United States or any agency thereof; or

(iv) as deposits to the account of the United States pursuant to section 115(b)(6) or section 115(h) of the Economic Cooperation Act of 1948, as amended, or any similar provision of any other law.

(d) The President is further authorized to reserve and use for educational and cultural exchange programs and other activities authorized in subsections 102 (a) and (b) of this Act, in relation to Finland and the people of Finland, all sums due or paid on and after August 24, 1949, by the Republic of Finland to the United States as interest on or in retirement of the principal of the debt incurred under the Act of February 25, 1919, as refunded by the agreement dated May 1, 1923, pursuant to the authority contained in the Act of February 9, 1922, or of any other indebtedness incurred by that Republic and owing to the United States as a result of World War I.

(e) Foreign governments, international organizations and private individuals, firms, associations, agencies, and other groups shall be encouraged to participate to the maximum extent feasible in carrying out this Act and to make contributions of funds, property, and services which the President is hereby authorized to accept, to be utilized to carry out the purposes of this Act. Funds made available for the purpose of this Act may be used to contribute toward meeting the expenses of activities carried out through normal private channels, by private means, and through foreign governments and international organizations.

SEC. 106. (a)(1) For the purpose of selecting students, scholars, teachers, trainees, and other persons to participate in the programs authorized under section 102(a)(1) of this Act, and of supervising such programs and the programs authorized under section 102(b) (4) and (6), there is hereby continued the authority of the President to appoint a Board of Foreign Scholarships (hereinafter referred to as the "Board") consisting of ten members. In connection with appointments to such Board, due consideration shall be given to the selection of distinguished representatives of cultural, educational, student advisory, and war veterans groups, and representatives of the United States Office of Education, the United States Veterans' Administration, public and private nonprofit educational institutions.

(2) In the selection of American citizens for participation in programs under this Act, preference shall be given to those who have served in the Armed Forces of the United States, and due consideration shall be given to applicants from all geographical areas of the United States.

(b)(1) The United States Advisory Commission on International Educational and Cultural Affairs (hereinafter referred to as the "Commission") is hereby established to replace the United States Advisory Commission on Educational Exchange. The Commission shall formulate and recommend to the President policies for exercising his authority under this Act and shall appraise the effectiveness of programs carried out pursuant to it. The Commission shall make a special study of the effectiveness of past programs with emphasis on the activities of a reasonably representative cross section of past recipients of aid and shall submit a report to the Congress not later than December 31, 1962.

(2) The Commission shall consist of nine members, who shall be appointed by the President, by and with the advice and consent of the Senate. Not more than five members of the Commission shall be from any one political party.

(3) The members of the Commission shall represent the public interest and shall be selected from a cross section of educational, cultural, scientific, technical, and public service backgrounds.

(4) The term of each member shall be three years except that, of the first nine appointments, three shall be for a term of one year and three shall be for a term of two years. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor is appointed shall be appointed for the remainder of such term. Upon the expiration of his term of office any member may continue to serve until his successor is appointed and has qualified.

(5) The President shall designate a Chairman from among members of the Commission.

(6) The Commission is authorized to adopt such rules and regulations as it may deem necessary to carry out the authority conferred upon it by this Act.

(c)(1) There is hereby continued the Advisory Committee on the Arts (hereinafter referred to as the "Committee") created under section 10 of the International Cultural Exchange and Trade Fair Participation Act of 1956, consisting of a Chairman and nine other members of whom at least one shall be a member of the Commission. Appointment of all members and selection of the Chairman of this Committee shall hereafter

be made by the Secretary of State. In making such appointments due consideration shall be given to the recommendations for nomination submitted by leading national organizations in the major art fields.

(2) The members of the Committee shall be individuals whose knowledge of or experience in, or whose profound interest in, one or more of the arts will enable them to assist the Commission, the President, and other officers of the Government in performing the functions described in paragraph (3) of this subsection.

(3) The Committee shall, in connection with activities authorized under subsection 102(a)(2) of this Act—

(A) advise and assist the Commission in the discharge of its responsibilities in the field of international educational exchange and cultural presentations with special reference to the role of the arts in such fields;

(B) advise other interested officers of the Government in the discharge of their responsibilities in connection with such activities and in connection with other international activities concerned with the arts;

(C) provide such other advice and assistance as may be necessary or appropriate.

(4) The term of office of each of the members of the Committee shall be three years.

(d) The President is authorized to create such interagency and other advisory committees as in his judgment may be of assistance in carrying out the purposes of this Act, and from time to time to convene conferences of persons interested in educational and cultural affairs to consider matters relating to the purposes of this Act.

(e) The provisions of section 214 of the Act of May 3, 1945 (59 Stat. 134; 31 U.S.C. 691), shall be applicable to any interagency committee created pursuant to the provisions of this Act. Members of the Board, the Commission, the Committee, and other committees provided for in this section shall receive no compensation for their services as such, but they shall be entitled to transportation expenses and per diem in lieu of subsistence at the rate prescribed by or established pursuant to section 5 of the Administrative Expense Act of 1946, as amended (5 U.S.C. 73b–2), while away from home in connection with attendance at meetings or in consultation with officials of the Government or otherwise carrying out duties as authorized.

(f) The President is authorized to provide for necessary secretarial and staff assistance for the Board, the Commission, and the Committee, and such other committees as may created under this section.

SEC. 107. The Board, the Commission, and the Committee shall submit annual reports to the Congress and such other reports to the Congress as they deem appropriate, and shall make reports to the public in the United States and abroad to develop a better understanding of and support for the programs authorized by this Act.

SEC. 108. (a) Whenever the President determines it to be in furtherance of this Act, the functions authorized in section 102(a)(2) and (3) may be performed without regard to such provisions of law or limitations of authority regulating or relating to the making, performance, amendment, or modification of contracts, the acquisition and disposition of property, and the expenditure of Government funds, as he may specify.

(b) The President shall submit annual reports to the Congress of activities carried on and expenditures made in furtherance of the purposes of this Act. Each such report shall include the texts of agreements made with other nations during the period covered by the report, a full description of the program and the funds expended with respect to each country in which activities have been carried on in furtherance of the purposes of this Act.

(c) In connection with activities authorized by section 102(a)(2) and (3) of this Act, the President is authorized to provide for all necessary expenditures involved in the selection, purchase, rental, construction, or other acquisition of exhibits and materials and equipment therefor, and the actual display thereof, including but not limited to costs of transportation, insurance, installation, safekeeping and storage, maintenance and operation, rental of space, and dismantling.

(d) The President is authorized to utilize the provisions of title VIII of the United States Information and Educational Exchange Act of 1948, as amended, to the extent he deems necessary in carrying out the provisions and purposes of this Act.

SEC. 109. The Immigration and Nationality Act, as amended, is hereby amended as follows:

(a) In section 101(a)(15)(I) change the period to a semicolon at the end thereof and add the following:

"(J) an alien having a residence in a foreign country which he has no intention of abandoning who is a bona fide student, scholar, trainee, teacher, professor, research assistant, specialist, or leader in a field of specialized knowledge or skill, or other person of similar description, who is coming temporarily to the United States as a participant in a program designated by the Secretary of State, pursuant to the Mutual Educational and Cultural Exchange Act of 1961, for the purpose of teaching, instructing or lecturing, or studying, observing or conducting research, or receiving training, and the alien spouse and minor children of any such alien if accompanying him or following to join him."

(b) In Section 212 redesignate subsection "(e)" to read "(f)" and add a new subsection "(e)" to read:

"(e) No person admitted under section 101(a)(15)(J) or acquiring such status after admission shall be eligible to apply for an immigrant visa, or for permanent residence, or for a nonimmigrant visa under section 101(a)(15)(H) until it is established that such person has resided and been physically present in the country of his nationality or his last residence, or in another foreign country for an aggregate of at least two years following departure from the United States: *Provided*, That such residence in another foreign country shall be considered to have satisfied the requirements of this subsection if the Secretary of State determines that it has served the purpose and the intent of the Mutual Educational and Cultural Exchange Act of 1961: *Provided further*, That upon the favorable recommendation of the Secretary of State, pursuant to the request of a Government agency desiring to obtain the alien's services for the prospective benefit to the national defense, economy, welfare, or cultural interest, or of the Commissioner of Immigration and Naturalization after he has determined that departure from the United States would impose exceptional hardship upon the alien's spouse or child (if such spouse or child is a citizen of the United States or a lawfully resident alien), the Attorney General may waive the requirement of such two-year foreign residence abroad in the case of any alien whose admission to the United States is found by the Attorney General to be in the public interest: *And provided further*, That the provisions of this paragraph shall apply only to those persons acquiring such status subsequent to June 4, 1956"; and

(c) In section 248, after the language "paragraph (15(C)", in both instances, add "or (J)".

SEC. 110. (a) There are hereby repealed—

(1) Section 32(b)(2) of the Surplus Property Act of 1944, as amended (60 Stat. 754, 50 U.S.C. App. Sec. 1641);

(2) Sections 2(2), 201, 203 insofar as it relates to schools, 601, 602 and 603 insofar as they relate to the Advisory Commission on Educational Exchange, 1001 insofar as it relates to persons employed or assigned to duties under this Act, and 1008 and 1009 insofar as they relate to educational exchange activities, of the United States Information and Educational Exchange Act of 1948, as amended (62 Stat. 6; 22 U.S.C. sections 1431(2); 1434, 1439, 1440, 1446, 1448, 1466, 1467, and 1468);

(3) The International Cultural Exchange and Trade Fair Participation Act of 1956 (70 Stat. 778; 22 U.S.C. 1991–2001);

(4) The joint resolution of August 24, 1949, authorizing the use of Finnish World War I debt payments available for educational and technical instruction, and so forth (63 Stat. 630; 20 U.S.C. 222–224).

(b) All Executive orders, agreements, determinations, regulations, contracts, appointments, and other actions issued, concluded, or taken under authority of any provisions of law repealed by subsection (a) of this section shall continue in full force and effect, and shall be applicable to the appropriate provisions of this Act until modified or superseded by appropriate authority.

(c) Any reference in any other Act to the provisions of law listed in subsection (a) shall hereafter be considered to be references to the appropriate provisions of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mrs. ST. GEORGE. Mr. Speaker, I demand a second.

Mr. GROSS. Mr. Speaker, is the gentlewoman opposed to the bill?

Mrs. ST. GEORGE. I am opposed to the bill, Mr. Speaker.

The SPEAKER pro tempore. The gentlewoman qualifies.

Mr. HAYS. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS. Mr. Speaker, this bill, H.R. 8666, is essentially a codification of laws already on the books: The Fulbright amendment to the Surplus Property Act of 1944; the U.S. Information and Educational Exchange Act of 1948; the International Cultural Exchange and Fair Trade Participation Act of 1946; the Finnish Debt Payments Act of 1949; and parts of Public Law 480. The latter two, strange as it may seem, the Finnish Debt Payments Act and the parts involved of Public Law 480, are those which deal with the exchange of students and teachers.

The President has set up in the Department of State the Bureau of Educational and Cultural Affairs, headed by an Assistant Secretary. The administration of all of these laws is now under his jurisdiction. Pulling them together would not change his jurisdiction.

The bill does not set a ceiling on appropriations, it merely provides the authorization. Each year the Appropriations Committee and the Congress will determine how much is to be appropriated. In fiscal 1961 appropriations for various programs covered by this bill amounted to about $37 million.

I might say to you that I think this bill probably has more potential good in

it for the United States and its foreign policy than any particular piece of legislation we might consider. This bill gets at the young people by promoting exchanges, by permitting some of them to come to the United States to be educated, and by permitting our students and teachers to go abroad for language and other essential training.

I would point out to you, and I hope not to take too much time although I want to answer any questions if I can, that less than 10 percent of the foreign students in the United States come here under any kind of exchange program. The other 90 percent come under various private capacities, under grants from universities and colleges, under private foundations, and thousands of them come on their own. The only thing this bill does for the 90 percent that do not come under the Government program is to provide that there can be set up some counseling and guidance services, which I think are essential in order that we get the most good out of the 90 percent who are coming here under their own power.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Illinois.

Mr. DERWINSKI. If I understood the gentleman correctly, there are committee amendments that are going to be offered to the bill, as we now have it, in other words, perfecting amendments?

Mr. HAYS. That is correct. Most of those amendments I would say to the gentleman are technical amendments with the exception of one amendment which I discussed with the gentleman from Georgia [Mr. JAMES C. DAVIS]. The bill did have provision for 8 supergrades. Judge DAVIS tells me he is bringing a bill out of his committee to provide for a number of overall supergrades throughout the entire Government. Therefore, we have included the amendment striking out the supergrades involved in the bill with the exception of three that are already there that the State Department has, but which are not new positions but are only involved in the transfer under the present title under this particular piece of legislation.

Mr. DERWINSKI. I thank the gentleman.

Mr. THOMPSON of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. Mr. Speaker, I think the gentleman has done a great service in bringing this bill up in this form. One part of it is actually an extension of what was a temporary program initiated by President Eisenhower which was called the President's emergency fund for cultural exchange. This was made permanent. The rest of this legislation is, in my estimation, soundly conceived and is a great and permanent part of our foreign policy.

Mr. HAYS. I thank the gentleman from New Jersey for his contribution.

Mr. Speaker, in concluding my remarks at the moment, I would point out that this bill was considered and hearings were had before the subcommittee. I want to thank the members of the subcommittee for their good attendance at the hearings. We never failed to have a quorum and it was not difficult to get a quorum. No one appeared in opposition to the bill. The bill was read line by line and word by word by the subcommittee through five long sessions. Amendments were offered and discussed.

I would like to pay tribute to my colleagues on the minority side, the gentlewoman from Ohio [Mrs. BOLTON], the gentleman from Indiana [Mr. ADAIR], and the gentleman from Connecticut [Mr. SEELY-BROWN]. Amendments were offered in the subcommittee which it was thought would strengthen the bill, and they were adopted. My fellow members on the committee whom I have mentioned along with my colleagues on the Democratic side were unanimous in support of the bill. The bill was reported out of the full committee unanimously.

Mr. Speaker, there are two other matters I think I should touch upon. There was a provision in the bill for certain changes in the Immigration Act. We sent the language down to the Subcommittee on Immigration headed by the gentleman from Pennsylvania [Mr. WALTER]. His committee studied the language and rewrote the language and our committee adopted it in its entirety without any change whatever.

There were some changes in the Internal Revenue Act, but we were unable because of the limitations of time to work that out with the Committee on Ways and Means so we struck that out entirely.

Mr. Speaker, there has been a great deal of criticism around here about bills being sent up from downtown. This bill was not sent up from downtown. This bill was written here on the Hill, largely under the direction of Senator FULBRIGHT and the staff of the Foreign Relations Committee of the Senate. The bill came to the House from the other body. We changed it substantially in some respects. We have what we think is a sound bill, and one that anybody can conscientiously support.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Illinois.

Mr. COLLIER. I notice in the report it says that 53,107 foreign students are in the United States plus 1,858 who are studying, I presume, under a Government-administered program. Has any survey or study been made of what these students do when they return to their respective countries? In other words, do they perform basically the function that the Peace Corps proposes to perform?

Mr. HAYS. I am glad the gentleman brought that point up because this is a matter that is of considerable concern to the committee. We have written in language to provide for exactly that, so that we can keep in contact with these people who come in, as to where they are when they go back home, so that they just do not disappear from sight forever.

We hope to think that of this number that the gentleman has read, the great majority that came here under private sponsorship, that they are a great potential source of good for our country. And, we have provided that the State Department can use some of their funds to keep in touch with them. They have the authority to send a year's subscription to one of our magazines or something of that kind and try to use this great potential source that we may have in any particular country.

Mr. COLLIER. I have no quarrel with that. I was simply curious to know. Let me say to the gentleman from Ohio, because I have had, as I think many Members of this House have had, these students come in, and after they have been here for a while ask for private bills so that they can stay here.

Mr. HAYS. We have taken care of that. The language is identical as it was; that they have to go back if they come in under Government auspices; they must return for 2 years before they can be eligible under any circumstances as permanent residents.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from North Carolina.

Mr. JONAS. Has the gentleman read the recent book entitled "A Nation of Sheep," by William J. Lederer, the man who wrote "The Ugly American"?

Mr. HAYS. No; I have not. I have heard of the book and I hope to get hold of it. I read "The Ugly American," and I have a good deal of regard for the author.

Mr. JONAS. I am moved to ask the question because the author of this book is quite critical of the way the exchange program operates. He charges that many of the exchange students brought to this country come from politically prominent families or people with influence, or from the so-called uppercrust of society and few, if any, from ordinary families from the rural communities, and therefore when they go back home they do not take the American story to the remote sections of their countries where the masses live.

Mr. HAYS. We have tried to write in the language of the bill language which would improve the selection. But, I would say to the gentleman as to the 90 percent who come here under their own power, there is no way in the world that we, as a government, can influence that selection. But, we certainly have tried to write in language which would impro.e our selection program.

Mr. SEELY-BROWN. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. I might point out that what the gentleman has said is very true, because 90 percent of our exchange students are privately financed and only 10 percent come here by way of outside governments and by ourselves.

Mrs. ST. GEORGE. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, 5 minutes is not a great deal of time to do very much with this bill.

According to the report, this bill claims to pull together existing laws that are primarily concerned with the educational

and cultural aspects of our exchange programs, and yet we find in the report and the same paragraph, that this bill does not touch many other exchange programs of Government agencies, such as ICA, AEC, and NIH.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. No, I cannot yield, because my understanding is that time for debate on this side is going to go to the proponents of the bill when it ought to go to the opposition.

Mr. HAYS. The gentleman is exactly right. We could not cover the waterfront.

Mr. GROSS. Why not cover the waterfront—I do not make that in the form of a question—if there is to be a revision, then it ought to cover the waterfront of all these cultural outfits. Here is a bill that calls for initial spending of $40 million. On page 2 of the bill the President is authorized to provide, by grant, contract, or otherwise, for cultural exchanges by financing:

> Visits and interchanges between the United States and other countries of leaders, experts in fields of specialized knowledge or skill, and other influential or distinguished persons.

Whoever they may be.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. No, I cannot yield.

Mr. HAYS. I will yield the gentleman an extra minute.

Mr. GROSS. Yes, I yield if you will give me an extra minute.

Mr. HAYS. I will say to the gentleman that all the things he has read are in present law.

Mr. GROSS. I do not care whether it is in law past, present, or future. What is important is what we vote on today.

And then the bill goes on to provide financing for "U.S. representation in international artistic, dramatic, musical, sports, and other cultural festivals, competitions, meetings, and like exhibitions and assemblies." This is unlimited.

Then on page 18 this shotgun provision. This is section 108(a) I am reading:

> SEC. 108.(a) Whenever the President determines it to be in furtherance of this act, the functions authorized in section 102(a)(2) and (3) may be performed without regard to such provisions of law or limitations of authority regulating or relating to the making, performance, amendment, or modification of contracts, the acquisition and disposition of property, and the expenditure of Government funds, as he may specify.

Mr. HAYS. Mr. Speaker, will the gentleman yield again?

Mr. GROSS. If you will give me another minute.

Mr. HAYS. I have already yielded you 1 minute and have used only 10 seconds.

Mr. GROSS. All right.

Mr. HAYS. I will say again that language is in the present Cultural Exchange Act; it only continues what is the present law.

Mr. GROSS. Also you provide for a board, a commission, and a committee——

Mr. HAYS. All of which are provided for already and are already permanent law.

Mr. GROSS. With unlimited authority to spend money on important people or prominent foreigners, whoever they may be. You not only bring thousands of foreigners to this country but you are going to transport them back home and give them money after they resume their residences in a foreign country.

The bill contains unlimited authority for the President to spend money. This entire $40 million scheme is unlimited. Do I understand that an amendment will be offered to strike just a few of the high-priced employees out of the bill?

Mr. HAYS. I said that in my opening remarks, that I had sent such an amendment to the desk and asked that it be included in the bill.

Mr. GROSS. The bill also provides for the hiring and transportation anywhere in the world of members of the creative arts, performing artists. This should take care of Tom Two Arrows and a host of other so-called performers.

Mr. HAYS. That is in the present law, too.

Mr. GROSS. What we need to do is get rid of the present law and also get rid of a few Tom Two Arrows, who have been chasing around all over the world at the taxpayers' expense. This bill is not going to do it. This bill simply perpetuates it with a shotgun proposal to give the President power to spend money any way he sees fit.

Then I note this little gem on page 5 of the report:

> As an assurance against indiscriminate use of this new authority, the committee has inserted language that the President must determine that the activities carried out under this subparagraph are in the national interest.

Now, that is just wonderful. Is there anything the President cannot determine to be in the national interest? Can you think of anything that he cannot or will not determine to be in the national interest?

Mr. BENNETT of Michigan. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. BENNETT of Michigan. If the things the gentleman is talking about are in present law what is the need of this legislation?

Mr. GROSS. You tell me; I do not know. The gentleman from Michigan has asked a most pertinent question and it will not be answered.

Mr. Speaker, this bill to promote one-worldism in the name of so-called culture, at a first cost of $40 million a year, will take us just that much deeper into the mire of deficit and debt. Where is it proposed to get the money to pay the bills for all these international tourists? Someday those who pay the bills in this country will rise up in their wrath and demand an end to some of this nonsense.

Mrs. ST. GEORGE. Mr. Speaker, I yield 5 minutes to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Speaker, it is rather delightful to have the opportunity of speaking for a bill which does not try to engulf everything in the world.

We very purposely did not put in this bill great numbers of cultural activities. The distinguished gentleman from Iowa mentioned three that were not put in—the ICA, AEC, and NIH I believe. We did not attempt to put those in. They can be put in next year if this works out well, could they not?

I wonder so often, Mr. Speaker, are we never going to have the breadth of view and the intelligence to try a little of something before we endeavor to do it all at once? It seems to me that we would be very wise with a number of these bills that are being brought here in the last hot days of a weary summer, when there is very little opportunity and less inclination to do any deep thinking, why not have some delayed effort, some trial matters, instead of trying to do it all at once in a great big bang? So I am glad we have not done that with this bill.

Mr. HAYS. Mr. Speaker, will the gentlewoman yield?

Mrs. BOLTON. I yield to the distinguished gentleman from Ohio.

Mr. HAYS. I would like to point out that what the gentlewoman says is true, and it would be my guess if we had included the things which the gentleman from Iowa criticized us for not including, he would have criticized us for putting them in.

Mrs. BOLTON. That might be. In any event, the situation is as it is. But we do give in this bill clear and positive legislative support to an area that is relatively new in the foreign affairs field—all that is embraced within education, science, and culture.

The bill reduces the multiplicity of bureaucratic offices involved in one exchange program. It puts the direction of some of our most important educational and cultural programs under the jurisdiction of the Assistant Secretary of State for Educational and Cultural Affairs.

It effectively relates the efforts of our Government with those of private institutions and organizations in order that all of them may direct their resources toward a strengthening of our educational exchange programs.

One of the ironies of the present day is that the greater our understanding and learning, the poorer are the means by which we can share this enlarged knowledge with others. This bill will improve our communications, not with governments but with people.

Mr. Speaker, I would suggest this is one of the wisest of courses. It has its problems, and it has probably its mistakes, but it is an honest effort to simplify.

Mr. LINDSAY. Mr. Speaker, will the gentlewoman yield?

Mrs. BOLTON. I yield to the gentleman from New York.

Mr. LINDSAY. Mr. Speaker, I should like to compliment the gentlewoman from Ohio for her very fine statement. I have examined this bill, from the first day it was introduced in the other body, with great care. I know the history of it,

how carefully it has been drawn. In my judgment, it is the best bill that the Committee on Foreign Affairs has reported to the House up to this time.

Mr. Speaker, I rise today to commend to my colleagues the proposed Mutual Educational and Cultural Exchange Act of 1961. This excellent legislation has already been enacted by the other body. Its purpose is to consolidate, expand, and simplify both the scope and the administration of our international educational and cultural exchange program.

The significance and rationale of international education lie in the fact that its principal purpose is to enhance mutual understanding between peoples, which in turn is an overridingly important factor in our foreign relations. The importance of cultural exchange for our foreign policy is increasingly appreciated both within our Government and among the American people. This, however, has not always been so, and existing law in large measure reflects the inadequate attitudes and concepts of the 1940's.

Our approach to educational and cultural exchanges has been piecemeal and sporadic. Existing legislation has not been brought in line with the fact that these programs are an essential part of our foreign relations. Yet if the need for mutual understanding between peoples was great 15 years ago, it is immeasurably greater now when many new nations have emerged to self-awareness and the hostility of great powers armed with nuclear weapons threatens to end in the destruction of our civilization. It has been said—and there is more truth than ever in it today—that "civilization is a race between education and catastrophe."

Our Communist adversaries are vitally aware of the possibilities for advancing their foreign policy objectives through educational exchange. A rapidly expanding effort by the Communist bloc in the exchange field is being heavily concentrated on the underdeveloped countries, particularly those of Africa and Latin America. The activities of the Soviet bloc in the use of education as an instrument of foreign policy are certainly not a valid reason for the United States to embark upon a crash program. Our educational exchange policies must be wisely and deliberately designed to advance our own positive interest in mutual understanding and not as an arid and panic-stricken reaction to Communist initiative. Nontheless, Communist activities do serve as a reminder of the foreign policy significance of educational and cultural exchange.

Our objective is sharply to be distinguished from the Communist design of shaping men's minds by education, by which they mean rigorous training in the sciences coupled with indoctrination in the canons of a harsh and fanatical ideology. Our international education program must indeed emphasize the practical and scientific knowledge which is so urgently needed by the peoples of new and underdeveloped countries, but it is even more important that our educational program undertake to develop men's critical faculties, to nurture the spirit of free inquiry, to teach men how, not what to think. The basic goal of our education, in our international exchanges as at home, is the cultivation of the free mind—free of ignorance and taboos, free of narrow conditioning and rigid dogma, free of shibboleth and blind tradition.

We have as much to learn as to teach in our educational exchanges with foreign nations. Our own survival and well-being in an interdependent world require an intimate knowledge of the politics, the cultures, the history, and the peoples of hitherto strange and distant lands, now brought close by the worldwide political and scientific revolutions of the 20th century.

It is my firm belief that the programs consolidated in H.R. 8666, sponsored by the gentleman from Ohio [Mr. HAYS], and in H.R. 8363, sponsored by myself, are wisely rooted in the realities of our time, in a basic recognition of the foreign policy significance of educational and cultural exchanges and of the mutual understanding which they foster.

Both we and the world have come a long way in getting to know each other in the years since World War II. The educational exchange program launched by the Fulbright Act of 1946 has been a relatively small-scale but significant effort to open new and urgently needed channels of communication and understanding between our own and foreign peoples. We have come far but attainment of worldwide mutual understanding is still a vague and distant goal. Ignorance and misconceptions of the United States still prevail in many parts of the world. We in turn are still neophytes in the world and our attitudes retain much of arrogance and parochialism.

Our current cultural exchange program has been successful and rewarding but it was shaped in a world that seemed far safer and simpler for Americans than the world of the 1960's. The Fulbright program launched in 1946 has been an exemplary success but, as Senator FULBRIGHT himself has said:

> An educational exchange program that was adequate to the world of 1946 must be substantially revised to adjust to the realities of the 1960's.

The peoples of the world—especially those of the emergent nations of Asia, Africa, and Latin America—are demonstrating an unexampled hunger for knowledge, for understanding, and for spiritual fulfillment. Our national interests are as intimately related to the intellectual aspirations of these peoples as to their hopes for a better material life. It is not an oratorical flourish but an assertion of cold reality to stress the fact that education and cultural communication are as fundamental an instrument of our foreign policy as is our massive program of economic assistance.

Since the adoption of the Fulbright Act by Congress in 1946, our educational exchange program has made it possible for more than 40,000 people to study the arts, the sciences, the histories, the languages, and the cultures of foreign lands. The program now covers 40 countries where it has served both to cement bonds of historic friendships and to forge new bonds where none had existed.

The exchange program was launched in 1946 on a modest scale. Foreign currencies acquired by the United States by the sale of surplus American war equipment were made available to finance study by Americans in the countries where such funds were acquired, and also to pay travel costs—but only travel costs—for foreign students and scholars to visit the United States.

Congress strengthened the program greatly, and especially its mutual aspect, by the enactment of the Smith-Mundt Act of 1948. This legislation authorized the appropriation of dollars to provide funds for foreign students in the United States. Previously, with financing limited to foreign currencies under the Fulbright Act, only transportation costs could be provided for foreign scholars coming to this country. The program was further bolstered by the Agricultural Trade Development and Assistance Act of 1954, which authorized the use for exchange programs of local currencies accruing from sales of agricultural surpluses abroad.

The exchange program enables Americans to go abroad and foreigners to come to the United States to engage in study at the graduate level, to teach in elementary and secondary schools, to lecture in colleges and universities, and to conduct postdoctoral research. It also provides for study by foreign nationals in American-sponsored schools abroad.

The educational exchange program is a joint governmental and private effort. The financial support provided by nongovernmental organizations in 1958, for example, matched Government expenditures. Moreover, many universities have come to count on Fulbright travel grants as supplements to their own scholarship programs for foreign students. Fully three-fourths of the Department of State's grantees receive only travel grants and rely on private American scholarships for most of the funds needed for tuition payments and living costs. In addition, the administration of the program depends not only on Government organs but on a number of private organizations such as the Institute for International Education with its offices in New York City.

In terms of generating good will, knowledge, and understanding the exchange program has been a better than partial success. What is needed now is an expanded program that builds on the accomplishments made possible by the Fulbright Act of 1946 and by the Smith-Mundt Act of 1948. The necessity for a revised and expanded program rests on the enormous changes in the world which have occurred since the 1940's—the mounting conflict between the Communist powers and the free nations, the proliferation of new weapons and new delivery systems which pose the threat of destroying civilization and perhaps all life on this planet, and the explosive awakening of the long quiescent peoples of Asia, Africa, and Latin America.

Our cultural and educational programs must be increasingly reoriented to the peoples of these underdeveloped lands. They may very well hold the key to the future shape of the world and their desire for knowledge, for enlightenment, and for a better life is as powerful a force as exists in the world of the 1960's. We are provided thus with a formidable challenge—and an unexampled opportunity—to assist the emergent peoples in the attainment of their legitimate and worthy aspirations. It cannot be emphasized too strongly that our own interests are inseparable from their success.

It is thus imperative that we substantially revise and expand our educational exchange programs. Despite the dollar appropriations authorized by the Smith-Mundt Act, the programs are still forced to rely heavily on foreign currency holdings. The result of this has been a heavy emphasis on exchanges with Western European countries and insufficient programs for Asia, Africa, and Latin America. In the fiscal year 1960, for example, exchange programs were carried out with only 23 out of a total of 72 non-Communist countries outside Europe. There were no exchanges whatever with any of the independent countries of Africa south of the Sahara.

It is imperative that we act promptly to assist the countries in development in meeting their urgent needs for teachers, technicians, scientists, engineers, agronomists, and trained persons in many other fields. Without sacrificing valuable exchange programs with Western Europe and without cutting back the extremely important outflow of American students abroad, we must focus our exchange effort in the 1960's on bringing to the United States substantially greater numbers of qualified students and scholars from the developing countries of Asia, Africa, and Latin America.

For all of the compelling reasons that I have here attempted to set forth, I recommend strongly to my colleagues the prompt enactment of the new educational and cultural exchange legislation already adopted by the other body and sponsored in the House by the gentleman from Ohio [Mr. HAYS] and by myself. The purposes of this bill are to consolidate many disparate provisions of law governing the exchange program, to increase the size and scope of the program—especially with respect to the countries of Asia, Africa, and Latin America, and to provide means of financing the program that are both more flexible and more adequate. The bill will reinforce the reciprocal character of the exchange programs by encouraging financial contributions from prosperous friendly foreign nations. One of the most useful, and economical, provisions of the bill is its specific authorization of appropriations for long-term programs, thus overcoming the difficulties posed by the existing requirement that obligations be fulfilled during a single fiscal year. Another very constructive provision of the bill is the authorization of small additional expenditures for payments to educational institutions for assistance in language training, orientation, and counseling programs for foreign students. This provision will help to overcome the difficulties and hardships which many foreign students have encountered in adjusting to life in a strange land, in using English as a language of instruction, and in such problems as finding adequate housing at reasonable rentals.

Among other wise and significant provisions of this legislation is its recognition of the importance of the dramatic arts as an integral part of cultural exchange. The bill provides for the continuation of the existing Advisory Committee on the Arts, with the responsibility, among others, to advise on the role and use of the arts in cultural exchange programs. In addition, the President is authorized to provide for foreign tours by creative and performing artists and athletes, American participation in international artistic, dramatic, musical, sports and other cultural events abroad, and also for participation by foreigners in similar programs in the United States.

A particularly needed improvement in the exchange program is provided by the amendment of the Immigration and Nationality Act so as to allow the spouses and children of visiting students and scholars to come into the United States under visa provisions similar to those applying to the grantees themselves. Under existing law members of a grantee's family must enter on visitors', as distinguished from student, visas, which frequently means that they may not be admitted for periods of the same duration as the grantees. The act would be amended so as to remove this cause of hardship and thus permit grantees and their families to come and remain in the United States together.

Educational and cultural exchange is as fundamental—though far less costly—an instrument of foreign policy as our massive programs of defense and foreign aid. More perhaps than any other instrument of our foreign policy, educational exchange aims directly toward the realization of our highest purpose—the building of a community of free and enlightened nations.

Mr. HAYS. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. FARBSTEIN].

Mr. FARBSTEIN. Mr. Speaker, in listening to the debate here today it would seem because we are trying to show our way of life to some people in foreign countries, you would think that we were guilty of subversion.

What we are seeking to do here is best shown by a letter which was sent to the committee by the Secretary of State. I shall read a paragraph of this letter, which shows how necessary this legislation is:

> The legislative base on which these programs have been operating is a patchwork of laws passed at different times during the last 15 years to meet varying requirements. The need for a consolidation of these laws into an orderly rational pattern was never more urgent than now. H.R. 8666 will satisfy that need. It will strengthen existing programs and provide for flexibility in administration. It will also give the executive branch the additional authority it needs to maintain the advantage that the United States now has in this field, where competitive efforts by the adversaries of a free society are continually increasing.

Now, let me suggest to the House that there will be very little in the way of funds used. Counterpart funds which have been generated through the years will be used wherever possible. It will cost this government little in comparison to the monies that are expended in the normal course of events in foreign assistance. Let me repeat to the membership of the House that much of the money spent will be counterpart funds.

Mr. Speaker, we have heard a lot about checking on these people once they have returned to their native land. All we intend to do under those circumstances is to help one who has come here and has studied in this country and who has returned to his own home, to try to get together with others in his community who have done similar work so we can send them some of our periodicals in order that they may disseminate information about our way of life to those who reside in the nation where they live. All we are seeking to do is to advertise the fact that we in this country run a decent country, and that we live in as free a way as possible.

Mr. Speaker, it seems to me that this bill should pass unanimously.

Mrs. ST. GEORGE. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. DERWINSKI].

Mr. DERWINSKI. Mr. Speaker, since H.R. 8666, along with numerous other bills today, is being processed under suspension of the rules, an amendment would be out of order. I feel it necessary to call to the attention of the House certain inconsistencies in the operation of the cultural exchange program that I hope the committee will consider and I certainly hope will adopt in the coming years.

I wish to direct your attention to section 109, amending the Immigration and Nationality Act, and I call your particular attention to subsection (e) which provides that a foreign exchange student who acquires his training and skill in the United States may return to this country for admission as a permanent resident after spending 2 years out of the country upon his departure after completing his training program.

Mr. Speaker, we have been told on numerous occasions that the purpose of training foreign students here in the United States is that they will return to their native lands and use their newly acquired skills and knowledge to advance living standards in their native countries. Certainly, when they acquire permanent residence in the United States to practice their skill they in effect violate the intention of the cultural exchange and education program.

I am positive that many Members of the House have shared my experience in receiving requests to introduce private legislation to establish permanent residence for exchange students here in the United States. Many of them come to this country with no intention of returning to their native lands once educated here and use every conceivable gimmick to remain.

Mr. Speaker, had this bill been brought to the House under normal procedure, I was prepared to offer an amendment requiring that the student reside in his native country for at least 5 years following his departure from the United States so that for at least that nominal amount of time the people of his native land could benefit from his acquired skill.

I certainly hope the Foreign Affairs Committee will give this matter its earnest consideration so that a practical solution could be forthcoming to adjust the abuses now prevalent in this program.

Actually, Mr. Speaker, I support the bill, although I feel, in the spirit of constructive criticism, that some of the demerits or the weaknesses ought to be pointed out to the House in the hope that perhaps in years to come they might be perfected. For example, there is the question of exchanges of artists and the American performers. We could take the American Olympic track team and send it throughout the world. Their tour would be of benefit in creating good will of people toward our country. I am not so sure that sending a few of our eccentric artists or characters from the entertainment world around other parts of the world at Government expense is helpful to the image that we want people to have of the United States. I merely point that out as a constructive thought.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Ohio.

Mr. HAYS. I think there is room for debate about certain art exhibitions—I mean by that the theater arts and so on. I would say to the gentleman that we did put in the report the expression that the committee understands that when these are sent abroad the only expense the Government would pay would be the difference between the official fees and what it actually cost to send them. In other words, we are not going to subsidize them and have them make a lot of gravy on the side.

Mr. DERWINSKI. Mr. Speaker, I would like to point out on page 16 of the committee report the language wherein there is discussed the Immigration Act amendments. During the 3 years that I have served in the Congress, I have been requested on four occasions to introduce private bills to keep in this country doctors who have come from abroad, studied in American schools, and then decided they did not wish to go back to their native lands. I can understand if a man reaches this country and studies, for example, English, and then is offered a job as a professor teaching history in this country at one of the outstanding universities—I say this is fine, and he should stay here. But if he gets admitted into this country and we educate him in the humanitarian sciences such as medicine, dentistry, and so forth, I think we should write into the law sufficient safeguards so that he does return to his country and works in his particular field.

I see, for example, according to the committee report, that students from the Philippines, Iran, and Turkey go to Canada to serve their 2-year period rather than return to the United States.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman.

Mr. WALTER. The matter the gentleman mentions is adequately dealt with in this bill. The language employed was recommended by the Committee on the Judiciary for the purpose of eliminating the evasions of obligation to serve the basic aims of the program. The language of section 109 of this bill is consistent with the basic Immigration and Nationality Act. Under it an exchange student cannot have his immigration status adjusted, he cannot become a permanent resident until after he had returned to his own land and remained there for a period of 2 years thus complying with what we believe is his obligation freely assumed when he accepted assistance in order to come and study in this country. If he goes to some other land instead, this Government will determine, before readmitting him, whether that has served the purpose of the bill before us.

Mr. HAYS. Mr. Speaker, I yield myself 2 minutes to answer a question of the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. On page 10, line 22, there is the language:

> Appropriations to carry out the purposes of this Act, to remain available until expended, are hereby authorized—

Then I find in the report on page 3 that the estimate is $40 million. What appropriations are authorized?

Mr. HAYS. It is an open-end appropriation which is not unusual, and the Committee on Appropriations determines the amount. We just say appropriations are authorized to carry out the act. This year I do not know what they asked for, but what they got from the committee was $37 million. The $40 million figure is in there merely because that is what they told us they were going to ask for next year.

Mr. HOFFMAN of Michigan. But there is no limit in the bill?

Mr. HAYS. No; but I have every confidence in the gentleman from New York [Mr. ROONEY] and his committee, that they will not exceed the bounds of propriety.

Mr. COOLEY. Mr. Speaker, will the gentleman yield for a question?

Mr. HAYS. I yield to the gentleman.

Mr. COOLEY. We have had these exchange programs in operation for many years, as the gentleman has said. Reference has been made to the language in this bill. I would like to inquire whether or not we have had a program of exchange of legislators or parliamentarians?

Mr. HAYS. I would say that under the distinguished persons section as the gentleman knows, there are parliamentarians coming here all the time. I have them in my office every month, and sometimes it seems like every week.

Mr. COOLEY. I understand, then, the gentleman is saying that under this language in the bill it would be possible to have an exchange of parliamentarians between different countries?

Mr. HAYS. I think it would.

Mr. COOLEY. But have we ever had any parliamentarians abroad visit here? I know we have had some each year, but have we ever sent any group of parliamentarians from this country to other countries?

Mr. HAYS. We have sent them to meetings; for example, the British Commonwealth Association meeting. We have sent them unofficially from the Committee on Foreign Affairs, but not on an official basis.

Mr. COOLEY. I might say that I am prompted to ask this question because of correspondence I have had recently with a friend of mine in North Carolina who suggested that it would be well to have such a program of exchange of parliamentarians.

Mr. HAYS. I thank the gentleman for his suggestion.

Mrs. ST. GEORGE. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Speaker, in my opinion, this is a good piece of legislation. In addition to the reasons which have heretofore been set forth in support of it there are some others that might be mentioned. In the first place, this does encourage person-to-person contacts which I happen to think are very valuable. This is one of the effective means by which we can establish understanding and good relations with other nations and their people.

Secondly, mention has been made of the fact that there has been an Assistant Secretary in the Department of State assigned to Educational and Cultural Affairs. He will bring together in his office most of the matters relating to this bill, so there will be one place to which people can turn for information in this respect.

Thirdly, it has been pointed out that we have extended services to students and other such persons who come to this country. An amendment offered in the committee provides that we give counseling and guidance service to students from foreign countries who come to our Nation. And not only that, but we will follow those students and try to maintain contact with them, when they return to their native lands, as a reservoir of people who understand our Nation, its philosophies, and our love of freedom.

Next, we have also written in an additional provision which would permit the sending of our teachers abroad to make studies of languages, and those studies which are grouped together under the term "area studies." This will permit them to return to this country qualified to be better and more proficient teachers and instructors.

Then, too, I think not sufficient mention has been made of the fact that in this legislation we do continue aid to American-sponsored schools abroad. Certainly those schools, of which the American University at Beirut is an outstanding example, have contributed notably to our foreign relations. They permit students there to get a feeling for American philosophy, the American way

of life. In many instances they permit the student to get information and education much nearer to his native land than would be possible if he had to travel to the United States.

So, Mr. Speaker, for these and other reasons I feel that this drawing together of several existing laws is a notable step in the right direction. It provides an excellent piece of legislation and should have our support.

Mr. FRELINGHUYSEN. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Speaker, I would like to commend the gentleman from Indiana for a fine statement. I too would like to express my interest in, and support for, this bill. Serving as I do as with the Committee on Foreign Affairs, which considered the provisions of this bill in detail, and on the Committee on Education and Labor, I have a particular interest in the programs provided for under this bill.

As has already been said, this bill is essentially a certification of a variety of laws already on the books. As such, it should generate little opposition, for here is wide understanding of, and strong support for, the different kinds of person-to-person contacts envisaged. This codification of a number of these programs will facilitate better consideration and increase their effectiveness.

With the cold war apparently with us indefinitely, a greater understanding of the American way of life by citizens of other countries can be of real value. Even were international tension to relax—and I regret that this does not seem likely—it will be important for the United States to continue to provide educational opportunities for our young friends overseas, and to develop cultural exchanges between this country and others.

These programs, coupled with far more intensive efforts of a nongovernmental character, form part of an accepted and essentially constructive national tradition in which we all can take justifiable pride.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Ohio.

Mr. BOW. Can the gentleman tell us how much the cost of the program has been increased by this legislation?

Mr. ADAIR. The cost of the programs in the last years has been approximately $36 million.

Mr. BOW. The Subcommittee on Appropriations, of which the present occupant of the chair [Mr. ROONEY] is the chairman, and the gentleman from Ohio, the ranking minority member, have passed on these appropriations in the past, but does this add anything additional?

Mr. ADAIR. We have estimated that the cost of this program might be $40 million a year.

Mr. BOW. Where does that additional expenditure come in?

Mr. ADAIR. It could be spent anywhere within the provisions of the bill.

Mr. BOW. Have you any new programs?

Mr. ADAIR. There are some new programs.

Mr. BOW. That is what I want. What are the new programs?

Mr. ADAIR. I just pointed out some. For example, there is increased authority to send teachers abroad to further their education, particularly in the field of languages. I do not believe this bill appreciably, using that term in a comparative sense, will increase the cost of the programs. We are relying upon the gentleman's subcommittee to use its very sound discretion in the amount of money that is to be made available.

Mr. BOW. The gentleman has made some remarks about the Assistant Secretary of State. That is not under this bill, but that already is in existing law; is it not?

Mr. ADAIR. Yes.

Mr. HAYS. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Speaker, I wish to congratulate the Committee on Foreign Affairs and particularly the chairman of the subcommittee, the author of the bill, the gentleman from Ohio [Mr. HAYS] for an excellently done job.

It so happens that legislation pertaining to international educational exchange is within the jurisdiction of the Committee on Foreign Affairs. However, the Committee on the Judiciary continuously has private legislation before it affecting exchange students and exchange visitors admitted to this country under legislation of this type. It is most gratifying that the Committee on Foreign Affairs had found it appropriate to consult with the Committee on the Judiciary regarding the immigration provisions of this legislation as they are contained in section 109 of the bill before us. We were most happy to cooperate and we feel certain that the provisions of the House bill, free of the many deficiencies of the Senate companion bill, S. 1154, will be placed on the statute books. I wish to encourage my friends on the Committee on Foreign Affairs to insist in conference on the provisions of section 109 of this bill which will eventually, under the terms of this legislation, become a part of the Immigration and Nationality Act for which the Committee on the Judiciary is responsible.

Mr. COOLEY. Under the present program, if I understand it, they are not permitted to remain in this country. I had a case exactly in point recently of a young doctor who was educated here and wanted to remain here.

Mr. WALTER. Of course, the young doctor, the gentleman is speaking of came here at the expense of his own government or our Government, and was educated at the expense of his own government, or our public or private institutions and he certainly had an obligation to go back and serve his countrymen for at least 2 years.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mrs. ST. GEORGE. Mr. Speaker, I yield 1 minute to the gentleman from Connecticut [Mr. SEELY-BROWN].

Mr. SEELY-BROWN. Mr. Speaker, during my congressional service probably no bill has given me a greater sense of satisfaction than the mutual educational and cultural exchange bill now under consideration. I am a member of the subcommittee that heard the testimony of educators and members of the performing arts as well as executive branch personnel who handle the numerous administrative tasks connected with our exchange programs. This bill has had the unanimous endorsement of all these individuals. Those who could not appear submitted statements for the record. After the testimony was completed, the subcommittee considered the bill section by section. It is a carefully considered measure and merits the support of this House.

It was not alone the unanimity of expression by the witnesses that determined my support. My support stems in large part from my own experience. I grew up on a college campus where I had an opportunity to sense the quest for knowledge, the desire to sharpen thought through the exchange of ideas. Later, as a student and then as a teacher, I shared these attitudes that I had seen as a boy on a college campus.

As others have noted, this is a comprehensive bill. Much of existing legislation that is now scattered through numerous statutes is brought together. Some provisions are new; others are an expansion of authority to carry out particular programs.

One of the most important features is the coordination and responsibility it provides for our multiple exchange efforts. The bill does not disturb the many exchange relationships that our private institutions have developed. But it does offer the services of the Government, should they be desired, to make these relationships more effective and meaningful. Some may criticize the bill because it sets no dollar ceiling on the programs. I would only remind these critics that the money must be appropriated annually, thus assuring Congress control of the dimensions of the programs.

I think it important for the House to have some idea of the exchange programs in which we are presently engaged in order that there may be a better understanding of what this bill hopes to accomplish. The word "exchange" is one of convenience rather than of precision for the larger flow is to the United States. While there is an element of reciprocity, it is not a 1-for-1 arrangement. Last year about 54,000 foreign students came to the United States. They comprised about 1.5 percent of our college and university population. By way of comparison, foreign students in Britain and France made up 12 percent of the student body; in Switzerland and Austria the figure was 30 percent. The reverse flow saw about 16,000 Americans go abroad for university study, less than one-half of 1 percent of our students.

The foreign students came to the United States from 141 countries and political areas and attended more than 1,700 institutions in this country. The largest group, as might be expected,

came from Canada. But the next seven largest nationality groups came from Asia and the Middle East. At the bottom of the list was Africa. Engineering and the humanities were the principal fields of study, followed in order by the natural and physical sciences, social sciences, business administration, medical services, education, and agriculture.

One noticeable trend directly related to this bill is the decline in recent years of self-supporting foreign students. About 90 percent of those who came to the United States received no assistance from our Government. About one-third were fully self-supporting. The balance received their support from their own government, from private organizations and foundations and from our institutions that admit them. This is a serious situation if we believe that our exchange programs are important to our national interest. It becomes more so if we consider that the less-developed countries with limited or no foreign exchange will have to rely on external assistance to send abroad their promising youth. All of our technical assistance to these countries will be of little value if we do not provide the underpinning of education that will make their development effective.

Figures for American students abroad are more difficult to obtain. The most recent study shows that American students were in attendance at more than 500 institutions in 62 countries. But 70 percent were studying in Europe, 12 percent in Canada, and 10 percent in Latin America. Almost half were studying in some branch of the humanities.

No less significant is the exchange of advanced scholars—professors, lecturers, and researchers. More than 2,500 were in the United States last year affiliated with 278 colleges and universities. They came from 79 countries, but about half were Europeans. American scholars abroad totaled about 1,800 from 339 American institutions. They went to institutions in 87 countries, but again about half were in Europe.

A more recent exchange trend is that of teachers in primary and secondary schools. About 200 will teach in American schools across the country this year while an equal number of American teachers will teach abroad. This is a type of exchange that gives great promise not only in educational benefits but in community understanding. The bill we are considering will strengthen that particular program.

I have mentioned briefly only the larger and perhaps better known exchange activities. They are the ones that will be most affected by the provisions of H.R. 8666. But they do not exhaust the list of our Government's exchange programs. Last year, under the International Cooperation Administration's specialist and leader programs, about 6,800 foreigners came to the United States for travel and observation or study in a field of learning of immediate importance to them, for example, mining, agriculture, health, and public administration. On a more modest scale the Atomic Energy Commission, the Department of Health, Education, and Welfare, and the Federal Aviation Agency, to suggest a few, conduct programs for foreigners. Lastly, one must not overlook the role of the Department of Defense which has brought as many as 20,000 foreign military personnel to the United States in a single year. While their training is primarily military, many of the things they learn have an application in civilian life. Congress has recognized the role that the military can play. In the Mutual Security Act of 1959, it included this observation:

> Administrators of the military assistance program shall encourage the use of foreign military forces in underdeveloped countries in the construction of public works and other activities helpful to economic development.

In supporting this bill my major interest is not upon increasing the number of individuals we bring to the United States or that we send abroad. There will, of course, be some increment as the educational requirements of the outside world mount. But I do not believe that the mere migration of bodies will achieve our national objectives. My concern is with the quality of the individuals we bring here and the quality of the education they receive. The Assistant Commissioner of International Education recently stated:

> The success of exchanges, as an instrument of international policy, depends on many factors, including the kind of people selected, their orientation, and the programs planned for them.

I share these views.

English is a world language; this gives us an advantage over the Soviets who must first teach a language generally regarded as difficult and which does not have the currency of English. Many foreign students have a command of English sufficient for their daily life at home. But their competence is frequently insufficient for the level of instruction they seek in this country. Our first task then is to make certain that exchanges have a mastery of English. Where that it not readily available, it will be to our advantage to set up or strengthen existing programs of English instruction.

The newer countries can spare only a limited number of their best people for the educational experiences offered by the United States. We must, therefore, guide their choice of studies into areas that will give a sense of national rather than personal satisfaction. The individual who wants to study comparative literature may be far less essential to his country's development than the student of agriculture; the theoretical physicist must give way to the primary school teacher. These are problems that are complicated by the diversity of educational patterns in this country. For the foreigner they can be handled only through adequate counseling and guidance. One of the strongest features of this bill is the emphasis it gives to these essential services, not only for those coming under Government sponsorship but to those who come under auspices.

This bill is not a cure-all for the present shortcomings of the exchange programs. Our committee report makes this clear. But it is a necessary first and modest step toward strengthening them. It gives clear and positive responsibility and direction to them. After the program has had a chance to shake down, we will make an appraisal of its accomplishments. I know our subcommittee will follow closely its operations. Should further legislative action be necessary, the House may be assured that our subcommittee will make recommendations to that effect. We are determined that our exchange efforts will be responsive to our national objectives.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. SEELY-BROWN. I yield to the gentleman from New York.

Mr. BARRY. Mr. Speaker, lack of understanding is the greatest threat to pacific relations among members of the human race. It is lack of understanding that creates fear, fear of the unpredictable. When we understand our fellow man fear gives way to concern.

The greatest impediments to understanding in the present world are lack of education and the existence of closed societies—societies which will not permit their educated members to learn to understand the rest of the world. Every ray of comprehension, every chink in the wall, should be expanded to the greatest possible extent. We must maximize every opportunity to get through to those who lack educational sophistication or contact with our way of life. If these impediments can be overcome, we will have a different and a much more quiet world.

It is lack of understanding, too, that causes a nation to fail to meet the challenge which the times present. We, too, must learn—we must learn so that we can better meet this challenge. If all of us would truly come to understand this world's problems, our efforts in the cold war would be more effective and crowned with more immediate success.

The basic purposes of this bill are to enable others to better understand us and to give us a better understanding of the needs and philosophies of other people. It is in most regards an improvement on the legislation that presently exists in this field. It simplifies that legislation and adapts it to better meet the present needs. It is another step along the path to mutual human understanding. It deserves our support.

Mrs. ST. GEORGE. Mr. Speaker, I yield 2 minutes to the distinguished majority leader, the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I have asked for this time to make a very brief statement about the remaining legislative business that is expected to be considered under suspension of the rules today. We have had very fine discussion of the measures that have been before us. One matter was objected to on the Consent Calendar, but I think we can dispose of that. There are five more bills, as I understand from the Members of their respective committees on our side of the aisle on which there is quite substantial agreement. One bill is from the Committee on the Judiciary having to do with the entry of eligible alien orphans. There are two bills from the

Committee on Banking and Currency which our people on the committee tell me should only take a few minutes to explain. There is one bill with reference to the education of war orphans on which I likewise understand there is substantial agreement. There is also a bill on railroad retirement which our people on the committee tell me should only take a little while to dispose of.

Mr. Speaker, I just mention this to indicate that we could get through within a reasonable time this evening and, of course, all these bills should be explained and understood by the membership. I do not know what further arrangements might be worked out with regard to suspension on other measures, but it would seem to me we could within a reasonable time this evening conclude action on at least the measures I have mentioned.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Florida.

Mr. HALEY. Did the gentleman include the bill, S. 200 in his statement? I think that bill could be disposed of very quickly.

Mr. HALLECK. So far as I am concerned, if we do not continue to too late an hour, I will say to the gentleman from Florida it is perfectly all right with me to consider a number of bills that could be disposed of quickly tonight. As I said, Mr. Speaker, I have not taken this time to shut off debate. Of course, no one has any such intention. I merely wish to indicate that on these matters on which there is substantial agreement where full explanation is made of the bills, if we could proceed with expedition, we could conclude our deliberations tonight at a fairly reasonable hour. Of course, it is not up to me to limit the list, but I just had some conversations and I have taken this time in the hope that we could get through here in a reasonable time tonight.

Mr. HALEY. I think if the gentleman will talk with members of the Subcommittee on Indian Affairs, he will find that this matter was unanimously reported out of the committee and was supported by the members on the gentleman's side.

Mr. HALLECK. They have spoken to me and I will say to the gentleman that I, for one, can see no reason why it could not be disposed of very quickly.

Mr. HALEY. I thank the gentleman.

Mr. HAYS. Mr. Speaker, I yield to the gentleman from Ohio [Mr. COOK].

Mr. COOK. Mr. Speaker, I rise in support of H.R. 8666, a bill designed to promote better mutual understanding among the peoples of the world through educational and cultural exchanges.

In the current struggle between the forces of democracy and communism throughout the world, no single instrument of foreign policy has as great a potential for good as does the educational and cultural exchange program. This program has promoted good will for the United States of America among those students who have visited our country and also among those abroad who have had occasion to meet the American exchange students who have visited their countries. Those in the State Department who have so efficiently carried out this program in the past are to be commended for the excellent job they have done.

However, the national interest now requires that the various programs, both public and private, be brought into a closer partnership. This bill will pull together the existing laws that are primarily concerned with the educational and cultural aspects of our various exchange programs. The result of this legislation should be a more effective program in this field of international relations and should continue to reap benefits for our country throughout the world.

Mr. HAYS. Mr. Speaker, I yield to the gentleman from Delaware [Mr. McDOWELL].

Mr. McDOWELL. Mr. Speaker, we note with especial satisfaction that the Department of State has lately been putting more emphasis in its program of the performing arts on academic groups. For experience has shown that our young university students can be among our best ambassadors. Not only can we astound the world with their cultural proficiency, which is a great gain in itself, but they are quick to make friends and give intelligent answers offstage.

In a little over a year, the State Department reported, they have sent academic groups to almost every part of the world, with tremendous results. One of our best choral groups, the Howard University Choir right here in Washington, went to 37 cities in Latin America and were hailed not only for their singing but for their splendid comportment and their lively interest in that continent. Other groups have gone to the Soviet Union and to the Far East, and another, the very professional Eastman Philharmonic of that famous School of Music at Rochester, will this fall begin a tour of Europe and we hope the U.S.S.R. that will extend for 14 weeks. Others have gone to the Far East, and everywhere we have sent our young athletes they have done us proud in all of their competitions and demonstrations.

This trend, the Department tells us, is increasing and many more will be fanning out in all directions in the year ahead. This is the way to show how democracy works, to send young America with its verve and skills and interest and intelligence. We applaud this trend, and think its volume must be increased.

In the field of the performing arts, which is one of the best ways to demonstrate abroad our cultural accomplishments, we have a huge potential which is just beginning to be recognized. That is the use of our academic groups—university students who excel as musicians, actors, and dancers.

We have tried groups like this, and have proof of their tremendous reception. When the Michigan University Symphonic Band went to Moscow last spring, young Russian students mobbed them with enthusiasm, standing late in the streets with them, asking questions about the United States. The Soviet papers reported that "the day the Michigan band spent at the Leningrad Conservatory will not soon be forgotten." The Russians were astounded at these representatives of young America, and could hardly believe their ears when they continued their triumphal tour of Minsk, Kiev, Odessa, and seven other Soviet cities—the most cities any sort of American group has ever played in. Our embassies in Moscow, in the satellites, in capitals of the Near East unanimously reported that these boys and girls were the best representatives, the best-disciplined, most courteous and most intelligent, of any performing arts group that had come their way.

Other groups have gone before, and their numbers are being stepped up for the year ahead. This is the way to reach the hearts and minds of the restless students of many doubtful lands. Let us be sure that we utilize our greatest natural resource—the leaders of tomorrow.

The State Department has long held the conviction that educational and cultural exchange is one of the most important and effective means available to this Nation in our continuing struggle to build a peaceful world in which freedom and justice under law will be the lot of all mankind.

I am proud to have been, together with the distinguished and able gentleman from Ohio [Mr. HAYS], one of the two House sponsors of this significant and enduring legislation.

My bill H.R. 5204, was identical to H.R. 5203 offered by our colleague from Ohio who has so splendidly and capably handled this legislation on the floor for the Committee on Foreign Affairs.

I include as part of my remarks a letter which a former colleague, now the Assistant Secretary of State, Brooks Hays, addressed to the chairman of our committee endorsing this legislation on behalf of the Department of State and the President:

DEPARTMENT OF STATE,
Washington, August 31, 1961.

Hon. THOMAS E. MORGAN,
Chairman, Committee on Foreign Affairs,
U.S. House of Representatives.

DEAR MR. CHAIRMAN: I have received your letter of August 29, 1961, requesting the views of the Department on H.R. 8666, to provide for the improvement and strengthening of the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges.

The Department has long had the conviction that educational and cultural exchange is one of the most important and effective means available to this Nation in our continuing struggle to build a peaceful world in which freedom and justice under law will be the lot of all mankind. This conviction is shared by the President and his administration. In order to carry out these programs effectively and to achieve the maximum impact, the executive branch must have a sound base of legislative authority from which to operate.

The legislative base on which these programs have been operating is a patchwork of laws passed at different times during the last 15 years to meet varying requirements. The need for a consolidation of these laws into an orderly, rational pattern was never more urgent than now. H.R. 8666 will satisfy that need. It will strengthen existing programs and provide for flexibility in administration. It will also give the executive

branch the additional authority it needs to maintain the advantage that the United States now has in this field, where competitive efforts by the adversaries of a free society are continually increasing.

In the Department's comments on earlier versions of the bill, H.R. 5203 and H.R. 5204, we recommended certain changes, many of which have been made in H.R. 8666. While in some respects H.R. 8666 in its present form does not fully accord with the views expressed by the Department, nonetheless it is a much-needed advance over existing law, and has our support.

On behalf of the State Department, I therefore strongly urge the enactment of H.R. 8666, whether or not the further adjustments favored by the Department are made, although we hope that in the course of the remaining consideration of the bill, the Congress will see fit to make these adjustments. I wish to take this opportunity to express the Department's appreciation and my own for the long and careful consideration which members of your committee have given to this most important legislation.

Time has not permitted us to obtain the advice of the Bureau of the Budget as to the relationship of the views expressed here to the President's program.

With high regards.

Sincerely,

BROOKS HAYS,
Assistant Secretary.

Mr. HAYS. Mr. Speaker, I yield to the gentleman from Connecticut [Mr. MONAGAN].

Mr. MONAGAN. Mr. Speaker, I rise in support of this legislation.

May I, at the beginning, congratulate the chairman of our subcommittee, the gentleman from Ohio [Mr. HAYS], for the skill with which he has brought this legislation through committee and to the floor. At the hearings and at the markup of the bill, he has been fair and tolerant and he has demonstrated a profound knowledge of this legislation and the foreign policy problems of the United States.

In the current contest with the Communists, guns and bombs are not the only weapons that are employed. We are also waging a war of ideas.

One of the insidious tactics of the Communist powers has been to create in the minds of uninformed people an image of the United States which portrays this Nation as a country of crass, worldly, and mercenary culture. In the struggle for survival, it is, therefore, our problem to dispel this misinformation and to make clear to the world the fundamentals upon which this Nation is based and to demonstrate the unique and profound culture that is characteristic of the United States.

It is just this sort of demonstration that will be brought about through the medium of this cultural and educational exchange program. There will be an exchange of teachers, of artists, of learned men, and of leaders. Through this exchange of culture and ideas, the people of the nations involved will get to know and appreciate one another better.

As an example of this exchange, I think of the tour which Hal Holbrook, the noted American actor and portrayer of Mark Twain, made through many of the countries in Europe and of the warm and enthusiastic response which his portrayal evoked in these countries, even in cases where the audience could not understand English.

I think also as another example, of a French schoolteacher from Paris who lived in Waterbury, Conn., for a year and taught in a high school in that city. She brought to Connecticut students a touch of the great culture of France and she, in turn, learned to know and appreciate American students and American families.

With a continuation of exchanges of this sort, the understanding between peoples will grow and the respect for one another will increase. And through this agency, the misrepresentation of our ideals and institutions which has been fostered by the Communists will lose its influence in the minds of other nations of the world.

Mr. KEARNS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KEARNS. Mr. Speaker, I would like to take this occasion to support the Department of State in its use of talented young people from our colleges and universities in our cultural exchange programs.

I was astounded to find that not a single leader from the music, drama, and other fine arts departments of our colleges and universities was recorded as testifying on this bill before the House Foreign Affairs Committee, or the Senate Committee on Foreign Relations.

Father Gilbert Hartke, of Catholic University's famed drama department; Prof. C. Robert Kase, of the University of Delaware's drama department; Dr. Jack Morrison, of the theater arts department of the University of California at Los Angeles; Dr. Howard Hanson, director of the famed Eastman School of Music at the University of Rochester; these and many other distinguished educators from the fine arts departments were either not invited, or no attempt was made by the committee to see that this important aspect of our Nation's educational life was heard. But what purpose did these committees have in hearing only from the professional aspects of the cultural exchange programs and in not hearing from a single great cultural leader who teaches in our colleges and universities?

We are fortunate, indeed, in having young people of great talent and ability in our leading educational institutions who can serve our country well in our cultural exchange programs—and we must use them.

Our Ambassadors report that these young Americans are the best representatives we have, that they are very well disciplined, that they are most courteous, and that they are unusually intelligent—that they do, in fact, compare most favorably with our great professional artists who are sent over at such expense by the Department of State.

Van Cliburn was the first young American artist who became an international celebrity by his prowess in taming the Soviet leaders with his music.

As Congreve once declared—

> Music hath charms to soothe a savage beast. To soften rocks, or bend a knotted oak.

The Howard University Choir traveled through South America, where Vice President Richard M. Nixon once was stoned, and was wildly acclaimed in concert appearances in 37 cities.

The University of Michigan Symphony Band was highly successful in its recent tour of the Soviet Union.

The Scarsdale, N.Y., school troupe was highly successful in its European tour and presented 18 performances of Thornton Wilder's "Our Town" in London, Amsterdam, West Berlin, Warsaw, and Oslo.

Dr. Howard Hanson, distinguished and brilliant president and chairman of the board of the congressionally chartered National Music Council has declared that student groups "contribute even more importantly to the cultural exchange program than the exchange of commercial professional groups."

President Eisenhower stated it best, I think, when he said, in an internationally acclaimed speech at the University of Delhi in December 1959:

> More enduringly than from the deliberations of high councils, I believe mankind will profit when young men and women of all nations and in great numbers study and learn together. In so doing, they will concern themselves with the problems, possibilities, resources, and rewards of their common destiny.
>
> Through the centuries nations have sent their youth armed for war to oppose their neighbors. Let us in this day look on our youth, eager for a larger and clearer knowledge, as forces for international understanding; and send them, one nation to another, on missions of peace.

I think it is most regrettable that so few groups from our educational life have been utilized in the important cultural exchange programs by the Department of State.

The cultural exchange program has had an overwhelming professional and Broadway bias and emphasis.

There has been extensive discussion and newspaper headlines about the high salaries paid by the State Department for some of the well-known professional artists who have been sent abroad by the State Department as part of its cultural exchange program.

There were several lengthy exchanges as to whether these well-known artists were paid $1,500 a week or $2,500 a week.

Some concern was expressed at the time by some of my colleagues on the Democratic side of the aisle.

Let us, for a moment, take the lower figure of $1,500 a week which comes out at $75,000 a year.

This is several times what our most distinguished and battle-scarred generals and admirals, Cabinet officers, Supreme Court Justices, and Members of the Senate and House make.

I think it is high time that some rationality was shown by the managers of this cultural exchange program at the State Department.

The argument has been advanced by some people in the theater that the Congress is not interested in the arts, that it does not understand the arts, and that, in any event, this matter of the cost of talent is not the proper business of Congress.

Some people in the theater, some even closely connected with the American National Theater and Academy, and with these State Department cultural exchange programs, argue in favor of these swollen salaries by declaring that the headline artists who are paid at the rate of $75,000 a year and more by the State Department could exceed this sum in private life.

Doubtless they could make more money in private life, for there are really some astounding salaries paid to some of our well-known artists.

Indeed, a few of these well-known artists, to show their appreciation for such affluence, live abroad, and make their movies abroad—for the purpose of escaping taxation at home in the United States altogether.

I suggest that U.S. artists, who are interested in participating in our Government's cultural programs, study the government-supported and government-aided art programs of Europe.

In European countries, when a well-known artist appears on a government-sponsored program it is considered a high honor both by the artist and by his friends.

In the government-supported and government-aided theaters and opera houses of Europe the greatest artists consider themselves privileged to appear.

They work for but a fraction of what they would make in commercial theaters, music halls, the movies, and on television.

What they get in exchange is the great honor of serving the government and all of the people.

Great restraint and intelligence must be displayed by our leading artists in their demands upon the Federal Government.

If they want the Government to establish meaningful art programs then they must exercise the same self-restraint that the great artists of Europe show in their relations with their national governments.

Perhaps as a result of the continuing public outrage at the high, and unjustified, salaries paid to headline artists by the Department of State in recent months more emphasis is now being put on young artists from our colleges and universities.

In recent months, under the brilliant leadership of the Assistant Secretary of State for Educational and Cultural Affairs, Philip H. Coombs, a new appreciation of these matters has been shown.

There is a new awareness of the contribution that our young unknown artists can make in reaching the young people of other countries—and we in the Congress must do all that we can to encourage and support these person-to-person contacts of the leaders of tomorrow's world.

Our young people are indeed our very best ambassadors.

All that is needed is the willingness by Government officials to give them the chance.

The President and the Secretary of Labor have recently been giving a great deal of attention to the problems of the Metropolitan Opera Co.

The musicians who play in the Metropolitan Opera orchestra are being criticized in some quarters for the wage demands which they are making.

Yet these musicians make under $10,000 a year.

Without them the Metropolitan Opera cannot continue, the great Met stars could not perform.

Let us be clear, there is a world of difference between the $10,000 a year which the members of the Metropolitan Opera orchestra are paid and the $75,000 a year some of our stars, and have-been stars, are paid by the State Department.

I have tried in the brief time at my disposal to shed some light on the subject of Government and the arts, and to take up briefly some of the facts which must be borne in mind in this connection.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill, H.R. 8666, as amended?

The question was taken.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently, a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 329, nays 66, not voting 52, as follows:

[Roll No. 191]

YEAS—329

Adair	Burke, Ky.	Dulski
Addabbo	Burke, Mass.	Durno
Addonizio	Byrne, Pa.	Dwyer
Albert	Byrnes, Wis.	Edmondson
Andersen, Minn.	Cahill	Elliott
Andrews	Cannon	Ellsworth
Arends	Carey	Fallon
Ashbrook	Casey	Farbstein
Ashley	Cederberg	Fascell
Aspinall	Celler	Fenton
Avery	Chamberlain	Findley
Ayres	Chelf	Finnegan
Bailey	Chenoweth	Fino
Baldwin	Chiperfield	Flood
Barrett	Church	Fogarty
Barry	Clancy	Ford
Bass, N.H.	Clark	Forrester
Bass, Tenn.	Cohelan	Fountain
Bates	Collier	Frazier
Battin	Conte	Frelinghuysen
Becker	Cook	Friedel
Beckworth	Cooley	Fulton
Beermann	Corbett	Gallagher
Bell	Corman	Garland
Bennett, Fla.	Cramer	Garmatz
Bennett, Mich.	Cunningham	Gary
Betts	Curtin	Gathings
Blatnik	Curtis, Mass.	Gavin
Boggs	Curtis, Mo.	Giaimo
Boland	Daddario	Gilbert
Bolling	Daniels	Glenn
Bolton	Davis, John W.	Goodell
Bonner	Delaney	Goodling
Bow	Denton	Granahan
Boykin	Derounian	Gray
Brademas	Derwinski	Green, Oreg.
Bray	Devine	Green, Pa.
Breeding	Dingell	Griffin
Brewster	Dole	Griffiths
Bromwell	Dominick	Gubser
Brooks, Tex.	Donohue	Hagan, Ga.
Broomfield	Dooley	Hagen, Calif.
Brown	Downing	Halleck
	Doyle	Halpern
Hansen	Martin, Nebr.	Rogers, Fla.
Harding	Mathias	Rooney
Hardy	Matthews	Roosevelt
Harris	May	Rostenkowski
Harrison, Va.	Meader	Roush
Harsha	Merrow	Rutherford
Harvey, Ind.	Michel	Ryan
Harvey, Mich.	Miller, George P.	St. Germain
Hays	Miller, N.Y.	Saund
Hechler	Mills	Schenck
Hemphill	Moeller	Scherer
Hoeven	Monagan	Schneebeli
Holifield	Montoya	Schweiker
Holtzman	Moore	Schwengel
Horan	Moorehead, Ohio	Scranton
Hosmer	Moorhead, Pa.	Seely-Brown
Huddleston	Morgan	Selden
Hull	Morris	Shelley
Ichord, Mo.	Morse	Sheppard
Ikard, Tex.	Mosher	Shipley
Inouye	Moss	Shriver
Jarman	Moulder	Sibal
Jennings	Multer	Sikes
Joelson	Murphy	Sisk
Johnson, Calif.	Natcher	Slack
Johnson, Wis.	Nelsen	Smith, Iowa
Jones, Ala.	Nix	Smith, Miss.
Jones, Mo.	Norblad	Spence
Judd	Norrell	Springer
Karsten	Nygaard	Stafford
Karth	O'Brien, Ill.	Staggers
Kastenmeier	O'Brien, N.Y.	Stephens
Kearns	O'Hara, Ill.	Stratton
Kee	O'Hara, Mich.	Stubblefield
Keith	Olsen	Sullivan
Kilday	O'Neill	Teague, Calif.
King, Calif.	Osmers	Thomas
King, N.Y.	Ostertag	Thompson, N.J.
King, Utah	Patman	Thompson, Tex.
Kirwan	Pelly	Thomson, Wis.
Kluczynski	Perkins	Thornberry
Knox	Peterson	Toll
Kornegay	Pfost	Tollefson
Kowalski	Philbin	Trimble
Kunkel	Pike	Tupper
Kyl	Pillion	Udall, Morris K.
Laird	Pirnie	Ullman
Lane	Poage	Vanik
Langen	Poff	Van Pelt
Lankford	Price	Van Zandt
Latta	Pucinski	Wallhauser
Lesinski	Quie	Walter
Libonati	Rains	Watts
Lindsay	Randall	Weaver
McCormack	Reece	Weis
McDonough	Reifel	Whalley
McDowell	Reuss	Wickersham
McFall	Rhodes, Ariz.	Widnall
McIntire	Rhodes, Pa.	Willis
McVey	Riehlman	Wilson, Calif.
Macdonald	Rivers, Alaska	Wright
MacGregor	Roberts	Yates
Mack	Robison	Young
Magnuson	Rodino	Younger
Mahon	Rogers, Colo.	Zablocki
Mailliard		Zelenko
Martin, Mass.		

NAYS—66

Abbitt	Henderson	Rivers, S.C.
Abernethy	Herlong	Rogers, Tex.
Alexander	Hiestand	Roudebush
Alford	Hoffman, Ill.	Rousselot
Anderson, Ill.	Hoffman, Mich.	St. George
Ashmore	Jensen	Saylor
Auchincloss	Johansen	Schadeberg
Baring	Jonas	Scott
Belcher	Kilgore	Short
Berry	Kitchin	Smith, Calif.
Blitch	Lennon	Smith, Va.
Burleson	Lipscomb	Taber
Colmer	Loser	Taylor
Dorn	McCulloch	Teague, Tex.
Dowdy	McMillan	Tuck
Everett	Marshall	Utt
Feighan	Mason	Wharton
Flynt	Murray	Whitener
Grant	O'Konski	Whitten
Gross	Passman	Williams
Haley	Ray	Wilson, Ind.
Harrison, Wyo.	Riley	Winstead

NOT VOTING—52

Alger	Digga	Madden
Anfuso	Evins	Miller, Clem
Baker	Fisher	Milliken
Brooks, La.	Hall	Minshall
Broyhill	Healey	Morrison
Bruce	Hébert	Pilcher
Buckley	Holland	Powell
Coad	Johnson, Md.	Rabaut
Dague	Kelly	Santangelo
Davis, James C.	Keogh	Siler
Davis, Tenn.	Kilburn	Steed
Dawson	Landrum	Thompson, La.
Dent	McSween	Vinson
	Machrowicz	Westland

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert and Mr. Keogh for, with Mr. Hall against.

Mr. Broyhill and Mr. Anfuso for, with Mr. Alger against.

Mr. Powell and Mr. Buckley for, with Mr. Kilburn against.

Until further notice:

Mrs. Kelly with Mr. Westland.

Mr. Dent with Mr. Siler.

Mr. Evins with Mr. Minshall.

Mr. Morrison with Mr. Baker.

Mr. Thompson of Louisiana with Mr. Bruce.

Mr. TABER changed his vote from "yea" to "nay."

The vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

AMENDING THE IMMIGRATION AND NATIONALITY ACT

Mr. WALTER. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2237) to permit the entry of certain eligible alien orphans, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101(b) of the Immigration and Nationality Act (8 U.S.C. 1101) is hereby amended by adding the following new subparagraph (6):

"(6) The term 'eligible orphan' means any alien child under the age of fourteen at the time at which the visa petition is filed pursuant to section 205(b) who is an orphan because of the death or disappearance of both parents, or because of abandonment, or desertion by, or separation or loss from, both parents, or who has only one parent due to the death or disappearance of, abandonment, or desertion by, or separation or loss from the other parent, and the remaining parent is incapable of providing care for such orphan and has in writing irrevocably released him for emigration and adoption."

SEC. 2. Section 101(b)(1) of the Immigration and Nationality Act (8 U.S.C. 1101) is hereby amended by adding the following:

"(F) a child who is an eligible orphan, adopted abroad by a United States citizen and spouse or coming to the United States for adoption by a United States citizen and spouse: *Provided,* That no natural parent or prior adoptive parent of any such child shall thereafter, by virtue of such parentage be accorded any right, privilege, or status under this Act."

SEC. 3. (a) Section 205(b) of the Immigration and Nationality Act (8 U.S.C. 1155) is hereby amended to read as follows:

"(b) Any citizen of the United States claiming that any immigrant is his spouse or child and that such immigrant is entitled to a nonquota immigrant status under section 101(a)(27)(A), or any citizen of the United States claiming that any immigrant is his parent or unmarried son or unmarried daughter and that such immigrant is entitled to a quota immigrant status under section 203(a)(2), or any alien lawfully admitted for permanent residence claiming that any immigrant is his spouse or his unmarried son or his unmarried daughter and that such immigrant is entitled to a quota immigrant status under section 203(a)(3), or any citizen of the United States claiming that any immigrant is his brother or sister or his married son or his married daughter and that such immigrant is entitled to a preference under section 203(a)(4) may file a petition with the Attorney General. No petition for quota immigrant status or a preference in behalf of a son or daughter under paragraph (2), (3), or (4) of section 203(a) of the Immigration and Nationality Act shall be approved by the Attorney General unless the petitioner establishes that he is a parent as defined in section 101(b)(2) of the Immigration and Nationality Act of the alien in respect to whom the petition is made, except that no such petition shall be approved if the beneficiary thereof is an alien defined in section 101(b)(1)(F). No petition for nonquota immigrant status in behalf of a child as defined in section 101(b)(1)(F) shall be approved by the Attorney General unless the petitioner establishes to the satisfaction of the Attorney General that the petitioner and spouse will care for such child properly if he is admitted to the United States, and (i) in the case of a child adopted abroad, that the petitioner and spouse personally saw and observed the child prior to or during the adoption proceedings, and (ii) in the case of a child coming to the United States for adoption, that the petitioner and spouse have complied with the preadoption requirements, if any, of the State of such child's proposed residence. The petition shall be in such form and shall contain such information and be supported by such documentary evidence as the Attorney General may by regulations prescribe. The petition shall be made under oath administered by any individual having authority to administer oaths, if executed in the United States, but, if executed outside the United States, administered by a consular officer."

(b) The second sentence of section 205(c) of the Immigration and Nationality Act (8 U.S.C. 1155) is hereby amended to read: "Not more than two such petitions may be approved for one petitioner in behalf of a child as defined in section 101(b)(1) (E) or (F), unless necessary to prevent the separation of brothers and sisters."

SEC. 4. The first sentence of section 221(c) of the Immigration and Nationality Act (8 U.S.C. 1201) is hereby amended to read: "An immigrant visa shall be valid for such period, not exceeding four months, as shall be by regulations prescribed, except that any visa issued to a child lawfully adopted by a United States citizen and spouse while such citizen is serving abroad in the United States Armed Forces, or is employed abroad by the United States Government, or is temporarily abroad on business, shall be valid until such time, for a period not to exceed three years, as the adoptive citizen parent returns to the United States in due course of his service, employment, or business."

SEC. 5. (a) Title I of the Immigration and Nationality Act (8 U.S.C. 1101) is hereby amended by adding the following:

"JUDICIAL REVIEW OF ORDERS OF DEPORTATION

"SEC. 106. (a) The procedure prescribed by, and all the provisions of the Act of December 29, 1950, as amended (64 Stat. 1129; 68 Stat. 961; 5 U.S.C. 1031 et seq.), shall apply to, and shall be the sole and exclusive procedure for, the judicial review of all final orders of deportation heretofore or hereafter made against aliens within the United States pursuant to administrative proceedings under section 242(b) of this Act or comparable provisions of any prior Act, except that—

"(1) a petition for review may be filed not later than six months from the date of the final deportation order or from the effective date of this section, whichever is the later.

"(2) the venue of any petition for review under this section shall be in the judicial circuit in which the administrative proceedings before a special inquiry officer were conducted in whole or in part, or in the judicial circuit wherein is the residence, as defined in this Act, of the petitioner, but not in more than one circuit;

"(3) the action shall be brought against the Immigration and Naturalization Service, as respondent. Service of the petition to review shall be made upon the Attorney General of the United States and upon the official of the Immigration and Naturalization Service in charge of the Service district in which the office of the clerk of the court is located. The service of the petition for review upon such official of the Service shall stay the deportation of the alien pending determination of the petition by the court, unless the court otherwise directs;

"(4) except as provided in clause (B) of paragraph (5) of this subsection, the petition shall be determined solely upon the administrative record upon which the deportation order is based and the Attorney General's findings of fact, if supported by reasonable, substantial, and probative evidence on the record considered as a whole, shall be conclusive;

"(5) whenever any petitioner, who seeks review of an order under this section, claims to be a national of the United States and makes a showing that his claim is not frivolous, the court shall (A) pass upon the issues presented when it appears from the pleadings and affidavits filed by the parties that no genuine issue of material fact is presented; or (B) where a genuine issue of material fact as to the petitioner's nationality is presented, transfer the proceedings to a United States district court for the district where the petitioner has his residence for hearing de novo of the nationality claim and determination as if such proceedings were originally initiated in the district court under the provisions of section 2201 of title 28, United States Code. Any such petitioner shall not be entitled to have such issue determined under section 360(a) of this Act or otherwise;

"(6) if the validity of a deportation order has not been judicially determined, its validity may be challenged in a criminal proceeding against the alien for violation of subsection (d) or (e) of section 242 of this Act only by separate motion for judicial review before trial. Such motion shall be determined by the court without a jury and before the trial of the general issue. Whenever a claim to United States nationality is made in such motion, and in the opinion of the court, a genuine issue of material fact as to the alien's nationality is presented, the court shall accord him a hearing de novo on the nationality claim and determine that issue as if proceedings had been initiated under the provisions of section 2201 of title 28, United States Code. Any such alien shall not be entitled to have such issue determined under section 360(a) of this Act or otherwise. If no such hearing de novo as to nationality is conducted, the determination shall be made solely upon the administrative record upon which the deportation order is based and the Attorney General's findings of fact, if supported by reasonable, substantial and probative evidence on the record considered as a whole, shall be conclusive. If the deportation order is held invalid, the court shall dismiss the indictment and the United States shall have the right to appeal to the court of appeals within thirty days. The procedure on such appeals shall be as provided in the Federal rules of criminal procedure. No petition for review under this section may be filed by any alien during the pendency of a criminal proceeding against such alien for violation of subsection (d) or (e) of section 242 of this Act; and

"(7) nothing in this section shall be construed to require the Attorney General to

defer deportation of an alien after the issuance of a deportation order because of the right of judicial review of the order granted by this section, or to relieve any alien from compliance with subsections (d) and (e) of section 242 of this Act. Nothing contained in this section shall be construed to preclude the Attorney General from detaining or continuing to detain an alien or from taking him into custody pursuant to subsection (c) of section 242 of this Act at any time after the issuance of a deportation order.

"(8) it shall not be necessary to print the record or any part thereof, or the briefs, and the court shall review the proceedings on a typewritten record and on typewritten briefs.

"(9) any alien held in custody pursuant to an order of deportation may obtain judicial review thereof by habeas corpus proceedings.

"(b) Notwithstanding the provisions of any other law, any alien against whom a final order of exclusion has been made heretofore or hereafter under the provisions of section 236 of this Act or comparable provisions of any prior Act may obtain judicial review of such order by habeas corpus proceedings and not otherwise.

"(c) An order of deportation or of exclusion shall not be reviewed by any court if the alien has not exhausted the administrative remedies available to him as of right under the immigration laws and regulations or if he has departed from the United States after the issuance of the order. Every petition for review or for habeas corpus shall state whether the validity of the order has been upheld in any prior judicial proceeding, and, if so, the nature and date thereof, and the court in which such proceeding took place. No petition for review or for habeas corpus shall be entertained if the validity of the order has been previously determined in any civil or criminal proceeding, unless the petition presents grounds which the court finds could not have been presented in such prior proceeding, or the court finds that the remedy provided by such prior proceeding was inadequate or ineffective to test the validity of the order."

(b) This section shall take effect on the thirtieth day after its approval and, notwithstanding the provisions of any other law, including section 405 of the Immigration and Nationality Act, shall then be applicable to all administrative proceedings involving deportation or exclusion of aliens notwithstanding (1) that the person involved entered the United States prior to the effective date of this section or of the Immigration and Nationality Act or (2) that the administrative proceeding was commenced or conducted prior to the effective date of this section or of the Immigration and Nationality Act. Any judicial proceeding to review an order of deportation which is pending unheard in any district court of the United States on the effective date of this section (other than a habeas corpus or criminal proceeding in which the validity of the deportation order has been challenged) shall be transferred for determination in accordance with this section to the court of appeals having jurisdiction to entertain a petition for review under this section. Any judicial proceeding to review an order of exclusion which is pending unheard on the effective date of this section shall be expedited in the same manner as is required in habeas corpus. All laws or parts of laws inconsistent with this section are, to the extent of such inconsistency, repealed. If any particular provision of this section, or the application thereof to any person or circumstance, is held invalid, the remainder of this section and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 6. Section 222 of the Immigration and Nationality Act (8 U.S.C. 1202) is hereby amended by deleting from subsection (a) the language "race and ethnic classification;", and by deleting from subsection (c) the language "his race and ethnic classification;".

SEC. 7. (a) Section 101(d)(1) of the Immigration and Nationality Act (8 U.S.C. 1101) is hereby amended by inserting immediately after "December 31, 1946," the following: "or from June 25, 1950, to July 1, 1955,".

(b) Section 101(d)(2) of the Immigration and Nationality Act (8 U.S.C. 1101) is hereby amended (1) by striking out "and (C)" and inserting in lieu thereof "(C)", and (2) by inserting immediately after "December 31, 1946" the following: "; and (D) the term 'Korean hostilities' relates to the period from June 25, 1950, to July 1, 1955".

SEC. 8. (a) Section 329(a) of the Immigration and Nationality Act (8 U.S.C. 1440) is amended by inserting after "December 31, 1946," the following: "or during a period beginning June 25, 1950, and ending July 1, 1955,".

(b) Section 329(b)(4) of the Immigration and Nationality Act (8 U.S.C. 1440) is hereby amended by inserting after "December 31, 1946," the following: "or during a period beginning June 25, 1950, and ending July 1, 1955,".

SEC. 9. Section 202(e) of the Immigration and Nationality Act (8 U.S.C. 1152) is hereby amended to read as follows:

"(e) After the determination of quotas has been made as provided in section 201, revision of the quotas shall be made by the Secretary of State, the Secretary of Commerce, and the Attorney General, jointly, whenever necessary, to provide for any change of boundaries resulting in transfer of territory from one sovereignty to another, a change of administrative arrangements of a colony or other dependent area, or any other political change, requiring a change in the list of quota areas or of the territorial limits thereof. In the case of any change in the territorial limits of quota areas, not requiring a change in the quotas for such areas, the Secretary of State shall, upon recognition of such change, issue appropriate instructions to all consular offices concerning the change in the territorial limits of the quota areas involved. Whenever one or more colonies or other component or dependent areas overseas from the governing country, or one or more quota areas have been subject to a change of administrative arrangements, a change of boundaries, or any other political change, the annual quota of the newly established quota area or the number of visas authorized to be issued under section 202(c)(1), notwithstanding any other provisions of this Act, shall not be less than the sum total of quotas in effect or number of visas authorized for the area immediately preceding the change of administrative arrangements, change of boundaries or other political change."

SEC. 10. Section 205(c) of the Immigration and Nationality Act (8 U.S.C. 1155) is hereby amended by adding at the end thereof the following new sentence: "Notwithstanding the provisions of this subsection, no petition shall be approved if the alien previously has been accorded, by reason of marriage determined by the Attorney General to have been entered into for the purpose of evading the immigration laws—

"(1) a nonquota status under section 101(a)(27)(A) as the spouse of a citizen of the United States, or

"(2) a preference quota status under section 203(a)(3) as the spouse of an alien lawfully admitted for permanent residence."

SEC. 11. Section 212(a)(6) of the Immigration and Nationality Act (8 U.S.C. 1182) is hereby amended to read as follows:

"(6) Aliens who are afflicted with any dangerous contagious disease;".

SEC. 12. Section 212 of the Immigration and Nationality Act (8 U.S.C. 1182) is hereby amended by adding the following additional subsection:

"(f) Any alien afflicted with tuberculosis in any form who (A) is the spouse or the unmarried son or daughter, or the minor unmarried lawfully adopted child, of a United States citizen, or of an alien lawfully admitted for permanent residence, or of an alien who has been issued an immigrant visa, or (B) has a son or daughter who is a United States citizen, or an alien lawfully admitted for permanent residence or an alien who has been issued an immigrant visa, shall, if otherwise admissible, be issued a visa and admitted to the United States for permanent residence in accordance with such terms, conditions, and controls, if any, including the giving of a bond, as the Attorney General, in his discretion after consultation with the Surgeon General of the United States Public Health Service, may by regulations prescribe."

SEC. 13. Section 212(a)(9) of the Immigration and Nationality Act (8 U.S.C. 1182) is hereby amended by changing the semicolon at the end to a period, and adding thereafter the following: "Any alien who would be excludable because of the conviction of a misdemeanor classifiable as a petty offense under the provisions of section 1(3) of title 18, United States Code, by reason of the punishment actually imposed, or who would be excludable as one who admits the commission of an offense that is classifiable as a misdemeanor under the provisions of section 1(2) of title 18, United States Code, by reason of the punishment which might have been imposed upon him, may be granted a visa and admitted to the United States if otherwise admissible: *Provided*, That the alien has committed only one such offense, or admits the commission of acts which constitute the essential elements of only one such offense."

SEC. 14. Section 212 of the Immigration and Nationality Act (8 U.S.C. 1182) is hereby amended by adding the following additional subsection:

"(g) Any alien, who is excludable from the United States under paragraphs (9), (10), or (12) of this section, who (A) is the spouse or child, including a minor unmarried adopted child, of a United States citizen, or of an alien lawfully admitted for permanent residence, or (B) has a son or daughter who is a United States citizen or an alien lawfully admitted for permanent residence, shall, if otherwise admissible, be issued a visa and admitted to the United States for permanent residence (1) if it shall be established to the satisfaction of the Attorney General that (A) the alien's exclusion would result in extreme hardship to the United States citizen or lawfully resident spouse, parent, or son or daughter of such alien, and (B) the admission to the United States of such alien would not be contrary to the national welfare, safety, or security of the United States; and (2) if the Attorney General, in his discretion, and pursuant to such terms, conditions, and procedures as he may by regulations prescribe, has consented to the alien's applying or reapplying for a visa and for admission to the United States."

SEC. 15. Section 212 of the Immigration and Nationality Act (8 U.S.C. 1182) is hereby amended by adding the following additional subsection:

"(h) Any alien who is the spouse, parent, or child of a United States citizen or of an alien lawfully admitted for permanent residence and who is excludable because (1) he seeks, has sought to procure, or has procured, a visa or other documentation, or entry into the United States, by fraud or misrepresentation, or (2) he admits the commission of perjury in connection therewith, may be granted a visa and admitted to the United

States for permanent residence, if otherwise admissible, if the Attorney General in his discretion has consented to the alien's applying or reapplying for a visa and for admission to the United States."

SEC. 16. Section 241 of the Immigration and Nationality Act (8 U.S.C. 1251) is hereby amended by adding the following:

"(f) The provisions of this section relating to the deportation of aliens within the United States on the ground that they were excludable at the time of entry as aliens who have sought to procure, or have procured visas or other documentation, or entry into the United States by fraud or misrepresentation shall not apply to an alien otherwise admissible at the time of entry who is the spouse, parent, or a child of a United States citizen or of an alien lawfully admitted for permanent residence."

SEC. 17. Section 310 of the Immigration and Nationality Act (8 U.S.C. 1421) is hereby amended by adding the following additional subsection:

"(e) Notwithstanding the provisions of section 405(a), any petition for naturalization filed on or after the enactment of this subsection shall be heard and determined in accordance with the requirements of this title."

SEC. 18. (a) Section 340(a) of the Immigration and Nationality Act (66 Stat. 260; 8 U.S.C. 1451(a)) is hereby amended by inserting, following the language "that such order and certificate of naturalization" the language "were illegally procured or".

(b) Section 340(b) of the Immigration and Nationality Act (66 Stat. 260; 8 U.S.C. 1451(b)) is hereby amended by inserting, immediately preceding the word "procured", the language "illegally procured or".

SEC. 19. Section 349 of the Immigration and Nationality Act (8 U.S.C. 1481) is hereby amended by adding the following subsection:

"(c) Whenever the loss of United States nationality is put in issue in any action or proceeding commenced on or after the enactment of this subsection under, or by virtue of, the provisions of this or any other Act, the burden shall be upon the person or party claiming that such loss occurred, to establish such claim by a preponderance of the evidence. Except as otherwise provided in subsection (b), any person who commits or performs, or who has committed or performed, any act of expatriation under the provisions of this or any other Act shall be presumed to have done so voluntarily, but such presumption may be rebutted upon a showing, by a preponderance of the evidence, that the act or acts committed or performed were not done voluntarily."

SEC. 20. Section 354(4) of the Immigration and Nationality Act (8 U.S.C. 1486) is hereby amended to read as follows:

"(4) who has attained the age of sixty years, and has had a residence outside of the United States and its outlying possessions for not less than ten years, during all of which period he has been engaged in an occupation of the type designated in paragraphs (1), (2), or (4) of section 353, or paragraph (2) of this section, and who is in bona fide retirement from such occupation; or who is the spouse or child of the national described in this paragraph and who has his residence abroad for the purpose of being with such American citizen spouse or parent; or".

SEC. 21. The language "CHAPTER 3—ISSUANCE ON ENTRY DOCUMENTS" of the table of contents of the Immigration and Nationality Act, as amended, is hereby amended to read as follows:

"CHAPTER 3—ISSUANCE OF ENTRY DOCUMENTS"

SEC. 22. (a) The title preceding section 212 of the Immigration and Nationality Act, as amended, is hereby amended to read as follows:

"GENERAL CLASSES OF ALIENS INELIGIBLE TO RECEIVE VISAS AND EXCLUDED FROM ADMISSION; WAIVERS OF INADMISSIBILITY"

(b) The title preceding section 329 of the Immigration and Nationality Act, as amended, is amended to read as follows:

"NATURALIZATION THROUGH ACTIVE-DUTY SERVICE IN ARMED FORCES DURING WORLD WAR I OR WORLD WAR II OF THE KOREAN HOSTILITIES"

SEC. 23. (a) The table of contents (TITLE I—GENERAL) of the Immigration and Nationality Act is hereby amended by adding the following:

"SEC. 106. Judicial review of orders of deportation."

(b) Section 212 of the table of contents of the Immigration and Nationality Act is hereby amended to read as follows:

"SEC. 212. General classes of aliens ineligible to receive visas and excluded from admission; waivers of inadmissibility."

(c) Section 329 of the table of contents of the Immigration and Nationality Act, is hereby amended to read as follows:

"SEC. 329. Naturalization through active-duty service in Armed Forces during World War I or World War II or the Korean hostilities."

SEC. 24. (a) The following Acts and all amendments thereto and parts of Acts and all amendments thereto are repealed:

(1) Section 4 of the Act of September 3, 1954 (68 Stat. 1145; 8 U.S.C. 1182a);

(2) Section 4 of the Act of September 11, 1957 (71 Stat. 639-640; 8 U.S.C. 1205).

(3) Sections 5, 6, and 7 of the Act of September 11, 1957 (71 Stat. 640-641; 8 U.S.C. 1182b; 8 U.S.C. 1182c; 8 U.S.C. 1251a).

(4) Section 15 of the Act of September 11, 1957 (71 Stat. 643-644; 50 U.S.C. App. 1971a, note);

(5) Sections 9 and 12 of the Act of September 11, 1957 (71 Stat. 641-642; 8 U.S.C. 1255a; 8 U.S.C. 1153, note);

(6) Section 2 of the Act of August 21, 1958 (72 Stat. 699; 8 U.S.C. 1255; 8 U.S.C. 1153, note);

(7) Sections 4 and 6 of the Act of September 22, 1959 (73 Stat. 644-645; 8 U.S.C. 1153, note).

(b) Paragraphs (5), (6), and (7) of subsection (a) of this section shall take effect upon the expiration of the one hundred and eightieth day immediately following the date of enactment of this Act.

SEC. 25. (a) Any alien eligible for a quota immigrant status under the provisions of section 203(a) (2) or (3) of the Immigration and Nationality Act on the basis of a petition approved by the Attorney General prior to June 30, 1961, shall be held to be a nonquota immigrant and, if otherwise admissible under the provisions of that Act, shall be issued a nonquota immigrant visa: *Provided*, That, upon his application for an immigrant visa, and for admission to the United States, the alien is found to have retained his relationship to the petitioner, and status, as established in the approved petition.

(b) At any time prior to the expiration of the one hundred and eightieth day immediately following the enactment of this Act a special nonquota immigrant visa may be issued to an eligible orphan as defined in section 4 of the Act of September 11, 1957, as amended (8 U.S.C. 1205; 71 Stat. 639, 73 Stat. 490, 74 Stat. 505), if a visa petition filed in behalf of such eligible orphan was (A) approved by the Attorney General prior to June 30, 1961, or (B) pending before the Attorney General prior to June 30, 1961, and the Attorney General approves such petition.

The SPEAKER pro tempore. Is a second demanded?

Mr. POFF. I demand a second, Mr. Speaker.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. WALTER. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this legislation grew out of the Judiciary Committee's continuous observation and studies of the administration of the basic immigration code, the Immigration and Nationality Act, enacted on June 27, 1952.

RESULTS OF EXPERIENCE

In the course of the 9 years which elapsed since the first codification of immigration and nationality laws in the history of the United States, several related laws were placed on the statute books. Most of those, beginning with the Refugee Relief Act of 1953, were temporary in nature and designed to meet events of an emergency nature. Other laws enacted in the field of immigration during that time were statutes providing relief for certain defined categories of U.S. citizens and aliens. Those laws stemmed from the rather exacting work which the Judiciary Committee has before it continuously in connection with private relief legislation. These, together with the special emergency laws I mentioned a while ago, served to test the effect of this type of legislation upon the individuals affected and upon the national interest, first and foremost in our minds.

The effects of these enactments—I can assure the House—were carefully observed, reviewed, and investigated by the committee.

Conclusions based on the experience gained over the years, were carefully drawn. The results of this labor are today before the House.

EXISTING LAWS CODIFIED

Several of the enactments, not originally included in the basic Walter-McCarran Act for the purpose of testing their effects as well as giving the administrators of the law the opportunity to develop proper practices and procedures, are now proposed to be made part of the permanent code.

Sections 11, 12, 13, 14, 15, and 16 contain provisions of the 1954 and 1957 statutes now proposed to be properly codified, with minor revisions fully explained in the rather extensive report—House Report No. 1086—accompanying this legislation.

ADOPTED ORPHANS

Another temporary statute, extended periodically in the last few years on an annual basis and now proposed to be made part of the permanent law is contained in sections 1, 2, 3, and 4 of the bill. These provisions are designed to facilitate the entry of alien orphans adopted by U.S. citizens.

The eligibility requirements would, under the proposed amendment, remain virtually unchanged except for the rules governing a carefully worked out petition procedure prescribed in section 3 of

the amendatory language. The purpose of the changes is to eliminate abuses and hardships resulting from the regrettable practice of adopting abroad a child, or children, never seen by the adoptive parents and heretofore coming to the United States on the strength of a "proxy" adoption secured in a foreign country through the intercession of agents without compliance with the applicable provisions of the adoption laws effective in the State of the child's future residence.

The procedure set forth in the bill clearly differentiates between (a) the alien child who, prior to the institution or during the pendency of adoption proceedings abroad, has been seen and observed by the adoptive parents, and (b) the child who may have been selected abroad, possibly through the good offices of a third party, and would be coming to the United States for adoption in accordance with applicable State statutes. A full and complete investigation conducted by the Immigration and Naturalization Service would be required in either case.

The Department of Health, Education, and Welfare has strongly recommended the enactment of this procedure. Obviously, the Department was prompted by the same experience which motivated the committee to recommend it. The principal reason for redesigning the admission procedures affecting adopted orphans was to eliminate the reprehensible practice which crept into the administration of the temporary statute. Instances of outright racketeering, including actual sale of alien children for adoption, were revealed in criminal proceedings where convictions occurred.

The credit for bringing to the attention of the Congress these and other similarly abhorrent practices goes to Hon. Janet Hill Gordon, member of the Senate of the State of New York and the chairman of the New York State Joint Legislative Committee on Matrimonial and Family Laws. We are indebted, indeed, to Senator Gordon and to her colleagues and staff assistants for bringing to our attention not only the practices of the shady dealers in proxy adoptions, but for submitting to our counterpart committee in the Senate the important information relating to the legal difficulties already visible in several States where lack of compliance with the applicable State law has caused untold hardship to the adoptive parents and to-be-adopted field.

I wish to include at this point a list of State departments of public welfare and many reputable public and private organizations fully endorsing the provisions of this bill as they relate to sight unseen adoptions:

1. Department of Public Welfare, State of Georgia.
2. Department of Public Welfare, Commonwealth of Massachusetts.
3. Department of Public Welfare, State of Wisconsin.
4. Department of Public Welfare, State of Delaware.
5. Department of Public Welfare, State of Minnesota.
6. Commission on Children and Youth, State of Iowa.
7. Department of Public Welfare, State of Maryland.
8. Division of Public Welfare, State of Nebraska.
9. General Assembly, State of Connecticut.
10. Department of Public Welfare, State of Pennsylvania.
11. Department of Public Welfare, State of Illinois.
12. Department of Public Welfare, State of Mississippi.
13. Department of Pensions and Security, State of Alabama.
14. Department of Welfare, State of Connecticut.
15. United Charities of Chicago.
16. International Social Service (American and foreign branches).
17. Child and Family Service, Springfield, Ill.
18. Maryland Children's Aid Society, Baltimore, Md.
19. Family and Children Service of Berkshire County, Mass.
20. Worcester Children's Friend Society.
21. Family Service Agency, California.
22. Family Service of Hamilton, Ohio.
23. National Association of Social Workers.
24. Child and Family Services, Knoxville, Tenn.
25. Family and Children's Service, Tulsa, Okla.
26. Children's Home Society, St. Paul, Minn.
27. United Church of Christ, Huntsville, Ala.
28. Family and Children's Service, Pittsburgh, Pa.
29. Children's Aid Association, Northampton, Mass.

And the Departments of State, Justice, and Health, Education, and Welfare.

JUDICIAL REVIEW

Section 5 of the bill contains provisions of legislation which the House is well familiar with, having approved it in the past on three separate occasions without, so far, having the benefit of concurrent action in the other body.

This section of the bill incorporates provisions relating to judicial review of orders of deportation and exclusion of aliens entered by the Attorney General. The purpose of this legislation is to put order in a field where the ability to pay high attorney's fees for thwarting the administration of our immigration laws has permitted the most undesirable alien element—the alien racketeer and the subversive—to remain in this country, in violation of the law, practically indefinitely by abusing judicial processes.

I have stated before, and I wish to restate my belief that the Congress owes the American people the enactment of this legislation simply as a measure of self-defense and a reassertion of the people's inherent right to refuse to extend our hospitality to those who skillfully use the American legal system for the very purpose of destroying it. The enactment of this law is a most urgent necessity.

CHANGE IN APPLICATION FORMS

Section 6 of the bill removes the designation of "race and ethnic classification" from visa applications. Inasmuch as race and ethnic classification have no bearing on admission into the United States, this language, apparently offensive to some of the aliens desiring to visit us, is proposed to be eliminated.

VETERANS OF KOREAN HOSTILITIES

The veterans of Korean hostilities are being granted, under sections 7 and 8 of the bill, the same naturalization rights as enjoyed under existing law by veterans of World War I and World War II. An identical bill, introduced by the gentleman from California [Mr. SHELLEY], passed the House more than a year ago but was not acted upon in the other body due to early adjournment.

NEW INDEPENDENT COUNTRIES

Section 9 of the bill proposes to bring the basic law in accordance with certain events which occurred since its enactment. This provision would permit the realinement of certain immigration quotas necessitated by the emergence of new, independent nations in the Western as well as in the Eastern Hemisphere.

Inasmuch as there are now 20 independent countries, recognized by the United States, in the geographical area described by law as the "Asia-Pacific triangle," the existing 2,000 quota ceiling imposed on that area as a whole, is proposed to be removed so that in the event that an additional independent country located in that area obtains U.S. recognition, a quota of 100 annually could be proclaimed for its nationals. The proclamation of independence of Western Samoa is expected in January 1962.

Similarly, anticipating the forthcoming assumption of an independent status by the West Indies Federation, this section of the bill proposes to assure to this, or similar new political entities, an immigration quota equal to the total of subquotas or quotas now available for each of the component parts of such a new entity.

To cite an example, upon the merger of Syria and Egypt into the United Arab Republic, the new entity was allocated only 100 quota numbers annually, while prior to the merger each of the two component parts had a 100 quota for itself. This situation will be corrected under section 9 of this legislation.

ELIMINATION OF ABUSES AND LAXITIES

Sections 10, 17, 18, and 19 are designed to correct (a) abuses resorted to by unscrupulous aliens who desire to obtain preferential status by resorting to fraudulent marriages and (b) to correct laxities stemming from judicial and administrative misrepresentations or misapplications of the spirit and the letter of title III of the Immigration and Nationality Act, the title related to nationality and naturalization.

The main purpose of the latter proposals—sections 17, 18, and 19—is to uphold and preserve the dignity and the priceless value of U.S. citizenship with all the attendant obligations incumbent upon a citizen of this country regardless of whether such citizenship was acquired at birth or by legal processes. The committee strongly recommends the enactment of these provisions as it sees in them a legal instrumentality designed to forestall the gradual erosion of our nationality laws.

REUNITING FAMILIES

Section 20 of the amended bill will serve to preserve family unity by permitting the spouse and the children of a naturalized, retired U.S. citizen over 60 years of age to remain with the spouse or parent, respectively, without losing U.S. citizenship, if such was acquired by naturalization.

Section 25, uncodified, consists of two subsections. Subsection (a) contains special relief provisions enabling nonquota entry of parents and unmarried sons and daughters of U.S. citizens, and spouse and the unmarried children of lawfully residing aliens where separation of families results in hardship. Subsection (b) authorizes the processing to completion within 6 months of those cases of adopted orphans in which applications for entry were filed with the Attorney General prior to the expiration of the temporary law on June 30, 1961.

TECHNICAL PROVISIONS

Sections 21, 22, 23, and 24 are strictly technical in nature. Their purpose is to incorporate new law into the proper titles, chapters, and sections of the basic act and to repeal laws now becoming obsolete or proposed to be made part of the Immigration and Nationality Act.

Mr. Speaker, I hope we may have unanimous action on this legislation.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from California.

Mr. ROOSEVELT. Mr. Speaker, I would like to say to the gentleman from Pennsylvania that I think this is a very fine bill in every respect. I congratulate the gentleman. This bill will serve many humanitarian purposes without in any way hurting the security of our country. Again, Mr. Speaker, I wish to congratulate my colleague.

Mr. WALTER. I thank the gentleman from California. We have spent several years on these amendments, and we believe we have met whatever legitimate criticism we have heard with respect to our immigration laws.

Mr. SHELLEY. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from California.

Mr. SHELLEY. With reference to the Korean war veterans, has the committee used the dates that were in the bill last year?

Mr. WALTER. Yes, I will say to the gentleman from California, we took his bill in toto and this language in sections 7 and 8 is exactly the same as the Shelley bill which passed the House the last Congress—by unanimous consent, I might add.

Mr. SHELLEY. I thank the chairman of my committee and extend my compliments and commendations to the gentleman and his committee for the way they have worked this bill out. I think it is an improvement in our immigration laws.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I want to commend the distinguished chairman of the Committee on Immigration, Mr. WALTER, for bringing this measure from his committee. It includes many facets of immigration legislation which I have long favored and advocated. Not only does this bill include a measure concerning alien orphans, but also it includes provisions for reuniting families long separated by residence in different nations.

If this body approves S. 2237, it will have taken a step in amending our immigration and naturalization laws which I have advocated for some time. I refer to section 2 of S. 2237 which incorporates as permanent law a provision of our immigration laws which in the past has been handled by temporary extensions enacted by the Congress. This is the provision dealing with the immigration and adoption of alien orphans.

For the past several years, the Congress has continued in force the alien orphan provisions of our immigration laws, but in all instances the provision was in effect for a period of not more than 2 years. Under this portion of the law, thousands of orphans have entered the United States having been adopted by American citizens. They have provided a home for these parentless children who, in many cases, would otherwise lead a life of despair, lacking the love and affection that only a parent can give. I am indeed happy that the Committee on the Judiciary has seen fit to recommend the passage of this piece of humanitarian legislation, and I hope that this great body, representing all the people of these United States of ours, will concur in the committee's recommendations. The lives of thousands of helpless little children, as well as many American couples, will be brightened by the enactment of S. 2237.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Speaker, I commend the gentleman from Pennsylvania and the members of the committee for bringing this bill in. I am particularly pleased that you kept the age at 14. I note that the other body had reduced the age to 10, which I think would have worked terrible hardships on families and would have split up families. I am delighted to see that you kept the age at 14.

Mr. WALTER. Of course, when we were studying this problem, we found that many of our military personnel who had been abroad for long periods of time had adopted children who had gotten older than 10 years, the age limit originally contemplated. We certainly did not want to exclude them and that is why we decided upon the age as it appears now in the bill. Section 4 of the bill provides further relief in this type of situations by extending the time of validity of the child's visa.

Mr. BOLAND. I thank the gentleman.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Texas.

Mr. MAHON. How many aliens or non-American citizens may probably be admitted under this provision to which the gentleman has referred? How big is this number of people involved?

Mr. WALTER. Except for the adopted orphans, this bill does not provide for the admission of one more person than would ultimately be admissible. It does not increase the total intake of aliens over the years.

Mr. MAHON. It would expedite the admission of probably how many people?

Mr. WALTER. I think it involves 11,000 people in second and third preference categories all over the world. These are spouses and unmarried children of lawfully admitted aliens and parents and unmarried sons, and daughters of U.S. citizens.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Minnesota.

Mr. JUDD. May I commend the gentleman from Pennsylvania for his leadership in this as well as in so many other important fields. I am gratified that he and the other members of his committee have brought out this bill. I, too, have introduced legislation on the orphan matter. But I want to speak, particularly, of the provision which will allow families to be united in cases where the spouses and dependent children would ultimately be admitted anyway because the alien now here has been lawfully admitted for permanent residence. This will remove a really terrible hardship in many, many cases, and will benefit, not injure, our country.

Mr. Speaker, this is a very meritorious bill and I am glad that the gentleman has taken this farsighted step in preparing and sponsoring it.

Mr. WIDNALL. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from New Jersey.

Mr. WIDNALL. Mr. Speaker, I, too, would like to commend the chairman of the committee for bringing out a very progressive bill and for taking several steps forward that are very badly needed in this field. I am disturbed about one section of the bill, and I would like to ask a few questions about it. I am particularly familiar with the program that has been carried on with Korean orphans through the Harry Holt Orphanage in Korea, and there are a number of people in my district that have adopted children through proxy adoptions from that orphanage. Would this bill kill that program?

Mr. WALTER. No; it would not. However, the adoptions must be made in accordance with the laws of the State of the child's future residence. In your instance, the adoption would have to be in accordance with the laws of the State of New Jersey.

Mr. WIDNALL. If it was to take effect, it would really kill the bill in New Jersey. What I am disturbed about is this: I have seen firsthand so many instances of fine little children brought in from Korea and a happy family life created for them; children of GI's over in Korea. They have been screened through the Harry Holt Orphanage over there. And, there has been a very real close community developed, such as the gathering they have every year on the Lehrke farm up in my district. This past year they had 200 parents and children, and it is really a people-to-people humanitarian effort, a voluntary effort, without any Government expense.

And, I do not know of any abuses in that program.

Mr. WALTER. Well, I could tell the gentleman about many abuses, but I will not. The good cases that you are talking about would not be affected by the new law. However, those cases where children have been brought to the United States that are imbeciles and insane and not placed in proper homes, and not subject to adoption in the State, which has happened, would not happen now because the State departments of welfare will have a voice in this matter together with State courts.

Mr. WIDNALL. Well, is it not true that under the current program they have to be screened as to health before they are admitted and also checked through the immigration authorities?

Mr. WALTER. That is fully covered in the bill and in the report on pages 7 and 8. It was also covered in my remarks explaining the bill.

Mr. BALDWIN. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from California.

Mr. BALDWIN. On this same point, there are a considerable number of families in my district that have adopted Korean orphans under this Harry Holt adoption program, and in practically every case it has worked out extremely well. If I understand correctly, I think the California laws are basically the same as the New Jersey laws. They cannot adopt them under California laws until they are actually in California.

Mr. WALTER. The gentleman is not correct. The child in category (ii) on page 6 of the bill does not have to be adopted by "proxy" in order to be brought here for adoption.

Mr. BALDWIN. I have received some wires on this bill, wires that imply that if this bill is passed it would be necessary for any future adoptive parents in California to fly over to Korea before they actually could carry through one of these Korean orphanage admissions; is that correct?

Mr. WALTER. That is either deliberate misinformation or ignorance of the bill, one or the other. It is entirely incorrect.

Mr. BALDWIN. In other words, then, the person desiring to adopt the orphan would not have to go to Korea but the orphan could come to the United States and then the person proceed to adopt under California law.

Mr. WALTER. That is right.

Mr. POFF. Mr. Speaker, I want to underscore the importance of section 5. The provisions of that section have heretofore on three separate occasions been approved by this House. That section would for the first time establish a single, specific statutory procedure for judicial review of orders of exclusion and deportation of ineligible and undesirable aliens.

A series of Federal court decisions has precipitated chaos in the channels of appellate procedure. This chaos has been skillfully exploited by astute lawyers employed by subversive and criminal aliens with funds acquired in criminal and un-American pursuits. By shopping about for legal forums with congested dockets, by filing frivolous and dilatory pleas, and by calculated abuse of the Habeas Corpus Act these undesirable aliens with ill-gotten gains have been able to delay and sometimes to thwart altogether the enforcement of lawful deportation and exclusion orders.

Section 5 of this bill confines venue to the jurisdiction in which the alien resides or in which the administrative order was entered. A petition for a review of such an order must be filed within 6 months of its entry in the circuit court of appeals serving that jurisdiction. The writ of habeas corpus is preserved specifically to an alien under an order of exclusion and to an alien held in custody under an order of deportation. However, a subsequent petition for habeas corpus will not be entertained unless the alien show, first, that he has exhausted all administrative remedies, and second, that the validity of the order of deportation has not previously been judicially determined. This is merely an affirmation of the time-honored doctrine of res judicata.

Mr. Speaker, the provisions of section 5 were recommended by former President Eisenhower in two separate messages. President Kennedy, speaking through the Deputy Attorney General, has also urged "the early enactment of the bill." In summary, I think it is fair to say that section 5 will adequately protect every legitimate right of every alien and most certainly will promote the legitimate interests and national security of the United States.

Mr. Speaker, I ask unanimous consent that all Members may have permission to insert their remarks in the RECORD at this point on this bill. I have no further requests for time.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BOLAND. Mr. Speaker, I rise in support of S. 2237, as amended, to permit the entry into the United States of certain eligible alien orphans, and to provide legislation designed to facilitate the reunification of certain families of U.S. citizens and immigrants experiencing hardship due to separation.

I want to take this opportunity to compliment members of the Immigration Subcommittee, under the distinguished chairmanship of the gentleman from Pennsylvania, Congressman WALTER, for taking action and favorably reporting this legislation so that Members of the House can act in this session of Congress on these important and humane matters.

I am particularly pleased that the Walter amendment to the bill makes permanent the admittance of eligible alien orphans. The subcommittee members are to be commended for also providing for the 14-year-old age limit of eligible orphans rather than the previous age limit of 10 years.

Since 1948 Congress has provided for some form of orphan program. During this time some 17,000 orphaned or abandoned children have been able to acquire a home and proper care with American couples. The legislation makes the program permanent and provides that not more than two special nonquota immigrant visas may be issued to orphans adopted by any one U.S. citizen and spouse, unless necessary to prevent the separation of brothers and sisters. This is a sound program and it will mean much in the lives of the persons affected.

The legislation also authorizes the issuance of nonquota immigrant visas to aliens who have been accorded preferential status under the Immigration and Nationality Act pursuant to petitions filed by their relatives and approved by the Attorney General prior to last June 30. This provision is designed to expedite the reunification of certain families of citizens of the United States and immigrants admitted for permanent residence.

Aliens benefiting from the enactment of this proposal are the parents and unmarried sons and daughters of U.S. citizens; and spouses and unmarried sons and daughters of immigrants lawfully admitted for permanent residence. Some of the most heart rending appeals made to me as a Congressman are from constituents who are separated by oceans from their husbands or wives, parents, sons and daughters. Some of these people have been striving for years to have their family reunited, but their loved ones have had to remain overseas and await their turn on a quota list. Enactment of this bill will hasten the day when these relatives can come to American shores to take up permanent residence under the one roof where they ought to be.

Mr. Speaker, I urge that the legislation be enacted.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill S. 2237?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

The title of the bill was amended to read: "An Act to amend the Immigration and Nationality Act; and for other purposes."

AMENDMENT OF SMALL BUSINESS INVESTMENT ACT OF 1958

Mr. PATMAN. Mr. Speaker, I move to suspend the rules and pass the bill (S. 902) to amend the Small Business Investment Act of 1958, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this

Act may be cited as the "Small Business Investment Act Amendments of 1961".

SEC. 2. Section 103 of the Small Business Investment Act of 1958 is amended—

(1) by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) the terms 'small business investment company', 'company', and 'licensee' mean a company approved by the Administration to operate under the provisions of this Act and issued a license as provided in section 301 (c);"; and

(2) by striking out "and" at the end of paragraph (5), by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and", and by adding after paragraph (6) the following new paragraph:

"(7) the term 'license' means a license issued by the Administration as provided in section 301(c)."

SEC. 3. (a) Section 302(a) of the Small Business Investment Act of 1958 is amended by striking out the second sentence and inserting in lieu thereof the following: "In order to facilitate the formation and growth of small business investment companies, the Administration is hereby authorized, notwithstanding any other provisions of law (but only to the extent that the necessary funds are not available to the company involved from private sources), to purchase the debentures of any such company in an amount not to exceed the lesser of $500,000 or the amount of the paid-in capital and surplus of the company from other sources; but debentures of a small business investment company may be purchased by the Administration under this subsection only during such period (in no case ending more than three years after the date of the issuance of its license under section 301(c) or the date of the enactment of the Small Business Investment Act Amendments of 1961, whichever is later) as may be fixed by the Administration."

(b) Section 302(b) of such Act is amended by striking out "1 percent of its capital and surplus" and inserting in lieu thereof "2 percent of its capital and surplus".

SEC. 4. (a) The first sentence of section 303(b) of the Small Business Investment Act of 1958 is amended by inserting after "is authorized" the following: "(but only to the extent that the necessary funds are not available to the company involved from private sources)".

(b) The second sentence of section 303 (b) of such Act is amended to read as follows: "The total amount of obligations of any one company which may be purchased and outstanding at any one time by the Administration under this subsection (including commitments to purchase such obligations) shall not exceed 50 percent of the paid-in capital and surplus of such company or $5,000,000, whichever is less."

(c) Section 303(b) of such Act is further amended by adding at the end thereof the following new sentence: "All loans made by the Administration under this subsection shall be of such sound value as reasonably to assure repayment."

(d)(1) Section 303 of such Act is further amended by adding at the end thereof the following new subsection:

"(c) The proceeds of loans made by the Administration to small business investment companies under subsection (b) shall not be used by such companies for investments and loans aggregating more than $500,000 in the case of any single enterprise. Accordingly, so long as any portion of a loan made by the Administration to a small business investment company under subsection (b) remains unpaid, such company shall maintain assets consisting of cash, eligible Government obligations, and portfolio investments and loans which do not exceed $500,000 in the case of any single enterprise equal in total face value to no less than the unpaid principal amount of the loan under subsection (b)."

(2) The amendment made by paragraph (1) shall apply only with respect to loans disbursed by the Small Business Administration under section 303(b) of the Small Business Investment Act of 1958 on or after the date of the enactment of this Act; except that such amendment shall not apply with respect to any such loan disbursed pursuant to a commitment or loan authorization issued by the Administration before such date.

SEC. 5. Section 304 of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following new subsection:

"(d) Equity capital provided to incorporated small business concerns under this section may be provided directly or in cooperation with other investors, incorporated or unincorporated, through agreements to participate on an immediate basis."

SEC. 6. Section 305(b) of the Small Business Investment Act of 1958 is amended by striking out "other lending institutions" and inserting in lieu thereof "other lenders, incorporated or unincorporated,".

SEC. 7. Section 308(a) of the Small Business Investment Act of 1958 is amended to read as follows:

"(a) Wherever practicable the operations of a small business investment company, including the generation of business, may be undertaken in cooperation with banks or other investors or lenders, incorporated or unincorporated, and any servicing or initial investigation required for loans or acquisitions of securities by the company under the provisions of this Act may be handled through such banks or other investors or lenders on a fee basis. Any small business investment company may receive fees for services rendered to such banks and other investors and lenders."

SEC. 8. Title III of the Small Business Investment Act of 1958 is amended by adding after section 308 the following new sections:

"ENFORCEMENT PROCEDURES

"SEC. 309. (a) A license may be revoked by the Administration—

"(1) for false statements knowingly made in any written statement required under this title, or under any regulation issued under this title by the Administration, for the purpose of obtaining the license;

"(2) because of facts coming to the attention of the Administration which existed prior to the time the license was issued and which, if known at that time, would have justified the Administration in refusing to issue the license;

"(3) for willful or repeated violation of, or willful or repeated failure to observe, any provision of this Act;

"(4) for willful or repeated violation of, or willful or repeated failure to observe, any rule or regulation of the Administration authorized by this Act; or

"(5) for violation of, or failure to observe, any cease and desist order issued by the Administration under this section.

"(b) Where a licensee has not complied with any provision of this Act, or of any regulation issued under this Act by the Administration, the Administration may order such licensee to cease and desist from such action or failure to act; and the Administration may further order such licensee to take such action or to refrain from such action as the Administration deems necessary to ensure compliance with the Act and the regulations. The Administration may also suspend the license of such licensee until the licensee has complied with such order.

"(c) Before revoking a license pursuant to subsection (a), or issuing a cease and desist order or suspending a license pursuant to subsection (b), the Administration shall serve upon the licensee involved an order to show cause why an order revoking the license or a cease and desist order or an order suspending the license should not be issued. Any such order to show cause shall contain a statement of the matters of fact and law asserted by the Administration and the legal authority and jurisdiction under which a hearing is to be held, and shall inform the licensee that a hearing will be held before the Administration at a time and place stated in the order. If after hearing, or a waiver thereof, the Administration determines on the record that an order revoking the license or a cease and desist order or an order suspending the license should issue, it shall issue such order, which shall include a statement of the findings of the Administration and the grounds and reasons therefor and specify the effective date of the order, and shall cause the order to be served on the licensee.

"(d) The Administration may require by subpena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to the hearing from any place in the United States. Witnesses summoned before the Administration shall be paid by the party at whose instance they were called the same fees and mileage that are paid witnesses in the courts of the United States. In case of disobedience to a subpena, the Administration, or any party to a proceeding before the Administration, may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of books, papers, and documents.

"(e) An order issued by the Administration under this section shall be final and conclusive unless within thirty days after the service thereof the licensee appeals to the United States court of appeals for the circuit in which such licensee has its principal place of business by filing with the clerk of such court a petition praying that the Administration's order be set aside or modified in the manner stated in the petition. After the expiration of such thirty days, a petition may be filed only by leave of court on a showing of reasonable grounds for failure to file the petition theretofore. The clerk of the court shall immediately cause a copy of the petition to be delivered to the Administration, and the Administration shall thereupon certify and file in the court a transcript of the record upon which the order complained of was entered. If before such record is filed the Administration amends or sets aside its order, in whole or in part, the petitioner may amend the petition within such time as the court may determine, on notice to the Administration. The filing of a petition for review shall not of itself stay or suspend the operation of the order of the Administration, but the court of appeals in its discretion may restrain or suspend, in whole or in part, the operation of the order pending the final hearing and determination of the petition. The proceedings in such cases in the court of appeals shall be made a preferred cause and shall be expedited in every way. The court may affirm, modify, or set aside the order of the Administration. If the court determines that the just and proper disposition of the case requires the taking of additional evidence, the court shall order the Administration to reopen the hearing for the taking of such evidence, in such manner and upon such terms and conditions as the court may deem proper. The Administration may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file its modified or new findings and the amendments, if any, of its order, with the record of such additional evidence. No objection to an order of the Administration shall be considered by the court unless such objection was urged before the Administration or, if it was not so urged, unless there

were reasonable grounds for failure to do so. The judgment and decree of the court affirming, modifying, or setting aside any such order of the Administration shall be subject only to review by the Supreme Court of the United States upon certification or certiorari as provided in section 1254 of title 28, United States Code.

"(f) If any licensee against which an order is issued under this section fails to obey the order, the Administration may apply to the United States court of appeals, within the circuit where the licensee has its principal place of business, for the enforcement of the order, and shall file a transcript of the record upon which the order complained of was entered. Upon the filing of the application the court shall cause notice thereof to be served on the licensee. The evidence to be considered, the procedure to be followed, and the jurisdiction of the court shall be the same as is provided in subsection (e) for applications to set aside or modify orders. The proceedings in such cases shall be made a preferred cause and shall be expedited in every way.

"INVESTIGATIONS

"SEC. 310. The Administration may make such investigations as it deems necessary to determine whether a licensee or any other person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this Act, or of any rule or regulation under this Act, or of any order issued under this Act. The Administration shall permit any person to file with it a statement in writing, under oath or otherwise as the Administration shall determine, as to all the facts and circumstances concerning the matter to be investigated. For the purpose of any investigation, the Administration is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, and documents which are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States. In case of contumacy by, or refusal to obey a subpena issued to, any person, including a licensee, the Administration may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, and documents; and such court may issue an order requiring such person to appear before the Administration, there to produce records, if so ordered, or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found.

"INJUNCTIONS AND OTHER ORDERS

"SEC. 311. (a) Whenever, in the judgment of the Administration, a licensee or any other person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this Act, or of any rule or regulation under this Act, or of any order issued under this Act, the Administration may make application to the proper district court of the United States or a United States court of any place subject to the jurisdiction of the United States for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, rule, regulation, or order, and such courts shall have jurisdiction of such actions and, upon a showing by the Administration of such licensee or other person has engaged or is about to engage in any such acts or practices, a permanent or temporary injunction, restraining order, or other order, shall be granted without bond. The proceedings in such a case shall be made a preferred cause and shall be expedited in every way.

"(b) In any such proceeding the court as a court of equity may, to such extent as it deems necessary, take exclusive jurisdiction of the licensee or licensees and the assets thereof, wherever located; and the court shall have jurisdiction in any such proceeding to appoint a trustee or receiver to hold or administer under the direction of the court the assets so possessed."

SEC. 9. Section 502 of the Small Business Investment Act of 1958 is amended—

(1) by striking out "$250,000" in paragraph (3) and inserting in lieu thereof "$350,000"; and

(2) by striking out "ten" where it first appears in paragraph (5) and inserting in lieu thereof "twenty-five".

SEC. 10. (a) Section 301(a) of the Small Business Investment Act of 1958 is amended to read as follows:

"(a) A small business investment company shall be an incorporated body, organized and chartered under State law solely for the purpose of performing the functions and conducting the activities contemplated under this title, which has succession for a period of not less than thirty years unless sooner dissolved by its shareholders and possesses the powers reasonably necessary to perform such functions and conduct such activities. The area in which the company is to conduct its operations, and the establishment of branch offices or agencies (if authorized by the articles of incorporation), shall be subject to the approval of the Administration."

(b)(1) The second sentence of section 301(c) of such Act is amended by striking out "In determining whether to approve the establishment of such a company and its proposed articles of incorporation" and inserting in lieu thereof "In determining whether to approve such a company's articles of incorporation and permit it to operate under the provisions of this Act".

(2) The last sentence of section 301(c) of such Act is amended to read as follows: "After consideration of all relevant factors, if it approves the company's articles of incorporation, the Administration may in its discretion approve the company to operate under the provisions of this Act and issue the company a license for such operation".

(3) Section 301 of such Act is further amended by striking out subsections (d) and (e).

(c) The second sentence of section 308(b) of such Act is amended by striking out "organized under this Act" and inserting in lieu thereof "operating under the provisions of this Act".

(d) Section 308 of such Act is amended by striking out subsections (d), (e), and (f) and redesignating subsection (g) as subsection (d), and by striking out "organized under this Act" in the subsection so redesignated and inserting in lieu thereof "operating under the provisions of this Act".

(e) Section 309 of such Act (relating to approval of State chartered companies for operations under this Act) is repealed.

(f) Title IV of such Act is repealed.

(g)(1) The table of contents of such Act is amended by striking out

"Sec. 309. Approving State chartered companies for operations under this Act."

and inserting in lieu thereof

"Sec. 309. Enforcement procedures.
"Sec. 310. Investigations.
"Sec. 311. Injunctions and other orders."

(2) The table of contents of such Act is further amended by striking out

"TITLE IV—CONVERSION OF STATE CHARTERED INVESTMENT COMPANIES AND STATE DEVELOPMENT COMPANIES."

(h)(1) Section 202 of such Act is amended by striking out subsection (b).

(2) Section 20 of the Small Business Act is repealed.

(3) The first sentence of section 4(c) of the Small Business Act is amended by inserting after "by law" the following: "(including the payment of administrative expenses)".

SEC. 11. Section 4(c) of the Small Business Act is amended—

(1) by striking out "$1,000,000,000" each place it appears and inserting in lieu thereof "$1,150,000,000"; and

(2) by striking out "$250,000,000" in the eighth sentence and inserting in lieu thereof "$400,000,000".

The SPEAKER pro tempore. Is a second demanded?

Mr. McDONOUGH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection a second will be considered as ordered.

There was no objection.

Mr. PATMAN. Mr. Speaker, I yield myself such time as I may need.

Mr. Speaker, H.R. 8870 amends the Small Business Investment Act of 1958, to strengthen two programs established under that act to help small business concerns. The first program relates to small business investment companies, licensed under the 1958 act by the Small Business Administration to supply equity capital and long-term loans to small businesses. The second program is one under which the Small Business Administration makes loans to State and local development companies to finance plant construction for small business concerns.

H.R. 8870 is a clean bill, unanimously reported by the Banking and Currency Committee, after hearings on its predecessor, H.R. 6672, were held by Subcommittee No. 2, of which I serve as chairman. During our consideration of this legislation, figures were furnished to the subcommittee by the Small Business Administration showing that the number of small business investment companies licensed under the act has grown rapidly in recent months, and the capital attracted by the program for investment in small business concerns is now reaching sizable proportions. The first two companies were licensed in March of 1959. By June 30 of that year 16 licenses had been issued; by June 30, 1960, the number was 109; by June 30 of this year it had shot up to 303; at the time the committee reported this bill it was 354; and it seems that almost every day a new licensee is announced. Figures furnished for July 7 of this year show these companies were then capitalized at more than $232 million. As of July 31 of this year, public offerings of the stock of these companies were in progress which would bring in another $58 million, and notices had been filed with the Securities Exchange Commission for further stock offerings totaling $87 million.

To me, these are impressive figures, indicating that this new, experimental

program is well underway. At the same time, experience under the 1958 act, limited though it is, indicates that some changes are needed. Basically, the bill makes three changes in the program, to encourage increased capitalization of the minimum-size companies, place some limitations on operating loans made by the Small Business Administration to these companies under section 302 of the 1958 act, and strengthen enforcement procedures.

About 90 percent of the companies formed thus far are capitalized at the minimum amount required by the 1958 act—$300,000—or barely above this minimum. We need a certain amount of these minimum-size companies, but testimony during our hearings on this legislation indicated clearly that as a general rule small business investment companies will operate more economically and efficiently with a larger capital. Larger capital is needed to generate enough earnings to attract capable management. It is also needed because under the 1958 act a small business investment company cannot invest more than 20 percent of its capital and surplus in any one small business concern. With a capital and surplus of only $300,000, investments are therefore limited to $60,000, which is obviously not enough to meet the need in many cases.

To stimulate more capital for these minimum-size companies, the bill would authorize the Small Business Administration to invest up to $500,000, in any small business investment company, on a 50–50 matching basis; that is, SBA could supply a dollar of capital for each private dollar invested, up to the $500,000 limit.

This broadens the present authority in two respects. Today, the amount SBA may invest for this purpose is limited to $150,000, rather than $500,000. Also, the bill permits these investments to be made to encourage companies already in existence to increase their capital, whereas under present law this kind of SBA investment may be made only to provide the initial capital needed to form a company. Although this will undoubtedly mean more Government funds will be invested in SBIC's, it will also automatically mean an equal amount of private funds will be invested. This should produce better management, more efficient operations, and an increased ability to attract additional private investment. This in turn will protect the Government's investment, and should hasten the day it will be repaid. This process will benefit the Government, the companies, and, above all, the small business concerns this program is designed to help.

The bill contains another provision to help increase the flow of capital into small business investment companies. The 1958 act authorized commercial banks, to the extent they are subject to Federal law, to make limited investments in these small business investment companies. The existing limit is 1 percent of the bank's capital and surplus. This bill raises this limit to 2 percent, to encourage further participation by banks in this program, particularly smaller banks.

The second change the bill would make in the SBIC program relates to operating loans by the Small Business Administration to small business investment companies under section 303 of the 1958 act. Today, SBA is authorized to make such loans, in an amount not over 50 percent of the capital and surplus of the small business investment company concerned. As these companies have grown, it has become evident that a dollar limit on these loans is needed, as well as the present 50 percent limit. For example, one small business investment company today has reached a size where the 50 percent limit would permit a loan of $16 million. When this program was established, we had no intention of authorizing loans of such large amounts. Accordingly, the bill imposes a limit of $5 million on the amount of section 303 loans which may be outstanding to any one SBIC. This is the figure recommended by the Small Business Administrator during the hearings.

The bill also contains a provision designed to channel these section 303 loan funds into investments of $500,000 or under. This is desirable both from the standpoint of encouraging these companies to invest in the small business concerns that need them the most, and from the standpoint of spreading these funds out in a diversified portfolio. In order to avoid tracing problems, and to avoid undue restrictions on the use of funds obtained from other sources, the bill provides that an SBIC may satisfy this requirement by maintaining a portfolio of investments of $500,000 or under, plus cash and Government securities, equal to the outstanding balance of the section 303 loans.

The third principal change the bill makes in the SBIC program is to strengthen the procedures by which the Small Business Administration and the courts may enforce compliance with the 1958 act. The 1958 act now contains two enforcement provisions, both involving suits in the Federal district courts, one to revoke a license upon proof of violation and the other to enjoin existing or threatened violations. The bill provides for a wider range of enforcement procedures, administrative as well as judicial, to permit the Small Business Administration to ensure compliance with the act while preserving for all parties the safeguards provided in the Administrative Procedure Act, including proper notice and hearings and judicial review of any administrative orders issued under the new procedures.

The bill would also expand a second program established under the 1958 act, that of loans under section 502 of the act to State and local development companies. These section 502 loans are made by the Small Business Administration to development companies to finance plants and other facilities, where the loans will assist identifiable small business concerns in accomplishing sound business purposes. They cover construction, conversion, or expansion of plants and other facilities, including acquisition of land. During our hearings the Small Business Administrator supplied a table showing that through June 20, 124 of these loans had been made in 30 States, for projects costing a total of $21 million. The SBA share of the loans was $13 million. It is estimated that 7,400 jobs will be provided as a result of these loans.

These figures show this loan program has gotten off to a fine start. The bill would make two changes to make it even more useful. Today, loans are limited to $250,000 for each small business concern assisted; the bill would raise this limit to $350,000 to conform to the regular SBA business loan program. Section 502 now specifies a maximum term of 10 years for these loans; the bill would raise this to 25 years, which is geared to the depreciation period for the facilities involved, and approximates the maturities available on commercial loans of the same type.

Finally, the bill would increase the existing ceiling on loans which may be outstanding under the 1958 act, by $150 million. The present ceiling of $250 million will not be sufficient, according to SBA estimates, which indicate that if the bill is enacted, approximately $300 million will be outstanding at the end of this fiscal year. To insure that sufficient authorization will be available to continue these programs, the bill would raise the ceiling to $400 million.

Mr. McDONOUGH. Mr. Speaker, I rise in support of the explanation of the bill by the chairman of the Subcommittee on Banking and Currency. This is added authority to the Small Business Investment Corporation, which is an excellent institution. This supplies working capital to small industries and provides employment for many hundreds of people.

GENERAL LEAVE TO EXTEND REMARKS

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent that all Members of the House may have the privilege of extending their remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ANTITRUST VIOLATIONS CAUSE ABSENTEE OWNERSHIP AND LEAD TO DEPRESSION, ACCORDING TO THURMAN ARNOLD

Mr. PATMAN. Mr. Speaker, a very interesting and significant article appeared in the Washington Post of September 3, 1961, on the subject of how our antitrust laws work. This article was in the form of a series of questions posed to Judge Thurman Arnold, who was responsible for putting life into antitrust enforcement in the 1930's.

I think this article should be read by businessmen throughout the Nation for it destroys some false notions that have been spread by certain groups that are really in favor of promoting business cartels in this country. Such groups cloud the issue and try to make people believe that antitrust enforcement promotes inefficiency. On the contrary, as Judge Arnold points out, the antitrust laws promote business efficiency and local enterprise. The antitrust laws are not designed to protect small businessmen at the expense of efficiency, but, on the contrary, hold the doors open to new business and "prevent the inevitable inefficiency which occurs in a big business which has taken over all or most of its competitors."

ANTITRUST PROMOTES NEW ENTERPRISE

Judge Arnold describes how price-fixing and market-sharing cartels, which are outlawed by the antitrust laws, are destructive of new business opportunities. The purpose of the antitrust laws, Judge Arnold says, "is to permit new enterprise freely to enter any field of production and distribution and to succeed if it is more efficient than those already in the industry."

This in the long run—

He points out—

tends to give the consumer a better deal but it does not protect inefficient small business. It was the cartel system that protected the small businesses already in the market by assuring them of the continuance of their limited share.

ANTITRUST A BARRIER TO ABSENTEE OWNERSHIP

One of Judge Arnold's most significant observations, it seems to me, is that monopoly destroys local enterprise and causes depressions. A common violation, he says, has been for big business to use a dominant position in one product to destroy local business which depends upon that product for its existence. This has created a system of absentee ownership of local industry, which, according to Judge Arnold, "was certainly one of the causes of the great depression." This point is so important that I wish to quote the entire passage from which it is taken:

ABSENTEE OWNERSHIP

Two of the most commonly occurring violations of the antitrust laws, apart from mergers, are the following: (1) Conspiracies to fix prices; (2) the use of a dominant position in the market for one product to destroy local business which depends upon that product for its existence.

The second is illustrated by the motion picture cases prosecuted before the last war. The major producers who controlled the feature films would not supply those films to independent theaters. Thus they got control over the purely local business of motion picture exhibitions.

This process, repeated in industry after industry during the period between World War I and the depression, created a system of absentee ownership of local industries which made industrial colonies out of the West and South, prevented the accumulation of local capital and siphoned the consumers' dollars to the few industrial centers like New York and Chicago.

CAUSE OF DEPRESSION

When big business is not restrained by antitrust enforcement, it expands not through efficiency but through the ruthless use of financial power. It wants to sell without buying; it thus destroys the purchasing power of its own customers. This absentee ownership of local industry was certainly one of the causes of the great depression.

I should like to offer the entire article by Judge Arnold for the RECORD:

[From the Washington Post, Sept. 3, 1961]

EXPERT EXPLAINS HOW ANTITRUST LAWS WORK

(By Thurman Arnold)

(Vigorous enforcement of the antitrust laws in recent years has brought considerable publicity to that highly complex area of the law. Some of the questions which occur to nonlawyers are seldom discussed and the laws are rarely explained. The Washington Post put a series of the questions which arise to Thurman Arnold, a renowned trustbuster in the Roosevelt days and a legal philosopher and practitioner in Washington ever since. Here are the questions and his answers.)

Question. To many persons, antitrust cases seem to have two basic purposes—to bring down prices (cases against price fixing) or to keep business small (cases against mergers and monopolies). If this is true, there seems to be a contradiction in the laws. Laws aimed at price fixing seem designed to protect the old capitalistic society in which the most efficient producer is rewarded. Laws which block mergers and monopolies seem to protect the little businessman at the expense of efficiency. Is there a contradiction? What kinds of business activity are the antitrust laws designed to control? How do they achieve that control?

THE LEGAL MONOPOLY

Answer. The purpose of the antitrust laws is to insure freedom of business opportunity. They are not designed to protect small business from larger and more efficient competitors. They are not designed to prevent the growth of nationwide business enterprises so long as that growth is a product of industrial efficiency.

Even if, through greater efficiency in operation and distribution, a corporation achieved a monopoly, that in itself would not violate the Sherman Act. But this has never yet happened. Monopolies have been built up by using financial strength to buy out competitors or to force them out of business. It is this sort of growth and only this sort that the antitrust laws are designed to penalize.

Take, for example, the prohibition against mergers. If a nationwide concern which dominated the market in a single product should choose to diversify and purchase a corporation which made some other product, there would not be the substantial lessening of competition required to make the merger illegal.

Thus Coca-Cola recently acquired the business of Minute Maid without objection from the Department of Justice. This was because the Department did not believe that in any real sense orange juice, predominantly a breakfast drink, competed with Coca-Cola. Had Coca-Cola acquired Pepsi-Cola, it is certain that the merger would have been attacked.

Thus the antimerger provisions are not designed to protect the small businessman at the expense of efficiency. Instead, they are to prevent the inevitable inefficiency which occurs in a big business which has taken over all or most of its competitors.

ABSENTEE OWNERSHIP

Two of the most commonly occurring violations of the antitrust laws, apart from mergers, are the following: (1) conspiracies to fix prices; (2) the use of a dominant position in the market for one product to destroy local business which depends upon that product for its existence.

The second is illustrated by the motion picture cases prosecuted before the last war. The major producers who controlled the feature films would not supply those films to independent theaters. Thus they got control over the purely local business of motion picture exhibitions.

This process, repeated in industry after industry during the period between World War I and the depression, created a system of absentee ownership of local industries which made industrial colonies out of the West and South, prevented the accumulation of local capital and siphoned the consumers' dollars to the few industrial centers like New York and Chicago.

CAUSE OF DEPRESSION

When big business is not restrained by antitrust enforcement, it expands not through efficiency but through the ruthless use of financial power. It wants to sell without buying; it thus destroys the purchasing power of its own customers. This absentee ownership of local industry was certainly one of the causes of the great depression.

In Europe, the result of the lack of an antitrust policy was the complete cartelization of industry. The markets were divided by international cartels. Hitler was able to manipulate the cartel system to his own advantage while the same system sapped the industrial vitality of England and France.

Even in America during the period of nonenforcement in the twenties, many of our great industrial concerns joined international cartels. An example of how this hurt us can be taken from the rubber industry.

One of our great oil companies entered into an agreement with our German cartel that it would not manufacture rubber if the German cartel would not compete in oil and gasoline. As a result, America entered the war far behind Germany in the production of a synthetic rubber.

The antitrust laws are not directly concerned with the lowering of consumers' prices. Their purpose is to permit new enterprise freely to enter any field of production and distribution and to succeed if it is more efficient than those already in the industry.

This in the long run tends to give the consumer a better deal but it does not protect inefficient small business. It was the cartel system that protected the small businesses already in the market by assuring them of the continuance of their limited share.

Concentration of economic power achieved by putting artificial restraints on new business, or by the purchase of competitors, or by division of the market, draws the vigor out of the industrial system. The excuse of the cartel system is always that it protects respectable industry from so-called ruinous competition. The United States has adopted that policy only once, and that was in the days of the NRA, and that did not last long.

To illustrate what happens in any field where the principles of the antitrust laws are abandoned, one needs only to look at Jimmy Hoffa and his Teamsters Union. Hoffa is able to control the bottleneck of transportation without effective deterrents from anyone. The result is what could have been expected in advance when labor was first freed by an unfortunate decision of the

Supreme Court from any restrictions under the Sherman Act.

Question. In recent months, there have been many criminal indictments for price-fixing, particularly in the consumer goods field. Will this affect the price which the consumer pays? How can prices on consumer goods be so consistently identical if they are not fixed? How deeply should the Government involve itself in pricing?

Answer. There have been probably more price-fixing cases than any other type of prosecution under the antitrust laws. Those prosecutions, however, have not prevented the administration of prices by large corporations through the device of price leadership in such commodities as steel.

The difficulty may be illustrated by the following example: When I was a member of President Roosevelt's Temporary National Economic Committee, we were examining an industry in which the prices were almost always identical. One of the presidents of a smaller concern was on the stand. I asked him why he invariably followed the prices of the large company in the field.

He explained that Mr. X of the large company had been to MIT. He had studied economics, he had vast experience in prices. "Therefore," said the president of the smaller company, "I have confidence in him and believe that the price he fixes after study is the price that I should use."

When the hearing was over I took him to one side and asked him what would happen if he didn't follow the price of the large company. "That, Mr. Arnold," he said, "is something which I never expect to learn from actual experience."

In such a situation, there need be no conspiracy in order to establish identical prices. The great problem of administered prices today in the United States is to this extent beyond the reach of the present antitrust laws. And for this reason, we can observe that in many of our great industries, prices remain the same or are even raised when demand is falling off.

Question. The first antitrust laws were passed late in the 19th century. Are they still valid for a 20th century economy. Do we need a wholesale revision of the antitrust laws?

Answer. If by "wholesale revision of the antitrust laws" you mean the abandonment of the principle of the act in favor of what is often called rationalized production and distribution, such an effort would be unmitigated evil. It is not true that the Sherman Act was designed for a 19th century economy. It did not become effective in the United States until the 20th century.

Today the principal policy of antitrust is spreading all over the world. Ehrhard, the German Minister of Finance, has a vigorous antitrust policy which succeeded because during the occupation the great German combinations that existed before the war were broken up by the American decartelization program.

In the long run, we have only two choices: either the curbing of restraints of trade and monopoly power, or the rejection of the cartel system whose evils are today belatedly recognized even in Europe.

AMENDMENT OF SMALL BUSINESS INVESTMENT ACT OF 1958

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill S. 902, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

Mr. FULTON. Mr. Speaker, I object to the vote on the ground a quorum is not present, and I make the point of order that a quorum is not present.

Mr. HALLECK. Mr. Speaker, the point comes too late. The Chair had declared the bill passed by a two-thirds vote.

The SPEAKER pro tempore. The Chair did not hear the gentleman from Pennsylvania.

Mr. FULTON. I was on my feet, but I could not interrupt the Chair.

The SPEAKER pro tempore. Of course the Chair is not responsible for that.

Mr. FULTON. Mr. Speaker, I was on my feet.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas [Mr. PATMAN].

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. HARRIS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 192]

Alger	Healey	Peterson
Anfuso	Hébert	Pilcher
Ashley	Holland	Powell
Aspinall	Hosmer	Rabaut
Auchincloss	Johnson, Md.	Santangelo
Baker	Kearns	Siler
Bolling	Kelly	Steed
Brooks, La.	Kilburn	Tuck
Broyhill	Kirwan	Udall, Morris K.
Buckley	Kluczynski	Vinson
Dague	Landrum	Westland
Davis, Tenn.	Lindsay	Whitten
Dawson	McSween	Wickersham
Dent	Madden	Williams
Derwinski	Mason	Willis
Diggs	Miller, Clem	Winstead
Evins	Milliken	Zelenko
Green, Oreg.	Morrison	
Hall	O'Hara, Mich.	

The SPEAKER pro tempore. On this rollcall, 380 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tomorrow to file certain privileged reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

AMENDING SMALL BUSINESS ACT TO INCREASE AMOUNT AVAILABLE FOR REGULAR BUSINESS LOANS

Mr. PATMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8762) to amend the Small Business Act to increase the amount available for regular business loans thereunder, with amendments.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4(c) of the Small Business Act is amended—

(1) by striking out "$1,020,000,000" each place it appears and inserting in lieu thereof "$1,150,000,000"; and

(2) by striking out "$595,000,000" and inserting in lieu thereof "$725,000,000".

The SPEAKER pro tempore. Is a second demanded?

Mr. McDONOUGH. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. PATMAN. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, I take this time to advise that if Members can remain on the floor, we can expedite the business of the House today and adjourn at a reasonable hour. Most bills to be called up can be handled very quickly, I understand, provided we can keep a quorum on the floor. We would like to complete consideration of those bills that have been programed, and we would respectfully request the cooperation of all Members to that end.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Indiana.

Mr. HALLECK. I would like to say so far as I am concerned, I trust we can keep our Members on the floor. These bills that ought to be considered should be properly considered, of course, and that is what we want to do and if a quorum will remain on the floor, in my opinion, the bills that need to be considered this evening can be disposed of very quickly.

Mr. PATMAN. Mr. Speaker, this bill would increase the Small Business Administration's authority to make regular business loans to small business concerns by $130 million, the amount estimated as necessary to carry this loan program through the current fiscal year.

President Kennedy today signed into law H.R. 8922, which provided an interim increase of $20 million in this loan authority, needed to keep the program in business this month. The current Small Business Administrator, John Horne, is doing a fine job for small business. He is vigorously promoting this program and I know the Members of the House will support this bill to give the Administrator the authority he needs.

This bill came out of the Banking and Currency Committee by a unanimous vote. It is absolutely essential that the SBA business loan authority be increased before this session ends, and this $130 million is the minimum needed, in my judgment, to keep the program going at a level that will truly meet the need.

Mr. McDONOUGH. Mr. Speaker, I rise in support of the statement made by the chairman of the Subcommittee on Small Business of the Committee on Banking and Currency.

There is only one point I would like to clear up, if possible. This is an authority for increasing funds for the operation of the Small Business Administration for the next year. The bill that is being considered by the Senate contains a controversial section that was a matter of discussion in the conference on this same bill a year ago, and that section has to do with the requirement that the Secretary of Defense submit to small business in the United States all contracts within a certain category, all moneys involved in the contracts, and there is a great deal of opposition to that section of the bill. Now, it is my hope, if the House passes this bill, that the Senate will accept it in its present form without the controversial section 7 of the Senate bill. I do not know whether the chairman of the committee can give me any assurance of that, but is it your hope that they will also concur?

Mr. PATMAN. Mr. Speaker, I share the views of the gentleman from California, and I, too, express the hope that this bill can go through as the House is expected to pass it, relating only to increasing the authorization.

Mr. McDONOUGH. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. CHAMBERLAIN].

KIT CLARDY

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CHAMBERLAIN. Mr. Speaker, I am saddened, indeed, to report to my colleagues in the House who served during the 83d Congress that their friend and colleague in that Congress, Kit Clardy, died after an operation last night in California, where he had recently retired.

Mr. Clardy was elected to the 83d Congress from Michigan's Sixth District after an outstanding business and legal career. He received his law degree at the University of Michigan and was eminently successful in the practice of law before becoming assistant attorney general for the State of Michigan and subsequently a member and chairman of the Michigan Public Utilities Commission.

As a member of the House Un-American Activities Committee, Kit Clardy devoted himself to the bitter struggle against communism and his many friends in Washington will best remember him for his relentless efforts to protect and preserve our country from this insidious threat to our form of Government. He was a man of integrity, a true public servant and a loyal American.

I have known Mr. Clardy for many years and join his hosts of friends in Michigan, in California, and in Washington who mourn his passing today and convey to his wife my deepest sympathy and condolence.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. CHAMBERLAIN. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Speaker, not many days ago I had a very pleasant visit in my office with a former colleague who distinguished himself in the 83d Congress as a fearless foe of those who would undermine our system of Government.

On that visit, Kit Clardy evidenced the same vim and vigor that characterized his activities as a Member of this House. I shall not soon forget his cheerfulness on that occasion, though today the shadow of sorrow dims those memories as I received the word of his passing.

Kit Clardy and I came to Congress in the same year and we had many of the same legislative interests. As a member of the Michigan delegation, he made many valuable contributions to our discussions and activities. We developed a warm personal friendship that extended to his untimely death yesterday. Although he served but one term in the House, he proved himself a statesman through and through. He had a keen mind and was a talented lawyer.

During his career in Congress, his courage became known to all. His service on the House Committee on Un-American Activities was at a time when we were rooting out the Communists who had entrenched themselves in important places in and out of Government during the war years. Devoted as he was to the principles of our form of Government, he never faltered under enemy fire but struck forceful blows against those who had espoused alien ideologies contrary to ours.

He was admired and respected by those with whom he served and was held in profound esteem by members of his staff to whom he endeared himself as an associate in the daily routines of a congressional office.

Kit Clardy was born in Missouri and educated in the grade schools of that State. He received his law degree at the University of Michigan and began the practice of law in Ionia, Mich. Later he was chosen assistant attorney general for the State of Michigan. Subsequently he was made a member of the Michigan Public Utilities Commission and also served as its chairman. He served Michigan ably and with dignity.

I wish to extend my deep personal sympathy to Kit's devoted wife, Dorothy, in her bereavement.

Alexander Pope must have had in mind a man of Mr. Clardy's stature when he wrote:

Statesman, yet friend to truth, of soul sincere,
In action faithful, and in honor clear;
Who broke no promise, serv'd no private end,
Who gain'd no title, and who lost no friend.

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent that all Members who so desire may extend their remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, our former colleague, Kit Clardy, came to Congress in January of 1953, but my acquaintance with him, though we lived in different sections of the State, began when I was first a candidate in 1934.

A comparative stranger, he nevertheless volunteered to help. He spoke many times in my behalf and in behalf of the party. He held deep convictions and never failed to adhere to and support every move which tended to retain our constitutional Government.

He was an uncompromising advocate, always logical, always eloquent, and, understandable, a trait which some of us sometimes seem to lack.

Serving here, he never missed an opportunity to emphasize the necessity of retaining our form of government, fighting every move, no matter how insidious, to destroy us.

His services on the Committee on Un-American Activities were recognized as outstanding.

In his passing, our State and our country has lost an able, vigorous, uncompromising advocate of sound principle, clean thinking, and commonsense methods.

Mr. McDONOUGH. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, on these small business bills the question has come up as to the progress of the present Administrator of the Small Business Administration on his policies: Is he doing right when he has greatly expanded the number of loans and is giving out a greater percentage of the authorized funds?

In my view, and I believe in that of the Congress, it is wise that the Administrator, John Horne, go ahead and service small business as he is now doing. I want to put it on record that we in Congress feel that way and that we in Congress are passing this legislation for the purpose of having the authorized funds used; and I would like to ask the chairman of the subcommittee if that is not the case.

Mr. PATMAN. Yes, that is the intention, as I understand, for these funds to be used.

Mr. FULTON. And might I ask the minority senior member of the subcommittee if that is not his understanding as well.

Mr. McDONOUGH. It is.

Mr. FULTON. So Congress disagrees with the criticism that has been made in some quarters that the Small Business Administration is getting too big for its size, shall we call it; and, secondly, that it is not operating in accordance with congressional wishes.

Might I say that on a previous rollcall I felt we should put the House on record that we are unanimously in favor of this Small Business Administration. I shall, therefore, ask for a division when the vote is taken on this bill, and want to give notice to the Chair of my intention so I will not be overlooked.

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent that all Members may be permitted to insert their remarks in the RECORD at this point on this bill.

Mr. Speaker, I have no further requests for time and yield back the balance of my time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill H.R. 8762 as amended?

The question was taken; and on a division (demanded by Mr. FULTON) there were—yeas 222, nays 0.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Without objection, H.R. 8870 will be laid on the table, a similar bill to the one just recently passed by the House.

There was no objection.

AFFORDING CHILDREN OF CERTAIN DECEASED VETERANS BENEFITS OF THE WAR ORPHANS EDUCATIONAL ASSISTANCE ACT OF 1956

Mr. TEAGUE of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2051) to afford children of certain deceased veterans who were eligible for the benefits of the War Orphans Educational Assistance Act of 1956 but who, because of residence in the Republic of the Philippines, were unable to receive such assistance prior to enactment of Public Law 85–460, additional time to complete their education, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the period referred to in section 1712 of title 38, United States Code, shall not end before June 18, 1963, with respect to pursuit of a program of education or special restorative training under chapter 35 of such title 38 by an eligible person who (1) had not reached his twenty-third birthday, on June 29, 1956, and (2) resided in the Republic of the Philippines during all, or part of the period June 29, 1956, through June 18, 1958.

SEC. 2. (a) Section 314 of title 38, United States Code, is amended—

(1) by striking out "$19" in subsection (a) and inserting in lieu thereof "$20";

(2) by striking out "$36" in subsection (b) and inserting in lieu thereof "$38";

(3) by striking out "$55" in subsection (c) and inserting in lieu thereof "$58";

(4) by striking out "$73" in subsection (d) and inserting in lieu thereof "$77";

(5) by striking out "$100" in subsection (e) and inserting in lieu thereof "$106";

(6) by striking out "$120" in subsection (f) and inserting in lieu thereof "$127";

(7) by striking out "$140" in subsection (g) and inserting in lieu thereof "$148";

(8) by striking out "$160" in subsection (h) and inserting in lieu thereof "$169";

(9) by striking out "$179" in subsection (i) and inserting in lieu thereof "$190";

(10) by striking out "$225" in subsection (j) and inserting in lieu thereof "$245";

(11) by striking out "$450" in subsections (k), (o), and (p) and inserting in lieu thereof "$500";

(12) by striking out "$309" in subsection (l) and inserting in lieu thereof "$335";

(13) by striking out "$359" in subsection (m) and inserting in lieu thereof "$385";

(14) by striking out "$401" in subsection (n) and inserting in lieu thereof "$435";

(15) by striking out "$150" in subsection (r) and inserting in lieu thereof "$200"; and

(16) by striking out "$265" in subsection (s) and inserting in lieu thereof "$285".

(b) The Administrator may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85–857 who are not in receipt of compensation pursuant to chapter 11 of title 38, United States Code.

SEC. 3. (a) Subsection (r) of section 314 of title 38, United States Code, is further amended by striking out "for all periods during which he is not hospitalized at Government expense" and inserting in lieu thereof the following: ", subject to the limitations of section 3203(f) of this title".

(b) Section 3203 of title 38, United States Code, is amended by adding at the end thereof the following:

"(f) Where any veteran in receipt of an aid and attendance allowance described in section 314(r) of this title is hospitalized at Government expense, such allowance shall be discontinued from the first day of the second calendar month which begins after the date of his admission for such hospitalization for so long as such hospitalization continues. In case a veteran covered by this subsection leaves a hospital against medical advice and is thereafter readmitted to hospitalization, such allowance shall be discontinued from the date of such readmission for so long as such hospitalization continues."

SEC. 4. Section 312(4) of title 38, United States Code, is amended by striking out "three" and inserting in lieu thereof "seven".

Sections 2, 3, and 4 of this Act shall take effect on the first day of the second calendar month which begins after the date of enactment of this Act, but no payments shall be made by reason of such sections for any period before such first day.

The SPEAKER pro tempore. Is a second demanded? If not, the question is, Will the House suspend the rules and pass the bill S. 2051, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

GENERAL LEAVE TO EXTEND REMARKS

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, the effect of this bill would be to afford all eligible persons under age 23 on June 29, 1956, the date of enactment of the War Orphans Educational Assistance Act, a full 5 years after the effective date of Public Law 85–460—June 18, 1958—in which to avail themselves of the benefits of this program. Thus, while under existing law the eligibility period for many trainees in the Philippines ended June 29, 1961, this bill would automatically extend this period to June 18, 1963.

The original act of 1956 did not authorize the taking of training in the Republic of the Philippines. Subsequently, Public Law 85–460, effective June 18, 1958, permitted such training. That law, however, did not make any exception to the deadlines for residents of the Philippines. Thus, a number of eligible persons who were within the age limits when the original law became effective had, in practical effect, only 3 years and 11 days instead of the intended 5 years in which they could use their 36 months' educational entitlement. This is due to the fact that the pursuit of training under the basic law is generally limited to the ages between 18 and 23.

After the enactment of Public Law 85–460, two other amendments to the basic law have been made extending the program to children of the veterans of the Spanish-American War and to children of certain peacetime veterans whose deaths resulted from service. In these two amendments, a provision was contained to the effect that persons under 23 years of age on the date of enactment and who first became eligible as the result of the amendment would have a full 5 years thereafter to pursue their program of education.

The Veterans' Administration reports that in 1962 there would be a monthly average of 1,730 trainees at a direct annual cost of $2,850,000 and that in 1963 the monthly average would drop to 570 at the annual cost of $940,000, or a total cost of $3,790,000.

Mr. Speaker, the amendment to this bill is the text of H.R. 879, without any change whatsoever, as passed by the House by unanimous vote on June 5, 1961, under suspension of the rules.

The amendment, as the original bill did, provides an increase in the rates of service-connected disability compensation to reflect changes which have occurred in the cost of living since the last increase in 1957. In addition, it will more adequately compensate the more severely disabled veteran. The minimum increase provided by this amendment is 5.3 percent increase and the highest increase is 16.7 percent increase, which applies to those veterans who are entitled today to the $450 a month rate, plus $150 while they are not being hospitalized at Government expense. Since the last compensation increase in 1957 there has been a 5.4 percent increase in the cost of living. The overall average increase provided by this amendment is 9.2 percent.

The exact effect of this amendment and the number of cases affected is shown in the table which I wish to include as a part of my remarks:

Degree and paragraph	Cases, wartime	Cases, peacetime	Current wartime rate	Amendment to S. 2051	Percent of increase, amendment over current rate	Current peacetime rate	As amendment, peacetime rate	Total costs of amendment
10(a)	752,739	47,724	$19	$20	5.3	$15	$16	$9,605,556
20(b)	285,824	14,410	36	38	5.6	29	30	7,032,696
30(c)	271,120	15,985	55	58	5.5	44	46	10,143,960
40(d)	157,989	6,866	73	77	5.5	58	62	7,913,040
50(e)	105,202	4,885	100	106	6.0	80	85	7,867,644
60(f)	82,416	4,090	120	127	5.8	96	102	7,217,424
70(g)	41,203	2,180	140	148	5.7	112	118	4,112,448
80(h)	25,261	1,010	160	169	5.6	128	135	2,813,028
90(i)	7,122	190	179	190	6.1	143	152	960,624
100(j)	74,987	9,626	225	245	8.9	180	196	19,845,072
(l)	2,775	292	309	335	8.4	247	268	939,384
(m)	2,094	295	359	385	7.2	287	308	727,668
(n)	377	16	401	435	8.5	321	348	159,000
(o)	142	45	450	500	11.1	360	400	106,800
(p)	2,194	160						1,393,200
(q)+(r)	3,085	705	150(600)	200(700)	16.7	480	560	4,378,800
(s)	10,600	900	265	285	7.5	212	228	2,716,800
Total								87,933,144

(k) Anatomical loss, or loss of use of a creative organ, or 1 foot, or 1 hand, or both buttocks, or blindness of 1 eye, having only light perception, rates (a) to (j) increased monthly by $47 additional to basic compensation paid monthly for veteran with these disabilities (this $47 rate unchanged).

Anatomical loss, or loss of use of a creative organ, or 1 foot, or 1 hand, or both buttocks, or blindness of 1 eye, having only light perception, in addition to requirement for any of rates in (l) to (n), rate increased monthly for each loss or loss of use by $47 additional to basic compensation paid monthly for veteran with these disabilities (this $47 rate unchanged).

(l) Anatomical loss, or loss of use of both hands, or both feet, or 1 hand and 1 foot, or blind both eyes with 5/200 visual acuity or less, or is permanently bedridden or so helpless as to be in need of regular aid and attendance, monthly compensation.

(m) Anatomical loss, or loss of use of 2 extremities at a level, or with complications, preventing natural elbow or knee action with prosthesis in place or has suffered blindness in both eyes having only light perception, or has suffered blindness in both eyes, rendering him so helpless as to be in need of regular aid and attendance, monthly compensation.

(n) Anatomical loss of 2 extremities so near shoulder or hip as to prevent use of prosthetic appliance, or suffered anatomical loss of both eyes, monthly compensation.

(o) Suffered disability under conditions which would entitle him to 2 or more rates in (l) to (n), no condition being considered twice, or suffered total deafness in combination with total blindness with 5/200 visual acuity or less, monthly compensation.

(p) In event disabled person's service-incurred disabilities exceed requirements for any of rates prescribed, Administrator, in his discretion, may allow next higher rate, or intermediate rate, but in no event in excess of $450.

(q) Minimum rate for arrested tuberculosis (this $67 monthly rate is unchanged).

(r) If entitled to compensation under (o), or the maximum rate under (p), and in need of regular aid and attendance, while not hospitalized at Government expense, additional monthly aid and attendance allowance.

(s) If totally disabled and (1) has additional disability independently rated at 60 percent or more, or, (2) is permanently housebound.

The amendment also provides that those veterans who are receiving the statutory award of $450 monthly, plus additional compensation of $150 while not in a hospital, will have their compensation continued until the first day of the second month which begins after they are hospitalized.

The amendment also provides for an increase for the presumptive period of multiple sclerosis from 3 to 7 years. This action was taken on the recommendation of the Director, National Institute of Neurological Diseases and Blindness, Dr. Richard L. Masland.

The action which I am taking today in offering this amendment is another effort to obtain a service-connected increase for those veterans and to avoid the parliamentary entanglements which have developed as a result of the action of the other body.

The first year cost of this amendment is $87,933,144.

AMENDMENT TO RAILROAD RETIREMENT ACT OF 1937

Mr. HARRIS. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2395) to amend the Railroad Retirement Act of 1937 to provide reduced annuities to male employees who have attained age 62, and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(a)3 of the Railroad Retirement Act of 1937 is amended to read as follows:

"3. Men who will have attained the age of sixty and will have completed thirty years of service, or individuals who will have attained the age of sixty-two and will have completed less than thirty years of service, but the annuity of such men or such individuals shall be reduced by 1/180 for each calendar month that he or she is under age sixty-five when the annuity begins to accrue."

SEC. 2. Section 2(f) of the Railroad Retirement Act of 1937 is amended by striking "three years" and inserting in lieu thereof "one year" and by inserting after the word "filed" where it first appears the following: ", or in the month prior to her or his marriage to such annuitant or pensioner was eligible for an annuity under subsection (a) or (d) of section 5 of this Act or, on the basis of disability, under subsection (c) thereof".

SEC. 3. Section 5(1)(1) of the Railroad Retirement Act of 1937 is amended by inserting before the semicolon at the end thereof the following: ". Where a woman has qualified for an annuity under this section as a widow, and marries another employee who dies within one year after the marriage, she shall not be disqualified for an annuity under this section as the widow of the second employee by reason of not having been married to the employee for one year".

SEC. 4. The amendments made by this Act shall be effective with respect to annuities beginning to accrue in calendar months after the calendar month of enactment thereof.

The SPEAKER pro tempore. Is a second demanded?

Mr. SPRINGER. Mr. Speaker, I demand a second.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, the bill S. 2395 is identical to H.R. 8597, which was reported unanimously by the Committee on Interstate and Foreign Commerce to amend the Railroad Retirement Act.

Mr. Speaker, the purpose of H.R. 8597 as reported by the Committee on Interstate and Foreign Commerce is to make certain changes in the eligibility requirements for benefits under the railroad retirement system to bring them into line with recent changes in the eligibility requirements for benefits under the social security system in four areas:

First. Male employees with less than 30 years of creditable service would be permitted to retire at age 62 on a reduced annuity. Women employees already have this right.

Second. A spouse, if otherwise qualified, would become eligible for a spouse's benefit after being married only 1 year instead of 3 years under present law.

Third. A recipient of a survivor annuity who marries a retired railroad worker age 65 years or more would become entitled to a spouse's benefit immediately upon such remarriage if he or she is at least 62 years old.

Fourth. A woman who is qualified for an annuity as a widow and married another employee who dies within 1 year after the marriage would not be disqualified for an annuity as the widow of a second employee by reason of not having been married to him for 1 year.

H.R. 8597, as introduced, provided for the first three items enumerated above. It is supported by the Railway Labor Executives' Association and by the Railroad Retirement Board. The Association of American Railroads advised the committee that it interposes no objection to the enactment of the measure. At the conclusion of my remarks I am inserting a joint letter dated August 9, 1961, from these two associations explaining their positions on this bill.

The Bureau of the Budget filed a letter with the committee indicating that the bringing of early retirement benefits to railroad workers into line with those under the social security system was appropriate and desirable but suggested a change in the formula for providing the reduced benefits.

Item 4, above, is a committee amendment and consists of the provisions of H.R. 5027.

H.R. 5027 is supported by the Railway Labor Executives' Association and by one member of the Railroad Retirement Board. The other two members of the Board indicated recognition of the merit of the bill and of removing a discrimination but objected to it on the ground of cost.

BACKGROUND AND NEED FOR LEGISLATION

Over the years it has been general policy to provide that benefits accruing under the Railroad Retirement Act to a

railroad employee as a result of railroad service would be not less than those which would have been provided were railroad service to be covered by the Social Security Act. In 1959 we amended the Railroad Retirement Act to provide that railroad retirement benefits payable to a family should be not less than 110 percent of the benefits, or additional benefits, which would have been payable under the Social Security Act on the basis of railroad service involved. However, recent amendments to the Social Security Act have resulted in certain inequities and discrepancies in favor of the social security system as against the railroad retirement system.

There is need in certain areas, accordingly, for certain changes in the benefits provided by the Railroad Retirement Act to bring them into line with those provided by these amendments to the Social Security Act.

Under the Railroad Retirement Act at present, full retirement annuities are available to men and women at age 65. Reduced annuities are available to men between the ages of 60 and 65 if they have 30 years of service. These earlier accruing annuities are reduced by one one-hundred-and-eightieth for each calendar month the man is under age 65 when the annuity begins to accrue.

Women with 30 years of service may now receive an annuity at age 60 without a reduction because of age, and women with less than 30 years of service may retire on annuity as early as age 62, but such annuity will be reduced by one one-hundred-and-eightieth for each month the woman is under age 65.

The Social Security Act was recently amended—Public Law 87–64—to allow men to retire at age 62 with a reduced old-age insurance benefit. Section 1 of H.R. 8597 would permit railroadmen with less than 30 years of service to retire at age 62 with an annuity, reduced, as in the case of women, by one one-hundred-and-eightieth for each month the man is under age 65.

Under the Railroad Retirement Act at present, the wife—or husband—of a retirement annuitant or pensioner may qualify as a spouse if—among other requirements—she, or he, was married to such annuitant or pensioner for a period of not less than 3 years immediately preceding the day on which the application for a spouse's annuity is filed, or is the parent of such annuitant's or pensioner's son or daughter.

Section 2 of H.R. 8597 would change the alternative requirement first above described, of a marriage of 3 years' duration, to a requirement of a marriage of only 1 year's duration. H.R. 8597 would add another provision at this point; namely, a wife, or husband, could qualify as a spouse if, among other requirements, she, or he, although not married to the annuitant or pensioner for 1 year, and although not the parent of the annuitant's or pensioner's son or daughter, was eligible, in the month prior to the marriage, for a widow's annuity, a parent's annuity, or a child's disability annuity under the Railroad Retirement Act.

These changes conform with similar rights which the Social Security Act affords by provisions which were incorporated into subsections (b) and (f) of section 216 of that act by the 1958 amendments—Public Law 85–840—and the 1960 amendments—Public Law 86–778.

The following is quoted from pages 5 and 6 of House Report No. 216, the report of the Committee on Ways and Means, House of Representatives, to accompany H.R. 6027—which was enacted as Public Law 87–64, the Social Security Amendments of 1961:

> The provision of benefits at age 62 for men will help to alleviate the hardships faced by that group of men who, because of ill health, technological unemployment, or other reasons, find it impossible to continue working until they reach 65. It is well known that older workers who lose their jobs find it more difficult to get new jobs than do younger unemployed workers. The plight of the older unemployed man is particularly bad. It is, of course, worse during periods of recession and in areas of chronic unemployment. Even with relatively high employment there will always be individuals nearing age 65 who will lose their jobs and find it impossible to get new ones. Adoption of this amendment will make the program, to which these people have made contributions over the years in expectation of receiving benefits when they are too old to work, flexible enough to provide a degree of protection for them when they find themselves unable to get work because of conditions beyond their control when they are getting along in years, even though they have not reached the age of 65.
>
> Provisions for optional retirement before 65 are quite common in private pension plans. A study of the pension programs of 230 companies, made by the Bankers Trust Co. of New York in 1960, showed that among the collectively bargained plans 96 percent permitted early retirement and among the noncollectively bargained plans 88 percent permitted early retirement. In another 1960 study (by the Bureau of Labor Statistics) it was found that early retirement provisions were included in 224 of the 300 plans studied (75 percent), and covered about 3 million of the 4.6 million workers who were members of these plans (12 of these plans covering about 350,000 workers provided early retirement for women only). Moreover, it appears that the number of plans providing for optional early retirement is increasing; in a comparable 1952 study (by the Bureau of Labor Statistics) only 166 of the 300 plans which were included had early retirement provisions."

The same considerations which were applicable to the liberalization of the Social Security Act in respect of the time relative to marriage at which a wife's or husband's benefit may begin are applicable to the amendment provided in section 2 of the bill as to the time relative to marriage at which a spouse's annuity may begin.

As the Railroad Retirement Act stands today a widow's annuity is payable to the widow of a completely insured employee provided she has reached age 60 and has not remarried. To qualify as a widow she must have been living with the employee and have been married to him for at least 1 year before his death. If the widow marries another railroader she would lose her present pension upon remarriage. She would not become eligible for an annuity based on her second husband's earnings until they had been married 1 year. Thus, if he died within the first year of marriage she would be left without income.

On the other hand if the widow's first husband had been covered by social security instead of railroad retirement she would face no loss of protection upon remarriage to a railroad beneficiary. She would become eligible for a railroad annuity upon his death even if it occurred immediately after their marriage.

The committee amendment included as section 3 of the reported bill intends to correct this inequity in the Railroad Retirement Act. As now written, this act discriminates against a railroad worker's widow who remarries and whose new spouse is himself a retired railroad worker. The widow, in such a circumstance, loses retirement protection for a full year after her remarriage. This is inconsistent with the fact that a social security annuitant faces no such loss in protection in event of a remarriage with a man receiving railroad retirement benefits.

COSTS OF THE BILL

The costs of the amendments provided by section 1 of the bill to permit men without 30 years of service to receive reduced annuities upon attainment of age 62 are estimated to be about 0.04 percent of taxable payroll—assumed to be $4.3 billion a year—or about $2 million a year on a level basis.

As of the end of 1959, there were about 10,000 employees in the 62–64 age group with 10–29 years of service who had withdrawn from the railroad industry. How many of these people will apply for reduced annuities is hard to predict. The 1956–58 experience on withdrawals in this employee category was as follows: 850 withdrawals in 1956; 1,100 in 1957; and 1,300 in 1958. Except for those among them who died before 1960, these employees are included in the 10,000 figure previously cited.

The following is an estimate of the effect on the first year of the provisions for reduced annuities for men after age 62 who have less than 30 years of service:

Number to be awarded reduced annuity	5,000
Average reduced annuity on an annual basis	$1,000
Total to be paid in year	$5,000,000

Of the $5 million, the major part will be reimbursable under the financial interchange provisions of section 5(k)(2) of the Railroad Retirement Act.

The costs of the amendments provided by section 2 of the bill respecting the time relative to marriage at which a spouse's annuity could be payable would be insignificant. The reduction from 3 years to 1 year in the time which must elapse after marriage before a spouse's annuity can be paid would extend eligibility to a very small group of persons who have been denied spouse's annuities because they have been married less than 3 years.

The cost of the amendment provided by section 3 of the bill making inapplicable the 1-year requirement for a widow, if prior to her new marriage she had qualified for a widow's annuity, is

insignificant. One member of the Board put it at a few thousand dollars, and the Chairman of the Board indicated that at the outside it could not run over $100,000.

The estimated additional actuarial deficiency resulting from the provisions of H.R. 8597 to bring certain railroad retirement system benefits into line with those of the social security system would be 0.04 percent of payroll on a level premium basis or some $2 million per year.

This cost, however, must be considered in the light of the current actuarial deficiency of the system. This has risen from 0.61 percent of payroll in 1959 to 1.69 percent of payroll, or $73 million per year on a level basis, according to data from the Railroad Retirement Board's eighth actuarial valuation. The burden borne by the system can be illustrated by the fact that the number of people on the beneficiary rolls is some 825,000 as compared to recent covered employment of 831,000.

In connection with the cost of this bill, Howard W. Habermeyer, Chairman of the Railroad Retirement Board, testified:

The Board normally does not favor measures which would liberalize the benefit provisions without providing for the financing of the added costs. However, we understand that the Railway Labor Executives' Association which represents the employee group which pays one-half of the costs of the system favors the bill and the Association of American Railroads, which represents the employers who pay the other half do not object to it. In view of this fact, and because of the unquestioned good that would be done the Board urges that the bill be enacted.

In response to questions, Mr. Habermeyer further stated:

Let me assure you that the Board will take up its responsibilities, and if the additional financing is not provided within the very near future we will have a program to make that financing sound.

In this connection, Mr. Lester P. Schoene, counsel for the Railway Labor Executives' Association, testified:

We have a deficit problem on the order of $73 million now as compared with $2 million involved in this particular item.

Relating it another way, I think the estimate in terms of percentage of payroll is 0.04 percent of the payroll as against the 1.69 percent involved in the present deficit.

Unquestionably, the entire matter of the deficit financing we have been experiencing in recent years will require very serious attention. Both the railroads and the organizations for whom I am speaking this morning are committed to maintaining this fund on an overall long-range actuarially sound basis.

The Committee on Interstate and Foreign Commerce in its consideration of this proposed legislation cannot but be mindful of the fact that provision is not being made for financing the additional benefits here provided. The committee has ever been zealous as those who participate in and those who administer the railroad retirement fund in maintaining the financial soundness of that fund.

In this connection, it is appropriate to iterate what we said in connection with reporting an increase in benefits a few years ago:

In the consideration of all these bills, however, the committee has placed great emphasis on the effect of the proposed amendments on the financial soundness of the railroad retirement account. The committee is unanimously of the opinion that, regardless of the desirability of certain proposals for the liberalization of benefits under the Railroad Retirement Act, no amendments to the law should be made which would jeopardize the financial soundness of the railroad retirement system. The principle is accepted by all the standard railway labor organizations as well as railroad management.

This committee has every desire to be helpful to retired railroad workers and their dependents. We are also mindful of our grave responsibility toward the currently active railroad workers and those who will follow and who will retire in the future. We must make certain that when they retire from the railroad industry, the reserves in the railroad retirement account plus the income into the system will be adequate to pay the benefits due them (H. Rept. 2418, 84th Cong., 2d sess, June 25, 1956, H.R. 9065).

Early in 1959 the actuarial deficiency in the railroad retirement account was 3.81 percent of taxable payroll, or $213 million a year on a level cost basis. In March of 1959 the Committee on Interstate and Foreign Commerce reported a bill, H.R. 5610, which became Public Law 86–28 on May 19, 1959. This law made extensive revisions in the Railroad Retirement Act and the Railroad Retirement Tax Act, the net effect of which was to reduce the actuarial deficiency to 0.61 percent of payroll or $34 million a year. The changes in the Tax Act consisted of first, an increase in the maximum taxable compensation from $350 to $400 a month; second, an increase in the combined employer-employee tax rate from 12½ percent to 13½ percent from June 1959 through December 1961, and 14½ percent thereafter through 1964; and third, a further increase in the tax rate after 1964 equal to the number of percentage points by which the then current social security rate on employers and employees combined exceed 5½ percentage points.

The most recent—eighth—actuarial valuation of the railroad retirement system which was completed last July indicates that the actuarial deficiency has risen to 1.69 percent of taxable payroll, or $73 million a year on a level basis. The principal reason for this change in the deficiency is the continuous and substantial decrease in railroad employment in the last several years.

The estimate of a 0.61 percent deficiency made immediately after the enactment of Public Law 86–28 was based on an annual taxable payroll of $5.6 billion on a taxable base of $400 monthly limit per employee. Now, the chief actuary of the Railroad Retirement Board, has adopted, for the eighth actuarial valuation, an annual taxable payroll of $4.3 billion, a figure roughly corresponding to the actual experience during the last several months of 1960.

The cost of financing incurred by this bill, however, is relatively small and quite minor when considered in relation with the current actuarial deficiency of the railroad retirement system. The committee is of the opinion as stated by the witnesses quoted above that it is the problem of the current actuarial deficiency which requires serious attention.

I urge the passage of S. 2395.

The joint letter from the Railway Labor Executives' Association and the Association of American Railroads follows:

RAILWAY LABOR EXECUTIVES' ASSOCIATION,
Washington, D.C., August 9, 1961.

Hon. OREN HARRIS,
Chairman, Committee on Interstate and Foreign Commerce, House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: The Railway Labor Executives' Association favors H.R. 8597, a bill to amend the Railroad Retirement Act to permit male employees who have attained age 62 but have less than 30 years of service to receive a reduced annuity and to enable the payment of spouses' annuities within a shorter period after marriage than is at present possible. These amendments would bring the Railroad Retirement Act into accord with the 1961 amendments to the Social Security Act in the areas involved. The Association of American Railroads interposes no objection to enactment of the measure.

Section 1 of the bill would make men who have attained age 62 and who have less than 30, but at least 10, years of service, eligible for an annuity on an actuarially reduced basis. Women already have this right under the Railroad Retirement Act. Under the Social Security Act, men and women who have at least the minimum of service needed to qualify for old-age benefits can receive such benefits on a reduced basis after attainment of age 62.

The proposed amendments in section 2 would permit a spouse's annuity to begin at the same time, relative to marriage, as can a wife's or husband's benefit under the Social Security Act. Thus, section 2 of the bill would shorten from 3 years to 1 year the maximum time which must elapse after marriage before a spouse's annuity could be payable.

It would also permit a wife or dependent husband, if eligible in the month before marriage for a widow's, widower's, or parent's annuity, to receive a spouse's annuity immediately upon marriage if then of sufficient age or immediately upon attainment of the required age; and this would also be true of a spouse so eligible for a child's disability annuity. For example, if a women who was eligible for such an annuity in January marries an annuitant (who is 65 or more) in February and is then 65 or more years of age, she could receive a full spouse's annuity beginning in February.

If such a woman were only 64 in February, but became 65 in June, she could receive a full spouse's annuity beginning in June. In the first case, if she were 62 in February, she could receive a reduced spouse's annuity beginning in February. In the second case, if she were only 61 in February but became age 62 in June, she could receive a reduced spouse's annuity beginning in June.

The proposed amendments would affect the spouse's annuity only as to the time, relative to marriage, at which it could begin. The age of eligibility and other qualifying conditions would remain as they are now.

The proposed amendment in section 1 would result in a relatively small charge of approximately $2 million a year against the railroad retirement account.

The Railway Labor Executives' Association urges that the proposed bill be reported favorably by your committee at this session of

the Congress. The Association of American Railroads raises no objection to such action.

Sincerely yours,

ASSOCIATION OF AMERICAN RAILROADS,
By R. E. HOLLAR,
Vice President, Assistant to the President.

RAILWAY LABOR EXECUTIVES' ASSOCIATION,
By A. E. LYON, *Executive Secretary.*

RAILWAY LABOR EXECUTIVES' ASSOCIATION,
By A. E. LYON, *Executive Secretary.*

Mr. SPRINGER. Mr. Speaker, I have no objection to this bill. The committee held extensive hearings, everybody who appeared before the committee recommended the bill. The bill is in the public interest, I believe a good bill, and ought to be passed.

Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. BENNETT] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BENNETT of Michigan. Mr. Speaker, I urge the adoption of H.R. 8597.

This bill provides for amendments to the Railroad Retirement Act in three respects: First, male employees who do not have 30 years of service would be permitted to elect retirement at age 62 on a reduced annuity. Under present law, male employees with 30 years of service may retire at age 60 or any time subsequent thereto on a reduced annuity but those who do not have 30 years of service must wait until they are 65 years old. Female railroad employees already have the right to retire at age 62 on a reduced annuity.

Second, a spouse would become eligible for a spouse's annuity after 1 year of marriage instead of having to wait for 3 years under existing law.

Third, anyone entitled to a survivor benefit who marries a retired annuitant would immediately upon such marriage become entitled to a spouse's benefit, if then of sufficient age.

I understand that all the standard railway labor organizations, being represented here by the Railway Labor Executives' Association, heartily endorse this bill and will so testify. Also, I am advised that the railroads will not object to these amendments.

Mr. Speaker, having served on this great committee for many, many years I am well aware of the attitude of the committee toward liberalization of retirement benefits without provisions for the adequate financing of the costs of the proposed benefits. On many occasions the committee has expressed the view that in the consideration of all bills to amend the Railroad Retirement Act great emphasis would be placed on the effect of the proposed amendments on the financial soundness of the railroad retirement account. The Committee has stated that it was unanimously of the opinion that, regardless of the desirability of certain proposals for the liberalization of benefits under this act, no amendments should be made which would jeopardize the financial soundness of the railroad retirement system. A great number of people depend on their retirement and survivor benefits for a livelihood and many more who will retire in the future are counting on these benefits. Hence, the Congress must proceed with great caution in providing new benefits without adequate cost considerations.

I am advised that the cost of this legislation is approximately $2 million a year. The bill does not propose any change in the tax structure. Hence enactment of this legislation will increase the deficiency in the railroad retirement account by approximately $2 million a year.

This is not a large sum and it would not place the retirement system in jeopardy since the balance in the account exceeds $3.5 billion. Nevertheless at some time in the not too distant future the Congress will have to tackle this problem and make provision for additional financing of the system.

The benefits we are providing in this legislation are no more than what employees covered by the Social Security Act already have achieved under the 1961 and previous amendments to this act. In fairness and justice to the railroad workers we must meet these advances by the prompt enactment of H.R. 8597.

GENERAL LEAVE TO EXTEND REMARKS

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that all Members may have the privilege of extending their remarks in the RECORD at this point on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. POFF. Mr. Speaker, I will support H.R. 8597 for two reasons, namely, first, less than this Congress could not in conscience do; and, second, more than this Congress obviously will not do before adjournment.

Congress could not do less because Congress has already done as much for social security annuitants. That Congress will not do more is a reproach unto itself. Congress cannot excuse itself with the plea of a crowded schedule. This has been one of the longest sessions in peacetime history. Many weeks have passed with the House in session only 3 days. A host of bills to improve the Railroad Retirement Act has been pending since Congress convened in January.

This bill accomplishes little enough. It reduces the voluntary retirement age, but it also reduces the annuity. Already under the present law, a worker with more than 30 years' service can retire on a reduced annuity. All this bill does is to extend that privilge to workers at age 62 when they have worked less than 30 years and more than 10 years.

Those of us who are alarmed at the steady decline in employment on the Nation's railroads feel that something must be done to increase job opportunities for young people and promote job security for those who have already invested most of their productive years in the railroad industry. This can be done by making retirement more attractive. A worker with a tenure of 30 years or more has little incentive to retire before 65 on a reduced annuity. A full annuity at 60 or 62 would be a substantial inducement. Other inducements would be the establishment of the 5-best-years rule and the repeal of the "last employer" clause.

I repeat, I am going to support this bill, but only with the feeling that it is too little and too late and only with the determination to renew the demand for committee hearings and affirmative action on the other bills when Congress reconvenes next January.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND], may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BOLAND. Mr. Speaker, I rise in support of H.R. 8597 to amend the Railroad Retirement Act of 1937 to provide reduced annuities to male employees who have attained age 62. I filed a similar bill, H.R. 8843, which was also considered by the Committee on Interstate and Foreign Commerce before reporting favorably on the legislation.

The purpose of this legislation is to make changes in the eligibility requirements for benefits under the railroad retirement system to bring them into line with recent changes in the eligibility requirements for benefits under the social security system.

Mr. Speaker, I urge my colleagues in the House to pass this bill and give railroad employees the same opportunity for benefit eligibility as provided by the Social Security Act.

Mr. HARSHA. Mr. Speaker, I rise in support of S. 2395 and H.R. 8597, companion bills to amend the Railroad Retirement Act of 1937.

The purpose of these bills is to make changes in the eligibility requirements for benefits under the railroad retirement system to bring them into line with recent changes in the eligibility requirements for benefits under the social security system.

Over the years it has been general policy to provide that benefits accruing under the Railroad Retirement Act to a railroad employee as a result of railroad service would be not less than those which would have been provided, were railroad service to be covered by the Social Security Act. Recent amendments to the Social Security Act have resulted in certain inequities and discrepancies in favor of the social security system as against the railroad retirement system.

There is need in certain areas, accordingly, for certain changes in the benefits provided by the Railroad Retirement Act to bring them into line with those provided by these amendments to the Social Security Act.

The Social Security Act was recently amended—Public Law 87-64—to allow men to retire at age 62 with a reduced

old-age insurance benefit. H.R. 8597 and S. 2395 would permit railroadmen with less than 30 years of service to retire at age 62 with an annuity, reduced, as in the case of women, by one one-hundred-and-eightieth for each month the man is under age 65.

Under the Railroad Retirement Act at present, the wife, or husband, or a retirement annuitant or pensioner may qualify as a spouse if—among other requirements—she, or he, was married to such annuitant or pensioner for a period of not less than 3 years immediately preceding the day on which the application for a spouse's annuity is filed, or is the parent of such annuitant's or pensioner's son or daughter.

H.R. 8597 and S. 2395 would change the alternative requirement first above described, of a marriage of 3 years' duration, to a requirement of a marriage of only 1 year's duration. H.R. 8597 would add another provision at this point; namely, a wife, or husband, could qualify as a spouse if—among other requirements—she, or he, although not married to the annuitant or pensioner for 1 year, and although not the parent of the annuitant's or pensioner's son or daughter, was eligible, in the month prior to the marriage, for a widow's annuity, a parent's annuity, or a child's disability annuity under the Railroad Retirement Act.

The provision of benefits at age 62 for men will help to alleviate the hardships faced by that group of men who, because of ill health, technological unemployment, or other reasons, find it impossible to continue working until they reach 65. It is well known that older workers who lose their jobs find it more difficult to get new jobs than do younger unemployed workers.

The plight of the older unemployed man is particularly bad. It is, of course, worse during periods of recession and in areas of chronic unemployment, and in recent years there has been considerable furloughing of railroad employees in the 6th Congressional District of Ohio. This district has recently been designated by the Department of Commerce as an area of substantial and persistent unemployment. Contributing greatly to this status is the fact that many of our railroad workers have been furloughed. Even with relatively high employment there will always be individuals nearing age 65 who will lose their jobs and find it impossible to get new ones. Adoption of this legislation will make the program, to which these people have made contributions over the years in expectation of receving benefits when they are too old to work, flexible enough to provide a degree of protection for them when they find themselves unable to get work because of conditions beyond their control when they are getting along in years, even though they have not reached the age of 65.

It seems only fair to these men and women who have so much at stake that they be given the same consideration as those who are covered by the Social Security Act. I strongly recommend to my colleagues the passage of this legislation.

Mr. MACK. Mr. Speaker, I join with my distinguished chairman in support of this bill which would amend the Railroad Retirement Act to provide retirement at the age of 62 for male employees. This, of course, would be permitted on a reduced annuity basis.

I also support the other provisions of this bill which liberalize this retirement system, so that the provisions accruing under this act would not be less than those which are provided by the Social Security Act.

I am particularly interested in section 3 of this bill which is an amendment I offered when the bill was being considered by the Interstate and Foreign Commerce Committee. This amendment is in fact H.R. 5027 a bill which I introduced early this year. I testified in favor of this bill when the hearings were being held and because it is so closely related to the subject matter contained in this bill I felt it was important to have this provision included in this bill.

This amendment is designed to correct a glaring inequity in the remarriage provision of the Railroad Retirement Act. As now written, this act discriminates against a railroad worker's widow who remarries and whose new spouse is himself a retired railroad worker. The widow, in such a circumstance, loses retirement protection for a full year after her remarriage. This is inconsistent with the fact that a social security annuitant faces no such loss in protection in event of a remarriage with a man receiving railroad retirement benefits.

For example, I have an elderly constituent who is drawing railroad retirement benefits and who wants to marry the widow of another railroader. She would, of course, lose her present pension upon remarriage. She would not become eligible for an annuity based on her second husband's earnings until they had been married a year. Thus, if he died within the first year of marriage, she would be left without income. On the other hand, if her first husband had been covered by social security instead of railroad retirement, she would face no such loss of protection upon remarriage to a railroad retirement beneficiary. She would become eligible for a railroad retirement annuity upon his death, even if it occurred immediately after their marriage.

Mr. Speaker, my amendment does not liberalize the railroad retirement program but merely corrects a glaring inequity in the law. For this reason it is highly important that we include this provision in the bill.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill S. 2395?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The SPEAKER pro tempore. Without objection, a similar House bill (H.R. 8597) will be laid on the table.

There was no objection.

EMPLOYMENT FOR CERTAIN ADULT INDIANS

Mr. HALEY. Mr. Speaker, I move to suspend the rules and pass the bill (S. 200) to amend the act entitled "An act relative to employment for certain adult Indians on or near Indian reservations," approved August 3, 1956, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "An Act relative to employment for certain adult Indians on or near Indian reservations", approved August 3, 1956 (70 Stat. 986), is amended by striking out "$3,500,000" and inserting in lieu thereof "$7,500,000" and by striking out "$500,000" and inserting in lieu thereof "$1,000,000".

Mr. BERRY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. BERRY. Mr. Speaker, I rise in support of S. 200 and ask every Member of the House to support this measure.

All that is involved in this bill is an amendment to the bill passed by Congress on August 3, 1956—70 Statute 986, 25 U.S.C. 309.

Under that act Congress provided a program of trades training and on-the-job training for Indians similar to the GI on-the-job and trades training law. The legislation has been the greatest assistance to the Indian people of any legislation passed in many years. It has in fact been so popular and so successful that we now need additional funds to provide training for additional Indians who are seeking this training in order to prepare themselves for employment.

As an example of how successful this program has been, on one reservation in western South Dakota, the Pine Ridge Reservation, 280 Indian people are now employed in a fishing tackle industry and the company will take on an additional 120 more just as soon as money is available to give them training to carry on the work. This is only one example.

All the bill does is to increase the authorization for funds for the program from $3,500,000 to $7,500,000 annually. It is needed. It is doing a great work for the Indians of the Nation. I trust everyone will support it. Thank you.

The SPEAKER pro tempore. Is a second demanded?

If not, the question is on the motion of the gentleman from Florida that the House suspend the rules and pass the bill S. 200, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

SALUTING "UNCLE SAM" WILSON OF TROY, N.Y.

Mr. O'BRIEN of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 14, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. BASS of New Hampshire. Mr. Speaker, reserving the right to object, I am very much distressed to note that

the committee has struck out the language of the Senate referring to "Uncle Sam" Wilson's New Hampshire connections.

I would like to inquire of the gentleman from New York as to the reason for this language being stricken out.

Mr. O'BRIEN of New York. To be perfectly honest with the gentleman from New Hampshire it was the result of an attempt to reach a common denominator. The distinguished gentleman from Indiana [Mr. ADAIR] claims that Samuel Wilson is buried there. The people of Troy, N.Y., claim that he is buried there. The people of Massachusetts claim that he was born there. The good people of New Hampshire claim he spent 20 years of his life there. But the gentleman from New York found that amid all that controversy there was one central point of agreement, that this gentleman did live in Troy, N.Y., and that that is where he acquired the title of "Uncle Sam." There was no attempt, not the slightest attempt, to downgrade the part which the great State of New Hampshire played in the career of this distinguished gentleman. I might say to the gentleman from New Hampshire that in eliminating reference to his birth in Massachusetts, I had to eliminate the city of Cambridge, Mass., which happens to be the native city of my own wife.

Mr. BASS of New Hampshire. Mr. Speaker, actually he spent 20 years in the town of Mason, N.H., which is right next to where I live. I would hope that the gentleman from New York would recognize that fact, which is a well established fact, according to our town history.

Mr. O'BRIEN of New York. I thoroughly agree with the gentleman from New Hampshire.

Mr. BASS of New Hampshire. Mr. Speaker, I withdraw by reservation.

Mr. ADAIR. Mr. Speaker, reserving the right to object, as the gentleman from New York [Mr. O'BRIEN] said earlier this afternoon, in response to my question, the bill now before us provides, in effect, that a Samuel Wilson lived for a period of time in Troy, N.Y., and that a Samuel Wilson is the progenitor of our "Uncle Sam." As to where "Uncle Sam" was born or where his remains lie buried, the resolution makes no statement, nor takes any position.

Mr. O'BRIEN of New York. If the gentleman will yield, the gentleman has made a very accurate statement.

Mr. GROSS. Mr. Speaker, further reserving the right to object, are we disinterring or are we burying Samuel Wilson?

Mr. O'BRIEN of New York. We are trying to do neither, sir.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. GROSS. Mr. Speaker, after we have disposed of Samuel Wilson, will we have reached the bottom of the legislative barrel for today?

The SPEAKER pro tempore. There is one more suspension after this, I might say to the gentleman.

Is there objection to the request of the gentleman from New York [Mr. O'BRIEN]?

There was no objection.

The Clerk read the concurrent resolution, as follows:

Whereas in a world largely hostile to the idea of freedom we must keep alive the cherished values of our way of life; and

Whereas at a moment in our history when we need all our sense of purpose and capability to match the challenge of disciplined communism some say that our national symbol of "Uncle Sam" is archaic and should be disowned; and

Whereas the symbol of "Uncle Sam" was evoked out of the needs of a young Nation, and is linked to a grassroots character, Samuel Wilson, of Troy, New York, who still represents the strength and idealism that made up the greatest Nation in the world; and

Whereas the years 1766 to 1854, the years in which Samuel Wilson lived, witnessed the birth and glorious progress of the United States, spanning as they did the period before the Declaration of Independence to the emergence of the United States as a world power; and

Whereas no congressional action has ever been taken to make the symbol of that American tradition, the symbol of "Uncle Sam," official and permanent: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Congress salutes "Uncle Sam" Wilson, of Troy, New York, as the progenitor of America's national symbol of "Uncle Sam".

Mr. KING of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KING of New York. Mr. Speaker, as the Speaker is well aware, Senate Concurrent Resolution 14 expresses the sense of Congress in saluting "Uncle Sam" Wilson, of Troy, N.Y., as the progenitor of America's national symbol of Uncle Sam.

Mr. Speaker, in the early part of the 19th century there was living in Troy, N.Y., a prosperous middle-aged gentleman who was destined to achieve a kind of fame almost unique in history. He was on the way toward becoming a symbol of a new people's conception of its own character and personality.

By direct inheritance he was Scotch-Irish, with a Massachusetts background; by indirect, he was a descendant of Yankee Doodle and a nephew of Brother Jonathan. His name was Samuel Wilson and he was called by the people of Troy, and later on by the State and Nation, as "Uncle Sam."

Wilson's direct descent is naturally a little easier to establish than his indirect. There is no doubt that he existed and that he was generally known as "Uncle Sam." On the other hand, there have been skeptics who could not be convinced that the "Uncle Sam" who once farmed on Mount Ida in Troy which was later made famous by its industrial growth and its collars and cuffs, is the same "Uncle Sam" now universally recognized as the personification of the United States of America.

Proof has been submitted that Samuel Wilson was born in Menotomy, now Arlington, Mass., on September 13, 1766, and who died in Troy on July 31, 1854, is the progenitor of the Nation's symbol of Uncle Sam. He spent some years of his life in Mason, N.H.

Our "Uncle Sam" cannot be disowned by the doubters and disclaimers who vow that as a stereotype he is out of date, because "Uncle Sam" sprang from the needs of the American people and belongs to them. He sums up our best national traits and traditions, embodying our national promise at home and abroad.

If any distortion of "Uncle Sam" exists today, we ourselves must take the blame for having failed to recognize his flesh-and-blood origin.

Passage of Senate Concurrent Resolution 14 will therefore give added meaning to "Uncle Sam" as a representative and uplifting symbol. It will add vitality to his spirit and validity to his historic meaning and mission.

Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MORSE], may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MORSE. Mr. Speaker, I deeply regret that Senate Concurrent Resolution 14 as approved by the other body has been amended to omit recognition of Arlington, Mass., as the birthplace of Samuel Wilson.

As author of a resolution identical to Senate Concurrent Resolution 14 in its original form, I have investigated the origins of "Uncle Sam" Wilson with meticulous care. I am distressed that reference to his birthplace has been stricken from the legislation now before us.

Facts available through the Library of Congress, the Arlington, Mass., Historical Society, and other distinguished and reliable sources, clearly establish that "Uncle Sam" Wilson was born in the town of Old Menotomy, now known as Arlington, in what today is the Fifth District of Massachusetts, which I have the honor to represent.

On September 13, the 195th anniversary of the birth of "Uncle Sam" in 1766 in Old Menotomy—the Troy, N.Y. Area Committee for Uncle Sam will hold an official observance at the grave of this progenitor of our national symbol. Full cognizance of the fact that Uncle Sam had his origins in the Fifth District of Massachusetts will be given at this ceremony. The Troy committee also has carefully researched dusty archives and have emerged with unquestionable supporting evidence that "Uncle Sam" is as much a product of the Fifth District of Massachusetts as are the minutemen, Concord Bridge and Lexington Green. They have dispelled the folktales which would have it that "Uncle Sam" was born elsewhere.

The Reverend Samuel Cook who attended the birth of Samuel Wilson at Old Menotomy on September 13, 1766, records that important fact in his "Abstracts of Births, Deaths, and Marriages." Another source book is Benjamin Cutter's "History of the Town of Arlington, Mass., 1635–1879, with Genealogy," "Vital Records of Arlington,

Through the Year 1850," supports the facts.

Language in paragraph 4 of the preamble of the bill which was approved by the other body, which read:

Whereas the story of Samuel Wilson's life, from his early Colonial beginnings in Old Menotomy (later West Cambridge, now Arlington, Mass.) and Mason, N.H., to his rise in prominence and great public affection and esteem in Troy, N.Y., where the sobriquet of "Uncle Sam" was given him, in an abridged story of America; and

And, the resolving clause, reading:

That the Congress salutes "Uncle Sam" Wilson, of Troy, N.Y., as the progenitor of America's national symbol of Uncle Sam, and also recognizes Arlington, Mass., famed in the history of America's dawning years, as the birthplace of the said Samuel Wilson,

Gave clear expression to established historical fact.

In the interests of recognition, too long denied, of the contribution of Samuel Wilson's life to our culture and our heritage, I urge that Senate Concurrent Resolution 14 be adopted.

Mr. GARMATZ. Mr. Speaker, in connection with the bill before us saluting "Uncle Sam" Wilson, of Troy, N.Y., as the progenitor of Amercia's national symbol of "Uncle Sam," I think the Members of the House will be interested in a broadcast which I wish to insert at this point. This broadcast was made by Al Quinn, veteran Maryland broadcaster over WBAL in Baltimore, in his nightly program Maryland Report, on the subject of "Uncle Sam":

MARYLAND REPORT

Good evening, this is Al Quinn with Maryland Report: So now they're trying to locate the grave where Uncle Sam is buried.

And shucks. I didn't even know he was dead.

And a lot of us who remember the grand old man with the whiskers and the stovepipe hat and red, white, and blue pants, in the Fourth of July parades of our youth just aren't going to believe he passed away. We know he's still alive and always will be as long as the United States of America exists.

And who's trying to declare Uncle Sam interred in the cold earth? The Communists? The Fascists? or some other gang of crackpots?

No, sir. It's certain Members of the U.S. Congress.

The Judiciary Committee of the U.S. Senate already has placed the grave of Uncle Sam in Troy, N.Y. They did that by approving a resolution presented by Senator KEATING of New York, declaring that the original Uncle Sam was a fellow named Samuel Wilson, who lived in Troy back around the Revolutionary time, and had something to do with supplying the Revolutionary troops.

Now Indiana is rarin' up on its hind legs, and claimin' through the voice of Representative ADAIR of that State that the real original Uncle Sam was a Hoosier whose final resting place can be found somewhere out there among the corn and soybeans.

And in New York City, there's a fellow named E. D. McMullen who has been communicating with Representative ADAIR and claiming that the real, true Uncle Sam lived and died, not in Troy, N.Y., or out on the banks of the Wabash, but in New York City itself—an old bewh'skered codger of Revolutionary days named Samuel Huntington.

There are rumors that Texas also is getting ready to present a claim of poessessing somewhere in its 267,339 square miles the remains of the tall fellow whose initials are the same as those of the United States.

And you can be sure there will be others. Why shouldn't Massachusetts enter the game with the contention that old Samuel Adams was the original Uncle Sam—or the inspiration for the coining of the name. Surely, Sam Adams had a bigger part in the maturing of the Colonies and the birth of the Nation than did those other characters whose names are being bandied about.

And there were Samuels of some prominence all over Virginia, and Pennsylvania, and in all of the other Thirteen Colonies, including Maryland. Like Maryland's Samuel Chase, signer of the Declaration of Independence, Member of the Continental Congress and an Associate Justice of the Supreme Court in the early days of the Republic.

Yes, there were Samuels of note all over the place—and many of them sporting chin whiskers.

But none of these was Uncle Sam. And none of their graves is the grave of Uncle Sam. Because Uncle Sam isn't there. He is here. He isn't dead. He lives.

He was with Patrick Henry in the Virginia House of Burgesses when Patrick defied the British sovereign. He was at the tea party in Boston, and he fanned the blaze that burned the tea ship, Peggy Stewart, in the harbor at Annapolis. He was in Frederick for the repudiation of the British Stamp Act.

Yes Uncle Sam is a spirit who lives where the true spirit of America manifests itself. He was with Washington and his barefoot troops at Valley Forge. And he was at Trenton and Long Island and especially at Yorktown, and he was with the American forces at Fort McHenry and in all the other battles of the War of 1812, and maybe he whispered to Francis Scott Key some of the words of the Star Spangled Banner.

He was with the Yankee troops at Chateau Thiery. And at Belleau Wood. And at the Bulge and all the other great battles of the Second World War.

He stood on the frozen hills of Korea when Americans fought there for the sake of freedom.

And he must have been at the elbow of President Kennedy a few nights ago when the President laid out the true American position in regard to the threats and challenges of Soviet Russia, and he has been at the recruiting offices of the Army, Navy, Air Force, and Marine Corps in all the subsequent days as young Americans have signed up to defend the American way of life and the freedom of humanity.

Yes, Uncle Sam is very much alive today from the rockbound coast of Maine, as they say, to the sunny shores of California, and from the Canadian border to the Mexican. And in all the farflung outposts of the American fighting men who are defending his cause, the cause of human liberty.

He isn't buried in Troy, N.Y., or Manhattan, or Muncie, Ind., or Houston, or Richmond, or Baltimore because he isn't buried at all. He isn't dead.

And it's high time those fellows in the Congress of the United States got wise to themselves and to the facts of the American story. And if they want to go grave hunting, let them find the graves of all the mere mortals who lived and died in the American cause. Let them even place a stone over a rise in the ground and say "Here lies Johnny Appleseed," or "Here are the remains of Paul Bunyan," or even of Paul's great blue or by the name of "Babe."

Let them claim for their localities of their States the dusty bones of Tom Swift and Ragged Dick, and the James brothers and the Merriwell brothers and all the other heroes of fact and fiction—of truth, exaggeration, and simple myth. Maybe there are enough of them to distribute throughout the 50 States and satisfy the ghoulery of all the tombstone huntin' patriots in the Congress.

But not Uncle Sam.

All the resolutions or bills that Congress can adopt or pass will not kill Uncle Sam or place his grave in anybody's buryin' ground.

And it's time for some Congressman with more sense than the average, say some Maryland Congressman, to get up a resolution declarin' that Uncle Sam, the livin' and ever-livin' Uncle Sam, belongs to no particular town or State, but rather to the whole United States. And that the argument over his place of burial is absurd, silly, stupid, and rash, because there is no such place, and, as long as there is a United States, never can be such a place.

Because Uncle Sam has never died.

And thank you for listening; this has been Al Quinn with Maryland Report.

The SPEAKER pro tempore. The question is on the concurrent resolution.

The concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

PRESERVATION AND PROTECTION OF LANDS IN PRINCE GEORGES AND CHARLES COUNTIES, MD.

Mr. RUTHERFORD. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 459) to provide for the preservation and protection of certain lands in Prince Georges and Charles Counties, Md., and for other purposes, as amended.

The Clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to preserve for the benefit of present and future generations the historic and scenic values, the unusual cultural, scientific, and recreational values, and the present open and wooded character of certain lands situated along the Potomac River in Prince Georges and Charles Counties, Maryland, and in order to preserve lands which provide the principal overview from the Mount Vernon Estate and Fort Washington, in a manner that will insure, insofar as practicable, the natural beauty of such lands as it existed at the time of the construction and active use of Mount Vernon Mansion and Fort Washington, the Secretary of the Interior is authorized to acquire and administer lands and interests therein, in the manner hereinafter provided.

SEC. 2. (a) The Secretary of the Interior is authorized to accept donations of lands or interests therein located in Prince Georges and Charles Counties, Maryland, in the vicinity of Piscataway Creek, held by the Accokeek Foundation or other foundations or organizations for public use.

(b) When the Secretary receives a commitment, subject to such conditions as shall be agreeable to the Secretary of the Interior and the potential donor or donors, in accordance with which commitment the property referred to in subsection (a) will be donated to the United States for purposes of this Act, he is authorized to acquire by such means as he finds are in the public interest other land and interests in land lying generally within the area identified as follows:

Beginning at a point on the shoreline of the Potomac River at the intersection of the northerly right-of-way line of Maryland State Route 227 in Charles County, Maryland; thence following the Maryland shoreline of said river in a northeasterly direction to the confluence of Piscataway Creek in Prince Georges County, Maryland;

thence following the shoreline from Mockley Point and proceeding in a generally easterly direction along the south shore of Piscataway Creek to a point 250 feet to the west of the point where the westerly right-of-way line of Farmington Creek Road intersects the shoreline of Piscataway Creek; thence southeasterly along said line approximately 250 feet west of Farmington Creek Road approximately 800 feet; thence westerly generally following the 50-foot contour line to the southeasterly corner of the property of the Accokeek Foundation;

thence westerly along said boundary approximately 1,600 feet; thence southerly with said boundary line approximately 1,800 feet; thence northwesterly on said line approximately 2,200 feet; thence westerly along said line approximately 800 feet; thence generally westerly with the 50-foot contour line to the north side of a private road on the Alice Ferguson Foundation property; thence in a westerly direction along north side of said road to the southeasterly corner of Moyaone Association land;

thence with the boundary line of the Moyaone Association land approximately 900 feet northwesterly; thence with that line approximately 800 feet westerly; thence with that line approximately 500 feet southeasterly to its intersection with the right-of-way of Bryan's Point Road; thence generally westerly with the northern right-of-way line of that road approximately 3,500 feet to its intersection with Cactus Hill Road.

thence northerly along the eastern right-of-way line of Bryan's Point Road approximately 300 feet to the southwesterly property line of the Bryan's Point Farm of the Accokeek Foundation; thence with the southerly boundary line of said property approximately 700 feet; thence with that line approximately 1,000 feet in a southerly direction; thence 1,700 feet in a westerly direction; thence following said boundary line along the easterly side of the area known as Johnson's Gully to a point approximately 4,500 feet from the Potomac River;

thence northerly along said line to the 50-foot contour line; thence northerly along said line to its intersection with Prince Georges-Charles County line; thence in a westerly and southerly direction along the southerly boundary of the Accokeek Foundation lands; leaving the Accokeek Foundation land at a point approximately 2,200 feet from the Potomac River; thence approximately 300 feet in a westerly direction; thence north on a line parallel to and 300 feet from the boundary of the Accokeek Foundation land approximately 800 feet; thence approximately 2,200 feet in a northwesterly direction to the southeasterly corner of the Accokeek Foundation lands;

thence along the southerly border of said lands approximately 1,700 feet in a southwesterly direction to the southwest corner of said lands; thence approximately 1,400 feet to the intersection with the northerly right-of-way of Maryland State Route 227; thence with said right-of-way approximately 1,300 feet to the point of beginning, excluding all that land within the described area now leased and operated by the Marshall Hall Park, Inc., as more specifically described in a deed, recorded in the land records of Charles County, Maryland, in folio 126, liber 131. The property herein described is more particularly depicted on drawing numbered 1961–1, a copy of which is on file with the Secretary of the Interior.

Within the above-described area the Secretary shall not condemn improved residential property. As used herein "improved residential property" means a detached, one-family dwelling and structures accessory thereto, the construction of which was begun before May 1, 1961, which are used solely for noncommercial residential purposes, together with one acre of land on which the improvements are situated, or all of such lesser acreage as the owner may hold.

(c) To further the preservation objective of this Act the Secretary may accept donations of scenic easements in that land within the described area now leased and operated by the Marshall Hall Park, Inc., as more specifically described in a deed, recorded in the land records of Charles County, Maryland, in folio 126, liber 131, and the area lying between the south boundary line depicted in drawing numbered 1961–1, referred to in section 2(b) and a line approximately 3,000 feet south of said boundary. The Secretary may also acquire by other appropriate means scenic easements in the area referred to in this subsection when, in his judgment, such action is necessary in order to assure uniform application of scenic control. To further achieve the purpose of this Act he may cooperate and enter into agreements and covenants with property owners, groups thereof, and nonprofit organizations and may also cooperate with the State of Maryland and the political subdivisions thereof in order to promote and achieve scenic preservation through zoning and such other means as may be feasible.

SEC. 3. Land and interests therein acquired pursuant to this Act shall be administered in accordance with the Act entitled "An Act to establish a National Park Service, and for other purposes," approved August 25, 1916 (39 Stat. 535), as amended and supplemented.

SEC. 4. There are hereby authorized to be appropriated such sums but not more than $937,600, to carry out the provisions of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. RUTHERFORD. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, House Joint Resolution 459, by Congressman SAYLOR, is designed to protect the view looking from Mount Vernon across the river from commercial exploitation and from the installation of a sewage disposal plant. The authorities have fully explored the possibility of achieving the same result through zoning procedures in Maryland, but the local political subdivision situation there is so thoroughly complicated and confused that this appears to be impossible.

The sewage disposal proposal within sight of the first President's home speaks for itself, but it is only the latest in a series of moves that, though they have fortunately failed or have been frustrated thus far, cannot be regarded as anything but serious. Unless safeguards are taken, other such moves will undoubtedly recur in the future and there is no guarantee that one or more of them will not succeed. One of those that came to the fore a few years ago was a proposal to install an oil tank farm on lands included within House Joint Resolution 459. This was prevented only through the generous purchase of the site by a public-spirited citizen and the gift of the land to a foundation for future preservation. Another, also of recent vintage, was a proposal to run a sewerline across the property and to dump the effluent, raw and untreated, into the Potomac. This also was fortunately warded off.

The resolution calls for the acquisition in fee of approximately 1,186 acres. At least 600 of these will be donated to the United States. The estimated cost of acquiring the remainder is about $938,000. In addition, the resolution provides for the acquisition of scenic easements in the land surrounding the area to be acquired in fee. The committee has been assured that the bulk of these will be donated. The area acquired will be administered as a unit of the National Capital park system under the National Park Service. The terms of House Joint Resolution 459 assure that existing residential property—that is, detached one-family dwellings and surrounding 1-acre tracts—will not be subject to condemnation.

Many public-spirited citizens appeared before the committee in support of the measure. We are assured of the full cooperation of local citizens' groups who have been spearheading the fight against apartment houses, commercial developments and sewage disposal plants that would deface the landscape and make the view unrecognizable both to George Washington and to the millions of Americans who have visited Mount Vernon over the last 100 years.

No witnesses appeared in opposition to the resolution, even though the Chair specifically asked whether any wanted to be heard. One or two witnesses asked that the taking area be extended to include the Fort Washington-Piscataway area. This, however, would probably have run the cost too high and would have included land a little too remote for consideration. I have written letters to those who thought that this should be done, explaining the situation and urging them to take local action if this is at all possible.

Mr. Speaker, I wholeheartedly urge adoption of House Joint Resolution 459.

Mrs. BOLTON. Mr. Speaker, as the vice regent for Ohio of the Mount Vernon Ladies' Association, I am deeply grateful to the Committee on Interior and Insular Affairs and to the House leadership for bringing House Joint Resolution 459 to the floor. I would also like to take this occasion to pay tribute to Congressmen JOHN SAYLOR and WAYNE ASPINALL for their untiring efforts in behalf of this legislation. Also to Congressman J. T. RUTHERFORD, chairman of the Subcommittee on National Parks.

From the time of George Washington until the present day, the Maryland shore which frames the Mount Vernon overlook, has been spared those structural developments and topographical alterations which elsewhere in America have so radically changed the face of the land. Each year a million and more visitors enjoy a prospect which survives essential as it appeared in the 18th century. However, since the close of World War II the Mount Vernon Ladies' Association has realized that this fortuitous condition could not long continue. Yet, as a Virginia corporation charged with a local responsibility and limited by an income equal only to its intramural needs and occasional purchases of relevant memorabilia, it was powerless within itself to forestall what seemed to be an inevitable scenic encroachment.

A recent proposal to install a sewage disposal plant within sight of the first President's home speaks for itself, but it is only the latest in a series of moves that, though they have fortunately failed or have been frustrated thus far, cannot be regarded as anything but serious. Unless safeguards are taken, the sewage plant and other such moves will undoubtedly recur in the future and there is no guarantee that one or more of them will not succeed. All avenues short of enactment of House Joint Resolution 459 have been explored, but none appears to be feasible. Effective zoning regulations cannot be had. Purchase of more land by private persons is too much to ask and in any event, would not furnish the needed protection against bodies with the power of condemnation.

It is therefore most important that the House enact this legislation so that the many millions of Americans who visit the home of their first President may continue to enjoy the panoramic view seen by him—for it is so much a part of full enjoyment of all who visit this, the greatest of all our national shrines. In the words of the founder and first regent of the Mount Vernon Ladies' Association, Ann Pamela Cunningham, "Let one spot in this grand country of ours be saved from change."

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. LANKFORD], may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. LANKFORD. Mr. Speaker, I rise in support of House Joint Resolution 459. The land referred to in this resolution is entirely within the Fifth Congressional District of Maryland.

During the past 6 years, I have worked unceasingly for the completion of that portion of the George Washington Memorial Parkway located in Prince George's County. Recently, the Congress partially fulfilled its commitment by authorizing funds for land acquisition to preserve a portion of the shoreline on the Maryland side of the Potomac.

In addition, I have endeavored by every means available to support the campaign to begin the gigantic cleanup of our Nation's most polluted river, the Potomac. Legislation enacted by the 86th Congress, I believe, was a significant and long-overdue step forward in this direction. I recall well the proposal made several years ago to install an oil tank farm on lands that are to be included in House Joint Resolution 459. Such a development would have not only served to aggravate the existing conditions in the Potomac River, but would, beyond doubt, have marred the magnificent view from Mount Vernon.

I agree with the Committee's statement that the preservation of the area surrounding Mount Vernon cannot be left to generous contributions of individual citizens, for I feel that this is truly a national responsibility, and hence the Federal Government must act.

I note that the Bureau of the Budget indicates its belief that there should be further exploration with the local government units concerned leading toward the development of local zoning controls rather than direct Federal ownership. I am confident that responsible officials of the State of Maryland and Prince Georges County will wholeheartedly cooperate in such an undertaking, for the present large holdings by the Federal Government in Prince Georges County have substantially reduced the County's tax base. I could not support a move to remove still further lands from local development until I am thoroughly convinced that it is the only way this region, steeped in history, can be preserved for the benefit of the entire Nation.

I urge support of House Joint Resolution 459, Mr. Speaker, confident that every effort will be made by the Department of the Interior to cooperate with local officials for the realization of the goals set forth by the Bureau of the Budget.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the joint resolution, House Joint Resolution 459, as amended?

The question was taken; and (two-thirds having voted in favor thereof, the rules were suspended and the joint resolution was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. RUTHERFORD. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEGISLATIVE PROGRAM FOR THE BALANCE OF THE WEEK

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I take this time in order to inquire as to the program for tomorrow and the balance of the week, if we can learn it. I do this principally because, as I understand it, there is scheduled for consideration tomorrow House Resolution 403, providing for an investigation of the Export Control Act of 1949. It now is apparent that the public works appropriation bill will not come up tomorrow as originally scheduled. There is a unanimous-consent agreement that any votes tomorrow, because of the New York primary, will go over until a later time. A number of Members have asked me about whether this vote might come on Friday. As far as I am concerned, I think it would be well if some arrangement could be made as to when that vote might be had if a record vote is required tomorrow.

Mr. ALBERT. Of course, we desire to cooperate with the minority leader and the Members of the House on this matter. While the vote is scheduled to come on Friday, in view of the change in the program it might be an accommodation to Members and would not in any manner defer the ultimate disposition of the business of this session of Congress if the vote were put over on the resolution.

Mr. Speaker, I ask unanimous consent that any rollcall vote on that resolution or on any other matter requested tomorrow might be put over until Wednesday next.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Missouri.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry. As I understand it, the gentleman is submitting a unanimous-consent request.

Mr. ALBERT. That any rollcall votes that occur tomorrow will be put over until Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mr. JONES of Missouri. I object, Mr. Speaker.

Mr. FRIEDEL. Mr. Speaker, will the gentleman withhold his objection? I assure the gentleman there is no skullduggery going on here.

Mr. JONES of Missouri. I am glad to hear there is no skullduggery going on here, but I want to get some time here to find out what is going on, and I think a lot of other people do, too.

Mr. FRIEDEL. From Sunday night until Monday and Tuesday there are the Jewish holidays.

Mr. JONES of Missouri. I am in favor of observing the Jewish holidays and all other such days, but I am not in favor of taking Saturday off and losing 5 days when we could accomplish some business around here.

Mr. ALBERT. If the gentleman will yield, the leadership makes this request only in an effort to accommodate Members. The leadership is programing these bills as fast as they are ready to be programed. May I advise the gentleman that the only business on Friday will probably be rollcall votes put over from Thursday?

Mr. JONES of Missouri. Can the gentleman tell me why the public works appropriation bill was put over until next Tuesday and the vote carried over to next Wednesday, when it was announced and programed we were going to have it up here tomorrow? Now we are to get it next week.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Indiana.

Mr. HALLECK. I have tried all day to get that bill up tomorrow. It was scheduled for tomorrow. I might say in my conversation with the majority leadership, if they had their way I think the bill would be scheduled for tomorrow. I wanted it scheduled for tomorrow. As to why it was not scheduled I do not know, although I have my suspicions about that. As I said earlier in the day, and I say it again, if we did get that bill up and over to the other body

we would be well on the way to a sine die adjournment, and that is what we want.

Mr. JONES of Missouri. I agree with the gentleman 100 percent.

I wonder if the gentleman from Oklahoma can tell us why that bill was carried over?

Mr. ALBERT. The only thing I can say to the gentleman is that the matter of calling up bills from the Committee on Appropriations is within the discretion of the chairman of the Committee on Appropriations. The Speaker of the House has no authority to call up an appropriation bill. The chairman of the committee or the Member responsible for the handling of the bill can call the bill up, if he so desires.

Mr. JONES of Missouri. In other words, we are accommodating everybody around here except the people who live at a distance and who are anxious to get home. Yet, we have taken 5 days out of the time to consider an important part of this legislative program. We are going to take Thursday out; we are going to take Friday out; we are going to take Saturday out; we are going to take Tuesday out; and Monday; and carry over the votes until Wednesday. If that is not 5 days lost, then I do not know what I am talking about.

Mr. ALBERT. Mr. Speaker, if the gentleman will yield, all I can say to the gentleman is that the chairman of the Committee on Appropriations has advised that the bill was not ready to be brought up tomorrow.

Mr. JONES of Missouri. If I heard correctly, the chairman of the Committee on Appropriations asked that the bill be programed, and it was programed, and it appeared on the whip notice and everybody in this House expected it to be brought up tomorrow. I would like to know some reason why it cannot be brought up tomorrow because I do not feel that the leadership has been keeping faith with this House in not carrying out their program as announced.

Mr. ALBERT. The gentleman's statement is completely uncalled for. The leadership has nothing to do with it.

Mr. JONES of Missouri. If the leadership has nothing to do with it; who is running this House?

Mr. ALBERT. The chairman of the Committee on Appropriations is the one who has made the decision not to call up this bill tomorrow.

Mr. ARENDS. Mr. Speaker, if the gentleman will yield to me, I suggest he get together with his colleague from Missouri and take him to the woodshed tomorrow and find out what is the matter.

Mr. JONES of Missouri. I do not want to wait until tomorrow. I want this information today.

Mr. Speaker, before I withdraw my objection, I want to say I am opposed to any of these delays and that I will be opposed to any leadership that carries on delays such as we have had, to lose Thursday, and Friday, and Saturday, and Monday, and Tuesday.

Mr. Speaker, I withdraw my reservation of objection.

Mr. COLMER. Mr. Speaker, reserving the right to object, I would like to ask the majority leader about what I think is uppermost in all of our minds. What can the gentleman tell us, if anything, about sine die adjournment?

Mr. ALBERT. All I can say in response to the gentleman is that as soon as we have finished the business of the session, and so far as I am concerned, that will be done as expeditiously as the processes of this House will permit, we will certainly be happy to accommodate the gentleman and all of our colleagues in the matter of adjournment.

Mr. COLMER. The gentleman, of course, has not thrown any light whatever on the subject on which I addressed the question to him. We had understood that there was some possibility of adjournment this week. Then, we were told it was possible or we would most likely adjourn next week. Can the gentleman tell us whether there is a possibility of adjournment next weekend?

Mr. ALBERT. I would say there is a possibility if we can finish the business of the Congress.

Mr. COLMER. Can the gentleman tell us whether the leadership have in mind trying to finish?

Mr. ALBERT. The leadership has in mind finishing the business of this session just as fast as possible and, if that can be done next week, we hope that it will be done.

Mr. COLMER. I thank the gentleman for the nonenlightenment.

Mr. BONNER. Mr. Speaker, reserving the right to object, I would like to ask the majority leader whether there will be any vote in the House between now and Wednesday of next week?

Mr. ALBERT. There will, unless the unanimous-consent request which we have made is granted.

Mr. BONNER. In other words, there will not be any business transacted on Friday?

Mr. ALBERT. There will be business transacted during the remainder of the week. We can probably finish all bills listed on the program by tomorrow.

Mr. BONNER. Will there be any rollcalls on those bills?

Mr. ALBERT. There will be no rollcall votes tomorrow in any event, under an order previously entered.

Mr. BONNER. Will there be any rollcalls on Friday?

Mr. ALBERT. There will be unless this unanimous-consent request which I have made is granted.

Mr. BONNER. And if it is granted, there will not be any rollcalls until Wednesday of next week?

Mr. ALBERT. That is correct.

Mr. BONNER. So, therefore, a Member could be absent in security with respect to rollcalls?

Mr. ALBERT. Security so far as the business of the House is concerned.

Mr. GROSS. Mr. Speaker, further reserving the right to object, do I understand that a rule was granted today on the Peace Corps?

Mr. ALBERT. That is my understanding.

Mr. GROSS. And when would you expect to bring that up? Would you have any idea?

Mr. ALBERT. We want to program that at the very earliest date.

Mr. GROSS. Well, would that be Monday or Tuesday or when?

Mr. ALBERT. May I advise the gentleman that the rule has just been reported on this bill and it will not be filed until midnight tomorrow night. I have not had an opportunity to consult with the chairman of the Committee on Foreign Affairs or the chairman of the Committee on Rules about bringing up that bill, since it is not ready for programing yet. As soon as a request is made by those handling the bill we will program the bill. It is a very important bill and the leadership desires to dispose of it.

Mr. GROSS. Well, then, if it is considered on Monday, then the vote on that would have to go over until Wednesday; is that correct?

Mr. ALBERT. That is correct.

Mr. GROSS. Well, there will be no assurance then that we will have a rollcall on Wednesday. Would the gentleman like to help some of us get a rollcall on Wednesday?

Mr. ALBERT. If the unanimous-consent request is agreed to, there will be no problem in having rollcalls on Wednesday next.

Mr. GROSS. What I cannot understand is how we are going to get through with the business in this session if we are not going to pass bills until next Wednesday.

Mr. ALBERT. The gentleman knows that we pass many bills without rollcalls and we will probably pass some of the bills programed for the balance of the week without rollcall votes. We will finish all the bills except for rollcalls. As far as I am concerned, I can advise the gentleman that I am not making this request for my own benefit. I expect to be here tomorrow and Friday and on Monday and Tuesday of next week.

Mr. HAYS. Mr. Speaker, further reserving the right to object, as I understand the procedure here, we are going ahead with the business that is programed, if the unanimous consent request is granted, but the only thing that will be carried over is a rollcall, which might take 30 minutes; is that right?

Mr. ALBERT. The gentleman is correct.

Mr. SMITH of Virginia. Mr. Speaker, further reserving the right to object, now we have been messing around here all summer and people are getting tired of this session and they want to get home. We are getting to the end of adjournment. Now, we have got a lot of business on the calendar and still more to come. All this talk seems to have centered around one appropriation bill. Let me remind the House that if and when you are going to get out of here, if you ever do, you have a good deal of legislation on the calendar. We have got bills that we could work on Thursday, if you really want to adjourn. And, I cannot see any earthly reason why we should be taking days off now when everybody is tired and irritated and we want to close things up. Now, the other

bills that are in the offing may create some controversy. Why not clean up the docket and go along instead of going over until Monday and then probably waste a couple of days more to have rollcalls? If you really mean it and want to get out of here, this business must be gotten out of the way. We had talked about getting out this Saturday. Now we are talking about getting out next Saturday. If you are going to adjourn over until Wednesday, for all intents and purposes you are not going to get out next Saturday. You might as well face that proposition.

Mr. TABER. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

A NATIONAL LOTTERY

Mr. FINO. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD and include a table.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, for the last 2 months, I have brought to the attention of this Congress the many foreign national lotteries that are bringing great benefits to their respective nations.

We in the United States stand virtually alone among the nations of the Western World in our hypocrisy in refusing to establish a national lottery. Of the nations of Western Europe and of the Western Hemisphere, only Canada and the United States do not have some form of Government-controlled gambling. Outside of Western Europe and the Western Hemisphere, those nations operating lotteries are primarily the most advanced and Westernized nations; Australia, New Zealand, Israel, Japan, the Philippines, and India. As far as our official attitude toward gambling, the United States is in step only with the Communist nations—who view gambling as something undesirable in the regimented and brainwashed "new Socialist man." We are certainly in rare company.

In 1960, the nations of the Americas and Western Europe, together with the more advanced nations in other parts of the globe, took in gross receipts of $1,369,500,000 from their national lotteries. The total profits accruing to the governments in question came to $411,400,000. Needless to say, similar wisdom on the part of a nation as wealthy as the United States would be rewarded far more amply.

Unhappily, the United States has not yet demonstrated that wisdom. It is high time that we do so, and bring great benefits to our Treasury while at the same time striking a real blow at organized crime. It is never too late to share the sense of the rest of the world.

Mr. Speaker, a national lottery in the United States could easily pump into the coffers of our Treasury $10 billion a year in additional revenue. When are we going to be as smart as our allies and face up to the fiscal facts of life?

Country	Gross receipts	Net income
1. Argentina	$28,400,000	$12,400,000
2. Australia	78,000,000	25,000,000
3. Austria	13,500,000	3,200,000
4. Belgium	14,900,000	6,000,000
5. Bolivia	1,000,000	400,000
6. Brazil	20,000,000	7,000,000
7. Chile	23,000,000	5,400,000
8. Colombia	12,000,000	3,000,000
9. Costa Rica	10,300,000	2,100,000
10. Cuba	35,400,000	11,100,000
11. Czechoslovakia	11,000,000	9,000,000
12. Denmark	6,000,000	300,000
13. Dominican Republic	31,900,000	7,000,000
14. Ecuador	3,100,000	900,000
15. Finland	4,300,000	1,500,000
16. France	133,800,000	42,100,000
17. Germany	240,000,000	48,000,000
18. Greece	19,600,000	4,400,000
19. Guatemala	3,100,000	800,000
20. Haiti	2,000,000	600,000
21. Honduras	15,200,000	1,700,000
22. Ireland	47,000,000	11,000,000
23. India	25,000,000	[1]
24. Italy	71,700,000	40,400,000
25. Israel	14,000,000	4,400,000
26. Japan	11,800,000	4,900,000
27. Mexico	55,100,000	14,200,000
28. Netherlands	9,900,000	1,500,000
29. New Zealand	1,700,000	600,000
30. Norway	14,500,000	4,600,000
31. Panama	27,800,000	4,700,000
32. Paraguay	1,200,000	200,000
33. Peru	2,500,000	500,000
34. Philippines	14,000,000	3,500,000
35. Poland	53,000,000	17,000,000
36. Portugal	23,700,000	7,800,000
37. Puerto Rico	45,500,000	10,000,000
38. Spain	89,300,000	30,200,000
39. Sweden	49,900,000	28,700,000
40. Switzerland	4,800,000	1,200,000
41. Turkey	8,400,000	3,600,000
42. Uruguay	23,400,000	6,800,000
43. Venezuela	48,800,000	18,700,000
44. Yugoslavia	20,000,000	5,000,000
Total	1,369,500,000	411,400,000

[1] Premium bond lottery.

CHICAGO BANK MERGER POINTS UP EVILS OF DIVIDED FEDERAL RESPONSIBILITY—MORATORIUM ON BANK MERGERS A NECESSITY

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, divided responsibility for bank mergers is creating chaos. Last Thursday, August 31, the district court refused to grant the Attorney General's request for a temporary restraining order and thus opened the way for the de facto merger over the Labor Day weekend of the City National Bank & Trust Co. into the Continental Illinois National Bank & Trust Co., both of Chicago. This brings together the second and sixth largest banks in the Chicago area, with 35 percent of total deposits of all banks in the area.

The practical effect of the court's refusal of the temporary restraining order is to make virtually impossible the resurrection of the competition which the merger has destroyed. While the Antitrust Division can proceed to litigate the case and seek a divestiture, the crucial question is: What of the public interest? What chance is there that after a long, drawn-out trial, the court can ever reconstitute the acquired bank as a substantial independent factor in competition? Management will be interwoven. Accounts—bank deposits and loans—will be scrambled. City National is giving up its present headquarters on South La Salle Street, across the street from Continental Illinois. This site will no doubt be unavailable when, as, and if the court concludes that the merger violated the antitrust laws and a divestiture is ordered.

The pace with which the physical merger took place over the weekend is graphically portrayed in this morning's American Banker:

As of Tuesday morning, the 31,000 customers of City National began using Continental Illinois checks and facilities in Continental's building at 231 South La Salle.

The physical merger of the City National into Continental Illinois was completed over the long Labor Day weekend. The move took place after a Hairbreadth Harry court battle with Attorney General Robert F. Kennedy's Department of Justice from which the banks emerged victorious.

Late Thursday afternoon, U.S. District Judge Miner denied the Justice Department's request for a temporary restraining order to stop the movers from going to work Friday.

The mammoth move across La Salle Street, in the planning stage since early January this year, began last Friday afternoon.

It involved 4 moving companies, 100 movers, 8 moving vans, 20 Chicago policemen, 125 bank guards, 5 Brinks armored cars, and a number of Brinks guards.

They moved and guarded more than $1,500,000 in cash and more than $1.5 billion in securities.

In addition, 600 desks, 1,000 chairs, and 1,500 filing cabinets were transferred from 208 to 231 S. La Salle.

The cash and securities traveled via armored car. Detailed precautions were taken to see that nothing went amiss. Armed guards, for example, were strategically placed in the windows of both banks and at vantage points along the La Salle Street canyon to observe the transfer of securities.

As an extra precaution, the banks took out a $45-million insurance policy to protect them against loss during the move.

GIDNEY'S APPROVAL NULLIFIED ATTORNEY GENERAL'S INJUNCTIVE POWERS

The plain fact is that approval of the merger by the Comptroller of the Currency checkmated the Attorney General. A minimum requirement for securing a temporary restraining order was for the Government to show a prima facie violation of the antitrust laws and damage to the public interest. But Comptroller of the Currency Gidney had already approved the merger as in the public interest—in utter and complete disregard of the adverse opinions of the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Attorney General.

Mr. Gidney knows of the difficulties of restoring competition by divestiture after a bank merger has been consummated. He testified as to these difficulties himself before the Senate Banking and Currency Committee in March 1959. This is what Mr. Gidney said:

To require a separation of the merged bank back into its constituent elements, [is] an almost impossible task in the case of banks.

Certainly the public interest is at stake here. The public interest will suffer untold damage by the elimination of competition in the banking business in Chicago. But the district court gave no consideration whatever to this question and only discussed the extent of the pos-

sible injury to the private interests of the merging banks.

The court concluded that the merger had "progressed too far" and could not be restrained without "irreparable injury" to the merging banks. Referring to the question of the public interest, the court stated:

Section 1828, regulations governing insured banks, confers upon the Comptroller of Currency the right and power to examine and consider proposed mergers of banks and their effects on competition, etc. It provides that the Comptroller shall request a report from the Department of Justice embracing its views, and that it shall not approve any merger unless, after considering all factors, it finds the transaction to be in the public interest. The Comptroller of Currency did act under the said statute and did sanction the merger as being in the public interest after prolonged negotiations and conferences between the banks, the Department of Justice, the Comptroller of Currency, and other governmental agencies.

The court went on to state:

Furthermore, any restraining order would nullify the finding of the Comptroller of Currency that the merger is in public interest without affording the banks an opportunity to litigate it. Also, the uncontradicted testimony before the court is that the merger has been "virtually completed" except for the physical transfer of the assets.

DECISION BIG VICTORY FOR BANKS

The court's refusal to grant the Attorney General's request for a temporary restraining order was hailed as a "big victory for the banks." It is said to have "dramatized the difficulties of dividing responsibility for bank mergers among the Federal bank supervisory agencies and the Department of Justice."

I should like to include here an article appearing in Sunday's New York Times discussing this and other aspects of the Chicago bank merger.

CHICAGO BANK MERGER DISPUTE POINTS UP LACK OF YARDSTICKS

(By Albert L. Kraus)

A Federal judge in Chicago has dramatized the difficulties of dividing responsibility for bank mergers among the Federal bank supervisory agencies and the Department of Justice. By refusing to grant the Department's request for a temporary restraining order, the judge, Julius H. Miner, paved the way for the merger this weekend of the City National Bank & Trust Co. into the Continental Illinois National Bank & Trust Co., both of Chicago.

Two days earlier, the Department of Justice had sued to block this union of the city's second and sixth largest banks, charging that it would "substantially and unreasonably" reduce commercial banking competition in the Chicago area.

Judge Miner said the merger had "progressed too far" and that a restraining order would kill the merger. The court, he said, could not permit such hurt "without a full hearing on the issues."

BIG VICTORY FOR BANKS

For the banks, the decision was a major victory. Judge Miner seconded their view that the Federal bank merger statute enacted last year gave final approval of bank mergers to the appropriate Federal supervisory agency—the Comptroller of the Currency for national banks, the Federal Reserve Board for State-chartered member banks, and the Federal Deposit Insurance Corporation for insured nonmembers. The Department of Justice was required to give its advice on competitive aspects of proposed mergers, but this was only one of several factors to be considered in making the determination.

Under the statute, nothing was done to prevent the Department from challenging in the courts a merger that it considered in violation of the antitrust laws.

Judge Miner did not contradict this point. But he said a restraining order "would nullify the finding of the Comptroller that the merger is in the public interest without affording the banks an opportunity to litigate it."

In arguing for the restraining order, the Department of Justice said that if the merger were permitted and later found to be illegal the only remedy would be to reestablish the two banks as before. Completion of the merger, it said, would so scramble the two banks' assets as to make unscrambling later difficult, if not impossible.

For their part, the banks said that granting of the order would permanently disrupt the merger plans.

There seems little question that the possibility of a long engagement can put the chill on even the most promising corporate marriage plans. Faced with such a prospect 2 years ago, Firstamerica Corp. agreed to a consent decree rather than go ahead with 2 or 3 years of litigation.

Firstamerica, a bank holding company with units in 11 Western States, had sought to acquire the California Bank, Los Angeles, and to merge it with one of its subsidiaries. It was permitted to make the acquisition, but as part of the deal it was required to spin off about one quarter of its assets and one quarter of its branches to form a new bank. Firstamerica has since been renamed the Western Bancorporation.

In such circumstances, it is not impossible to understand the banks' characterization of the restraining order as a bludgeon in the hands of the Department of Justice.

On the other hand, the problem of "restructuring" competition is no simple matter. In Illinois, where branching is prohibited, the task could prove much more difficult than in California, where statewide branching is allowed by law.

The merger of City National into Continental Illinois, for example, would entail the relinquishing of City National's present headquarters on South La Salle Street, across the street from Continental Illinois, a site that might be difficult to obtain again if the bank were required to go back into business on its own.

One part of the problem is the lack of any objective standards in the statutes for deciding when competition becomes inadequate, when concentration becomes excessive, and when big is too big.

Until Congress or the courts establish such standards or resolve the conflict between the Department of Justice and the Federal supervisory agencies, such confusion seems likely to continue.

GIDNEY'S CONCEPT OF COMPETITION ALIEN TO AMERICAN FREE ENTERPRISE

Last Friday—September 1—I called for the resignation of Comptroller of the Currency Ray M. Gidney. It is clear that Mr. Gidney has no interest whatever in preservation of competition in the banking business. He would welcome a giant nationwide branch banking system. I know of no single instance where he has ever disapproved a bank merger on competitive grounds, and he has testified that even if a merger takes place between the only two banks in a community "there is still competition in the community." Mr. Gidney has stated that he would disapprove any bank merger that might jeopardize competition, but this is clearly a hollow promise, for Mr. Gidney's notions of competition in the public interest are more akin to concepts of European cartel systems than anything fundamental to the American free enterprise system.

BANK MERGER MORATORIUM NEEDED NOW

Mr. Speaker, on April 17 last, I introduced a joint resolution calling for a moratorium on bank consolidations, mergers, and acquisitions until December 31, 1964. The resolution, which would prohibit such consolidation, merger, or acquisition unless it can be shown the action is necessary to keep a bank open and in operation, was as follows:

Joint resolution to provide for a moratorium on bank consolidations, mergers, and acquisitions

Whereas bank consolidations, mergers, and acquisitions are occurring at an extremely high rate, with more than 100 bank mergers occurring in every year since 1952, and with 1,358 such mergers occurring during the period 1953 to 1960; and

Whereas such consolidations, mergers, and acquisitions have resulted in a high degree of concentration in the ownership of banking facilities, services, and assets in many communities; and

Whereas in the past there has not been adequate enforcement of existing legislation prohibiting such consolidations, mergers, and acquisitions contrary to the public interest nor adequate legislation to prohibit certain types of bank consolidations, mergers, and acquisitions contrary to the public interest; and

Whereas it may take many months or even years to complete adjudication of the antitrust actions recently initiated against certain bank mergers; and

Whereas, notwithstanding the salutary effects which may result ultimately from these antimerger actions, if the current rate of mergers continues, concentration of ownership in banking will increase to excessive levels and many more local communities will be deprived of adequate banking services: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, it is the sense of the Congress further irreparable damage would ensue if bank consolidations, mergers, and acquisitions are continued; and, therefore, that further consolidations, mergers and acquisitions, by national banking institutions and other banking institutions insured by the Federal Deposit Insurance Corporation not be permitted prior to December 31, 1964, unless it be shown that such consolidation, merger, or acquisition is necessary to keep the acquired bank open and in operation.

QUALIFICATIONS FOR NEW COMPTROLLER OF THE CURRENCY

Mr. Speaker, I have called for Comptroller Gidney's resignation. His successor should be one who appreciates the necessity for a competitive banking system, and one who is not satisfied to see a continuation of the rash of mergers and acquisitions and to stand by idly keeping up the barriers to new banking entrants. A new Comptroller of the Currency should be deeply concerned with the fact that today there are less than 13,500 commercial banks as compared with over 31,000 in 1920. In other words, there are only 43 banks today where there were 100 some 40 years ago. The population per bank in the United States was only about 3,400 in 1920. Now the population per bank exceeds

13,000. So the average bank now has 3.8 times the customer potential that prevailed in 1920.

Some proponents of branch banking point to the increase in the number of bank branches from about 1,200 in 1920 to more than 10,000 today and conclude that the availability of banking services is adequate. I would hope that the new Comptroller of the Currency will have the vision to see through this fallacy. It is almost too obvious to bear mentioning that branches of the same banking organization do not compete among themselves in any genuine economic sense. A borrower is obviously restricted in his alternative sources under a branch banking system. But the most serious danger of a branch banking system such as Mr. Gidney would welcome is the fact that local enterprise may be stifled. The local independent banker is interested in promoting local enterprise. He does not have to clear with a home office located in some remote metropolis. He is interested in bringing employment opportunities to the community. The branch bank, however, caters to the large, well-established businesses, and would look with disfavor on any new concern which might represent a competitive threat to its well-established accounts.

DANGERS OF NATIONWIDE BRANCH BANKING SYSTEM

It is quite apparent that there is a widespread campaign underway to promote branch banking. An answer to some of the proponents of branch banking is given to the editor of the American Banker in its issue of September 1, written by R. O. Byerrum, president of the University State Bank of Chicago. According to Mr. Byerrum:

> An attempt is also made by the Illinois Council for Branch Banking to link up branch banking with the maintenance of competition in the banking field. It should be stated, however, that branch banking and bank mergers both have one common effect—to reduce competition. With branch banking the number of independent banks would obviously decline.

I would like to include the entire text of Mr. Byerrum's letter to the American Banker at this point:

DOES PUBLIC REALIZE WHAT BRANCH BANKING MEANS?

EDITOR, AMERICAN BANKER: A few days ago there appeared in one of the larger Chicago metropolitan newspapers, and elsewhere, including the American Banker, reports of an article from the chairman of the Illinois Council for Branch Banking, a self-appointed outfit opposed to independent banking.

The public is being misled by its statement that Chicago is underbanked and that its banking facilities are insufficient to take care of our expanding needs, and the chairman stated that this is a clear relationship * * * between Chicago's economic growth * * * and limited branch banking. Unfortunately, the facts hardly support his gloom-and-doom conclusion that metropolitan Chicago is suffering from economic decline.

Let me quote a letter recently received from the Chicago Association of Commerce and Industry: "During the past decade Metropolitan Chicago has enjoyed the greatest industrial expansion and prosperity of any comparable area in history."

During the last decade, factory construction in the Chicago metropolitan region was twice as high as that for any other metropolitan area in the Nation. Industrial development investments, which include both factory and nonfactory expenditures, for the years up to 1960 led the Nation and totaled more than $3.2 billion. At present Metropolitan Chicago has 3.69 percent of the Nation's population, but it produces 5.4 percent of U.S. output. On a per capita basis Metropolitan Chicago output amounts to $3,431 annually or 48 percent above the national average of $2,231.

An attempt is also made by the council to link up branch banking with the maintenance of competition in the banking field. It should be stated, however, that branch banking and bank mergers both have one common effect—to reduce competition. With branch banking the number of independent banks would obviously decline.

The Federal Government is actively seeking to maintain vigorous competition in the banking field. The Federal Bank Merger Statute enacted in 1960 requires approval of bank mergers. The Department of Justice has gone to court to block a pending merger in Chicago, and in Philadelphia a consolidation merger of the second and third largest banks on the grounds that this would create a bank half again as large as the largest bank in Philadelphia. Together, the two banks would then account for approximately 62 percent of the total banking assets of all commercial banks in the city. The Justice Department maintains that this would lessen competitive aspects of banking in Philadelphia. It is also testing the application to banks of section 7 of the Clayton Act which prohibits mergers that "tend to lessen substantially competition in any section of the country."

It is quite possible that our Department of Justice may save capitalism from extinguishing itself because of the acts of a few.

Quite a play has been made on the council's fatuous statement that $3 million in deposits would be created by this system of banking. May I respectfully ask from whence would all this money come?

With 13,000 independent known banks in the United States we have helped to develop the strongest economy ever known by any nation in the world and during the past 15 years or more we have been supporting the economies of most of the major powers of the world—nations whose domestic economy has been strangulated by the old archaic branch banking system. It is estimated that if nationwide branch banking were adopted in the United States, our banking system would be set back at least 75 or 100 years.

Monopoly banking in the hands of a few men always leads to tyranny and dictatorship, and destroys the strong competition that now exists.

Our bank system at the present time is the most progressive and enlightened banking field.

Very truly yours,

R. O. BYERRUM,
President, University State Bank.
CHICAGO, ILL.

EXTENT OF CONCENTRATION IN BANKING IN MAJOR METROPOLITAN AREAS

In practically every community in this country the number of banks has been reduced to the point where only a very few control the business. Here are some figures from the 1960 annual report of the Federal Deposit Insurance Corporation:

In no less than 58 out of a total of 65 metropolitan areas surveyed, the 3 largest commercial banks have more than 50 percent of the deposits in all the banks in the area.

In 33 metropolitan areas, the 3 largest commercial banks have more than 70 percent of the deposits of all commercial banks in the area.

In 22 metropolitan areas, the 3 largest commercial banks own more than 80 percent of the deposits. And in 6 metropolitan areas, the 3 largest commercial banks hold over 90 percent of the deposits.

Superimposed upon all these concentrations in local areas is the dominant position of the largest commercial banks in the country. The top 10 commercial banks—6 of which are located in New York City—on June 30, 1961, held $48.2 billion of deposits. This represents 21.7 percent of the $222 billion of deposits held by all commercial banks in the United States. These few giant commercial banks set the whole pattern of interest rates charged by commercial banks throughout the country.

It is high time that our Federal banking officials incorporate within their concept of the public interest the basic American ideal of a free competitive banking system.

PERSONAL ANNOUNCEMENT

Mr. MONTOYA. Mr. Speaker, on rollcall No. 188 I was absent and recorded as not voting. I would like the RECORD to show that had I been present I would have voted "yea" on that rollcall.

CONGRATULATIONS TO BILL DOHERTY ON 20TH ANNIVERSARY AS PRESIDENT OF THE NATIONAL ASSOCIATION OF LETTER CARRIERS

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, ability, initiative and personality are the qualities that make a leader. As an example, I call your attention to William C. Doherty, president of the National Association of Letter Carriers.

Twenty years ago, on September 6, 1941, he was sworn in as head of the largest organization of Federal employees. As a letter carrier himself who trudged many miles each day, serving the people of his route, Bill Doherty knew that strong leadership was required to improve the incomes of carriers, to strengthen their morale, to provide security for retirees, and survivorship benefits for widows and children.

Before he took charge and infused new life into the NALC, letter carriers had been on a treadmill where they had been getting the same inadequate salary for the preceding 16 years. Bill marshaled his forces, gave them goals to work for, and with his organizing genius and persuasive powers got the NALC moving forward again.

Few Members of Congress were aware of the organization in 1941, but Bill soon changed that. He instituted an effec-

tive campaign to bring the plight of the carriers to the notice of Congress and the general public. And things began to happen, for the better. In the past 18 years there have been nine pay raises. The membership of the NALC has increased to 150,000, 2½ times the 1941 level. A $3 million white marble national headquarters was built facing Capitol Hill, and the association is currently building an eight-story annex to house its growing health insurance program. And a $4½ million retirement paradise, Nalcrest, will be built on the shores of central Florida's Lake Walk-in-the-Water.

The progress under Doherty's administration has been impressive. Because of his energetic and inspiring leadership, the following benefits have been won: national life insurance for Federal employees; national health insurance; the enlargement of health benefits; the liberalization of sick benefits; liberalized annual leave provisions; the $100 a year uniform allowance; and a great number of other improvements both in working conditions and work procedures within post offices.

Bill is the type of leader who responds to challenge. The more difficult the task, the harder he works. To overcome legislative hurdles that blocked the way to a pay increase, Bill took on the formidable job of pushing a discharge petition, which is a technique for securing the signatures of 218 Members of the House to force a bill out of the Rules Committee and to a showdown vote in the House.

Sponsors of petitions seldom manage to get the required number of signatures. Only 33 have been successful in 51 years. Six of these were NALC petitions, and every one of them was successful, due to the courage and skill of Bill Doherty in winning over Members to favorable action on the vital problems of the letter carriers.

The leadership of Bill Doherty has helped every Federal employee, because in proving the case for the carriers, he opened the way for pay increases and fringe benefits throughout the Federal service. With commendable foresight he is strengthening the NALC and is training subordinates so that they will be prepared for positions of leadership in the future.

On his 20th anniversary as president of the National Association of Letter Carriers, we congratulate Bill Doherty on his brilliant record of achievements, and look forward to the continuation of his vigorous and productive administration which is the pride of the letter carriers, and the heartening example for all other Federal employees.

CLEARING THE PUBLIC RECORD

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, on August 29 I placed in the CONGRESSIONAL RECORD, page 17431, a column which had been written by Washington columnist, Drew Pearson, setting forth some reminiscences of Soviet Premier Khrushchev. Mr. Pearson had obtained these from the Soviet Premier during an interview with Khrushchev at a Black Sea resort. They included a reference to a Khrushchev-Ambassador Averell Harriman conversation in which it appeared that the Soviet dictator and the American Ambassador had made some agreement about Khrushchev helping the 1960 Democratic presidential candidate.

Upon reading Mr. Pearson's column, my first reaction was that we had to get to the bottom of this matter, to see if the allegation was true. My previously cited remarks called for Ambassador Harriman to make a statement on this, a request which was supported by the gentleman from New York [Mr. BARRY] in a statement on August 21—CONGRESSIONAL RECORD, page 17864—and for an investigation calling Ambassador Harriman and Mr. Pearson to clear the issue.

I have received a letter from Ambassador Harriman. It reads:

DEAR MR. CURTIS: Thank you for your letter of August 30 and the opportunity to comment on Drew Pearson's article which you inserted into the CONGRESSIONAL RECORD of August 29. My only comment is that I do not control irresponsible remarks made by Khrushchev. I haven't seen him since September 1959 when he came to the United States at the request of President Eisenhower.

Thanks for your good wishes, which I am glad to reciprocate.

Sincerely,

AVERELL HARRIMAN.

In fairness, it should be made clear that it was not necessarily any statement of Ambassador Harriman's or a case of misreporting by Mr. Pearson that is involved. It could be the irresponsible statements of Premier Khrushchev; this is the point that Ambassador Harriman makes and I am happy to have the RECORD reveal this. I think good reporting by Pearson on a subject this important required checking with Ambassador Harriman; had this been done the theme of Pearson's column would have been Khrushchev is a liar, rather than the unfortunate theme it followed.

COMMON PURPOSE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. GALLAGHER] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. GALLAGHER. Mr. Speaker, as the House Foreign Affairs Committee is about to vote on the creation of a U.S. disarmament agency, it is important that we all realize the importance of this issue and its full implication to the U.S. security as well as our rightful role as leader of the free world truly interested in humanity. I think our position is best expressed in an editorial that appeared in the Newark Evening News of Tuesday, September 5, 1961.

In the hope that these thoughts can stimulate the thinking of the Members who will soon be called upon to exercise their judgment on this important matter, I respectfully request that the editorial be made a part of this RECORD:

COMMON PURPOSE

President Kennedy feels that with world opinion aroused against Russia's resumption of nuclear testing, congressional approval of a U.S. disarmament agency would provide a sharp and timely contrast between United States and Soviet policies.

Some members of the Senate Foreign Relations Committee feel establishment of such an agency would be a sign of weakness, and there is growing coolness on Capitol Hill toward disarmament legislation at this session.

This is a shortsighted attitude, for the creation of a disarmament agency has long been administration policy and its implementation now would no more indicate weakness than has the President's decision to have John J. McCloy, his disarmament adviser, keep his previously scheduled appointment this week with Soviet Deputy Foreign Minister Zorin in New York.

Ostensibly the two are to discuss preparations for a broad international disarmament conference that for all practical purposes has already been sabotaged by the Soviet resumption of nuclear testing.

In his reaction to Premier Khrushchev's new terror campaign, Mr. Kennedy has succeeded in projecting a world image of the United States as being soberly confident of its own strength, yet at the same time deeply concerned over the security and well-being of less powerful nations and peoples.

This is an image that Congress should try to strengthen by accepting the President's judgment on the Disarmament Agency.

AMENDING INTERNAL REVENUE CODE RELATIVE TO TAXATION OF CERTAIN INCOME

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Oregon [Mr. ULLMAN] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ULLMAN. Mr. Speaker, I am today introducing a bill to amend the Internal Revenue Code relative to the taxation of certain income derived from tribal lands or allotted and restricted land of Indians. My bill deals with what is, on one hand, a rather narrow technical point and aims at clarifying the situation regarding taxation by the Federal Government of different types of Indian income. At the same time there is a substantial policy question involved and I would like to speak briefly on both of these aspects.

In a 1956 ruling the Internal Revenue Service held that income "derived directly" from allotted and restricted Indian trust lands is exempt from Federal income taxes. The ruling expanded on the point by listing as examples of exempt incomes from such allotted and restricted lands, "rentals (including crop rentals), royalties, proceeds from the sales of natural resources, income from the sale of crops, and income from the use of the land for grazing purposes." However, in 1958, in a further ruling on this, the Internal Revenue Service held

that while income from grazing fees for the use of these lands is tax exempt, income from the sale of livestock raised on the lands by the Indians themselves is not.

In other words, Indians who raise crops on their allotted and restricted lands can sell them and the resultant income is tax exempt, but Indians who raise livestock or poultry on such lands must pay Federal income taxes on the proceeds from the sale of the livestock or poultry. The technical question, in view of the Internal Revenue Service is whether or not income from the sale of livestock raised on allotted and restricted lands is "derived directly" from those lands. While ruling that in the case of crops it is, the Service has held that in the case of livestock it is not. After reviewing this restrictive ruling at the request of Members of Congress, the Treasury Department reaffirmed the distinction made and said that "a more liberal interpretation must await further elucidation by judicial interpretation or by Congress itself."

So much for the technical aspect at issue which my bill would clarify by eliminating the narrow distinction between the two types of agricultural production. The policy question seems to me to be of more importance. Aside from the fact that to hold that income from crops raised on allotted and restricted lands is tax-exempt while that from livestock is not, constitutes, in my view, a discrimination against the livestock producers. A major effect of the Treasury ruling is to put a premium on rental rather than operation of such trust-status grazing lands by Indians. This is because the ruling holds that if the Indian rents his allotted land to someone else for grazing purposes, his income from this is tax exempt, but if he carries on a ranching operation on it himself, his income is taxed. Such an effect is directly contrary to our efforts to encourage self-sufficiency on the part of Indians. It results in further decreasing the number of Indians who operate their own lands. It should be noted that most allotments of Indian lands are so small that the rental value for grazing purposes does not constitute an adequate income whereas, if the Indian were able to operate the ranch himself, his prospects of securing an income sufficient to his family's needs would be increased.

Thus, both equity and sound public policy support, in my opinion, the need to eliminate this narrow distinction between the two types of income from Indian trust lands. The bill I have introduced today would achieve that purpose and I hope that it will receive early consideration and favorable action by the Congress.

THE SHARP EDGES OF QUESTIONS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from West Virginia [Mr. STAGGERS] is recognized for 5 minutes.

Mr. STAGGERS. Mr. Speaker, a spokesman for a well-known and highly respected college in the area, in announcing some curricular modifications, has this to say about his program:

> The overriding aim of the program has been, and remains, that the student should confront the tradition embodied in the great books, and through that confrontation learn to clarify his own opinions. To face directly what is problematic in the tradition, to locate the sharp edges of the crucial questions, is no easy task; it is, indeed, a kind of operation bootstrap. The work consists in the repeated effort to raise conflict to the level of rational articulation. Progress means a changing relation to the life of inquiry, a deepening insight into possibility.

Without entering any argument whatsoever as to whether this is or is not an appropriate aim for a college, it occurs to me that it is a singularly astute observation when applied to the matter of international negotiation.

We are disturbed by the seemingly negative results of recent negotiation, the apparent failure of the Geneva conference on nuclear disarmament being the newest example. We are inclined to say that negotiation is useless, and might as well be abandoned. Let us not forget that we are dealing with an entirely new concept in world policy. Our aim is a just and lasting peace. The goal lies at the other end of an unmapped road. We are all like students in a school, seeking something eminently desirable. But in this case we have no tradition to guide us, no body of tested experience to point the way. Our efforts have at least brought us into contact with the sharp edges of crucial questions, two of them being: How to wage war without the actual clash of arms; and, what settlements to make at the end of strife. The tradition of history has been to ignore or avoid both of those questions.

In the world of material things, we expect failure to precede progress. Burbank's ratio of failures to successes, when he was attempting to develop new and more useful plant forms, ran into the thousands. I do not know how many failures attended the efforts to harness the atom, or to put a missile into space, but they were many and expensive. But one success wipes out all antecedent failures.

A recent publication reports that a president of IBM, some years ago, was offering advice to a would-be writer who was discouraged by continued rejection of his manuscripts one after the other. He suggested: Double your rate of failure; somewhere beyond failure lies success, and that is where to look for it. In the field of international relations we can afford to make failures so long as we continue to confront the problematic. Repeated efforts are indeed raising conflict to the level of rational articulation. They are, in fact, driving our opponents from one untenable position after another. They are, in fact, clarifying our own positions in the eyes of the world. Every failure deserves a new and more discerning effort. Step by step we acquire a deepened insight into what is possible.

If we grant the importance of substituting rational settlement of differences for armed conflict in this dangerous world of ours, it is difficult to avoid the conclusion that we should set up appropriate machinery for studying and promoting the arts of peace. A full-scale Department of Peace in the President's Cabinet would provide the needed machinery. It would, in a sense, give us a body of professional experts engaged solely in discovering and applying appropriate procedures in solving difficulties. Our representatives selected for the various conferences in which we have participated are probably the best men available for the job. In most cases, they carry other important responsibilities and duties to which their major attention must be directed. Membership changes from one negotiating team to the next, and there is little opportunity to learn from experience. The value of a permanent group trained in the art of negotiation and dedicated to the problem of resolving conflict can scarcely be questioned.

An incidental virtue in a fully organized and active Department of Peace is that it in no way limits our preparation for war in the case that conflict becomes unavoidable. It remains the duty of a modern society to protect its rights and to promote its interests by force, if necessary, just as such a duty has been accepted by all societies throughout history. But to be abundantly ready to fight in defense of the things we hold precious is only one side of the matter. On it we justifiably expend untold energy and treasure, not to mention rivers of warm human blood. The obverse of the coin calls for a sophisticated contrivance for averting what may well be the ultimate tragedy of the human race.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. STAGGERS (at the request of Mr. ALBERT) for 5 minutes today, to revise and extend his remarks, and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MCCORMACK (at the request of Mr. ALBERT) and to include extraneous matter.

(The following Members (at the request of Mr. NELSEN) and to include extraneous matter:)

Mr. HIESTAND.

Mr. BOW.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2481. An act to amend the National Aeronautics and Space Administration Authorization Act for the fiscal year 1962; to the Committee on Science and Astronautics.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that

that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker pro tempore:

H.R. 32. An act authorizing the establishment of the Fort Smith National Historic Site, in the State of Arkansas, and for other purposes; and

H.R. 256. An act to amend the District of Columbia Alcoholic Beverage Control Act.

SENATE ENROLLED BILLS SIGNED

The SPEAKER pro tempore announced his signature to enrolled bills of the Senate of the following titles:

S. 415. An act for the relief of Margaret Jean Dauel;

S. 513. An act to authorize and direct the Secretary of the Treasury to cause the vessel *Acadia*, owned by Robert J. Davis, of Port Clyde, Maine, to be documented as a vessel of the United States coastwise privileges;

S. 888. An act to authorize the Secretary of the Interior to lease certain lands in the State of Utah to Joseph A. Workman; and

S. 1012. An act to direct the Secretary of the Interior to adjudicate a claim of the Greif Bros. Cooperage Corp., to certain land in Marengo County, Ala.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 206. An act to facilitate administration of the fishery loan fund established by section 4 of the Fish and Wildlife Act of 1956, and for other purposes;

H.R. 1098. An act to amend section 901 of title 38, United States Code, to provide that a flag shall be furnished to drape the casket of each deceased veteran of Mexican border service;

H.R. 1337. An act for the relief of Amelia Andreoli D'Attorre;

H.R. 1627. An act for the relief of the Princess Ann County School Board, Virginia;

H.R. 2111. An act for the relief of Benjamin Schoenfeld;

H.R. 2429. An act to prohibit destruction of, or injury to, certain property moving in interstate or foreign commerce, and for other purposes;

H.R. 2457. An act to amend title V of the Merchant Marine Act, 1936, in order to clarify the construction subsidy provisions with respect to reconstruction, reconditioning, and conversion, and for other purposes;

H.R. 3159. An act to permit certain foreign-flag vessels to land their catches of fish in the Virgin Islands in certain circumstances, and for other purposes;

H.R. 3222. An act to amend section 4(a) of the act of April 1, 1942, so as to confer jurisdiction on the municipal court for the District of Columbia over certain counterclaims and crossclaims in any action in which such court has initial jurisdiction;

H.R. 3296. An act to authorize the Secretary of Interior to nominate citizens of the Trust Territory of the Pacific Islands to be cadets at the U.S. Merchant Marine Academy;

H.R. 4539. An act to amend section 723 of title 28 of the United States Code to provide for immediate payment of dividends on insurance heretofore issued under section 621 of the National Service Life Insurance Act of 1940 which has been converted or exchanged for new insurance under such section, and for other purposes;

H.R. 4639. An act for the relief of Rear Adm. Carl H. Cotter;

H.R. 5054. An act for the relief of Wolfgang Stresemann;

H.R. 5180. An act for the relief of Dr. Ferenc Domjan and others;

H.R. 5321. An act for the relief of American President Lines, Ltd., Nitto Shosen Co., Ltd., and Koninklijke Java-China-Paketvaart Lijnen N.V. (Royal Interocean Lines);

H.R. 5647. An act for the relief of David C. Thomas, Robert W. Barber, Milton A. Chace, and Richard F. Turner;

H.R. 5656. An act to provide for reasonable notice of application to the U.S. courts of appeals for interlocutory relief against the orders of certain administrative agencies;

H.R. 6495. An act to amend the Life Insurance Act of the District of Columbia;

H.R. 6798. An act to amend the act incorporating the Washington Home for Foundlings and to define the powers of said corporation;

H.R. 7044. An act to amend section 35 of chapter III of the Life Insurance Act for the District of Columbia;

H.R. 7154. An act to authorize the Commissioners of the District of Columbia to regulate the keeping and running at large of dogs;

H.R. 7265. An act to amend the code of law for the District of Columbia so as to provide a new basis for determining certain marital property rights, and for other purposes;

H.R. 7707. An act for the relief of Andrew Telesfor Kostanecki;

H.R. 8032. An act to amend the Healing Arts Practice Act, District of Columbia, 1928, and for other purposes; and

H.R. 8033. An act to amend section 17 of the Interstate Commerce Act so as to authorize the delegation of certain duties to employee boards.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 41 minutes p.m.) the House adjourned until tomorrow, Thursday, September 7, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1290. A letter from the Assistant Comptroller General of the United States, transmitting the report on our review of selected activities of the Federal-aid highway program of the Bureau of Public Roads, Department of Commerce, in the States of Maine, New Hampshire, and Vermont; to the Committee on Government Operations.

1291. A letter from the Secretary of the Navy, transmitting a report relating to the construction of a dam immediately below the confluence of De Luz Creek with the Santa Margarita River on Camp Joseph H. Pendleton, San Diego County, Calif., pursuant to (68 Stat. 575); to the Committee on Interior and Insular Affairs.

1292. A letter from the Postmaster General, transmitting a draft of a proposed bill entitled "A bill to amend title 39 of the United States Code to provide for restoration of salary to postmasters in post offices of the fourth class in certain cases"; to the Committee on Post Office and Civil Service.

1293. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, relative to reporting that the appropriation to the Department of the Interior for "Management of lands and resources," Bureau of Land Management, for the fiscal year 1962, has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to 31 U.S.C. 665; to the Committee on Appropriations.

1294. A letter from the Acting President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill entitled "A bill to amend the Street Readjustment Act of the District of Columbia so as to authorize the Commissioners of the District of Columbia to close all or part of a street, road, highway, or alley in accordance with the requirements of an approved redevelopment or urban renewal plan, without regard to the notice provisions of such act, and for other purposes"; to the Committee on the District of Columbia.

1295. A letter from the Secretary of Commerce, transmitting a report of all claims paid by the Department of Commerce during fiscal year 1961, pursuant to section 404 of the Federal Tort Claims Act (28 U.S.C. 2675); to the Committee on the Judiciary.

1296. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of an order together with a list showing the name of the person involved, pursuant to the act of September 11, 1957; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANNON: Committee on Appropriations. H.R. 9076. A bill making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Tennessee Valley Authority, and certain study commissions, for the fiscal year ending June 30, 1962, and for other purposes; without amendment (Rept. No. 1125). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. S. 2325. An act to amend the Export-Import Bank Act of 1945; with amendment (Rept. No. 1126). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 399. Resolution to authorize the Committee on the District of Columbia to conduct an investigation and study of the organization, management, operation, and administration of departments and agencies of the government of the District of Columbia; without amendment (Rept. No. 1127). Referred to the House Calendar.

Mr. THORNBERRY: Committee on Rules. House Resolution 451. Resolution providing for the consideration of S. 320, an act to amend the provisions contained in part II of the Interstate Commerce Act concerning registration of State certificates whereby a common carrier by motor vehicle may engage in interstate and foreign commerce within a State; without amendment (Rept. No. 1128). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 262. An act for the relief of Constantinos Georgiou Stavropoulos; without amendment (Rept. No. 1118). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 263. An act for the relief of Guiseppe Giorioso; without amendment (Rept. No. 1119). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 264. An act for the relief of Mr. and Mrs. Franklin Leong; without amendment (Rept. No. 1120). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 553. An act for the relief of Olga G. Coutsoubinas and Spyridon G. Coutsoubinas; without amendment (Rept. No. 1121). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 592. An act for the relief of Nishan Der Simonian; without amendment (Rept. No. 1122). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1934. An act for the relief of Mrs. Chow Chui Ha; without amendment (Rept. No. 1123). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 6226. A bill for the relief of Arlin David English; with amendment (Rept. No. 1124). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 9062. A bill to establish a Department of Culture; to the Committee on Government Operations.

By Mr. CEDERBERG:

H.R. 9063. A bill to regulate the foreign trade of the United States by providing safeguards to domestic industry against unfair and destructive imports and to authorize reciprocal trade agreements between the United States and foreign countries; to the Committee on Ways and Means.

By Mr. HARSHA:

H.R. 9064. A bill to deny the use of the U.S. postal service for the carriage of Communist political propaganda; to the Committee on Post Office and Civil Service.

By Mr. KNOX:

H.R. 9065. A bill to regulate the foreign trade of the United States by providing safeguards to domestic industry against unfair and destructive imports and to authorize reciprocal trade agreements between the United States and foreign countries; to the Committee on Ways and Means.

By Mr. ROGERS of Texas:

H.R. 9066. A bill to require loyalty declarations from employees of Government suppliers and from labor organizations representing the employees of such suppliers; to the Committee on the Judiciary.

By Mr. SHRIVER:

H.R. 9067. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for tuition and other expenses paid by him for his education or the education of his spouse or any of his dependents; to the Committee on Ways and Means.

By Mr. ULLMAN:

H.R. 9068. A bill to establish reciprocity between members of the Confederated Tribes of the Umatilla and Warm Springs Indian Reservations and other Indian tribes in the matter of succession by will or inheritance to certain types of restricted or trust properties, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 9069. A bill to amend the Internal Revenue Code of 1954 to provide that income derived by an Indian from tribal lands or allotted and restricted Indian lands shall not be subject to the income tax; to the Committee on Ways and Means.

By Mr. YATES:

H.R. 9070. A bill to amend title II of the Social Security Act to provide that an individual who is otherwise qualified but delays filing his application for old-age insurance benefits (or for his wife's, husband's, or child's benefits in certain cases) shall be entitled to such benefits from the time he originally became so qualified; to the Committee on Ways and Means.

By Mr. ALBERT:

H.R. 9071. A bill to designate a certain dam on the Canadian River, Okla., as the Eufaula Dam, and the reservoir created by that dam as the Lake of the Five Civilized Tribes; to the Committee on Public Works.

By Mr. McCORMACK:

H.R. 9072. A bill to amend section 7 of the War Claims Act of 1948; to the Committee on Interstate and Foreign Commerce.

By Mr. MOELLER:

H.R. 9073. A bill to amend the Davis-Bacon Act to make it applicable to certain contracts under which a building is to be constructed or altered and leased to the United States; to the Committee on Education and Labor.

By Mr. ROBERTS:

H.R. 9074. A bill to amend the act approved July 14, 1960 (74 Stat. 526), relating to the establishment of a register in the Department of Commerce of certain motor vehicle operators' licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Mississippi:

H.R. 9075. A bill to amend section 1033 of the Internal Revenue Code of 1954 to permit certain taxpayers whose property was involuntarily converted before 1958, but who were unable to obtain replacement property meeting the requirements then in effect, to obtain nonrecognition of gain through replacement with property meeting the current requirements; to the Committee on Ways and Means.

By Mr. CANNON:

H.R. 9076. A bill making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Tennessee Valley Authority, and certain study commissions, for the fiscal year ending June 30, 1962, and for other purposes; to the Committee on Appropriations.

By Mr. FULTON:

H.R. 9077. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. RHODES of Arizona:

H.R. 9078. A bill to amend the act approved July 14, 1960 (74 Stat. 526), relating to the establishment of a register in the Department of Commerce of certain motor vehicle operators' licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. ROBISON:

H.R. 9079. A bill to amend the Tariff Act of 1930 to place drive calks, drive calk shoes, and certain drive calk tools on the free list; to the Committee on Ways and Means.

By Mr. MOELLER:

H.J. Res. 563. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. ALFORD:

H. Con. Res. 386. Concurrent resolution declaring the sense of the Congress that no further reductions in tariffs be made during the life of the present Reciprocal Trade Agreements Act; to the Committee on Ways and Means.

By Mr. ROBISON (by request):

H. Con. Res. 387. Concurrent resolution, declaring the sense of the Congress that no further reductions in tariffs be made during the life of the present Reciprocal Trade Agreements Act; to the Committee on Ways and Means.

By Mr. HEMPHILL:

H. Con. Res. 388. Concurrent resolution expressing the sense of the Congress with respect to the South Carolina State Student Legislature; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOWDY (by request):

H.R. 9080. A Bill to authorize the Philadelphia, Baltimore & Washington Railroad Co. to construct, maintain, and operate branch sidings over First Street SW., in the District of Columbia; to the Committee on the District of Columbia.

By Mr. FINO:

H.R. 9081. A bill for the relief of John Postupak; to the Committee on the Judiciary.

By Mr. JOHNSON of California:

H.R. 9082. A bill for the relief of Mrs. Moy Ng Shee; to the Committee on the Judiciary.

By Mr. OLSEN:

H.R. 9083. A bill for the relief of Lauren F. Teutsch; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

208. The SPEAKER presented a petition of Mr. Albert C. Lambert, national secretary-treasurer, Sons of Union Veterans of the Civil War, Trenton, N.J., transmitting a copy of a resolution adopted by the 80th Annual Encampment of the Sons of Union Veterans of the Civil War, which met in Indianapolis, Ind., which was referred to the Committee on the Judiciary.

SENATE

WEDNESDAY, SEPTEMBER 6, 1961

The Senate met at 10 o'clock a.m., and was called to order by Hon. J. J. HICKEY, a Senator from the State of Wyoming.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Lord God, who knowest the burdens we bear and the temptations which beset us, grant us the royalty of inward happiness and the composure which comes from living near to Thee. Daily renew in us a sense of joy and let the love that casteth out fear dwell in our hearts that we may carry about the infection of a good courage and may meet all life's ills and disappointments with gallant, highhearted happiness, giving Thee thanks always for all things.

Endue with the spirit of wisdom Thy servants here to whom has been entrusted the responsibility of government. As with righteous wrath we behold the vile treacheries which today foul the earth, give us that personal honor and integrity which shall make us fit to be the

defenders of those high things which make life worth while.

We ask it in the Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 6, 1961.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. J. J. HICKEY, a Senator from the State of Wyoming, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. HICKEY thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. PASTORE, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, September 5, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on September 5, 1961, the President had approved and signed the act (S. 2268) to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, notified the Senate that the Speaker pro tempore had appointed Mr. MEADER as a manager on the part of the House at the conference on the bill (S. 1653) to amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises, vice Mr. MILLER of New York, excused.

The message announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H.R. 2344. An act for the relief of Teresa Del Vecchio Cipollone;

H.R. 2615. An act for the relief of Dr. Victor Wang Ta Ng and his wife, Alice Siu Har Ng;

H.R. 3007. An act for the relief of Alberto Luciano (Rocchi) Rosasco;

H.R. 3008. An act for the relief of Hom Hong Hing, also known as Tommy Joe;

H.R. 3401. An act for the relief of Salvatore Cairo;

H.R. 3840. An act to provide for the conveyance of certain real property of the United States to the Carolina Power & Light Co.;

H.R. 4211. An act for the relief of Alessandro Bottero;

H.R. 4280. An act for the relief of Dimitri Elias Sartan;

H.R. 4484. An act for the relief of Miss Liu Lai Ching;

H.R. 4499. An act for the relief of Mrs. Margaret Ruda Daniel;

H.R. 4795. An act for the relief of Walter J. Johnson;

H.R. 4797. An act for the relief of certain aliens;

H.R. 7873. An act for the relief of Mrs. Maria Gonzalez Fernandez Long;

H.R. 9033. An act making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes; and

H.J. Res. 542. Joint resolution relating to the admission of certain adopted children.

ENROLLED BILLS SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

S. 415. An act for the relief of Margaret Jean Dauel;

S. 513. An act to authorize and direct the Secretary of the Treasury to cause the vessel *Acadia*, owned by Robert J. Davis of Port Clyde, Maine, to be documented as a vessel of the U.S. coastwise privileges;

S. 888. An act to authorize the Secretary of the Interior to lease certain lands in the State of Utah to Joseph A. Workman;

S. 1012. An act to direct the Secretary of the Interior to adjudicate a claim of the Greif Bros. Cooperage Corp. to certain land in Marengo County, Ala.;

H.R. 32. An act authorizing the establishment of the Fort Smith National Historic Site, in the State of Arkansas, and for other purposes;

H.R. 206. An act to facilitate administration of the fishery loan fund established by section 4 of the Fish and Wildlife Act of 1956, and for other purposes;

H.R. 256. An act to amend the District of Columbia Alcoholic Beverage Control Act;

H.R. 1098. An act to amend section 901 of title 38, United States Code, to provide that a flag shall be furnished to drape the casket of each deceased veteran of Mexican border service;

H.R. 1337. An act for the relief of Amelia Andreoli D'Attorre;

H.R. 1627. An act for the relief of the Princess Anne County School Board, Virginia;

H.R. 2111. An act for the relief of Benjamin Schoenfeld;

H.R. 2429. An act to prohibit destruction of, or injury to, certain property moving in interstate or foreign commerce, and for other purposes;

H.R. 2457. An act to amend title V of the Merchant Marine Act, 1936, in order to clarify the construction subsidy provisions with respect to reconstruction, reconditioning and conversion, and for other purposes;

H.R. 3159. An act to permit certain foreign-flag vessels to land their catches of fish in the Virgin Islands in certain circumstances, and for other purposes;

H.R. 3222. An act to amend section 4(a) of the act of April 1, 1942, so as to confer jurisdiction on the municipal court for the District of Columbia over certain counterclaims and cross-claims in any section in which such court has initial jurisdiction;

H.R. 3296. An act to authorize the Secretary of the Interior to nominate citizens of the Trust Territory of the Pacific Islands to be cadets at the U.S. Merchant Marine Academy;

H.R. 4539. An act to amend section 723 of title 38 of the United States Code to provide for immediate payment of dividends on insurance heretofore issued under section 621 of the National Service Life Insurance Act of 1940 which has been converted or exchanged for new insurance under such section, and for other purposes;

H.R. 4639. An act for the relief of Rear Adm. Carl H. Cotter;

H.R. 5054. An act for the relief of Wolfgang Stresemann;

H.R. 5180. An act for the relief of Dr. Ferene Domjan and others;

H.R. 5321. An act for the relief of American President Lines, Ltd., Nitto Shosen Co., Ltd., and Koninklijke Java-China-Paketvaart Lijnen N.V. (Royal Interocean Line);

H.R. 5647. An act for the relief of David C. Thomas, Robert W. Barber, Milton A. Chace, and Richard F. Turner;

H.R. 5656. An act to provide for reasonable notice of applications to the U.S. courts of appeals for interlocutory relief against the others of certain administrative agencies;

H.R. 6495. An act to amend the Life Insurance Act of the District of Columbia;

H.R. 6798. An act to amend the act incorporating the Washington Home for Foundlings and to define the powers of said corporation;

H.R. 7044. An act to amend section 35 of chapter III of the Life Insurance Act for the District of Columbia;

H.R. 7154. An act to authorize the Commissioners of the District of Columbia to regulate the keeping and running at large of dogs;

H.R. 7265. An act to amend the code of law for the District of Columbia so as to provide a new basis for determining certain marital property rights, and for other purposes;

H.R. 7707. An act for the relief of Andrew Telesfor Kostanecki;

H.R. 8032. An act to amend the Healing Arts Practice Act, District of Columbia, 1928, and for other purposes; and

H.R. 8033. An act to amend section 17 of the Interstate Commerce Act so as to authorize the delegation of certain duties to employee boards.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H.R. 2344. An act for the relief of Teresa Del Vecchio Cipollone;

H.R. 2615. An act for the relief of Dr. Victor Wang Ta Ng and his wife, Alice Siu Har Ng;

H.R. 3007. An act for the relief of Alberto Luciano (Rocchi) Rosasco;

H.R. 3008. An act for the relief of Hom Hong Hing, also known as Tommy Joe;

H.R. 3401. An act for the relief of Salvatore Cairo;

H.R. 4211. An act for the relief of Alessandro Bottero;

H.R. 4280. An act for the relief of Dimitri Elias Sartan;

H.R. 4484. An act for the relief of Miss Liu Lai Ching;

H.R. 4499. An act for the relief of Mrs. Margaret Ruda Daniel;

H.R. 4797. An act for the relief of certain aliens;

H.R. 7873. An act for the relief of Mrs. Maria Gonzalez Fernandez Long; and

H.J. Res. 542. Joint resolution relating to the admission of certain adopted children; to the Committee on the Judiciary.

H.R. 3840. An act to provide for the conveyance of certain real property of the United States to the Carolina Power & Light Co.; to the Committee on Interior and Insular Affairs.

H.R. 4795. An act for the relief of Walter J. Johnson; to the Committee on Finance.

H.R. 9033. An act making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes; to the Committee on Appropriations.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. PASTORE. Mr. President, under the rule, there will be the usual morning hour, for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSIONS

On request of Mr. PASTORE, and by unanimous consent, the following committees and subcommittees were authorized to meet during the session of the Senate today:

The Committee on Foreign Relations.

The Juvenile Delinquency Subcommittee of the Judiciary Committee.

The Committee on Post Office and Civil Service.

The Committee on Armed Services.

The Permanent Subcommittee on Investigations, of the Committee on Government Operations.

On request of Mr. PASTORE, and by unanimous consent, the Permanent Subcommittee on Investigations, of the Committee on Government Operations, was authorized to meet during the sessions of the Senate on Thursday and Friday of this week.

On request of Mr. PASTORE, and by unanimous consent, the Committee on Rules and Administration was authorized to meet during the session of the Senate today.

Mr. PASTORE. Mr. President, I ask unanimous consent that the Antitrust and Monopoly Subcommittee of the Judiciary Committee be permitted to sit during the session of the Senate today.

Mr. COTTON. Mr. President, to that request, I am compelled to object.

The ACTING PRESIDENT pro tempore. Objection is heard.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of the Interior for "Management of lands and resources," Bureau of Land Management, for the fiscal year 1962, had been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

AMENDMENT OF STREET READJUSTMENT ACT OF DISTRICT OF COLUMBIA

A letter from the Acting President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the Street Readjustment Act of the District of Columbia so as to authorize the Commissioners of the District of Columbia to close all or part of a street, road, highway, or alley in accordance with the requirements of an approved redevelopment or urban renewal plan, without regard to the notice provisions of such act, and for other purposes (with an accompanying paper); to the Committee on the District of Columbia.

REPORT ON CERTAIN CONTINGENCIES IN CONNECTION WITH CONSTRUCTION OF DAM AT CAMP JOSEPH H. PENDLETON, CALIF.

A letter from the Secretary of the Navy, reporting, pursuant to law, on certain contingencies in connection with the construction of a dam immediately below the confluence of De Luz Creek with the Santa Margarita River, Camp Joseph H. Pendleton, San Diego County, Calif.; to the Committee on Interior and Insular Affairs.

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF COMMERCE

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on tort claims paid by that Department, during fiscal year 1961 (with an accompanying report); to the Committee on the Judiciary.

REPORT ON ADJUSTMENT OF IMMIGRATION STATUS OF A CERTAIN ALIEN

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a copy of an order entered in behalf of Robert M. L. Teng, relating to the adjustment of his immigration status (with accompanying papers); to the Committee on the Judiciary.

AMENDMENT OF TITLE 39, UNITED STATES CODE, RELATING TO SALARY OF CERTAIN POSTMASTERS

A letter from the Postmaster General, transmitting a draft of proposed legislation to amend title 39 of the United States Code to provide for restoration of salary to postmasters in post offices of the fourth class in certain cases (with accompanying papers); to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HARTKE, from the Committee on the District of Columbia, without amendment:

S. 1761. A bill to amend the act of March 3, 1901, relating to divorce, legal separation, and annulment of marriage in the District of Columbia (Rept. No. 881).

By Mr. MORSE, from the Committee on the District of Columbia, with an amendment:

S. 2194. A bill to amend the District of Columbia Unemployment Compensation Act of 1935, as amended (Rept. No. 880).

By Mr. HUMPHREY, from the Committee on Foreign Relations, with amendments:

S. 2180. A bill to establish a U.S. Disarmament Agency for World Peace and Security (Rept. No. 882).

PROPOSED DEPARTMENT OF URBAN AFFAIRS AND HOUSING—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 879)

Mr. MUSKIE. Mr. President, from the Committee on Government Operations, I report favorably, with amendments, the bill (S. 1633) to establish a Department of Urban Affairs and Housing and for other purposes, and I submit a report thereon. I ask unanimous consent that the report be printed, together with the minority views of Senators MCCLELLAN, MUNDT, CURTIS, and ERVIN.

The ACTING PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Maine.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States, dated August 23, 1961, that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON, from the Committee on Post Office and Civil Service:

Eighty-two postmaster nominations.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MORSE:

S. 2504. A bill for the relief of Helen Duey Hoffman; to the Committee on the Judiciary.

By Mr. METCALF:

S. 2505. A bill for the relief of Lauren F. Teutsch; to the Committee on the Judiciary.

By Mr. BIBLE (by request):

S. 2506. A bill to authorize the Philadelphia, Baltimore & Washington Railroad Co. to construct, maintain, and operate branch sidings over First Street SE., in the District of Columbia; to the Committee on the District of Columbia.

By Mr. WILLIAMS of New Jersey:

S. 2507. A bill for the relief of Jose Tavares Rebelo; to the Committee on the Judiciary.

RESOLUTION

INCREASED EXPENDITURES BY SPECIAL COMMITTEE ON AGING

Mr. McNAMARA submitted the following resolution (S. Res. 204); which was referred to the Committee on Rules and Administration:

Resolved, That S. Res. 33, agreed to February 13, 1961, authorizing the creation of a Special Committee on Aging, is amended on page 4, line 5, by striking out "$150,000" and inserting in lieu thereof "$185,000".

AMENDMENT OF THE FILIBUSTER RULE

Mr. KEATING. Mr. President, the Senate Committee on Rules and Administration has reported without recommendation a resolution which would change the requirements for cloture under section 2 of rule XXII from two-thirds of the Senators present and voting to three-fifths of the Senators present and voting. This is a step in the right direction, and would be some improvement over the present rule. Experience under rule XXII, however, indicates that this change would make little practical difference.

Moreover, the three-fifths amendment does nothing to satisfy the concept of majority rule which is at the heart of the controversy. The effort to restore the right of a constitutional majority of the Senate to act after full debate is not just an argument over fractions. It is a matter of basic principle which should not be confused by minor concessions and unsubstantial gestures. I am willing to make any reasonable concession to the principle of full debate, in which I believe; but there is no way to compromise the principle of majority action without impairing the constitutional prerogatives of the Senate and undermining democratic procedures.

The filibuster rule is a monkey wrench in the machinery of government. It is the kind of challenge to orderly procedure which it is always hazardous to ignore, and which in these perilous times it could be fatal to ignore.

Senate Resolution 4, the three-fifths proposal, is scheduled for consideration on September 9.

I am today submitting an amendment which I intend to offer at that time to permit filibusters to be curbed by a vote of a constitutional majority of the Senate—51 Senators. The cosponsors of this amendment are Senators DOUGLAS, JAVITS, HUMPHREY, KUCHEL, CARROLL, BEALL, HART, BUSH, MCCARTHY, CASE of New Jersey, MORSE, SCOTT, PROXMIRE, and WILLIAMS of New Jersey.

This amendment, if adopted, would establish as a principle of Senate procedure that, after a full opportunity for debate, a majority of the Senate may act on the public business. It reflects full recognition of the importance of debate as a means of resolving differences of opinion, but repudiates the concept of debate as a device for wearing out the opposition and making it impossible for a Senate majority to chart the laws of the land.

I would have much preferred to consider a proposed rules change at the beginning of this session, when time would not have been such a heavy factor in our deliberations and the old rules were most appropriately subject to revision. The obstacles to an effective rules change at this point in the session are great, and only a determined effort to succeed can possibly lead to a meaningful change in the old filibuster rule.

It is my view, however, that, under the Constitution, a majority of the Senate can change its rules at any time, and that any provision of the rules to the contrary is a violation of the Constitution. I hope that the majority leader will join in urging this interpretation in the Senate when the issue is presented. He has taken steps to redeem his pledge to bring before the Senate a proposal for a change in rule XXII. But if the Senate is to have a real opportunity to express its will on this question, it must be under procedures which will permit action by a majority of its Members.

My views on the constitutional, practical, and substantive issues are set forth fully in the report of the Committee on Rules and Administration which was published today. This has been a disappointing session in terms of progress in the field of civil rights. There is no better way to lay the groundwork for a successful fight for civil rights legislation next session than by dealing a knockout punch to "King Filibuster" before we go home this year.

Mr. President, on behalf of myself and Senators DOUGLAS, JAVITS, HUMPHREY, KUCHEL, CARROLL, BEALL, HART, BUSH, MCCARTHY, CASE of New Jersey, MORSE, SCOTT, PROXMIRE, and WILLIAMS of New Jersey, I submit an amendment intended to be proposed to Senate Resolution 4. I ask unanimous consent that the proposed amendment be ordered to lie on the table and to be printed. Since the text of the amendment is already printed on page 16780 of the CONGRESSIONAL RECORD, I will not ask that it be printed again in the RECORD.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and will lie on the table as requested.

Mr. JAVITS. Mr. President, I ask unanimous consent that these remarks may be printed in the RECORD following the remarks of my colleague [Mr. KEATING].

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

Mr. JAVITS. I wish to invite the attention of the Senate to the extraordinary degree of bipartisan unanimity now attained in the contest which we shall make to bring rule XXII to some meaningful form of amendment.

It will be recalled that when I was a member of the Committee on Rules and Administration there was a two-man subcommittee composed of the Senator from Georgia [Mr. TALMADGE] and myself, which conducted most exhaustive hearings in regard to this problem, in 1959. Subsequently the Committee on Rules and Administration reported by a 5 to 4 vote the majority proposal, the so-called Douglas plan, to the Congress.

Now another plan has been reported by the Committee on Rules and Administration without recommendation. My colleague Senator KEATING, a member of the committee, has proposed the Douglas plan. From the amendment which my colleague submitted this morning it will be seen there is backing of a very solid and unified bipartisan group on both sides of the aisle.

I bring this to the attention of the Senate because I think it is very fine that we are maintaining what has always been the tradition in respect to the fight for civil rights; that is, a strong bipartisan body of support. I hope very much that our friends in the Senate—and they are numerous—will take encouragement from the fact that all these points of view have been unified in the one amendment, and that they will support it.

AMENDMENT OF SHIPPING ACT, 1916, RELATING TO OPERATION OF STEAMSHIP CONFERENCES—AMENDMENTS

Mr. KEFAUVER submitted amendments, intended to be proposed by him, to the bill (H.R. 6775) to amend the Shipping Act, 1916, as amended, to provide for the operation of steamship conferences, which were ordered to lie on the table and to be printed.

STUDY OF FEASIBILITY OF ESTABLISHING THE ABRAHAM LINCOLN MEMORIAL PARKWAY — ADDITIONAL COSPONSOR OF BILL

Mr. HARTKE. Mr. President, on April 13, 1961, I introduced S. 1579, a bill to provide for a study of the feasibility of establishing a national parkway to be known as the Abraham Lincoln Memorial Parkway. The senior Senator from Kentucky [Mr. COOPER], has requested an opportunity to join in sponsoring this bill, and I ask unanimous consent that his name be listed as a cosponsor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. KEFAUVER:

Address entitled "Taxes Related to Corporate Activity," delivered by Senator GORE before the Tax Executives Institute in Detroit, Mich., on May 24, 1961.

U.S. RESUMPTION OF NUCLEAR TESTING

Mr. PROXMIRE. Mr. President, the RECORD should show that the decision of the President of the United States—announced this morning—to resume nuclear testing was made only after the most painstaking efforts of our Government to achieve an agreement to control testing by inspection.

The flat U.S.S.R. rejection of agreement, its brutal decision to resume nuclear testing with big bombs—with death-dealing fallout above ground—literally left us no choice.

Mr. President, it should be recognized further that the President of the United States had a duty to the citizens of our

country and to the entire free world to take this necessary step, as he said in his announcement of test resumption.

To fail to order test resumption would be to hand over to the Soviet Union and communism sure and swift domination of the world.

Communist military power would soon have become overwhelmingly superior.

As an American, Mr. President, I am proud that this decision to test has been designed to safeguard the health of mankind everywhere by confining testing to below ground, and that we continue until September 9 our offer to end all fallout tests.

I earnestly hope and pray, Mr. President, that our country will continue to press for an agreement to control and eventually end nuclear tests by inspection.

In this bleak hour of frustration, America must not relax its determination to lead the way to peace. Events of the last week make it emphatically clear how overwhelmingly peace, as well as freedom, depends upon our Nation.

THE POWER OF ALASKA

Mr. GRUENING. Mr. President, an excellent appraisal of the hydroelectric potential of the 49th State appears in the September issue of the magazine Rural Electrification. The article was written by Charles A. Robinson, Jr., staff engineer and staff counsel of the National Rural Electric Cooperative Association. Mr. Robinson accompanied Norman Clapp, the national REA Administrator, to Alaska in May, to inaugurate the Cooper Lake Dam and power station, which supplies additional power to the Chugach Rural Electric Cooperative. I was happy to be present at that event.

Inevitably, Mr. Robinson calls attention to the greatest of all potential power projects remaining under the American flag—the dam in the Rampart Canyon on the Yukon, which the Corps of Engineers of the Army is now engaged in studying.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Rural Electrification, September 1961]

THE POWER OF ALASKA—A LOOK AT ELECTRIC POWER CAPABILITIES—PRESENT AND FUTURE—IN OUR 49TH STATE

(By Charles A. Robinson, Jr.)

Alaska's 590,000 square miles of land mass is underlaid with a mineral wealth so vast as to be yet unmeasured. Its water power potential is 19-million kilowatts, second only to the State of Washington, according to FPC statistics. The development of this 49th and largest State affords the United States its finest opportunity to demonstrate that the institutions and ideals we cherish are the best ones yet conceived to achieve a high material living standard while preserving basic individual freedoms.

It is indeed anomalous that this opportunity and challenge which is presented to our engineers and political scientists by Alaska is derived from the very nation which now seeks to destroy America. It was in 1867, under the administration of President Andrew Johnson, that the United States acquired the whole of Alaska from czarist Russia for $7 million—$12 a square mile. At the time of its consummation, this acquisition of land was castigated as one of the worst financial fiascos in the history of mankind.

Only 165 miles separate Nome, one of Alaska's larger cities, from Soviet Russian territory. Anchorage, the largest city in Alaska, is separated from Soviet territory by only 700 miles. Here, under the very nose of the Soviet Union, is America's chance to prove that its resources can be developed for the benefit of its people, rather than exploited for the disproportionate enrichment of the few.

As little as half a century ago, Alaska was a land of romance and adventure, toward whose gold fields a few hearty souls ventured in search of quick, if somewhat violent, wealth. Now it has become a land of stable, diversified economic opportunity.

Yet, there still remains a certain spirit of adventure associated with Alaska, and those who set out for the 49th State for the first time do so anticipating new experiences and new concepts. In this they are not disappointed. Alaska is full of raw opportunity. Absent is much of the narrow legal, economic, and social thinking, and the conservatism which strangles progress in the older sections of our country.

Land is still available for homesteading. All a man needs is the rudiments of a four-wall home, an indulgent wife, and a little more than ordinary persistence and ingenuity. With these attributes he can achieve possession and ownership of 160 acres for the taking and occupation.

PIONEER SPIRIT

The pioneer spirit of the people of Alaska reflects the fact that notwithstanding the mushroomlike growth of a few coastal cities, the vast, untamed, and uncharted wilderness, which constitutes 95 percent of the State, is still without roads, without electricity, without water and sewage facilities, without modern communications, and without nearly all of the 20th century inventions which we have come to think of as necessities.

Except for Anchorage and Fairbanks—cities not unlike their counterparts in Wyoming and Montana—life in Alaska is a challenge. The climate, even in the coastal areas, is cold. Lakes in the Anchorage area are not free of ice until very late May or early June. Much of the ground never fully thaws—permafrost.

More challenging than all of these natural phenomena, however, is the difficult transformation from territorial status to full statehood. Throughout the years Alaskans have felt an economic squeeze, caused by the exploitation of their natural resources for the benefit of non-Alaskan enterprise. The Kenai Peninsula, for instance, is rich in oil and natural gas. Yet there are no oil refineries in Alaska, and the people pay 40 cents a gallon for regular gasoline, and 40 cents for a gallon of kerosene. And only this year has real progress been achieved toward transmitting natural gas from the Kenai production area to Anchorage for heating, cooking, and industrial consumption.

Alaska possesses more underdeveloped hydroelectric power than any other State in the Union except one, and is rich in coal. Yet, in many areas electricity runs from 10 to 50 cents per kilowatt-hour. Agricultural production is high in the fertile Matanuska Valley, 75 miles from Anchorage. In spite of this, large quantities of produce rot in the fields due to inadequate transportation between agricultural areas and population centers, which results in Alaskans eating imported food products almost exclusively. If it is to grow and prosper, Alaska must use its newly found powers of statehood to solve these basic economic problems.

All of these factors have had their effect on the people. Alaskans, as a group, are in some respects unlike Americans in any other part of the world. They possess unlimited faith in the future of their State, and immeasurable resourcefulness in overcoming obstacles which would dismay a less persistent people. Alaskans respect the conventional only to the extent that it suits the needs of their situation.

They are quick to discard unless anachronisms and artificial formalities which hinder their progress. Each person in Alaska knows in his own mind that not in his lifetime will his State be fully developed, or a major portion of its resources utilized. Yet each is determined to carve his initials in its history; perhaps by bringing central station electric service to another isolated Indian community, or by pushing a paved road a little farther toward the Arctic Circle.

Largest electric utility in the 49th State is Chugach Electric Association of Anchorage, developed in the late 1940's to provide central station electric service beyond the lines of the municipal utility which serves the core of the city. Chugach has set expansion records in several respects. After World War II, when utility poles were not available, its lines were stretched on 2 by 4's, despite no little REA bureaucratic surprise in Washington.

LINES STILL GROW

The 2 by 4's have long since vanished, but the Chugach lines continue to grow and grow. The cooperative now serves some 12,000 consumers: urban, rural, industrial, and commercial. It is interconnected with the Bureau of Reclamation's 30,000-kilowatt Eklutna hydroproject, located a few miles up the Alaska Railway toward Fairbanks. It owns and operates the 11,500-kilowatt Kenik Arm steam electric station, and has recently completed the 15,000-kilowatt Cooper Lake hydroelectric station, 53 miles south of Anchorage on the Kenai Peninsula.

Power from Cooper Lake will be transmitted northward to Anchorage over Chugach's new 115-kilovolt transmission line, and southward 85 miles to Homer via another new 69-kilovolt transmission line. Chugach is building a whole new distribution system to serve the sparsely populated Kenai Lake area surrounding its Cooper Lake station. It has recently signed contracts to sell wholesale electricity to the city of Seward and to the Anchorage municipal electric system.

Other rural electric cooperatives in Alaska serve towns and rural areas alike. The Matanuska Electric Association serves Alaska's richest agricultural area. The Golden Valley Electric Association spread its lines from Fairbanks to serve some 3,000 consumers in the surrounding territory. And the far north Eskimo community of Kotzebue, a huddle of 1,290 souls on the Arctic Ocean, is served by an REA-financed electric system.

NEED FOR INDUSTRIAL DEVELOPMENT

The need of Alaska for basic industrial development is critical. Raw materials are plentiful. The land is richly covered with forests and richly underlaid with gold, platinum, silver, copper, lead, tin, tungsten, iron, nickel, and coal. It needs basic industrial development to escape from the squeeze of economic exploitation, to provide long-term stable employment for its expanding population, and to spur the occupation and growth of its interior.

Men who have devoted their lifetimes to achieving a better way of life for all Alaskans believe that the key to their State's future industrialization is low-cost electric power. Alaska's distinguished scholar and eminent statesman ERNEST GRUENING, now representing the 49th State in the U.S. Senate, has studied electric power, generation and transmission throughout the world.

Her other U.S. Senator, the beloved BOB BARTLETT, and Congressman RALPH J. RIVERS, who as a boy traveled the Yukon on paddle wheel steamboats, are in solid agreement that somehow their State must have abundant electricity.

HOPE OF THE YUKON

They think that they now know how this can be done. And, they believe that the answer lies in the same river which a century ago attracted the thousands of adventurers who sought the gold that abounded in the land which it drains—the Yukon.

Since the turn of the century, engineers have watched the Yukon River surge toward the sea, evidencing the tremendous power which belongs exclusively to nature. The Corps of Engineers thinks that it knows how to convert the raw natural energy of the Yukon into the largest and most economically justified hydroelectric project on the North American Continent; 100 miles northwest of Fairbanks, the Yukon flows through Rampart Canyon. A dam erected in the canyon would create a lake 80 miles wide and 370 miles long—a water surface 10 percent larger than Lake Erie. Over a billion acre-feet of storage would be impounded. The dam would cost $1.5 billion and take 6 years to build. The reservoir would take 20 years to fill. Once filled, the waters of Rampart Canyon would develop nearly 5 million kilowatts of electric power. Energy from the project is estimated to cost 2 mills per kilowatt-hour at the busbar, and 3 mills per kilowatt-hour delivered over a 400-kilovolt or 500-kilovolt transmission system at all major population centers of the State.

RAMPART WOULD ATTRACT

Rampart Canyon is a project which most Alaskans believe would attract the tremendous industrial complexes necessary to realize the potential of the State's mineral resources, and to transform the economy of Alaska from one dependent upon the exportation of raw materials to one permitting the manufacture of pure metals, machinery, coal tar derivatives, petroleum and chemical products, wood products and all manner of finished goods.

Rampart Canyon is the hope of the future for Alaska; the hope of a higher living standard for its people; the hope of an end to seasonal employment; and the hope of demonstrating to the world that progressive utilization of natural resources is the key to a better way of life for the free peoples of the world.

Rampart Canyon has captured the imagination of members of the U.S. Congress who have seen similar gigantic hydroelectric projects under construction in Soviet Russia. They have seen the Russians building dams to develop from 3 to 6 million kilowatts of capacity at a single site. They have seen the Russians transmitting this power via 400-kilovolt and 500-kilovolt networks to remotely located industrial complexes, and they have seen the Russians planning for development of new manufacturing complexes at the dam sites. With these experiences apparently in mind Congress has already appropriated $274,000 for engineering surveys at Rampart Canyon. An additional $626,000 will be required during the next few years before surveys are complete and the project is ready for authorization and construction.

There are those who say that Rampart Canyon is not feasible because there is no existing load to absorb its output. These are the same outcries that greeted the authorization of Grand Coulee on the Columbia and the TVA projects on the Tennessee. They are the same voices which declared the purchase of Alaska itself to be a monumental blunder. They are the voices which declared rural electrification impossible because it had not yet been accomplished.

America, if it is to succeed in retaining freedom for its people and preserving its existence as an independent Nation, must abandon the concept that what was adequate for its fathers is adequate for its children. It must push toward the frontiers of economic and social development with the same vigor and determination with which it is pushing toward the physical frontiers of the universe.

THE ENTRY OF GREAT BRITAIN INTO THE EUROPEAN COMMON MARKET

Mr. MORSE. Mr. President, the conversations leading to the entry of Great Britain into the European Common Market have had repercussions which are arousing the concern of many growers of agricultural products. In this connection I ask unanimous consent that the article entitled "British Common Market Bid Alarms Fruit Trade," which appeared in the August 12 issue of Pacific Fruit News, be printed in the RECORD at this point in my remarks.

Mr. President, I hope sincerely that the measures being taken to solve the economic problems of a great ally will not bear too heavily upon the American farmer and fruitgrower. Whatever arrangements may be made, it would be the part of wisdom to safeguard long established trade channels which link Great Britain to the United States.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Pacific Fruit News, Aug. 12, 1961]

BRITISH COMMON MARKET BID ALARMS FRUIT TRADE

Prime Minister Harold Macmillan's decision to seek admission for Great Britain to the European Common Community (commonly referred to as the Common Market or EEC) may please U.S. specialists in international policy, but it creates another headache for those in the fresh and processed fruit industry. We have a well-founded fear that one of Britain's concessions to gain Common Market entry will be her acquiescence to higher tariff barriers for many imported agricultural products, including fresh and processed fruits. We further fear that though Britain may fight hard to retain some special favors for Commonwealth suppliers in the British market, she will make no such fight in behalf of even such a historic source of many of these products as the United States.

Britain has been a very important export market for many of our products, including fresh apples and pears, prunes and raisins, and canned fruits, juices, and vegetables. U.S. exports of canned fruits to Great Britain in 1960 totaled 34,886 short tons, of dried fruits, 19,086 tons, and of principal fresh fruits, 40,475 tons. Britain was our most important export outlet for prunes and raisins in 1960, our third most important export market for canned fruits, and our most important export market for fresh apples and fourth most important export market for fresh pears.

The importance of Britain as a market for these products is further indicated by her imports from all sources in the first 3 months of this year: 406,728 of fresh fruits and 105,616 tons of preserved fruits.

Britain is expected to have to face the very insistent demand of French agricultural producers to raise Common Market tariff barriers for products coming from outside the Common Market. France alone of the Common Market countries has not liberalized import trade in canned deciduous fruits and continues to employ nontariff barriers to curtail such imports.

Lately the Pacific Coast fruit industry was enheartened by the British liberalization of canned fruit imports from the United States, effective August 1. Earlier, Britain had liberalized imports of prunes and raisins from the United States, though continuing licensing controls on citrus fruits and apples. Thereafter, Italy liberalized imports of canned fruits, frozen fruits, grapefruit and pineapple juices effective June 27.

OPPOSITION AT HOME

Britain's prospective entry into the Common Market—and this is considered to be inevitable because of impelling economic reasons—does not have wholehearted support of the British people and certainly not of its Commonwealth partner countries. These latter fear the move would end the preferential treatment given their exports in the British market, even though Macmillan has given public assurance the trading interests of other Commonwealth countries would be safeguarded.

How well Macmillan will succeed in keeping these promises and in resisting the presure for restrictions on trade with such countries as the United States is considered very uncertain. For one reason, the difficult position in which Charles de Gaulle now finds himself, mainly because of his inability to resolve the Algerian problem, makes it unlikely he will wish to incur the wrath of French farmers and protectionists by agreeing to any concessions Macmillan might ask.

This realization has caused those presently engaged in the United States export of fresh and processed fruits to Great Britain to take a closer look at what may happen to duty rates should Britain become a full-fledged member of the Common Market. Some Common Market duties for products from nonmember countries, on a percent ad valorem basis, are presently as follows: apples, 10; pears, 10; prunes, 18; raisins, 9; canned deciduous fruits and pineapple, 27; and orange and grapefruit juice, 21.

It is not a pretty prospect for our industry, though it may enable Britain to solve some of its economic problems.

FEDERAL AID TO EDUCATION

Mr. MORSE. Mr. President, in the Washington Post of this morning appears an editorial entitled "Consolation Prize," which discusses some of the problems confronting the Senate in connection with Federal aid to education legislation. It discusses with specific reference the able position taken by the Senator from Michigan [Mr. MCNAMARA].

As chairman of the Subcommittee on Education, I wish to say to the Washington Post that I appreciate the wonderful and strong help that newspaper has been to us on the subject of Federal aid to education legislation.

In connection with the editorial which appeared in the Post this morning, I agree with much of it, but I want to comment on some differences of opinion in regard to the following sentence in the editorial:

Nevertheless, we hope he'll forgo his revenge. In the absence of general help for the public schools, the impacted areas—those school districts which have been swollen suddenly by an influx of Federal workers and their families—stand in the most drastic need of assistance.

I respectfully say that is a false assumption in connection with many of the impacted areas of the country. In many areas of the country now receiving aid under federally impacted areas legislation, the school districts are not the worst impacted areas. It must be remembered that such aid has been furnished for 10 years. In many instances those districts could carry more of a full load financially, and there is serious doubt as to some whether they need Federal money. I know there are still some seriously impacted area school districts which need Federal money. We need, however, to take a new look at the federally impacted areas problem.

I point out there are many school districts that are more impacted with children, and they are school districts in which there are no Federal installations.

The Washington Post editorial is mistaken when it makes the general statement that these federally impacted areas stand in the most drastic need of Federal aid. This is not a correct picture. It is true in many instances, but it is not true in many other instances. There are schoolchildren in our country who are in overcrowded schools where there are no Federal installations.

I have a suggestion to make to Members of Congress. There will be many so-called Federal junkets after this session is over. I have a study project for Members of Congress to make. I wish the Secretary of Health, Education, and Welfare would organize it. I think Members of Congress should go to school district after school district in our country where children are attending school on stages, in basements, in corridors, in borrowed buildings next to schoolhouses, because of the failure on the part of Congress to do what ought to be done by passing Federal aid to education legislation for the benefit of the boys and girls ready to attend school.

The Congress cannot justify walking out on its obligation by not passing Federal aid to education legislation in this session. What I suggest is the kind of junket right here at home, doing the domestic job the people elected Members of Congress to do. I am sure that if Members of Congress saw all the child-impacted areas we would get some Federal aid to education legislation enacted.

There is great merit in the position the Senator from Michigan is taking. As chairman of the Education Subcommittee, I wish the RECORD to show I am opposed to any extension of federally impacted areas legislation for 2 years, and I am opposed to any extension of NDEA legislation for 2 years, because we should face up to the political strategy of this proposal on the part of the House. They want to "take the heat off." They know that if they can get such legislation enacted for 2 years, then in the next session of Congress Federal aid to education legislation will be "dead as a dodo." I do not think Congress can justify extending those two pieces of legislation beyond 1 year. So far as I am concerned, I shall do everything I can to oppose extension of such legislation for more than 1 year.

Mr. President, I am an ally in the great crusade the Senator from Michigan is proposing against any extension of the legislation I have mentioned for more than 1 year. I am an ally also in seeking to add to legislation the House may pass some amendments which will give to all of the boys and girls the Federal assistance to which they are entitled, instead of giving it merely to the one-third attending schools in the so-called federally impacted areas. It is not right, just, or fair to be giving Federal money to one-third of the schoolchildren of this country, and not the other two-thirds. I think Congress ought to stay in session all fall, if necessary, to see that the schoolchildren are protected, in view of the program announced by the House.

Mr. President, I ask unanimous consent that the Washington Post editorial to which I have alluded be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 6, 1961]

CONSOLATION PRIZE

Congress, which passed up the opportunity to do something imaginative and effective for American education, seems sheepishly in agreement now upon giving the schools a consolation prize in the form of aid to impacted areas and an extension of the student loan program. Senator PAT MCNAMARA—a stalwart friend of full-fledged Federal aid to education—has suddenly stepped forward, however, with a threat to filibuster these meager measures to death. His idea, apparently, is to teach the foes of Federal aid a lesson.

"If Congress is not willing to pass a full-fledged aid-to-education bill," says Mr. MCNAMARA, "then let the boys who are against it go home emptyhanded and face the music. That filibuster business works both ways." Well, we can hardly blame the Senator for feeling piqued.

Nevertheless, we hope he'll forgo his revenge. In the absence of general help for the public schools, the impacted areas—those school districts which have been swollen suddenly by an influx of Federal workers and their families—stand in the most drastic need of assistance. And in the absence of the scholarships which would have been provided by an adequate National Defense Education Act, it seems especially important to continue the program of Federal loans to needy students seeking a college education. The country needs these measures as a bare minimum. We trust they will be adopted this week and that the Congress which, through them, has acknowledged the indispensability of Federal aid to education, will next year adopt a greatly expanded program.

Mr. MORSE subsequently said: Mr. President, will the Senator from Rhode Island yield to me?

Mr. PASTORE. I am happy to yield to the Senator from Oregon.

Mr. MORSE. Mr. President, while the two Senators from New York are on the floor, I wish to pay high commendation to the great newspaper of their State, the New York Times. I refer specifically to the editorial published this morning in the New York Times, entitled "School Aid: Hypocrisy." I ask unanimous consent that the remarks I now make be printed in the RECORD immediately following the remarks I made earlier today in my discussion of the editorial published in the Washington Post.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, the editorial published this morning in the New York Times reads in part as follows:

SCHOOL AID: HYPOCRISY

Senator MCNAMARA, of Michigan, is quite correct in rebelling against the hypocrisy that has impelled Congress to turn its back on genuine and general Federal aid to education while it shows great eagerness to renew assistance to the local federally impacted areas.

The hypocrisy is documented by well over a hundred votes which are regularly cast for aid to the impacted areas by Members who, with equal regularity, help to defeat nationally distributed Federal aid to the schools. The impacted area grants are based on the theory that school districts which feel the unusually heavy impact of children of parents working in defense establishments and other Federal projects need such help. They probably do, although it should not be overlooked that Federal projects, even though they take real estate off the local tax rolls, contribute heavily to the nearby communities' economic well-being. At any rate, there are many nonimpacted areas whose schools are in far greater need of help.

Mr. President, the New York Times could not be more correct in regard to the economic situation which involves many of the federally impacted areas. Many of them simply do not need a continuation of Federal school aid; but if we were to suggest that the Federal installations be removed from those areas, there certainly would be a hullabaloo raised by the local chambers of commerce and by various economic groups in those districts.

What pressure they put on Congress to get those installations in the first place, and how willing they were to make sacrifices, so they said, to get them. Yet these days they are willing to cheat millions of boys and girls out of Federal aid to education in areas much more impacted with children which do not have Federal installations; they are willing to bar boys and girls from the educational opportunities that they are entitled to receive from all the taxpayers of the country.

Mr. President, I intend to take this issue into congressional district after congressional district in the country in the months ahead, in order to inform the parents how their Representatives in the House of Representatives are voting against Federal aid to education, thus denying the boys and girls the help they should have from the Federal taxpayers.

The New York Times editorial hits this nail directly on the head when it points out that there are in the country school districts more impacted than the so-called federally impacted areas, as these are defined in the legislation on that subject. If some Members of the House of Representatives want to make this issue a political issue—although it should not be made one—I am willing to make it a political issue in their own districts. I am willing to take the record of their votes to the voters in those districts, because I am satisfied that once the parents of the country understand

how some Members of the House of Representatives are voting to cheat the boys and girls out of the help they should receive from the Federal Government, such Members of the House will get their answer at the polls.

This is not the first time liberals in American politics have had to seek this course of action. I was nurtured and succored on the philosophy of the elder Senator Bob La Follette of Wisconsin. He said that what is sometimes needed is to take the voting records of politicians right to their voters. I think this issue is so vital to the security of the Nation and is so important from the standpoint of the moral obligation we owe the younger generation, that I am willing to take it into district after district to the voters. This will let the voters understand what are the true voting records of some Members of the House of Representatives who give only lipservice to Federal aid to education, but who actually are seeking every escape hatch that they can find in order to duck their responsibilities of giving to all the boys and girls of the country the Federal aid that is so sorely needed to education.

The editorial in the New York Times is a great one. I read further from it:

> Congressmen, in the interest of legislative decency and national responsibility, ought to think of what they can do for the country, not merely what the country can do for them, by supporting their local vote-getting interests. Let the politically popular impacted area grants be continued—provided that they can be made part and parcel of straightforward, nonpolitical, generalized Federal aid to education wherever it is needed. There is no satisfactory reason why this cannot be done in this session. If there is time to pass impacted area aid, there is time to pass general aid to the public schools.
>
> It is intolerable for legislators to cash in on their pseudosupport of education when it suits local vote-getting expediency while they continue to block real aid to the public schools. The time to drive this home—by insisting on general public school aid, along with renewal of the grants to the impacted areas—is now. But the failure of leadership, in the White House, in the Department of Health, Education, and Welfare, and in the House of Representatives gives little cause for hope. Compromise has been the order of the day—and the result has been a fiasco for Federal aid to education and a disaster for the Nation's public schools.

As chairman of the Subcommittee on Education let me say, however, that in my judgment, the facts do not support the comment made in the editorial about a failure of leadership on the part of the White House or on the part of the Secretary of the Department of Health, Education, and Welfare.

I can be a good witness on this matter, because I know how hard the President has worked for a Federal aid to education bill at this sesssion of Congress. I know what the Secretary of the Department of Health, Education, and Welfare has done in his valiant attempt to get the House of Representatives to measure up to its responsibility in connection with the matter of giving the Members of the House of Representatives an opportunity to vote on a general Federal aid to education bill. In my judgment, the responsibility for the failure to pass Federal aid to education legislation of a general scope and nature rests squarely at the doorstep of the House of Representatives. What I said the other day on the floor of the Senate, I now repeat: Let us face up to the major cause of the failure of the House of Representatives to get an opportunity to vote on Federal aid to education legislation which is general in scope. It is due to the policy of the House Rules Committee. It is due to the fact that there is in the House of Representatives a procedure which denies to all the people of the country the right to have the majority of the Members of the House really control the House of Representatives.

I think that issue also needs to be taken to the American people, because once the people understand that procedural restriction upon their majority rights, they will insist that those they elect to the House of Representatives do what should have been done many years ago—namely, to change the rules of the House, so that the majority will have an opportunity to pass upon legislation by voting it either up or down. That is what ought to be done with Federal aid to education legislation.

The schools now have opened again; and in our committee we are receiving reports from school superintendents and superintendents of education in State after State. These are reports which point out the deplorable situation which confronts them in the nonfederally impacted areas. These are areas which, in many instances, are more impacted with children than are the federally impacted area school districts of the country in which some Federal installations are located.

Mr. President, we must take a look at what we are doing to the real property taxpayers of the country by our failure to pass Federal aid to education legislation which is general in scope. We are placing an unjust and an unfair burden upon millions of real property taxpayers. Of course, these real property taxpayers will make any sacrifice that they must make for the benefit of their children. It is the answer to the argument, "but they are voting new bond issues"—of course, they will vote them, rather than deny to their children the educational opportunities they know they should have.

But there are thousands of school districts in the Nation which just do not have the wherewithal to provide school facilities necessary to give to their children the opportunities they should have. The financial need should be met by the application of a progressive tax policy based upon income, and not by the regressive tax policy which characterizes the real estate tax structure in State after State. We shall have to meet the need by Federal aid coupled with a determination that there are written into law provisions assuring that the educational policies will be controlled by the school districts and not by the Federal Government. The Senate did that in S. 1021.

I think it is a shame that we have the prospect of adjourning this Congress without taking care of the general school needs of this country. I shall continue to do all I can to obtain Federal money to help the two-thirds of the schoolchildren who are being discriminated against by the policy which we shall have adopted if we accept only a federally impacted areas aid bill. I am for that bill. If anyone thinks the position I am taking is popular in my State, I invite him to read my mail. There are many federally impacted school districts in the State of Oregon, but I am saying to the school authorities, "In my judgment, you ought to be helped, but you ought to help us help the other two-thirds of the schoolchildren in school districts who need it, in many instances, as much as the children in your school districts, and in many cases more." If a thorough examination is made of the existing federally impacted areas legislation, it will be seen that Federal funds ought to be reduced in many instances. That is what the administration pointed out last January, when it came before the Congress and asked for a tapering off of federally impacted programs.

It was wrong, in my judgment, to do it, on the basis of the long-term policy it recommended. As members of the committee will state, and as the present Presiding Officer, the Senator from Montana [Mr. METCALF] knows from his own participation in the conferences, I was helpful in persuading the administration to agree to withdraw its proposal to taper off the federally impacted areas program provided we placed into S. 1021 a provision that, at the end of 18 months, the Department of Health, Education, and Welfare would submit a report to the Congress containing specific evidence which would justify tapering off of the program in any specific districts. That is what we wrote into the bill.

I say again, as I said earlier this morning, I shall support an extension of such legislation for 1 year. I shall oppose an extension beyond 1 year, because I think the American taxpayers are entitled to receive the report we requested. I feel any further extension of the federally impacted areas legislation beyond 1 year should be based on a careful consideration of all of the facts.

What I contend for, as hard as I can, because there is still time left, is that the House of Representatives, in my judgment, should measure up to the clear obligation it owes to all the schoolchildren of the country by passage of a general Federal aid to education bill.

LETTER WRITTEN BY JOHN EDGAR HOOVER TO LAW ENFORCEMENT OFFICIALS

Mr. GOLDWATER. Mr. President, the burdens of legislative work being what they are, the demands on our time being so great, we in the Congress are prone to overlook the great accomplishments of some of the other agencies of our Government. One of these, I might suggest, is the Federal Bureau of Investigation which, under the inspired leadership of that great American, John

Edgar Hoover, has just compiled another outstanding year of giving protection to all our people. With its title including the word "Federal," it is easy to forget that this organization reaches its strong and helping hand into every State of the Union and into most of our cities and towns as it stresses the word "cooperation" in the constant battle against crime in our country. This record is ably and concisely presented in a letter appearing in the FBI Law Enforcement Bulletin of September 1961, written by Mr. Hoover to all law enforcement officials, which I ask unanimous consent to be printed in the RECORD at this point in my remarks.

There being no objection, the bulletin was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF INVESTIGATION,
Washington, D.C., September 1, 1961.

To All Law-Enforcement Officials:

As America stands on the threshold of daring and remarkable scientific achievements which promise to dwindle the universe about us, the law-enforcement profession may be proud of the equally giant strides it has made in crime-fighting techniques during this century.

The FBI is most fortunate that in an era of progress never before witnessed in the law-enforcement field, it has the honor of being associated with this great and forceful movement for the betterment of mankind in this Nation. Nothing so graphically illustrates why our profession has grown than the one word "cooperation," and achievements such as those recorded below are indeed symbols of the peace officer's acceptance and utilization of joint crusades against the lawless:

During the fiscal year 1961, local enforcement officers in all 50 States and the District of Columbia availed themselves of the services of the FBI Laboratory. The Laboratory reached new records with the receipt of 40,662 requests for assistance involving 224,183 scientific examinations of 186,378 specimens of evidence.

More than 13,000 law enforcement agencies, substantially every one in this country, submitted in fiscal year 1961 an average of just under 22,000 fingerprint cards a day to the FBI resulting, among other things, in the identification of over 1,500 wanted persons each month for local, State, and Federal law enforcement agencies.

Fiscal year 1961 brought another record for the eighth consecutive year when FBI agents located for local authorities 1,418 criminals who had fled across State lines in violation of the Federal Fugitive Felon Act. Working shoulder to shoulder with the FBI, local authorities continue to make this act work as Congress intended it should.

In the same fiscal year, more than 88,000 local law enforcement officers attended 3,464 police training schools in which the FBI assisted.

June 1961 brought a milestone in our profession's advancement with the graduation of the 67th session of the FBI National Academy which increased to over 4,000 the number of local officers who have graduated from this specialized training school.

At the same time, information obtained by the FBI from informants was used by local, State, and other Federal agencies to arrest 2,640 wanted persons and to recover $1,605,047 in stolen and contraband merchandise.

Between January and July of 1961, more than 50,000 pieces of criminal intelligence obtained by the FBI from varied sources were disseminated to local, State, and Federal agencies resulting in untold disruption of underworld schemes.

This is but a part of the score in the mortal contest against the criminal marauders who have too long believed they can plunder our country unchallenged. FBI agents, just as they lend all possible aid to their colleagues in law enforcement, receive invaluable assistance daily from fellow officers throughout the Nation. Every day which passes imbues the law-enforcement officer with the knowledge, the inspiration, and the confidence which will topple the empires of criminals as fast as they try to build them. This knowledge, this inspiration, and this confidence are born of a growing brotherhood among law enforcement agencies.

Realistic analysis of the above figures makes it evident that there are today in actual operation national clearing facilities for the exchange of vital information of mutual interest among local, State, and Federal law enforcement agencies.

Crime cannot long withstand such a rising tide of cooperative effort, and we in the law enforcement profession must nurture this idea, this philosophy, so that it may reach even greater heights. Mutual accomplishments can bring mutual satisfaction in a job well done.

Very truly yours,
JOHN EDGAR HOOVER,
Director.

PLIGHT OF MIGRATORY FARMWORKERS

Mr. YOUNG of Ohio. Mr. President, the chairman of the Migratory Labor Subcommittee of the Labor and Public Welfare Committee, the distinguished junior Senator from New Jersey [Mr. WILLIAMS], deserves our commendation for the magnificent contribution he has made in helping to alleviate the plight of migratory farmworkers and their families and in bringing this problem to the attention of all Americans.

In great measure due to his efforts, the Senate this year passed measures to help correct this deplorable situation. We have established assistance programs to help States and local communities provide better education opportunities for migrant adults; required Federal registration of crew leaders who make work arrangements between workers and growers; and have authorized up to $3 million annually to stimulate and support local health programs for migrant workers. Last week we also provided for the establishment of a National Citizens Council on Migratory Labor, and took action to set a minimum age for child labor outside of school hours.

It is my hope that all of these bills will become the law of the land before this session of the Congress adjourns.

The conditions under which our migrant farmworkers live and work are a blight on our Nation. The time is long past due to help them achieve a minimum decent standard of living.

In the September 1961 issue of the Progressive magazine, appears a very cogent article, written by the junior Senator from New Jersey [Mr. WILLIAMS], exposing the conditions under which our 2 million migrant farmworkers exist, and outlining the need for Federal legislation to help ease their unfortunate circumstances. The junior Senator from New Jersey is to be congratulated upon the excellent article he has written and upon the real and needful public service he has rendered.

The Progressive magazine is an outstanding publication, which has long been a vital force in the fight for social justice.

I ask unanimous consent that this article be printed at this point in the RECORD as part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE EXCLUDED

(By Senator HARRISON A. WILLIAMS, JR.)

Even as late as 1939, when Senator Robert M. La Follette, Jr., investigated farm labor conditions in California, many Americans still cherished the belief that small, independent farmers gave us most of the food and fiber we needed for ourselves and for foreign trade. But La Follette helped dramatize the fact that factories in the field were very much at work, not only in grain country, but in truck farm regions, too. Slow-moving machines, big and black on the horizon, appeared to be masters of the soil and its products.

All was not changed, however, by tractors, automatic seeders, weeders, and harvesters. Though automation enabled the farmer to plant and harvest on a scale impossible on the small family farm, the grower discovered that machines could not do every job. For many fruits and vegetables there was no substitute for human judgment or human hands. On many a farm today there is still no substitute.

To chop cotton, for instance, the most efficient device seems to be a worker who can weed out surplus plants with a hoe. Vineyards and orchards must have specialists who know how to prune and pick. On tobacco fields, workers stoop to thin plants. Under the summer or early autumn sun, other workers help grow or harvest berries, nuts, celery, lettuce—the produce we later see so neatly packaged in plastic bags at supermarkets.

To work these and other crops, great numbers of laborers are needed, but usually for only a few weeks or so at a time. As crops mature, these workers travel in their buses, trucks, or automobiles south to north across the slopes, valley, and plains of our Nation. They are the migratory farmworkers of the United States. They are citizens, wanderers in their own country: southern Negroes, Texas-Mexicans, some white workers, and Puerto Ricans.

These workers help produce and process crops worth billions of dollars yearly (a single county, Fresno in California, boasts $1 million reaped daily from farm production). And yet, though the migrants have helped to create much wealth, they have not shared in it. They have been called the excluded, the forgotten, the voiceless.

A supervisor for migrant education for the Florida Christian Ministry for Migrants seemed to sum it all up one hot day last year when the Senate Subcommittee on Migratory Labor stopped at Belle Glade, Fla. There, at a 20-year-old camp, entire families live in one-room huts, but they feel they are fortunate. This is a good camp. One of the reasons it is good is the ministry's recreation center, a homely, barnlike structure where a worker can go at nightfall instead of staying in his hut. Women come to use sewing machines. Youngsters play hide-and-seek on the bare wooden floor. The hours pass. Those youngsters, said the supervisor, lag years behind their nonmigrant fellows in schools. She has even found homes where parents refused to send their children to school because they didn't have the necessary clothing. Why such

deprivation? "The reason," she told us, "is that they have lost out along the road."

They have lost out. Not only do they lack what other citizens call the necessities of life; they have been shut out of practically every great social reform that other Americans take for granted.

Though the migrants work in the nation's third most dangerous industry (only mining and construction trades cause more mishaps than agriculture), they have the protection of workmen's compensation in only seventeen states. In some of those States the employer may elect to—or not to—let them sign up for it.

Though he has no real certainty of income in his old age, the migrant receives only spotty social security coverage.

Often at the mercy of labor contractors who act as middlemen between farmer and worker, the migrant is protected by contractor registration laws in fewer than a dozen States.

There is no Federal minimum wage for the agricultural worker and no minimum age for his child's labor outside school hours.

His diet is poor; he and his family endure more disease and ill health than any other Americans; and his children receive less education than anyone else in the Nation.

As one reporter wrote about the migrants after covering 2 days of subcommittee hearings, "You name it and they don't have it."

As many as 2 million Americans—the workers, their wives, and their youngsters—live this kind of life in the United States today. It is imperative that their wretched existence be understood by the other millions of citizens who do not have to face want or despair. If we are to succeed in taking effective action against this national disgrace, Americans everywhere will have to take a part in ending it. We need a lobby to speak for the excluded.

This lobby—which would simply be an informed American public determined to put overdue laws on our Federal books—would speak for the poorest Americans in the Nation—Americans who for 40 years have been politically powerless to help themselves.

Since August 1959, the Senate Subcommittee on Migratory Labor, on our travels through the Nation, has found out how poor the migrant really is, how desperate his life has become. For instance:

The migrant earned an annual average of $710 from farmwork in 1959, plus another $201 for nonfarm labor. Often forced by bad weather to move on or to stand idle, he worked an average of only 119 days in 1959. Sometimes the average is even lower. A witness in Wisconsin told us that "most families do not have more than $500 left after their 9 months of work." Some migrants end the season in debt to the labor contractor. Occasionally there are reports of workers who make $200 a week or thereabouts on highly specialized work—as sorters in packing sheds, for example. But these "highs" are considered in the overall average. For every peak wage, there is a "low."

There are many more migrants on the road than most people realize. As they travel north from Florida as far as New England, or from Texas to groves and fields, near the Great Lakes, or from southern California to Oregon and Washington, the migrants stop off at 47 States some time every year. Twenty-eight States have 5,000 or more at peak; 3 States, absorb 40,000 or more. About one-third of all counties in the Nation—943 out of about 3,000—have 100 or more domestic agricultural migrants at one time or another every year. This count, of course, does not include the foreign workers—the third of a million Mexican braceros, for instance. The ironic fact is that these imported wage earners, who work under separate international agreements, often have more security and certainty of employment than our domestic workers.

However brief their stay might be, the domestic workers leave their mark on communities and entire counties. Infant mortality is higher and sickness more common among the migrants than among other citizens. They are more liable, therefore, to need hospital services, even if they don't have the money to pay for them. A Minnesota clergyman told us that a small community hospital there had to write off $3,554 as bad debts in two summers. This amounted to 51 percent of medical bills owed by the migrants in that period. There was some danger that the hospital would be unable to meet its deficit.

Children suffer most of all in the migratory way of life. Where there are schools, classes are usually hopelessly overcrowded. Where there are no schools, children stay home during the day or work out in the fields. (Even in the nine States that have minimum wages for child labor outside of school hours, officials often do not have the supervisors they need for adequate inspection.) There have been reports of children locked in cars or cabins during work hours, and there have been other reports of untended children who perished in drainage ditches or on highways near the fields where their parents worked. Playtime can be perilous for the migrant boy or girl. At a California camp, the subcommittee saw children jumping up and down inside the only play facility in sight: an abandoned, battered automobile. The youngsters' feet were bare. Broken glass littered the floor.

Without fixed residence, few migrants can meet local requirements for welfare, maternity, and other benefits, though they need these services more than anyone else. Even where they may be legally qualified, difficulties arise. The Children's Bureau of the Federal Social Security Administration explains: "While services under the maternal and child health, and crippled children's programs are for the most part available to migrant families, a number of obstacles limit their use—such as language barriers, distances to clinics, insufficient health department staffs to meet the many problems of a large temporary population."

Much more could be said about present inequities. Much has already been said in television documentaries and in newspaper or magazine articles. The big question is, What can be done to overcome this national problem? Perhaps an even more compelling question is, When will we do it?

Early this year, the Senate Subcommittee on Migratory Labor began its consideration of an 11-point legislative program to attack specific and general problems affecting the migrant. This package of bills was the result of more than 18 months of travel, study, drafting, and redrafting. We had taken many suggestions from witnesses at hearings; we are still taking them. These are some of the provisions of that program:

To help migrants make a decent living wage, we are asking for a 75-cent minimum which would be raised in four annual stages until it reached the industrial minimum level.

We are seeking a practical minimum age for agricultural child labor. Our bill, when revisions are completed, will probably also restrict dangerous work for those under 18 years of age.

We would give Federal grants to States and municipalities to help them meet seasonal demands on schools and staff members. But what about education for the adults, too? Many growers told the subcommittee that the migrants had no idea at all of what to do with showers, toilets, screen doors, and other facilities found in some camps. And so we offered a bill to give practical training to those who want to learn how to live better lives.

We had the farmer in mind, too, when we offered a new draft of a bill to give low-cost loans for construction of better housing. Many growers had told us that they could not afford to pay for good housing that would be used for only a few weeks at a time. If Federal help could be given, however, they might find it possible to build decent quarters.

Federal grants would help develop local health programs and day care centers for migratory children. We have also offered a program to improve recruitment, transportation, and distribution of domestic agricultural workers (a program similar to that already in operation for braceros and other imported workers).

Two other bills were offered, one to apply collective bargaining rights to agriculture, and another to establish a National Citizens Council to keep the public and President informed and concerned about the migratory worker.

We have added up the cost of this program: it would require $6.8 million annually in Federal funds. This hardly seems an excessive amount for a nation in which 2½ times as much was appropriated during the last fiscal year for the care, protection, and habitat improvement of migratory birds.

Opponents of even this modest program may claim that individual States have already taken steps against some of the worst conditions endured by the migratory worker. They could say, too, that church groups and private organizations are often effective during the growing season and during emergencies, such as the freeze that left thousands of migrants jobless and and hungry in Florida last year.

No matter what has already been accomplished, however, the fact remains that, in States where the greatest progress has been made, officials and responsible citizens were the first to tell the subcommittee that much more must yet be done.

For a national program is needed—one that will work with the States, the counties, the municipalities, the individuals already at work. We citizens who join the lobby for the excluded recognize that all is not affluence in the United States, and that the migratory worker needs more than eloquent commiseration.

PRIME DEFENSE CONTRACTS

Mr. JAVITS. Mr. President, I wish to note for the information of the Senate that the defense contracts situation in my home State of New York, in which we have had sort of a sporting rivalry with California, has somewhat improved. I make these comments for the information of all Eastern Senators.

California is still maintaining a lead over New York, having received in the most recent recorded period, during fiscal year 1961, nearly twice as much in prime contracts as New York.

Nonetheless, New York's share is inching up.

New York State's share of prime contracts has risen from 11 percent in fiscal 1959, to 11.7 percent in fiscal 1960, to 12 percent in fiscal 1961. The $2,642,803,000 in total prime contracts in New York State during fiscal 1961 compares to the fiscal 1960 total of $2,377,522,000—an increase of $265,281,000. New York's April–June 1961 total awards of $873,969,000 compares to a fiscal 1960 April–June total of $695,784,000—an increase of $177,185,000.

Mr. President, I give great credit for this to the work of the New York State congressional delegation, of which I have

the honor to be a member, and of which my colleague [Mr. KEATING] is my alternate, under the chairmanship of Representative EMANUEL CELLER, of New York.

I hope very much other Eastern States will note the need not only for having labor and management sharpen their pencils, but also for having the total congressional delegations work hard at the process of encouraging defense orders and for having industry and business in those States take advantage of the opportunities presented by the productive facilities of those States.

TAXATION OF U.S. PRIVATE OVERSEA INVESTMENT

Mr. JAVITS. Mr. President, last April President Kennedy delivered to Congress a message on taxation which suggested several changes in our present tax structure. The House Ways and Means Committee, after holding extensive hearings on these proposals, decided to hold the whole question over until the next session of Congress in order to give us all more time in which to consider it.

Because I am vitally interested in our international economic position, and because one of these proposals deals with the foreign subsidiaries of American firms, I had a member of my staff prepare a memorandum on the President's proposal. I think this is a very illuminating report and that it raises many questions which we must consider carefully before this legislation reaches the Senate floor.

In order to evaluate the conclusions of this memorandum in the light of the administration's position, I sent a copy of it to Secretary of the Treasury Douglas Dillon for comment. In reply, I received four memodandums from Assistant Secretary Stanley S. Surrey. These memorandums answer some of the issues raised by the report but they do not, I believe, answer them all.

In examining carefully both my staff report and the memorandums, it appears to me that one of the most important aspects of the whole matter has not been considered adequately by the Treasury.

A tax on the unremitted dividends of foreign subsidiaries does not affect only those firms and individuals paying the tax—it touches all of our position abroad. The Department of Treasury is quite reasonably concerned more with taxes than with foreign policy, but we as legislators must look at both aspects of the problem before a wise decision can be reached.

I believe that private enterprise can be one of the most effective instruments of our foreign policy and I believe that it should be so used since it is the basis of the economic system of our country.

The proposed tax would have no direct effect on underdeveloped countries, yet if it succeeds in cutting back investment in Europe, then the closely dependent investment in the underdeveloped countries may be curtailed as well. Furthermore, as my staff report points out, the tax would not encourage American firms to make economic decisions concerning their investment capital. On the contrary, a firm entering a foreign country must compete within that country, and American firms cannot do that if they are taxed two or three times as heavily as other firms there. Also, this tax may easily be considered an effective violation of our present tax treaties, and, even if foreign governments do not object, it may result in hardship for minority stockholders, both American and foreign.

Finally, a careful consideration of the effects of this tax should take into account the fact that four countries—Great Britain, France, Germany, and Canada—with tax rates almost as high as ours, account for more than half of our foreign investment. This indicates that most firms are not lured into other countries primarily by low tax rates, and it shows that the effect of this tax would be confined to that part of U.S. private oversea investment which has been slowest to develop until now.

All American firms and individuals should pay their fair share of the cost of running our Government. If the Treasury believes that we should provide them with the means for enforcing our present laws, then I think we should give most serious consideration to their request. If new laws are needed to prevent the use of tax haven countries by paper corporations whose purpose is to effect avoidance of domestic taxes in the United States, then we should pass those laws. But the fact that some firms have abused the present system is not in itself cause for changing the system, without giving due consideration to the adverse effects which may be caused by the changes contemplated.

I ask unanimous consent that the report by my staff member, Miss Helen Smits, of New York—a student intern from Wellesly College—and a summary of Treasury's memorandums, be printed in the RECORD.

There being no objection, the report and summary were ordered to be printed in the RECORD, as follows:

SENATOR JAVITS' STAFF MEMORANDUM ON THE PRESIDENT'S PROPOSED TAXATION OF OVERSEA INVESTMENT

I. TAX EVASION

The President has argued that one of the reasons why the present law must be changed is the current use of tax haven countries to escape U.S. corporate taxes.

1. The means used are, chiefly:

(a) Any transfer of goods or services to the foreign subsidiary at a lower cost than would be paid were the subsidiary an independent company. This can include:

(1) patent licensing;

(2) technicians, skilled workers, or management;

(3) any transmission of know-how;

(4) machinery;

(5) partially finished goods;

(6) finished goods for distribution.

(b) Conversely, any transfer of goods from the subsidiary at a higher cost than would be paid were it independent.

(c) Where costs or profits must be split between the two companies, any allocation which gives most of the profits to the subsidiary. This is particularly true in licensing, trading, and servicing companies.

2. Prevention of this evasion is, however, possible under existing law. Section 482 of the Internal Revenue Code gives the Secretary the right, in the case of any two organizations owned or controlled directly or indirectly by the same interests to distribute, apportion, or allocate gross income, deductions, credits, or allowances if it is necessary to do so in order to prevent the evasion of taxes.

There have admittedly been difficulties in administering this law with regard to foreign corporations, but last year the Congress passed legislation which should make the Treasury's task considerably easier. In section 6038 of the code, an American corporation is required to furnish, with respect to any foreign corporation which it controls, information regarding profits, deductions, and transactions for the year, as well as a balance sheet showing assets, liabilities, and capital. In section 6046, all American officers and shareholders in a foreign corporation are required to report whatever information the Secretary should require for the carrying out of the provisions of the income-tax laws.

Auditing the books of companies scattered all over the globe is admittedly not an easy task, and will make enforcement of these sections difficult. But the same objection would hold, after all, for the President's proposed tax.

II. METHOD OF PROPOSED TAX

1. Provisions: Since a foreign subsidiary is a firm which has been incorporated under the laws of the country in which it operates, the United States has no legal claim on that part of its income which does not originate in this country unless that income is paid as profits to a corporate or private resident of the United States. Any attempt to tax these firms directly would not only be without precedent in our history of taxation but would, as Secretary Dillon himself admitted before the Ways and Means Committee, violate our present tax treaties.

In order to avoid this problem, the new law would require all American stockholders in an American-controlled foreign firm to pay taxes each year as though all profits of the firm had been distributed. This would include private individuals as well as corporate stockholders.

2. Problems raised by the method:

(a) There is serious legal doubt as to whether or not the Government may tax a firm or individual for income which it has not received. The Supreme Court held in *Eisner* v. *Macomber* that the Congress would not tax an individual for his share of the accumulated profits of a company until those profits had been returned to him. It has been argued that the same principle would apply to the President's proposed tax.[1]

The only precedent lies in the tax now levied on personal holding companies, but there is in fact an immense difference between such companies and foreign subsidiaries of American firms. In a holding company, control lies in the hands of a few people or a single person; in addition the chief purpose of such companies was believed to be the avoidance of taxes.

(b) The tax would create serious conflict of interests among the various stockholder groups in many cases. Often part of the stock of these firms is owned locally; some countries, such as Japan, require a certain percentage of local participation. Since this law would mean that it would often be in the interests of the American shareholders to have all, or a large segment, of the yearly profits returned, such practices may be forced on the firm against the wishes of its minority stockholders.

(c) In the case where effective control did not lie in American hands, and the return of profits could not be forced on the company, the tax would be extremely unjust.

(d) The complication in bookkeeping is immense, often with little or no return to

[1] See summary of Treasury memorandum.

the U.S. Government. In this respect it is important to notice that, according to the tables provided by the Treasury to the Ways and Means Committee, over half of all American investment abroad is in four countries—France, Germany, Great Britain, and Canada. In each of these the corporate tax rate is at least 50 percent (the German rate does fall considerably if all profits are distributed). In other words, the return to our Government from these four countries would be usually 2 percent or less.

III. GENERAL OBJECTIONS

1. U.S. oversea investment in all areas must compete with other foreign investment. Removal of tax deferral would put our firms at a disadvantage in the competition for economic influence and a base for operations in foreign nations. Especially in the new trading blocs, we need a foothold so that we can retain and expand our future export markets.

2. The most tangible and effective source of U.S. power in foreign economic policy is in trade and investment. These two are interdependent. Diminution of this power would be against our national interest. In particular, it would put us in a position of long-term disadvantage in our balance of payments; it would mean loss of exports and of dividend returns. In general, it would involve retreat from the world scene and a steadily increasing decline of our world power.

3. Underdeveloped countries may often be harmed, rather than helped. Admittedly this law would encourage the incorporation of subsidiaries in underdeveloped areas, but it may indirectly cut back on the total amount of investment which American business is putting into any given country. This would come from the fact that a large percentage of U.S. firms with investments in these countries have their primary oversea interest in some developed country where a market for finished goods is more readily available, and where both currency and the political situation are more stable. In many instances, a curtailment of the activity of the European subsidiary of a firm would have serious repercussions in that firm's investment in underdeveloped areas.

4. With regard to the figures mentioned in paragraph 2(d) above it is important to notice that much American investment abroad is not apparently lured by the prospect of lower taxation. Our firms remain in Great Britain and new investment flows there despite the fact that tax rates in England, both corporate and personal, are higher than in the United States. Large amounts of capital are attracted to Canada every year and yet the Canadian rate of corporate taxation is 50 percent. In short, the President's scheme would be costly and difficult both for the Treasury and for the businesses involved, and yet it would not affect much of the capital flow which it is designed to discourage.

5. Finally, oversea reaction should be considered. Although the arrangement of this law is designed to avoid conflicts with our current tax treaties, it is clearly an evasion of such treaties in substance, and may well be received with considerable disfavor overseas.

SUMMARY OF TREASURY MEMORANDUMS

The four memorandums sent by Treasury were as follows: A legal opinion by Robert H. Knight regarding the constitutional questions involved in the proposed law; a report on the problems in the administration of present revenue laws relating to foreign firms; a tabular summary of cases involving tax avoidance; and a report entitled "Statistical Data and Economic Issues Involved in the Treasury's Testimony on Tax Deferral."

The legal question: Two powers of Congress must be considered in any decision as to whether or not the proposed tax would be constitutional—not only the power to tax, but the power to regulate commerce as well. When considering the power to tax, the issues raised are: first, are these earnings income? second, would a taxation of them violate the due process clause?

According to Mr. Knight, the decision in *Eisner* v. *Macomber* is not directly relevant, since the issue in that case was whether or not the actual receipt of a stock dividend constituted income when the holding was not increased in value. The real issue of whether or not income must be realized before it can be taxed has never, as he points out, "been squarely met by the Court," but the trend of past decisions and pronouncements of leading scholars in the field would seem to indicate that the Court would hold that it could be. While the courts have found that a tax laid on one person's income measured by the income of another violates the due process clause, this is not true in those cases where the taxpayer has maintained control over the income or enjoys its benefits. There is precedent, including the decisions handed down by lower courts on the foreign personal holdings companies, to indicate that the stockholders of foreign companies who are affected by the law could be considered to have maintained such control.

In addition, the power to regulate commerce gives Congress the right to impose taxes which are not subject to attack by reason of limitations which apply to taxes based on the taxing power alone. In determining whether or not a given statute is a regulation of commerce, the courts will accept as conclusive evidence any indication of congressional intent.

Administrative problems: The information available to Treasury under the present laws is often incomplete and of very limited use. The new material which, under the provisions of section 6038, will first be received in 1962, will be limited also since it applies only to corporations with more than 50-percent American ownership and does not, therefore, reach all foreign subsidiaries. No provision at all has been made for submitting information with respect to unincorporated entities such as partnerships or trusts.

There is often serious lack of cooperation on the taxpayers' part with regard to this information. Since the penalty for failure to file the information required under 6038 is only a 10-percent reduction in creditable taxes, it is possible that some corporations will find it advantageous to file none of the material and accept the consequences. Although Treasury's most able and experienced men work on the reporting of foreign income, the task they face is a formidable one. Employees of a taxpayer under investigation will answer only specific questions which demand a factual answer; broad "fishing" questions meet with no response. Therefore, the inspector must know exactly what he is after—which is often just what he is trying to find out.

The conclusion is that Treasury is clearly handicapped in its administration by the failure of the law to require disclosure of the interests of U.S. citizens in certain types of foreign activity.

The report on tax avoidance: This presents statistical data on 47 cases of avoidance through the use of foreign subsidiaries. Nine different devices are listed, falling into the general categories described in the Javits staff memorandum.

Statistical data and economic issues involved in the Treasury's testimony on tax deferral: (NOTE.—Much of this Treasury report is devoted to issues which were not raised in the Javits memorandum. Only material relating to this memorandum is summarized here.)

In considering the effect of American investment abroad on our balance of payments, many problems arise as to the relevant data involved. It is necessary to look only at the figures available for subsidiaries in Western Europe and Canada; material relating to individual firms is not valid, nor is the worldwide position relevant since this taxation would not apply to subsidiaries in underdeveloped countries and it is these firms which are at present remitting dividends to the United States in excess of the capital outflow to these countries. With respect to Western Europe and Canada, remitted dividends for the years 1957 through 1960 fell short of capital outflow by $655 million. In addition, exports to subsidiaries cannot be considered in this balance-of-payments picture because (a) many of these would still take place in the absence of American subsidiaries and (b) account would then have to be made for the adverse effect of the products of the subsidiaries which may be replacing American exports.

As regards the reaction of foreign countries, Treasury points out that "Major European countries believe that the United States would be justified in making adjustments in its tax system so that capital flows to Europe and reinvestment of profits in Europe will not be dictated by tax considerations." There has been, to date, no protest or comment from any of the Western European countries regarding these proposed tax changes.

The exact effect of this suggested tax on underdeveloped countries is, as all of its final effects, difficult to determine exactly. The Treasury admits that a cutback of investment in Europe might conceivably result in some reduction in investment in underdeveloped countries, but points out that "deferral for advanced countries is an inferior method for encouraging companies to invest in less-developed countries because it is not selective." Instead of adding to the profit of every enterprise abroad, taxation of this sort should be established combined with further Government programs to aid underdeveloped countries—such as an expansion of the investment guarantee program which would be more to their benefit than continuing the present system.

UNEMPLOYMENT

Mr. MILLER. Mr. President, reports on the unemployment situation in this country are not optimistic. In the Wall Street Journal of August 30 is an article which points out that the seasonally adjusted rate of unemployment for the last month remained at 6.9 percent, the 9th consecutive month in which the jobless rate has been near 7 percent. Unemployment has been one of the chief problems of the Kennedy administration. The policy of this administration has been to stimulate business activity—thus relieving unemployment—by vastly increased Federal spending programs. In the August 31 issue of the Washington Post and Times Herald appears an editorial which expresses the philosophy of the administration in this respect.

I ask unanimous consent that the article from the Wall Street Journal and the editorial from the Washington Post and Times Herald be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Iowa? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. MILLER. Mr. President, I might point out that not to be overlooked in the reduction in unemployment, which has nevertheless remained at a

most unsatisfactory level, is the fact that from January 20 through the end of July this new administration has added a net of 82,967 civilian employees to the Federal payroll. Mobilizing 250,000 more men for the Armed Forces will also have an impact on the unemployment situation. Moreover, the administration contemplates adding another 10,000 civilian employees to the Department of Defense in connection with the buildup of 250,000 more military personnel. Nevertheless, it is apparent that the administration is not confident that all of this new Federal spending, all of these new Federal employees, and the mobilization of some of our Reserve units will get the job done. The aforementioned article in the Journal quotes Secretary of Labor Arthur Goldberg as predicting that the unemployment rate will fall to 5½ to 6 percent by the end of this year, which would seem likely when the administration's plans for hiring 10,000 more civilians in connection with the military buildup plus unknown more thousands for other Federal programs are carried out, along with the mobilization of reservists. However, the Secretary is reported to have said that if this rate held into next year, it would probably prompt the White House to push for public works legislation.

Mr. President, I am not a pessimist. However, I look at history to see whether or not public works legislation had any sustained favorable impact on unemployment. This same cure was tried back in the thirties during the administration of the late President Franklin Roosevelt, and the result was that unemployment remained exceedingly high until World War II bailed us out of the depression. Continued deficit spending and inflation discouraged the growth of private business needed to provide sustained high employment.

I ask unanimous consent that a table I have prepared showing the unemployment and deficit spending picture for the years 1933 through 1940 be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Unemployment—Deficit spending table

Year	Unemployed [1]	Percent unemployed of total labor force [1]	Annual Federal deficit
			Billion
1933	12,830,000	24.9	$2.6
1934	11,340,000	21.7	3.6
1935	10,610,000	20.1	2.8
1936	9,030,000	16.9	4.4
1937	7,700,000	14.3	2.8
1938	10,390,000	19.0	1.2
1939	9,480,000	17.2	3.9
1940	8,120,000	14.6	3.9

[1] From Bureau of Labor Statistics.

Mr. MILLER. In yesterday's Washington Post is an article quoting the Secretary of Commerce, Mr. Luther Hodges, as saying that the way to cure unemployment is to have mass spending. In Monday's issue of the Pittsburgh Post-Gazette is an article quoting the Chairman of the President's Council of Economic Advisers, Dr. Walter Heller, as stating that a public works program would be sought only to meet the next recession. I ask unanimous consent that these two articles be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 2.)

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. MILLER. Mr. President, I ask unanimous consent that I may be permitted to speak for an additional 3 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, it is so ordered.

Mr. MILLER. Here we see developing the philosophy of greatly increased Federal Government spending and the hiring of more Federal employees as the prescription for reducing unemployment; and if unemployment is not reduced substantially the groundwork will be laid for calling the situation another recession, giving rise to further Federal spending on public works and the hiring of thousands more to break the unemployment figures. We are led to believe that this is not going to cost any more in taxes, because the stimulated employment and purchasing power will lead to mass spending, which will mean more profits and more income and more tax revenue which will pay for all of this additional Federal spending. This sounds good, Mr. President. The only trouble is that it has not worked before, and there is nothing new in the picture to indicate that it will work now.

This philosophy proceeds on the faulty premise that the Federal Government rather than private business is the proper source of job opportunities in the United States. The reason why it has not worked before and why it will not work now is that it provides no sustained incentive for private business to expand. The mounting Federal debt, spurred on by nondefense, domestic spending programs, inevitably causes inflation and has a depressing effect on private business incentive and growth. One reason why the new administration finds a serious unemployment situation continuing, notwithstanding the pump-priming efforts to date, is that the $3 billion deficit for the fiscal year just ended and the $7 to $10 billion deficit in prospect for the current fiscal year present a familiar picture to businessmen who remember the history of the 1930's. They are understandably fearful of more inflation or higher taxes, or both. The prospects of semimobilization, with wage and price controls, add to these fears.

The only sound way out of this situation, Mr. President, is for the President himself to take the lead in reducing to deeds his words calling for fiscal integrity through elimination of programs which are desirable but not essential, coupled with an overhaul of our Federal tax system in a manner that will encourage rather than discourage private business growth. In the August 30 issue of the Christian Science Monitor, the lead editorial points out that the June to July cost-of-living increase took nearly a half cent out of every dollar and wisely points out that President Kennedy's administration should set a good example by curbing its demands leading to inflation-making deficits and recognize that tax reforms and other incentives for private business can cause more long-range job-producing growth than can deficit spending. I ask unanimous consent that this editorial be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

JOBS WITHOUT INFLATION

A jump in the cost of living—the biggest in many months—is arousing some concern in Washington. For this could signal a new inflationary spiral. And economic planners in the Kennedy administration must regard it as a potential threat to their programs for economic growth.

They are aware that several pressures for inflation are combining and building up. New military expenditures will lift the expected budget deficit to at least $7 billion. Business is booming in most lines. New wage and price boosts are threatened. Administration forces are already pushing against price rises in steel and bread and to restrain wage increases in the automobile industry.

The hope of administration economists, headed by Walter W. Heller, is to foster growth without inducing inflation. They aim to stimulate production and employment by Federal action. They headed off a move to raise taxes to pay for the new arms buildup. They favored a decision to speed by 2 months the advancing of Federal money to the States for the national highway program.

The purpose here was to make sure that the recovery should not end too soon—as most economists now believe happened after the 1959 recession. Moreover there is, in some administration circles, a disposition to regard the damage from high unemployment as so great as to warrant some risks of inflation. It is contended that if growth can be raised from around 3 percent a year to something nearer the rate in Japan, the Soviet Union and much of Europe (often double the American rate) the Nation will gain vastly and Federal revenue will rise enough to more than wipe out deficits.

Everyone can agree that the purpose to provide more jobs is fine—both for humane and economic reasons. And some Government expenditures do spur the economy. But some have a dampening effect on private enterprise, which is still the predominant source of jobs and of national wealth. Moreover, where it induces inflation a hidden tax is levied which wipes out apparent gains. (The June-to-July living cost rise took nearly a half cent out of every dollar.)

Administration advisers fear continued high unemployment—still figured at 7 percent. Although they believe they can produce jobs without inflation they might instead produce inflation without jobs. Arthur J. Burns, President Eisenhower's original top economic adviser, takes a confident view. He believes recovery will by next year bring unemployment down to 4 percent (now considered acceptable). Both schools of opinion could be wrong.

A free economy is expected to make many adjustments: The coal miner left jobless by an increase in oil-powered transport should get a job driving a diesel truck; a farmer, no longer needed for cotton production, should find a job in a rayon plant; and so on. But these adjustments are less automatic than automation. And the pace of

change has quickened. Retraining and relocation must keep pace. The new distressed areas act contains a retraining program and $14,500,000 to finance it. This is a hopeful step.

The Kennedy administration is also seeking to ward off inflation by holding down prices and wages. Antimonopoly laws can be invoked but so far the weapons are pleas and informal pressures on employers and labor unions. These should have public support. But the administration should set a good example by curbing its own demands for money—and inflation-making deficits. Also it should recognize that tax reforms and other incentives for private enterprise can cause more long-range job-producing growth than can deficit spending.

Mr. MILLER. However, Mr. President, I must say that I see no indication whatsoever that the administration intends to practice the fiscal integrity it preaches. We are told that tomorrow we will have a balanced budget—maybe. We are told that every domestic spending program proposed by the President—even before the Berlin crisis—is something we cannot afford to sacrifice. Deficits are recognized because they cannot be ignored; but the idea is being advanced that increased military spending is responsible; that any tax boosts which may be recommended will be caused by increased military spending. Nothing is being said about the fact that hundreds of millions of dollars in increased domestic spending programs are adding to the deficit and may require increased taxes to support them. Our younger people who will be looking for decent job opportunities when they come out of school and the millions of unemployed and their families, along with the older people and the housewives who feel the impact of inflation on their family budget, will have to make their protests heard at the polls in 1962 and 1964 if they do not want a repeat of what happened in the 1930's.

EXHIBIT 1

[From the Wall Street Journal, Aug. 30, 1961]

JOBLESS TOTAL FELL 598,000 IN MONTH TO MID-AUGUST—BUT DECLINE WAS SEASONAL; EMPLOYMENT ROSE 40,000 TO A RECORD FOR AUGUST—LONG-TERM IDLENESS DROPPED

WASHINGTON.—Unemployment fell 598,000 in the month to mid-August to 4,542,000, the Labor Department reported. The decline was seasonal.

In the same period, the number of jobholders rose 40,000 to an August record of 68,539,000, the agency said.

Because the drop in unemployment was normal for this time of year, the seasonally adjusted rate of unemployment remained unchanged at 6.9 percent. Labor Secretary Goldberg said this was the ninth consecutive month in which the jobless rate has hovered near 7 percent.

Mr. Goldberg predicted the rate would fall to 5½ to 6 percent by the end of the year, barring unforeseen circumstances. But the administration would regard that level as unsatisfactory. And if the rate held that high into next year, it probably would prompt the White House to push for public works legislation.

A hopeful sign in the August jobless figures was a decline in the number of long-term unemployed persons. The total out of work for 15 weeks or more dropped 194,000 to 1,440,000 over the month to mid-August. Of these, 913,000 have been jobless 27 weeks or longer, down from 1,026,000 in mid-July.

The decline in long-term unemployment was termed greater than the normal seasonal change. In August 1960, however, the number of persons unemployed 15 weeks or longer totaled 816,000.

[From the Washington Post, Aug. 31, 1961]

UNEMPLOYMENT STILL HIGH

The failure of unemployment in July to recede from its high level of 6.9 percent, announced yesterday by Secretary Goldberg, is disappointing. The recovery of production from its recession low has proceeded very satisfactorily. With the production index up 10 percent in 5 months, some absorption of unemployment might have been expected, in addition to the substantial gain in employment that occurred within a rising labor force. Perhaps the early model change of the automobile industry contributed in some small measure to continued high unemployment. The growth in the labor force, of about 1 million over the year, worked in the same direction, but an increment of this size cannot be considered abnormal. The principal factors that have kept unemployment high appear to be the longer hours worked, and a rapid growth of productivity.

The workweek in manufacturing has gained almost 2 hours over its December low. As production has expanded, employers often have found it more profitable to lengthen the hours of their existing work force, in some cases paying overtime, than to do new hiring. Rising fringe benefits, attractive as they are, do have the effect of raising accession and layoff costs and so discouraging new employment. Productivity gains are hard to estimate with accuracy, but the combination of rising production with stable unemployment suggests that productivity has advanced materially. This would be good news for the U.S. Treasury, which gets half of the added corporate profits, for stockholders, who get the other half, and for the unions, who in due course will present demands for higher wages. It may be good news even for the consumer, if business will remember that productivity gains ought to be shared with him through price cuts.

Meanwhile there are indications that the employment situation will mend. The lengthening of the workweek has gone quite far. Future gains in output ought to find expression chiefly in lower unemployment. The prospect for expanding production seems to be good. Secretary Goldberg, in expressing this hope, mentioned expanded highway and urban renewal programs, additional social security benefits, increased military procurement, and the new minimum wage law. While the impact of higher minimum wages upon employment is perhaps uncertain, mounting public expenditures can be counted upon to push economic activity forward. And no doubt the Secretary would not disagree with the view that gains in housing, capital equipment expenditures and inventory rebuilding will also add steam to the expansion.

EXHIBIT 2

[From the Washington Post, Sept. 5, 1961]

HODGES ASKS MASS SPENDING TO BRING MASS EMPLOYMENT

DENVER, COLO., September 4.—Secretary of Commerce Luther H. Hodges said today the Nation needs mass spending if it wants mass production and mass employment.

To keep the economic recovery rolling, Hodges said, the first problem "is to stimulate spending—not just by Government, not just by business, but by the mass of American consumers."

In an address to the American Society of Association Executives, Hodges said the encouraging rebound from the mild winter recession "is not the prelude to certain prosperity, nor does it signal the end to our economic troubles."

To a great extent, he said, this can come only through generation of spending.

"We cannot have mass production, mass employment, unless we first have mass stimulation of our latent wants," Hodges said.

He expressed dismay that retail sales have lagged during the recovery and actually declined in July.

"Obviously," he said, "consumers have been playing it cautious, deferring some of their spending and hanging on to more of their dollars, perhaps because of job worries."

He said it is significant that during the April–June quarter individuals saved 7.1 percent of their after-tax personal income, compared with 6.5 percent last year.

"If we could convince people right now to spend at retail 1 percentage point more of their disposable income, we could raise sales more than $3.5 billion, on an annual basis."

Hodges said this would not be "wasteful spending"—that there are legitimate latent wants throughout the economy which, if transformed into sales, would benefit both the private and public welfare.

[From the Pittsburgh Post-Gazette, Aug. 4, 1961]

TAX BOOST IN 1962 SEEN UNNECESSARY—KENNEDY AID BASES FORECAST ON ARMS PLAN

WASHINGTON, September 4.—Dr. Walter W. Heller, Chairman of President Kennedy's Council of Economic Advisers, predicted yesterday that there will be no increase in taxes next year unless there is a substantial boost in military spending beyond that already programed.

He said there had been a prospect of a tax reduction before the intensification of the Berlin crisis. The increased military spending now planned will be covered by increased Federal revenues stemming from the "quite brisk" recovery underway from the 1960–61 recession, he said.

Mr. Heller forecast a gross national product—the total value of the Nation's goods and services—of $565 to $570 billion by the second quarter of 1962.

BUOYANT RECOVERY

"That would be a strong and buoyant recovery," he said, "* * * but we would still not be using all our resources."

The predicted increase in the gross national product compares with a $500 billion GNP rate, at the beginning of this year, $515 in the second quarter of this year and a possible $540 billion in the fourth quarter—already forecast by Commerce Secretary Luther Hodges.

"A $600 billion total output is not beyond our reach," Mr. Heller said "* * * I would certainly hope it will be reached in the next year or two."

He foresaw these advances under conditions of noninflationary, reasonable price stability, that is continuation of the present approximate 1½ percent rise annually. And he spoke optimistically of a drop in the current unemployment rate of 5½ percent of the work force which he said President Kennedy feels is too high.

WORKS PROJECTS RESERVED

Asked if the President would ask Congress to authorize a public works program if the unemployed total doesn't subside, Mr. Heller said he thought such authorization would be sought only to meet the next recession, if and when it develops.

On other subjects Mr. Heller:

Called a $100 billion national budget inevitable by 1968 and not out of the question in the next 2 years. He said the economy unquestionably could generate enough taxes to balance this boost from the present $88 billion level, and make it noninflationary.

Said the threatening strike in the automobile industry would run the risk of slowing down the business recovery, but he wouldn't say it would curb the economic climb back.

Stated that if a boost in steel prices comes and proves inflationary, some of the presently speeded up programs, including Federal highways and Government procurement, would have to be slowed down and Federal reserve interest rates increased.

A COMPREHENSIVE SYSTEM OF MEDICAL INSURANCE

Mr. MCNAMARA. Mr. President, on January 5 of this year I introduced S. 65, a bill to establish a broad and comprehensive system of medical insurance for the retired men and women of this country through the time-tested and dignity-preserving social security system.

This bill also would have provided health insurance for aged persons not covered by social security.

Other bills providing for improved health insurance programs for our senior citizens also have been introduced.

But by now it should be apparent to everyone that this first session of the 87th Congress will take no action on legislation to improve medical insurance for the elderly.

Recently, Mr. President, I expressed my concern on this subject and my desire for early action on planning for next year to the President of the United States.

I was pleased to receive in his letter of response assurances from the President that he regards adequate health care for our senior citizens as one of our most important responsibilities.

The President further assured me, I am glad to report, that he intends to give legislation in the field of health insurance for the aged under the social security system the "highest priority at the next session of Congress."

Mr. President, I ask unanimous consent that my recent exchange of letters with the President of the United States on medical care for the aged be included in the RECORD.

Mr. JAVITS. Mr. President, reserving the right to object—and, of course, I shall not object, but I hope the Senator will yield to me——

Mr. MCNAMARA. I am happy to yield.

Mr. JAVITS. Mr. President, I do not object.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

The Honorable JOHN F. KENNEDY,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am writing you to express my keen desire to achieve one of the major commitments that both you and I made in talking to the American people during the course of the past several years—passage of legislation that would assure them of adequate health services insurance during their retirement years.

This can be done effectively, of course, only by financing such insurance through our time-tested system of social security, which maintains the dignity and independence of the insured.

My experiences and study, first as chairman of the Senate Subcommittee on Problems of the Aged and Aging (of which you were vice chairman), and now as chairman of the new Special Committee on Aging, have convinced me of the priority and urgency of this proposal in the hearts and minds of our 17 million senior citizens and their families.

Moreover, all indications are that the public at large strongly supports the proposal. My mail and my personal contacts indicate a strong feeling that Americans—young and old—are more than ever in support of a social security financed health insurance program.

Little more than a start has been made upon this necessary legislation during the current session of the Congress. It is apparent that no definitive action will be taken by the Congress this year before adjournment.

In view of this, I believe that an assurance from you expressing determination to pursue this subject with all possible vigor when the Congress convenes again next January, would be warmly welcomed both by the supporters of this legislation and the millions of Americans it would benefit.

Further, it would serve to stimulate a prompt beginning to the planning for the next session that must begin soon so that this most necessary legislation may be enacted by the 87th Congress.

Sincerely,

PAT MCNAMARA,
U.S. Senator.

THE WHITE HOUSE,
Washington, August 31, 1961.

DEAR PAT: I consider adequate health care for our 17 million senior citizens one of our most important responsibilities. Medical costs represent the greatest of all threats to economic security in old age. The financial burden of illness and incapacity in later years constitutes an ever-present specter to almost every family. Inability to meet the costs of hospitalization or home care can destroy self-respect and deny the right to dignity and comfort after retirement.

Although everyone recognizes the threat presented by the possibility of serious illness in later years, savings for this purpose are often inadequate. Nine out of ten persons over 65 are hospitalized at least once. The duration of their hospitalization averages 2½ times longer than that of those under 65. I am convinced that only the social security system can furnish satisfactory protection against the costs of these illnesses. Small retirement incomes are usually inadequate to cover the premiums required to obtain a sufficient amount of private insurance.

The theory of using earnings during the most productive years to purchase protection during retirement years has been tested and proved. This is the social security approach. I know you share my view that it is the only mechanism that can satisfy the need, insure protection, and be financially sound.

I have followed with considerable interest the hearings held by the Committee on Ways and Means of the House of Representatives on this subject. The testimony incontrovertibly establishes the need for the legislation. Our national responsibilities require prompt and effective action.

I wholeheartedly agree with your belief in the importance of this legislation to our Nation. It will relieve some of the most serious hardships of old age, it will enable the worker to look forward with confidence to his ability to take care of himself, it will help solve many problems of family living. I consider the proposal to provide health insurance for the aged under social security one of the most important measures I have advocated. Your support is very much appreciated and I assure you that I intend to recommend that this legislation be given the highest priority at the next session of Congress.

Sincerely,

JOHN F. KENNEDY.

Mr. JAVITS. Mr. President, I have had a rather interesting relationship with the Senator from New Mexico [Mr. ANDERSON] on this subject. The Senator from Michigan [Mr. MCNAMARA] is now the chairman of the Special Committee on Aging, of which I have the honor to be a member. The Senator from New Mexico [Mr. ANDERSON] and I were very close together, I thought, on the possibility of an agreed-upon bill for medical care to the aged, which would have facilitated and accelerated the day when this very deserved proposed legislation could be passed.

Yesterday I made a speech in the Senate on this same subject, alluding to the exchange to which the Senator referred, and suggested that the period between now and the 1st of January be used by the President to bring together the Republican and the Democratic elements interested in the bill—and I think they are represented in the Special Committee on the Aging—in the hope that by the time we return, much as I deprecate having lost this year—and I feel that the administration is to be sharply criticized for it, but that is nonetheless water over the dam—we could come to an agreement on a bill.

I thought that when we came back on the 1st of January we might at least have an opportunity to present an agreed-upon bill. Could we have the Senator's views on that point, if the Senator is in a position to give us his views?

Mr. MCNAMARA. Yes. I think that far from being critical of what the President has done, I am being critical of Congress. I am particularly critical of the Senate for not doing something in this matter. The President is very well informed on it. When he was a Member of the Senate, he was vice chairman of the Subcommittee on Problems of the Aged and Aging from the very start. I am glad to accept the President's views, and I believe he has expressed them very well in this letter.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. JAVITS. I ask that the Senator may be granted 2 additional minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JAVITS. What I had in mind is more as to what we can do, now that the President has indicated his intention of giving this the highest priority, to bring about agreement, between now and January, among those Republicans and those Democrats who are in favor of a measure, and to try to bring in an agreed-on bill. I was very much on the road toward that goal with the Senator from New Mexico [Mr. ANDERSON]. Now that the Senator from Michigan has taken over the effort, I was wondering what the Senator thought about devoting this time, instead of hearings being held around the country—although that would not be inconsistent with the effort

that I have in mind—to an effort to bring about an agreed-upon bill.

Mr. McNAMARA. I am totally out of sympathy with the Senator's approach in attempting to solve the problem. I believe that answers the Senator's question.

Mr. JAVITS. The Senator is taking the position that it is either the Democratic Party's social security bill or nothing, is that it?

Mr. McNAMARA. Well, I am not afraid to take that position. That was not exactly what I had in mind, but if the Senator wants to put it in those words, I will say it that way.

Mr. JAVITS. I am not putting it in any words. I am trying to get the Senator's point of view.

Mr. McNAMARA. I do not want to make politics out of this. I want to keep politics out of it. I rather resent the Senator's attempt to inject politics into the subject, by calling the program a Democratic program. It is a program that the committee has agreed on. It is not a Democratic program. It is a program in the interest of the aged of the country.

Mr. JAVITS. If the Senator please, I am a member of the Committee on the Aged.

Mr. McNAMARA. I understand.

Mr. JAVITS. I do not recall that I agreed on the program, and I do not recall that it has been the accepted program by committee action. I do not want to get into any hassle on this matter. I am afraid that the Senator's temper is a little bit shorter than mine. I had no desire, and I do not have the reputation in the Senate, for being violently partisan. I had some differences with the Senator from New Mexico, and what I am trying to do is make an effort to arrive at some agreement upon them. I have asked the Senator from Michigan a very civil question as to whether he feels that we should employ our time in committee to try to agree upon them. The Senator may not himself want to yield any ground whatever.

Mr. McNAMARA. That is right.

Mr. JAVITS. On the other hand, there may be other members of the committee who might feel differently. I am sure the Senator is very sensitive about that. He is very fair, whatever he may say at this time. I know him as a man, and I know how he feels. I am simply making the suggestion that we do divorce the subject from politics. The record will show that I have tried very hard to reconcile the two points of view of the people on our side and the feelings of those on the Democratic side. I believe the two points of view can be reconciled. I am asking the Senator from Michigan whether he feels that such an opportunity ought to be afforded.

Mr. McNAMARA. No; I do not feel that way. I am in favor of including the program under social security, totally; I believe the Senator is not in favor of that. I believe we are that far apart.

Mr. JAVITS. I would respectfully say that is not so. The Senator from New Mexico [Mr. ANDERSON] and I were in a fair way of getting together on an adaptation of both segments. I think, if anything, the Senator is evidencing right now an inflexibility of view, which I do not believe, with all respect, would be conducive to getting anything done. Up to now the Senator's position has not succeeded, any more than has ours. I am trying very hard to see if we can get to the point where we can succeed.

Mr. McNAMARA. I will say to the Senator that I am perfectly convinced that in this matter I have the general public on my side. I am more concerned with that than with anything else. I am not ready to compromise their views.

Mr. JAVITS. I do not believe it is necessary to compromise the people's views. I am very much dismayed and distressed by the Senator's apparent inflexible attitude on this issue.

Mr. McNAMARA. It was my intention to express inflexibility as far as including medical care for the aged in the social security system is concerned. If I got that point across, that is what I intended to do.

Mr. JAVITS. I do not believe the areas of difference between our bill and the bill on the Senator's side have involved that sole question. In other words, I believe there is a great deal that can be done within the confines of the social security system which could go very far toward satisfying many strong opponents of the bill.

Mr. McNAMARA. My remarks were addressed to S. 65. That definitely limits the program to the social security system. If the Senator wishes to talk about the other bill, he had better talk to the Senator from New Mexico about it.

Mr. JAVITS. No, I wanted to talk about the administration's social security bill and the effort which can be made to do something about it, which would get the votes to get it passed, instead of having it be merely a political issue.

Mr. McNAMARA. I thank the Senator for his interest.

DEMOCRACY IN FINLAND

Mr. SMATHERS. Mr. President, recently I took part in a television debate on a program called "The Nation's Future." The question was, "What can be done about Cuba?"

During the course of an animated exchange with Mr. Max Freedman, of the Manchester Guardian, my opponent in the debate, I listed several countries which have fallen under the domination of communism, and inadvertently included Finland in the list. Obviously, this was a misstatement on my part, and I am happy now to be able to correct the record. Finland is a free and independent nation.

It was Finland's strong determination to remain a free nation that motivated its people in their courageous and intense fight against the massive Communist aggression in 1940. The struggle Finland waged was one of modern history's most valorous events.

I am happy, as are all Americans, that the flame of democracy still burns bright in Finland. The United States admires the strong Finnish attachment to democracy and independence. Our policies are designed to foster good relations with Finland and to strengthen the bonds which link Finland with countries dedicated to similar concepts of democracy and independence.

CHRISTIANITY IN WESTERN EUROPE

Mr. ROBERTSON. Mr. President, the distinguished owner and editor of the U.S. News & World Report, Mr. David Lawrence, gave a report this morning to our Senate breakfast group of impressions gained from his recent visit to Western Europe.

Mr. Lawrence, a frequent visitor to Europe since the days when he reported the negotiation of the Versailles Treaty following World War I, said that he had never previously observed such business activity as is now evidenced in Western Europe nor such a materialistic spirit which included the gathering of gear on the one hand and a carnival spirit during periods of relaxation on the other. He did not find in Western Europe, said Mr. Lawrence, the same fear of another world war that now exists in this country, and summarizing his impressions of the people of Western Europe, he expressed the belief that Christianity in Western Europe was not successfully meeting the challenge of the anti-God ideology of communism.

Since one member of our breakfast group during the discussion period expressed the belief that Christianity in the United States was successfully meeting that challenge, I ask unanimous consent to have published in the CONGRESSIONAL RECORD at this point a forceful article by Dr. Wilbur M. Smith, to the effect that Christianity in the United States is being tragically weakened by betrayal within, and as a result is not successfully meeting the materialistic challenge that confronts the entire world. Dr. Smith is a professor of English Bible in Fuller Theological Seminary, editor of Peloubet's Select Notes on the International Sunday School Lessons, and the author of numerous books on theological subjects. His article, entitled "The Holy Bible: 'Verdun' of Triumphant Christianity," was published in the August 28, 1961, issue of Christianity Today.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE HOLY BIBLE: "VERDUN" OF TRIUMPHANT CHRISTIANITY

(By Wilbur M. Smith)[1]

During the First World War, the fortress of Verdun was fiercely attacked by the Germans, and for 2 years they threw division after division of troops against this pivotal defense of the Allies. A million soldiers lost their lives, but the fortress held, and the brave French resistance gave rise to the motto, "They shall not pass." So long as

[1] Wilbur M. Smith is professor of English Bible in Fuller Theological Seminary and editor of Peloubet's Select Notes on the International Sunday School Lessons. A prolific writer, he is author of numerous books and magazine essays.

Verdun remained unconquered by the Germans, there was hope for the Allied cause, and, finally, the assurance of ultimate victory.

No one questions the fact that the Christian faith during the last 50 years has been under more terrific attack than at any time since the cessation of persecution in the early centuries. As Archbishop Garbett said in his notable work, "In an Age of Revolution," "The advances made in scientific knowledge, the results of Biblical criticism, and the mental and spiritual disturbance caused by the wars, have shaken the traditional beliefs and customs. There is more open and aggressive atheism than at any other period of human history. In Russia, in Germany, in France, and in many of the central European and Balkan nations. Christianity is treated either with hatred or contempt. Far more general is the attitude of almost complete indifference to religion and ignorance of its nature. Except for occasions such as baptisms, marriages, and funerals, the ordinary man has little contact with the church or its ministers."

Though one confesses this with grief, all men—whether Christians or pagans, believers or scoffers—must recognize that the Christian faith is counting for less and less with the passing of each successive decade. I am referring here to conditions in general. We must not see world conditions through the spectacles of some local, evangelically active area, such as southern California, or perhaps the church life of the Twin Cities. Maritain has said, "It is not Europe alone, it is the world, it is the whole world which must now resolve the problem of civilization" ("The Twilight of Civilization," 1944, p. 64). Attacks upon the Christian faith are are being projected from almost every major area of life, even from the area of eccelesiasticism.

THE COMMUNIST THREAT

First, we must reckon with this hideous monster that has arisen in our century to threaten the liberties of man and challenge the whole free world, namely, communism. I know that people grow weary of hearing this word, but we must face the facts. Communism is not simply anti-Christian, it is anti-God. It is atheistic and vigorously so. The Soviet Encyclopedia goes so far as to say that Jesus of Nazareth never existed. There are 200 million people today in the Union of Soviet Republics. There are 630 million people in Communist China. This makes a total of 830 million people who are consistently exposed to anti-God propaganda. Yet this virus of communism is in the vitals of all nations, more or less. It is vigorously being propagated in Japan. It is blatantly arrogant in our own country. Some of its principles infiltrate many of our textbooks. We are now on the verge of a great student exchange movement, when thousands of our college students will be studying in Russia, and thousands of Russian students will be studying in this country. The day is not far off when we are going to be challenged with the atheism of these communistic nations more directly than most people today dream.

SCIENCE AND AGNOSTICISM

In the second place, modern science—fascinating, indispensable, exciting in its discoveries, and more and more dominating every department of life—is today, for the most part, totally indifferent to the Christian faith. I believe one is safe in saying that not 10 percent of the outstanding scientists of our Nation are Trinitarians today. I have not yet shaken off the sense of shock which recently came to me in reading a new volume titled "Science Ponders Religion," edited by the distinguished astronomer of Harvard University, Prof. Harlow Shapley. Eighteen well-known scientists of our country, some now in the prime of life, almost all of them with distinguished careers in teaching in our larger colleges and universities, attempt in this book to set forth their conceptions of religion. Let us remember these men are not purposely attacking Christianity. They are not writing from Moscow, but from the United States. And yet not one of these scientists confesses that he believes in a personal, sovereign, omnipotent God, nor does one of them confess to any sure hope of personal life after death. Not only is their own position agnostic, but they frankly say they represent a true cross section of what scientists today think about religion, and I am quite sure that in this they are correct. As Dr. Leslie Newbigin has said, "The typical and dominant scientific man of the West is to a large extent alienated from the Christian tradition.

"It is impossible to exaggerate the importance of the fact that at the moment when the scientific culture, which was formed within the Western Christian tradition, has achieved worldwide expansion and dominance, its unity with the supernatural faith in which it was begotten has disintegrated" ("Summons to Christian Mission Today" in the "International Review of Missions," April 1959, p. 178).

PHILOSOPHICAL UNBELIEF

Modern philosophy is more outspoken than science in its antagonism to the Christian faith. A recent volume by the German scholar, Dr. I. M. Bochenski, "Contemporary European Philosophy," reinforces the impression that the philosophers who have exercised the greatest influence over the world of thought since the dawn of this century are all atheists, with possibly one exception, Whitehead, and he was by no means a Trinitarian. In this volume, the modern philosophers are introduced by a chapter on Bertrand Russell. This is followed by one on the Italian, Benedetto Croce, emphatically atheistic. Next follows John Dewey, who exercised such a pernicious influence over modern American education, and who once wrote that the greatest hindrance to the progress of modern man was his belief in the supernatural. Then there is a chapter on Martin Heidegger, of whom a contemporary professor of philosophy has recently said, "He regards the atheism of Nietzsche and Marx as a salutary attempt to purge us of idols." And last comes Jean-Paul Sartre, the most vigorous atheistic philosopher of our day. It is not necessary to add that in the realm of psychology the most profoundly influential in this department has been Freud, who scoffed at the very idea of the existence of a personal God.

In 1951, the New York Times had a remarkable article on the 100 greatest books of the preceding century. Careful study of these authors, however, would reveal that not more than eight of them could be called Christian, and they were not among the most influential. More than half were deliberately and vigorously antagonistic to Christian principles.

UNBELIEF WITHIN THE CHURCH

Moreover, while unbelief multiplies on every hand, in Christian as well as Muslim countries, the church itself is being tragically weakened by betrayal from within. Two most recent illustrations of this will suffice.

Probably during the last 30 years, the outstanding single ecclesiastic in the Methodist Church has been Bishop G. Bromley Oxnam, who retired from the active bishopric only last year. He has been chairman (1939–44) of the division of educational institutions for the Board of Education of the Methodist Church; from 1940 to 1948, in the same great denomination, he was chairman of the Commission on Public Relations and Methodist Information; while for 8 years, 1944–52, he was president of its division of foreign missions. For many years, he was chairman of the Methodist Commission on Chaplains. Bishop Oxnam also was on the board of trustees of numerous educational institutions and was the president of the board of trustees of Wesley Theological Seminary, Washington, D.C. He was a professor in the University of Southern California, and also in the Boston University School of Theology, and president of DePauw University for 8 years. He has been a bishop in the Methodist Church since 1936 and has served as president of the Council of Bishops. In addition to the highest possible offices in his own denomination, he was president of the Federal Council of Churches from 1944 to 1946, and president of the World Council of Churches, 1948–54. In his book "Testament of Faith" (Boston, 1958), he not only ridicules the idea of the Virgin birth and scoffs at biblical inspiration, but he emphatically repudiates even such a truth as the atoning work of Jesus Christ our Lord. "I have never been able to carry the idea of justice to the place where someone else can vicariously pay for what I have done in order to clean the slate" (p. 38). "They argue that God sent His own Son who died upon the cross and, in so doing, satisfies God's sense of legislative justice. It simply does not make sense to me. It is rather an offense. It offends my moral sense" (p. 41). "Must God have a sacrifice, the lamb slain from the foundation of the world, as the Book says? No, no; I cannot think of it this way" (p. 42). And what is the bishop going to do with his sins? He tells us, "I cannot see forgiveness as predicated upon the act of someone else. It is my sin. I must atone" (p. 144).

More recently, Bishop James A. Pike of the Protestant Episcopal Church, bishop of the Diocese of California, in an article in the Christian Century (Dec. 21, 1960) says of the Virgin birth: "I am inclined to believe it is a myth." On the work of the Holy Spirit, he says: "I no longer regard grace or the work of the Holy Spirit as limited explicitly to the Christian revelation." Of the Bible, he says, "It came along as a sort of Reader's Digest anthology." But it is on the great doctrine of the Trinity that he most blatantly reveals his unbelief. "Take the Trinity—a doctrinal formulation which I did not question 10 years ago—I can't see its permanent value. I see nothing in the Bible, as critically viewed, which supports this particularly weak and unintelligible philosophical organization of the nature of God." "In other words, I believe totally in that which the formula is seeking to express; my belief is in God, not in men's formula about Him." Like Bishop Oxnam, Bishop Pike has been active in educational work.

The terrible significance of these denials of basic Christian truths is the more ominous in that the respective churches of these ecclesiastical leaders are so silent about it all. I do not know of one official organization in the whole of Methodism, or any group of ecclesiastical leaders within that church that has had the courage (or even the desire) to speak out publicly and forcefully against such repudiations of the faith. Some Episcopal clergymen have recently declared publicly their full support of Bishop Pike. If bishops may deny the faith, then certainly the clergy have the same privilege. Indeed, for the sake of harmony, why may not the day soon be upon us in which the bishop will urge his clergy to stand with him in his opposition to biblically revealed truth? And, if those who are the ordained teachers and preachers of the Holy Scriptures no longer believe in the divine origin and absolute authority of the word of God, surely the laity need not believe, and unless some other more wholesome influences are at work in their hearts and minds, they most certainly will not believe.

The emphasis on myth, which has no powerfully gripped theologians on both sides of the Atlantic and has penetrated into many pulpits of the continent, of course destroys confidence in and even need for the actu-

ality of New Testament events which the church has always considered undeniably historic. Modern man is not going to come under any conviction of his need of salvation through Jesus Christ if he can reduce the crucifixion, the resurrection and the ascension in mythological nomenclature.

Some denominations, by their own authorized and widely distributed Sunday school literature, and study books assigned for teaching in church organizations, are sowing seeds of doubt as to the truthfulness of many supernatural events in the Gospels. I have before me one on the Gospel of John which, in referring to the raising of Lazarus, says that this record may have four different interpretations, of which the view that it was an historical event is dismissed as the least valid. Other than that, it might be taken as just a piece of fiction, or a misinterpretation, or a parable. Young people, mastering the laws of chemistry, biology, and physics, are not going to find the gospel of Christ powerfully appealing to them if they are being taught that what the New Testament sets forth is to be considered as superstition, or as spiritual truths couched in historical form but all the while decidedly unacceptable as history.

The Bible is the Verdun of the Christian church. Unless there is a definite reversal of the more powerful currents in modern thought, the Christian church may have to contend with a condition of universal repudiation of the preeminence and authority of the Scriptures, the uniqueness of Jesus Christ and his salvation, and of belief in the eternal, omnipotent, sovereign God.

THE BIBLICAL WARNING

Yet, such a situation as this, of fierce antagonisms against our faith, need not take us wholly by surprise if we are careful students of the word of God. The Apostle Paul said that Satan, the god of this world, has blinded the minds of men (II Corinthians 4: 7). Our Lord warned us again and again that there would come, with particular power at the end of the age, false prophets, false Christs, and false teachers (Matthew 24: 11, 24; II Peter 2: 1). In fact, so the New Testament tells us, it is Satan who has deceived the whole world (Revelations 12: 9; 20: 3, 8, 10). Our Lord said that though he spoke the truth and was the Truth, Satan was a liar and the father of lies (see John 8: 40–46; 15: 26; 16: 7, 13). There is the spirit of truth and the spirit of error, and these two must ever be in conflict. Indeed, said the Apostle Paul, at the end of this age men would turn from sound doctrine and follow those who preached flattering and false gospels (II Timothy 4: 1–4).

Now we might well ask ourselves the question: Well, what of it? What if faith in the Bible does go? What if believing Christ to be the Son of God and the Saviour of men is to be, for the most part, erased from the convictions of humanity—what difference does it make?

First of all, let men lose confidence in Jesus Christ as revealed in the Scriptures and we lose any satisfying knowledge of the true and living God. No religion in this world or philosophy or science dare talk to us with evidence about a God of love, and a God of holiness, except that religion which is built upon the Bible. Our Lord said those who have seen him have seen the Father also. I remember when the atomic bomb was first exploded. Dr. Compton said, "Now we know there is a God." What nuclear fission has to do with a knowledge of God, I wouldn't know, but in all the years since none of these physicists, to the best of my knowledge, are echoing Dr. Compton's words. Secondly, without faith in the person and work of Jesus Christ, men will not have and cannot have a Saviour from sin who can make men walk in the liberty of the children of God, who is able to reconcile men unto God, and who can deliver them from the wrath to come. How foolish did so great a man as Emerson appear when more than 100 years ago he talked about looking for a new great Saviour from the West? The tragedy today is that most men don't even believe that we need a Saviour; they think we need nobody but ourselves. Indeed with the loss of the living conviction of a sovereign and holy God, and of life after death, the sense of the very need of a Saviour disappears too.

Thirdly, without Jesus Christ, no man has any adequate reason for real hope for the future. Our Bible talks about the day when God is going to make this an earth of righteousness, when sin will be judged, when the supernatural enemies of mankind will forever be put away, when the dead in Christ shall be raised, shall be in the presence of God and possessed with eternal life. These are the things that will go if Christ goes. It has always been true, it is true today, and it will forever be true, that men without Christ are without hope in this world (Ephesians 2: 12).

Is it not also true that if the Christian faith goes, along with the highest ethical principles ever known on earth, even those restraints that still exist, which tend to make men decent, honest, and truthful, will be removed, and we are already as lawless in thought and deed as we dare to be? Even such an atheist as Bertrand Russell would testify to this. In his lectures at Columbia University, which were published under the title "The Impact of Science on Society," he apologetically confesses that the only hope for the world is in what is called Christian love. These are his words: "The things that it (our age) must avoid and that have brought it to the brink of catastrophe are cruelty, envy, greed, competitiveness, search for irrational subjective certainty, and what Freudians call the death wish. The root of the matter is a very simple and old-fashioned thing, a thing so simple that I am almost ashamed to mention it, for fear of the derisive smile with which wise cynics will greet my words. The thing I mean—please forgive me for mentioning it—is love, Christian love, or compassion. If you feel this, you have a motive for existence, a guide in action, a reason for courage, an impressive necessity for intellectual honesty. If you feel this, you have all that anybody should need in the way of religion. Although you may find happiness, you will never know the deep despair of those whose life is aimless and void of purpose; for there is always something that you can do to diminish the awful sum of human misery" (pp. 59 f.) And from what source does Christian love derive? It comes from faith in and obedience to Jesus Christ, and is revealed fully and truly only in the Holy Scriptures.

In saying that full confidence in the divine origin of the Bible and faith in the word of God are being erased in our desperately critical and convulsive midtwentieth century life is not to say, however, that the word of God is itself in danger of being extinguished. The all-powerful and eternal God himself has said, "I watch over my word to perform it" (Jeremiah 1: 12). The Lord Jesus said that though "heaven and earth will pass away * * * my words will not pass away" (Matthew 24: 35). I believe that. Peter was right that "the grass withers, and the flower falls, but the word of the Lord abides forever" (I Peter 1: 24, 25). Even when the beast and the false prophet bring together that great federation of demon-possessed kings at the end of this age to go out and wage war against the Lamb, we are told that it is God himself who "has put it into their hearts to carry out his purpose by being of one mind and giving over their royal power to the beast, until the words of God shall be fulfilled" (Revelations 17: 17).

THE HOPE FOR REVERSAL

What will bring about any reverse in this alarmingly growing mood of unbelief and denial? There is only one hope, so far as you and I know, and that is in a return to, a full confidence in, and a loving obedience to, the Holy Scriptures. Philosophy is not going to bring us to God—it never has. All the marvelous discoveries of nature are not leading us into a deeper reverence for God, and most of those engaged in these necessary enterprises do not even give God a thought. We talk about the coming of a new society for a new world, but if the next 50 years show the same graphs as the last 50, then we will have greater periods of destruction, a higher crime rate, more violence and racial hatred than the world has ever known. Who can judge and control the human heart but God alone? Certainly, no legislation of any government can bring us to God. And most of all, what is in the heart of men by unaided human nature is not going to give us a knowledge of God. The heart is desperately wicked. I shudder when I see posters on the bulletin boards of some churches that read "God is the best that is in you." Our Lord said, "I have told you the truth." And then He asked the sad question, "If I tell the truth, why do you not believe me?" (John 8: 45, 46).

At the dawn of human history, Satan's first words to unfallen man were, "Yet, hath God said?" And our first parents, finally concluding that God has not said what they thought they heard, or at least, that what God said was not true, turned their backs on a righteous Creator and led the human race into a subservience to the father of all lies. Even Eve, within a few hours, confessed how tragic was her decision when she acknowledged that the serpent had deceived her. Satan is asking this more loudly, with greater sarcasm than ever in human history, and is appealing to the growing pride of man in his "yea, hath God said?" The answer man gives to that question will determine the destiny of his soul, and the answer that this age gives to that question today will determine more than anything else whether we will continue to rush into one great final overwhelming disaster, or whether there will remain still a time of grace and an opportunity for lost men to be saved, for men dead in trespasses and sins to be possessed with eternal life, and for those who are without hope to cry out, "Blessed be the God and Father of our Lord Jesus Christ, which hath begotten us again unto a lively hope by the resurrection of Jesus Christ from the dead" (I Peter 1: 3).

THE STRATEGY OF TERROR

Mr. WILEY. Mr. President, the September 11 edition of the U.S. News & World Report contains an editorial entitled "The Strategy of Terror," written by David Lawrence. He has reached the conclusion that we should put our scientists and engineers to work to perfect a means of sending radio messages to the Russian people by devices that cannot be jammed by the Moscow government. He says:

> We must reach the Russian people. For they and other peoples behind the Iron Curtain must be told of the dangerous game Khrushchev is playing.
>
> The strategy of terror which the Soviet Premier has undertaken can and must be met with resoluteness and by appeals to all mankind to unite in a crusade to preserve our civilization.

Mr. President, yesterday the President of the United States announced the resumption of underground nuclear tests. Naturally, our security stands as the number one consideration. According to experts, however, we now have an ample arsenal of nuclear weapons.

It was after the third bomb explosion that the President spoke up.

It is his function to do so. For the 22-odd years that I have been a Member of the Senate I have never thought it was my part to criticize the Executive when he was performing an executive function. So in this case I say he has made the decision, and it must stand. I ask unanimous consent to have the article to which I have referred printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE STRATEGY OF TERROR

(By David Lawrence)

Since ancient days tyrants have brandished their weapons of war. Sometimes they have tried, by a strategy of confusion, first to divide and then to conquer nations in alliance against them. Sometimes they have endeavored, by a strategy of terror, to frighten their opponents into submission.

But it will become clear soon that Nikita Khrushchev has committed his worst blunder. For he stands alone today before mankind as the man who threatens its destruction.

Who will be impressed by his bluster? His own people, who are frightened at the thought of a nuclear war? The Western Allies, who feel they have an adequate stockpile of weapons with which to retaliate in kind?

Then, it may be asked, what was the real purpose of the statement by the Soviet Premier in which he not only announced his resumption of nuclear tests but also threatened the world with superweapons of incredible power to destroy people at any moment at any spot on the whole world's surface?

Conceivably Khrushchev is like Hitler, who also thought that mere threat would suffice to cause his opponents to surrender without a fight. Back in the 1930's there were Americans who visited Nazi Germany, saw the armament there—guns and tanks and planes—and came back to proclaim that Hitler was invincible. They thought we had better make a deal.

There are voices today which constantly call for negotiation with the Soviets on the theory that somehow, with a concession here and there, the dictator in Moscow may be satisfied on the West Berlin issue. Experience, however, teaches us that the appetite of such tyrants is never satisfied and that it is wiser to stand up to their bluffs at the outset of their campaigns of terror.

Why did Khrushchev take this step? For years he has been back of a worldwide propaganda—which many westerners have gullibly swallowed—that radioactive fallout from mere testing would ruin the health of mankind and that nuclear tests must be banned. Now he turns about and orders testing in utter disregard of Russia's own viewpoint expressed repeatedly in the past. The New York Times rightly declares:

"Premier Khrushchev's action again demonstrates that the whole Soviet propaganda for both a nuclear test ban and total disarmament is only a gigantic hoax perpetrated on the world."

It can only mean that the Soviet Premier is convinced that he can scare the Western peoples and their governments into surrender merely by persistent threats to use nuclear power. President Kennedy properly characterizes this as "primarily a form of atomic blackmail, designed to substitute terror for reason."

What is our next move? Shall we resume testing, as many of our scientists and Government officials, including Members of Congress, have been advocating? One view has been that the Soviets brought about the voluntary test ban merely to get 2 or 3 years in which to catch up to us by secret testing and that we may fall behind now unless we try out some of the many devices accumulated on our drawing boards.

The President has not been stampeded into ordering nuclear tests to be resumed immediately. He is biding his time for a while to allow the full significance of what Khrushchev has done to sink in throughout the world. Presumably we are confident that we have the power to inflict what has been called massive retaliation.

Since, to be sure, we are still ahead on atomic research and since we do have an enormous stockpile of nuclear weapons, a few weeks might not make much difference. But clearly we cannot take chances. For the big question is whether we can intercept the Soviet missiles or render them harmless by counterweapons.

It is rumored, for instance, that Russia hopes to test and perfect a superbomb which might destroy 95 percent of our retaliatory power in a first blow, and carry on for at least 9 hours thereafter such an interference with radio transmission as to render our manned bombers helpless to reach their targets.

If such a terrible thing is on the drawing boards, it is up to the American Government to continue its tests for a deterrent weapon. We can dilly-daily only a little while as world opinion rallies behind our position. But we must not delay unduly.

We should, moreover, put our scientists and engineers to work to perfect a means of sending radio messages to the Russian people by devices that cannot be jammed by the Moscow Government.

We must reach the Russian people. For they and other peoples behind the Iron Curtain must be told of the dangerous game Khrushchev is playing.

The strategy of terror which the Soviet Premier has undertaken can and must be met with resoluteness and by appeals to all mankind to unite in a crusade to preserve our civilization.

BURNS DITCH HARBOR AND THE INDIANA DUNES

Mr. DOUGLAS. Mr. President, opposition is mounting to the wasteful $80 million harbor which has been proposed for the Burns Ditch area in the Indiana Dunes. On August 28, this year, one of the biggest, most public spirited of American corporations, Inland Steel Co., made known its opposition to this proposal in a letter to the U.S. Army Engineers. Inland Steel Co. owns more than a square mile of lake front property in the Indiana Dunes, very close to Burns Ditch itself. It might be expected, therefore, that this company would favor the Burns Ditch Harbor project, but apparently this is not the case.

In its letter, Inland Steel Co. states that nearly all of the traffic which the Burns Ditch area could possibly handle would be used by two companies: Midwest Steel Co., which is a wholly owned subsidiary of National Steel Corp., headed by George M. Humphrey; and Bethlehem Steel Co.

The letter points out that according to the October 1960, Corps of Engineers interim report on the Burns Ditch Harbor proposal, the oversea general cargo at Burns Ditch is estimated to be only 165,000 tons at the end of the 10th year, while the average annual waterborne traffic in connection with the steel mills is said to be 10 million tons.

Inland Steel Co., therefore, correctly states that the huge expenditures of the Federal Government in the amount of $36 million, and of the State of Indiana in the amount of $38 million, would be almost exclusively for the benefit of those 2 companies, and that even this statement should be qualified by the further fact that both Bethlehem Steel Co. and Midwest Steel Co. have refused to make any commitments as to when they will complete fully integrated steel plants.

The senior Senator from Illinois has been stating for many months, over several years, that he is not opposed to a harbor in Indiana, or rather to an additional harbor in Indiana. He is opposed to a harbor in the Burns Ditch area, because it would destroy this beautiful and irreplaceable dunes and lakeshore region which should be preserved as a recreational area for the use of all the people. However, the Senator from Illinois has suggested that a new harbor could be built in Lake County, Ind., to the west of Gary, by continuing the breakwater and connecting the harbor at Lake Calumet with Indiana Harbor, or a point beyond Gary itself.

I am very happy to say that the Inland Steel Co. suggests this as an alternative, and asks the Corps of Engineers to consider this alternative before it comes out definitely and finally in favor of the Burns Ditch Harbor.

I ask unanimous consent that this letter be printed in the RECORD at the conclusion of my remarks. Earlier today I received permission from Mr. Joseph Block, the president of Inland Steel, to have the letter made a matter of public record.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. DOUGLAS. Mr. President, I wish to commend Inland Steel for the position it has taken. Frequently it is difficult for one company to take a stand in opposition to the plans of other companies. But this reinforcement from Inland Steel will be of tremendous help to those of us who are trying to save the Indiana Dunes for the people.

EXHIBIT 1

INLAND STEEL CO.,
Chicago, Ill., August 28, 1961.

Re interim report on Burns' Waterway Harbor, Ind.

U.S. ARMY ENGINEERS,
District of Chicago, Corps of Engineers, Chicago, Ill.

GENTLEMEN: Reference is made to a hearing scheduled to be held in the house chambers, State House Building, Indianapolis, Ind., at 10 a.m., central daylight saving time, August 30, 1961, in connection with the pending study of harbor improvements at Burns' Waterway, Ind.

Inland Steel Co. has, since 1919, owned more than 800 acres of land abutting on Lake Michigan in Porter County, Ind., in the vicinity of the Burns' Waterway Harbor proposed in the interim report dated October 1960. This property has been held and continues to be held for the purpose of building a steel plant with harbor connections. Inland Steel Co. recommends disapproval of this project for the following reasons:

1. As indicated in the October 1960 interim report, oversea general cargo traffic at Burns' Waterway Harbor is estimated to be only 165,000 tons per year by the end of the 10th year

and, even by the end of a 50-year period, is estimated to be only 370,000 tons per year. In contrast with this figure, the annual average waterborne traffic in connection with the steel mills proposed to be built at this site is 10 million tons. When it is considered that the Federal Government's investment, as proposed, would be in excess of $36 million, and that the State of Indiana would invest $38 million, it is respectfully submitted that these huge expenditures are mainly for the benefit of two private steel companies. Of the estimated annual average waterborne traffic for this harbor, 8,800,000 tons of the total of 10 million tons is from coking coal and iron ore and, until coke ovens, blast furnaces and steel furnaces are installed, the actual tonnage will be negligible. In this connection, the following quotation from the Indianapolis Star of June 14, 1961, attributed to A. J. Berdis, president of Midwest Steel Co., is pertinent:

"In view of the uncertainty of the economic situation it is not possible for us to make a firm commitment as to the time when we could build a fully integrated steel plant here."

It is also our understanding that Bethlehem Steel Co. has consistently refused to make any specific commitments as to its development of their property in the vicinity of the proposed harbor.

2. With respect to alternate sites, the Indiana cities of Hammond, Whiting, and East Chicago have passed resolutions urging their Congressmen to petition the Corps of Engineers to make studies of a port located adjacent to these three cities. Such a resolution has been introduced by Congressman MADDEN and is being considered by the Committee on Public Works of the U.S. House of Representatives. It would seem proper to delay further consideration of the Burns' Waterway Harbor to permit a comparative study of a port to be created by a breakwater connecting Calumet Harbor with Indiana Harbor or beyond. A harbor at this location would complement the presently existing Calumet Harbor and the straightening of the Calumet River between the harbor and Lake Calumet and should encourage the more effective use of the multimillion-dollar facilities which have been constructed in that area by the Chicago Port Authority.

It should also be pointed out that the Monon Railroad has made plans for improving the harbor at Michigan City and has had a loan guaranteed by the Interstate Commerce Commission for the improvement of this port. This would provide facilities for the handling of bulk and general cargoes at no expense to the State or the Federal Government.

3. As indicated in 1. above, the justification for a harbor at Burns' Waterway seems to be directly connected with possible future steelmaking and related facilities there and, in view of the large public expenditures, both Federal and State, there should be assurance, at the very least, that other industries in the area and the public have access to such a waterway on an equal basis with the two adjoining steel companies.

For the above reasons it is respectfully submitted that the report disapprove the Burns' Waterway Harbor or that further consideration be postponed until an alternate harbor, to be constructed by connecting Calumet Harbor with Indiana Harbor, can be studied.

Respectfully submitted.

H. W. JOHNSON,
Vice President.

TRANSPORTATION SUBSIDIES AND REGULATION

Mr. BUSH. Mr. President, the Wall Street Journal recently published an editorial entitled "How Not To Run the Railroads." The Interstate Commerce Commission has made some comments about subsidizing railroads. I believe Congress will have to consider measures relating to the subsidizing of railroads. However, if this subject becomes a matter of consideration by Congress, there are other problems which must be taken into account besides merely voting a dollars subsidy to the railroads. This subject is discussed in the editorial published by the Wall Street Journal. I ask unanimous consent that the editorial may be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HOW NOT TO RUN THE RAILROADS

There's certainly no arguing the fact that many of the Nation's passenger-carrying railroads are in financial trouble. So there's a certain plausibility about the Interstate Commerce Commission's suggestion that the public, if they would like to go on riding the railroads, should carry them over their difficulties to the tune of perhaps $52 million a year.

That would offer an easy way out for all concerned, except of course for the taxpayer. But what are some of these difficulties that the people must pay to repair?

The ICC itself notes the huge Government spending for vast highway, airport, and airway modernization, all of which make travel more convenient for the people but which also provide public subsidy to the carriers competing with the railroads. Considering the cost of maintaining roadbeds and control systems, this is no small factor in the equation.

Even this is not the whole of it. For in addition the railroads are taxed, and taxed heavily, for the privilege of bringing trains into the cities for the benefit of the public. In New York City, to use one example, the bus depot was built and is operated by the public Port Authority; the cost of building and operating Grand Central and Penn Stations are borne by the railroads and the city taxes them for the use of the property. The rental charges paid by the business (or by the airlines for using their terminals) are nowhere near comparable in cost to the capital charges met by the railroads.

The ICC itself further compounds the difficulty. Not long ago it turned down a railroad request to lower charges on certain farm commodities, the reason given being that the ICC thought the rates insufficient and unfair to competing carriers. In short, the railroads are so overregulated that their managements often cannot act to meet the competition.

A good bit of that competition, incidentally, is not regulated at all. As the highway system has expanded, more and more freight is being hauled by private, rather than common carriers, with the roadbeds being supplied at public expense.

In sum, then, it is government itself—Federal, State and local—which is creating the situation in which Government officials must now talk about subsidizing the railroads. We agree that if this situation long continues, it will be impossible to resist the arguments for rail subsidies. But if we come to that, it will surely be a ridiculous bit of business.

If the country is going to keep the railroads going, it does need to redress the balance. But the simplest way is to put all forms of transportation upon the same basis as regards taxes and Government regulation, to cease subsidizing one form of transportation at the expense of another. The best way to make the railroads run is to stop blocking them.

SOUTHWEST SEMINAR ON MANAGEMENT AND USES OF NUCLEAR ENERGY

Mr. McCLELLAN. Mr. President, President Kennedy's statement yesterday that the United States will resume nuclear testing is a most vital pronouncement and one that announced a course which is certainly in the best interest of our country and the entire free world. It will serve notice on the Soviet Union that the United States will not relinquish its leadership or allow its present superiority in the nuclear field to be diminished in any substantial degree. In addition, the President's statement is a strong reaffirmation of our country's determination to enhance and promote the peaceful uses of nuclear resources and products and in the same effort to keep our arsenal of nuclear weapons fully stocked as a deterrent to those who would destroy us.

Mr. President, Arkansas was greatly honored last week to serve as host to the Southwest Seminar on Management and Uses of Nuclear Energy. This meeting was held in Hot Springs, Ark., from August 29 to September 2. The purpose of the conference was to find ways and means by which the several States can contribute to the advancement and full utilization of nuclear energy for progress in agriculture, industry, and in all areas of endeavor. I was privileged to view some of the exhibits at the Southwest Seminar, and I firmly believe that this conference is a significant step in the building and strengthening not only the States whose delegates were in attendance but the entire Nation as well. I hope that the holding of such a seminar will be repeated many times over. Such a seminar provides valuable information that the citizens of our country want and need to know about.

Finally, Mr. President, I would call the Senate's attention to a resolution adopted by the first extraordinary session of the 63d General Assembly of Arkansas. This resolution was adopted on September 1, and it memorializes and urges the Congress to go on record as favoring a prompt resumption of our nuclear weapons testing program; and, in that respect, it is in accord with the action taken yesterday by the President of the United States. I ask unanimous consent that this resolution, House Concurrent Resolution 6 of the Arkansas Legislature, be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE CONCURRENT RESOLUTION 6

Whereas the Western World has been threatened with resumption of nuclear testing by Soviet Russia; and

Whereas there is, in fact, no evidence that Russia has not been detonating some nuclear weapons even during the international ban on such activity, while the Unted States honorably refrained, in compliance with international agreement; and

Whereas one of the world's most eminent figures in nuclear weapons technology, Dr. Edward L. Teller, has declared publicly at the Southwest Seminar on Management and Uses of Nuclear Energy, August 31, 1961, at Hot Springs, Ark., that the dangers of nuclear testing have been greatly exaggerated

and that the United States probably is lagging behind the Russians in nuclear development both military and peaceful, and that our failure to test is due to fear; and

Whereas resumption of testing by the United States is, in Dr. Teller's estimation, important and essential to the best interests of this country: Now, therefore, be it

Resolved by the House of Representatives of the first extraordinary session of the 63d General Assembly of the State of Arkansas, (the Senate concurring therein), That the Congress is hereby memorialized and urged to put the legislative branch of the National Government on record as emphatically favoring a prompt resumption by the United States of its nuclear weapons testing program for the common good and the advancement of both military and peaceful nuclear technology.

TALBOT FIELD, JR.
JOHN P. BETHELL,

Approved:

NATHAN GORDON,
President of Senate.
ORVAL E. FAUBUS,
Governor.

Mr. McCLELLAN. Mr. President, it is gratifying to me to know that the general assembly of my State took notice of the international crisis, particularly with respect to the deception, fraud, and advantages that Russia was taking in her secret testing of these weapons, and that the Arkansas Legislature took the initiative, so far as I know, in asking that the U.S. Congress indicate its sentiments, for the purpose of assuring the President of the United States that the citizens of our country want to see testing in this field resumed. I believe the President is taking the right course. I do not think we could safely do otherwise.

THE LATE JUDGE LEARNED HAND

Mr. BUTLER. Mr. President, few men have made a greater impression on their country and few jurists have contributed more to the history of American jurisprudence than the late Learned Hand.

The distinguished columnist of the Baltimore Sun, Mr. C. P. Ives, wrote a most moving article about Judge Hand in a recent issue of the Sun, and he concluded by saying:

With the increasing politicalization of our jurisprudence to which Hand testified, it has become normal to classify judges in ideological terms. But of Learned Hand one did not say that he was a liberal or that he was a conservative. One said that he was a judge and one of the wisest of judges said he was our wisest judge.

Judge Hand knew, as we should all remember, that there is much to be learned from those who have lived before and from that which has occurred before. I, therefore, recommend to my colleagues the article "Our Wisest Judge," and I ask unanimous consent for its insertion in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OUR WISEST JUDGE

(By C. P. Ives)

Learned Hand's single claim to membership on the Supreme Court was superlative fitness to be a Supreme Court Justice. This he had shown in long years of service on the Federal Court of Appeals at New York. As Professor Kurland wrote, "If some members of (Hand's) court were hopeful of appointment (to the highest Court), the chosen path was by proof of capacity to fill the post and not by appeal to the electorate through the instrument of judicial opinions or public speeches." Yet strangely, or perhaps not so strangely, none of this court was ever raised to the Supreme Court whose vacancies were filled instead by a long series of lesser men whom Professor Kurland duly listed—not, we may be sure, in malice but in melancholy.

It was not a thing about which Hand himself said very much but there are some comments in a book published in 1958 on the general question of Supreme Court eligibility. "I submit," he wrote, "that insofar as it is made part of the duties of judges to take sides in political controversies, their known or expected convictions or predilections will, and indeed should, be at least one determinant in their appointment and an important one. There has been plenty of past experience that confirms this; indeed, we have become so used to it that we accept it as a matter of course."

But everything in Hand's philosophy resisted a political judicature. He was aware, of course, of the fashionable cynicism, out of dilute Marx and Freud, that all men are biased and, that being so, that the President might as well have judges who shared the Presidential biases. "There are those who insist that detachment is an illusion," Hand wrote in 1947, "that our conclusions, when their bases are sifted, always reveal a passional foundation. Even so: though they be throughout the creatures of past emotional experiences, it does not follow that that experience can never predispose us to impartiality. A bias against bias may be as likely a result of some buried crisis as any other bias. Be that as it may, we know that men do differ widely in this capacity; and the incredulity which seeks to discredit that knowledge is a part of the crusade against reason from which we have already suffered so bitterly."

For Hand knew the perils of a jurisprudence professing not abstract justice but the mere personal predilections of the judges: "The degree to which [the judge] will secure compliance with his commands depends in large measure upon how far the community believes him to be the mouthpiece of a public will, conceived as the resultant of many conflicting strains that have come, at least provisionally, to a consensus. This sanction disappears insofar as it is supposed permissible to smuggle into his decisions his personal notions of what is desirable, however disinterested personally these may be." The consequence—expressed in sober understatement:

"Compliance will then much more depend upon a resort to force, not a desirable expedient when it can be avoided."

How did Hand's philosophy of judging come out in practice? He attacked from the beginning the modern notion that human or personal rights are more sacred than property rights. Just why property itself was not a personal right nobody took the time to explain. Along with all disinterested men Hand deplored the old pre-Roosevelt Justices who read their proproperty biases into the basic law. But by 1947, when personal rights were in issue, something strangely akin to the discredited attitude of the old apostles of the institution of property was regaining recognition. Hand could not see how, when concerned with interests other than property, the courts could have a wider latitude for enforcing their own predilections than when they were concerned with property itself.

This view naturally heightened Hand's concern when he was told in the 1950 trial of the Communist leaders that the use of informers against the accused, however tolerable in other cases, was here intolerable because human rights and intellectual values were at stake. Hand pointed out that the matter on appeal in his court was not one of doctrine but of criminal conspiracy.

"Courts have countenanced the use of informers from time immemorial; in cases of conspiracy, or in other cases where the crime consists of preparing for another crime, it is usually necessary to rely upon [informers] or upon accomplices because criminals will almost certainly proceed covertly."

But what about other prosecutorial devices by which the grim majesty of the state is arraigned against the lonely defendant in the dock? "Our dangers do not lie in too little tenderness of the accused," wrote Hand in a well-remembered opinion of 1923. "Our procedure has been always haunted by the ghost of the innocent man convicted. It is an unreal dream. What we need to fear is the archaic formalism and the watery sentiment that obstructs, delays, and defeats the prosecution of crime."

The larger interest which Hand always kept in mind was liberty and civility in an ordered social context. "Risk for risk," he wrote in 1952, "I had rather take my chance that some traitors will escape detection than spread abroad a spirit of general suspicion and distrust, which accepts rumor and gossip in place of undismayed and unintimidated inquiry." His ideal of justice was that every man should have his due—approbation and support for those who upheld liberty and civility, rejection and restraint for those who tore them down. No man knew better how fragile was the social context, how tenuous its support in the frailties of human nature. But Hand knew the strengths of human nature, too, and how they were best conserved and mobilized. "They taught us and we believed," he said in 1949 of his Harvard law professors, "that every civilized society must depend for its existence upon some body of principles ascertainable from not inaccessible sources, having moral authority and carrying sanctions.

"This authority which alone makes the sanctions tolerable is derived in large measure from continuity with the past; it is traditional. This is not because the compromises of the past, which these principles embody, are necessarily those that would emerge from similar conflicts today or, for that matter, were ideally the best even when originally they got themselves accepted. It is because they have proved their ability to withstand the shock and abrasions of time; because no better solutions have as yet been able to establish themselves in their place; and because man by his nature inevitably will act in large part on habit and convention."

Hand was as little sure as the next man what the country and the world would face ahead. But he knew with utter conviction how lawyers were to make ready: "This mansion of ours, where has ever dwelt what is fair and bright and of good report—let it not be said of us that we were not willing in our turn to set it in order, so that in the future as in the past it should nurture the best promises and the best hopes of our illustrious profession."

With the increasing politicalization of our jurisprudence to which Hand testified, it has become normal to classify judges in ideological terms. But of Learned Hand one did not say that he was a liberal or that he was a conservative. One said that he was a judge and one of the wisest of judges said he was our wisest judge.

CARROLL COUNTY (MD.) GENERAL HOSPITAL — DEDICATORY ADDRESS BY FORMER GOV. THEODORE R. McKELDIN

Mr. BUTLER. Mr. President, the new Carroll County General Hospital was recently dedicated at Westminster, Md., with a most inspiring ceremony which reflected the tremendous efforts which were put forth by Mr. Atlee W. Wampler, Jr., and his associated colleagues who composed the executive committee of the hospital drive. These gentlemen include Nathan Weinstock, chairman of the building and grounds committee; David A. Scott, chairman of the equipment committee; A. Earl Shipley, chairman of the medical committee; Scott S. Bair, chairman of the finance and investment committee; and Charles O. Fisher, chairman and counsel of the nominating committee. Credit should also be given to Mrs. Gladys M. Wimert who was president of the Carroll County General Hospital Auxiliary and the other charming ladies who served with her. The dedication address was made by former Gov. Theodore R. McKeldin and since it contains so many vitally important observations, I ask unanimous consent at this time to have the remarks of the distinguished former Governor inserted in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY THEODORE R. McKELDIN

Thank you for permitting me to participate in the dedication of this facility of medicine and surgery that is established for the better health and general well-being of a very substantial section of our citizenry. A hospital to a community is what a heart is to a person—the source of health, the preserver of life. The community mind may be distributed among the officials of various units of government, the business community, the professional groups, the unions of labor, and the organizations through which the farmers express themselves—for the mind is an organ of many parts. The soul of a community resides in its churches and in its religious life. But it is through its facilities for the health and happiness of the people that a village, a town, a city, or a county expresses its concern for the individual. Therein lies the heart.

A young man, responsible only for himself, traveling about the country, may be satisfied with any doctor or any medical facility that happens to be close at hand when illness overtakes him. He doesn't worry about it. But when he marries and settles down, when the children are born and he becomes the responsible head of a family, the heart takes over—the heart with its love and its concern for those who depend on him. Then he wants a family doctor. It is evidence of his maturity. So it is with a community. Through the years of its development and growth, other concerns may outweigh those of the general health and immediate care of the ill. When maturity comes, a hospital becomes a thing to be devoutly desired, if not an absolute necessity.

The area of Maryland which is Carroll County could have continued to exist and survive without its new hospital in the years, decades, and centuries to come, as it has in those that are gone. But it could not continue to exist and survive and show its concern for its citizens as well and effectively without this hospital as it can with it.

Your ambulances could have continued to rush your stricken citizens to the crowded hospitals of Baltimore and Frederick, but not as quickly as they can be moved to this fine and modern facility within your county borders. And, perhaps even more important, the great hospitals in other places never could give the citizens of Carroll County the sense of security that this hospital will give them. Neither could any distant hospital provide them with the healthy and healthful sense of pride that is embodied here in this handsome building, in the rooms and hospital beds, and kitchens and medicine closets and laboratories, and all the other facilities that it contains—but most of all in the fact of its accomplishment. For this is no hospital to which they merely can be admitted and treated. This is their hospital, the general hospital of their county or your county.

There have been many fine leaders in this venture from the founding of the war memorial fund drive in 1943 to the present leaders who will see that the work of the hospital is carried on in the great spirit in which it was built, and who will inspire others to preparation to succeed them.

I wish that Claude Kimmey could have been here to see this day's accomplishment. He was chairman of the war memorial fund drive, as you know, from its beginning until his untimely death in 1948.

Deserving of special mention are such people as Scott Bair, F. Kale Mathias, Nathan Weinstock, Dr. Charles Billingslea, Charles Fisher, David Scott, Earl Shipley, Ralph Bonsack, and Howard Koontz, Jr.—all officers of the board of directors or chairman of its standing committees.

And then there are Mrs. Gladys Wimert, president of the hospital auxiliary; and Clifton Warner, and Walter Bennett, Walter Speicher, Mrs. Ralph Price, Mayor Joseph Mathias, Sherman Flanagan, Mrs. Harry Reese, Jr., John Eckard, Dr. D. D. Caples, Paul F. Kuhns, Russell Morgan, Ray Riley, Daniel Stoner, Mrs. Darthean Fox. And there are so many more. Particularly, there is the president of the hospital, Mr. Wampler. Indeed, I would like to mention the name of nearly every citizen of Carroll County, for this is a community project in the finest and most effective sense of the word.

At the time of your ground breaking, less than 2 years ago, I recall hearing that the hospital corporation consisted of more than 5,000 members—a most amazing figure and one that truly bespeaks the high interest of the citizens in the community, its health and its well-being. You are indeed most fortunate in having Dr. Richard Y. Dalrymple as the chief of your medical and surgical staff, and in the quality of the other fine physicians and surgeons of this area who will serve the hospital. And I think those doctors will agree with me that they too are fortunate in having this wonderful new hospital in which to increase and improve upon the medical services which they have been rendering to you through the years.

In this country, imbued as we are by the tradition and the character of independence, we worry a great deal about regimentation. It is our nature to resist extremes in government. Most of us, in our love for individual freedom and our adherence to the source of power among the people, subscribe to the Jeffersonian tenet that that government is best which governs least. As individuals we want to choose our own ways of life within the law; to buy from stores of our choice; to travel by routes of our choice; to be treated in our illnesses by doctors of our choice. In regard to this last, we resent the threatened infringement by the Federal Government into the field of medicine. We hold the fear that this will lead to socialized medicine and eventually to the assignment to the people of doctors by government—or, to put it another way, assignment of people to doctors.

Well, the best way to avoid this is for individuals and communities to demonstrate their responsibilities and abilities to provide for the care of their own health and that of their neighbors. Carroll County today is taking a long and effective step in the direction of such community responsibility in the dedication of this hospital to the health and well-being of the people of this area. If every community would do likewise, our network of community hospitals plus this State's pioneer system of medical care for the indigent and medically indigent would make the bringing of federalized medicine to Maryland like the carrying of coals to Newcastle.

Congratulations to Carroll County and to all its citizens.

And thank you again for the inspiration that I have found here today. May many more communities of Maryland follow your wonderful example.

ESTABLISHMENT OF NATIONAL WILDERNESS PRESERVATION SYSTEM

Mr. PASTORE. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

Mr. PASTORE. I ask unanimous consent that the Chair lay before the Senate the unfinished business.

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business, which the clerk will state.

The LEGISLATIVE CLERK. A bill (S. 174) to establish a national wilderness preservation system for the permanent good of the whole people, and for other purposes.

IMPORTS OF RESIDUAL OIL

Mr. PASTORE. Mr. President, I speak today in behalf of the consumers of my State to ask for relief from an unnecessary and unjust burden—I ask the removal of the existing restrictions on the importation of residual fuel oil. Others of my colleagues from various States will rise to speak for their several areas.

We have one thing in common, fuelwise, we are penalized by our geographical disadvantage. Where we live and labor, fuel is hard to come by. We have no modern sources of fuel. Time was when the woodcutter of New England provided the fuel for our needs of that age. Then came coal until the transportation costs of coal priced it out of our market.

Let us take Boston as a focal point. Coal costs $5.59 a ton for delivery there. Residual fuel oil costs $1.16 a ton. One hundred thousand barrels of residual fuel oil is a full cargo for which the transportation bill to Boston would be $17,800.

Its heating equivalent in the form of bituminous coal from the fields of West Virginia would cost for transportation alone—without putting a penny into the pockets of the miners or mineowners—but for transportation alone would be $122,000. That's more than $100,000 greater than the transportation cost for residual fuel oil.

Offhand one might think that residual fuel oil use in these hard-to-get-to areas might be a cause of unemployment in the mining areas which are the proper concern of our colleagues from the States affected.

I, too, am concerned, along with my colleagues over unemployment in the coalfields of America. I have joined with those colleagues in the proposal for a natural fuels study to assay the causes and to effect a cure. But restricting the importation of residual fuel oil is not the cure. Let me give you the simple mathematics in proof. In 1950 there were 415,582 men engaged in the bituminous coal industry. Ten years later there were only 159,100 men employed.

But the use of residual fuel oil in the United States had nothing to do with that—nothing at all. During that same ten year period the use of residual fuel oil in the United States remained practically constant. It was 554 million barrels in 1950 and only 556 in 1960.

So the 260,000 coal miners did not lose their jobs to residual fuel oil. They lost their jobs to automation. They lost their jobs to tremendously increased productivity. This productivity was 13.25 tons per man-day in 1960 as against 6.77 tons per man-day in 1950. Productivity just doubled.

Yes, the demand for residual fuel oil has remained constant. But the domestic supply did not remain constant. It has dropped radically. Where we used to get 30 percent residual per barrel of domestic oil, we now get 8 percent. That is all to the credit of American industry and its techniques—higher and higher grades and smaller and smaller percentage of residue, the residual fuel oil, the thick low grade petroleum product used by our industry, our large buildings, our apartment houses, our hospitals, our schools, our ships.

We cannot emphasize enough that residual imports do not replace an American market. They fill the lag in American production; they fill the gap between domestic supply and domestic demand.

We are fortunate in having an established source of supply in our friendly neighbor, Venezuela.

Thirty months ago, on March 1, 1959, import restrictions were instituted under the broad aspects of a crude oil quota system. The announced purpose of the controls was to safeguard the U.S. oil reserves and reduce foreign competition to the domestic oil industry.

Residual fuel oil was included not by reasoning but by relationship as a petroleum product. I say it was not a reasoned inclusion. Witness the statement of the Chairman of the Eisenhower Cabinet Committee on Trade Policy at the time these restrictions began. He is the Honorable Sinclair Weeks, a former Secretary of Commerce.

It was never the recommendation of my Committee—

Mr. Weeks said—

that residual fuel oils be included in crude oil restrictions. It is my understanding that quotas on residual fuel oil were imposed because some importers were re-refining in contravention of the entire program. But it is obvious that restrictions should be removed on residuals used for heating and industrial purposes.

He continued:

In New England where winters are hard and we have no original sources of fuel, import restrictions have created shortages of a commodity necessary to the survival of our businesses and the welfare of our citizens.

What has become of the announced purpose of safeguarding our oil reserves and our oil industry? The oil industry is not at all worried over competitive imports of an unprofitable product like residual fuel oil. Refiners can make more money by producing less residual oil.

The majority of the American petroleum industry today supports removal of residual oil restrictions. That is the best possible evidence that imports of this commodity do not hurt the industry. They have no effect on its stability. They have no effect on stimulating exploration for new oilfields. They have no practical effect, good or bad, on our oil industry. And the industry itself says so.

But restriction of importation of residual fuel oil has had a truly bad effect on fuel users, and indirectly, on every electric utility customer, every hospital patient, on every taxpayer. Those restrictions added several hundred thousand dollars to Uncle Sam's fuel bill last year. Across the country, prices have risen for competing fuels as well as residual fuel oil, although world prices of residual have been dropping.

For the small users, in particular, supply has become uncertain and subject to bargaining. Advantages of orderly distribution in a free market have disappeared as the disadvantages inherent in a controlled market have grown.

Overall, the restrictions on imports of this necessary fuel have served to put its users at a serious competitive disadvantage at home and abroad.

The Interior Department, watchdog over our Nation's petroleum resources, has recognized the need for imports of residual oil and has indicated unequivocally its intention to permit sufficient imports to meet needs not supplied by domestic production.

For our farflung Defense Establishment the Defense Department favors a multisource supply for its varied fuel needs.

Fuel-consuming industries, forced to pay higher prices for all fuels because of artificially inflated costs for residual fuel oil, welcome the prospect of lower fuel prices which could very well result if import restrictions were eliminated.

The consumer, pure and simple, wherever he may be using fuels of all kinds in this country of ours is our concern. We lead the fight for all of them because we are concerned most directly. But let no one be mistaken. This is a matter that affects the pocketbooks of all consumers in terms of higher prices for the goods and services he buys.

Today we speak for more than Rhode Island, more than for New England. We speak for the out-of-work coal miner of West Virginia and Pennsylvania, who is being cruelly deluded into false hopes that somehow restricted imports on a competing fuel, like residual oil, are going to spell reemployment for him. We are speaking for him, and for his brother in Maine and Massachusetts, Vermont and Rhode Island, Connecticut and California, New York and New Hampshire, and Florida and Hawaii, whose livelihood is threatened by rising fuel costs which close down the plant where he works.

We are speaking for everyone who knows we are not going to help anybody in West Virginia or Pennsylvania by hurting someone in New England. But conversely, a more prosperous New England—which has as many and more depressed areas as coal-producing States—would benefit the general welfare of West Virginia and Pennsylvania.

He who studies the facts will find the whole truth. He will see the anomaly of the railroad industry, which itself led the parade away from coal fuel, urging others to use more and more coal, from whose transport the railroads derive so much of their revenue.

He will see the cruel injustice of the coal industry implying to unemployed miners that their jobs will return if only import restrictions are maintained.

He will see the restrictions generating a vicious inflationary price spiral that sooner or later will affect every single citizen.

He will see the importance of maintaining our international trade and diplomatic relations, and friendships, through a reasonable import-export program.

He will see the importance of keeping mutually advantageous relationships with countries like Venezuela, a prime source for residual fuel oils and many other petroleum products we must have.

He will see that imports constitute the only practical source for this fuel.

He will see that restrictions harm, rather than help, our national defense.

With the Office of Civil and Defense Mobilization there was a brief filed by the New England Council, the American Public Power Association and the Oil Users Association. Its detailed arguments for removal of quotas illuminates the issues of national security and the economic well-being of all 50 States.

I commend it to Senators, and I ask unanimous consent to have it printed in the RECORD at the conclusion of my remarks.

There being no objection, the brief was ordered to be printed in the RECORD.

(See exhibit 1.)

Mr. PASTORE. Mr. President, let us not fall for the fallacy of turning back the clock. Time and technology do not stand still. To yearn for the coal status quo, or the good old days, is to surrender to a dream and to invite disappointment and disaster. For I conclude with a fact that I emphasized in the beginning: In these restrictions upon imports of residual fuel oil there is no help and no hope for the miner. For the threat to his job does not come from that source.

America does not advance itself by creating roadblocks among the sister States. All that is negative. Progress is positive, sincere, sound, and mutual.

Unemployment is our universal ill and our common concern. Let us meet it with commonsense. Let us meet it with directness, not with detours. Let us employ all our resources of research to put men to work in the mining regions and the manufacturing regions of America. Let us conquer unemployment, not by delusions but by determination.

And conquer it we can.

EXHIBIT 1

A REQUEST FOR ELIMINATION OF RESTRICTIONS ON THE IMPORT OF RESIDUAL OIL

(Filed with Office of Civil and Defense Mobilization, Washington, D.C., by the New England Council, the Oil Users Association, American Public Power Association)

INTRODUCTION

This request is being filed jointly by the New England Council, the Oil Users Association, and the American Public Power Association.

The New England Council is a nonpartisan, nonprofit organization representing all aspects of the New England economy made up of representatives of industry, labor, educational and farm groups, as well as the six State governments. The council is concerned solely with regional development and with the improvements of the New England economy. The council was established in 1925 at the request of the six New England Governors and serves today as secretariat for the New England Governors conference.

The Oil Users Association is a nonprofit corporation which exists for the purpose of carrying on activities that promote an adequate supply of fuel oil and heating oils at fair and reasonable prices. It is national in scope, representing the interests of consumers in all parts of the Nation. Its membership consists of organizations such as manufacturing industries and utilities which are large users of energy producing fuels.

The American Public Power Association represents more than 1,000 local, public-owned electric utilities in 44 States.

A REQUEST FOR ELIMINATION OF RESTRICTIONS ON THE IMPORT OF RESIDUAL OIL

The New England Council, the Oil Users Association, and the American Public Power Association respectfully request the Office of Civil and Defense Mobilization to intercede with the President of the United States to rescind the residual oil provisions of the Presidential proclamation of 1959, under which imports of residual fuel oils are sharply restricted.

In support of this request, we submit the following facts and figures which we believe will prove conclusive that:

1. The restrictions on residual oil and the restrictions on crude oil are entirely different, insofar as the national security is concerned.

2. The inclusion of residual oil in the oil import program does not serve the intent of the program.

3. While demand for residual oil is slightly higher, the supply is dwindling in the United States because residual is uneconomic for U.S. refiners to produce.

4. Reduction in residual oil imports are not in the best interests of national security but do, in fact, have the opposite effect.

5. Current restrictions on residual oil imports work a hardship on major east coast industry, on public agencies and institutions, and on millions of private citizens in eastern coastal areas. By blocking normal competitive processes, they take millions of dollars out of the pocketbooks of U.S. consumers.

6. Artificially-induced high prices on residual oil in using areas result in placing much of east coast industry at a competitive disadvantage with other geographical areas and in world markets.

7. Residual oil imports do not offer injurious competition to the domestic petroleum industry, nor have they been responsible for the depressive effects in the bituminous coal industry.

8. The program is inflationary. Moreover, it retards economic growth.

In addition, we believe that reductions of residual oil imports cause unnecessary hardship to oil-producing Latin American neighbors and, therefore, are inconsistent with the administration's policies of inter-American cooperation.

BACKGROUND OF THE RESIDUAL FUEL OIL IMPORT PROGRAM

At the request of the OCDM, President Eisenhower issued a proclamation on March 10, 1959, which sharply restricted the imports of crude oil and its derivatives.

The reasons given were that (1) demand for petroleum products were increasing at a substantially greater rate than were the domestic reserves of oil, (2) the interests of national defense required that further exploration for oil in this country should be stimulated, and (3) excessive imports of crude oil from Latin America offered damaging competition to the domestic oil industry.

No mention was made of the competition with the bituminous coal industry, but it is believed that this was an important factor in the OCDM and Presidential actions. This was substantiated in hearings conducted by the Interior Department early this year.

Included in these restrictions were residual fuel oil as a derivative of crude, despite the fact that, due to U.S. efficiency in refining, residual oil is only a small percentage of American production and is inadequate to supply domestic needs.

The effects have been to place residual oil supplies below demand, increase prices to the American consumer (even while world prices of residual have been dropping), and place industry, institutions, apartment houses, and small users at a serious disadvantage since they lack the long-term contracts of larger users.

EAST COAST DEPENDENCE ON RESIDUAL OIL

For many years, residual oil has been the principal fuel of most east coast industry. It has also been the principal fuel of apartment houses, hospitals, and public buildings. Industrial power units and building heating units have been built around this fuel and cannot be change to other fuels, or where they can, only at prohibitive costs.

The reasons for this are clear. The delivered prices of coal to these areas are far higher than the price of residual oil, because of high shipping costs of coal.

For example, many industrial areas of the country cannot use coal economically. The logistics of coal to most of New England, for example, call for rail delivery to Hampton Roads, Va., reloading to ships, stockpiling at destination and ground transport for local delivery. Consequently, the shipping costs of coal per ton are actually greater than the price per ton at the mine-mouth.

This means that east coast industries have to pay a much higher delivered cost per ton than do those of the inland areas, where shipping is direct and low in cost. To use coal as fuel would seriously affect the competitive position of many east coast industries.

New England has historically depended on residual oil because it is the least expensive fuel available to them in an area where heating costs have usually run 50 percent above the national average. The restriction on residual imports has imposed an additional burden by disrupting normal competition among fuels.

Restrictions on these supplies, the deadening of competition among suppliers and the upward trend of prices in this sellers' market have created a hardship for many millions of consumers and have placed east-coast industry at a competitive disadvantage.

IMPORTS ONLY MAKE UP U.S. DEFICIT

The American refiner by and large does not find it economically advantageous to produce residual fuel oil. It brings him less revenue than his other products. He is continually trying to reduce the amount he produces. Thanks to innovations in refining technique he is succeeding. The yield of residual fuel oil from domestic refineries is being reduced each year. Residual produced from crude runs in the United States has declined from 425 million barrels, or 20 percent in 1950, to 332 million barrels, or about 11 percent in 1960. This reduction in yield has been built into our refineries.

At the same time, the demand for residual oil in the United States has shown a slight increase. But on the east coast, in particular, the demand for residual oil is increasing substantially. For example, between 1950 and 1960, the east coast demand rose from 255,426,000 barrels to 318,775,000 barrels.

It is obvious that as the supply diminishes, residual oil must be imported to fill the gap between domestic production and domestic demand.

The principal foreign source of supply is Venezuela. Venezuelan crudes give high residual yields. The average yield for all Venezuelan crudes is in excess of 50 percent. Many yield as high as 70 percent residual.

Unlike his U.S. counterpart, the Caribbean refiner wants to produce residual. For him it is not a waste product which he is anxious to eliminate. It represents over 50 percent of his product mix and he refines it at a profit.

It is a shocking fact that despite the shrinking supply of residual fuel oil in the United States and the abundance of residual flowing from the refineries of our South American neighbor, the Government of the United States has undertaken to restrict the imports of residual into this country since March 10, 1959.

It is time to face the facts on residual controls. They are a wasteful hidden cost of living for U.S. consumers. And even their proponents do not actually benefit from them.

RESIDUAL OIL IMPORT RESTRICTIONS SHOULD BE REMOVED

The following compilation of facts show conclusively why the restrictions on the import of residual oil should be exempted from the oil import program.

These facts clearly show that (1) the domestic petroleum industry cannot supply the current needs, (2) limited import quotas serve to keep residual oil prices unreasonably high, thereby affecting eastern industry and millions of consumers, (3) it is impossible for most eastern users to substitute coal for

residual oil, (4) imports of this oil cannot adversely affect national defense requirements, (5) removal of restrictions on this product would improve inter-American relationships, without seriously affecting any part of the domestic economy, and would thereby contribute to our national security.

RESTRICTION EFFECTS

Import restrictions have raised the price of residual oil—Cargo prices are higher

Since the imposition of import restrictions, the consumer is paying more for residual if he works and lives in areas dependent on this source of fuel.

A study conducted by the Office of Civil and Defense Mobilization shows the following increases on average cargo prices of residual fuel in the combined east coast region of the United States between the first quarter of 1959 and the first quarter of 1961:

	Cents more per barrel
For resale (sales to wholesalers)	11
For electric utilities	16
For other users	21

Although prices have risen generally, they have risen relatively more in the Florida and New England regions. It is significant that in the latest report, prices for Florida utilities went up 20 cents per barrel. The New England States had the following price increases:

	Cents more per barrel
For resale (sales to wholesalers)	18
For electric utilities	16
For other users	(1)

[1] Not available.

In this region the price of residual oil for resale has gone from a low of $1.97 in July 1959 to a high of $2.27 in March of 1961—a 30-cent increase.

The first of these increases came during the summer of 1959 after the import restrictions had time to take full effect. It is significant that midsummer is a period when oil prices are ordinarily low.

The fact that residual consumers other than wholesalers and utilities have had the higher costs foreshadows higher prices in the future for all users. Wholesalers and utilities generally are protected to a great extent against price increases by long-term contract. Other users, not similarly protected, must rely on periodic purchases in the open market.

Tank Wagon Prices Are Up

Under the impact of the import restriction program, posted tank wagon prices for residual at New England ports increased from $2.49 a barrel in July 1959 to $2.79 by June 1961.

In New York, tank wagon prices showed similar increases.

Platt's Oilgram on May 26, 1961 reported a specific example of the impact of import restrictions on consumer prices in New York. Offerings on bids to the New York Housing Authority ranged between .89 of a cent and 1.31 cents a gallon higher than those submitted in 1959 just prior to the imposition of the quota.

These increases amounted to 37 to 49 cents a barrel—from 17 to 24 percent higher.

On June 7, 1961, Platt's Oilgram reported further evidence of the impact of import restrictions on residual prices:

"NO. 6 RETAIL ADVANCES SEEM READY IN NEW YORK CITY AREA

"NEW YORK, June 6, 1961.—Retail prices for heavy fuel appear poised for advances in metropolitan New York City area following recent 8 cents per barrel price hikes at yard level of supply (see June 2 Oilgram).

"One large retailer says he is making blanket increase of 0.3 cent per gallon. (12 cents per barrel) in his retail prices for No. 6 fuel, effective June 8. Several of other large retailers plan price advances within next day or two.

"Upward trend in retail listings probably will have greatest impact on low side of current wide price range. Current representative postings are 7.4 cents per gallon, but sources say discount offerings range as low as 6.24 cents per gallon. In some cases, lower prices have been heard."

Reduced discount means further increased prices

Discounts on posted tank wagon prices have become narrower, since import restrictions have been imposed—raising prices further. Table I shows price differentials quoted in contract awards for 15 public agencies in the Greater Boston area. As the table indicates, not only did tank car prices increase by 25 cents a barrel, but they also had a further price rise of 23.4 cents based on weighted averages taking into account shrinkages of discounts. The users shown in the table—hospitals, schools, and other public institutions—paid 48.4 cents a barrel more on their fuel bill as a result of import of restrictions on residual.

Price inequities are worse than the statistics indicate

Most surveys and price studies on residual fuel oil prices are based on averages. But nobody pays an average price. During a period when the average price of residual went up 18 cents, the price paid by Middlesex Sanatorium (table I) increased 62 cents a barrel.

Who pays high prices rather than the average price?

The smaller consumer who does not have a long-term contract and must depend on spot purchases.

Consumers such as the New York City Housing Authority and the public agencies in Boston, who are required by local ordinance to purchase fuel for their annual requirements through public bidding.

These buyers suffer from the fact that spot cargo markets have dried up. The spot market is an important element in any commodity market; it acts as a balance wheel and regulates price on both the high and low sides. Without spot offers, the contract price becomes the floor or pegged price.

With artificial restrictions such as those imposed by import controls on residual, the last barrel available is bid to a high price. Unfortunately, it is usually the small buyer—least able to afford high prices—who is forced to bid for the last barrel.

TABLE 1.—*Results of public bidding—15 Greater Boston public agencies*

Agency	Quantity in barrels	Time of bid	Amount per barrel under posted tank car		Difference, 1960 versus 1961 per barrel	Posted tank car increase, 1959 and 1960 (per barrel)	Total increase since import restrictions (per barrel)
			1960	1961			
Town of Brookline	20,000	Apr. 15	−$0.33	−$0.09	$0.24	$0.25	$0.49
Commonwealth of Massachusetts:							
Danvers State Hospital	42,000	Apr. 26	−.291	−.21	.081	.25	.331
Boston State Hospital	71,400	do	−.40	−.2704	.1296	.25	.3796
Medfield State Hospital	50,000	do	−.24	−.05	.19	.25	.44
Metropolitan State Hospital	43,000	do	−.37	−.151	.219	.25	.469
Chestnut Hill pumping station, Brookline	33,000	do	−.41	−.2704	.1396	.25	.3896
Soldiers Home, Chelsea	11,000	do	−.41	−.2704	.1396	.25	.3896
Fernald School, Waverly	45,000	do	−.489	−.366	.223	.25	.473
State Teachers College, Boston	4,000	do	−.491	−.25	.241	.25	.491
City of Boston:							
Boston City Hospital	100,000	Mar. 14	−.485	−.15	.335	.25	.585
Deer Island	30,000	do	−.451	−.20	.251	.25	.501
Sanitarium Mattapan	20,000	do	−.485	−.15	.335	.25	.585
Long Island Hospital	40,000	do	−.4531	−.16	.2931	.25	.5431
County of Middlesex House of Correction (East Cambridge)	30,000	Mar. 22	−.492	−.19	.302	.25	.552
Middlesex Sanatorium, Waltham	30,000	Mar. —	−.492	−.12	.372	.25	.622
Weighted average increase							.484

But the large buyer suffers too. Ordinarily he buys fuel under 5- or 10-year contracts. With an assured supply, he can afford to make capital outlays for large-scale transportation, unloading, and storage facilities. Today, uncertain of future deliveries, he is discouraged from designing and building proper facilities for expansion, so that the consumer is being deprived of the savings that follow from capital outlays on such equipment.

Restrictions pad the consumer's electric bill

In the end, restrictions on residual imports cost everybody money.

Table II shows the largest electric utility users of residual fuel oil on the east coast.

All of these companies have clauses in their industrial rates which provide for them passing along to their customers changes in fuel costs as they occur. All of the companies except the Long Island Lighting Co. also have provisions for passing along costs to residential users of electricity.

The 15-cent price increase in residual of July 1960 has already raised the electric bill of 4.9 million consumers. Based on 1959 oil usage, the additional cost to consumers for electricity purchased from these companies is $4,280,740.

Restrictions destroy benefits of competition

One of the most serious consequences of import restrictions on residual fuel oil is that they have restrained competition among suppliers. This has cost consumers money. It has also hurt the taxpayer.

TABLE 2.—*Largest electric utility residual oil users, east coast, 1959*

Company	1959 oil usage, barrel	Number of customers	Cost of 15-cent-per-barrel increase on 1959 usage	Company	1959 oil usage, barrel	Number of customers	Cost of 15-cent-per-barrel increase on 1959 usage
Consolidated Edison Co. of New York	8,455,000	[1] 2,796,000	$1,268,255	Public Service Co. of New Hampshire	1,462,900	[3] 173,455	$219,430
Florida Power & Light Co	7,780,200	[2] 780,000	1,167,030	United Illuminating Co., New Haven	928,100	[3] 198,309	139,215
Boston Edison Co	5,980,700	[3] 482,787	897,105	Total	29,727,400	5,490,312	4,459,105
Florida Power Corp	2,394,700	[1] 261,716	359,205	Less Long Island Lighting		560,465	178,365
Long Island Lighting Co	1,189,100	[1] 560,465	178,365	Total		4,939,847	4,280,740
Central Maine Power Co	1,536,700	[4] 247,580	230,505				

[1] Average 1959.
[2] May 31, 1961.
[3] Average 1960.
[4] Dec. 31, 1960.

For example, in the hearings before Secretary Udall on February 20, 1961, the General Services Administration testified that since restrictions were imposed it has asked for bids and got only one bidder. This has proved expensive.

General Services Administration said that, from this cause, its costs had increased $660,000 in the last fiscal year in the Washington, D.C., area alone.

In Jacksonville, Fla., the Department of Electric and Water Utilities has been faced with the same problem: only one bidder, with resultant increased costs of over $430,000 in 1961.

Today no buyer is able to approach a new source for his oil requirements. Sellers are unable to solicit new accounts. The normal arm's length between buyer and seller is disappearing rapidly in the seller's market.

Closed door on new businessmen

Not only has the program restrained competition among sellers; it has also made it impossible for a businessman to go into the residual oil business.

Allocations are available only for importers who imported in 1957, or terminal operators with a history of throughputs for 18 months prior to the start of an allocation period. Under these requirements a terminal operator would have to deal entirely in domestic residual for the period required by the regulation. In a tight market, with a price premium on domestic residual, this is a practical impossibility.

Restrictions have bred profiteering

It is now common knowledge that import restrictions on residual have resulted in profiteering wherein the owner of residual covered by an allocation can resell his cargo at a 30-cent-per-barrel profit without ever having possession of it. The increased costs created by this type of trading are, of course, passed along to the consumer.

Restrictions on residual imports raise energy costs generally

Increased costs of residual oil have brought increased prices of competitive products—raising energy costs generally.

On October 24, 1960—since the imposition of restrictions—the coal-carrying railroads announced a 7-cent-per-ton increase in freight rates for bituminous coal which will affect approximately 74 percent of all coal produced in this country.

The gas producers have flooded the FPC with rate increase petitions. Today the Commission is stalled by a large backlog of cases.

Fuels other than residual also increase in price as a result of the price parity clauses in fuel requirement contracts. Under such contracts, the price of one fuel is geared to the price of another. When residual oil goes up, for example, the price of gas or coal goes up proportionately.

The following statement by New England Gas & Electric Association describes such a contract:

"The contract between the two companies calls for the price of interruptible gas at each location shall be midway between the cost to you of equivalent competitive fuel and the cost to us of interruptible gas."

Boston Edison has this to say about such a contract:

"One of the determinants of the price we pay for gas boiler fuel is the average price paid for oil and coal. This means that an increase in the price of residual oil raises the price of gas."

Because of such purchasing contracts, increases in the price of residual oil have meant increases in the cost of other fuels to some large users.

Restrictions increase U.S. manufacturing costs and damage our competitive position

Today in Boston and New York, manufacturers are paying 30 cents to 33 cents more a barrel for residual oil than their foreign competitors pay outside of the United States.

Residual oil sold in east coast ports as bunker fuel for ships must compete with foreign oil at world oil prices. Before the imposition of import controls there was only one posted price for bunker oil. However, in July 1959, 3 months after the imposition of import controls, there appeared an addition price quotation—bunker oil for "domestic" trade. The price premium on this oil in July 1961 is 30½ cents per barrel. This is the same oil coming from the same tanks but sold at a different price because in one instance (international trade) the oil is not under the import restriction program and in the second case (domestic) it is.

Current contract bunker prices, east coast ports, dollars per barrel export terminal, duty, and taxes

	Domestic			International (bonded)			Difference, domestic versus international
	Posted price	Discount	Net price	Posted price	Discount	Net price	
Boston	$2.71	$0.18	$2.53	$2.405	$.18	$2.225	$0.305
New York	2.62	.10	2.52	2.395	.18	2.215	.305
Philadelphia	2.62	.10	2.52	2.395	.18	2.215	.305
Baltimore	2.62	.10	2.52	2.395	.18	2.215	.305

This 30½ cents a barrel differential can also be substantiated by constructing a derived price for cargo purchases based on known data.

Platt's Oilgram, May 4, 1961, stated: "So-called going price for heavy fuel oil in the Caribbean is 30 cents off posted or $1.70 a barrel."

Tankers are being chartered for the Caribbean to Boston and New York runs at American Tanker Rate Schedule minus 60 percent which is 18 cents and 17 cents a barrel for the two ports respectively. Taking into account a duty of 5¼ cents a barrel, this oil should be laid down in Boston at $1.93 a barrel and in New York at $1.92.

But because of import restrictions, cargo buyers are paying $2.26 a barrel and $2.25 a barrel respectively.

In the face of steadily decreasing world prices on residual oil, U.S. prices have been increasing.

The net result of restrictions on residual oil has been to deprive the U.S. consumer and the U.S. manufacturer of the benefits of this decline in world prices. The nationwide increase of $167 million [1] in the direct cost of residual fuel oil in 1960 alone tells only part of the story; it does not reflect such indirect increases as, for example, the rise in labor costs because of escalator cost-of-living clauses.

The artificial price differential between residual in the United States and abroad is one more handicap for the U.S. businessmen attempting to compete effectively against foreign competition in domestic markets. This has had the effect in some instances of accelerating the plans of U.S. industries to locate facilities abroad.

[1] Calculated on basis of 30 cents per barrel.

DOMESTIC OIL INDUSTRY

Residual import controls do not help the domestic oil industry

Those who argue that residual must be controlled to maintain a healthy petroleum industry base their argument on the belief that controls help to maintain the price of crude at the wellhead.

In a letter to the New England Council dated October 15, 1960, Mr. Elmer F. Bennett, then Undersecretary of the Interior, made the following comment concerning the objectives of including residual oil in the oil import program:

"Residual fuel oil is included in the oil import program solely because of the relationship of that product to the domestic petroleum industry. Domestic production of residual fuel oil in districts I to IV totals 60 percent of domestic demand in those districts in the year 1959. This volume represents a considerable percentage of the gross revenue received by domestic refiners and, consequently, has a direct bearing on the price the oil purchaser may pay for domestic production of crude oil. Any material reduction in the price of residual fuel oil resulting from excessive imports would probably be reflected in the price of crude oil at the wellhead."

Let's examine this argument. Refiners in the Texas Gulf and Louisiana Gulf Districts use domestic crude almost exclusively. Their percentage yield of residual is currently running at the rate of 7.6 percent for the Louisiana gulf and 7.4 percent for the Texas gulf.

The Independent Oil Producers Association reports indicate these refiners currently are paying an average $3 a barrel for crude at the wellhead. Assuming 25 cents a barrel for transportation to the refinery, the total cost of crude to them becomes $3.25. The low-cargo price for residual at the gulf is now $2.20. With a residual yield of 7½ percent, this loss, on a barrel of crude, is 7.9 cents.

If, as a result of the removal of import restrictions, the price of residual at the gulf were to drop 10 percent to $1.98, the loss per barrel of crude resulting from the decline would increase to 9.5 cents. According to the Interior Department's theory, this would be 1.6 cents less revenue per barrel for the purchase of crude. This is five-tenths of 1 percent of the current crude price, a very small proportion to trace back to the raw material from the byproduct. The effect on domestic refiners of the price fluctuations of a major product such as gasoline obviously obliterate any effects of a change in the price of residual.

In the light of these facts, assigning a major role to residual in buoying up the price of crude oil is like saying the price of sawdust affects the price at which a sawmill purchases raw timber.

To be sure, as the price of the byproduct fluctuates, the net profit of the producing industry also fluctuates to same extent. But the impact of the fluctuations in the price of residual is minimal—quickly lost in the major change caused by price fluctuations in the principal petroleum products, gasoline and light distillates.

Residual restrictions do not encourage oil exploration

Let's examine the Interior Department's argument further. The theory supposes that residual restrictions, by buoying the price, help to stimulate oil exploration.

Since residual oil cannot be a profitable factor in the domestic production process, domestic producers would not in any circumstance explore simply to supply the residual market.

If, in fact, there is any connection between demand and exploration, the demand for other products more profitable determines capital outlays for oil exploration. In 1959, for example, the oil industry cutback on exploration because of the oversupply of crude and the business recession of the previous year.

Let's go one step further. How about the refineries that produce no residual at all? There are many of these in the United States. Inasmuch as they represent the most advanced refinery design, still more refineries in the future will be similarly designed to eliminate residual as a byproduct.

Should we turn back the clock and make them produce residual? The argument is patently ridiculous.

TABLE 3.—*Residual oil data, 1949–60*

[Thousands of barrels]

Year	Residual oil demand [1]			Exploratory wells drilled, United States [3]
	Total, United States	East coast	New England [2]	
1949	496,021	211,482	50,658	7,294
1950	553,793	255,426	64,236	8,554
1951	564,397	262,784	60,575	10,302
1952	555,165	270,735	59,861	10,552
1953	560,474	284,876	65,303	11,062
1954	522,317	266,180	58,889	11,280
1955	557,057	278,214	62,063	12,271
1956	562,813	291,123	61,477	13,034
1957	548,801	297,033	60,109	11,739
1958	531,067	296,972	60,443	9,588
1959	558,800	322,317	71,388	10,073
1960 estimate	556,600	318,775	(4)	9,635

[1] Source: U.S. Bureau of Mines.
[2] Source: API Petroleum Facts and Figures.
[3] Source: Oil and Gas Journal.
[4] Not available.

A more constructive approach to a healthy oil industry

What do we advocate instead? We advocate removing the price supports on residual oil created by the import program. This will encourage domestic refiners to speed up the installation of coking facilities—with the end in view of creating a more profitable product mix.

This policy would benefit the residual oil users on the east coast, eliminating the price penalty they are now forced to pay. It would tend to help conserve America's fuel reserves by using residual refined from Venezuelan crude rather than U.S. crude. And it would help the domestic refiner by eliminating his historical losses on the sale of residual.

QUOTAS AND COAL

Residual restrictions cannot relieve unemployment in coal mine areas

Even though the Government has not justified the restriction on the basis of its effect on the coal industry, we feel it is important to examine this aspect of the question.

Coal interests have consistently claimed that importation of residual oil has resulted in unemployment in the coal mining regions of the United States. That this claim is not true is best shown by the data provided by the coal industry in its "Bituminous Coal Data, 1960." In 1950 the bituminous coal industry employed 415,582 men and produced 516,311,000 tons of coal. The output per man-day was 6.77 tons. Ten years later the industry employed 159,100 men and produced 413 million tons at a productivity rate of 13.25 tons per man-day. In the 10-year period over a quarter of a million men have left the industry, and the output of those that have remained has doubled.

During the same 10-year period the use of residual oil in the United States has remained relatively constant, 554 million barrels in 1950 and 556 million barrels in 1960. A large portion of these sales are made in areas where coal is not competitive; for example, many parts of New England, Florida, and the west coast. In addition, some markets for residual—ships and the oil industry itself—are beyond the reach of the coal industry and have been for many years.

TABLE 4.—*Bituminous coal data, 1950–60*

Year	Production (net tons)	Men employed	Number of mines	Average number of days worked	Net tons per man per day	Percent of underground production		Percent of total production	
						Cut by machine	Mechanically loaded	Mechanically cleaned	Mined by stripping
1950	516,311,053	415,582	9,429	183	6.77	91.8	69.4	38.5	23.9
1951	533,664,732	372,897	8,009	203	7.04	93.4	73.1	45.0	22.0
1952	466,840,782	335,217	7,275	180	7.47	92.8	75.6	48.7	23.3
1953	457,200,449	293,106	6,671	191	8.17	92.3	79.6	52.9	23.1
1954	391,706,300	227,397	6,130	182	9.47	88.8	84.0	59.4	25.1
1955	464,633,408	225,093	7,856	210	9.84	88.1	84.6	58.7	24.8
1956	500,874,077	228,163	8,520	214	10.28	84.6	84.0	58.4	25.4
1957	492,703,916	228,635	8,539	203	10.59	80.9	84.8	61.7	25.2
1958	410,445,547	197,402	8,264	184	11.33	75.3	84.9	63.1	28.3
1959	412,027,502	179,636	7,719	188	12.22	72.1	86.0	65.5	29.4
1960	413,000,000	159,100	7,500	196	13.25		87.4	67.8	29.1

Source: U.S. Bureau of Mines

The unemployed coal miner should not be deluded that his plight is due to unrestricted imports of residual oil, especially since there has been no increase in the use of residual, and the productivity in the coal industry has been doubled through mechanization. In underground mines the use of mechanical loaders has increased from 67 percent to 85 percent in terms of coal produced and mechanical cleaning apparatus from 35 percent to 63 percent. At the same time equipment improvements in strip mining have been dramatic, particularly in the size and capacity of shovels used to remove overburden.

Productivity in the bituminous coal fields per man day worked has just about doubled from 1950 to 1960. In order to keep the same number of miners at work it would be necessary to double the demand for coal. This would require bituminous production of an additional 413 million tons per year. This theoretical increase is equivalent to 10.6 times the total permissible imports of residual oil for the year ending March 31, 1962.

The residual market is relatively inflexible

Could coal take over existing residual markets?

There are severe limitations on the ability of an industrial type fuel user to convert from one fuel to another.

As a practical matter, most heavy fuel users cannot convert to other fuels without prohibitive expense.

A survey by The New England Council in June, 1961, of its industrial members reveals that out of 70 manufacturing companies 67 used residual oil extensively, 2 coal, and 1 gas. All of the oil users state they could not convert to another fuel without prohibitive cost. Four said it would be impossible to switch to another fuel or would take so long they would have to go out of business.

A few steam powerplants—in areas where oil, coal, and gas have been competing for the business—are equipped to burn more than one fuel.

Having burned oil for a number of years, a powerplant equipped to burn more than one type of fuel would find the incremental cost of additional labor and maintenance required to return to coal very high. These additional operating costs raise the conversion price parity for coal substantially above the point where conversion would take place on a straight British thermal unit basis.

As noted above, a relatively small number of residual users are able to burn other fuels. The Interior Department has estimated possible conversion might amount to 6 million tons of coal per year. Continued improvements in productivity or a few added work hours by the industry would produce the necessary tonnage. This amount of coal could be produced without putting a single unemployed miner back to work.

Why demand for coal has declined

Two factors are sufficient in themselves to account for the entire decline in demand for coal since the 1947–49 period.

First, the railroads, which used 114 million tons of coal in 1947, have switched almost completely to diesel fuel. On February 28, 1960, the Wall Street Journal noted that use of coal by the railroads had declined to about 1.7 million tons for the year 1960. Here is a single giant former coal customer whose operating changes have accounted for a loss of volume of more than 110 million tons a year or nearly half the total decline in coal demand since 1947. Even the coal-carrying railroads converted their equipment almost totally to diesel. This was done in spite of the fact that coal for years has been the best single revenue producer for the railroad industry, and despite the fact that the coal-carrying railroads are the most profitable in the industry.

Second, millions of families throughout the country stopped shoveling coal into basement furnaces and installed oil burners or gas burners in their homes. In 1947 the figure for retail coal deliveries was 137 million tons; in 1960 the figure was 29 million tons, a loss of 108 million tons per year.

The demand which coal has lost since 1947 would have been lost in any case. The loss is unrelated to residual imports.

Why should coal be protected?

We have shown that unemployment in the bituminous coal industry is due to technological change in mining methods; that residual oil has not been a factor in principal market losses which the coal industry has encountered.

What is the future of the coal industry? The growing market for coal is in the power generating plants of electric utilities. In this area coal has made substantial gains since 1947. In 1947 utilities used 90 million tons of coal. In 1960 electric power utilities used 165 million tons of coal.

The National Coal Association's publication Steam Electric Plant Factors, 1959, having previously defined the coal competitive area as including New England, the Middle Atlantic region, and the East North Central region, presents the following statements and facts:

"Within the above the defined coal competitive areas coal held 83 percent of the total steam electric utility fuel market in 1959. This may be compared with 84 percent in 1958, 85 percent in 1957, 86 percent in 1956, 85 percent in 1955, 83 percent in 1951, 81 percent in 1952 and 1954, 80 percent in 1953. The following tabulation shows the percentage of the coal competitive market assignable to coal, oil, and gas by years since 1950. (Percentages were derived on a British thermal unit basis:)

	1951	1952	1953	1954	1955	1956	1957	1958	1959
Coal	83	81	80	81	85	86	85	84	83
Oil	7	7	8	6	5	4	4	5	6
Gas	10	12	12	13	10	10	11	11	11
Total	100	100	100	100	100	100	100	100	100

The National Coal Association predicts that the utilities will use 185 million tons of coal in 1961. In "Bituminous Coal Facts, 1960," the coal industry estimates that electric utilities will burn 475 million tons of coal in 1975 to produce 65 percent of their power output, and that by the year 2000, consumption will be 600 million tons a year.

Based on these potentials, it is only fair to ask why this industry, which is and has been supplying between 80 percent and 85 percent of the fuel requirements for the electric industry in the coal competitive area, should demand or expect production, in the form of legislative or governmental fiat, from competition from other fuels.

Coal's real problem is not residual oil but transportation costs

The coal industry has done an outstanding job of keeping down the cost of coal at the mines in the last 15 years of inflation. However, the mine-muth cost of coal is only a portion of the total cost of coal to users.

In many areas of the United States coal has never been competitive with oil or any other fuel, because of the cost of transportation from the mine to the user. And it never can be.

In such areas, transportation costs for coal exceed by a large amount the cost of coal at the mine.

A typical example is the case of one large user in New England that buys coal at the mine for under $5 a ton. Rail freight from West Virginia to Hampton Roads, Va., plus vessel transportation to Boston makes the total transportation bill approximately $5.57. Transportation costs do not stop there. The coal must be unloaded from the collier, stocked out into a coal field and then reloaded onto a conveyor belt, put through a crusher, loaded into silos by belt, and then put through mechanical pulverizers. All of this equipment is costly to purchase and install and expensive to maintain.

Contrast this with the current price of $1.16 a ton for delivering residual oil from Cardon, Venezuela, to Boston.

In the first instance, coal costs $5.59 a ton for delivery; in contrast, oil costs $1.16 a ton. Putting this on a ton-mile basis merely magnifies the discrepancy. Coal costs 0.6 cent per ton-mile, oil 0.05 cent per ton-mile. The coal rate per ton-mile is 11.9 times that for oil.

A T2 tanker holds approximately 100,000 barrels of residual oil. The transportation bill for such a tanker bringing a full cargo from Cardon, Venezuela, to Boston, at present rates, would be $17,800. In terms of British thermal units 100,000 barrels of residual oil is about equivalent to 22,000 tons of bituminous coal. To transport 22,000 tons of coal from the bituminous fields of West Virginia to Boston would cost $122,000, over $100,000 more than the equivalent in residual oil shipped from Venezuela, despite the fact that Venezuela is 1,382 statute miles farther away.

High transportation costs is the coal industry's real problem, one which is beyond its control. Because of high transportation costs, the area where coal is competitive is going to be subject to changes. These are inevitable. In some areas the coal industry has never been able to compete and in some areas it has been on the competitive borderline compared with other fuels. It must inevitably lose other areas because of the high cost of transportation.

This does not mean that the coal industry's total marketing prospects are diminished in any sense. The large utility consumption within low-cost shipping distances of the coal mines represents a bonanza for the bituminous coal industry.

The unemployment problem is being attacked other ways

Nobody questions the vital importance of solving the unemployment problem in this Nation's coal mining regions. But everyone should agree that the problem should be solved in a constructive and effective way.

Public Law 87–27 passed by the 87th Congress on May 1, 1961, known as the depressed area bill provides for the following appropriations: $100 million for loans for public facilities; $75 million for grants for public facilities; $4,500,000 annually for technical assistance to depressed areas; $4,500,000 annually for training of unemployed workers; $10 million annually for retraining and subsistence payments.

The cost of this program will be shared by the whole Nation including the residual oil users on the east coast, who also must bear the cost of the restriction program.

In an effort to create new markets for coal, the Bureau of Mines in the Department of Interior has an annual appropriation of $7,750,000 this year, and has an estimated budget of $8,168,000 for fiscal year 1962 for coal research. In addition to this, the Federal Coal Research Act created the Office of Coal Research, also in the Department of Interior, to develop new and more efficient methods of mining, preparing, and utilizing coal. This is essentially an attempt to deal with coal's short-range problems. At the same time, the Bureau of Mines is concentrating on long-range research. The cost of both of these programs is being borne nationally.

Perhaps the most constructive approach to a sound economic solution to unemployment was advanced by the President in his state of the Union message this year. On May 25, President Kennedy stated that he was transmitting to Congress a new manpower development training program to train or retrain several hundred thousand workers in new occupational skills. This program is to extend over a 4-year period in order to retrain workers with skills made obsolete by automation and industrial changes. The unemployed will be taught the new skills which new processes demand. The President said this was a positive answer to the challenge of technology.

Capacity of coal industry in times of emergency

The coal industry repeatedly has argued that in a national emergency it would be unable to provide the energy requirements for which it would be called upon. This argument does not stand up.

Present residual fuel oil allocations allow for the importation of 461,427 barrels per day. This is the equivalent of 104,000 tons of coal a day or 38 million tons per year. In 1959 the coal industry exported 37,226,948 tons of coal. Most of the export coal being shipped overseas is exported by us for the same reason that we import residual oil. Metallurgical coal in Western Europe and in Japan is in very short supply as is residual oil in this country. For this reason the governments of those nations, national security arguments notwithstanding, have fostered the importing of this coal from the United States.

In the event of a national emergency, limitations on the exportation of coal would offset any loss of imports of residual oil.

Restrictions on residual are not necessary to create additional coal mining capacity.

The coal industry already has sufficient capacity to meet any national emergency. The capacity of the bituminous coal industry as it now exists is best described by the National Coal Association in its publication, Bituminous Coal Data, 1959:

"As it is impossible for all mines to operate every working day in the year, a conservative figure of 280 for calculating potential capacity was suggested some years ago by the coal committee of the American Institute of Mining and Metallurgical Engineers. The average output per day worked in 1959 was 2.1 million tons which, if applied to 280 days, gives an annual potential

output of 588 million tons compared with the actual production of 410 million tons."

This represents a reserve capacity in the bituminous coal industry of 43½ percent without any further mechanization in existing mines.

What has been the effect of the restriction program on the coal industry?

Residual oil and coal compete for sales to only three major classes of consumer—industrial users, the space heating market, and electric utilities. Industrial use of residual fluctuates not with oil prices but with the state of the economy. Consumption of residual for space heating shows a steady increase from year to year. Only electric utility use of residual appears responsive to oil price changes.

A source of data on the amount of switching between coal and residual within the electric utility industry since the restrictions have been in effect can be obtained from the Federal Power Commission, table V.

From this it would appear that coal's participation in District I electric utility fuel consumption changed from 72.7 percent in 1959 to 74.4 percent in 1960, and oil from 16.7 percent in 1959 to 14.7 percent in 1960. Based on the total fuel requirements for 1960 (90.2 million coal equivalent tons), this represents a gain of 1.5 million tons for coal and a loss of 1.8 million equivalent tons for oil. The balance of .27 million tons was picked up by gas.

Assuming increased coal consumption to be an objective of the restriction program, let's consider at what price this increase was bought.

TABLE 5.—*District I: Consumption of fuels by electric utilities*

	Actual units			Million tons of coal equivalent [1]				Percent participation		
	Coal (million tons)	Oil (million barrels)	Gas (billion cubic feet)	Coal	Oil	Gas	Total	Coal	Oil	Gas
1956—New England	6.1	12.5	9.5	6.1	3.0	0.4	9.5	64.2	31.6	4.2
Middle Atlantic	34.2	12.7	36.5	34.2	3.0	1.4	38.6	88.6	7.8	3.6
South Atlantic	21.5	20.2	85.5	21.5	4.9	3.4	29.8	72.2	16.4	11.4
District I	61.8	45.4	131.5	61.8	10.9	5.2	77.9	79.3	14.0	6.7
1957—New England	6.3	13.3	11.4	6.3	3.2	.4	9.9	63.6	32.3	4.1
Middle Atlantic	34.9	14.3	64.7	34.9	3.4	2.6	40.9	85.3	8.3	6.4
South Atlantic	22.4	22.0	78.1	22.4	5.3	3.1	30.8	72.7	17.2	10.1
District I	63.6	49.6	154.2	63.6	11.9	6.1	81.6	77.9	14.6	7.5
1958—New England	5.8	13.0	13.2	5.8	3.1	.5	9.4	61.7	33.0	5.3
Middle Atlantic	31.4	20.1	87.2	31.4	4.8	3.4	39.6	79.3	12.1	8.6
South Atlantic	22.9	23.5	67.8	22.9	5.7	2.7	31.3	73.2	18.2	8.6
District I	60.1	56.6	168.2	60.1	13.6	6.6	80.3	74.9	16.9	8.2
1959—New England	5.7	16.9	12.6	5.7	4.0	.5	10.2	55.9	39.2	4.9
Middle Atlantic	32.3	25.9	101.9	32.3	6.2	4.0	42.5	76.0	14.6	9.4
South Atlantic	26.0	18.6	120.0	26.0	4.5	4.8	35.3	73.7	12.7	13.6
District I	64.0	61.4	234.5	64.0	14.7	9.3	88.0	72.7	16.7	10.6
1960—New England	5.9	16.1	12.9	5.9	3.9	.5	10.3	57.3	37.9	4.8
Middle Atlantic	34.0	25.1	88.9	34.0	6.0	3.5	43.5	78.2	13.8	8.0
South Atlantic	27.2	14.1	147.3	27.2	3.4	5.8	36.4	74.7	9.4	15.9
District I	67.1	55.3	249.1	67.1	13.3	9.8	90.2	74.4	14.7	10.9

[1] Conversion factors: Oil, 0.240 tons bituminous equivalent; gas, 0.0395 tons bituminous equivalent.

Source: Federal Power Commission.

We have concluded that the price of oil in the United States is now 33 cents per barrel higher than the world price due to the restriction program. Applied to 1960 east coast demand 318.7 million barrels, this increase represents an additional cost of $106.2 million paid by users of residual oil to achieve increased consumption of 1.5 million tons of coal through utility conversions. This amounted to a penalty of over $70 for each ton of coal converted.

As Representative HASTINGS KEITH, of Massachusetts, has pointed out, it would have been better for the Nation as a whole if there had been no restriction program and someone had bought this coal at the mine and thrown it away.

EFFECT ON TRADE POLICIES

Unwarranted restrictions violate our international trade policies

Since World War II, the United States has taken a leading role in liberalization of foreign-trade relations. Removal of trade restrictions has been a stated policy of our Government, and still is. One expression of this comes from OCDM, in reporting the Treasury Department's views on this policy: "The Treasury Department takes the position that the policy of encouraging the expansion of international trade on a nondiscriminatory basis is one from which the United States derives reciprocal benefits."

Import restrictions on residual fuel oil violate this policy before the world. If the national security were indeed benefited, such repressive measures might be justified, but it is not benefited. Therefore, continuation of these restrictions would be a direct slap at those friendly nations whose residual oil is a major item of export.

Specifically, this discrimination is especially difficult for Venezuela, which has been an active supporter of U.S. foreign policy in Latin America. Trade restrictions on residual oil primarily affect Venezuela, and they also serve to limit dollar income that would otherwise be available to buy more American goods.

It is not extraneous to this point that the growth of anti-American feeling, demonstrated in the hostility to former Vice President Nixon in 1958, might be aggravated by any continuing feeling of discrimination against this country. Nor is it to be forgotten that the Venezuelan Government asked Adlai Stevenson in June to end the abuses and injustices of U.S. oil restrictions. In a country where a major proportion of petroleum derivatives is residual oil, removal of restrictions on this product could have considerable effect.

A nation which recognizes its responsibility to less developed countries in the form of money grants and technical assistance should not overlook the advantages inherent in sincere stimulation of trade with those countries.

CONCLUSION

We have shown that the restrictions on residual oil (a) do not enhance the national security, but have the opposite effect, (b) discriminate against important industrial areas of the country, (c) increase costs to public buildings, institutions, and public agencies, (d) take millions of dollars out of the pockets of U.S. consumers, and (e) violate international trade policies.

We have shown also that imports of residual oil have no adverse effects on the domestic petroleum industry, are not responsible for the distress in the coal industry, and continued restrictions cannot be used to rectify that distress.

We, therefore, request that the OCDM recommend to the President of the United States that the restrictions on the import of residual oil be rescinded.

Mr. COTTON. Mr. President, while this is September and we are in Washington, I should like to be able to transport the Congress through time and space to New Hampshire in December. If I could impress all Senators vividly with the bone-chilling cold of a New England winter, and then send all of them a New England fuel bill, I believe they might see as clearly as I do the folly of import restrictions on residual oil.

Unfortunately, I am not an artist at winter landscape, so I had best heed the warning of Mark Twain, who once said that weather is a literary specialty and no untrained hand can turn out a good article on it.

Let me, instead, by submitting a few facts, convince Senators of the folly of import restrictions on residual oil.

In New England our fuel bills in the past have usually run 50 percent above the national average. Residual oil has for many years been the principal fuel of apartment houses, hospitals, and public buildings there.

Residual oil has dominated this market because it is the most economic and convenient fuel available. The coal industry, which has been one of the major forces seeking to choke off the supply of residual oil imports to New England, is at a severe disadvantage in this market. To serve New England, the coal industry must first deliver coal by rail to Hampton Roads, Va. There the coal must be loaded on ships. At its destination it must be stockpiled. Then it must be transported in trucks to its destination. Today, transportation costs for delivering coal to New England are greater than the cost of coal at the mine.

Largely because of such differences in transportation costs, New England can buy energy in the form of residual oil from Venezuela far cheaper than in the form of coal. The New England Council

has supplied some figures which dramatize this point.

A T–2 tanker, holding approximately 100,000 barrels of residual oil, can bring a full cargo from Cardon, Venezuela, to Boston, for $17,800, at present tanker rates. In terms of the actual energy supplied, 100,000 barrels of residual oil are about equivalent to 22,000 tons of bituminous coal. To transport 22,000 tons of coal from the bituminous fields of West Virginia to Boston today costs about $122,000. The difference amounts to nearly $105,000 more than the cost of equivalent energy in residual oil shipped from Venezuela.

The temptation may be great for the coal industry to try to force New England to burn more coal and less residual oil, but economically speaking it is New England that is going to have to carry out the ashes.

Import restrictions on residual oil have unquestionably raised New England's fuel bill. This means that money which schools are spending for fuel might be used for teachers' salaries. This means that money which hospitals are spending for fuel might be used to lower the cost of patient care. This means higher rents and higher costs to the taxpayers for the operation of public buildings. And in both summer and winter it means higher operating costs for the New England manufacturers.

We in New England have our own full share of unemployment. We, too, have areas of chronic unemployment. So we can fully understand and sympathize with the desire of the coal miner to find work. But it is the height of folly to attempt to cure unemployment in coal mining areas by raising manufacturing costs and thus depressing areas elsewhere.

I am hopeful that it will not take a New Hampshire winter to convince the Congress of the cold fact that residual oil import restrictions accomplish nothing constructive and work unfair hardships on entire sections of the country. The time has come for them to be removed.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a series of letters on this subject, which I have received from various persons and corporations in the State of New Hampshire vitally interested in the problem of residual oil.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

PUBLIC SERVICE CO. OF NEW HAMPSHIRE,
Manchester, N.H., June 21, 1961.

Mr. GARDNER A. CAVERLY,
Executive Vice President,
The New England Council,
Boston, Mass.

DEAR MR. CAVERLY: We present herewith certain information regarding the use of residual oil by Public Service Co. of New Hampshire and its subsidiaries.

1. Public Service Co. of New Hampshire and subsidiaries are engaged principally in the sale of electricity to areas in the State of New Hampshire in which approximately 80 percent of the State's population resides. They supply essential services in the broadest sense of the word.

2. Currently the amount of residual oil used on an annual basis is approximately 1 million barrels.

3. The net increase in price of residual oil between April 1, 1959, and the present time has been 16 cents per barrel.

4. The annual increase in cost because of the increase in price is currently running at the rate of about $160,000 per year.

5. Approximately 30 percent of our total fuel burning electrical generating capability is not equipped to burn any fuel other than residual oil.

We believe there are at least two excellent reasons for liberalizing the restrictions on the importation of residual oil. One of these applies solely to New England and the other has national implications.

The one which applies to New England relates to the fact that New England produces no fuel of its own and that all of its domestic fuel, whatever kind, is relatively expensive because of high transportation charges. This serves to place New England at an economic disadvantage when compared with most other sections of the country.

The one which applies on a national scope relates to the subject of fossil fuel supplies in general. Such supplies whether they be coal, oil or gas are not inexhaustible, and it would seem like good planning in a world such as that in which we now live to draw on and deplete foreign reserves rather than our own. Obviously, one way to bring this about is to use more foreign residual oil.

We hope New England Council will continue its efforts to ease the cost of fuel to the people of New England.

Sincerely yours,

A. R. SCHILLER,
President.

PUBLIC SERVICE CO. OF NEW HAMPSHIRE,
Manchester, N.H., June 19, 1961.

Re use of residual fuel oil.
NEW ENGLAND COUNCIL,
Statler Building,
Boston, Mass.

GENTLEMEN: Public Service Co. of New Hampshire and its subsidiaries, New Hampshire Electric Co. and Kittery Electric Light Co., operate an integrated system furnishing electric service in 182 New Hampshire cities and towns, 6 towns in Vermont, and 6 towns in Maine. The system supplies the requirements of 173,000 customers including 385 large light and power or industrial customers. Many of the latter are contributing directly or indirectly to the defense effort.

All of the company's steam electric generating stations are equipped to burn residual fuel oil, and certain units are not equipped to burn any other fuel. At the present time, approximately 1 million barrels per year of residual oil are being burned in the company's plants.

Since April 1, 1959, the price for residual oil paid by the company has increased 15 cents per barrel. At the current consumption rate, this represents an increase in expense of approximately $150,000 per year.

In the final analysis, all expenses of a regulated public utility are paid by its customers. Consequently, anything which tends to increase utility expenses is of concern not only to the utility but also to the customers it serves. For this reason, we believe that in the best interest of our customers and the area we serve, import restrictions on residual fuel oil should be canceled.

Very truly yours,

ROGER G. MOSSCROP,
Executive Vice President.

JUNE 21, 1961.

Mr. GARDNER A. CAVERLY,
Executive Vice President,
The New England Council,
Boston, Mass.

GENTLEMEN: The Nashua-New Hampshire Foundation is a nonprofit trust.

It was formed in 1948 to improve the economic situation of Nashua by promoting industrial development.

At the time of its inception, the foundation acquired title to 2,500,000 square feet of industrial buildings, most of which were vacant.

These have since been occupied by 26 diversified industries including Sanders Associates, Inc., Sprague Electric Co., several shoe shops, machine shops and various other plants.

The foundation operates a steamplant which provides steam for heat and process to these industries.

This plant consumes 60,000 barrels of No. 6 fuel oil annually.

The cost of our No. 6 fuel oil has increased 25 cents per barrel since April 1, 1959, making an annual increase of $15,000.

The steamplant is not a dual fuel fired plant. We can use only No. 6 fuel oil.

We are thankful that the council has taken an active part in the efforts to have the restrictions on fuel oil imports removed.

Very truly yours,

THOMAS Z. WINTHER,
Manager.

SPAULDING FIBRE CO., INC.,
North Rochester, N.H., June 20, 1961.

The NEW ENGLAND COUNCIL,
Boston, Mass.
(Attention: Mr. Gardner A. Caverly, executive vice president.)

DEAR SIR: Our company has three small plants in New Hampshire which are located in Dover, Milton, and North Rochester. We employ approximately 350 people and manufacture specialty papers and fiberboards for industry. We then fabricate these basic products to specifications and are used as components by other manufacturers.

During World War II much of our effort was engaged in making fiber shoe counters for the Armed Forces, gas mask face forms, shell wadding, shell ring grommets, and containers for handling explosive powder.

In 1960 we used 1,253,000 gallons of bunker C oil.

The price increase since April 1, 1959, has totaled $0.003 per gallon.

This has increased our costs $3,771 annually.

One of our plants can be converted back to coal at considerable loss of downtime and expense. The other two cannot be converted to coal.

We sincerely hope the efforts of the New England Council will be successful in removing the restrictions on the imports of this type fuel oil.

Very truly yours,

———— ————,
Division Manager.

MONADNOCK PAPER MILLS, INC.,
Bennington, N. H., June 20, 1961.

The NEW ENGLAND COUNCIL,
Boston, Mass.

GENTLEMEN: As suggested in your recent memo, we are writing to review the problems which have resulted from the restrictions on imports of residual fuel oil. We are, of course, very interested in this subject which has had a very marked effect on our operating costs of recent years.

We are a small paper mill located in Bennington, N.H., and this industry is the only substantial employer of this community. Fuel oil costs have a very direct bearing on our operations. We are currently using approximately 1,700,000 gallons of No. 6 fuel oil on an annual basis. Since April 1, 1959, our prices have increased .0085 per gallon which represents an annual increase in cost of approximatey $15,000. We are unable to burn any other fuel and we are entirely dependent on fuel oil. We would appreciate everything that your organization can do to obtain relief on the

current restrictions on imports so that we can remain competitive in our industry.

Yours truly,

ERVING A. LE CAIN,
Assistant Treasurer.

A. C. DEWEY CO.,
Enfield, N. H., June 19, 1961.

The NEW ENGLAND COUNCIL,
Boston, Mass.

GENTLEMEN: With reference to your communication of June 14, we are engaged in the business of manufacturing woolen cloth. We are located in a one-industry town where we currently employ 375 people. Not only are we necessary for the town's economy, but we also pay 25 percent of the taxes collected in this town.

As far as our connection with the defense effort, the National Association of Woolen Manufacturers and the Northern Textile Association (both of which we are members) is currently engaged in trying to convince the various agencies of the U.S. Government that the textile industry, particularly the textile woolen industry is necessary for national defense, and has already been hard hit in many ways, all of which I am sure you are familiar with.

We are currently using 49,000 barrels of residual fuel oil per year and the price increase per barrel since April 1, 1959, is 15 cents. This cost our firm an additional $7,357 annually during the past 2 years. We are unable to burn any other fuel.

For your information, we generate all of the power ourselves for the operation of this plant.

Yours sincerely,

WILLIAM T. DEWEY,
President.

NASHUA CORP.,
Nashua, N.H., June 19, 1961.

The NEW ENGLAND COUNCIL,
Boston, Mass.

GENTLEMEN: We are manufacturers of a wide variety of converted paper products which might be briefly described as coming under two broad classifications: (1) Industrial packaging materials, such as heat seal label paper for product identification, bread and confectionery wrappers, gummed sealing tape, and corrugated carton tape; and (2) technical chart papers which are used by the medical profession in developmental laboratory work and throughout industry to document a wide variety of functions.

Because we are wholly dependent upon residual oil for power and heat and because it is not practical for us to convert to other types of fuel, we feel that the restrictions on imports of residual oil and the resultant price increases are causing an unnecessary hardship upon us, a hardship with which others in our industry in other areas of the country do not have to contend.

Our annual consumption of No. 6 fuel oil is 35,000 barrels. Since April 1, 1959, we have had increases, resulting from import restrictions, totaling 25 cents a barrel—which, on an annual basis, results in increased costs to us for fuel of $8,750.

We feel that every possible effort should be made to remove the restrictions on imports of residual oil into the New England area, and solicit your help in achieving this objective. Your activities to this end will be greatly appreciated.

Very truly yours,

JAMES R. CARTER.

TROY MILLS, INC.,
Troy, N.H., June 16, 1961.

The NEW ENGLAND COUNCIL,
Boston, Mass.

(Attention: Mr. Gardner A. Caverly, executive vice president.)

DEAR MR. CAVERLY: In reply to your memorandum of June 13 regarding the investigation of the residual oil problem for New England, we make answer to your inquiries, as follows:

1. We are classified as a textile manufacturer, our products being woven apparel fabrics and needled punched felts of jute and synthetic fibers, and coated fabrics.

2. We are currently using 35,000 barrels of residual oil per year.

3. The price increase per barrel we have experienced since April 1, 1959, is $0.1504.

4. Annual increase of cost to our firm—$5,264.

5. The only other fuel which we might possibly use would be coal but this cannot be properly done due to inadequate draft.

We hope that you will be successful in your efforts in removing the restrictions on imported residual fuel oil.

Very truly yours,

ERNEST L. WOODBURY,
Controller.

FOSTER BEEF CO.,
Manchester, N.H., June 10, 1961.

Mr. GARDNER A. CAVERLY,
Executive Vice President,
The New England Council,
Boston, Mass.

DEAR SIR: We are sausage manufacturers and meat processors as well as wholesalers of beef-pork provisions, butter, cheese, eggs, employing about 125 people, handling and distributing meats in a five-State area of New England including Army and VA installations, as well as shipping to outside Army and Navy installations.

In our operations requiring a 125-horsepower high-pressure boiler we use about 2,240 barrels of oil a year.

The increase in cost since April 1, 1959, has been $0.25 per barrel, totaling $560 annually.

We cannot burn any other fuel with the type of equipment we have.

Very truly yours,

JACOB FOSTER 2D,
President.

Mr. PROXMIRE. Mr. President, as a nation, we have become consumer-conscious as at no other time in our history. Erosion of the consumer's pocketbook through spiraling prices is a danger literally everybody thinks and talks about. Some of these pocketbook threats are obvious. But others are subtle, hidden, insidious. In many ways these latter can hurt us the most, simply because we do not realize what is happening until it is too late.

A case in point arises in the current controversy over whether restrictions should be continued on imports of residual fuel oil. Consumers of this heavy fuel oil claim these restrictions on the imports which are their only practical source of fuel oil have not put a single miner back to work in the last 29 months. But the controls have served to boost the price of this petroleum fuel to a point sufficient to put their plants and factories at a competitive disadvantage.

Price parity clauses in fuel contracts with large consumers provide that as the cost of one fuel rises—as residual oil has—the price of other fuels, like coal and gas, also can be increased. This is a fact of life, in force and in practice. The net effect is a general increase in all fuel prices. And this increase reflects not only in the areas of origination, but all over the country.

My friends in Wisconsin are paying more for the fuel they use because the price has increased to a consumer in Maine or California. The oil they use for heating or manufacture costs them more. The gas they use costs them more and the products they buy from all parts of the country, reflect these increased costs.

The very fact of import quotas on residual fuel oil tends to raise and keep prices up. Import restrictions are not reducing imports so much as they are raising prices. As a practical matter, imports of residual oil are the only practical source of supply. Our domestic oil industry does not care to supply the domestic demand for this kind of petroleum fuel because it is an unprofitable product, and few refineries care to produce heavy fuel oil. Residual fuel oil, to the efficient American refiner, is unprofitable, leftover byproducts not worth handling. The goal of these efficient American refiners is to so completely utilize its crude oil in producing more sophisticated petroleum products as to leave no residual oil at all. It is like one of our meatpacking plants that boasts of using every part of the pig, even the squeal. And those who use residual fuel oil cannot convert to gas or coal without prohibitive expense.

Since our American producers are not of a mind to fill this supply vacuum, imports certainly must do it. Any restriction on imports of this particular petroleum product will create an uncertainty of supply that inevitably leads to increased prices for all fuels. And that is the tragedy of it. It is a completely unproductive increase in price, that harms our national economy and eventually visits all our pocketbooks.

Without import restrictions, residual oil prices may well come down, and thus help bring down other prices of competing fuels. The restrictions are having an inflationary effect as matters stand now.

In the end, nothing is accomplished by stifling competition at the expense of the consumer. And the consumer, in this case, is not just a resident in Wisconsin, New England, or California, or Hawaii, but a resident of every State.

Mr. MUSKIE. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield to the Senator from Maine.

Mr. MUSKIE. I compliment the distinguished senior Senator from Rhode Island for the leadership he is showing in protecting the interests of our common New England region with respect to this particular critical problem.

Mr. President, in Maine we have an old saying about our weather: "We have two seasons, July and winter." When it comes time to pay our fuel bills, we are apt to think someone left out July.

Winter, which costs New Englanders perhaps half again as much to keep warm as it does the average U.S. citizen, is just 3 months away. The cost of fuel, therefore, is a major concern to us in terms of home heating, heating for public buildings, industrial uses, and thermal production of electricity.

New England has historically depended on residual oil because it is the least expensive fuel available. It has been the principal fuel of industry, schools, apartment houses, hospitals, and

public buildings. Under these circumstances, it is understandable that we view with a jaundiced eye any efforts to restrict the supply of residual fuel in our area.

To put the issue as bluntly and simply as possible, I believe that the present import control program which restricts the shipment of foreign residual fuel oil for our domestic market is harmful to our national interest and injurious to the citizens of New England in general, and Maine in particular.

To some, this may seem to be an issue which necessarily divides one area of our Nation from another. This has been the nature of the debate over residual oil imports, but I do not believe it is the nature of the problem. After reviewing the facts involved in the production of domestic crude oil and its products, the consumption of residual oil and other fuels, the problems of the domestic coal industry, and our relationship with other oil-producing countries, I am convinced that the oil import control program, especially as applied to residual fuel oil, is based on false assumptions. I am certain that these restrictions can be removed without injury to any substantial segment of our economy.

Since the residual oil import program was instituted in the spring of 1959, fuel oil costs in New England have increased tremendously. The average price per barrel has increased about 30 cents in just 2 years. Competition in the industry has declined considerably, encouraging high profits for the distributors, and squeezing the poor consumers. The price has not only injured the direct user of residual oil; it has also resulted in higher electric bills in the northeast—an area which already has some of the highest power rates in the country. The July 1960, increase of 15 cents per barrel to electric utilities has cost customers of the Central Maine Power Co. an estimated $230,505 in increased electric power rates.

Comparable increases have adversely affected our manufacturers, already hard pressed in competition with those in other areas of the United States and with foreign industries. We cannot afford to bear this cost, and I do not believe it is fair to impose an artificial burden on our workers.

It has been argued that residual fuel import restrictions are necessary in order to protect the domestic oil and coal industries. But such an argument does not stand up. In the first place, the domestic oil industry is producing less and less residual oil, relative to its total crude production.

In 1950, 20 percent of our domestic oil products was represented by residual fuel. By 1960, that proportion had dropped to 11 percent. Domestic refiners have found it more profitable to shift the production to gasoline and other distillates. Some refineries produce no residual. By contrast, foreign sources concentrate on residuals. In Venezuela, for example, the yield of residuals from crude averages 50 percent. For some refineries the yield is as high as 70 percent.

The representatives of our coal-producing areas have argued that the residual fuel oil import restrictions are a necessary protection for the declining coal industry. Actually, the total domestic residual oil consumption has been remarkably stable in the last ten years. From 1950 to 1960, for example, total consumption of residual fuel oil increased only three million barrels, from 554 million barrels to 557 million barrels. This is hardly a drastic increase in the use of a competing fuel.

At the same time, east coast consumption has gone up from 255 million barrels in 1950 to 319 million barrels in 1960. In New England, consumption rose from 51 million barrels in 1949 to 71 million barrels in 1959. Obviously, the east coast and New England have suffered the most from the import restrictions.

Why has the consumption of residual fuel oil increased so much in our area, while remaining fairly constant in other areas of the country? The simple fact is that coal is not and cannot be competitive, because of shipping costs. It costs more to ship a ton of coal from West Virginia to New England than the cost of the coal at the mine mouth. For example, one large coal user in New England has been paying $5 a ton for the coal at the mine mouth and $5.75 a ton for freight. For most users, coal consumption under these circumstances is and would be uneconomic. Present users of residual oil will not pay the high costs of conversion to return to the use of coal, when more than half the cost of coal consists of freight charges.

It should be clear, from the facts I have cited, that New England is being asked to pay a high cost in increased fuel costs for an import policy which is not going to do the job its supporters want. All we ask is that we be released from this burden.

Mr. President, I have said that this is not only a policy which injures New Englanders; it is one which is harmful to the national interest. In the first place, it will encourage uneconomic use of our domestic crude oil, by pressuring refiners to produce more residual fuel oil at the expense of more profitable distillates. In the second place, it will hamper the growth of industries in an important area of our country. Finally, it will continue to be an irritant in our relationships with Venezuela and other important Latin American countries.

I am fully aware of the problems confronting our coal mining areas. I believe they need and deserve help. That is why I worked so hard for the Area Redevelopment Act.

I understand the problems of import competition. That is why I introduced S. 1735, the Orderly Marketing Act of 1961, which would help protect domestic industries against a flood of low-cost imports.

I believe in the sound use of our natural resources. That is why I cosponsored the national fuels policy resolution. This, to me, is the road to prosperity and sound conservation for all segments of our domestic fuels industry.

I ask our friends from the fuels producing States to join us in removing an unnecessary, unrealistic, and misleading policy which is injuring one section of our country, without being of benefit to another. I urge widespread support for removal of the restrictions on imports of residual fuel oil.

I thank the distinguished Senator from Rhode Island for yielding to me.

Mr. PASTORE. Mr. President, I congratulate the junior Senator from Maine for a very splendid presentation of a very important subject.

At this time I yield to the Senator from Florida [Mr. SMATHERS].

Mr. SMATHERS. I thank the Senator from Rhode Island.

Mr. President, the mandatory oil import control program initiated pursuant to Presidential Proclamation No. 3279 of March 1959, is having an adverse effect on our domestic economy, insofar as the inclusion of residual oil and its derivatives is concerned.

Assuming, however, that some controls are needed on the importation of crude oil and its principal derivatives, it seems clear to me that the present mandatory control program has extended its scope to include products whose importation could not possibly injure the domestic oil industry or impair the national security. These products as a matter of fact are not in any sense of the word "principal derivatives of crude oil."

For example, present mandatory controls apply to such products as residual fuel oil, liquefied gases, and asphalt.

Residual fuel oil is a byproduct of crude oil; and the production of residual fuel oil by domestic producers has been steadily declining. Domestic producers apparently consider residual oil to be an undesirable and unprofitable byproduct; yet it is used extensively by public utilities, hospitals, and the like.

The application of mandatory controls to this product in no way serves the purpose intended by the mandatory program, and has only led, as such restrictions must inevitably lead, to higher prices for domestic consumers.

Propane is another excellent example of the extension of the program beyond any reasonable limits in terms of national security. This product amounts to less than one-half of 1 percent of a barrel of crude oil, and was not being imported in districts I through IV, and only in insignificant quantities in district V—the West Coast—prior to the imposition of mandatory controls. It is obvious that the importation of this product could not possibly have had an adverse effect on national security, since it was not being imported, and was not even of sufficient importance to be controlled under the voluntary program.

Both residual fuel oil and propane are available in large supply from Venezuela. This market is readily available and at a time when the United States is diligently seeking to assist Latin America in its economic development, and to promote better relations with the nations of the Western Hemisphere, there can be no justification for imposing restrictions on the importation of these products from

a nation such as Venezuela, whose economy and development are so closely tied to the oil industry.

It is ironic indeed that during the long dictatorship of Marcos Perez Jiminez, restrictions on importations from Venezuela were not in effect, while almost immediately after the rise of a democratic regime in Venezuela, severe import restrictions were imposed on these products as well as crude oil and its principal derivatives. Removal of all unnecessary restrictions on the importation of oil products would be of great benefit to the economy of Venezuela and would benefit consumers in the United States at the same time.

The time has come for a careful reevaluation of the entire mandatory control program, and particularly its application to certain products listed as principal derivatives of crude oil, in order to ascertain if such products are, in fact, principal derivatives, and if their importation would be a threat to the domestic oil industry and to the security of the United States. This, of course, I do not believe would be the case.

I believe it is very apparent that, in the great haste in which the mandatory control program was prepared and imposed, many products were included arbitrarily and without reference to the aims and objectives of the program, and the abuses that this program was intended to correct.

Severe restrictions on normal trade between the United States and other peoples of the free world should not be imposed except for the most compelling reasons. Such restrictions invariably result in higher costs to the consuming public and in a lessening of our trade ties with our allies in the free world.

We in Florida depend largely on residual oil imports, and our statewide economy is dependent on a sufficient quantity. It is the primary source of power, since we have no coal deposits, and, while water is available in great quantities, we have not yet been able to derive energy from it.

Our industries are completely dependent upon fuel oils. Because of high freight rates and other unfavorable economic factors, the use of coal for all practical purposes is out of the question. Our installations are not equipped to burn coal, and therefore the removal of the import restrictions would not have any adverse effect on the coal industry.

There appears to be no dispute about the fact that the domestic production of residual fuel oil is insufficient to meet the national need. It is my understanding that the domestic oil industry admits this fact to be true. It has been our contention that the domestic oil industry is more chiefly concerned with the imports of crude rather than residual fuel oil. It is obvious, therefore, that these artificial restrictions are unnecessary for the protection of any domestic industry and should be removed.

Since the restrictions imposed are unnecessary and operate adversely to economic growth, not only in Florida, but throughout other areas of the Nation as well, I urge that prompt action be taken to have them removed.

Mr. PASTORE. Mr. President, I congratulate the Senator from Florida for a fine contribution to this important subject.

I now yield to the Senator from Vermont [Mr. PROUTY].

Mr. PROUTY. Mr. President, first, I wish to commend the distinguished senior Senator from Rhode Island for his determined efforts to bring public attention to the serious effects which oil import restrictions have on the general economy.

Oil import restrictions have cost the consumer millions of dollars, particularly if he lives or works on the east coast of the United States. Every study of residual oil prices that has been made shows conclusively that prices have risen substantially since restrictions on imports were imposed.

The OCDM is making continuing studies of these prices, and their data shows that cargo prices for heavy fuel oil on the east coast of the United States between the first quarter of 1959 and the first quarter of 1961 have risen 11 cents a barrel for resellers, 16 cents a barrel for electric utilities, and 21 cents a barrel for other users.

Prices in New England and Florida have risen relatively more than the average for the entire east coast. In New England the cargo price of residual oil to resellers has gone from a low of $1.97 a barrel in July 1959, to a high of $2.27 in March 1961, a 30-cent-a-barrel increase.

Proponents of residual oil restrictions, particularly the coal industry, insist on using 1957 as the base year for comparison of present-day fuel prices; 1957 was a year of high fuel oil prices due to the Suez Canal crisis. In fact, 1957 oil prices were higher than any other year since the Korean war, and serve as a convenient benchmark for those who wish to proclaim that residual oil prices have not gone up.

The OCDM survey shows that prices definitely have gone up to cargo buyers since restrictions were imposed, but other available data shows that the small user is paying a great deal more under the impact of the restriction program. Posted tank truck prices in New England have increased from $2.49 a barrel in July 1959 to $2.79 a barrel in 1961. In New York tank truck prices show similar increases. In addition to the posted price increases, discounts on tank truck deliveries have been narrowing since import restrictions were imposed raising prices still further. Many small buyers depend on short-term or spot purchases for their fuel oil requirements, and, as might be expected in a market where a shortage exists, it is these purchasers who pay the highest premium. This is also true of public agencies who are required by statute or local ordinance to make all fuel purchases on the basis of public bidding.

Typical examples are:

The New York City Housing Authority, one of the largest buyers of residual oil in the East, opened bids in May of this year for 89.3 million barrels of residual oil. They were forced to sign contracts at prices substantially higher than at any time—barring the Suez crisis—since 1954. The price increases to the New York City Housing Authority varied between 17 and 24 percent higher than bids received in 1959.

In Boston an analysis presented by the New England Council of public bids for 15 public agencies in the greater Boston area showed a weighted average increase of 48.4 cents a barrel for 1960 bids compared with those of 1959.

With artificial restrictions such as those imposed by import controls, it is, unfortunately, the small buyer least able to afford these high prices who is forced to bid for the last barrel available.

The General Services Administration testified before Secretary Udall on February 20, 1961, that due to the restrictions on imports, bidding on fuel contracts for the Washington, D.C., area had been severely limited, and that its annual costs in Washington were increased by $660,000 because of the poor procurement climate.

There is ample proof that these price increases are directly attributable to the restriction program. In all east coast ports there now exist two prices for residual oil, one price for oil coming under the quota program and another price for oil which does not come under the quota program. This differential is 30 cents a barrel, and it never existed prior to July 1959. This is the same oil in the same tanks coming from the same source. Caribbean residual oil can now be purchased in Canada almost 25 cents per barrel cheaper than it can in Boston, New York, Philadelphia, or Baltimore. It might be worth while to consider how these differentials occur.

When bonded residual is placed in storage, the tank is sealed by a customs official. If oil is to be withdrawn and used domestically, the customs official measures the tank and unseals it. The oil is withdrawn, the tank is remeasured, and the duty on the amount of oil withdrawn is paid. The tank is then resealed.

Withdrawing for international use follows the same pattern except the duty is not paid. This oil, of course, is the same oil and may be used interchangeably with any other residual oil. In fact, oil from the same tank may be used for barge or truck deliveries to industrial or heating consumers.

Contrary to the statement by the National Coal Association which appeared in the daily CONGRESSIONAL RECORD on August 10, page A6274, oil for ships' use has always operated in the same underlying price pattern as oil for domestic consumption. It is quite apparent that if an oil company expects to sell residual oil in an international market, it must meet the world price. Ships coming into U.S. ports are not captive customers as they can readily take on fuel at the non-U.S. port of call before or after stopping in the United States.

What this means then is that if oil users on the east coast had access to a free world market for this fuel, they would be paying 30 cents a barrel less than they are now paying. Based on the nationwide demand for this product, in 1960 the total cost of the restric-

tion program for that year only to the oil users was $167 million. Of course, this only tells part of the story. It does not reflect other indirect costs, loss of business, and loss of jobs. This artificial price barrier is one more handicap for the U.S. businessman attempting to compete both at home and abroad against foreign competition. These price increases also affect the homeowner and apartment dweller. Practically all large electric utilities that use significant quantities of residual oil have fuel clauses in their rates which provide for passing along to residential users, and in fact all electric customers, increases and decreases in the cost of fuel. Every utility in this category has experienced at least a 15-cent-a-barrel increase in the cost of oil, all of which has been passed on to their customers.

Leases for most industrial property contain escalator clauses which automatically raise the rent as fuel costs increase. In the city of New York charges to occupants of cooperatively owned apartments follow a similar pattern.

It would seem that it is time for the Senate to understand that the American consumer should be protected from having his pocket picked under the guise of national security. We have already committed the American taxpayer to a defense budget in excess of $45 billion. We cannot permit national security to become a political football or crutch every time an industry sees an opportunity to close the door on normal competition.

I am very grateful to my distinguished friend the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I congratulate the Senator from Vermont for his fine contribution.

I now yield to the Senator from Massachusetts [Mr. SMITH].

Mr. SMITH of Massachusetts. Mr. President, I wish to associate myself with the remarks of the Senator from Rhode Island and other Senators who have preceded me. We in Massachusetts suffer greatly from continued restrictions on imports of residual fuel oil. I should like to speak of another phase of the problem which confronts us today.

Mr. President, much has been made in recent weeks of how important continued restrictions on imports of residual fuel oil will be to national defense and security. We even have heard the claim that residual oil imports have been found to impair the national security—notwithstanding the absence of any such specific finding by the Office of Civil and Defense Mobilization, which is the agency responsible for such determinations.

This careless use of personal opinion and purposeful misrepresentation has no place in discussions of matters as serious as the defense and security of this Nation. It is dangerous in the extreme to misuse terms like national defense and national security as screens for the ambitions of self-serving groups.

Unfortunately, this unthinking use of these terms of reference—actively encouraged by elements of the coal, railroad, and oil industries—has found its way right into the very Halls of Congress. National defense and national security are serious matters calling for our best and most objective thinking. They must not be made into mere familiar phrases, political footballs to be used by anyone wanting the Government to provide him with a special protective armor against fair competition. With this in mind, let America take a hard look at the realities of national defense in today's world and the relationship of residual fuel oil imports to it.

The United States no longer is an invulnerable fortress surrounded by protective oceans. For this reason our Government has dispersed and moved forward its defenses through a worldwide network of alliances consistent with the requirements of a world power charged with the defense of liberty everywhere. The time is gone when we can think in terms of World Wars I and II.

We certainly hope no nuclear war ever will come to this planet. But to be realistic, we must calculate possible consequences of such a war. Would we really lose our ability to supply the east coast—and the west, for that matter—with necessary fuels such as residual oil coming from abroad?

First of all, everyone seems to agree a nuclear war could last only a relatively short time. Retaliatory capability on hand would decide the outcome. It would be a period of mutual destruction, especially the wiping out of fixed targets zeroed in ahead of time. Even with overall military superiority, fixed targets such as railhubs will be vulnerable. Coal shipments by rail from mine to consumer, especially along the concentrated transport areas of the east coast, would be easily interrupted. When we think of how a snowstorm can slow them down, think what would happen in a bombed out marshaling yard.

True, our shipping lanes and refinery installations also are vulnerable to attack. But the major threat from enemy missile-carrying submarines is to land installations. And there is one thing in a tanker's favor—it cannot be zeroed in ahead of time. It is a moving target that would have to be hunted down, one at a time, by enemy sea forces. While the present Russian submarine fleet is superior to Germany's before World War II, so too are our own submarine detection systems better. Our defense against enemy submarines is far superior to our defense against nuclear missiles right now.

The defense against nuclear attack upon refineries must lie in dispersal and spreading out of capacity both at home and abroad. The more refineries available to us in the Caribbean and at home, the better the survival chances of our petroleum sources. We should develop excess capacity in the Caribbean to assure the east coast adequate supplies of residual oil, and at the same time establish a going system of flexible water transportation.

As a practical matter, coal supplies could be tied in knots by an enemy attack much more quickly, much more easily than oil-fuel supplies coming in by tanker. In a nuclear war, coal would be of little help along the east coast. There would not be sufficient time to develop our full industrial potential. And coal could not be used in a majority of plants presently burning residual oil.

On this point of relative vulnerability and fueling our industries, it is strange indeed that the coal industry, which would like Government protection under the guise of national security, should be opposed to development of atomic powerplants. Such installations would not require any type of fuel transportation, and thus would be least vulnerable, fuelwise, in time of war. If the industry sincerely believed in the thesis of ultimate security, it logically should take a different position on atomic power development.

To claim the United States might be cut off from our residual oil supplies in the Middle East is tantamount to accepting defeat in advance. Defense against all-out nuclear war does not require us to take such a defeatist point of view, to give up our shipping lanes to Russian submarines, to withdraw to our own shores and there wring our hands as a captive nation at the mercy of a hostile world around us.

Defense against nuclear attack requires a vast network of alliances, multiple and dispersed retaliatory capability and flexibility in both our fuel resources and transportation system. Expansion of our residual oil import supply and transportation system fits this picture of dynamic enlightenment, especially in view of the ever-shrinking domestic supply of this essential fuel.

But think of national defense in another degree—the so-called brush-fire wars. These sporadic and separated outbursts of violence would leave our major shipping lanes untouched. At least, they have in the past. But still flexibility and dispersal of the free world oil supply is an essential requirement. Take the case of a war in the Middle East, serious enough to cut the residual oil supply to both Europe and the United States. As we demonstrated during the Suez crisis, we can supply the additional European oil needs from the Western Hemisphere—thanks to the surplus tanker fleet now in existence.

But even assuming the most unlikely situation that we were temporarily cut off from Europe as well as Africa, without total nuclear war, we would be able to obtain the Venezuelan residual oil that now is shipped to Europe—thanks in this case not only to our surplus tanker fleet, but to our historically friendly commercial and diplomatic relations with that country. Venezuela's exports are 90 percent oil—with a major share going to the United States. No other market could replace our own for Venezuela. That good neighbor wants to sell us her oil and has gone on record as opposing the current import restrictions.

In time of brushfire wars, also, additional coal could be used, if necessary, by plants and installations with dual burning facilities. It is figured an absolute maximum of 6 million tons of coal per year could be used by such facilities if they could not get oil. This kind of additional tonnage could be supplied

easily by full-time schedules of production and employment in the coal industry. It would be no strain for the coal industry. It would give now-employed miners a little extra money. But it would not put any of today's out-of-work coal miners back on the payroll.

National defense, national security—these are dynamic states that must take life and form from positive thinking and positive action. They do not flourish on negatives. National defense is an obligation, not an excuse. National security grows from confidence and independence, from doing things for ourselves rather than having them done for us. They are a flag to look up to, not a wall to hide behind.

We hope and trust OCDM will find removal of residual oil quotas is in the best interest of the Nation's defense and security.

I thank the distinguished Senator from Rhode Island.

Mr. PASTORE. Mr. President, I congratulate my good friend from Massachusetts for his excellent contribution.

I now yield to my colleague from Rhode Island [Mr. PELL].

Mr. PELL. Mr. President, I am pleased to participate in this discussion so ably organized by my senior colleague [Mr. PASTORE].

It is my belief that the mandatory import controls on residual oil are detrimental to our Nation insofar as they place excessive stress on a large segment of our economy. With the advent of economic and political cold war, the health of our economy has not only national, but also international repercussions.

Occasionally it is important for us to be reminded that it is not only the producers of munitions and military hardware that are essential to this Nation in time of war. Three of Rhode Island's most prominent industries—textiles, paper products, and chemicals—will be assigned as important a role in any future conflict as in the past.

It is easy to see how the leaders of these industries and the many thousands on their payrolls find it difficult to be receptive to the continuance of import controls on residual oil. For these industries in my own State of Rhode Island already are hard hit by both domestic and foreign competition. In all three industries the cost of fuel is a major factor in production. Since the import restrictions were imposed on March 1, 1959, residual supply has lagged behind domestic demand and prices have continued to climb. Fuel costs are 50 percent higher in New England than in the country as a whole. A conservative estimate places the additional cost of residual oil to New Englanders at $10 million a year since the mandatory restriction of imports began. In my own State of Rhode Island there has been a 24.4-percent increase in the price of residual fuel oil in the last 30 months.

The textile, paper products, and chemical industries in my State—to mention only three of several industries throughout New England that have been adversely affected—are being pushed to the brink of economic disaster in time of peace, jeopardizing the certainty of their service to the Nation in time of national emergency.

Moreover, every electric utility customer in the State of Rhode Island is suffering because of residual oil import restriction. The electric industry requires large quantities of fuel and higher residual oil prices mean higher electric rates for industrial and private consumers.

The present supply of residual oil which is domestically produced cannot meet the domestic demand. This situation will not improve in the future, either, for as the name implies, residual oil is simply the byproduct of the refining of crude oil and as domestic producers increase their efficiency, less residual oil is produced. Prices will continue to climb to the detriment of large segments of our economy.

Plainly, the import quotas placed on residual oil are harmful to its consumers. How do they benefit producers?

Contrary to assertion, quotas on residual oil do not encourage exploration and development of domestic petroleum resources, for residual oil is not the goal of oil exploration or refinery development. Residual oil is the least valuable product of a refinery. The petroleum industry has every incentive, therefore, to reduce its output of residual oil even further, in order to increase output of more valuable distillate fuels and gasoline.

Mr. President, it is being clearly demonstrated here today that the people of Rhode Island, the people of New England, and the people throughout the country who are also adversely affected by the inequitable mandatory import quota on residual oil deserve some relief. It is clearly in the national interest that this restrictive program be abolished.

It would seem incorrect in a nation founded on the principle of a free economy that an artificial quota should be applied to a product in short supply.

I ask unanimous consent to have printed in the RECORD at this point an editorial published last Thursday in the Boston Herald.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

The soft coal industry is fighting to keep New England and the rest of the east coast from getting all the residual oil (heavy fuel oil used in industry and large space heating) these areas would like to import. Residual is particularly important to New England because it is about the cheapest fuel we can get.

The coal industry wants New England to use coal rather than residual oil. So it is asking the Office of Civil and Defense Mobilization to cut back further on residual imports under the present quota system. It says that dependence on imported residual would be dangerous in case war cut off shipping.

But it neglects to consider that an economy forced to use a more expensive fuel cannot compete with full effectiveness in the economic war with Russia, which is the one we are fighting at the moment.

The Boston Edison Co. in a letter to the OCDM has made a succinct retort to the coal industry. President Charles F. Avila of the company puts the case for a free economy thus:

1. The coal industry has mechanized itself to its economic advantage.

2. The railroad industry has turned from coal to diesel fuel to its economic advantage.

3. The domestic refiners have reduced the yield of residual oil to their economic advantage.

4. Our allies in Canada, Mexico, and the Caribbean have increased the production of residual to their economic advantage.

5. Industry in New England, Florida, and other parts of the country has turned to residual to its economic advantage.

6. All of these developments taken together have strengthened our Nation's economy and security.

And now under the guise of national security, coal and coal-carrying railroads want oil users to reverse course to their economic disadvantage.

The coal industry would have us establish a controlled war economy in anticipation of war—as far as fuel goes. Would the industry also extend its cautionary restrictions to all other imports of critical material? Must we shackle ourselves in a war we are now fighting to prepare for a war we may never be called on to fight or to fight in such a way as to make residual oil imports critical?

Mr. PASTORE. Mr. President, I congratulate my colleague from Rhode Island for an excellent presentation on an important subject.

Mr. CASE of New Jersey. Mr. President, our country is confronted by enough genuine threats to our national security to demand our full attention. I believe all of us have an obligation to avoid inventing spurious threats to our security in pleading one cause or another. Unfortunately, this harmful practice has not been wholly avoided in the area of pleas for protection against foreign competition in fuels.

Admittedly certain domestic industries may need protection because they have strategic importance in our national defense effort. But this does not lessen, it only increases, the need for us to examine closely the actual significance for our national security of any specific restrictions. Our friendly ties with other non-Communist nations can be damaged by unwarranted restraints. Our manufacturing costs can be raised needlessly. The net effect can be to handicap us seriously in the very real cold war that goes on every day with the Iron Curtain countries.

Recently a continuation of import restrictions on residual oil has been urged on the grounds that they are essential to a healthy coal industry and that an expanded coal industry is in turn essential to our survival in another war. This position assumes a prolonged war like World War II in which U.S. industry would have an opportunity to mobilize over several years. In such a war, the argument goes, the United States might find itself the victim of a submarine embargo which would prevent industry from getting residual oil from abroad. Without import restrictions on residual oil to protect the coal industry, so the argument runs, coal might not be available to take up the slack caused by the loss of residual oil.

Let us assume for a moment that the worst occurs—that a major war breaks out, and that it somehow continues over

a long period of time. The United States now allows imports of 461,427 barrels of residual oil each day. This is the equivalent of 38 million tons of coal a year. This figure is almost exactly equal to the 37 million tons of coal we exported in 1959.

If submarines cut off our supply of residual oil imports, it would surely bring a halt to our coal exports. The coal ordinarily exported would then be available for our domestic use.

But there are other more obvious objections to this argument in favor of residual oil import restrictions. In an age of rockets with nuclear warheads it seems unlikely that a submarine blockade could cut off our supply of residual oil without also cutting off the rail communication essential to the movement of coal. Because of their very maneuverability, tankers may be our best hope of keeping our fuel lines open.

We all hope and pray that a war of any type will not come to pass. But if there is another war it may well be a limited brush-fire war. In the event of such a conflict, our supply lines with the rest of the world must remain open.

Meanwhile the cold war is very much with us. It makes sense to take advantage during this period of the most economic source of fuel we can get. To insure adequate supplies of residual oil, we must turn to sources outside the United States if our manufacturing plants are to have the low-cost fuel required for competition in world markets.

In the past the United States has relied heavily on our neighbor, Venezuela, for fuel in time of national emergency. The supply of oil from Venezuela, in fact, has never been cut off to the United States during war. The Venezuelan economy depends on oil. That country cannot turn her refineries on and off to suit our whims. If we drive her away from the U.S. market, she will attempt to market her residual oil elsewhere. We cannot afford to jeopardize such an important long-term source of fuel.

The time has come to take a sober look at our real national defense needs in terms of military probabilities today. Such a realistic appraisal would lead, I believe, to the conclusion that our present restrictions on residual oil are unnecessary and unwarranted from the point of view of our national interests.

Mr. SALTONSTALL. Mr. President, while carrying in our hearts a prayer for peace, we must always prepare for the eventuality of war. It is right that we consider the effects of foreign relations and national security as we discuss any subject before this body.

I have read the speeches of those from the coal producing States who, understandably motivated by regional economics, have charged that elimination of residual oil controls is not in the interest of national security or necessary for good foreign relations. I believe a deeper examination of our 30 months' experience of operating under the quota system shows the reverse to be true. If for no reasons other than national security and foreign relations, the restrictions on residual oil must be removed.

The restriction program is currently costing residual oil users $174 million annually. To that extent the U.S. ability to produce goods and services at competitive costs has been unnecessarily weakened. Cold war is a war of economic survival. We cannot win such a war if we accede to the narrow interests of individual industries, if we adopt an isolationist philosophy, or if we hurt the economy or our relationships with friendly nations.

U.S. military strategy, foreign trade and investment, are based on an independent world. This Nation helped to organize SEATO and NATO. We have military bases throughout the world that are committed to a global defense strategy. To argue that under any war assumptions we cannot keep our sealanes open is contradictory to the mobilization planning of those responsible for the defense of our country and repugnant to a nation which is spending over $45 billion a year for defense purposes.

Global warfare requires foreign supplies of strategic materials such as residual oil. The greater the number of sources and supply routes the greater will be our chances of survival. Yet those who support import restrictions on residual oil would have us believe that the best way to assure open supply lines in time of war is to dry them up in time of peace.

Whatever we can guess about future conflicts, it is not reasonable to anticipate that it will be an action in which the enemy directs its full force against tankers at sea, more particularly at tankers carrying residual oil. In the guided missile age dispersion of fuel supplies and a large tanker fleet offer a greater guarantee of uninterrupted fuel supply than does coal coming through fixed target rail bottlenecks at Mechanicsville or Hampton Roads.

Present residual fuel oil allocations allow for the importation of 461,427 barrels per day. This is the equivalent of 38 million tons of coal per year. This figure is almost exactly equal to the total 37,226,948 tons of coal we exported in 1959. If it were conceivable to imagine a submarine blockade so tight as to deny us importation of residual oil, that same blockade would deny us the exportation of coal which would then be available for emergency use.

There was never a time during World War II, the Korean or Suez crises, when Venezuelan sources were denied to us. These supplies kept coming in time of crises because we had established our customer status and the necessary pipelines in time of peace.

The measure of the damage our restrictions are doing to the Venezuelan economy and the great waste they are creating to her natural resources is evidenced by the fact that there are two 13 million barrel lakes of residual which have been accumulated since the quota restrictions were imposed. With her traditional free world market denied her and faced with the necessity to pump oil and refine it to survive economically, Venezuela has had no course but to pump her residual oil out onto the ground. Small wonder Venezuela is our best source of supply.

Yes, if for no reasons other than national security and good foreign relations, these restrictions must be removed.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from Vermont.

Mr. AIKEN. Since St. Lawrence and Niagara power have been made available to Vermont, our utility companies have not felt the impact of oil quotas as heavily as have those in other New England States. However, the impact upon our other institutions—educational, hospital, industrial, and so forth—has been rather heavy. I think that the aggregate costs of oil quotas to my State as a whole would be very revealing.

I do not have the aggregate costs to the State of Vermont, but spot checks have been made of institutions within the State. I should like to read into the RECORD a few of the checks which have been made.

First is the Brattleboro Memorial Hospital at Brattleboro, Vt. This is a fully accredited, nonprofit, 70-bed hospital which serves an area of about 25,000 people. The price of the residual oil in Brattleboro has increased approximately one-half cent a gallon since the quotas were put on the imports. The increase, while not large, comes to $721.32—an amount which has been paid as a tax to the oil industry this year by a hospital which happens to be in my own county.

I should like to refer next to the University of Vermont, which is located in the Lake Champlain area, and to which institution all oil—largely imported oil—that is depended upon there comes by water. The university uses 387,000 gallons of No. 6 oil annually. I do not have the exact amount of the increased cost, but this year the university paid $2,100 more for oil than it did last year, $2,100 more than it would have paid had it been able to obtain the oil at the same rate that prevailed before the quotas were imposed.

I refer now to a machine tool company, Jones & Lamson Machine Co., of Springfield, Vt. That company paid an increased tax to the oil companies amounting to $1,200 a year.

Another machine tool plant in the same community, the Fellows Gear Shaper Co., estimates that, on the basis of its figures, it pays $1,120 more because of the increased price of No. 6 oil in the community in which that company is located.

Returning to the northwestern part of the State, I have a communication from the Howard National Bank & Trust Co. of Burlington, Vt., which indicates that that company uses an average of 45,000 gallons of No. 6 oil every year, and because of the increased price, which in this case has been almost 1 cent a gallon during the last year, the bank is required to pay an increased cost or tax of $380 a year. I call the cost a tax because that is about what it amounts to.

I have two or three additional examples. The Vermont Marble Co. is one of the larger concerns in our State. That company has suffered an increased annual cost of approximately $2,200 in

its fuel bill because of the quotas which have been imposed on imported residual oil.

Another hospital, the Mary Fletcher Hospital in Burlington, Vt., which is the largest hospital in the State, currently consumes 430,000 gallons of No. 6 oil a year. The increased cost or tax in that case amounts to $3,655 a year. The hospital is one of the harder hit institutions of the State.

Another machine tool company in Vermont is the Cone Automatic Machine Co., Inc., of Windsor, Vt. Its cost is $1,368.50 a year above what it would have been had it been able to purchase No. 6 oil at the same price that it cost before the embargo or the quotas were put into effect.

I have given only 6 or 8 specific cases in which the increased cost amounts from a few hundred dollars to a few thousand dollars a year for each company. We must consider all the industries, institutions, and hospitals in the State that are required to pay an increased cost for oil because of the insistence of Government officials, as well as certain oil interests, that quotas be imposed on the normal source of supply, which is offshore oil. Then we can only conclude that the impact upon the State of Vermont is very heavy indeed.

Mr. PASTORE. I congratulate the Senator from Vermont. I think he has made a very important and practical contribution and a very excellent observation. We tend to forget that the price of the domestic residual oil is about the same—perhaps exactly the same as the price of the imported residual oil. It is not a question of competitive price between what we import and what we produce domestically. But the minute we institute a quota on imported oil because of a shortage of the domestic supply, we tend to inflate the price. When the price is inflated on this residue of the process of refining, we build on top of that price, and that affects the price of all oil, whether it be gasoline or other products of petroleum. That has been the result of the restrictions. It is not so much a question of the help we would give to the coal industry, because I think very little will come to that industry whether we remove the restrictions or shut off imports completely. The fact is that what we are doing is actually inflating the price of oil in this country, whether it is residual oil, crude oil, fuel oil, or gasoline.

Mr. AIKEN. I point out to my friend, the Senator from Rhode Island, as I pointed out previously when the quotas were first imposed, that the very purpose of the quotas was to inflate the price of oil.

Mr. JAVITS. I feel very strongly moved to join the Senator from Rhode Island in his effort to avoid a further restriction upon our export and import trade as it relates to our economic system.

The main point I wish to make is the fact that our overwhelming national interest in keeping the channels of trade as free as possible extends to residual fuel oils.

I point out that if we do not buy, we cannot sell. There is involved here one of the greatest customers of the United States, the Republic of Venezuela, which does a business with us in excess of half a billion dollars a year. In order to maintain that business, as far as our exports are concerned, Venezuela must sell to us.

It is well known in this Chamber that I have been devoted to the urgent need, in the interest of winning the cold war, to keeping the channels of trade as open as possible. I have on occasion found myself alined against the position taken here which represents more protective policies than I have believed wise for the country, even to the extent of differing with my distinguished colleague from Rhode Island, who has been the eloquent spokesman for the protection of the textile interests in his and other States. I know he knows me well enough to know that I value tremendously the contribution which he has made to our debates.

Here in this subject we have pointed up in a rather sharp way two of the questions which constantly arise as we talk about restrictions on imports. One relates to the consumer, how he fares, which the Senator from Vermont has so very eloquently and fairly shown. I could do the same for thousands of consumers in my own State of New York. The other is the problem which we have in connection with these exports as they relate to our essential balance of payments and our ability to exercise the position in the free world which we have, and at the same time to deal with fairness with the imports as they affect domestic industry.

I feel that here, in respect of residual oil we have a case in favor very much in the interest of our Nation to take the role of liberalization of free world trade rather than to take the role of further restrictions, which is what we are debating here.

Trade restrictions on residual oil primarily affect Venezuela, and have had very serious adverse impact on that country, one of our stanchest allies and supporters in our foreign policy. Indeed, the representative of Venezuela has asked our Ambassador to the United Nations, Adlai Stevenson, to end the abuses and injustices of the U.S. oil import restrictions.

Venezuela today is being retarded in its development and is faced with waste of valuable natural resources or the alternative of establishing new markets for oil. Residual oil, a high yield in Venezuelan crude refining, is in some parts of Venezuela being poured into the ground. She must sell oil to survive, and if she can sell only the higher priced products of her refineries, she must refine greater amounts than ever before and thus produce increasingly larger amounts of the residual waste products that are in short supply in this country.

If we continue to deny Venezuela the natural and time-established outlets for her products here, we force her to establish new markets elsewhere in the world—markets where she must buy if she is to sell, and which will carry with them an obligation for continuation in times of crisis.

Oil from Venezuela is an important source of low cost energy for the United States, in both peace and war. During World War II, our lines of supply from Venezuela were never cut off. Although little of this oil entered the United States, it was used to fuel the U.S. Fleet in the Atlantic and Pacific. Much of the foreign oil used to supply one-third of Allied military and bunkering requirements during the war came from Venezuela.

I have noticed press speculation that removal of import restrictions on residual oil would cause a flood of Soviet bloc oil into the United States. This argument is contradicted by the fact that even today when residual oil is in short supply, U.S. oil marketers are not buying Soviet products. Furthermore, as the Soviet Union is not a member of the General Agreement on Tariffs and Trade, Soviet oil imports would not carry the most favored nation designation, and therefore would be dutiable precisely at twice the rate per barrel which is applied to members of GATT, which include Venezuela. Also, the United States could prevent Soviet importation without impairing imports from friendly countries under the U.S. Antidumping Act, since there is evidence that the Soviet Union is selling its oil at a higher price to Soviet satellite countries than to free world countries.

I should like to point out also that my work as chairman of the economic committee of NATO parliamentarians has shown that it is our conclusion that one of the items of Soviet policy that has proved most damaging to the economic system of the free world is in breaking markets for residual oil.

I make that point because, for all we know, considering what the Soviet Union is engaged in, this may be the most important argument in this whole controversy.

The Soviet Union right now is attacking the free world in terms of the testing of atomic bombs and the tremendous pressures, in the military sense, upon West Berlin. However, we have always known that the Soviet Union has a powerful economic capability and has shown, with respect to a number of items, like flax and bauxite, that it can materially affect the markets of the free world, using the less developed areas, by driving down the prices of commodities, of which residual fuel oil is an important one.

It seems to me we should look with the greatest concern upon further limiting our capability for intervening in the international market in order to stabilize it, which would be the end result of an increase in these restrictions. Continued restrictions on residual oil, while not beneficial to either the oil or coal industries, are hampering greatly the ability of American businesses to compete in the world marketplace. Japanese businessmen—and this goes to the point made by the Senator from Vermont [Mr. AIKEN]—pay from 56 cents a barrel less for residual fuel than do their American counterparts along the eastern seaboard. One paper manufacturer in the State of Maine is so close to his com-

petitor across the Canadian border that he can almost see his competitor's plant. Because of residual oil restrictions, however, the U.S. manufacturer is paying 30 cents more per barrel for fuel—a major cost of making paper—than is his Canadian counterpart.

Mr. President, current restrictions on residual oil imports work a hardship on American businesses and adversely affect our national interest in foreign trade, in developing the less developed nations and in peace. As eloquent testimony at this point, I close my remarks by reading a portion of a letter submitted on August 16, 1961, by Venezuela's Economic Minister to the Director of the Office of Civil and Defense Mobilization:

The Venezuelan Government wishes to point out that, in its opinion, the inclusion of residual fuel oil in the mandatory oil import program does not particularly help the domestic oil industry from the standpoint of the national security of the United States. In effect, heavy fuel oil from abroad does not compete with, but rather supplements domestic oil supplies. The limitations on residual oil imports, on the basis of the need, in the interest of national security, to maintain a strong and healthy domestic industry, have little, if any, effect on production of U.S. crude oil or in stimulating exploration. Such limitation, on the other hand, is certain to affect adversely the petroleum industry of the Caribbean area as oil refining plants cannot operate unless there are market outlets for all of their products. It should be kept in mind that the entire oil restrictions program is based on a finding by the then Office of Defense Mobilization that the level of oil imports had reached a point which threatened the health of the domestic oil industry.

There is an ample supply of Venezuelan crude oil which produces a high cut of residual fuel, whereas this type of crude is not in ample supply in the United States; actually, for each barrel of crude refined in the United States less than 10 percent is residual fuel oil, whereas for each barrel refined in Venezuela over 55 percent is residual fuel oil.

The U.S. Department of Defense has long emphasized the need for maintaining access to foreign oil supplies, and that the United States should not take any action that might seriously injure political and commercial relations between the United States and the countries with petroleum reserves, and jeopardize those foreign sources of supply. The Venezuelan Government wishes to draw attention to the fact that Venezuela has always been a reliable source of oil supplies during past emergencies. There has always been continuity and consistency in her policy with respect to the availability of supply to the United States in times of peace and in times of war, especially of petroleum and iron ore. The Venezuelan Government wishes to emphasize the record of Venezuelan oil in periods of emergency, i.e., World War II, the Korean war, and the Suez crisis. During World War II, Venezuelan production was the main source of supply for the Allied forces outside the United States. Venezuelan fuel oil powered most of the free world's naval fleet, not only in the Atlantic but also in the Pacific. It was the main source of fuel oil for the buildup of the invasion of Japan.

The Venezuelan Government and people attach great importance to the sincere and traditional friendship which has always existed between Venezuela and the United States. The continuous attempt made by protectionist minded groups or individuals to further restrict residual fuel oil imports into the United States is a matter of serious concern to the Venezuelan Government, since the burden of these restrictions fall almost entirely upon Venezuela, which directly or indirectly supplies nearly 90 percent of total U.S. imports of residual fuel oil.

The Venezuelan Government wishes to point out that the entire scope of the U.S. oil import program must take into consideration, from the standpoint of national security, the joint interest in hemispheric defense.

As former President Eisenhower stated in his letter of April 28, 1959, to President Betancourt of Venezuela, "The United States has been Venezuela's largest market and I am confident that it will continue to be so on an expanding scale."

Mr. AIKEN. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. AIKEN. I was interested in hearing the Senator's special reference to Venezuela. Statistics will show that Venezuelan imports have fallen off in the neighborhood of 50 percent since oil quotas were imposed. This is obviously due to a lack of dollars for purchasing power. The United States has sustained a principal loss in its business with Venezuela, because Venezuela depended upon the United States for a large part of the goods which were used in that country. Also, I think Venezuela had to restrict her importations of tobacco and other commodities. These restrictions have not been imposed by Venezuela simply because she wanted to impose them; it is because, when Venezuela lost the market for large scales of residual oil in the United States, it was necessary for her to reduce their purchases from outside the country.

Mr. JAVITS. Mr. President, I am grateful to the Senator from Vermont. As I said when I began, Venezuela's exports to the United States are valued at half a billion dollars, and customarily she depends upon the United States. Every time she cuts her sales to the United States, she must necessarily, as the Senator from Vermont has so properly said, reduce her purchasing from the United States.

This is but another illustration of the fact that quotas are not measures which are conducive either to our national economic interest or to our leadership of the free world or to the actual economics of our trade and the stimulation of activity in our own country, especially when we take these artificially restrictive and not legitimately restricted measures against imports. We must solve our import problems by domestic means rather than by penalizing the consumer and penalizing our best customers throughout the world.

I find in this residual fuel oil problem a very clear, sharp illustration of all the thorny difficulties we get into when we establish quotas and other protective devices as against the kind of imports which are not related to dumping and other methods which are unfair trade or unfair competition, and do not endeavor to deal with our problems, including some national investigation, if need be, on a domestic basis.

I am pleased to be able to support the position of the distinguished Senator from Rhode Island.

Mr. PASTORE. I congratulate the distinguished Senator from New York for his brilliant presentation and cogent argument on a most important subject.

Mr. KEATING. Mr. President——

The PRESIDING OFFICER (Mr. METCALF in the chair). Does the Senator from Rhode Island yield to the Senator from New York?

Mr. PASTORE. I yield to the Senator from New York [Mr. KEATING].

Mr. KEATING. Mr. President, I associate myself with the remarks which the Senator from Rhode Island has made. I desire to call attention to one argument which has been advanced by those who favor quotas, and try to meet that argument squarely. I have noted claims made by those who favor quotas on residual oil that there have been no price increases on residual oil since the enactment of the restrictions on imports on March 1 of 1959. These statements, like so many which are accurate on their face, are intended to muddy the water and obscure the facts.

Statements that there have been no increases in the price of residual fuel oil since the enactment of the restrictions have outraged and infuriated oil users from the northern to the southern tips of the east coast, and in Hawaii and California as well.

Unfortunately for the poor consumer, he does not buy his oil in cargo lots at harbor-posted prices. Under the false economy of controls, oil supply is less than demand. In order to purchase oil users must bid against each other, and prices go higher and higher.

Government restrictions on oil imports needlessly create all the evils of wartime rationing without curing any of the problems they were established to correct. The artificial shortages created by Government restrictions have made consumers completely dependent upon suppliers who have been given quotas under the Government imports program.

Even such big users as the New York Housing Authority will take little consolation in statements that the posted port price has remained the same. The New York Housing Authority this year had to bid 35 cents per barrel over the price it paid last year in order successfully to fill a 3½-million-barrel order. These costs, of course, must be passed on to New York residents, and those very residents who find it hard to make ends meet.

The New York City Board of Education last year paid an increase of nearly $2 million in its costs for residual fuel oil. That $2 million could have been used to replace one of New York's antiquated schools. That $2 million could have been used to buy classroom equipment. That $2 million could have gone to provide increased teachers' salaries.

There are plenty of ways that the $2 million could have been better spent in the school system.

Consolidated Edison Co. necessarily passed on to its consumers a many-million-dollar increase price in the cost of residual fuel oil.

Every time a New York housewife plugs in her toaster, vacuums her rug,

or turns on a reading light, she is paying a portion of the increased cost of this ridiculous program which benefits no one but the profiteers.

We in New York rather resent being told that the restriction program does not increase the cost of oil.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an excellent article which appeared in the New York Journal of Commerce on August 22 on the case in favor of removing quotas on residual oil imports.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FUEL OIL UNITS HIT IMPORT CURBS

WASHINGTON.—Restricting imports of residual fuel oil harms, rather than helps, our national security and economy by raising our defense costs, damaging the economies of our non-Communist friends and weakening our economic and military ties with these friends and allies.

This was charged by the New England Council, Oil Users Association, and American Public Power Association in a joint statement filed with the Office of Civil and Defense Mobilization, rebutting arguments to continue import restriction on residual fuel oil.

CONTROLS IMPOSED

Import controls on the heavy oil used as a fuel by industry and large public and private buildings were imposed by Presidential proclamation in March 1959. Announced purpose of the program was to safeguard U.S. oil reserves and reduce foreign competition to the domestic oil industry. A corollary objective, the three organizations said, was to put coal miners back to work.

In their joint statement the three groups told OCDM:

"Tanker fleets nurtured by the oil-import program are less vulnerable to attack than fixed targets like rail hubs and other ground installations. Through its mobility, a large part of the tanker fleet available to the free world is more likely to survive even a nuclear attack. With coal transported through a limited number of bottlenecks—Hampton Roads and a few rail centers—coal transport is more vulnerable to interruption than waterborne oil transportation.

"With U.S. growth and prosperity dependent on optimum efficiency, balanced industrial growth and military economies should not be sacrificed because some industry's products are displaced by other products, more economical or superior. Where such industries require relief, some Government action may be called for, so long as it does not penalize entire sections of the country or pile burdens on the consumer or taxpayer.

"Unproductive costs and price increases eventually hit all consumers, not just those in areas feeling the initial impact of higher priced energy sources. They also boost the cost of foreign military and economic aid.

"Import restrictions, such as those on residual fuel oil, contradict before the eyes of the world our own avowed belief in free trade.

"Venezuela, source of most U.S. residual oil imports and historically a prime supplier of low-cost energy for the United States in peace and war, has protested the import controls. While considering the effects of oil import quotas on the preparedness capabilities of domestic suppliers and the coal industry, we cannot afford to ignore the effects on Venezuelan sources of supply."

VENEZUELA'S POSITION

We cannot expect Venezuela to turn her refineries on and off like a spigot, holding her production at the ready waiting to serve the United States in event of disaster, the statement said. Venezuelan facilities must be kept in production and her traditional lines of supply to us open. Trade restrictions, such as those on residual oil, that primarily affect Venezuela not only are inconsistent with our foreign policy but also limit Venezuelan-dollar income available to buy more American-made capital and consumer goods. Venezuela is being retarded in its development to the extent that the United States limits imports of residual oil from this area.

Residual fuel oil must be imported because domestic production does not provide enough to satisfy domestic requirements. There is no reason to believe more residual oil will be consumed after import controls are removed, but consumers will enjoy fair prices, a free selection of suppliers, and freedom from nefarious trade practices inevitably resulting from a controlled economy. Coal will share in these benefits—historically, removing controls on one segment of the free economy has spurred the total activity for all.

Coal clearly is more competitive than other fuels in certain areas, and here is where that industry can expand the market on a positive basis without adversely affecting the economy.

One may even say that import restrictions, through their effect on our international relations, may well hasten the day the United States might be forced to become fuel self-sufficent.

Mr. KEATING. I am very grateful to my friend from Rhode Island.

Mr. PASTORE. I congratulate the Senator from New York for his fine contribution.

Mr. President, I now yield to my colleague from Hawaii.

Mr. FONG. Mr. President, I thank my distinguished colleague from Rhode Island for yielding to me.

I am pleased to join my able and learned colleagues in this discussion as to whether the existing import restrictions on crude oil and its derivatives should be continued. I wish to commend my distinguished colleagues who have spoken before me on this subject for their contributions to an understanding of this problem. Importation restrictions on crude oil and its derivatives were imposed in 1959 because the President found that importations of crude oil and its derivatives threatened to impair the national security. The program has now been in effect for more than 2 years. Whether its objectives have been met or are being met is an appropriate subject for further study and evaluation, and this is now being done by the Office of Civil and Defense Mobilization.

Today I should like to confine my remarks to residual fuel oil which is a derivative of crude oil and which is also included in these restrictions. If it is found that import restrictions on residual fuel oil are vital to our national defense, then I say they should be continued. However, I find it difficult to believe that imports of this waste product of the petroleum industry—of small commercial value to our own domestic oil producers—would be a harmful element in our national defense makeup.

In 1946, crude oil run through American refineries yielded 25 percent residual fuel. This yield dropped to approximately 11 percent by 1960. The trend continues downward and, since residual fuel oil to the refiner is like sawdust to the carpenter, the ultimate goal is to produce as little as possible. Through technological advances, some refineries using high grade American crude separate it into its more usable components and produce no residual oil at all.

Since less, not more, residual oil is the American producer's goal, restrictions on residual oil imports understandably have provided no incentive whatsoever for the exploring and producing of crude oil in this country.

Although the restrictions of residual oil imports, for fuel use, have not spurred exploration, they have kept the costs per barrel to the user at a high price.

In this Nation of free enterprise, it is only natural that with our domestic industry unwilling, if not unable, to produce enough of a product to satisfy the demand, we should look abroad to friendly suppliers like Venezuela for sufficient supplies to take up the slack. Such imports, under such conditions, certainly do not undermine our national defense. In truth, logic says that the importation of residual fuel oil will improve our defense potential by helping preserve our natural stores of petroleum. Every gallon, every barrel of residual fuel oil coming in from abroad means a gallon or a barrel remaining in our natural stockpile.

My State of Hawaii is an isolated group of islands 2,500 miles from the Pacific coast. Fuelwise it is a pauper—much poorer than even the New England States which are so concerned with this problem of crude oil restrictions. Neither coal nor gas is available in Hawaii. Waterpower is also nonexistent. The single fuel used is residual fuel oil, which must be imported from California.

A lifting of the restrictions or an exemption for Hawaii because of its unique geographical location with respect to the rest of the United States would provide a broader base for Hawaii's fuel supply. Since the supply of residual fuel oil in the district from which Hawaii receives its imports is diminishing with respect to the demand, the development of alternative sources of supply is a matter of increasing importance to my State.

The U.S. Navy, which is by far the largest consumer of residual fuel oil in Hawaii, has recognized the advantages and efficacy of having a broader base of supply, and depends for its Hawaii consumption almost exclusively on foreign sources. Mr. President, if the Navy in Hawaii uses foreign sources for its local consumption, then the civilian population of Hawaii should be allowed to do so, too.

Moreover, in an emergency, it would be logical and in the interests of national security to have several sources of supply open to the State of Hawaii, the most important of our defense bastions in the Pacific.

Hawaii's unique insular status may be compared with that of Puerto Rico which is allowed to import crude oil from foreign sources. If it is in the interests of national security to allow Puerto Rico to import foreign oil, then why should Hawaii, the only other insular area of the United States of comparable size, be treated any differently?

The people of Hawaii should not be subjected to the increased fuel costs which will result if the existing situation continues. Hawaii needs the benefit of competitive fuel oil prices for its development. A reduction of only 10 cents a barrel in the price of fuel oil will automatically be passed on to 120,000 consumers of electrical services as a reduction of $320,000 annually in the cost of electric service.

Mr. President, I was much interested to listen to the remarks of the distinguished Senator from New York, who stated that the consumers of New York are paying annually approximately $2 million more for their use of fuel as a result of the import restrictions. If we were to relate the figures to the State of Hawaii, which has a population only one-thirtieth of that of the State of New York, if the New York residents were paying in the same proportion as the residents of Hawaii, the New York residents then would have to pay approximately $9.6 million a year instead of $2 million a year more for their fuel.

Thus, Mr. President, we observe how the high cost of residual fuel oil affects the people of Hawaii.

Hawaii is also in great need of cheaper power for industry. The industrial development of Hawaii has been hampered by the lack of cheap power. In our search to lessen costs we are even exploring the possibility of harnessing the heat of the volcanoes. I hope this quest for an added source of reasonably priced fuel will be successful.

Mr. President, one of the best ways for the people of Hawaii to be assured of a reasonably priced and dependable supply of residual fuel oil is to increase the sources of supply that can furnish residual fuel oil to this market. The most satisfactory way of doing this would be to lift the restrictions altogether, or to permit these isolated islands, which must import fuel oil under any circumstances, to import such oil from either foreign or domestic sources. The Hawaiian market for residual oil would then be a truly competitive market and the benefit of this competition would accrue to the people living and working in these islands.

Mr. PASTORE. Mr. President, I congratulate the distinguished Senator from Hawaii for a brilliant and cogent presentation, and his fine contribution to the discussion.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the distinguished Senator from Florida.

Mr. HOLLAND. There may be other areas in the Nation that are harder hit by the iniquitous system about which we are talking today—the quota system to limit the supply of residual oil, propane, and other products coming into our country—than is the State of Florida, but I doubt it. Our economy is so definitely wedded to the price of power and the price of fuel, and we are so remote from other sources, that we are largely dependent upon the supplies of residual fuel oil for the production of our power, and we are largely dependent upon propane for the production of power on a lesser scale for lighting, cooking, and the like.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. MORSE. I believe the Senator from Florida is completely right. I know something about the problem in Florida. I know something about the problem along the entire east coast in connection with my activities in Latin American and foreign affairs. I want the Senator from Florida to know that I think those who are taking the position that he is taking today are absolutely right from the standpoint of our best domestic interests, and they are absolutely right from the standpoint of our best foreign policy interest.

I do not think it is sound to argue that if we continue with these importation quotas we will do more damage to the coal industry. Many people do not realize what the transportation problem would be in many of our local areas if we really adopted the shortsighted policy of insisting upon the use of coal.

In the Senate, for example, we have been giving great support to the coal-bearing areas of our country. I have voted to help the people in the coal areas time and time again, and will continue to do so, so long as they do not ask us to do an unnecessary and uncalled-for injustice to the economic needs of other parts of the country.

To take the position that the State of Florida and other States should be discriminated against by being denied the importation of oil would be a rank injustice. From the standpoint of our Latin American policy, such discrimination would not be understood by the people in Latin America. They could not understand. Why should they? They would look upon the system as another attempt on the part of Uncle Sam economically to discriminate against them and do them injury. We know that that is not our purpose.

As chairman of the Subcommittee on Latin America, I say to the Senator from Florida that I think we would make a great mistake if we joined in defeating the very legitimate claims the Eastern Seaboard States are making when they ask us to authorize a continuation of the importation of residual oil.

Mr. HOLLAND. I thank my distinguished friend from Oregon with reference to both points that he made—the point with reference to the coal industry, with which he and I have no quarrel, and the point with reference to our relations with Latin America.

First, briefly, with reference to the latter subject, within the last 2 weeks I talked to a businessman from Venezuela, who told me about the terrible situation that country is in economically, and about his feeling that in the main the trouble resulted from the quota system about which we are talking. That gentleman, upon whom I could depend entirely, told me that not only are exports from Venezuela being adversely affected, but an even greater effect upon their prosperity arises from the fact that the exploration for new oil, including the drilling of new wells, has ceased, and that thousands of people are out of work because they do not see any increase in view for the exportation of petroleum and petroleum products from their nation.

They are basing their exploration program, whether rightfully or wrongfully, largely upon this very program. From the account of their current great depression, told to me very plainly by this leading businessman, I think we have much to look to in this field, because Venezuela is one of the countries that have been attracted by the activities of Mr. Castro. I have been told that thousands of people in that country are attracted to him. We would simply play with fire in that field by cutting off their exportations and their explorations for new oil fields.

Mr. MORSE. Mr. President will the Senator yield?

Mr. HOLLAND. I yield.

Mr. MORSE. The Senator's description of the situation in Venezuela is completely right. We would play directly into the hands of the Communist forces in Venezuela if we were to impose the quotas that are being asked for, and we would weaken one of the most friendly governments in all Latin America, which is the Government of Venezuela.

Mr. HOLLAND. I thank my distinguished friend. He speaks with authority as chairman of the subcommittee of the great Senate Committee on Foreign Relations which deals with Latin America, which I think is more important to us than any other area of the world. When we lose sight of its importance, we do so to the detriment of our own best interests.

Mr. President, with reference to Florida, I realize that my distinguished colleague has already spoken. I hope I shall not duplicate much of what he has said. For the record I call attention to the fact that in the past 10 years, from 1950 to 1960, Florida has proved to be the fastest growing State in the Nation, enjoying a population increase of 78.6 percent in that period of time. I am told by the State chamber of commerce that the rate of growth has continued since the beginning of the new decade. Six months ago I was told officially by the Bureau of Census that our State had passed the 5 million mark. That fact was certified to the Rules Committee so that the allowance for the operation of our offices might be at once affected.

Not only is the great growth of our State a matter of fact, but it is also true that we are being called upon—and I am happy and proud that we are—to be the host State for the guided missile efforts. Only the other day it was announced that those efforts were being very greatly increased.

Yesterday the Senate passed an authorization bill to authorize the appropriation of $60 million for the acquisition of additional real estate required in that venture.

I call attention to the fact that we are standing in our own light when we raise the price of electric power, because our Government is a very great user of power

in our State, by far the greatest user of any customer of the power companies.

It is a fact that our rates have gone up. Our contracts are tied to the price of fuel. While I do not have the last figures on price, some time ago it had gone up from $2.13 a barrel to $2.64 a barrel. I understand that that price has continued to increase.

The increase reflects itself in heavier costs to users at all levels. There is no way to escape heavier cost to the U.S. Government and to every other user, big or little.

I call attention to the fact that approximately 13 REA organizations are customers of the power companies and that their costs are also tied to the cost of fuel, which means that every small farm operator who uses light and power for everything on his farm under a generous REA program—which is based on loans of Federal money at the rate of 2 percent interest to enable the benefits of electricity to be extended to his farm—has had to see his rates increased, whether it is as to the milking machines, or the radio, or the television, or the refrigerator, or the hatching machinery, used in the hatching of hen's eggs, and the like, everything the farmer uses is electrified and the cost of his electric supply has gone up.

I am calling attention to the fact that we are not among those fortunate areas to which hydroelectric power can be supplied. We have a small hydroelectric unit at the border of Florida and Georgia, the Jim Woodruff plant, which does not supply firm power. As to any other prospects along that line, they are almost negligible. We cannot get that kind of power into our State except by transporting it over great distances from the Appalachians or Alleghenies, which would be uneconomic. In a greater measure the same thing can be said about coal. We are so far from the coal areas of the country where coal is produced that coal cannot be economically shipped into our State. The coal people know that. They know we are not gunning for them at all. They cannot fill our market because of the high transportation costs from the coalfields in various places in our Nation to south Florida, where the need for fuel is great.

We cannot look to any supply for fuel except to the petroleum field. We found out the hard way that the quota system means a vastly increased price. It has meant so already and it is going to mean that even more in the future.

There is another point I wish to mention, and that is the very unfair competitive situation which has resulted from the quota system. We have several commercial companies which supply power to municipal powerplants and others. The two largest competitive power companies, however, have different types of contracts. One of them had a contract which was tied to the Venezuela price, and its fuel supply is now being taken care of in large measure from other parts of our country under that contract. It still gets its supply of residual oil at the Venezuela price. The other company did not have such a fortunate situation, and it has had to see its price of fuel go up as the market has advanced, which means that consumers in different parts of the State are penalized in different ways, with the companies competing all over the State with each other, finding themselves in a completely unfair competitive situation.

The same thing results for the municipal plants. We have several very important municipal plants in our State. The city of Jacksonville supplies power not only for itself, but also for the surrounding areas, including many industrial plants. The city of Orlando does the same. The city of Lakeland also does it. Various other municipalities do it also. They had different kinds of contracts and, as we would expect under private enterprise in a system of competition and independent operation, no two contracts are exactly alike, and they are being unequally treated under this artificial quota system which has been imposed, certainly not for the benefit of the users of electric power and energy in Florida.

As to the REA plants and municipal plants, a particular hardship is being visited on them because there is no way in the world for them to operate on a fair level except by raising prices.

Some commercial companies operating in different areas have had their price system spread over their whole system. This is not true with reference to REA's and municipalities.

There are other vital uses in our State for residual oil and crude oil. For instance, there is the drying of phosphate rock. Florida is supplying between 65 percent and 75 percent of the phosphate of the Nation. Phosphate is such a bulky commodity that if moved when wet, the transportation cost is vastly greater than if it is first dried. Drying is an economic necessity. Drying is done in the oil dryers in which vast quantities of oil are used.

The same can be said of citrus concentrate plants where the evaporation of water in citrus juice is accomplished by the use of residual oil. There are other plants of one kind or another, but each vital to our economy, which have been adversely affected by this matter.

Before I sit down—and I am exceedingly grateful to the Senator from Rhode Island for giving me this opportunity to speak—I wish to mention one development which is peculiarly bad and simply indefensible. Under the voluntary system, there was no quota system employed against propane. Propane is used by smaller plants which supply bottled fuel for use by modest people in thousands of places in our State. I am sure that is true also throughout the Nation. When the quota was worked out, without any excuse or reason therefor, the earlier voluntary program then being stepped up, the compulsory program was changed to include propane, notwithstanding the fact that our propane production in this Nation, instead of going up, has been going down, because we have squeezed more out of the raw oil than has been done elsewhere, and the residue is less and less.

We are producing and marketing more valuable products. So in the case of propane, a business in our State that was built upon the supply from Venezuela—where propane is produced in its natural form, just as it comes out of the ground—has been penalized by the inability to get any at all under this iniquitous system, and that has just about ruined a very good business enterprise, one which was beginning to operate at the time this quota system was placed in effect.

When we tamper with the law of supply and demand in a vital field like this and impose an artificial system which seriously affects price, we get into trouble. We are in trouble now because of this. I wish to say to my distinguished friend from Rhode Island that, serious as the trouble may be for the North, where the problem of home heating is, of course, a more vital one than it is with us, it would be hard for me to overstate the importance of this problem and its impact upon us because of our great distance from supplies of fuel and because of the fact that we are growing so rapidly and we have these enormous industries, some of them belonging to the Federal Government, like the guided missile base, and the great Eglin air field, and others in private ownership, like the Glenn Martin plant at Orlando, and various other plants, like Pratt Whitney out of West Palm Beach. There are in my State approximately two dozen of these large plants, which are hand maidens to the guided missile industry, and which are finding their power bill going up.

What does that mean? It means that Uncle Sam must pay more and more for the production of their goods. I cannot imagine anything more shortsighted, more blind to our own self-interest, than to allow this system to continue, which has grown worse and worse during the past 2½ years. I hope that at long last someone will show enough intention to call it off. I thank my distinguished friend from Rhode Island.

Mr. PASTORE. I congratulate the Senator from Florida on his fine contribution to this important subject. I now yield to the Senator from Connecticut.

Mr. BUSH. Mr. President, the restrictions on residual oil imports have failed so completely to accomplish what their proponents claimed for them when they were established in March 1959 that it is surprising they still have any defenders. It would appear that the last ditch defense of restrictions now in progress is based largely on a misunderstanding of the record.

At the time the restrictions were imposed, they were supposed to stimulate exploration for oil in this country. The theory was that the restrictions would help to maintain the price of crude oil at the wellhead. This assumes that a very small tail can wag a very large dog.

Refiners in the Texas Gulf and Louisiana Gulf district run domestic crude oil almost exclusively. At the present time they manufacture nearly 93 percent of each barrel of crude into petroleum products other than residual oil. They do so for a very good reason. The other

products are more profitable than residual oil. Refiners do not like to produce residual. They have geared their refineries to produce less and less over the years.

Today refiners in the gulf are paying about $3 a barrel for crude at the wellhead. Assuming transportation costs of 25 cents a barrel to get the crude to the refinery, the total cost of crude to the refiner is $3.25. The low cargo price for residual at the gulf is now $2.20. Residual oil, as Senators probably know, is cheaper than the crude from which it is made. With a residual yield of 7½ percent, the loss on a barrel of crude is 7.9 cents.

Let us assume that without import restrictions, the price of residual at the gulf would decline 10 percent to $1.98. This would mean that the loss to the refiner on a barrel of crude would increase to 9.5 cents. The difference between the 7.9 cents the refiner is losing now on residual and the 9.5 cents we have assumed he would lose with restrictions, is 1.6 cents—about half of 1 percent of the current price of crude oil.

As I said, this is a very small tail to wag such a large dog. How could a difference of about a penny and a half a barrel make any difference in the price of crude at the wellhead, in the face of much more significant variations in the price of gasoline and home heating oil?

In the light of this, does it seem probable that restrictions on residual oil would cause any American oil man to step up his exploration program? Other factors play a far more important part in the oil industry's decision to step up or cut back on exploration outlays. In 1959, for example, the oil industry cut back exploration expenditures because of the oversupply of crude and the business recession.

When import restrictions on residual oil were first imposed, no mention was made of the belief on the part of the coal industry that it hoped to benefit from the restrictions. But the coal association has since come to be one of the most vocal proponents of restrictions.

The argument publicly advanced by the coal industry is that restrictions help reduce unemployment in the mining areas.

The real cause of unemployment in the coal mining regions of the United States is not residual imports but mechanization. According to the coal industry publication, "Bituminous Coal Data, 1960," in 1950 the bituminous coal industry employed 415,582 men and produced 516 million tons of coal. The output per man-day was 6.77 tons. Ten years later the industry employed 159,100 men and produced 413 million tons at a productivity rate of 13.25 tons per man-day. In the decade, about a quarter of a million men left the coal industry and the output of those that remained doubled.

During the same 10-year period, the demand for residual oil in the United States remained about the same. In 1950, we used 554 million barrels; in 1960, 556 million barrels.

Since productivity in the coal fields per man-day worked has nearly doubled in 10 years, if we were to restore employment in the coalfields to the 1950 level, we would have to double the demand for coal. This would mean an increase of 413 million tons per year. In terms of energy, this is the equivalent of 10.6 times the total permissible imports of residual oil for the year ending March 31, 1962.

Import restrictions on residual oil have not stimulated oil exploration. And they have not cured the real cause of unemployment in the coalfields. But they have done serious economic damage on the eastern coast of the United States.

They have raised the electric bill of millions of consumers.

They have raised the costs of manufacturers in New York, New England, and Florida. Meanwhile, outside of the United States, foreign buisness is benefiting from our restrictions because those restrictions have tended to build up the supply of residual abroad, with resultant downward pressure on fuel prices.

The time has come to face up to the fact that residual oil import restrictions benefit nobody, while doing serious harm to the U.S. consumer and taxpayer. It is high time they were eliminated.

Mr. WILLIAMS of New Jersey subsequently said: Mr. President, I want to join the distinguished senior Senator from Rhode Island [Mr. PASTORE] in opposition to the quota system imposed on the import of residual oil.

Certainly it is clear that the importing of residual oil is in no sense competitive with domestic production of this type of oil. It has been said that residual oil to the domestic oil producer is what sawdust is to the lumber mill. It is the substance left over after the end of the oil refining process and since the oil producers can produce more valuable end products than residual oil, their goal has been to leave less and less of the residual oil after refining. And in fact domestic production of residual fuel oil has declined from about 416 million barrels in 1954 to about 332 million barrels in 1960, a 20-percent drop.

The real bone of contention lies with the coal industry. But even here it has been estimated that if all the electric utilities on the east coast which had dual facilities were to switch from oil to coal, the increase in additional coal sales would be very small.

Which raises an important point. Presumably the rationale of an import quota system is to lessen or eliminate the threat of import sales to existing domestic sales, the loss of which would seriously injure the domestic industry in question. I don't think our quota and import restrictions were meant to give additional business to a domestic industry. Yet this is what is involved. For clearly the import of residual oil has not caused the decline of the coal industry. Changing domestic needs—like the change from coal-burning steam locomotives to diesel engines—plus vast technological changes have been the primary causes of the present and unfortunate plight of the coal industry. And during the same period that these domestic changes were taking place, there has been little increase in the use of residual oil.

Now I would like to see the problems of the coal industry solved in every way possible, preferably through increased production if possible.

But I think it is time to say a few words in defense of the consumer, who seems to be a particularly attractive target whenever there is an economic problem to be solved. To the extent that coal production could be increased by the conversion from residual oil to coal use, and it would not be to a very great extent, millions of consumers in New Jersey and elsewhere in the heavily populated Northeast would have to sustain the additional coal production with higher heating bills and higher prices for all the products and services that now involve the use of residual oil. And there would be several dollars difference between the cost of a ton of residual oil and a ton of coal.

Finally, a word should be said about about the international implications of the quota system, particularly as it affects Venezuela, one of our best Latin American friends and a large exporter of the residual oil in question. Our objective has always been to stabilize trade relations with other countries, a problem of critical importance, particularly to so-called one-crop countries, whether that crop be coffee or oil. A marked change in the export market for these countries can have a disastrous effect on their economic stability. It can nullify every cent of aid that we have given over the years. It can set off political repercussions, which could easily lead to the dissatisfactions necessary to create a climate for the successful emergence of the political demagog. I am sure no one here would relish running the risk of causing the rise of another Castro in Latin America in an effort to make an uncertain contribution to the health of the coal industry through the limitation of residual oil imports.

Mrs. SMITH of Maine subsequently said: Mr. President, several of my colleagues have protested in the Senate today against the residual fuel oil import policies of the Kennedy administration as discriminating against New England and causing economic hardship in our area. They are right.

But the concern they express is mostly concern for the large corporate interests that use residual fuel oil.

I want to express my concern about the individual user—the little man as contrasted to the large corporate interests, as contrasted to the industrial concerns—the families of low and moderate income who cannot absorb the price gouging that the large corporate interests can.

I say that we had better be concerned first about the prices they are forced to pay in the coldest part of winter when they have to burn fuel oil in their homes to survive—and in doing so, as a captive market, they have to pay whatever the price is—or go cold and suffer survival risk to the members of their families.

For the greater part, they do not use residual fuel oil—it is the large corporate interests, the large industrial concerns that use residual fuel oil. And I

think it is far more important for Maine to be concerned over the individual home user than the large industrial, corporate interests.

ORDER FOR ADJOURNMENT TO 9 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, after consultation with the distinguished acting minority leader, the Senator from Colorado [Mr. ALLOTT], I ask unanimous consent that when the Senate concludes its action today, it adjourn until 9 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CALL OF THE CALENDAR TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on tomorrow, at the conclusion of morning hour business, there be a call of the Legislative Calendar.

The PRESIDING OFFICER. Beginning where the last call of the calendar ended—in other words, beginning with Calendar No. 825?

Mr. MANSFIELD. Yes, beginning with Calendar No. 825.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ESTABLISHMENT OF NATIONAL WILDERNESS PRESERVATION SYSTEM

The Senate resumed the consideration of the bill (S. 174) to establish a national wilderness preservation system for the permanent good of the whole people, and for other purposes.

Mr. MANSFIELD. Mr. President, what is the pending question?

The PRESIDING OFFICER (Mr. METCALF in the chair). The pending question is on agreeing to the amendment identified as "8-18-61—D," submitted by the Senator from Colorado [Mr. ALLOTT] on behalf of himself and certain other Senators.

Mr. MORSE obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Oregon yield, if it is understood that in doing so he will not lose his right to the floor?

Mr. MORSE. Yes.

Mr. MANSFIELD. Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, it was my privilege to be a cosponsor of the wilderness bill when it was first introduced to the Senate, and even to have been a participant in the development of this proposed legislation.

From the beginning it has seemed urgent to me that congressional action be taken in order to insure the preservation of some of our American wilderness.

I was soon convinced that we still have an opportunity of doing this, and of doing it so as to prevent interference with other land management purposes.

Accordingly, I am especially appreciative of the fact that the measure which the able Senator from New Mexico [Mr. ANDERSON] has reported from our Committee on Interior and Insular Affairs is one that establishes a National Wilderness Preservation System made up of areas that are available for this purpose, without encroachment on other programs. The units of the system have three outstanding qualifications for such a preservation purpose:

First. They are now in Federal ownership.

Second. They are within national forests, parks, wildlife refuges, or other such units that have been established for purposes with which wilderness preservation is consistent.

Third. While serving their park, forest, refuge, or other purposes, they have so far maintained their wilderness condition.

Therefore, I would stress that no new Federal lands will be created, and no new wilderness areas will be created by the bill.

As units of the wilderness system, these areas will continue to be integral parts of the forests, refuges, parks, or other areas within which they now are. They will continue to be administered by the agencies now administering them. They will in the future, however, as units of the Nation's system of wilderness reservations, be so administered, under the mandate of Congress and the President, as to preserve their wilderness character.

This program reflects not only an intense public interest in wilderness preservation, but also the need for realizing such a program, if at all, within an already established land-management program that includes all our land. There no longer exists a wilderness that is not under management or in private ownership. The areas that still maintain the aspects of wilderness which once characterized the entire North American Continent, and are available for public preservation as wilderness, are within lands already devoted to other—though consistent—purposes. This act recognizes this situation, and accomplishes its wilderness preservation purposes without disrupting the already established programs.

When the continent was nearly all wilderness, there were few who valued it as such or foresaw a possibility that all wilderness might disappear. A positive public value of wilderness as wilderness, grew gradually as the wilderness itself was disappearing.

The public ownership and protection of areas as parks open to the public were mid-19th century developments that also helped lead to the later interest in wilderness preservation. To a great extent this interest was more in preventing private exploitation of the scenic interest in outstanding natural features than in wilderness itself—which was, of course, then abundant. Yet there also developed from the beginning an interest in preserving the natural character of such parks.

When Yellowstone National Park was established, the basic act of Congress, signed by President U. S. Grant on March 1, 1872, included provision for "preservation, from injury or spoilation of all timber, mineral deposits, natural curiosities, or wonders within said park, and their retention in their natural condition." I emphasize here the last five words, "retention in their natural condition." When the great National Park Act of August 25, 1916, was passed, the Congress and President Woodrow Wilson then declared that the fundamental purpose of our parks, monuments, and reservations is—"to conserve the scenery and the natural and historic objects and the wildlife therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations."

The national parks thus came to be increasingly recognized as primeval sanctuaries.

Within national forests also, during the early decades of this century the value of the wilderness character of the large roadless tracts was being recognized by more and more of the foresters who saw the increasing encroachment of roads on the primeval.

A great influence was exerted nationally by the action of New York State in establishing the forest preserve in the Adirondacks and Catskills and providing that the State-owned lands so protected should be preserved forever wild—a phrase that still has great meaning in New York, where the forest preserve now includes some 2½ million acres. Since 1894 these lands have had the protection of New York's constitution itself, which declares in its article XIV, section 1, that—

> The lands of the State, now owned or hereafter acquired, constituting the forest preserve as now fixed by law, shall be forever kept as wild forest lands.

It was on August 25, 1924, that the first area of wilderness was set aside as such in our national forests. That was the Gila Wilderness Area, in New Mexico, established by the regional forester.

Mr. President, the development of our American wilderness preservation program has been growing steadily ever since. The foresters of the U.S. Forest Service, the park rangers of the National Park Service, and others who, as I have indicated, began to value as wilderness the lands that they handled have become the pioneers of a significant movement. It has included the establishment of a special organization of private individuals, called the Wilderness Society, and the incorporation of wilderness preservation in the programs of many other groups.

The executive secretary and editor of the Wilderness Society some years ago wrote a brief article on some of these matters I have been discussing, which was reprinted in South Carolina Wildlife, the magazine of the State wildlife resources department. By unanimous

consent I should like to have this article entitled "Our World and Its Wilderness," by Howard Zahniser, from the winter 1955 issue of South Carolina Wildlife, included in the CONGRESSIONAL RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MORSE. Mr. President, what we are discussing, I wish to point out, is not whether there shall be wilderness areas, but whether they shall continue to be selected and maintained solely through administrative decision, as at present, or given statutory guidelines and protection.

I am constantly astonished by the point of view expressed in much of the mail from my State which seems to believe that commercial rights or interests now available for timber cutting, grazing, mining, or recreation, would be taken away under S. 174.

Mr. President, that just is not the case at all. I say, most respectfully, that, in my judgment, a good many of the people who have written me urging me to vote against the bill have never read the bill, but have simply sought to carry out some instructions that powerful special interest lobbies in this country are using to try to defeat this bill.

Here again I have no intention of surrendering to selfish interests that place materiality above public interest—in this case it might properly be said which place materiality above spirituality, because one of the soundest reasons for the support of the wilderness bill is from the standpoint of what it will do for the spiritual needs of Americans.

Mr. President, I come from a section of the country where God has been most gracious, kind, and generous in providing us with a great heritage of natural resources. He has been kind to all America by providing the grandeur of this western country, from which the Senator from Idaho [Mr. CHURCH] and the Senator from Montana [Mr. MANSFIELD], who are present on the floor at this time, also come.

Mr. President, I say you cannot go into the canyons, along the streams, through the primeval forests, you cannot associate with the grandeur of this great heritage which God Almighty has given the American people, and not come out of such a trip a better man or a better woman for having come that close to the spirit of the Creator himself.

We cannot justify, in our generation, the destruction of these great areas of wilderness. We owe to unborn generations of Americans to leave them the heritage which it has been our opportunity to enjoy. There is no timber interest, there is no mining interest, there is no grazing interest, there is no economic interest that, in my judgment, has any right to be placed above the great need of preserving one of the great spiritual strengths of America which is to be found in these untouched and untapped wilderness areas.

But as one reads this lobby mail, he would think that what we are proposing in this bill is to take over all the naturally wild areas of the States which now exist and turn them into wilderness areas. Those who would give that impression just have not read the bill. The total amount of the land area we are talking about is exceedingly small in comparison with the total amount available to the commercial interests for development—and I stress the word "development." I pray it may be development, and not exploitation. But we must judge by the past. The past shows that short-run interests very often predominate in the breast of man, and too frequently selfish purposes and selfish desires have resulted in the scuttling, ravaging, and destroying of great areas of natural resources which should have been developed, and not exploited.

So far as the senior Senator from Oregon is concerned, he will not yield to the heavy demands which have been placed upon him by certain economic interests of my State, who sent a delegation not so many days ago, urging me to reconsider my position, and, none too tactfully, calling my attention to the fact I shall be up for reelection next year. I will let the voters of Oregon decide whether my position on this matter meets the favor of the overwhelming majority of the people of my State, but I am going to carry out my duty, as I see it, and I shall continue to support this bill. By doing so, I shall be helping to preserve a great intangible value that is so important in helping to maintain the strength of this Republic.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. MORSE. This bill is very closely related to the intangible matter of maintaining wilderness areas in order to give assurance that we shall provide for the spirituality of new generations of America as they tread along the banks of our gorgeous streams, down the canyons, up the mountainsides, and through the great natural cathedrals of primeval forest.

If the Senator from Idaho will permit a sentence or two more, I shall then yield to him.

Only a few weeks ago, I spoke at the dedication of a new tree farm in Oregon, not far away from La Grande, Oreg. On behalf of the private timber companies of my State, I wish to say that many of them have been rendering a magnificent public service in developing on their private timber holdings a sustained yield program which has come to be called a tree farm program. It is a program which recognizes that sound conservation calls for a scientific harvesting of the trees of this country.

Would that Members of the Senate could have been with me on the occasion to which I have just referred. I am satisfied that if they had been there and had experienced the thrill I experienced, standing on the platform in the midst of that natural cathedral of primeval trees, the vote in some instances would be different from the vote which will be cast by some Senators this afternoon, when the Senate votes on the various issues connected with the bill. All around were the stately untouched trees, one after another, many of them hundreds of years old. There was a beauty and solemnity to the occasion. As one stood there, as we did during the invocation, in bowed silence so far as all of us except the clergyman who delivered the invocation were concerned, one knew that we were closer to the Almighty in that natural cathedral than probably ever again we would be in any artificial cathedral, no matter how beautiful or gorgeous it may be the hand of man may build as a symbol of spiritual reverence to God, because we stood in God's cathedral, in the natural beauty of that forest.

If I had ever had any doubts—I have never had any, but if I had ever had any—as to whether I should do all I could to preserve that kind of an area for the spiritual benefit of future generations of American boys and girls, those doubts would have been resolved on that occasion.

That was not my first such experience. As I have asked, what do we think Yellowstone Park has done over the years by way of a spiritual uplift to millions of Americans? What do we think any wilderness area has done to thousands of Americans who have gone into the area in order to enjoy the grandeur of an untouched forest?

Mr. President, I think we ought to listen to the voices of past generations of Senators who stood on this floor when this program was first initiated and who, in a statesmanlike manner, portrayed the importance of the program to the spirituality and spiritual needs of America.

I would refresh the memory of Senators about those pleas, because as I see it the issue is before us once more.

I now yield to the Senator from Idaho.

Mr. CHURCH. Mr. President, I commend the Senator from Oregon for the very eloquent address he is making in support of the pending bill. It is typical of him that he would in this case, as he does in all other instances, place the public interest above any private interest.

I say to the Senator from Oregon that I, too, have been subjected to the threats of pressure groups in my own State, largely due to gross misconceptions of what the bill provides. They have warned me that I am digging my political grave in Idaho by choosing to support this bill.

Mr. MORSE. Will the Senator yield at that point for a very quick comment?

Mr. CHURCH. I yield.

Mr. MORSE. Usually when that argument is made the people who make it have lost all logic and all hope of being able to sell their bill of goods on its merits, because it lacks merit.

Mr. CHURCH. It is the scare technique. I deplore those who scatter for the sagebrush once the sniping starts. If I am shot down, so to speak, it will not be in the back, deserting my duty, as I see it, to the people of Idaho.

As the Senator well knows, the bill in actuality constitutes no threat to any legitimate economic interest. It is based upon the wilderness type areas in national parks and national monuments, and those primitive areas which have

already been withdrawn from the national forests, in which lumbering is already prohibited and in which there is very little or no mining activity.

In the whole of the wilderness system covered by the bill, throughout the entire country, only six mines are in operation, and these mines will continue, for the restrictions imposed by the bill within the wilderness system are made expressly subject to existing rights.

Moreover, such grazing as does exist will not be affected by passage of the bill. It will continue subject to the restrictions of existing law.

No one will be adversely affected by passage of the bill. It has been carefully drawn to give all possible protection to the economic interests of the West.

As the Senator from Oregon has so eloquently pointed out, the bill will establish the necessary statutory safeguards, while we still have some wild lands left intact, to make certain that future generations of Americans can experience the same enrichment we westerners who have known these wilderness areas and who wish to have our children and grandchildren given the same opportunity to know them, have experienced.

This is the public interest which is served by the bill, the long-term interest of the Nation. Though there may not be organized, business groups here today in Washington, D.C., to support the bill, the great unorganized American public supports it, and those of us who vote for it will be acting in their interest and in the interests of generations of Americans yet unborn.

I commend the Senator for his splendid statement. I appreciate the support he is giving the proposed legislation.

Mr. MORSE. I thank the Senator from Idaho very much for the contribution he has made to the debate and everything he has said by way of argument in support of the bill. Not only do I agree with his comments, but I wish to second the motion, so to speak, and to associate myself with his observations.

Mr. President, I have been talking about many people who have written to me in opposition to the bill, who seem to be opposed to wilderness areas. I would have them understand that a defeat of S. 174 would do no more than leave all wilderness areas still under the administrative control which brought them existence and produced the present exclusions as to their use.

What S. 174 proposes is only that Congress make a public policy for these areas, and that Congress decide future changes that would add or subtract from the system.

I favor this bill because I think Congress should assert legislative control over wilderness areas, and not leave their future up to administrative—one is tempted to say "bureaucratic"—control.

If we fail to enact the wilderness bill, the result will be to leave entirely to the whim of a Secretary the whole decision on the amount, kind and character of Federal lands which will have a wilderness designation. One Secretary might increase the acreage significantly, while another might decrease it by large amounts. If we fail to adopt the wilderness bill, I know of nothing that could stop the executive branch from working its will, for we not only have to be in a position to pass an act, but also to be prepared to override a possible veto. The need for wilderness legislation is quite clear.

My reasons for supporting S. 174 are thus positive and related to the need for a national policy and program prescribed by Congress.

S. 174 would provide the guides and strengthen the hands of administrators as well as place the decisive vote regarding the use of this important sector of public land with the Congress—the representatives of all the people.

Much more could be said in a positive way to urge passage of the wilderness bill, but attention must also be given to some of the main arguments in opposition to the bill.

Opponents of S. 174, the Wilderness Act, have repeatedly used two phrases, "blanket in" and "lockup." As is true with so many slogans, these phrases are exaggerated oversimplifications. However, they do sum up rather neatly the main arguments of opponents of the wilderness bill.

"BLANKET IN"

The minority views of the Committee on Interior and Insular Affairs, included in the full committee's report on the wilderness bill, include no objections to the inclusion within the proposed wilderness system of some 44 areas comprising about 7 million acres, now classified by the Forest Service as "wilderness," "wild," or "canoe."

The minority said:

> The lands in question have been carefully studied and classified; they are now and have been for years classified as wilderness or the equivalent.

The minority then goes on to say:

> The bill, however, would also blanket into the wilderness system almost 8 million acres of unclassified national forest lands presently designated as primitive, and make possible the inclusion of an estimated 22 million acres of lands presently contained in national parks, monuments, and other units of the national park system, and an estimated 24 million acres in wildlife refuges and game ranges.

As the report suggests, the areas now designated "wilderness," "wild," or "canoe" were studied by the Forest Service before being so designated. Those areas were once primitive areas, also, and were reclassified after review by the Forest Service.

The areas now classified as "primitive" are simply those areas which have not yet been reviewed.

Yet the minority, in its views, labels as a "blanketing in" the process proposed by S. 174 whereby these remaining areas would also be reviewed, with a congressional check added—a check not available when the primitive areas now classified as "wilderness," "wild," or "canoe" were reviewed and so classified.

Let us now consider briefly the process which has been labeled "blanketing in."

As reported by the Committee on Interior and Insular Affairs, the bill provides that primitive areas included in the proposed wilderness system will be reviewed within 10 years by the Secretary of Agriculture. If the President so recommends and neither House of Congress objects, they will each become a permanent part of the system. If either House rejects a recommendation of the President, the area will then be administered as other national forest land.

Furthermore, any change in size cannot be such that it involves a net increase in the size of the primitive area.

There is one primitive area in Oregon remaining to be classified. Mount Jefferson has 87,000 acres, and only 4,600 acres represent commercial forest. If there is concern in my State about the impact of this legislation on our forest land, it need not exist. Apparently even some of the most radical opponents of the legislation are perfectly content to have the other areas in Oregon which are already designated as wild or wilderness remain that way.

The position taken by the lumber industry in general has traveled a full circle. When the earlier bills were up for consideration, its spokesmen objected to Congress having anything to do with reviewing recommendations by the Secretaries on wilderness designations. My mail makes clear that the lumber operators and their employees now endorse the amendment which would require affirmative action by Congress, for example, on each and every addition of a forest service primitive area to the permanent wilderness system. This is the position that they now take despite their original view that they were opposed to the Congress having anything to do with the decisions on wilderness which might be made by the executive branch.

The committee bill, in my judgment, strikes the proper balance and the balance that our Constitution seeks.

The national park and forest areas possible for inclusion in wilderness in Oregon, amount to only 1.5 percent of the State's area. Crater Lake Park involves 160,000 and the other 10 areas of national forest approximately 750,000 acres. There is, in my judgment, relatively little likelihood that much of the wildlife refuges in my State are susceptible to classification as wilderness.

Does this sound like "blanketing in"?

Even the areas of wilderness within the national parks will be subject to Executive review and will be included in the wilderness system only if neither the Senate nor the House of Representatives resolves otherwise.

Surely such a process cannot be seriously termed a "blanketing in."

"LOCKUP"

Since the inception of measures to establish legislative policy for the protection of wilderness, miners, cattlemen, lumbermen, and water developers have said that vital resources would be locked up by passing a bill to establish a wilderness preservation system.

Just what resources would be locked up by this bill?

First. First of all, it should be made clear that only about 2 percent of our land will be included in the system.

George Thompson, reporting on the wilderness bill in the September–Octo-

ber 1961 issue of Better Camping makes this significant observation:

> If we ever reach a stage where the natural resources on and beneath 2 percent of the area of the United States would become necessary to survival, it will more likely be because of poor conservation elsewhere, not because we have tried to protect the remnants of American wilderness.

Second. Mining: There will be no change in mining operations in the national park system areas, refuges, and game ranges. Within the national forests, the bill would permit exploration for mineral deposits not inconsistent with the wilderness environment. The bill does not affect any existing private rights in these areas. The committee's report states that "the majority of the committee does not feel that the mining industry will actually be injured by the bill." It believes, rather, "that the release of some primitive lands will be of advantage to it."

Third. Timber: There is no timber harvest today from the lands being considered for inclusion in the wilderness system under S. 174. Three statements from the committee's report are significant. The first of these says:

> Timber sales were barred by Executive regulation, with rare exceptions, when the 14.6 million acres of national forest primitive areas were set aside in the twenties and thirties for preservation as wilderness. Actually, because of their inaccessibility, there was little need for such regulation.

The report says also:

> The commercial timberlands in the wilderness-type areas are not a significant portion of our timber resources for future years.

Finally, the report underscores the fact that,

> The need is for the application of modern forestry techniques to all the 488 forest wilderness areas, rather than to cut over the nine-tenths of 1 percent of such lands in the areas of wilderness value to permit a few more days of procrastination.

Fourth. Grazing: S. 174 does not reduce established practices of grazing in any area of the proposed wilderness system.

Fifth. Water resources: No licensed projects are affected by S. 174. Prospective powersite lands within areas of the proposed system make up an area of less than 4 percent of Federal lands withdrawn nationally for power purposes. As reported by the committee, S. 174 provides that the President may authorize the construction of water facilities in national forest and public domain wilderness areas when he finds such use of greater public interest than continued wilderness preservation.

Sixth. Multiple use: For some the term "multiple use" seems to mean either the use of all land for any purpose, or any land for all purposes within the national forests. One suspects that the real goal of those who take this stand is "all or any land for my purposes."

Certainly one important use of some forest lands is wilderness use.

Since uses inconsistent with wilderness eliminate wilderness, it is logical to conclude that if we want wilderness we shall have to exclude such incompatible uses in areas to be preserved as wilderness.

Such a procedure is completely consistent with a multiple-use philosophy. For example, one cannot have timber and a reservoir on the same land, and yet who would deny that the land involved is multiple-use land?

S. 174 has consequently been so written as to designate the finest available lands suitable for wilderness preservation—approximately 2 percent of the Nation's more than 2 billion acres—to be preserved in their primitive condition for their wilderness values until a use in the greater good of the people of the Nation has been clearly demonstrated.

Keeping in mind, first, the little change in actual use of the areas to be included in the proposed system, second, the national values of wilderness preservation, and third, the provisions in S. 174 for the use of wilderness areas for mining and water when clearly in the national interest, it seems reasonable to conclude, as many of us have, that from the standpoint of national interest and true multiple use, these areas are not locked up, although they may appear so to the man who wants to line his pockets with the revenue derived from stripping the land of its timber, defacing the forest with oil derricks, crisscrossing the land with strips of concrete, or dotting the wilderness carpet with lodges and resorts.

Seventh. Another theme that has been used to urge delay of the wilderness bill is that Congress should await the outcome of the Outdoor Recreation Resources Review Commission findings. I would be persuaded by this argument were it not for the fact that the junior Senator from New Mexico, CLINTON ANDERSON, has successfully demonstrated the fallacy of this position.

He is the principal sponsor of the legislation which created the Outdoor Recreation Commission, and has served continuously on that Commission. As chairman of the Interior Committee, he decided to both introduce and urge the committee to bring forth to the Senate the wilderness bill. In so doing he has cited many cogent reasons why the wilderness bill should not be further delayed and he has also demonstrated that no real relationship exists between awaiting the outcome of the Commission's findings and enacting wilderness legislation.

WHAT WILL THE WILDERNESS BILL DO?

Having discussed the objections made by the opponents of wilderness legislation, let us again briefly answer the question: What will the wilderness bill do? The bill, as I pointed out at the beginning of my remarks, will:

First. Establish a national policy for wilderness preservation and a program to make it effective.

Second. Give statutory protection to areas of wilderness within national parks and monuments, national forests, and national wildlife refuges and ranges.

Third. Establish a national wilderness preservation system for the permanent good of the whole people, to consist of the now-existing wilderness areas in forests, parks, and refuges.

Fourth. Set up an orderly procedure for additions, deletions, or changes in the wilderness preservation system, with provisions for due notice, public hearings, and review by Congress.

Finally, I want to make perfectly clear to the lumber operators in Oregon, to their many thousands of employees, to the stockraisers, and the many others in my State who have written me their objections to S. 174 that I believe their understanding of what the bill does is frequently mistaken. The wilderness areas are already there; lumbering on them is prohibited and grazing and mining are restricted. The bill continues that policy, just as I am sure it would be continued if there were no bill.

As for the future, if the time comes when it can be shown that the economic growth and progress of Oregon can be maintained only by opening a wilderness area to lumber operations, I shall be the first to seek such a decision. However, I am strongly of the opinion that such a change should be made via the legislative process and not by Executive fiat. The same goes for possible additions to the wilderness system.

I close my speech by way of a very brief statement of commendation to one of the great conservationists of America, one of the great supporters of a wilderness area system, Associate Justice of the Supreme Court, William O. Douglas. I commend him in his capacity as a private citizen in the position he has taken as a private citizen, in his stalwart crusading defense of our wilderness area program.

One cannot read Justice Douglas' book on the many wonderful trips that he has taken into the natural resources areas of our country, and read of his accounts of the importance of the wilderness areas, and the great spiritual development of the American people, without feeling, as he makes a speech on wilderness area problems, that this great Justice of the Supreme Court, in his capacity as an individual citizen, as one of the great crusading conservationists of this country, is deserving of the sincere thanks of all of us. Not only this generation but many future generations of Americans will owe a great debt of gratitude to the wonderful work Justice Douglas has done in helping to educate the American people to an enlightened understanding of the need for the passage of such legislation as S. 174.

I sincerely hope that when the Senate comes to vote on the bill, the crippling amendments will be rejected and that it will be passed by an overwhelming majority.

EXHIBIT 1

OUR WORLD AND ITS WILDERNESS

(By Howard Zahniser)

From within our sheltering walls and fast-moving vehicles our American world seems far removed from the wilderness. The wilderness we have conquered and from its raw materials have built a civilization in which we have protected ourselves from hardships and feed ourselves to a great extent from many of our natural limitations.

Yet, wilderness preservation has certainly become one of our American purposes, an essential part of a distinctively modern movement for the conservation of natural resources—upon which, it is recognized, the survival of our civilized culture depends. The more highly developed our culture has become the greater our appreciation of wilderness has grown. The more we have

enjoyed the ease and security of our civilization the more we have also valued the hardships and hazards—the adventure—of wilderness excursions. The farther we have come in our programs for managing our world the greater has become our appreciation of the significance of the observations to be made in areas where natural processes go on unmodified by man.

As we have thus achieved the opportunity of leisure to enjoy ourselves and reflect on our progress and our destiny, we have come to realize that the wilderness in all its wildness is important to us, and we have determined to preserve it as a resource of health and inspiration, of knowledge and understanding. We have come to realize that we ourselves are creatures of the wild. In the wilderness we are at home; in maintaining our access to wildness we are not, as some have thought, escaping from life but rather keeping ourselves in touch with true reality, the fundamental reality of the universe of which we are a part. We call it recreation and often, most fortunately, know its deep benefits through simple enjoyment of a good time.

Yet so deliberate and calculated has all our living grown that we have come to realize that we must be aware of the true meaning of our wilderness. If we are truly to preserve its values, we must recognize that its essential importance to us is indeed in its wildness.

Henry David Thoreau, who in his essay on "Walking" declared that "in wildness is the preservation of the world," was one of the first Americans to point out this significance of wilderness. Even in the middle of the 19th century, even before the frontier was gone—he argued for wilderness preservation. Why shouldn't we have "our national preserves," asked Thoreau as he concluded one of his essays, "Chesuncook," in "The Maine Woods," "to hold and preserve" man himself as "the lord of creation—not for idle sport or food, but for inspiration and our own true recreation?" Thoreau perceived, as he wrote in "Walden," that our life "would stagnate if it were not for the unexplored forests and meadows which surround it," and he emphasized—

"We need the tonic of wildness—to wade sometimes in marshes where the bittern and the meadow hen lurk, and hear the booming of the snipe; to smell the whispering sedge where only some wilder and more solitary fowl builds her nest, and the mink crawls with its belly close to the ground. At the same time that we are earnest to explore and learn all things, we require that all things be mysterious and unexplorable, that land and sea be infinitely wild, unsurveyed, and unfathomed by us because unfathomable. We can never have enough of nature. We must be refreshed by the sight of inexhaustible vigor, vast and titanic features, the seacoast with its wrecks, the wilderness with its living and its decaying trees, the thundercloud and the rain which lasts 3 weeks and produces freshets. We need to witness our own limits transgressed, and some life pasturing freely where we never wander."

First published in the Atlantic Monthly in 1858, Thoreau's plea for national preserves was published (posthumously) in "The Maine Woods," in 1864, the same year in which the U.S. Government made its first provision for what we now recognize as wilderness preservation. The Federal Government then, by an act of Congress approved by President Lincoln on June 30, 1864, granted the Yosemite Valley to the State of California upon the condition that it should be "held for public use, resort, and recreation." Two decades later, by an act of Congress approved by President Grant on March 1, 1872, Yellowstone National Park was dedicated and set apart as a public park or pleasuring-ground for the benefit and enjoyment of the people. Provision was made for the "preservation, from injury or spoliation of all timber, mineral deposits, natural curiosities, or wonders within said park, and their retention in their natural condition."

The brilliant and significant surveys and studies begun by the young Verplanck Colvin in New York State's Adirondacks in the 1870's, were at this same time leading to the laws and constitutional provisions that before the end of the century had firmly dedicated the Adirondack wilderness to protection by the State, "forever wild."

John Muir in his Atlantic Monthly sketches was doing his best "to show forth the beauty, grandeur, and all-embracing usefulness of our wild mountain forest reservations and parks, with a view to inciting the people to come and enjoy them, and get them into their hearts, that so at length their preservation and right use might be made sure."

When the National Park Service was established in 1916, under the leadership of Stephen Mather—some 2 years after John Muir's passing, on Christmas Eve in 1914—there were 14 national parks, besides 33 national monuments, in the national park system.

There had also been established 153 forest reservations, within which were the great wilderness destined to be preserved as the primitive, wild, wilderness, and roadless areas of the national forests.

From the Southwest, where on August 25, 1924, the type specimen of these areas was established by regional administrative action in the Gila National Forest, Aldo Leopold had begun to point out to the Nation both the importance—recreational and ecological—of the national forest wildernesses and the growing threats to their persistence. By the 1930's a national policy for wilderness preservation in the national forests had emerged. The great wilderness interpreter and champion, Robert Marshall—forester, thinker, writer, philanthropist, who had learned wilderness in the "foreverwild" Adirondacks (where with 2 companions he had been first to climb all 46 of the peaks 4,000 feet high or higher, and who had seen also the great western areas of still living wilderness "melting away like the last snowbank on some south-facing mountainside during a hot afternoon in June")—Robert Marshall—had not only written his now classic interpretation, "The Problem of the Wilderness," in the February 1930 Scientific Monthly, but had also achieved his position on the staff of the U.S. Forest Service where he was able to contribute notably to the establishment of areas for preservation and to the formulation of regulations for their protection.

Thus it was by our 1940's through the influence of such men as Henry Thoreau, Verplanck Colvin, John Muir, Stephen Mather, Aldo Leopold, and Robert Marshall, and the growing sense among many men and women of the enduring importance of wilderness, that we had in our national forests, and in other Federal and State areas, a great wilderness preservation system.

Through this system of preserved areas there will, in time, exist a national wilderness preservation system, not only in fact but by virtue of congressional legislation giving it perpetuity.

We thus propose to maintain our access to wildness, to what John Muir called "fountains of life." Our expansive civilization, we realize, will eventually modify for human exploitation every last area on the earth—except those that through human foresight and wisdom have been deliberately set aside for preservation. Through such a zoning program as is represented in our preserved areas, nevertheless, we are persuaded, we can insure the existence of a system of wilderness forever. It is not too late. Half a hundred areas in our national park system, six dozen and more areas within our national forests, a few of our national wildlife refuges, certain of our State parks, and other areas within the public domain and on Indian reservations are still wilderness—and in public ownership.

Elsewhere we know we can obtain the timber and mineral commodities we need and shall need. There we will find the needed sites for our great dams and reservoirs, build the roads and landing fields for our mechanical travel in the great outdoors, find also the places for our outdoor recreation with the conveniences and facilities we so well contrive, and in short realize all the benefits that we want from a developed country.

In our wilderness we shall see preserved the unmodified wilderness of our primeval origin, our natural home—the areas of unspoiled nature. Here we not only can seek relief from the stress and strain of our civilized living but can seek also that true understanding of our past, ourselves, and our world, which will enable us to enjoy the conveniences and liberties of our urbanized, industrialized, mechanized civilization—and yet not sacrifice an awareness of our human existence as spiritual creatures nurtured and sustained by and from the great community of life on this earth.

In our continuing access to wilderness—where we can learn the humility to see ourselves truly as the dependent members of this great community of all life—is our continuing hope for the survival of our culture.

As a species, a race, a form of life, we actually run a risk of annihilation if we forget conservation. We can see—and through our science fairly well understand—what happens to forests when conservation has nothing to do with tree cutting. We can see what happens to the soil—perhaps our greatest heritage from the earth community's long past—when we try to use it without regard for its natural place in the scheme of living of which we are a part. We know that whenever, or wherever too many game mammals or birds are shot, or too many fish caught, we can no longer enjoy this resource. Sometimes we have even seen ourselves destroy an entire species and sacrifice forever our own enjoyment and benefits that once came from it. Yet all these are in a sense merely warnings, and we know now that our conservation to be truly successful must arise, not from a too selfish concern for our own day, but rather from a sense of ourselves as a responsible part of a continuing community of life.

From the wilderness we truly gain this sense and thus in wilderness preservation we see a key to all our conservation problems. From our contact with it and its continuing influence, comes the understanding to deal wisely with all the resources of the earth which we share now, but which will also be the need of those who come after us.

Mr. ALLOTT. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without losing my right to the floor and that I shall retain it at the conclusion of the quorum call.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McNAMARA. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado.

Mr. McNAMARA. I object.

The PRESIDING OFFICER. The Chair had already announced that the order for the quorum call was rescinded.

Mr. McNAMARA. The Chair also ignored my request to be heard.

The PRESIDING OFFICER. The Senator from Colorado had asked unanimous consent that there be a quorum call without his losing his right to the floor; so he was recognized when the order for the quorum call was rescinded.

Mr. McNAMARA. I object. The RECORD will show that the quorum call will continue.

The PRESIDING OFFICER. The quorum call has been dispensed with.

Mr. McNAMARA. I object to canceling the quorum call, because unanimous consent was not obtained. I object, regardless of who has the floor.

Mr. ALLOTT. Mr. President, I do not know the purpose of the request of the Senator from Michigan; but so long as the quorum call may proceed under the unanimous-consent agreement which was originally obtained from the Presiding Officer, I have no objection whatever to the quorum call. I ask unanimous consent that the call for the quorum proceed.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will continue to call the roll.

The legislative clerk resumed the call of the roll, and the following Senators answered to their names:

[No. 185]

Aiken	Gore	Morse
Allott	Gruening	Morton
Bartlett	Hart	Moss
Beall	Hartke	Mundt
Bennett	Hayden	Muskie
Bible	Hickenlooper	Neuberger
Boggs	Hickey	Pastore
Burdick	Hill	Pell
Bush	Holland	Prouty
Butler	Hruska	Proxmire
Byrd, Va.	Humphrey	Randolph
Byrd, W. Va.	Javits	Robertson
Cannon	Johnston	Russell
Capehart	Jordan	Saltonstall
Carroll	Keating	Schoeppel
Case, N.J.	Kefauver	Scott
Case, S. Dak.	Kerr	Smathers
Church	Kuchel	Smith, Mass.
Clark	Lausche	Smith, Maine
Cooper	Long, Mo.	Sparkman
Cotton	Long, Hawaii	Stennis
Curtis	Long, La.	Symington
Dodd	Magnuson	Talmadge
Douglas	Mansfield	Thurmond
Dworshak	McCarthy	Tower
Eastland	McClellan	Wiley
Ellender	McGee	Williams, N.J.
Engle	McNamara	Williams, Del.
Ervin	Metcalf	Yarborough
Fong	Miller	Young, Ohio
Goldwater	Monroney	

Mr. HUMPHREY. I announce that the Senator from Arkansas [Mr. FULBRIGHT] is absent on official business.

I also announce that the Senators from New Mexico [Mr. CHAVEZ and Mr. ANDERSON] are absent because of illness.

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kansas [Mr. CARLSON] are absent because of illness.

The Senator from Illinois [Mr. DIRKSEN] and the Senator from North Dakota [Mr. YOUNG] are necessarily absent.

The PRESIDING OFFICER (Mr. BURDICK in the chair). A quorum is present.

Mr. ALLOTT. Mr. President, we now come to the part of the discussion of the wilderness bill which relates to the amendment offered by the senior Senator from Colorado, for himself and other Senators, and designated as "8-18-61—D."

The amendment reads exactly the same as the language in the bill beginning at line 12, on page 10, through that portion of the language ending with the words "House of Representatives;" on line 17.

However, at that point my amendment departs from the bill as follows:

But only if prior to such adjournment Congress approves a concurrent resolution declaring itself in favor of such recommendation: *Provided*, That, in the case of a recommendation covering two or more separate areas, such resolution may be limited to one or more of the areas covered or parts thereof.

I have been on the floor now for some 2 hours, and have had an opportunity to listen to the remarks made by the junior Senator from Idaho [Mr. CHURCH] and also the remarks of the senior Senator from Oregon [Mr. MORSE]. I think a few matters should be clarified before we start discussing the amendment. First, because the Senator from Oregon was apparently under a complete misapprehension as to the facts: I know of but few people who are trying to kill this bill. I have stated over and over that, if we can get the proper protection in a bill, I will vote for a wilderness bill, and I will vote for the pending wilderness bill if the pending amendment is adopted. If it is not adopted, I shall be forced to vote against the bill, because I do not believe the great land areas of the West and the States of the West can be protected unless we have an amendment such as the one that is here offered.

Mr. President, I am interested also in another aspect of the remarks of the Senator from Oregon. I am sorry he is not on the floor, but, as I have said, I have been waiting for some 2 hours to obtain the floor. I refer to the attempt to surround this matter in a cloak of emotionalism and virtue by those who say: "Anybody who differs from my point of view is, per se, representing some special interests, or the robber barons of the West, or of some other area, and, unless they agree with me, unless they get under the same cloak of virtue I have wrapped around myself, then they are indeed a party with the devil."

Mr. President, I am not a party to the devil. I heard the great speech about the association with God, about the great spiritual values, but I want to ask—and I would ask the Senator from Oregon if he were on the floor now—by what arrogance and by what right does he claim a closer kinship to God than I do, myself, or than does any other Member of the Senate, and by what right does he claim unto himself a greater appreciation of the spiritual values than does any other Member of the Senate?

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. LONG of Louisiana. Is the Senator aware that some historians contend the mark of greatness in a politician is when he starts writing his own rules?

Mr. ALLOTT. I have heard that. I appreciate the Senator's contribution.

First of all, let us establish that there is certainly no attempt on the part of the senior Senator from Colorado to defeat the wilderness bill. I have repeatedly said that, although I have been misquoted many times as to my intentions by many interests who take this cloak of virtue and wrap themselves in it.

Mr. President, I am for a wilderness bill. But I want in such a bill protection concerning the addition of other areas to the wilderness system, so that Congress can keep control of it and so the people of the West are enabled to take care of themselves, in view of their constant expansion and the population explosion.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. GRUENING. Does the Senator's amendment go back to the areas that have already been set aside as wilderness or wild, or does it apply simply to future areas? I would like to be enlightened in my understanding of the Senator's amendment.

Mr. ALLOTT. I believe it has been understood—at least, I have heard the argument made—that my amendment applies only to future areas. It does not. It leaves in the bill provision for the wilderness areas which are now defined as wilderness areas, and it leaves in the bill provision for the inclusion of primitive areas or national park areas or wild game and wildlife refuges, if the President should subsequently recommend that they be included in the wilderness areas. It leaves the same procedures in the bill which it now contains. It does not change one dot over an "i." It requires Congress to act affirmatively upon recommendations of the President, instead of merely exercise a veto power, as the bill now before the Senate provides.

Mr. GRUENING. Will the Senator yield for another question?

Mr. ALLOTT. Yes.

Mr. GRUENING. Does the Senator share the view that, if the amendment is adopted, it will, in effect, involve future proceedings in so much red tape that, for all intents and purposes, the bill will be nullified?

Mr. ALLOTT. I propose to discuss that question at some length a little later, but I wish to answer the Senator in just one sentence. I cannot see that the bill will be nullified. I do not concede that either the Secretary of the Interior or the Secretary of Agriculture, in an advisory capacity to the President, would be any less efficient or any less vital in his activities in including proper areas in wilderness areas in the future than has been true in the past. If they recommend such areas to the President, and the President decides he shall make such recommendations to the Congress, Congress will act affirmatively on the proposal. I cannot see how it would possibly do what the Senator has suggested; but I intend to discuss the point at some length.

Mr. President, the Constitution, by article IV, section 3, vests in Congress the "power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States."

There is no question about where lies the fundamental power and fundamental

obligation to deal with Federal lands. I discussed at some length yesterday the act of 1897, which gave certain powers to the Department of Agriculture. The subsequent Park Act gave certain powers to the Secretary of the Interior with respect to parks. I think this ground need not be gone over again, because it was discussed very thoroughly yesterday when I spoke on the bill. That discussion is of course in the RECORD.

The theory and the practice of American constitutional government has been for Congress to initiate proposals and for the Executive to retain the veto power, which veto of course can be overruled by a two-thirds vote of the Congress. This is our democratic process. This is the theory and the basis for our law in the United States. Congress initiates the laws, and the Executive may veto.

What the committee has done in respect to the bill before us is to reverse that process. Since the Secretary of Agriculture and the Secretary of the Interior now act under general laws, they have by specific regulations taken unto themselves certain powers to set aside wilderness, primitive, roadless areas, and so forth. The bill provides for the Secretary to recommend additions to the wilderness system, which will come to the Congress, via a Presidential recommendation, and Congress will be placed in a position of having a veto power.

For Congress to delegate to the Executive the power to initiate legislation, and to retain to itself only a limited veto power, in my opinion would be a clear abdication of congressional responsibility. Affirmative congressional action is the only effective action.

Why do I say this? There is no question that, if requested, the respective Secretaries of Interior or Agriculture, would hold hearings before putting additional primitive areas or game and refuge areas into the wilderness system.

That leaves the door slightly ajar. The words, I believe, are "if there is any demand."

If the proposal must come back to the Congress, as required by my amendment, if adopted, there will be no doubt about hearings. Hearings will be held, not by some bureaucrat over whom Congress has no direct control, and who is a part of the executive branch of the Government. Hearings will be held by the Congress. Hearings will be held by the Senate, at which individual Senators could participate, at which Senators would have an opportunity to present witnesses and to examine and cross-examine witnesses. The type of hearing would be entirely different.

Second, this would place the burden of proof upon the proponents of legislation where it should be. Under the bill as it is now written there is no burden of proof placed on anybody.

Under the Code of Federal Regulations, title 36, referred to on page 4 of the bill, by which the Secretaries would be bound—and particularly the Secretary of Agriculture—there is no provision, as I read the law, that the Secretary of Agriculture or the Chief of the Forest Service is bound by any of the testimony. I should like to read paragraph C of section 251.20 into the RECORD.

> Wilderness areas will not be modified or eliminated except by order of the Secretary. Except as provided in pargraph (a) of this section, notice of every proposed establishment, modification, or elimination will be published or publicly posted by the Forest Service for a period of at least 90 days prior to the approval of the contemplated order and if there is any demand for a public hearing, the regional forester shall hold such hearing and make full report thereon to the Chief of the Forest Service, who will submit it with his recommendations to the Secretary.

There is no requirement under the regulations that the Secretary shall follow the recommendations, and there is no requirement that the report shall be in accordance with the testimony adduced at the hearing.

The amendment would place the burden of proof upon those who wish to add to the wilderness areas, and that is where it should be.

There is another distinct advantage of the amendment over the bill. Again and again and again we hear how the amendment would throttle the wilderness bill, but nothing could be more untrue. Under the amendment Congress would not in any sense be putting a deadline upon its action. Congress could act at any time.

Fourth, the amendment would provide for operation under the normal rules of the House and Senate, rather than the procedure of the Reorganization Act which I pointed out does not provide adequate safeguards.

When it is left to the discretion of a Secretary or any other official to act, without regard for specific requirements or recommendations; or if such an official can disregard competent testimony given at hearings, I deem it an abnormal procedure which is not in accordance with our normal concept of equity and justice.

It has been alleged by some that the affirmative congressional review is burdensome. I do not know about the feelings of other Senators, but, as I quoted in the RECORD yesterday, I believe there are 39 national parks, and the Congress has passed upon each one of them without anyone suffering from overwork.

Mr. LONG of Louisiana. Mr. President, will the Senator yield at that point?

Mr. ALLOTT. I am happy to yield.

Mr. LONG of Louisiana. Is it not true that the Committee on the Judiciary actually goes to the trouble of reporting hundreds and perhaps thousands of bills to the Senate, which it is necessary for the Senate to study and pass upon, based upon merits of individual claims, every year? That is the type of bill we pass upon most frequently, in the Congress.

If the Committee on the Judiciary can look over so many private claims bills, relating to perhaps $1,000 or up to $1 million, would it seem to be imposing too much of a burden on the Committee on Interior and Insular Affairs to suggest that it should look over the disposition of land involving as much as 100,000 acres at a time, with values running up into millions of dollars?

Mr. ALLOTT. I cannot conceive that it would be too much of a burden upon the Committee on Interior and Insular Affairs.

Since 1939 there have been no new primitive areas added, and the acreage in the wilderness area today—though there have been some slight modifications—is the same as it was in 1939.

The proof of the pudding is in the eating. It has not been possible to classify these lands. We will not be deluged with 50 million or 60 million acres for consideration by the Congress tomorrow, because the land cannot be classified that fast.

Mr. LONG of Louisiana. The Senator is a member of the Committee on Interior and Insular Affairs. I salute him, as a member of the committee. It is a wonderful committee. I have the highest admiration for all members of the committee.

As a Senator who served on the committee, I did not get the impression it was the most overburdened committee in the Senate. My impression is that the Committee on Appropriations, the Committee on Foreign Relations, the Committee on Finance, and perhaps the Committee on the Judiciary, are among the committees with a heavier workload and a greater responsibility with regard to volume of legislation imposed upon them by the Senate.

Does the Senator from Colorado know of any reason why the great Committee on Interior and Insular Affairs could not find time to look over a proposal to take areas of 100,000 or 1 million acres into a wilderness system?

Mr. ALLOTT. I believe the Committee on Interior and Insular Affairs is a hard-working committee.

Mr. LONG of Louisiana. I know that to be true.

Mr. ALLOTT. I do not know of any reason why the provision would cast an undue burden on the committee which it could not perform; particularly in the light of what the Senator mentioned with respect to certain other Senate committees which carry a far more detailed load than does the Committee on Interior and Insular Affairs.

Mr. LONG of Louisiana. I am certain that the Committee on Interior and Insular Affairs is an extremely hard working committee. It was my honor to serve on that committee for a while. I only say that the committee certainly is no more burdened with a workload than are a number of other committees of the Senate.

Mr. ALLOTT. I do not think there is any question about that point. The committee works hard, but it is not overburdened, and does not have as great a burden as do some other committees.

Mr. LONG of Louisiana. Is it not true that the construction of manmade dams in a number of areas makes such areas of greater recreational value and use by human beings for recreational and camping purpose than was the case prior to the construction of such dams?

Mr. ALLOTT. I think there is no question that the construction of dams generally results in making recreational areas more available to a much greater number of people than had been in the past. The construction of dams is a vital necessity to the preservation, retention, and use of the water, particularly for those of us who reside in the West, and also to the conservation of our water, forests, and wildlands of the West.

Mr. LONG of Louisiana. As one Senator who has been in what appeared to be a wilderness area, though I do not know whether it was so classified, I must say that the fact that there was a lake in the area and water was available made it more habitable and more possible to go there and camp, fish, and enjoy the natural values.

Would the bill permit manmade dams to be constructed in wilderness areas?

Mr. ALLOTT. It would not.

Mr. LONG of Louisiana. Is that not a question that should be considered if an area is to be made into a wilderness area?

Mr. ALLOTT. The theory of the wilderness is that it should be an area devoid of development. I should like to put it in a categorical sense. On page 14 the bill provides:

PROHIBITION OF CERTAIN USES

(b) Except as specifically provided for in this Act and subject to any existing private rights, there shall be no commercial enterprise within the wilderness system, no permanent road, nor shall there be any use of motor vehicles, motorized equipment, or motorboats, or landing of aircraft nor any other mechanical transport or delivery of persons or supplies, nor any temporary road, nor any structure or installation, in excess of the minimum required for the administration of the area for the purposes of this Act, including such measures as may be required in emergencies involving the health and safety of persons within such areas.

After that provision there is another special provision with certain modifications of language. I point out to my friend from Louisiana that, on the first and second pages, the bill provides that a wilderness area shall be an area in which no evidence of man can be found. I have never understood how a thousand people on horses can be taken into a wilderness area, with the various tracks that those horses leave during the summer, and still leave an area which can be called untrammeled by man, or an area in which one cannot detect evidence of man's having been there.

Mr. LONG of Louisiana. Are we to understand that the bill would permit the riding of horses into the proposed wilderness areas, and perhaps horse trails into the area for accessibility?

Mr. ALLOTT. Trails for horses, or shanks mares, yes, but one dare not do anything but walk.

Mr. LONG of Louisiana. Would not such a provision greatly reduce the number of Americans to whom the areas might be of potential use?

Mr. ALLOTT. I believe it would. I wish to make my position in this respect clear to the Senator. Yesterday I pointed out that, in establishing wilderness areas, we would prevent great numbers of our population from having any access to them.

First, we would prevent the use of the wilderness areas by people who could not afford to hire guides and rent horses at $10, $15, or more a day for themselves and each member of their families. We would economically remove the use of the proposed areas from a great number of people.

Second, we would remove the use of such areas from a great number of people who live a more or less sedentary life. Such people cannot put a 50-pound pack on their backs and march 10, 15, 20, or 25 miles into a wilderness area and live.

Third, we would remove the use of such areas from all or most people over 60 years of age, and those who have come to that time of life when they may retire. They have never lived a rugged kind of life. They would only be endangering their lives if they were to use the areas. So we would remove use of the wilderness areas from that group of older people for whom a road is an absolute necessity.

Nevertheless, despite all that I have said, I personally think we should set aside certain wilderness areas. We have already set aside—and my amendment would not change that—8 percent of the forest land for wilderness areas. I am perfectly willing that that shall remain, so that those who wish to go into the wilderness areas in any way they can, as provided by the act, may utilize the areas as wilderness areas.

Mr. LONG of Louisiana. We have discussed making the areas available and preserving them in a condition so that all Americans can use them. Can the Senator give me some estimate of the number of people who would use parks like Estes Park, Yellowstone, or Glacier National Park, if those parks had no roads, compared with the number of people who use the areas under existing circumstances?

Mr. ALLOTT. Those who use the wilderness areas constitute eight-tenths of 1 percent of the total number of people who use the national forests. But 8 percent of the national forests is set aside for such people. So roughly there has been set aside for the people who use such wilderness areas land in the ratio of 8 to 1.

Mr. LONG of Louisiana. The fact that there is any kind of road is important. For example, the road might be only a small two-track road, and not even an all-weather road, although a person could get through on a relatively dry day. Would the bill make it possible for a man to go into such an area with his wife and children if there were nothing more than a track or footpath to enable them to get back? For example, I speak of areas such as those in the high Rocky Mountains near the Continental Divide.

Mr. ALLOTT. I think the Senator is correct. I have read the portion of the bill which forbids such roads in wilderness areas.

Mr. LONG of Louisiana. Is the Senator inclined to the view that this is a question which should be carefully studied to make sure that the greatest number of Americans have some opportunity to enjoy some of the area about which we are talking? For example, the Senator has mentioned that less than 1 percent of Americans use the areas about which we are speaking at the present time.

Mr. ALLOTT. One percent of those who use the national forest lands.

Mr. LONG of Louisiana. That breaks down to far less than 1 percent of Americans.

Mr. ALLOTT. The Senator is correct.

Mr. LONG of Louisiana. Do I correctly understand that one-tenth of 1 percent of Americans would now be using wilderness areas?

Mr. ALLOTT. I hestitate to use these figures because I am not sure of them. I used them yesterday. I believe Mr. McArdle, or the Forest Digest, one of the two, used the figure of less than a half million people who used all wilderness areas together, and that represents about eight-tenths of 1 percent of the total using the forest lands.

Mr. LONG of Louisiana. If we look at the question in terms of the total number of people in the United States, the percentage would be much smaller than that. Perhaps two-tenths of 1 percent, or one-fifth of 1 percent—1 American out of 500—would receive the benefit of the provisions of the bill.

If the wilderness areas can be viewed as an asset belonging to all Americans, would it not make good sense that the areas should be managed in such a way that a more substantial percentage of Americans could have some opportunity to use the facilities? If not, should they not at least have an opportunity to have their case considered before they are foreclosed by measures which require no access and no ingress and no egress and no manmade improvements of nature?

Mr. ALLOTT. I agree with the Senator from Louisiana. This is precisely the reason for my amendment. For example, there are a little less than 7 million acres in the national forest, wild, wilderness, and canoe areas. I should add that there are 22 million acres in the park area, which makes about 29 million acres in all. However, the 29 million acres could grow, upon the recommendations of the Secretary, to a maximum of about 65 million acres, which would be considered as wilderness area. Then there would be, of course, less opportunity for people who are not used to the rugged outdoor life, and who are not able to care for themselves under those conditions—and that includes most Americans at this time—to use these areas.

Mr. LONG of Louisiana. The Senator is perhaps familiar with the Appalachian Trail, which goes along a portion of the eastern seaboard, starting in Maine and going on down to the middle of Georgia. If the Senator has gone over a part of the Appalachian Trail, he may have noticed that at certain places there are rustic sheds and an outdoor privy, together with the rudiments of what could be made into a bed, where a person could sleep off the ground if he put a bedroll on it or put some pine straw on the steel wire before he slept

on it, which would be particularly to be desired in the case of the presence of insects or where one was inclined to worry about snakes on the ground. Would such a manmade shed or privy, or sanitary facilities, be within the requirements of the bill?

Mr. ALLOTT. As I read the bill, a privy would not be legitimate in the wilderness area.

Mr. LONG of Louisiana. How about a mere shed, to keep the rain off a hiker?

Mr. ALLOTT. A shed would be ruled out also, although I must say there are a few escape hatches in the bill. At page 16 of the bill, subparagraph 4 provides:

(4) Commercial services may be performed within the wilderness system to the extent necessary for activities which are proper for realizing the recreational or other purposes of the system as established in this Act.

So, while the bill is an attempt to provide for a tight, hidebound system of wilderness, there are several escape hatches built into the proposed act, which might be in the form of a privy.

Mr. LONG of Louisiana. How about an occasional artesian well, a situation where a mere pipe stuck in the ground would make it possible to have some water for a person who had been hiking for 10 or 15 miles?

Mr. ALLOTT. In my opinion that would violate the provisions of the bill.

Mr. LONG of Louisiana. Do not provisions of that type make it difficult to make best use of the land available for these purposes?

Mr. ALLOTT. Obviously.

Mr. LONG of Louisiana. Suppose along a trail people would like to cut some trees out of their way so that they could see a beautiful view. Has the Senator ever had the experience of wanting to see a beautiful view, but not being able to because of the trees and underbrush in the way?

Mr. ALLOTT. I have had that experience.

Mr. LONG of Louisiana. Suppose there is a gorgeous scenic view. Would it be possible under the terms of the bill for someone to cut an opening through the trees or underbrush in order to see that beautiful view?

Mr. ALLOTT. In my opinion, it would be against the spirit of the bill or the intent of the bill.

Mr. LONG of Louisiana. Does the Senator know that so far as the whole Appalachian Trail is concerned, it is probably impossible to see a view from the mountains unless someone has cut a tree down or done something else in order to see the view?

Mr. ALLOTT. I must confess that I am not acquainted with the Appalachian Trail except in general terms, but I have found such a situation out West when I have had to do a great deal of climbing, because of trees and brush and other things in the way, in order to get the view that I wanted to get.

Mr. LONG of Louisiana. As long as one is not in the rocky area, but below the tree line, does not that same problem exist?

Mr. ALLOTT. It exists. Of course, it is necessary in a case like that to climb above the timberline.

Mr. LONG of Louisiana. In some places I assume one cannot get above the timberline.

Mr. ALLOTT. Yes. Here again it is important to point out that there are a great many people who will be forbidden enjoyment of this area because of physical ailments, and also that there are more deaths in the fall during the hunting season due to heart failure than due to any other cause, because people who are not used to this life overextend themselves and die of heart failure. Incidentally most of the wilderness area is up at a considerable altitude.

Mr. LONG of Louisiana. I wonder whether the Senator ever had the experience that befell me at one time, that of getting lost in one of these areas.

Mr. ALLOTT. I was never lost in a wilderness area. When I was a young fellow I was once lost in the mountains west of Pueblo, Colo. It took me several hours to get out again.

Mr. LONG of Louisiana. I must report to the Senator that I once got lost out West on the border of the State of Colorado, in a national forest. It is a wonder to me that I ever got out again. Would not a little road or a trail help a person get out of such an area if he were lost?

Mr. ALLOTT. The Senator has brought out again the fact that there are very few people who are trained and who are in the proper physical condition to cope with a wilderness situation, because they do not have the background which enables them to find their way out of such an area. Trails and roads certainly would help.

Mr. LONG of Louisiana. Suppose a man, an average husband with a wife and two children, wanted to go into one of these wilderness areas and come out again, perhaps stay in there for 3 or 4 days. As a practical matter, most of them would not last 3 or 4 days, sleeping on the ground. However, let us say that they stayed in there for 3 days. Can the Senator give me any idea what the cost would be to hire pack horses and a guide to take them in there and stay for a few days to help them find out how to exist in such an area and then to come out again?

Mr. ALLOTT. I cannot give the Senator such information. A figure was given to the committee by the Sierra Club, a club which is such an ardent advocate of the pending bill, in California, in which they said they ran one trip and, my recollection is, they said they charged $8 per person a day. I will say that that is a rate which is a great deal cheaper than any of which I ever heard.

Mr. LONG of Louisiana. That sounds very low to the junior Senator from Louisiana, based on what little he knows about the problem. However, that works out to about $32 a day.

Mr. ALLOTT. For a family of four; yes.

Mr. LONG of Louisiana. I assume that they would be doing their own cooking while they were in there.

Mr. ALLOTT. That is correct.

Mr. LONG of Louisiana. And they would be sleeping in there without a roof over their heads.

Mr. ALLOTT. That is correct.

Mr. LONG of Louisiana. Would it not be a great deal cheaper if there were some form of ingress, so that people could get in there without horses and guides to take them in and out of those places?

Mr. ALLOTT. Yes; if they could put a tent and oilstove in the back of their car and drive in there. They would not desecrate the area any more than would 100 horses in a few days. In addition, there would be many more people getting the benefit of the area.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. ALLOTT. I am glad to yield to the Senator from Alaska, although, the way he smiled a while ago, I am afraid he is about to ask a loaded question.

Mr. GRUENING. Will the Senator from Colorado permit me to challenge his assertion that under the present wilderness bill a person over 60 years of age would be precluded from the enjoyment of these areas?

Mr. ALLOTT. I do not believe I made quite that statement. I said the great bulk of people over 60 years of age would. I know that the Senator from Alaska is one of those rough and hardy persons who are a day or two past 60. He has lived ruggedly and in the outdoors all his life. He is not one of those persons who would fall in that category. I realize that.

Mr. GRUENING. I thank the distinguished Senator from Colorado.

Mr. ALLOTT. I can understand why the Senator laughed and why there was a glint in his eye. He intended to bring that up when I discussed this subject.

Mr. LONG of Louisiana. Mr. President, will the Senator from Colorado yield?

Mr. ALLOTT. I yield.

Mr. LONG of Louisiana. Inasmuch as the point was raised, I think the RECORD should show that the Senator from Alaska [Mr. GRUENING] is one of the most avid athletes in the Senate and one of our most expert swimmers. The water never gets too hot or too cold for him, whether it is in Puerto Rico or Alaska.

Mr. ALLOTT. I know that is true.

Mr. LONG of Louisiana. He is one of the few Members of the Senate who can swim with the seals.

Mr. ALLOTT. Mr. President, I was saying, a few moments ago, that affirmative congressional action is not unduly burdensome. I stated yesterday that some 22 out of 83 national monuments have been established by congressional action. Congress has not broken down under the load. The Committee on Interior and Insular Affairs has not broken down under the load. All the national parks in existence have been established by congressional action. That has been the procedure for all national parks.

By way of comparison, the 86th Congress—the Congress preceding this one—enacted more than 140 public laws which had been referred to the Committees on Interior and Insular Affairs of the Senate and House.

In view of the fact that the review by the Department of Agriculture of the remaining 39 primitive areas has not been completed in more than 22 years, I

have no doubt that Congress could act affirmatively upon each of the remaining areas as rapidly as the executive branch of the Government could report on them. Let us think about that a moment. For 22 years the executive department has not acted upon the remaining primitive areas. Now we are told that this proposal will cast a burden on Congress which Congress cannot accept. If the executive department does not move any faster in the next few years than it has moved in the last 22 years, I do not believe we in Congress need to feel concerned about our being able to do the work.

There is no crisis which necessitates the abdication of congressional control. Congress has considered these questions for many years. There has been no real classification. It was said earlier today by the senior Senator from Oregon [Mr. MORSE] that primitive areas are not blanketed in. I do not know how language could be plainer than it is on page 3 of the bill:

> The wilderness system shall include all areas within the national forests classified on the effective date of this Act by the Secretary of Agriculture or the Chief of the Forest Service as wilderness, wild, primitive, or canoe.

If that does not blanket them in, I do not know what does. It is true that a review is provided; and it is that review to which the amendment of the senior Senator from Colorado is directed.

Mr. KUCHEL. Mr. President, will the Senator from Colorado yield?

Mr. ALLOTT. I yield.

Mr. KUCHEL. Is it not true, however, that under present law the Secretary of Agriculture today has the untrammeled authority to classify every acre in his domain of the national forests as wilderness area with no review by Congress?

Mr. ALLOTT. I do not know what the word "untrammeled" means in the sense the Senator from California uses it, but I am not certain that the Secretary of Agriculture has that authority. He has assumed or taken authority under the act of 1897, and issued regulations U–1 and U–2, which I discussed thoroughly yesterday.

I should say the Secretary of Agriculture does not have the untrammeled right, because he still must comply with subsection (C) of the Code of Federal Regulations, title 36. In other words, he still must hold hearings, whether he pays any attention to them or not. So he does not have an arbitrary right.

Mr. KUCHEL. But is it not true that under present law, as enacted by Congress in 1960, the Secretary of Agriculture has the authority to make a decision as to what area shall constitute wilderness without review of any kind by Congress?

Mr. ALLOTT. After complying with title 36 of the Federal code.

Mr. KUCHEL. But it is true that the Secretary does have the right to make such decisions?

Mr. ALLOTT. After complying with the code; and that is a very important difference.

Mr. KUCHEL. So the Senator's answer is that the Secretary has that right, subject to such procedure as required by the regulations he himself promulgates?

Mr. ALLOTT. That is correct. The Senator from California has raised a question which is very important; namely, why we must regulate the situation. Congress has been sitting on its hands almost literally for almost 22 years. Now, all of a sudden, it is said that action must be taken to preserve the wilderness.

From the Forest Service itself we can find that the protection presently afforded primitive areas within the national forests is wholly satisfactory. I read from a booklet issued by the Forest Service. The last 2 paragraphs of this document, No. PA–459, are as follows:

> The guiding principles of multiple-use management insure that all resources, all uses, and all users are considered in developing management plans for the national forests. Within this framework and consistent with policy of over 35 years' standing, the Forest Service is protecting and maintaining in their natural state those parts of the national forests which have been designated as wilderness.
>
> Multiple-use management, then, is providing this generation of Americans with optimum opportunities for wilderness recreation. And for the benefit of those generations of Americans yet to come, it is making certain that these irreplaceable wilderness lands shall endure.

Mr. President, I cannot help remarking that that is a misstatement, because there is no multiple use in the wilderness areas today. The only apparent reason for asking Congress to abdicate a large measure of its control over 8 million acres of primitive areas in the national forests is the fear that if Congress took a close look at each of the 39 areas, it would find that the restrictions imposed upon them by the bill would be unjustified and undesirable.

Mr. President, the principal point of the amendment is that we in Congress have a right to impose such restrictions and such conditions upon the inclusion of each one of the primitive areas into the wilderness system, so that the public as a whole may be protected, and so that each of the States and the individual citizens of the States, who are also users of the areas, may be protected.

Mr. MUNDT. Mr. President, will the Senator from Colorado yield?

Mr. ALLOTT. I yield.

Mr. MUNDT. I have been following the Senator's argument, and I have read what he said on this subject yesterday. Does his amendment make any change in the bill other than to retain the historic and constitutional right of Congress to legislate affirmatively, rather than to attempt to exercise a sort of executive veto in reverse by negative legislative action?

Mr. ALLOTT. It does not.

Mr. MUNDT. In other words, the Senator's amendment is limited solely, as I understand, to reaffirming the historic right of Congress to pass affirmatively on legislation and on recommendations for the extension of wilderness areas. I may say that I favor the wilderness area concept. I have advocated it for a long time and have voted for it in the past. But I am at a loss to understand any valid reason for trying to put Congress out into some kind of pigeonhold, where it will have nothing further to say about the wilderness areas.

Mr. ALLOTT. The Senator from South Dakota, with his usual sagacity, has put his finger exactly on the point. If the procedure in the bill is followed, and the respective Secretaries make recommendations to the President, and the President then makes recommendations to Congress, Congress will be placed in the position of having to say yes or no. I shall have to modify that statement slightly, because Congress can restrict the boundaries or take part in the recommendation. Otherwise, as to any other conditions or any commercial use whatsoever, including the construction of roads or dams or water works or water conservation projects, Congress must consider the recommendations as the President makes them, and say yes or no.

As the Senator has pointed out, the great advantage of this amendment is that when the matter comes to Congress, for affirmative review by it, Congress then can hear all the arguments and can make other modifications if they appear to be desirable. Otherwise, Congress could only say yes or no.

Mr. MUNDT. Do not we have here almost precisely the same situation which confronted us at the time when the administration's first farm bill was before us, earlier during this session, when Secretary Freeman blandly suggested that the new farm program be written by the Department of Agriculture, after whatever consultation it decided it should have, and then be sent to the Congress, which could vote either yes or no, but with no possibility of adding amendments or making changes or alterations or modifications?

Mr. ALLOTT. Yes, the situation is very similar.

Mr. MUNDT. I thought that both Houses of Congress rather effectively disposed of that attempt by the administration to grab power which did not belong to it, for when the bill was passed by the two Houses, both Houses were of such a mind to retain their authority that, no Member of either House at the time the legislation was adopted even offered an amendment supporting the administration's proposal that Congress vacate its authority in connection with the very important subject of farm legislation affecting the entire Nation. Still the new farm measure is described by Secretary Freeman as constituting a real advance in the field of agricultural legislation; and the President of the United States, in his exuberance, although when taking a somewhat misty view, I believe, because he does not come from an agricultural area—has heralded that measure as the greatest agricultural act ever to be passed by Congress. How I wish I could share his enthusiasm for its effectiveness. Therefore, if we are to be consistent, after we have acted to retain congressional authority in dealing with the farm program, which affects, either directly or indirectly, approximately one-third of the country, insofar as agricultural activities are concerned, and if Congress can be trusted

to deal properly with respect to that area, I believe Congress can equally well be trusted to deal properly with such matters as the writing of regulations in regard to the operation of motorboats on streams in wilderness areas.

Mr. ALLOTT. Certainly that is correct. Furthermore, in connection with the foreign aid bill Congress asserted its right, its duty, and its responsibility to make annual appropriations for that purpose; and after the passage of that bill the President referred to it as wholly satisfactory. So I do not understand why we should do less in dealing with a matter which affects our land and the regulation of our people for many, many years to come.

Mr. MUNDT. I quite agree. I am much disturbed about the zest for increased Executive power which seems to pervade bill after bill which has been brought forward by the administration at this session. That effort was made in connection with the agricultural bill; but we rejected that effort, almost unanimously. A similar effort was made in connection with the foreign aid bill, and that effort was rejected by the action of a courageous and constructive coalition of southern Democrats and rural Republicans in the House of Representatives; and the conference respected that decision.

Now a similar effort bobs up in connection with the wilderness bill.

As one who, years before coming to Congress, made many talks and engaged in many activities to expand the wilderness areas—and I was serving as national vice president of the Izaak Walton League when I was first elected to Congress—I believe in these wilderness areas; but I believe they must constantly be kept in harmony with the needs and desires of the areas and the wants and desires of the people who wish to utilize and enjoy them. Simply to engage in conservation for the sake of conservation is not a very fruitful national policy.

It seems to me that conservation must produce results which can be utilized and enjoyed by the people, and I believe that the monitoring counsel of Congress is needed in that connection.

In the separate views written by the Senator from Alaska [Mr. GRUENING], whose swimming attributes have been alluded to this afternoon, I notice that he seems to sense that something is missing from this bill—that, somehow or other, we should be sure that the people themselves are consulted in regard to what kind of utilization is to be made of these wilderness areas, for in his separate views—which have been printed in connection with the committee report, which I now hold in my hand, on Senate bill 174, to establish a national wilderness preservation system for the permanent good of the whole people, and for other purposes, he records with some enthusiasm that he has had an amendment added, so as to include a new section 9, with the heading "Land Use Commission." That indicates that he, too, feels that these wilderness areas should be used by someone, in some way, rather than only to be set aside as nesting places for birds and homes for wild animals and places for the development of foliage—that he, too, believes that someone, in some way should have an opportunity to look at them, to enjoy them, to enter them, and then to leave them, leaving them as unspoiled as he found them.

But in these individual views we also find manifestations of the strange idolatry of the Chief Executive which is anathema so far as I am concerned, for human beings in the executive branch function very much as do human beings in the legislative branch; in other words, all are equally subject to bad judgment and errors, as we observe them in this branch. So in reading the separate views submitted by the Senator from Alaska, we find that he has provided with some enthusiasm, as the new section 9 of the bill—an amendment which the committee has included in the bill—the following:

> With respect to any State having more than 90 per centum of its total land area owned by the Federal Government on January 1, 1961—

And I note with some curiosity the statistic 90 percent; I do not know why is would not also be proper in the case of a State which had only 80 percent or some other high percentage of its land owned by the Federal Government on that date, and I wonder whether this provision singles out Alaska for special treatment.

Mr. ALLOTT. Let me point out that Alaska is the only State in that category.

Mr. MUNDT. Yes, and I wonder about the wisdom of having the Senate pass proposed legislation which provides special favors for only 1 of the 50 States.

But quite apart from that, and returning to the matter of the basic philosophy inherent in such measures, which I resent, I read further from the amendment which the Senator from Alaska was successful in having the committee include in the bill which it has reported to the Senate:

> With respect to any State having more than 90 per centum of its total land area owned by the Federal Government on January 1, 1961—

Which we now understand is simply a polysyllabic way of spelling "Alaska"—

> there shall be established for each such State—

To wit, Alaska—

> a Presidential Land Use Commission (hereinafter called the Commission). The Commission shall be composed of five persons appointed by the—

Mr. President, appointed by the Governor of such State? That is what one would normally expect, because the Commission would be established for the purpose of protecting the State itself against bureaucratic excesses. But, no, not at all; the amendment provides that—

> The Commission shall be composed of five persons appointed by the President.

Mr. President, what kind of new technique is proposed to be established in connection with Federal-State relationships, when it is proposed that the personnel of a Commission to protect a State against Federal aggression shall be appointed by the President, even though the purpose of the Commission is to guard against possible excesses by the President and his official family. In criminal practice the suspect never appoints the jury or selects the judge. But in this case it is provided that the President shall appoint the members of the Commission to be established for the purpose of protecting the several States, or any portion thereof which happen to have 90 percent or more of their land federally owned as of the date specified.

I mention this matter because it seems to me that in an amendment of this kind it would be much more consistent to provide that the Governor of the State appoint the members of the Commission which would be established for the purpose of protecting the State and the use of the land of the State against unwanted or unwise Federal regulations or stipulations.

However, such provisions for the surrender of power to the executive branch are replete in this bill.

So I congratulate the Senator from Colorado on his diligence in writing an amendment which in no way, shape, or form endangers the wilderness; or in no way, shape, or form destroys the purposes of the bill; or in no way, shape, or form creates new possibilities for destroying the national wilderness areas, but simply states that the Congress can be trusted to take proper action in connection with the inclusion of areas affecting birds, fish, trees, flowers, and shrubs, and that Congress can be trusted to take proper action affecting the life and future and recreational values and activities in such areas in the United States of America.

It seems to me it is wise to make the valiant effort which the Senator is making to discontinue persistent attempts to whittle away the status of Congress until it becomes an assembly of puppets dangling at the strings which are manipulated from the executive agencies and the White House.

I shall support the amendment, and I certainly hope the Senator is successful.

Mr. ALLOTT. I appreciate the very kind remarks of the Senator from South Dakota, which have been very helpful.

I wish to address myself to one point he has made. I also do not like the provision for the Land Use Commission in section 9 of the bill, but I must say, in all fairness, because the Senator from Alaska [Mr. GRUENING] is on the floor, as are other Senators who were present at the markup of the bill, that we wrestled for some time with this question. Perhaps in the final edition of the bill, when it comes from conference, we may have another way of doing this. Alaska has so many unusual problems and presents an unusual situation, not alone from size, and from the fact that over 99 percent of its land is owned by the Federal Government. We thought this was the only way to do it. I am not enthusiastic about the provision in its present form, but perhaps, before the bill becomes law,

we shall find some way to take care of the situation in which the people of Alaska feel they have been overridden, exactly as the Senator has said, time and time again, particularly by one of the departments of Government.

I hope we can straighten the situation out. I am not enthusiastic about the present form of the provision, but I must say I voted for it. I am happy I did, because the people of Alaska need special attention, and steps must be taken to prevent a department of Government from running over a State which is small in population.

Mr. MUNDT. I am not averse to having special protective legislation for Alaska and I shall not oppose it since it is a unique position. I simply wanted to call attention to the fact that the ambiguity of the language did not conceal the specifics so far as the Senator from South Dakota is concerned. I recognize the problems of Alaska. I have been in Alaska. My point is directed primarily to the realistic situation that, if the great State of Alaska, as I think it does, and as I think I would feel if I were representing that State, needs some kind of extra protective mechanism against executive departments, I submit we are sending a "boy to the mill" with this particular amendment. There is certainly not much protection provided in any Land Use Commission, which is established to sound a warning note, to sort of set up some brakes, to monitor the activities of a department which has been encroaching upon it, when the Land Use Commission itself is appointed by the White Hcuse, who appoints the head of the department against which Alaska seeks protection.

It would make a great deal more sense to me, it would give me a great deal more assurance if I represented Alaska, it would make me feel better as a Senator seeking to protect the vanishing rights of the States which are still left, if it were provided that the Land Use Commission were to be appointed by the Governor. Then we would have stalwart guardians standing at the gates of Alaska to protect the State, rather than have the Commission appointed by the same source that appointed the Cabinet officer against whom Alaska was seeking to be protected.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield, with the understanding that I do not lose the floor.

Mr. GRUENING. I thank the Senator from Colorado and the Senator from South Dakota for their sympathetic comments. I wish to point out and set straight for the RECORD the fact that the amendment originally introduced in committee provided that three of the five members of the Commission were to be appointed by the President upon recommendation of the Governor of Alaska, but that language did not prevail.

Mr. MUNDT. I congratulate the Senator on his perspicacity in that connection. I hope it will be supplemented by a diligent effort to have such an amendment adopted on the floor, and I assure him that, if he makes such an effort, I shall be happy to support him 100 percent. I think Alaska is entitled to that protection. Perhaps other States should have it also. I think a false sense of security is created when the same source has the appointive power to name both the agent against whom Alaska has fears and the Commission which is supposed to protect Alaska against that agent.

Mr. ALLOTT. I thank the Senator. His comments are particularly valuable because they make a strong argument for the amendment now pending.

The Senator from Alaska [Mr. GRUENING], who is present on the floor and who has participated in the colloquy, knows as well as I do the position of disadvantage in which the Western States, particularly, will be if the amendment does not carry. I point out that, if the amendment is adopted, the people of Alaska will have more protection through their right to appear and be represented before a committee of Congress which must act affirmatively upon a recommendation of the President than they would ever have in their representation by a Land Use Commission which, however well intentioned, can never have the power that Congress has.

Congressional hearings are necessary. They are necessary to obtain the sentiments of the people most vitally affected by designating an area as a wilderness area.

I wish to introduce into the RECORD at this point a letter from Mr. J. E. Whitten, State engineer of Colorado, which encloses a resolution of the Association of Western State Engineers adopted in Bismarck, N. Dak., on August 15 through 17, 1961, against the passage of S. 174. I have stated before, and I will state again, that if this amendment is adopted, which will protect the Western States, I shall vote for S. 174.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. MUNDT. I think this amendment has much broader dimensions than merely that of protecting the Western States. To me this is an amendment which protects the validity, authority, and integrity of Congress and the rights of all 50 of our sovereign States.

Mr. ALLOTT. That is correct, in its broad sense, but in its immediate application to the subject matter, I think what I have stated is the more immediate objective. As the Senator well knows, I have long taken the position that Congress has surrendered too many of its powers to the executive branch. Too often we pass bills with broad general language, saying the President or the Secretary shall have power to do this or that, but we do not define with enough detail the areas within which the bureaucrat is supposed to act, and we find ourselves "on the hook" time and time again as a result.

I ask unanimous consent that the letter to which I previously referred, together with the resolution, and a letter from Elton K. McQuery, director, western office of the Council of State Governments, and the enclosed resolution opposing passage of the bill without the amendment, be printed at this point in the RECORD.

There being no objection, the letters and resolutions were ordered to be printed in the RECORD, as follows:

STATE OF COLORADO,
OFFICE OF THE STATE ENGINEER,
Denver, Colo., August 30, 1961.

Hon. GORDON ALLOTT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ALLOTT: For your information I am forwarding copies of the resolutions adopted at the annual meeting of the Association of Western State Engineers held in Bismarck, N. Dak., August 15, 16, and 17, 1961.

Very truly yours,

J. E. WHITTEN,
State Engineer.

RESOLUTION 5

Resolution relating to national wilderness preservation system bills

Whereas certain bills have been introduced in successive Congresses which would establish a national wilderness preservation system; and

Whereas such bills would authorize administrative creation of wilderness areas additional to areas designated by the Congress in creating the system; and

Whereas water conservation and modification of plant cover in wilderness areas would be allowed only upon an express presidential finding of greater national interest than an otherwise presumed paramount interest in wilderness preservation; and

Whereas diverse national interests will be more fully satisfied through a discerning policy of accommodation of all uses of such areas than by an absolute preferment of an exclusively undeveloped status: Now, therefore, be it

Resolved, That while the Association of Western State Engineers is not opposed to the establishment of wilderness areas under proper management, it is opposed to any wilderness legislation which would impede water resources development in the Western States; and be it further

Resolved, That the establishment of new wilderness areas or the expansion of existing areas should be accomplished only upon the specific approval of Congress to each new inclusion of such areas; and be it further

Resolved, That copies of this resolution be forwarded to the Secretary of the Interior, the Secretary of Agriculture, and to members of the House and Senate Committees on Interior and Insular Affairs, and that each member of the Association is requested to send copies of this resolution to the members of the congressional delegation from his State.

RESOLUTION OF WESTERN INTERSTATE COMMITTEE ON PUBLIC LANDS

Whereas national legislation and regulation which establish wilderness preservation areas are contrary to the multiple-use principle in the managment of Federal lands; and

Whereas enactment of special interest legislation and regulation would seriously handicap multiple-use management of Federal lands; and

Whereas wholesale withdrawals of public land would be detrimental to the general tax structure and would limit and reduce the normal operation and development of the following industries: mining, timbering, reclamation, recreation, grazing, oil and gas and dependent service industries in the Western States: Now, therefore, be it

Resolved by the Western Interstate Committee on Public Lands, That the Congress of the United States is hereby memorialized to oppose the wilderness preservation system

as proposed in the Wilderness Act as an infringement on the administrative flexibility of the present system and because the announcement of such a proposal would subordinate policy decisions to a small council of nonrepresentative users; and be it further

Resolved, That the Congress of the United States is hereby memorialized to oppose all of the legislation and regulation not in accord with the multiple-use principle in the management of public lands; and be it further

Resolved, That a certified copy of this resolution be prepared and transmitted forthwith by the western office of the Council of State Governments to the Vice President of the United States, the Speaker of the House Representatives and each Member of the congressional delegations from the Western States.

Mr. ALLOTT. Mr. President, we need hearings to get information on all the available resources in the areas affected. There is not a Member of the House, or of the Senate, the latter of whom sits on at least two committees, who does not know and who has not experienced time and time again the utter futility and sense of frustration of trying to legislate upon matters when the only witnesses are from the very bureaucratic areas of our Government who are going to be affected by the legislation. Time and time again we have to depend wholly upon that one point of view. This amendment will put a stop to such procedures. The amendment will make sure that everybody will have a right to be heard.

The amendment will make certain that each State has a right to be heard. It will make certain that every witness may be examined and cross-examined, if necessary, for the elicitation of every bit of information vital to the consideration of the inclusion of areas in the wilderness system.

The needs of today may not be the needs of tomorrow. We may not need today what we shall need tomorrow. It is impossible at this time, in one fell swoop, to classify all the lands involved. We need to expose them and to reexpose them, as each area is presented to the Congress, to a full examination and inquiry, so that Congress can assume the responsibility for assuring itself that the need for the primitive area to be wilderness is greater, for example, than the need for rare minerals. In the converse, Congress should determine whether there is a greater value to the land as wilderness than as a sandpit.

We need to determine, with respect to each area, whether wilderness preservation is the highest and greatest use. This is a determination that should not be left willy nilly to the Secretary of Agriculture or to any other secretary, particularly since the Code of Federal Regulations, to which I have referred, which is cited on page 4 of the bill, does not require that the Secretary follow the recommendations of the Chief of the Forest Service and does not require that the Chief of the Forest Service follow the testimony which is presented to him in a public hearing.

We need to adopt the amendment to determine if such legislative provisions are necessary in given areas to meet peculiar situations. Roads may be required. A peculiar mining situation may be involved. A peculiar logging situation may occur. There may be a peculiar water situation or a peculiar conservation situation. All of these problems can be handled by the committee.

However, if we accept the bill as it is now written, Congress will have one of two things to do: to take it or to leave it—to take it as it is or to veto it. As a consequence, Congress will not have any real choice, whereas it should have the right to put in special provisos if they appear to be necessary.

Someone may say that I am straining at a gnat in this regard. That is not in the least the case. Though mining is usually forbidden in national parks, Congress wrote special provisions into the law relating to Mount McKinley National Park.

There is pending before Congress at the present time the Great Basin National Park bill in the great State of Nevada. In respect to this particular bill, if Congress provides that the area shall be a park it will have to violate general principles relating to national parks, because Congress can only establish this area as a national park if it makes special provision for mining.

I wish to read to the Senate the testimony of the Secretary of the Interior given August 3, 1961, before our committee with respect to this particular park:

> As I have already stated, the area proposed for park establishment by S. 1760 would be subject to use for mining and mineral leasing activities. I believe it worthy of special mention, however, to point out that there could be no acquisition by locators or entrymen of title to the land or lands containing them. This is the formula prescribed by the Congress for mining activities within the Glacier Bay National Monument in Alaska. We believe this approach is both reasonable and workable because it makes possible the utilization of important mineral resources and yet assures protection of the scenic, scientific, recreational, and other natural values of the lands containing them. In furtherance of the objective to preserve these values within the proposed Great Basin National Park, the removal of mineral and vegetative materials under the act of July 31, 1947 (61 Stat. 681), as amended, would be precluded.

The Secretary of the Interior himself has illustrated the necessity for keeping control in the Congress. In two instances he cites the specific need for making broad exceptions. Unless Congress retains control it will be faced with a "take it or leave it; veto it if you will" proposition.

Under the present form of the bill Congress would be legislating in the dark. With respect to the primitive areas, Congress has no accurate information on the characteristics of the resources of the 39 primitive areas. I have attended a great many meetings of the Committee on Interior and Insular Affairs in the past few years. I must say I become even more confused at each meeting, when I try to learn what are the resources of the primitive areas, or whether there are any.

The Department of Agriculture itself apparently does not have that information. I spoke at some length yesterday about the fact that the Department was unable to give us even a legal description of these areas. If the Department cannot give us a legal description, it is hard to imagine how the Department could give us a description of the resources or tell us for what purpose the land is most valuable.

Will we be locking up rare minerals which we need to advance our missilry, to advance our space program, to advance our technological and scientific development? We do not know. The Department does not know. This is another reason why Congress must retain the positive, affirmative power to act.

According to information contained in a Forest Service brochure distributed January 16, 1961, which referred to the primitive areas established between 1929 and 1939:

> Many of these areas * * * were selected with the idea that further study and possible changes would be necessary before some could be completely qualified as having true primitive conditions.
>
> Boundaries were drawn to include all parts of an area which might qualify. The boundary lines were, of necessity, based on then existing general knowledge of the area rather than on thorough, on-the-ground surveys.

The Forest Service itself has admitted it does not know with what it is dealing, yet Congress is asked, for the future, based upon a negative veto power, to blanket all of these areas into the wilderness system.

During the 20 to 30 years these areas have been designated as primitive, on-the-ground surveys still have not been completed and resource inventories have not been made. If the Department of Agriculture is now in a position to complete these on-the-ground surveys and to inventory the resources in the primitive areas, it should complete these tasks and report its findings to the Congress before restrictions are imposed by the Congress. If the statement to which I have referred is true, these primitive areas should not be initially included as wilderness areas.

Congress should not be asked to legislate in the dark.

I wish to say a word or two about national park lands. At least in recent years whenever Congress has been asked to approve the establishment of a national park, the Park Service has been very emphatic in pointing out that all of the lands proposed to be included in the national park were necessary for park purposes. It has been assumed that this has always been the practice and that all lands included within our national parks are necessary for the purpose of the parks. However, now we are asked to lock up in the national parks all areas of 5,000 acres or more which are without roads. This leaves a supposition that the lands are not necessary for park use but are only necessary for wilderness use.

Before such is done we should know, in each instance, the nature of the land and how much land is involved. We need to examine the proposals to determine whether too large a portion of our national parks is being closed to the 98 percent of the American people who do

not or cannot pack into a wilderness area.

Mr. President, in concluding my remarks I repeat that which I have said many times. I wish to make it clear that if the amendment is agreed to I shall vote for the bill.

I introduced into the RECORD the resolutions of numerous States concerning the bill. My own State legislature has memorialized Congress three times against the bill.

Despite what I have said, if we will give Congress positive control so that we can be assured that the lands that will come into the wilderness system subsequently will be devoted to their highest use, and so that each State and area may be protected, I shall vote for the bill. If we do not do so, I shall have to oppose the bill. I shall oppose it not upon the ground that I do not desire wilderness areas. My position may be different from that of some others. I desire wilderness areas. I shall oppose the bill because I am not willing to place into wilderness, by bureaucratic action in the next 10 years, additional millions of acres upon a "take it or leave it" basis. We have already surrendered too much power to the bureaucrats. I think it is time to take control back for the protection of the American people. As has been pointed out, we do not seek the protection of a few economic interests.

A while ago a Senator said that he had been threatened politically. I also have been threatened politically on this question, not once but hundreds of times. I believe that the future of this country needs not only recreational facilities and wilderness, but also other facilities. I believe that in the West we cannot exist unless we develop the land, unless we provide means of conserving water, build dams, and take means toward conservation that are not provided for in the bill. The future of the West is still great, but it can be great only if it is allowed to grow. I do not want these areas tied up without giving Congress an opportunity to study their use.

Mr. PROXMIRE. Mr. President, I oppose the amendment designated "8–18–61—D," the pending amendment. Before I discuss it, I should like to call attention to a section of the committee report which I think puts a little different emphasis on the uses of wilderness areas than has been put on them in the colloquy on the floor of the Senate a few minutes ago. At the bottom of page 20 of the report the following appears:

> Wilderness areas, as distinguished from park-type facilities where mass recreation is available, are being used by 2 to 3 million persons annually.
>
> The use is less casual than use of other types of recreational facilities. Trips into wilderness are frequently of many days or weeks duration. They are often a once-in-10-years event in life, or even a once-in-a-lifetime expedition to some remote scenic or historic mountain or area. As a consequence of the nature of wilderness use, annual visitor figures—even if more adequately and reliably gathered—would not be indicative of the proportion of citizens interested in wilderness recreation.

Mr. CHURCH. Mr. President, will the Senator yield at that point?

Mr. PROXMIRE. I yield.

Mr. CHURCH. In the course of the debate on the bill there has been much reference to the fact that wilderness areas constitute some form of class legislation. It has been asserted and reasserted that it is the rich people who will get the major benefit to be derived from wilderness areas, apparently upon the theory that only the rich will be able to afford the horses, tents, and camping equipment that would be required for organized safaris into the primitive areas of the country.

I submit that such argument is nonsense. In Idaho there are 3 million acres of primitive areas. Every year thousands of people go back into the high country of the Idaho Primitive Area, the Bitterroot Primitive Area and the Sawtooth Primitive Area. They are ordinary farmers, ordinary working people, ordinary hunters and fishermen from the farms and cities of Idaho. They constitute the great majority of people who are enjoying these primitive areas. It is not an exclusive group of rich people, capable of affording all the paraphernalia of horses, equipment, and professional guides that we have heard so much about.

Of course, there are organized expeditions. As a Senator who represents a State to which people are attracted from afar, by the unique values to be found in the primitive areas of Idaho, I believe that tourists, wherever they come from, are welcome in my State. Their presence constitutes good business for Idaho. Nevertheless, the fact remains that the great majority of people who go into the Idaho primitive areas are Idahoans, and not wealthy ones either. One need not go to the center of a primitive area to enjoy it. Where does such an area begin? It begins where the road ends; and if the roads never end, there never will be any wilderness.

Anyone can go into the wilderness as far as he wants to go. He may stay as long or as short a time as he desires, depending upon his own resources and the time available to him. The area is as much wilderness 3 miles inside the boundary as it is 30 miles inside.

So I reject the argument that the proposed legislation is class legislation for the privileged few.

It has been said that the wilderness areas will not be enjoyed by the majority of our people because the majority of our people have become car travelers. They like to take their vacations by automobile. They like to go into managed, organized camping grounds to pitch their tents or park their trailers.

It is said that most vacationers like motels, resort hotels, and dude ranches with the comparative comforts of organized life, and that only a minority of our people are interested in the spiritual values, the enrichment that comes from the solitude to be found in the wilderness.

I concede this to be the case. I suppose the majority of our people do like to go by automobile to campgrounds near paved roads. I suppose the majority do prefer the comforts of motels, resort hotels, and dude ranches.

But is it not a novel doctrine that the majority should thereby be entitled to trample upon the rights of the minority? Have the minority no entitlement? Have those who seek the sanctuary of the wilderness no right to it in a country as vast and rich as the United States? We will deny those people their right if we fail to act in a timely fashion upon a wilderness bill.

Most of the people in the eastern United States are denied that right now because the wilderness has largely disappeared. It is vanishing in the West. Unless we take some action to establish legislative safeguards around it, within a few years it will disappear entirely. Once it has been dissipated, once roads have been built, once organized life starts, it is gone forever. It is not a renewable resource. So if we are to preserve for future generations the uplifting experience which has come to those of us who have known the wild lands, we must act now, else our children and grandchildren will be forever deprived.

So I say that, in a country which has come to be characterized by the congested life of cities, by the domesticated life of nicely clipped countrysides, let us reserve some place here and there and elsewhere around the country, where the land remains as God gave it to us, and make sure that it stays that way, so that those who want to escape from the banality of beer cans and cigarette commercials will have a chance to do so.

Mr. President, without wilderness this country will become a cage. I commend the Senator from Wisconsin for the fine statement that he has made.

Mr. PROXMIRE. I thank the Senator from Idaho for his brilliant and eloquent statement. It mirrors the assertion that was made recently by Senator ANDERSON, the chairman of the Committee on Interior and Insular Affairs.

There is one other point which was made by the eloquent Senator from Idaho, which I should like to stress also. The President of the United States has emphasized to the country the importance of physical fitness.

As the Senator from Idaho has said, it is true that the American people no longer travel on foot or horseback; that they travel by automobile. The softness of too many Americans is becoming very evident to us. It is a great national shame. Some of us, I suppose, like to get our exercise by pushups, swimming, weightlifting, walking, running, farming, tennis, or golf. But there are people who would rely on what is perhaps the most effective conditioner of all, and that is to go out into a wilderness area and camp, as the committee report points out, for a week or 10 days or 2 weeks. They do that not only to test their physical capacity and endurance and strength, but also their spiritual attitude. It seems to me that the argument in favor of preserving and extending the wilderness areas of America is especially overwhelming today in a nation in danger of going soft.

In opposition to the specific amendment we are now considering, the bill provides, as I understand, that Congress should preserve primitive areas, wilderness parts of wildlife refuges, and 5,000-acre roadless areas within the national parks system, in addition to the wild and wilderness lands in the national forests system that have been set aside by Executive action already. Congress will have veto power over each recommendation that a primitive area, part of a wildlife refuge, or a roadless area within a national park be set aside. The veto power may be exercised, not by a concurrent resolution, as provided in earlier versions of the bill, but by a resolution of either House.

It seems to me that the amendment completely defeats the purpose of the wilderness bill by providing in effect that primitive areas may not be protected as wilderness by Presidential action unless Congress approved by concurrent resolution.

The supporters of the bill clearly intend that the area will be protected unless either House vetoes such protection. In earlier versions provision was made that both Houses would have to act concurrently to prevent the inclusion of an area under the protection of the Congress. The bill in its present form already represents a compromise with the point of view proposed in this amendment by providing that only one House of Congress, instead of both Houses, can veto wilderness protection.

Mr. President, if we are to cover additional areas into the wilderness protection, this streamlined, one-House veto is enough. Under the amendment of the senior Senator from Colorado the well-known capacity of Congress, especially the Senate, to kill progress by inaction, whenever a strong economic vested interest is involved, would strangle the preservation of America's wilderness areas. The amendment would choke off wilderness protection not because a majority wished to do so, but because a small minority in the Senate desired to protect a vested economic interest. It is no secret that a small minority in the Senate, if they wished to do so, can stop virtually any legislation. This amendment would kill wilderness extension by the nationally known Senate stalling technique. I hope the amendment will be defeated.

I yield the floor.

Mr. CARROLL. Mr. President, I should like to address an inquiry to the Senator from Idaho and to the Senator from California. I have tried to study very carefully the bill before the Senate. Of course all of us are interested, as representatives of our States what a bill like S. 174 will do. I am looking at page 214 of the hearing. Let us take, for example, the State of Colorado. The primitive areas in Colorado are listed on that page. Under the bill, if we pass it, all primitive areas will be considered for inclusion by the Secretary of Agriculture, and within a 10-year period the Secretary of Agriculture is required to act. If he does not act, all areas presently designated primitive areas revert after 14 years to the national forest reserve.

Mr. CHURCH. The Senator is correct. The Secretary has 10 years after the enactment of the bill to review those areas that have already been withdrawn and designated as primitive areas on the effective date of the bill, the purpose of the review to be to separate out from these primitive areas any portion found to be more suitable for multiple use, and then to recommend for permanent retention within the wilderness system the balance which is predominantly wilderness in character and of value for recreational use alone. That recommendation then comes to Congress, where it is subject to the review of both Houses and to a veto in either House. So the full power of Congress is retained.

Mr. CARROLL. The point I wish to make is that all areas that are designated today are set forth in the hearings as primitive areas or wild areas, and therefore each Senator and each Representative of a State will know what is under consideration in the bill.

Mr. CHURCH. The Senator is correct.

Mr. CARROLL. In the event that a new area is designated as wilderness, the Secretary of Agriculture must come back to Congress for approval. It is then that we do not use the veto, but the Congress must approve the designation by affirmative action.

Mr. CHURCH. The Senator is correct. If I may restate it, I should like to put it this way. The Interior Committee wanted to make certain that the wilderness system to be established would be confined to those areas that have already been withdrawn for recreational purposes. Therefore the proposed wilderness system is based upon such areas in the national parks, the national monuments, the game refuges, and the national forests that have already been withdrawn for recreational purposes.

In the national forests, these areas are known as primitive areas. Upon the enactment of the bill, procedures are established for review to determine what part of these primitive areas will be permanently retained within the wilderness system. But once the system has been established, once the review has been accomplished, and once Congress has finally approved it, in accordance with the processes set forth in the bill, then any additions to the system could be made only by affirmative enactment by Congress.

Mr. CARROLL. I wish to reemphasize my point, so that every Senator and Representative who reads the RECORD will know exactly what will take place within his area.

In Colorado on the Arapaho and White River Forests, the Gore Range-Eagle Nest Primitive Area was designated a primitive area in 1933.

On the Gunnison Forest, the West Elk Wild Area was designated as such in 1932. It was under Secretary Benson, in 1957, that it became classified permanent as a wild area. No protest was made to me and I know of no protest made to a committee, either in the 5 years we considered wilderness bills or in the form of any bill introduced by any Member of Congress, to the designation of this region as a wild area.

What will the bill do? If the bill is passed, that area will become permanently the West Elk Wild Area. Is that not correct? It contains 62,000 acres.

Mr. CHURCH. The Senator is correct.

Mr. CARROLL. Therefore, the area being under 100,000 acres, it immediately becomes a part of the wild area. If an area contains more than 100,000 acres, it is called a wilderness area.

On the Rio Grande Forest, the La-Garita-Sheep Mountain primitive area was designated as such in 1932. That is a long time ago. It was 29 years ago. What will happen under the bill? That area will still remain a primitive area to be reclassified in the next 14 years.

I am perfectly willing to be corrected, but my understanding of the terms of the bill is that whether an area is a wilderness, wild area or a primitive area, if cattle are grazing on that land today, they may continue to graze there. Is that not so?

Mr. CHURCH. That is so. Grazing rights are not affected by the bill.

Mr. CARROLL. I have been informed by the Department of Agriculture that in my State of Colorado ranchers have 150,000 cattle and horses grazing on the national forest lands in that State. Only 1,500 are grazing on proposed wilderness lands. And it is my understanding that the particular area where most of the 1,500 are now grazing is probably going to be withdrawn from the wilderness system.

To reemphasize the point, I shall go down the list. The Upper Rio Grande Primative Area will not be changed by the bill.

The Rawah wild area was established in 1932 and approved by Secretary Benson in 1953. It was not protested by local people.

The Mount Zirkel Dome Peak wild area was established in 1931 and approved by Secretary of Agriculture Brannan in 1949. Neither protests nor legislation have been proposed to change the designation of any of that land.

Actually, in my State, I could go down the list area by area. There is nothing in the bill that would take away any of the rights of the people of Colorado. As a matter of fact, there has never been a single protest made to me on a specific area, as I read the areas listed in the hearings. There has never been a protest filed with Congress nor a bill introduced in Congress, at least within 29 years, to change the picture.

I do not understand what all this hubbub is about. It is true that if we pass the bill, some permanency will be given to the wild areas. What else will occur when the bill is passed? We will say to the Secretary of Agriculture, in effect, that for a period of 10 years we will ask him to make a determination with respect to primitive areas. If he does not do so, the lands after 14 years will revert to the national forests.

Has the junior Senator from Colorado oversimplified the issue?

Mr. CHURCH. The junior Senator from Colorado has accurately stated the basic facts. The purpose of the bill is to create a wilderness system comprising those areas which have already been

withdrawn in the national parks, wildlife refuges, and primitive areas in the national forests, for what are primarily recreational purposes. Not only are the areas named in the printed hearings, but there are maps of the States affected, showing exactly where the areas are located.

So the junior Senator from Colorado is quite correct: We will not be establishing, by virtue of the proposed legislation, new intrusions upon the public domain. We will not be withdrawing from the national forests any areas which have not already been designated as wild or primitive areas.

Mr. CARROLL. That is the important point. The hearing record shows that Colorado has 13,722,000 acres in the national forests, and only 799,000 acres in national forest wilderness type areas. These areas were designated and approved in 1931, 1932, and 1933; none since 1933. Four primitive areas have been made wild areas since 1933. Who did all this? The Secretary of Agriculture. Under what authority did he make them wild or primitive areas? He did this under his general authority without a specific act of Congress. It is said that this is constitutional. I think it is. So what are we doing? We are withdrawing authority from the Secretary of Agriculture. If he designates a new area, he must come to Congress to receive approval. If we do not like his plan we will reject it.

We are saying, in effect, "Mr. Secretary, you have done very well in the past. We have not heard protests"—at least, my State has not—"but, in a sense, from now on, when you make a change in any of the primitive areas, we will want to take another look at it. No longer will you be able to act by regulation alone." Is not that so?

Mr. CHURCH. The junior Senator from Colorado is eminently correct. I have listened with dismay to the argument made on the floor of the Senate, in which it has been stated and restated that by this bill we are somehow reducing or withering away the prerogative of Congress. Just the reverse is the case.

Under existing law, any one of these areas can be enlarged or new primitive areas created——

Mr. CARROLL. By Executive action.

Mr. CHURCH. By Executive action alone. I simply cannot understand all this talk about the Executive arrogating away from Congress its constitutional powers. Congress has already delegated all power under existing law to the Secretary of Agriculture and the Secretary of the Interior. Their action is never brought back to Congress for any kind of review or approval; it is never subjected to any kind of congressional authority or consent. These areas can be established, enlarged, or abolished by the executive departments of the Government.

What is sought to be done by the bill? To recover some of the congressional power which has been delegated away.

We say, with respect to the primitive areas, that before being permanently retained in the wilderness system, they are to be submitted to Congress to review, and each House will have veto power over the recommendations made.

We further say that once the system is so established, the Departments may not add to it unless they come to Congress and get affirmative action. We are recovering congressional power. That is one of the virtues of the bill.

I thank the junior Senator from Colorado for pointing up this fact, because I am sure the wrong impression is being created by much of the argument which has thus far taken place.

Mr. CARROLL. I thank the able Senator from Idaho. In my opinion, this issue is not complex. The Committee on Interior and Insular Affairs has devoted a great amount of time and study to the bill. As I said yesterday, it is a modest bill. It sets our clear ground rules to guide the Secretary and for the first time assures congressional control.

In a sense the bill protects the cattle industry's grazing permits on wilderness tracts. We do not modify that arrangement at all. As far as mining is concerned, in Colorado there are 5 active mines and some 1,427 mining patents and some 7,675 mining claims, all on proposed wilderness tracts; and all of these are safeguarded by section 3a in the pending bill. This protects existing private rights. The mining industry is protected.

But I think confusion exists in respect to the following: In the event that a new primitive area is established, in addition to those set forth on pages 214 and 215 of the hearings which were held in connection with the bill, a new practice is to be instituted; the Secretary of Agriculture is to be told, "You may not designate any new areas; you must obtain affirmative action by Congress." I think considerable confusion has developed in connection with this point, although certainly there has been no confusion on the part of the Senator from Idaho [Mr. CHURCH], because he has hit this point squarely time and time again.

But I believe it important that we make this matter clear. The list on pages 214 and 215 of the hearings is quite clear, and can be examined by any Senator.

As far as lumbering is concerned there is no timber harvest today from any of the lands being considered in this bill for inclusion in the wilderness system.

The timber industry is protected. They have 6,272,000 acres of national forest outside wilderness. They cut 218 million board feet of timber. Last year they cut only 156 million. In contrast, we could get less than 7 million board feet from logging the wilderness. Today timbermen could get another 62 million board feet each year from our forests.

But water and power have needed special attention.

During the hearings in February, Mr. President, I explored at some length with several witnesses the question of development of water and power sites.

At one point, on February 27 I questioned Mr. Ed Crafts, Assistant Chief of the Forest Service, in regard withdrawal of power sites in the national forests.

I ask unanimous consent, Mr. President, that a portion of that questioning, beginning with a remark on page 61 by the chairman of the Interior Committee, Senator ANDERSON, be included at this point in the RECORD.

There being no objection, the answers and questions were ordered to be printed in the RECORD, as follows:

The CHAIRMAN. If you would please, Mr. Secretary, have your crew go over this testimony this morning about this, particularly with reference to the case raised by Senator CARROLL, and attempt to have them give us a memorandum as to whether or not any provision in S. 174 would change the rights of the city of Denver in any powersite withdrawal it may have in the State of Colorado, unless you care to comment on it now, Mr. Crafts.

Mr. CRAFTS. I think I can answer that. I will try to right now, Senator ANDERSON.

The CHAIRMAN. Surely.

Mr. CRAFTS. Under a powersite withdrawal now, if the Federal Power Commission decides to issue a license, which it could do against the recommendation of the Secretary of Agriculture should it elect to do so, then even though this were in a wilderness area the development would go forward. If this bill were enacted and the Federal Power Commission wished to issue a license, as I construe it, it could not do so unless the President decided it was in the public interest to do so.

Then the President could authorize the licensing of these works. That is the difference between the two.

The CHAIRMAN. Couldn't Congress also authorize it?

Mr. CRAFTS. Congress at all times could, of course, authorize.

The CHAIRMAN. We couldn't, by this law, limit what a future Congress might do?

Mr. CRAFTS. No, by no means.

Senator CARROLL. I think, Mr. Chairman, that is very important, because this is precisely what the Federal Power Commission did, issue its license, but I might say, over the objection of some members of the Department of Interior who were in the Fish and Wildlife Service.

You are now saying that this legislation would take away from the Federal Power Commission its authority to issue a license and that we now vest that in the President under this legislation?

Mr. CRAFTS. That is correct.

Senator CARROLL. And, as the able Senator from New Mexico says, we also have this safety valve; we can always come to the Congress and the Congress can do it.

Mr. CRAFTS. That is correct.

The CHAIRMAN. And what he says relates to those areas which are now primitive which are subsequently brought into the wilderness system with the approval of the Secretary of Agriculture, with a subsequent review by the President, and with a final review by the Congress.

Mr. CRAFTS. It applies to the entire wilderness system.

Mr. CARROLL. Mr. President, the witness, Mr. Crafts, agreed that under the proposed legislation the Congress, in his opinion, could at all times authorize power licenses, but he argued that under the bill the Federal Power Commission would be limited to issuing power licenses only if the President decided it was in the public interest. Mr. Crafts was referring to future powersites.

The Federal Power Commission takes a slightly different position in its February 24 report on S. 174 to the Senate Interior Committee. The Commission feels that both present and future power

withdrawals from a wilderness area are protected in the present bill.

The Commission takes this position:

It is noted that the bill contains no language which would expressly vacate or rescind any power withdrawal or power reservation created prior to enactment or which would expressly modify, repeal, or otherwise affect the Commission's authority to issue licenses in the future to use lands in the wilderness system for power purposes provided the above-discussed finding of consistency and noninterference can be made under section 4(e) of the Federal Power Act with respect to the use of reserved lands.

However, the Federal Power Commission suggests that "to eliminate any misunderstanding that may otherwise exist" the following language be added to the bill:

Nothing in this Act shall be construed as superseding, modifying, repealing, or otherwise affecting the provisions of the Federal Power Act (16 U.S.C. 792–825r).

In view of the Federal Power Commission position that present power site withdrawals in wilderness areas could be developed under S. 174 and in view of its position that its authority to issue licenses in the future in wilderness areas is not abridged, I am not sure that the amendment is needed.

However, this is something I have long been concerned about, as I stated in the Senate hearings, going back to my interest in reservoir No. 22 in the Colorado mountains, which furnishes municipal water to the city of Denver.

My colleague, the senior Senator from Colorado, Senator ALLOTT, is prepared to offer the amendment suggested by the Federal Power Commission and, Mr. President, I am prepared to support this amendment when offered. I consider it a wise amendment.

I do not think we will have lost any rights to power withdrawals if the amendment is defeated, but I consider the amendment an additional safeguard.

The Federal Power Commission at my request, Mr. President, prepared a list of existing powersite withdrawals in Colorado areas that might be included in the wilderness program.

At this point, Mr. President, I ask that the Federal Power Commission letter to me of March 16, 1961, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL POWER COMMISSION,
Washington, D.C., March 16, 1961.

Hon. JOHN A. CARROLL,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CARROLL: The following information with respect to the existence of project or powersite withdrawals in the wilderness areas in the State of Colorado is supplied in response to a request made on your behalf by Mr. Wolf of the staff of the Committee on Interior and Insular Affairs:

1. Existing projects: None affecting national monuments, national parks, or areas within national forests classified by the Department of Agriculture as wild, wilderness, primitive, or canoe areas.

2. Proposed projects:

(a) Emerald Lakes project, to be located on Los Pinos River and Lake Creek, will affect the San Juan Primitive Area within the San Juan National Forest. Extent of acreage affected is not available. Project proposed in U.S. Bureau of Reclamation Colorado River Report dated 1946.

(b) Sweetwater project, to be located on tributaries of the Colorado River, will affect the Flat Top Primitive Area within the White River National Forest to the extent of a tunnel under the area about 4 miles long. The surface of the wilderness area would not be disturbed in any way. The project is proposed by the Rocky Mountain Power Co. who has filed an application for license with the Commission as project No. 2289.

(c) Echo Park project, to be located on the Green River 3 miles below the mouth of the Yampa River, will affect the Dinosaur National Monument. Project proposed in U.S. Bureau of Reclamation Report on the Colorado River storage project dated December 1950. Extent of acreage affected is not available.

3. Power site withdrawals: From available information the following power site withdrawals have been made in areas now designated as primitive areas within national forests and national monuments:

Flat Top Primitive Area, 1,160 acres.
San Juan Primitive Area, 8,260 acres.
Uncompahgre Primitive Area, 1,320 acres.
Wilson Mountain Primitive Area, 240 acres.
Dinosaur National Monument (Colorado only), 37,330 acres.

If you desire any further information in this regard, please do not hesitate to request it.

Sincerely yours,
JEROME K. KUYKENDALL,
Chairman.

Mr. CARROLL. Mr. President, in regard the question of how the primitive areas will be brought into the wilderness system, we have considered at great length in committee several alternatives.

I think the final language of the bill as reported from committee gives complete protection of all western interests.

The chairman of the Interior Committee, Senator ANDERSON, took exacting pains to make sure that the interest of Western States were safeguarded. He has advocated this type of legislation for 30 years. I am confident that the resource base in Colorado is not affected by this proposed legislation, while at the same time we are providing recreation areas for the multitudes. In the words of Senator ANDERSON we are "preserving some of our great, natural scenic areas in their primitive, wilderness state."

Senator ANDERSON has called this "a milestone in national public lands policy."

The method by which wilderness areas will be brought into the system is practical, sensible, and workable. It puts the burden on the executive agencies to make the determination of the areas to be included. Then, similar to the Reorganization Act procedure, each proposed area is subject to review by either body of the Congress. If either the House or the Senate disapproves of the judgment of the executive department that particular wilderness area is rejected and returns to the national forest.

Mr. President, lest there be any question about the effectiveness of the Congress operating under this method, I point out that from 1949 to 1957, 27 percent of the reorganization plans proposed by the Executive were turned down by the Congress.

At this point, Mr. President, I ask that there be printed in the RECORD a table showing the year-by-year disposition of reorganization plans under the congressional veto method.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Disposition of reorganization plans under Reorganization Act of 1949

	Approved	Rejected
1949	6	2
1950	20	7
1951	1	0
1952	2	3
1953	10	
1954	2	
1955	0	0
1956	0	2
1957	1	0
1958	1	0
1959	0	1
Total	43	15

Mr. CARROLL. Mr. President, it is clear from the above chart that the sovereignty of the Congress is preserved under this method and at the same time the executive departments are permitted freedom to move expeditiously.

I believe the pending amendment should not be adopted. If it were adopted, the result would be that Congress would have to take piecemeal action in regard to primitive areas in Colorado which have been established for 29 years.

I hope that we have laid to rest some of the ghosts which have been raised, we can proceed to consider the bill on its merits.

As I said yesterday, I do not want the Secretary of Agriculture or the Secretary of the Interior or any other agency of the Federal Government to restrict the growth and development of Colorado. In Colorado water is the lifeblood of the people. And I am interested especially in protecting our right to develop our water resources in Colorado.

I wish also to reiterate my position again on withdrawal of powersites. Authority to withdraw sites is now vested in the Federal Power Commission. The pending bill might remove it from the Federal Power Commission, and vest it in the President of the United States. I shall support the bill, although I see no particular reason why powersite withdrawals should not remain in control of the Federal Power Commission, where it now resides under existing law. I would just as soon have it remain there.

But certainly in the future we shall not permit the Secretary of Agriculture to institute land grabs for so-called primitive areas which would prevent the growth and development of our State. This could not be done without affirmative action of the Congress.

This is why I say that so far as Colorado is concerned the record is crystal clear, for during all these years there have been no protests over existence of restricted wild areas. When I return home and hold this record before my constituents, I believe they will understand my position in regard to the bill, and I believe they will understand the need to conserve some of these areas for generations to come.

For instance, in the San Juan basin there is a range which is almost inaccessible. It should be declared a wil-

derness area. The same is true of certain other sections of the State. I believe my constituents will understand the position we take in regard to such areas.

I commend the Senator from Idaho [Mr. CHURCH] for his brilliant leadership in this fight. I hope that in a small way my statement will help clarify the issues in connection with the bill. It is not nearly as complex as some would attempt to make it appear.

Of course Senators have a right to disagree, but it is most important that the basic issue not be obscured.

Mr. President, nothing in this bill should frighten anyone. The bill will be more difficult for those of us from the West to explain to our constituents, but that is our responsibility; and when we place the facts before our constituents, I believe they will understand.

Mr. President, we have debated this measure for a long period of time. I think the issue is now well understood; and I hope the Senate will now proceed to vote on the bill.

Mr. President, with all the safeguards we have written into this bill in Interior Committee I think we have an acceptable measure.

As Senator ANDERSON said on August 24th on the floor of the Senate, the U.S. Government is ultimately going to have to provide its citizens an opportunity to "get back to nature and escape the pressures of modern life." We can do it now without any expenditure of public funds.

In the years ahead it will cost us hundreds of millions of tax dollars to do what we are doing for not one cent today.

This is a measure in the public interest and in the taxpayer's interest, Mr. President, and I give it my full support.

Mr. KUCHEL. Mr. President, I am proud to be coauthor and sponsor of the wilderness bill now before the Senate.

I have been a member of the Interior and Insular Affairs Committee for the last 9 years, and for the last 6 of them legislation similar in purpose to this bill has been before our committee.

In my judgment this bill is for the benefit of the people, and supports the best interests of the people. It affects an extremely small portion of the public domain, for it deals with less than 2 percent of the total land area of the Nation in Federal ownership. It seeks to preserve—before modern life would destroy it—a small segment in the pristine beauty with which the Almight endowed the North American Continent in the beginning.

This is the first time legislation of this sort has reached the floor of the Senate. I believe it would be a tragedy if the Senate were to fail to pass the bill. I assert with equal vigor that it would be a tragedy if the Senate were to adopt the pending amendment.

I wish to make my position on this matter as clear as I can.

Mr. President, the power of Congress to act with respect to such property stems directly from the Constitution, which provides in article IV, section 3, clause 2:

> The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States.

On many occasions Congress has utilized that constitutional authority in connection with the passage of legislation dealing with the property of the United States.

In 1891 Congress passed the National Forest Act, which provided in part:

> The President of the United States may, from time to time, set apart and reserve in any State or Territory, having public lands bearing forests, in any part of the public lands wholly or in part covered with timber or undergrowth, whether of commercial value or not, as national forests, and the President shall, by public proclamation, declare the establishment of such forests and the limits thereof.

And in 1960, Congress passed Public Law 86–517, which provides in part:

> That it is the policy of the Congress that the national forests are established and shall be administered for outdoor recreation, range, timber, watershed, wildlife and fish purposes.

Mr. President, for emphasis I repeat that part of the congressional policy, as enacted into the law of the land: "for outdoor recreation, range, timber, watershed, wildlife, and fish purposes."

Then the act provides:

> The purposes of this Act are declared to be supplemental to, but not in derogation of, the purposes for which the national forests were established as set forth in the Act of June 4, 1897 (16 U.S.C. 475). Nothing herein shall be considered as affecting the jurisdiction or responsibilities of the several States with respect to wildlife and fish on the national forests.

Mr. President, what I have just read is the law of this land. It is an act of the Congress of the United States, enacted in 1960 and joined in by the Chief Executive. The Congress declared:

> The establishment and maintenance of areas of wilderness are consistent with the purposes and provisions of this Act.

Pursuant to this statute, the Secretary of Agriculture, under the last administration, laid down regulations, as he had the responsibility to do, for putting it into effect. This law is a total delegation of authority by the Congress of the United States to the Secretary of Agriculture to sit in complete judgment and to determine, by his own ipse dixit, what areas in our vast natural forests are to be wilderness areas and what areas would not be. And the only way the Congress of the United States could bring to task the Secretary of Agriculture, if he were to use the unlimited power delegated to him in a way to which the Congress objected, would be for the Congress to pass a bill, and to have the President sign that bill, overruling what his, the President's, Secretary of Agriculture had done.

It therefore ought to be crystal clear to the Members of the Senate that the Secretary of Agriculture, legally, and under a statute passed by Congress, can place the stamp of "wilderness" upon every single parcel of property under his jurisdiction today in the national forests. No one will gainsay that statement. That is the law. That is the fact.

What does this measure, then, seek to do? The bill provides that at the time the wilderness legislation becomes law, those areas which have previously been determined by the Secretary of Agriculture under executive fiat to be primitive or wilderness, shall be deemed a part of the wilderness system established by statute. Under the bill, however, it would be subject to a review by the Secretary of Agriculture, with clear statutory provision for a public hearing. Assuming that, on a review, the Secretary continues to stand by his prior decision to make a certain area a wilderness area, the President of the United States, under the law, has an executive responsibility to sit in judgment on it.

That is not all. I recall very well the discussion in our committee when we wrote this provision into the bill. Under it, the recommendation then comes to the Congress, and we provide that one House of the Congress, by appropriate resolution, can prevent inclusion in the wilderness system an area which has already been included—which the Secretary of Agriculture has determined shall be in it, and which the President has determined shall be in it. We provide, after all these decisions have been made, that one House of the Congress can overrule the executive branch.

What is wrong with that? How, in the interest of fairness, can anyone object to that procedure? However, some of my good friends in the Senate do object. Mr. President, I ask unanimous consent that the text of the amendment, authored and sponsored by my good friends, be printed in the RECORD at this portion of my remarks.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

> Amendment intended to be proposed by Mr. ALLOTT (for himself, Mr. BENNETT, Mr. BRIDGES, Mr. CAPEHART, Mr. CASE of South Dakota, Mr. DWORSHAK, Mr. FONG, Mr. HICKEY, and Mr. HOLLAND) to the bill (S. 174) to establish a National Wilderness Preservation System, and for other purposes, viz: On page 10, line 12, strike out all through line 7 on page 11 and insert in lieu thereof the following:
>
> "(f) Any recommendation of the President made in accordance with the provisions of this section shall take effect upon the day following the adjournment sine die of the first complete session of the Congress following the date or dates on which such recommendation was received by the United States Senate and House of Representatives; but only if prior to such adjournment Congress approves a concurrent resolution declaring itself in favor of such recommendation: *Provided*, That, in the case of a recommendation covering two or more separate areas, such resolution may be limited to one or more of the areas covered or parts thereof."

Mr. KUCHEL. Mr. President, that amendment would emasculate the wilderness legislation. The amendment would take the 1960 declaration of policy, by which the Secretary of Agriculture has a complete right to determine what is wilderness and what is not, and tear it up. It also would abrogate the longstanding policy under which the Secretary has created wilderness over many years.

The amendment would put back in a constant logrolling debate in the Senate

the consideration of every parcel of national forest area and whether it ought to be opened or closed for the benefit of the people.

Under those circumstances, I think the Senate would be performing a constructive service on this occasion if it overwhelmingly defeated the pending amendment.

I want to recall something which the able chairman of the Senate Committee on Interior and Insular Affairs, Senator ANDERSON of New Mexico, said when he spoke in the Senate last month. Senator ANDERSON said in part, as appears in the proceedings of Thursday, August 24.

> There is a very sound reason for drawing a line between handling of areas already reserved and any new areas.
>
> Inclusion of the wild, wilderness, primitive, park, and wildlife areas in the wilderness preservation system will cause little or no disturbance of individuals, communities, or economic patterns. The areas have been withdrawn for years. There have been no timber sales from forest lands involved so there are no lumber mills dependent on them which will have to close down. Established mining operations and grazing will not be disturbed.
>
> There is thus virtually no change in the status quo of the areas to be handled under the presidential recommendations procedure in the bill. The bill simply makes wilderness preservation a statutory directive and responsibility of the existing land-administering agency in its handling of already reserved lands.

Mr. President, that explanation by the committee chairman is important. It is important for the Senate to understand that the lands under the jurisdiction of the Department of Agriculture—and I speak of it particularly—that will be affected by this bill are those lands which, in his executive discretion, the Secretary of Agriculture has already determined shall be set aside as wilderness, wild, primitive, or canoe areas.

Under those circumstances, I see no reason at all why we should destroy completely what we laid down as a policy for the guidance of the Department of Agriculture in 1960. To the contrary, I think, in the interest of the people, the pending legislation ought forthwith to be passed without the adoption of the amendment, which would not only cripple the wilderness legislation, but, as I see it, would destroy it.

On that basis, I hope the amendment will be voted down.

Mr. DWORSHAK. Mr. President, will the Senator yield for a question?

Mr. KUCHEL. I yield.

Mr. DWORSHAK. Coming from the State of California, I am sure the Senator is a supporter of the multiple-use concept of our natural resources.

Mr. KUCHEL. Indeed, I am.

Mr. DWORSHAK. Does the Senator believe there are adequate safeguards of the principle of multiple use contained in the basic philosophy of the pending wilderness preservation bill?

Mr. KUCHEL. I do believe in the theory of multiple use. Indeed, that is what the Senator from Idaho and I approved when we wrote into the law in 1960 the public declaration of policy to which I have referred. That law will remain on the statute books. That law will still guide the Department of Agriculture.

I think it is important in this debate to point out that for some years the Secretary of Agriculture has been setting aside some areas as wilderness, and in those areas today there is no commercial timber operation, to use one example of a constructive public use.

The legislation which the Senate is considering today would be effective as to national forests only in those areas which the Secretary has already determined to be wilderness, wild, primitive, or canoe areas. The vast expanse of the public domain under the Department of Agriculture remains for his consideration for the other multiple uses in which the able Senator from Idaho and I both believe.

Mr. DWORSHAK. Will the Senator yield further?

Mr. KUCHEL. I yield.

Mr. DWORSHAK. Does the Senator believe that the proposed legislation would add to the prestige and the constitutional authority and power of the legislative branch to protect the public interest, rather than to delegate constitutional rights of the Congress to the executive department?

Mr. KUCHEL. I say, most respectfully, I think the Congress in 1960, when the Senator and I and a majority supported the present law on multiple use, we delegated our authority completely. I think in 1960 we gave to the Secretary of Agriculture the complete, undisputed, unreviewable right—a right he long had exercised under other, general law—to lock up as wilderness every area of the public domain classified as national forest under his jurisdiction. In my judgment, we are moving back to congressional control in the proposed legislation before us.

I disagree with the position the able Senator from Idaho and some of my other friends take, that we should move the whole way back. If we move the whole way back we shall destroy what has been done under the legislation of 1960 and in previous years.

Beyond that, I do not believe if we moved all the way back we could accomplish what we need to accomplish.

I say, in complete good faith, in my judgment the bill which is now before the Senate moves in the way the Senator from Idaho would wish to have it move, to wit, away from the complete delegation of authority which we gave to the Department of Agriculture in 1960.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. KEATING. I commend the distinguished Senator from California for the very clear exposition he has made of the proposed legislation and the effect of the pending amendment.

Certainly the Senator is better informed than I in this regard. If I correctly understand the proposal, under the present law, without passage of the pending bill, the Secretary of Agriculture could place additional areas of the national forests in the wilderness category without any congressional action whatever.

Mr. KUCHEL. Precisely.

Mr. KEATING. The bill seeks to give to either branch of the Congress what might be called a veto power over such authority, does it not?

Mr. KUCHEL. Not only that, but the bill also provides that in the executive branch there shall be an appropriate hearing by the Department of Agriculture with respect to parcels already determined by the Secretary to be wilderness. Secondly, the inclusion of areas in the wilderness system will have the consideration of the President of the United States. Thirdly, it can be considered by either House of the Congress under the pending legislation.

Mr. KEATING. What would be the procedure with respect to any additional area which might be added?

Mr. KUCHEL. The bill would effect only those areas which have already been designated by the Secretary of Agriculture, or are in national parks or wildlife refuges. With respect to any new areas, Congress would continue to use affirmative legislative action.

This is important. We deal here only with those areas which, on the date of enactment of the wilderness bill, already have been determined to be wilderness, wild, primitive or canoe, or are in national parks or wildlife refuges.

Mr. KEATING. If the Secretary of Agriculture decided to establish a new wilderness area what would happen? Would that have to be done by legislative act?

Mr. KUCHEL. There would be no authority for the Secretary, under the wilderness legislation, to include additional areas beyond those which have already been determined by him to be wilderness, wild, primitive, or canoe.

Mr. KEATING. In this proposed legislation?

Mr. KUCHEL. Precisely.

Mr. President, I ask unanimous consent that the text of the section beginning on page 3, line 19 of the bill, and ending on line 10, page 6, be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

(NOTE.—Matter enclosed in black brackets to be omitted; new matter in italic.)

NATIONAL FOREST AREAS

(b) (1) The wilderness system shall include all areas within the national forests classified on the effective date of this Act by the Secretary of Agriculture or the Chief of the Forest Service as wilderness, wild, primitive, or canoe: *Provided*, That the areas classified as primitive shall be subject to review as hereinafter provided. Following enactment of this Act, the Secretary of Agriculture shall, within [fifteen] *ten* years, review, in accordance with paragraph C, section 251.20, of the Code of Federal Regulations, title 36, effective January 1, 1959, the suitability of each primitive area in the national forests for preservation as wilderness and shall report his findings to the President. [Before the convening of Congress each year, the President shall advise the United States Senate and the House of Representatives of his recommendation with respect to the continued inclusion within the wilderness system, of each area on which review has been

completed in the preceding year, together with maps and definition of boundaries: *Provided,* That the President may, as part of such recommendations, alter the boundaries existing on the date of this Act for any primitive area included, to exclude portions not predominantly of wilderness value or to add any adjacent area of national forest lands that are predominantly of wilderness value. The recommendation of the President with respect to each area shall become effective subject to the provisions of subsection (f) of this section.] *Before the convening of Congress each year, the President shall advise the United States Senate and House of Representatives of his recommendations with respect to the continued inclusion within the wilderness system, or exclusion therefrom, of each area on which review has been completed in the preceding year, together with maps and definition of boundaries: Provided, That the President may, as a part of his recommendations, alter the boundaries existing on the date of this Act for any primitive area to be continued in the wilderness system, recommending the exclusion and return to national forest land status of any portions not predominantly of wilderness value, or recommending the addition of any contiguous area of national forest lands predominantly of wilderness value: Provided further, That following such exclusions and additions any primitive area recommended to be continued in the wilderness system shall not exceed the area classified as primitive on the date of this Act. The recommendation of the President with respect to the continued inclusion in the wilderness system, or the exclusion therefrom of a primitive area, or portions thereof, shall become effective subject to the provisions of subsection (f) of this section: Provided, That if Congress rejects a recommendation of the President and no revised recommendation is made to Congress with respect to that primitive area within two years, the land shall cease to be a part of the wilderness system and shall be administered as other national forest lands: And provided further, That primitive areas with respect to which recommendations are submitted to Congress on the eighth, ninth, and tenth years of the review period herein provided shall retain their status as a part of the wilderness system until the expiration, in respect to each area, of a full session of Congress, two years for resubmission of revised recommendations to Congress by the President, and, if so resubmitted, until the expiration of a full session of Congress thereafter. Recommendations on all primitive areas not previously submitted to the Congress shall be made during the tenth year of the review period. Any primitive area, or portion thereof, on which a recommendation for continued inclusion in the wilderness system has not become effective within fourteen years following the enactment of this Act shall cease to be a part of the wilderness system and shall be administered as other national forest land.*

Mr. KUCHEL. I read a sentence:

The wilderness system shall include all areas within the national forests classified on the effective date of this Act by the Secretary of Agriculture or the Chief of the Forest Service as wilderness, wild, primitive, or canoe.

Following that is the provision that this "shall be subject to review as hereinafter provided." In that review the Secretary must pass judgment a second time upon something as to which he has already passed judgment. The President must likewise pass judgment. Then, as I have said, either House of the Congress can act.

Mr. KEATING. The amendment offered by the distinguished Senator from Colorado would require both Houses of the Congress to take affirmative action in the regular legislative process before the areas which have already been set aside as wild, wilderness, canoe, or primitive actually became available as part of this wilderness system. Is that correct?

Mr. KUCHEL. That is my understanding.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. KUCHEL. Mr. President, I ask unanimous consent that I may yield to my able friend from Colorado so that he may precisely state the effect of his proposed amendment.

The PRESIDING OFFICER (Mr. PELL in the chair). Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

Mr. ALLOTT. The Senator has not stated the case correctly. The bill as it has been approved by committee would place all the wilderness areas in status quo. Some 7 million acres would be placed in the wilderness area, as they are now. They are now classified as such, and they would be retained as wilderness. No further action than the passage of this bill would be required to keep them as wilderness.

Mr. KEATING. Even with the Senator's amendment?

Mr. ALLOTT. Even with my amendment.

That is also true of the wilderness area within the national park system, which constitutes some 22 million acres.

With respect to the primitive areas and national wildlife and game refuges, when the Secretary sent up his recommendation to the President and to the Congress, approval would require the affirmative act of the Congress, as set out in my amendment.

Mr. KEATING. Under the bill, without the amendment, when the Secretary sent up a recommendation as to designation of wilderness areas in the future, either House of Congress could disapprove of his action. The amendment would require passage of a bill by both Houses of Congress and the signature by the President.

Mr. KUCHEL. To approve the designation.

Mr. KEATING. Yes, to approve it affirmatively.

Mr. ALLOTT. Mr. President, will the Senator yield so that I may make a correction?

Mr. KUCHEL. Mr. President, I ask unanimous consent that I may do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. I am told that I said a few moments ago the amendment would not affect the national park system areas.

The national park system areas are subject to review under the amendment. The national forest primitive areas are subject to review under the amendment. The national wildlife and game refuges are subject to review under the amendment.

The amendment would not change by one iota the status of the present wilderness system. It would not detract from it or take away 1 acre. It would not destroy one right which now attaches, or one use. It would not add any commercial enterprise or anything else. The wilderness area as now constituted would remain intact.

The amendment itself would apply to only the three categories I have mentioned.

Mr. KEATING. I believe I have a correct understanding that the discussion with the Senator from California related to the areas which the Senator referred to as primitive, wild, wilderness, and canoe.

Mr. KUCHEL. Primitive, wild, wilderness, and canoe.

Mr. ALLOTT. Wilderness, wild, primitive, or canoe.

Mr. KUCHEL. I believe I state this point accurately. The proposed wilderness legislation seeks to create a wilderness system. It provides that areas designated "wilderness, wild, primitive, or canoe" by the Secretary of Agriculture shall be reviewed. The review process shall be by the Secretary, the President, and by either House of Congress. If there is approval all the way through, Congress then would have incorporated the proposed areas previously so designated by the Secretary of Agriculture into the wilderness system. To that extent Congress under the proposed wilderness legislation will participate in the decision which has already been made, and which today is untouchable by Congress.

Some Senators have said, "No, we want more than that. We want Congress to sit in judgment, through consideration of a concurrent resolution, on every parcel of property in the national forests previously determined by the Secretary of Agriculture as 'wilderness, wild, primitive, or canoe.'" The language of the proposed amendment states:

(f) Any recommendation of the President made in accordance with the provisions of this section shall take effect upon the day following the adjournment sine die of the first complete session of the Congress following the date or dates on which such recommendation was received by the United States Senate and the House of Representatives—

In other words, the action would not take effect except under those conditions—

but only if prior to such adjournment Congress approves a concurrent resolution declaring itself in favor of such recommendation: *Provided,* That in the case of a recommendation covering two or more separate areas, such resolution may be limited to one or more of the areas covered or parts thereof.

The proposed wilderness legislation provides that within the next 10 years the Secretary of Agriculture and the Secretary of the Interior shall report annually to Congress on all the areas sought to be included in the wilderness system. If the pending amendment were agreed to and the proposed wilderness legislation were to become law, within 10 years it would mean there would not

be a single solitary area of wilderness in this Nation protected by law unless Congress, in each such instance, had passed a concurrent resolution.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. ALLOTT. I do not believe that is what the Senator means, because it is not the fact. What he has said is true so far as any additional areas that might be added to the national forest, wild, wilderness, and canoe areas, but his statement certainly is not true with respect to those areas in the wild, wilderness, and canoe areas which are now presently withdrawn from resource use and would remain wilderness areas. The bill as proposed does not affect the wilderness areas. The amendment of the Senator from Colorado would not affect the present wilderness areas in any way.

Mr. KUCHEL. Does my friend say that his amendment would not affect any of the areas now classified by the Secretary of Agriculture as "wilderness, wild, primitive, or canoe?"

Mr. ALLOTT. As wilderness, wild, or canoe.

Mr. KUCHEL. Does my able friend take the position that the protection that would be provided under the wilderness measure would be given to every parcel of wilderness area so classified today?

Mr. ALLOTT. Yes.

Mr. KUCHEL. I do not believe that the proposed legislation so provides.

Mr. ALLOTT. I do not think my friend has the full situation in mind, if he will yield for the purpose of explanation.

Mr. KUCHEL. I yield.

Mr. ALLOTT. First, on page 3 of the bill the Senator will notice that there is included all wilderness, wild, primitive, or canoe areas. Is that correct?

Mr. KUCHEL. The Senator is correct. I ask the Senator to read the next sentence, which provides that all areas classified——

Mr. ALLOTT. I was coming to that point in a later section:

Provided, That the areas classified as "primitive" shall be subject to review as hereinafter provided.

Mr. KUCHEL. Yes.

Mr. ALLOTT. So the primitive areas would be subject to review, but not the wilderness areas.

Mr. KUCHEL. The Senator is correct.

Mr. ALLOTT. The primitive areas would be subject to subsequent review. Is that correct?

Mr. KUCHEL. The Senator is correct.

Mr. ALLOTT. But nothing has been done with respect to wilderness or wild areas.

Mr. KUCHEL. The Senator is correct.

Mr. ALLOTT. The Senator will find on page 6 the incorporation of the national park areas, and also on page 7 he will find that the national park areas shall be included by review.

Mr. KUCHEL. The Senator is correct.

Mr. ALLOTT. On page 8 the Senator will find how national wildlife refuges and game refuges may be incorporated by review.

Mr. KUCHEL. The Senator is correct.

Mr. ALLOTT. There is no provision in the bill for review of the canoe areas. There is no provision with respect to review as to the wilderness areas. So when we pass the bill, the wilderness, wild, and canoe areas will be established.

The bill will clothe wild, wilderness, and canoe areas with statutory authority which they have never possessed, except indirectly. Even the Secretary of Agriculture, when he testified before our committee, could only say that the Department of Agriculture maintains that it has this power. He did not say it had such power.

I wish to make clear the point that the amendment does not affect wild, wilderness, or canoe areas.

Mr. KUCHEL. The Senator is correct. But the amendment of the Senator from Colorado would require the affirmative action of Congress not only with respect to primitive areas but the other two types of public property.

Mr. ALLOTT. With respect to primitive areas and also with respect to national park areas and game refuges.

Mr. KUCHEL. I respectfully say to my friend that it is that feature to which some of us object.

Returning to the point which the able junior Senator from New York [Mr. KEATING] originally raised, how does the Senator desire protection given to what in essence is a small percentage of the vast land areas owned by the Government of the United States? Under the present law, Congress delegated its constitutional authority to the Secretary of Agriculture. It did so with its eyes open and for many good reasons.

Now, when we have attempted to fashion a piece of wilderness legislation that would be in the public interest, we have taken back a portion of the congressional authority which had previously been delegated to the Secretary of Agriculture. I make that statement to my friends who still object that a half loaf is better than no loaf, because by this bill we would actually restore to either House of Congress some of the authority of which we divested ourselves only a year ago, and also take from the Executive authority exercised for many, many years in the designation of wilderness.

Mr. KEATING. I thank the Senator from California. What he said has helped to clarify the situation in my mind. Deep as is my affection for my distinguished colleague from Colorado, I believe his amendment would have a serious destructive effect on the bill. I am very much in favor of the bill. It had been my intention to say a few more words for the bill, but I have another engagement which will require me to speak on that subject a little later. I thank my friend for his clarification, as I also thank my friend from Colorado.

Mr. KUCHEL. I must say, as I yield the floor, that there is no better lawyer in the Senate than the senior Senator from Colorado. His participation in the labors of the Committee on Interior and Insular Affairs have been excellent, and on many occasions I have followed him.

Mr. KEATING. I agree with the Senator on that also.

Mr. KUCHEL. I do not quarrel with those in the Senate who say that Congress ought to exercise its authority over the publicly owned lands of the United States completely. I simply disagree, because I think the public interest was demonstrated when the Senate with no opposition, in 1960 said to the Secretary of Agriculture, "Take it all. You do it." At that time not a single voice was raised in the Senate against it. In that legislation we affirmed the power the Secretary of Agriculture had exercised for a half century or so in the designation of wilderness areas.

Therefore I do not agree with those who are insisting, now, when we withdraw some authority back to Congress in this bill, that we ought to go further.

Mr. BENNETT. Mr. President, on May 24, 1961, the western Governors' conference was held in Salt Lake City. The assembled Governors unanimously approved a resolution opposing the lockup of mineralized areas in our public lands in the wilderness system. The Governors correctly pointed to the great economic potential of such mineralized public lands to the future of the Western States. They likewise noted that such lands comprise only 1 percent of the total area of the public domain.

I ask unanimous consent that the text of the Governors' resolution be printed in the RECORD at the conclusion of my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

As to public lands: (1) Since the mineralized area of economic potential in public lands makes up but a small fraction of 1 percent of the total area, it is not to the advantage of Western States or the Nation as a whole that these mineralized areas be withdrawn for all time or locked up in wilderness systems or other Federal reserves. Furthermore, under no circumstances should there be any permanent withdrawals of any Federal lands without the concurrence of the Governor of the State in which the lands are located.

Mr. BENNETT. Mr. President, the Utah Junior Chamber of Commerce, at its August 1961 quarterly conference, adopted a resolution opposing the wilderness bill, S. 174, in its present form.

Specifically, the Utah Junior Chamber is opposed to the provisions contained in section 3(f) of S. 174, which permit the blanketing into the wilderness system of millions of acres of public lands without congressional approval. Secondly, the chamber opposes section 3(c) which erects a statutory barrier to the ultimate construction of the Echo Park Dam in Dinosaur National Monument.

As a sponsor of amendments to correct both of these serious defects in the bill, I was particularly pleased to learn of the resolution passed by the Utah junior chamber, and ask unanimous consent that the complete text of the resolution appear in the RECORD following my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas we believe in the efficacy and need of a wilderness program and recognize our responsibility to future generations to preserve wilderness areas for their recreational and other needs; and

Whereas we believe that government should be of laws rather than of men; and

Whereas Senate bill 174 in its present form constitutes an abdication by Congress of its responsibility over public lands by giving bureaus and administrators the almost unfettered power to designate the areas to be incorporated into the wilderness system with the consequence and possible adverse effects upon mining, water and power development, fish and wildlife management, hunting and fishing, water and soil conservation; and

Whereas over 70 percent of the land in Utah is Federal land and eligible for inclusion in the wilderness system; and

Whereas virtually all existing wilderness areas are in the Western United States and practically all wilderness areas will come from the West; and

Whereas under Senate bill 174 the only check upon administrative selection of wilderness lands in the form of legislative veto requires the majority vote of the Senate and the House and the West's proportionately greater representation in the Senate will thereby be negated and decisions relating to and vitally affecting the West will be decided without western voice: Now, therefore, be it

Resolved by the Utah Junior Chamber of Commerce in convention assembled at the annual August quarterly conference—

1. That we are unalterably opposed to the passage of Senate bill 174 in its present form.

2. That we are particularly opposed to the provisions contained in section 3(f) of said bill.

3. We believe the correct procedure to be followed in designating wilderness areas is for the President of the United States to propose and recommend legislation which would require majority approval of both Houses before any lands shall be embraced in the wilderness system.

4. That Senators and Representatives from Utah and the West and all members of the Interior Committee of both Houses of Congress and the President of the United States be furnished copies of this resolution and that all of such persons be and they hereby are further requested to give additional consideration to the provisions of section 3(c) of Senate bill 174 which in our opinion endangers the eventual construction of Echo Park Dam in the Dinosaur National Monument.

Mr. HICKEY. I should like to ask a question of the Senator from California.

Mr. KUCHEL. I hope I can answer the Senator's question.

Mr. HICKEY. The Senator has indicated by his reference that at this point a half loaf is being offered, and some of us want a full loaf. I believe that characterizes the difference between people who support the Allott amendment and the people on the side of the Senator from California.

My understanding is that the Senator's reluctance to take the full step, to get the full loaf, stems from the fact that in his opinion at some prior date a law was passed which gave the Secretary of Agriculture the full authority.

Is it not a fact that Congress for years has repealed laws completely, and that the reason behind that cannot be the full reason for the reluctance on the part of some Members of Congress to take the full step?

Mr. KUCHEL. First of all I acknowledge the good faith of all sides in this controversy. My philosophy is this, however. I am jealous of the prerogatives of Congress. Like my friend from Wyoming I am proud to be a Member of Congress.

However, Congress sometimes has exercised real wisdom in delegating constitutional authority to the executive branch.

I remember as a boy reading about how tariff legislation was logrolled back and forth through the legislative branch, almost to the point of actually becoming a scandal. That is when our predecessors in Congress began writing legislation to provide for the development of quotas and trade regulations by the executive branch under a delegation of our authority.

I think that delegation of power was in the public interest.

Sometimes delegated authority has been traduced downtown. But here we have a situation where if Congress were required to determine, every time that someone suggested that a few acres of God's earth on the North American Continent, which belongs to the people of the United States and to the Government of the United States, be given special protection in the interest of the people, I am afraid we would be burdening ourselves with the same troubles which have plagued Congress in the past.

So I believe we did a good thing when we adopted the 1960 legislation. However, I think that we ought now to give some congressional approval to the excellent work that the Secretary of Agriculture has done and, incidentally, also the work which the Secretary of the Interior has done in connection with this wilderness system, by approving what would do just that. At the same time, we would give to either House of Congress the power which I know my friend understands is in the bill.

Mr. HICKEY. I thank the Senator.

UNANIMOUS-CONSENT REQUEST TO LIMIT DEBATE AND TO VOTE ON THE PENDING AMENDMENT AT 5:10 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at 10 minutes after 5 a vote be taken on the pending amendent; in the meantime 10 minutes to be allocated to the distinguished Senator from Idaho; then to have a quorum call, to consume not less than 5 minutes; and the last 10 minutes to be allocated to the distinguished Senator from Colorado.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. I ask that the attachés of the Senate on both sides of the aisle notify Senators that a vote will be taken in 25 minutes. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills and joint resolution of the Senate:

S. 48. An act to authorize the Secretary of the Army to modify certain leases entered into for the provision of recreation facilities in reservoir areas;

S. 203. An act to declare that the United States holds in trust for the pueblos of Santa Ana, Zia, Jemez, San Felipe, Santo Domingo, Cochiti, Isleta, and San Ildefonso certain public domain lands;

S. 322. An act to make certain funds available to the Nez Perce Tribe of Idaho;

S. 344. An act to amend the Seneca Leasing Act of August 14, 1950 (64 Stat. 442);

S. 541. An act to amend the Act of June 1, 1948 (62 Stat. 281), to empower the Administrator of General Services to appoint nonuniformed special policemen;

S. 931. An act to repeal that part of the act of March 2, 1889, as amended, which requires that grantors furnish, free of all expenses to the Government, all requisite abstracts, official certifications and evidences of title;

S. 935. An act for the relief of certain members of the Army National Guard of the United States and the Air National Guard of the United States;

S. 1368. An act to amend the Shipping Act, 1916, to provide for licensing independent ocean freight forwarders, and for other purposes;

S. 1501. An act to authorize the Secretary of the Interior to contract for the sale, operation, maintenance, repair, or relocation of Government-owned electric and telephone lines and other utility facilities used for the administration of the Bureau of Indian Affairs;

S. 1518. An act providing for the disposition of judgment funds of the Omaha Tribe of Indians;

S. 2016. An act to give to the Walker River Paiute Tribe the reserved minerals underlying its reservation;

S. 2216. An act to authorize the transfer of three units of the Fort Belknap Indian irrigation project to the landowners within the project;

S. 2224. An act to grant minerals, including oil, gas, and other natural deposits, on certain lands in the Northern Cheyenne Indian Reservation, Mont., to certain Indians, and for other purposes;

S. 2422. An act concerning the White House and providing for the care and preservation of its historic and artistic contents; and

S.J. Res. 98. Joint resolution to provide for the observance of the centennial of the enactment of the Homestead Act.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 4998) to assist in expanding and improving community facilities and services for the health care of aged and other persons, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HARRIS, Mr. ROBERTS, Mr. RHODES of Pennsylvania, Mr. O'BRIEN of New York, Mr. BENNETT of Michigan, Mr. SCHENCK, and Mr. NELSEN were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 8102) to amend the Federal Airport Act so as to extend the time for making grants under the provisions of such act, and for other purposes; agreed to the conference asked by the Senate on the

disagreeing votes of the two Houses thereon, and that Mr. HARRIS, Mr. WILLIAMS, Mr. FRIEDEL, Mr. JARMAN, Mr. BENNETT of Michigan, Mr. SPRINGER, and Mr. COLLIER were appointed managers on the part of the House at the conference.

ESTABLISHMENT OF NATIONAL WILDERNESS PRESERVATION SYSTEM

The Senate resumed the consideration of the bill (S. 174) to establish a national wilderness preservation system for the permanent good of the whole people, and for other purposes.

Mr. CHURCH. I rise to oppose the pending amendment. Since the subject has been discussed at some length and in some detail, I shall be brief. At no time during the deliberations in the Committee on Interior and Insular Affairs did anyone on either side dispute the desirability of establishing and preserving wilderness areas in the United States. The only problem before us has been how to do this in a way which will be equitable to all, which will constitute no encroachment upon the legitimate business interests of the people of the Western States, and which at the same time will establish a uniform wilderness system embracing tracts of public land that are variously denominated under existing law.

The committee concluded, after very detailed and exhaustive hearings, that the method proposed in the pending bill would be the fair method.

First of all, we undertake to confine the proposed wilderness system to those areas of public land that have already been set aside for recreational use. Thus the system could only include areas already designated as wild areas, wilderness areas, canoe areas, primitive areas in national forests, primitive-type areas in national parks and in national monuments, and such areas in wildlife refuges and game ranges.

That is the maximum possible scope of the wilderness system to be established by the bill.

With respect to the tracts which have already been designated as "wild, wilderness, or canoe areas," these will be incorporated in the wilderness system upon the enactment of the bill. As to these areas, there is no dispute.

The dispute arises over the treatment to be given to the primitive areas in the national forests and the wilderness type areas in the national parks and in the game refuges. The committee believed these areas should be carefully reappraised, so that any portion having merchantable timber or being more susceptible to multiple use would be excluded, and the remainder not susceptible to merchantable use, would be retained. On the basis of such a review, the recommendations would then be made to Congress, and Congress would reserve the final judgment, in that either House could exercise a veto of any such recommendation. The committee felt that this would be the orderly way to proceed; and we believed it the best way to recover Congress' prerogatives which have heretofore been delegated away. As has often been stated in the course of the debate, the executive branch now has the full authority to establish wilderness areas without any kind of congressional review or congressional consent. The bill returns to Congress the right of review and the right of veto with respect to these withdrawn portions of the public lands.

Finally, the bill provides that once the wilderness system is established, once the review is completed by Congress, then any new additions to the system will have to be made by affirmative enactment of Congress, thus completely restoring congressional control.

I think the chairman of the Committee on Interior and Insular Affairs, the distinguished Senator from New Mexico [Mr. ANDERSON], has made it plain why these two separate types of treatment were decided upon.

In the statement he made, which appears in the CONGRESSIONAL RECORD of August 24, 1961, he set forth clearly and succinctly the reason why the committee provided for the two methods, the one relating to areas already withdrawn as wilderness, the other relating to new additions to the wilderness system, once it has been established.

Mr. President, I ask unanimous consent that the statement by the chairman of the committee be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ANDERSON

There is a very sound reason for drawing a line between handling of areas already reserved, and any new areas.

Inclusion of the wild, wilderness, primitive, park, and wildlife areas in the wilderness preservation system will cause little or no disturbance of individuals, communities, or economic patterns. The areas have been withdrawn for years. There have been no timber sales from forest lands involved so there are no lumber mills dependent on them which will have to close down. Established mining operations and grazing will not be disturbed.

There is thus virtually no change in the status quo of the areas to be handled under the Presidential recommendations procedure in the bill. The bill simply makes wilderness preservation a statutory directive and responsibility of the existing land-administering agency in its handling of already reserved lands. It does not set up any new agency, or entirely new category of land classification.

The designation of new areas usually does mean disturbance of individuals, communities, and economic patterns. The Interior Committee has found many special problems to consider in the creation of seashore areas, such as Cape Cod, Point Reyes, and Padre Islands. We have an almost unsolvable problem at the Indiana Dunes on the southern tip of Lake Michigan, but we still hope to save some of the area.

Under the provisions of the wilderness bill, the committee has provided that reservations of such new areas for wilderness which may require adjustments from the status quo, even though they are public lands, shall occur only after affirmative legislative action.

Only the existing wilderness-type areas are to be handled on recommendations which become effective unless vetoed by Congress. Behind the use of this procedure is a very practical consideration.

Chairman CLARENCE CANNON of the House Appropriations Committee and author of Cannon's Rules of Procedure in the House, tells some of his audiences that there are 27 steps involved in passing a bill through Congress, including introduction in two Houses, subcommittee hearings, subcommittee consideration, full committee consideration, Rules Committee consideration, calendaring, action on the floor, conferences, ratification of conference reports and, finally, approval by the President.

There are about 100 prospective wilderness tracts to be processed. On the basis of Chairman CANNON's estimate, it would involve at least 2,700 separate actions here in Congress to pass a bill on each and every one of the prospective wilderness tracts. There is going to be little objection to the inclusion of a great majority of these existing wild areas in the wilderness preservation system, so a vast workload will be avoided, without sacrificing any of the power of either House of Congress to work its will.

Mr. CHURCH. Mr. President, for the reasons I have stated, I hope the Senate will reject the pending amendment. If the amendment is approved, I believe it will do great damage. The virtue of the bill's method has been borne out again and again, because the formula provided is the same as the veto formula which has been written into the Reorganization Act and which, time and time again, has been used so effectively in connection with the reorganization of various agencies of the Government.

Fifteen different reorganization plans have been vetoed by Congress. Congress has had a most successful, orderly experience with this particular method. Moreover, this method of review, since it gives the power of veto to either House of Congress, retains the full prerogative of Congress. When we move upon the affirmative enactment of any given law, either House can exercise the power of veto; and we have carefully preserved the same power in the formula contained in this bill.

Finally, the method provided in the bill means that the review will be completed within the 10-year period in the most orderly possible way, retaining the full prerogative of final decision in Congress, thus establishing the wilderness system which the bill contemplates.

If that formula is disrupted by the approval of the pending amendment, then I think we will seriously weaken the bill and will cause to be brought before Congress 100 to 150 separate acts, each requiring the full legislative process. That is unnecessary with respect to land already withdrawn as wilderness. That would be a disruption of the orderly process contemplated in the bill. I think it would seriously weaken the bill.

Mr. President, for the reasons I have stated, I urge the Senate to reject the amendment and to support the position taken, after long and careful deliberation, by a large majority of the members of the Committee on Interior and Insular Affairs.

Mr. ALLOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALLOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. Mr. President, in closing the debate on my amendment which provides for affirmative congressional control, I wish to state that I believe we have come a long way in clearing up some of the misapprehensions which have existed.

First of all, I believe it is now clear to all that the so-called affirmative congressional review provided for by my amendment would not affect in any way the wilderness system which is now established.

I was surprised when, a few minutes ago during the debate, I found that even some Senators who attended all the hearings do not comprehend that my amendment does not affect the wilderness areas as they are now constituted. I have been surprised to find among Senators a misapprehension as to this fact. Let no one misunderstand: This amendment does not change in any way the presently constituted wilderness areas. The amendment would clothe the wilderness areas with a statutory cloak of authority which they never before have had, and as a result the present wilderness areas would be stronger and safer from violation than they have ever been before. So let no one state that this amendment would destroy them. I have heard it said again and again that if the amendment were adopted it would destroy the wilderness areas. But it would not. It would leave the wilderness areas as they are at the present time, and give them a statutory cloak of authority which they do not now have.

Furthermore, as I have stated, even the Secretary of Agriculture does not claim such authority now exists; he only states that the Department maintains it has authority to take such action under the 1897 act. So by means of this amendment we would provide the authority and give the wilderness areas a status they have never before had.

Let me make perfectly clear that my amendment would not affect the existing wilderness areas. My amendment would relate only to the areas in the national park system, the primitive areas, and the national wildlife refuge and game areas—these three, which already are dealt with by the bill. My amendment would not change the form of the review or any other provisions in regard to any of these areas. My amendment only provides that when the President makes such a recommendation, Congress shall have an opportunity to work its will upon it.

This provision has many practical effects. Among the most important, I point out that if Congress acts by means of the so-called negative review—as now provided by the bill—it may never have an opportunity for a hearing respecting any of these recommendations. If the chairman of the committee or the chairman of the subcommittee were to decide not to hold a hearing, the only remedy then would be under the Administrative Procedure Act and that remedy would offer only a negative review by the Congress, with up to 10 hours of debate, and without one bit of evidence, testimony or hearings upon which to base a case. So the interests of a State which might be vitally affected would have to be subject to debate under the 10-hour limitation, without any evidence, hearing or testimony; and Senators from the affected State would have to make their case as best they could. That is the No. 1 reason for the adoption of my amendment.

Secondly, and equally as important, Congress must have the right to act upon these questions. As the bill now stands, the only change made by my amendment would be that as to the park system areas, the primitive areas, and the wildlife areas, the Congress would have a right to act in an affirmative way, rather than surrender more of its prerogatives and responsibilities to the Department of Agriculture and to the Department of the Interior.

These are very important reasons why Congress must preserve its right to make an affirmative review.

My amendment provides for the only effective action which Congress could take in such cases, because it is the only action which would result in public hearings; and it is the only action by which all Members of Congress, both the Members of the House and the Members of the Senate, may be assured that the people of the affected areas will be heard.

The amendment simply seeks to restore the power to Congress. Thus, the Members of Congress would not be handicapped—as they would be under the bill as it now stands—by a legislative deadline.

This amendment would not be burdensome. Again and again I have pointed out during the debate that there are 39 national parks, and Congress has worked its will on each one of them; and at the present time the Senate and House Committees on Interior and Insular Affairs are considering such matters.

Under the bill as it now stands Congress would have to legislate in the dark, because since 1939 the areas included in the general wilderness system have remained about the same in acreage, and the Department of Agriculture has been unable to determine the classification of these lands. If Congress is to surrender its right to determine the classification of these lands, if Congress is to surrender its right to determine the highest use to which these lands can be put, if Congress is to surrender its right to have an opportunity to determine, as to these lands, what minerals may be developed in them, what water conservation works may be developed, and for what other purposes these lands and areas may be used, then Congress will have surrendered virtually all its power over these lands.

My amendment would do no damage to the wilderness system. Under the terms of my amendment Congress would retain better control, and the people affected by these areas would have an opportunity to speak. In that way we should have actually strengthened, rather than weakened, the wilderness system.

Mr. DWORSHAK. Mr. President, will the Senator from Colorado yield for a question?

Mr. ALLOTT. I yield.

Mr. DWORSHAK. I commend the Senator from Colorado for the courageous work he has done as a member of the Committee on Interior and Insular Affairs in trying to devise satisfactory safeguards in connection with the wilderness preservation system.

I invite his attention to a resolution adopted unanimously by the Western States Land Commissioners Association, calling attention to the fact that the wilderness bill now before us would create many difficult problems for this association.

Does not the Senator believe this proves the contention he has been constantly making throughout the debate, that there is little justification for the Federal Government to move into areas of conflict with the Western States, where there are large holdings of public domain?

Mr. ALLOTT. I do, without Congress having an opportunity to work its will upon the question.

The PRESIDING OFFICER. The time of the Senator has expired. All time on the amendment has expired.

The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. ALLOTT] for himself and other Senators. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BEALL (when his name was called). On this vote I have a pair with the Senator from West Virginia [Mr. RANDOLPH]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. COOPER (when his name was called). On this vote I have a pair with the senior Senator from Oregon [Mr. MORSE]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. BARTLETT (after having voted in the affirmative). Mr. President, on this vote I have a pair with the distinguished junior Senator from New Mexico [Mr. ANDERSON]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

Mr. MANSFIELD (after having voted in the negative). Mr. President, on this vote I have a pair with the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

Mr. HUMPHREY. I announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mr. MORSE], and the Senator from

Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from New Mexico [Mr. CHAVEZ] are absent because of illness.

I further announce that the Senator from West Virginia [Mr. RANDOLPH] is necessarily absent.

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Washington would vote "yea."

I further announce that, if present and voting, the Senator from Arkansas [Mr. FULBRIGHT] would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kansas [Mr. CARLSON], are absent because of illness.

The Senator from Illinois [Mr. DIRKSEN] and the Senator from North Dakota [Mr. YOUNG] are necessarily absent.

The pair of the Senator from Illinois [Mr. DIRKSEN] has been previously announced.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Kansas [Mr. CARLSON] and the Senator from North Dakota [Mr. YOUNG] would each vote "yea."

The result was announced—yeas 32, nays 53, as follows:

[No. 186]

YEAS—32

Allott	Dworshak	Morton
Bennett	Ellender	Mundt
Bible	Fong	Prouty
Boggs	Goldwater	Saltonstall
Butler	Hayden	Schoeppel
Cannon	Hickey	Smith, Maine
Capehart	Holland	Talmadge
Case, S. Dak.	Hruska	Thurmond
Cotton	Johnston	Tower
Curtis	Long, La.	Williams, Del.
Dodd	Monroney	

NAYS—53

Aiken	Hill	Moss
Burdick	Humphrey	Muskie
Bush	Jackson	Neuberger
Byrd, Va.	Javits	Pastore
Byrd, W. Va.	Jordan	Pell
Carroll	Keating	Proxmire
Case, N.J.	Kefauver	Robertson
Church	Kerr	Scott
Clark	Kuchel	Smathers
Douglas	Lausche	Smith, Mass.
Eastland	Long, Mo.	Sparkman
Engle	Long, Hawaii	Stennis
Ervin	McCarthy	Symington
Gore	McClellan	Wiley
Gruening	McGee	Williams, N.J.
Hart	McNamara	Yarborough
Hartke	Metcalf	Young, Ohio
Hickenlooper	Miller	

NOT VOTING—15

Anderson	Chavez	Mansfield
Bartlett	Cooper	Morse
Beall	Dirksen	Randolph
Bridges	Fulbright	Russell
Carlson	Magnuson	Young, N. Dak.

So the amendment offered by Mr. ALLOTT for himself and other Senators was rejected.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KUCHEL. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ALLOTT. Mr. President, I call up my amendment "8–25–61—B," and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 14, line 24, it is proposed to strike out the word "President" and substitute in lieu thereof the words "appropriate Secretary".

Mr. ALLOTT. Mr. President, for the information of Senators, though I have several other amendments to offer, I shall not detain the Senate for a long period of time.

The series of amendments I shall offer to the bill deserve very careful consideration. I shall try to be as brief as possible. It will be necessary to have yea and nay votes on at least two of the amendments. I also believe we should have a yea and nay vote on the question of final passage of the bill.

Mr. President, I ask for the yeas and nays on the question of final passage of the bill.

The yeas and nays were ordered.

Mr. ALLOTT. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. ALLOTT. Mr. President, the pending amendment is designated "8–25–61—B." It refers to page 14, line 24 of the bill. In my opinion, this section of the bill carries one of the biggest glittering hopes with the smallest prospects of performance of anything in the bill.

(At this point Mrs. NEUBERGER took the chair as Presiding Officer.)

Mr. ALLOTT. On page 14 of the bill, there is reference to "Special Provisions." It is provided that under certain circumstances certain uses may be authorized in the wilderness system.

The bill provides:

(2) Within national forest and public domain areas included in the wilderness system, (A) the President may, within a specific area and in accordance with such regulations as he may deem desirable, authorize prospecting (including exploration for oil and gas), mining (including the production of oil and gas), and the establishment and maintenance of reservoirs, water-conservation works, transmission lines, and other facilities needed in the public interest, including the road construction and maintenance essential to development and use thereof, upon his determination that such use or uses in the specific area will better serve the interests of the United States and the people thereof than will its denial.

The provision I have read would set up certain exceptions to the rather extreme limitations that are established in a previous provision with relation to wilderness areas. In line 24 of the bill the amendment would merely substitute the words "appropriate Secretary" for the word "President." I think it must be perfectly obvious to anyone that if a man should discover a very valuable vein of ore or rare minerals, for which we are very avidly hunting all over the country today, he would have a very difficult, if not impossible, time getting to the President in order to get the President's assent that he might prospect for, or even mine the metal within a given area.

There are also other activities, such as road construction, water conservation works, and the building of small dams that might be necessary to water and land conservation and the forestation and conservation of a certain area. Yet we know that a person who was aware of that condition could not possibly get to the President.

Sometimes I think it is difficult enough to communicate with the Secretary of the Interior or the Secretary of Agriculture. I am not being political in this statement. That is a fact. For the average man on the street it is a pretty big task. It seems to me that if we would make the bill workable, we should put the power in the hands of the appropriate Secretary rather than in the hands of the President.

From a practical standpoint, this is the way the provision would work: If an applicant ever got to the President, the President would call upon the appropriate Secretary to advise the President, and the President would then advise the man. So rather than go into the question in a roundabout way, and since the measure would give the power to the President alone, it seems to me that the amendment suggests a practical and good way to handle this question in order that the provision may be made meaningful and in order that we may accomplish what I am sure is the intent of the bill. If we do so, we shall make this particular section workable. Without the language suggested, I say that the section would hold out only hope, and it would be as elusive as the pot at the end of the rainbow.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

Mr. CHURCH. Madam President, I wish it were possible for me to accept the amendment. As the distinguished Senator from Colorado knows, yesterday we accepted several of his amendments that we felt were constructive and helpful to the purposes of the bill.

I cannot accept this amendment for a reason that can be very briefly stated.

The provision of the bill to which the pending amendment relates reads as follows:

(2) Within national forest and public domain areas included in the wilderness system, (A) the President may, within a specific area and in accordance with such regulations as he may deem desirable, authorize prospecting (including exploration for oil and gas), mining (including the production of oil and gas), and the establishment and maintenance of reservoirs, water-conservation works, transmission lines, and other facilities needed in the public interest, including the road construction and maintenance essential to development and use thereof, upon his determination that such use or uses in the specific area will better serve the interests of the United States and the people thereof than will its denial.

The amendment would merely take the authority to grant such permissive uses away from the President and place the authority in the hands of the appropri-

ate Secretary, which would be either the Secretary of Agriculture or the Secretary of the Interior.

We had a reason for placing the proposed authority in the hands of the President. It is the same kind of authority that applies in any zoning ordinance that I know anything about within any community in which there is a competition for the use of land. We have zoning ordinances to determine what parts of the community shall be residential and what parts of the community shall be commercial, and so on.

We recognize the very special interest that realtors might have, for instance, in building an apartment development or a supermarket in a given area. But we do not give authority to the realtors to determine whether or not a zoning ordinance should be amended to permit the building of the supermarket or the apartment house, nor do we leave the power of decision in those appointed public officials who deal with the realtors. We leave the authority of final decision to the elected representatives of the city who are responsible, not to any particular group, but to all the people of the city. We leave that authority either to the mayor or to the city council—the elected representatives of the entire people.

We have adopted the same principle in this bill. We leave the authority for making a final decision as to uses inconsistent with wilderness, where a higher public interest may so require, to the uppermost elective official of the land, the President, who is responsible to the whole people, and to the Congress, the elected representatives of the people. That is where the authority belongs.

We all know that in accordance with the procedures of government the various agencies will make their recommendations to the President. We know that regulations will be established that will govern most cases where intrusions are to be permitted. In most instances the President will act through the Secretary of Agriculture or the Secretary of the Interior. But conflicts can arise between agencies, and this bill properly vests final judgment in the man who is responsible to the whole people—the President of the United States. That is where the authority belongs. It is consistent with the practice in any small community where there is a zoning ordinance. It is a good democratic principle. I hope the principle will be upheld and that the amendment will be rejected.

Mr. ALLOTT. Madam President, I should like to reply briefly to the argument of the junior Senator from Idaho.

I ask, What is proposed? Should we write language in a bill which would hold out an idle dream to someone? The bill sets out very rigid standards for the areas that will actually be wilderness areas. I have no objection to those standards. But certain exceptions to those standards would be provided when it is found to be in the national interest to make them.

Can any Senator tell me how a stockman, a small lumber operator up in the corner of my State or, what is most important, a man who knows minerals and has found a rare mineral that we need badly in this country, can get to the President to give his approval of the exception? If so, I will gladly throw in the sponge and ask unanimous consent to withdraw my amendment. The fact is that it cannot be done without great difficulty.

If we are going to be completely fair about the bill, let us provide that the applicant may go to the appropriate Secretary. The argument of the Senator from Idaho now is that there is only one man to whom such an applicant should go, and that is the President of the United States. But only a few moments ago we were listening to an argument that no one but the Secretary of Agriculture could do all these things, and that he was omniscient.

In this instance, if these special provisions mean anything, we shall have to modify them. The amendment I have proposed is reasonable. The President, in any instance, would have to act on the advice of the appropriate Secretary. All that the amendment does is to put the responsibility where it belongs. I am sure that if the Secretary should in any case overstep his prerogatives or his judgment, the President would take him to task in short order.

Mr. LONG of Louisiana. Madam President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. LONG of Louisiana. Are there not a great many functions of government with respect to which the decisions are placed on someone of lesser rank than the President? I have in mind the granting of television channel licenses, the granting of a permit to construct a pipeline across the country, and similar situations. The responsibility for a great number of decisions is placed on someone less than the President. Many officials in the Federal Government have authority to grant permits with respect to property rights. Is that not so?

Mr. ALLOTT. The Senator is correct.

Mr. LONG of Louisiana. If we look at some of the vast powers that are vested in Federal regulatory agencies with respect to the granting of permits to do various and sundry things, such as the construction of transmission lines or the construction of pipelines, it would hardly seem appropriate to ask the President to make the decision as to whether or not a man may graze cattle on 50 acres of land.

Mr. ALLOTT. It does not seem necessary to me. Consider, for example, the establishment and maintenance of reservoirs, which are very necessary to conservation. It is claimed that this is a conservation bill. However, the man who wanted to establish such a reservoir would have to go to the President with his application. Out West, for example, a powerline will come up from Glen Canyon into the Four Corners area and up into Colorado. It will pass over some wilderness areas in southwestern Colorado, or close to them. I am not sure of the exact route.

However, the REA's would have to go to the President to get permission to do this, although the decision would no doubt have to be made in the Office of the Secretary of the Interior.

Mr. LONG of Louisiana. Reference is made, if I understand the section, to water conservation works or the building of a small, ordinary dam that might be of some benefit to fish and wildlife in the area, involving many millions of acres. That would have to be approved by the President. Does not that language tend to defeat the purpose of the bill? This is supposed to be some kind of escape valve to get away from rigidity in the program. As I pointed out, it would not be possible even to construct an outdoor privy. When we try to avoid the rigidity of this measure, we are told that we must go to the President of the United States to get his signature. Does that not lock up the procedure in inflexibility?

Mr. ALLOTT. The Senator is entirely correct. That is the reason I have offered the amendment. I have not offered it because I think it would loosen the effectiveness of the bill, but, rather, as the Senator and I know, because the bill as it stands would create an impossible situation. How would an individual, miner, or a man who wants to construct a reservoir, go about obtaining the consent of the President?

Our President is overburdened. I am appreciative of his great burdens, as he wrestles with the situation in Cuba, the situation in Brazil, the situation in Laos, the situation in Berlin, and the question of the resumption of nuclear testing. To put this burden on the President is absolutely silly. There is no better word to describe it. The decision should be made by the respective Secretaries.

Mr. LONG of Louisiana. I completely agree with the Senator on this question. If this section is to be used at all, it should not be required for the President to act in such situations. There are a number of matters that are of vital concern to the State of Louisiana about which I am reluctant to seek an appointment with the President in order to discuss them with him, because the President has many vital problems of war and peace on his mind. At the moment he has on his hands the responsibility of the survival of every Member of the Senate and, in fact, of every person in America. Why should he have the problem of deciding whether a man may graze cattle on certain land which has always been regarded as agricultural land, or whether a man may build a small dam, or something like that?

Mr. ALLOTT. Or build a small road which might be necessary for beetle or insect control. All those questions would have to be brought to the President for decision. I thank the Senator.

Mr. CASE of South Dakota. Madam President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. CASE of South Dakota. During the past few years we have heard a great deal about increasing the burdens of the Presidency. Proposals have been made for an Assistant President or for the delegation of his work. Various commissions have recommended that we find ways in which some of the orders the

President must sign might be delegated to other persons.

It seems surprising to me that in the pending bill it should be proposed to add to the burdens of the Presidency.

I ask the Senator who, today, has the authority to grant a permit for prospecting for oil and gas on the public domain?

Mr. ALLOTT. The Secretary of the Interior.

Mr. CASE of South Dakota. If today the Secretary of the Interior is the one who has authority for granting oil and gas prospecting permits on the public domain, why would it not be consistent for him to have the power to grant permits on those portions of the public domain which are included in the wilderness system?

Mr. ALLOTT. I think it is perfectly consistent. The Senator from Louisiana brought out the strongest point in that regard. I agree with him very strongly with respect to it. He has said that there are a great many problems relating to the State of Louisiana which are important to the State, but, knowing the pressures on the President, he will not even call for an appointment so that he may discuss those problems with the President.

I found myself in a similar situation when a President of our party was in the White House. Because we know of the great pressures on the President, I can see no reason why extra burdens should be placed on him. The Secretary of the Interior or the Secretary of Agriculture is the one who is to make the decision for the President anyway. But putting the President up in front of him, we make subparagraph (a) of this section absolutely meaningless.

Mr. CASE of South Dakota. Is it not the Secretary of the Department concerned who would normally have a staff to investigate the feasibility and advisability of granting a permit with respect to prospecting or the establishment of a reservoir or a water conservation works?

Mr. ALLOTT. Yes. I am sure there is no such established staff in the Executive Office of the President which would be qualified to do it.

Mr. CASE of South Dakota. Would not the result be one of three things—either the President would turn to the Secretary who has in his office the administration of the act, or he would turn to the Bureau of the Budget and expect the Bureau of the Budget to provide the advice on which a finding could be made, or finally he would have to establish within the Executive Office of the President a new staff to process these applications?

Mr. ALLOTT. That is true. The only logical way, I am sure, would be for him to refer the problem to the Secretary of Agriculture or the Secretary of the Interior.

Mr. CASE of South Dakota. If that be true, why not place the responsibility there in the first place? I am not sure that I agree with the Senator from Colorado that that is where the President would turn. I would be a little suspicious that perhaps he might set up a new office in the White House Executive Offices, or turn to the Bureau of the Budget and give to the Bureau of the Budget another executive administrative responsibility.

In any event, it seems to me that the amendment offered by the Senator from Colorado is the logical answer. I hope it will be agreed to.

Mr. ALLOTT. I thank the Senator from South Dakota.

Mr. LONG of Louisiana. Madam President, will the Senator from Colorado yield?

Mr. ALLOTT. I yield.

Mr. LONG of Louisiana. If the Senator's amendment is defeated upon the logic offered, we are confronted with ridiculous hiatuses. Speaking as one who comes from an oil-producing State, the less oil produced in Colorado, Montana, and Wyoming, the more that can be produced in Louisiana, because the amount of oil which can be produced is limited by the storage facilities above ground. If storage space is not available, the oil is not permitted to be taken out of the ground.

The amusing thing is that the Secretary of the Interior already has power to grant oil leases on the Continental Shelf. Such leases might be worth hundreds of millions of dollars. By contrast, this amendment would not let him grant even a grazing permit or a permit for someone to build a small pond to try to trap a little water or produce some fish in a wilderness area.

Certainly the President of the United States will never have the time to study the request at first hand so as to know what the decision should be. To insist on keeping that provision in the bill will mean that the man who makes the decision will never have a first hand opportunity to know whether he is right or wrong.

Mr. ALLOTT. I believe the Senator from Louisiana is entirely correct.

Madam President, I hope the amendment will be agreed to. I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado [Mr. ALLOTT]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Washington [Mr. MAGNUSON], and the Senator from Oregon [Mr. MORSE], are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ], and the Senator from New Mexico [Mr. ANDERSON], are absent because of illness.

I further announce that the Senator from West Virginia [Mr. RANDOLPH], is necessarily absent.

On this vote, the Senator from New Mexico [Mr. ANDERSON] is paired with the Senator from Arkansas [Mr. FULBRIGHT]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Arkansas would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Louisiana [Mr. ELLENDER]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Louisiana would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Kansas [Mr. CARLSON], are absent because of illness.

The Senator from Illinois [Mr. DIRKSEN], and the Senator from North Dakota [Mr. YOUNG], are necessarily absent.

The pair of the Senator from Illinois [Mr. DIRKSEN], has been previously announced.

Mr. BEALL. On this vote I have a pair with the senior Senator from West Virginia [Mr. RANDOLPH]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. EASTLAND. On this vote I have a pair with the senior Senator from Oregon [Mr. MORSE]. If he were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. MANSFIELD. On this vote I have a pair with the senior Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The result was announced—yeas 35, nays 51, as follows:

[No. 187]

YEAS—35

Aiken	Fong	Morton
Allott	Goldwater	Mundt
Bartlett	Gruening	Prouty
Bennett	Hayden	Saltonstall
Butler	Hickenlooper	Schoeppel
Byrd, Va.	Hruska	Scott
Capehart	Javits	Smathers
Case, S. Dak.	Keating	Smith, Maine
Cooper	Long, La.	Talmadge
Curtis	McClellan	Thurmond
Dodd	Miller	Tower
Dworshak	Monroney	

NAYS—51

Bible	Hickey	Moss
Boggs	Hill	Muskie
Burdick	Holland	Neuberger
Bush	Humphrey	Pastore
Byrd, W. Va.	Jackson	Pell
Cannon	Johnston	Proxmire
Carroll	Jordan	Robertson
Case, N.J.	Kefauver	Russell
Church	Kerr	Smith, Mass.
Clark	Kuchel	Sparkman
Cotton	Lausche	Stennis
Douglas	Long, Mo.	Symington
Engle	Long, Hawaii	Wiley
Ervin	McCarthy	Williams, N.J.
Gore	McGee	Williams, Del.
Hart	McNamara	Yarborough
Hartke	Metcalf	Young, Ohio

NOT VOTING—14

Anderson	Dirksen	Mansfield
Beall	Eastland	Morse
Bridges	Ellender	Randolph
Carlson	Fulbright	Young, N. Dak.
Chavez	Magnuson	

So Mr. ALLOTT's amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ALLOTT. Madam President, I call up my amendment identified as "8-25-61—C."

The PRESIDING OFFICER. The amendment of the Senator from Colorado will be stated.

The CHIEF CLERK. On page 20, after line 8, it is proposed to insert the following:

SEC. 10. Nothing in this Act shall be construed as superseding, modifying, repealing, or otherwise affecting the provisions of the Federal Power Act (16 U.S.C. 792–825r).

Mr. ALLOTT. Madam President, this amendment does not originate with me; and perhaps some Senators on the other side of the aisle may be disposed to join me in sponsoring the amendment, because it originates with one of the agencies of the Federal Government.

I know of no better way to explain the amendment than to read the letter which the chairman of the Federal Power Commission sent to the committee:

FEDERAL POWER COMMISSION,
Washington, March 3, 1961.

Hon. CLINTON P. ANDERSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On Monday last, during the testimony given by John C. Mason, General Counsel of this Commission, regarding S. 174, the wilderness bill, you requested additional comments as to how the bill would affect waterpower projects presently administered under the Federal Power Act. More specifically you suggested that we might submit a new saving clause which would not be as broad as the one presented in our report.

The role of the Federal Power Commission with respect to water-resources development is defined and limited by congressional enactments. Its licensing function originated in the Federal Water Power Act of 1920, which antedated any wilderness-type areas, and is now encompassed in part I of the Federal Power Act. Pursuant to that authority the Commission issues licenses to non-Federal interests, including citizens, corporations, States, and municipalities authorizing the construction, operation, and maintenance of waterpower projects on U.S. lands (except national parks and national monuments) and on streams over which Congress has jurisdiction, as well as licenses to non-Federal interests for the purpose of utilizing surplus water or waterpower from a Government dam. These licenses are issued for a term of years not exceeding 50 and contain certain conditions which protect both the public and the licensee.

A license for project works on reserved lands of the United States may be issued by the Commission under section 4(e) of the Federal Power Act "only after a finding * * * that the license will not interfere or be inconsistent with the purpose for which such reservation was created or required." In addition, such licenses contain conditions deemed necessary for the adequate protection and utilization of any reservation involved. We interpret section 4(e) to provide this Commission with authority to issue licenses for construction of power facilities in presently designated primitive, wilderness, wild, or canoe areas, except in the boundary waters canoe area of Minnesota, and we believe that S. 174 would not preclude the continued exercise of that jurisdiction within the wilderness system established by the bill. However, in light of the conclusion expressed at the hearing by the Chief of the Forest Service that the bill precludes any licensing under the Federal Power Act in the wilderness system that would be created by the bill, we can foresee serious administrative difficulties in attempting to license hydroelectric facilities in those areas, if S. 174 is enacted.

At the hearing you inquired as to the location of 748,000 kilowatts of existing licensed capacity mentioned on page two of the Commission's report on the bill. Our information reveals that the Commission has presently under license three power facilities now in operation (748,000 kilowatts) and one under construction pursuant to a license (257,000 kilowatts), all of which are affected by licensed reservoirs located in primitive areas, as those areas are presently classified by the Secretary of Agriculture and the Chief of Forest Service.

In view of the very limited hydroelectric potential in existing wild, underness, or canoe areas, we believe that the public interest in the development of waterpower resources through licenses issued under the Federal Power Act will be adequately protected if the saving clause we previously recommended is made applicable only to primitive areas. Therefore, the Commission recommends that the bill be amended by adding a new subsection 6(c)(8) to read as follows:

"To the contrary notwithstanding, no provisions of this act shall be construed as superseding, modifying, repealing, or otherwise affecting the provisions of the Federal Power Act (16 U.S.C. 792–825r) with respect to primitive areas as referred to in section 3(b)(1) of this act."

We hope this information will be of value to you and your committee, and if this Commission can be of further service, please do not hesitate to call on us.

Sincerely yours,

JEROME K. KUYKENDALL,
Chairman.

Madam President, in view of the very limited hydroelectric power potential existing in these areas, I believe that the public interest in the development of the waterpower resources of the country, through licenses issued under the Federal Power Act, will be adequately protected if the saving clause I have recommended, and which the Chairman of the Federal Power Commission has recommended in his letter to the committee, be included in this measure. In fact, the Chairman of the Federal Power Commission recommended it by stating that:

Therefore, the Commission recommends that the bill be amended by adding a new subsection 6(c)(8) to read as follows:

"To the contrary notwithstanding, no provisions of this act shall be construed as superseding, modifying, repealing, or otherwise affecting the provisions of the Federal Power Act (16 U.S.C. 792–825r) with respect to primitive areas as referred to in section 3(b)(1) of this act."

We hope this information will be of value to you and your committee, and if this Commission can be of further service, please do not hesitate to call on us.

Sincerely yours,

JEROME K. KUYKENDALL,
Chairman.

The amendment I have offered would accomplish exactly the same thing. It is almost exactly in the same words. The amendment is designed to assure that the purposes of the act shall not contravene the purposes of the Federal Power Act as now written, so the Federal Power Commission will retain the power it has.

Mr. HUMPHREY. Madam President, will the Senator yield for a question?

Mr. ALLOTT. I yield.

Mr. HUMPHREY. Does the Senator understand, under his amendment, that the Federal Power Commission, which would be permitted under the Federal Power Act, to exercise its present jurisdiction in the wilderness areas, would grant a license, and then the actual construction would have to be by Presidential order?

Mr. ALLOTT. That is a question. I doubt it would be by Presidential order if this amendment were adopted. The question arose because the understanding of the various departments about the law seems to be that at the present time the Commission has power to grant such licenses.

Mr. HUMPHREY. Yes.

Mr. ALLOTT. In committee there was much discussion as to whether or not the amendment affected that power. Then the Department of Agriculture stated that, in its opinion, the passage of the bill would supersede the authority of the Federal Power Commission to grant licenses. It is for that reason, therefore, that I have brought forth the amendment at this time.

I notice that the junior Senator from Colorado [Mr. CARROLL] has returned from conference. I wanted him to be present when this discussion was had.

Mr. HUMPHREY. My questions are designed merely for information, because, frankly, the Senator is well acquainted with the question as a result of the hearings, and I am not. Am I correctly informed that the Federal Power Commission said it would be satisfied, in terms of its jurisdiction, under the provisions of this bill if that jurisdiction could be exercised in only what are known as primitive areas?

Mr. ALLOTT. As I understand them, yes. In fact representatives of the Commission said that they interpret the original section of the Power Act to provide the Commission with authority to issue licenses for construction of power facilities in presently designed primitive, wild, or canoe areas except in the boundary waters area of Minnesota. Now I shall have to revise my previous answer. I believe that the proposal would amend it only as to primitive areas.

Mr. HUMPHREY. Would the Senator be willing to modify the amendment accordingly? I think the purpose of the amendment is worth while. I am not arguing with the purpose of it. I wanted the RECORD to be clear that it would be essentially in the primitive areas where the powersites were to be found. If the Senator will modify his amendment on that basis, I think there will be very little reason to have any objection to the amendment.

Mr. ALLOTT. If the Senator will refer to the plat at the rear of the Chamber, he will see that within the State of Colorado there is the Flat Top Primitive Area. There is a project underway at this time which the Federal Power Commission has under consideration. I do not remember the name of the corporation involved. It is the Western Power Co., if I recall correctly. It would definitely involve the Flat Top Primitive Area.

I had overlooked this aspect of the question. I suppose it is because of the length of time we have been discussing this subject on the floor. I would not

be willing to modify my amendment to specify primitive areas, because this particular project, for example, includes one of the few remaining potential power and reclamation sites in Colorado.

I could be mistaken, but as I look at this particular question, if I placed in the amendment a qualification with respect to primitive areas only, we would preclude the development of this great area, which is one of the few remaining potential sites in our State.

Mr. CARROLL. Madam President, will the Senator yield?

Mr. ALLOTT. I shall be glad to yield the floor or yield for a question.

Mr. CARROLL. Madam President, I support the amendment of the senior Senator from Colorado, for this reason. As we began our consideration of the wilderness bill, it occurred to me that perhaps we ought to find out what would happen to Federal powersites. Some years ago I represented the city of Denver, which had purchased water in Colorado and sought to bring that water over the mountains and place it in a dam for the use of the people of Denver. I found certain persons in the Department of the Interior—I think it was in the Fish and Wildlife Service—were objecting to Denver's using its own water, which it had purchased. We learned that a powersite had been withdrawn by Theodore Roosevelt many years ago. We proceeded under vigorous opposition by the Department of the Interior. Fortunately, the Federal Power Commission had authority to grant a license for the use of that site because it had been previously withdrawn.

As we were studying the wilderness bill I insisted that we carefully examine what would happen to water development in the wild and primitive areas in the years ahead. We therefore put several questions to the Department of the Interior and the Department of Agriculture. It was their theory that this bill removes the licensing power of the Federal Power Commission and invests it in the President. I thought we ought to leave the authority where it is now.

There is no conflict between Agriculture, Interior, and the Federal Power Commission, and I think it is a proper safeguard for those of us in the West and the semiarid States where, as I have said two or three times in debate earlier today and yesterday, water is our life's blood. We can protect ourselves, and will not do injury to the bill.

I have in my hand a report from the Federal Power Commission to the Interior and Insular Affairs Committee, dated February 24, in which it suggests an amendment identical to that proposed by my colleague, the gentleman from Colorado [Mr. ALLOTT]:

> Nothing in this act shall be construed as superseding, modifying, repealing, or otherwise affecting the provisions of the Federal Power Act.

It does not diminish the wilderness areas, but gives assurance to some of us who seek to protect future water and hydroelectric power-site developments in the semiarid West.

I think this is a sensible and necessary amendment. The Senator from Minnesota said we might limit it to primitive areas. Perhaps that could be done, but let us not do that at this time. It will go before the other body. I suggest we keep it in reference to wildlife areas, wilderness areas, and primitive areas.

I think we can protect the water and power rights not only of Colorado, but also of any other State of the Union which may have powersite withdrawals made by the Federal Power Commission, whose jurisdiction arises from an act passed in the days of Theodore Roosevelt. I support the amendment. I think it is a good amendment.

Mr. CHURCH. Madam President, will the Senator yield?

Mr. CARROLL. I yield.

Mr. CHURCH. The junior Senator from Colorado has made a very convincing statement, as is typical of him. It is true that in arid States like Colorado, Idaho, and other States of the Intermountain West the proper development of water resources is of crucial importance. We have established, under law, a Federal Power Commission for the purpose of licensing the construction of dams and power projects found to be in the public interest and consistent with the comprehensive development of our water resources.

I see no particular objection to the amendment. It is true the Federal Power Commission asked for it. It is true also that the Federal Power Commission Act does not extend to national parks or national monuments. The only areas which could be affected would be the forest areas, principally the primitive areas.

Offhand I cannot see that the amendment would do any damage. I think it would serve a useful purpose. No one believes the House of Representatives will act upon this proposed legislation in precisely the same way as the Senate. There is a likelihood of a conference, which would enable us to review the amendment. If there is something we ought to consider further, as a result of some complication not now apparent, we shall have full opportunity to do so in conference.

I hope the Senate will approve the amendment.

Mr. CARROLL. Earlier today I dealt with this issue in extensive detail. But if necessary later I shall place an even more expanded legislative history into the RECORD—not only for our protection, but also for the benefit of the other body—setting up, item by item, the position of the Secretary of Agriculture, of the Secretary of the Interior, and of the Federal Power Commission on this issue. I hope the Senate will approve the amendment and send it to the other body for their consideration.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Colorado [Mr. ALLOTT].

The amendment was agreed to.

Mr. BENNETT. Madam President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 6, line 23, before the period insert a comma and "except that no national monument (in whole or in part) shall be included in the wilderness system if in the reservation of any part of such monument it was provided that (1) such reservation should not affect the operation of the Federal Power Act, and (2) the administration of such monument should be subject to one or more withdrawals for reclamation purposes."

Mr. BENNETT. Madam President, my amendment provides that the wilderness bill shall not include national monuments if in the reservation withdrawing the land for the monument it was provided that the reservation should not affect the operation of the Federal Power Act, and the administration of such monuments should be subject to one or more reclamation withdrawals.

Section 3(c) of S. 174 makes it possible to blanket all national parks, national monuments, and other park units into the wilderness system without the affirmative approval of Congress. We fought that fight this afternoon. With respect to one national monument, this would be grossly unfair, inequitable, and would be a denial of solemn promises made by the Government of the United States. I refer to the Dinosaur National Monument.

The original 60-acre Dinosaur National Monument was created by Executive order on October 4, 1915. It was established to preserve and protect the remaining dinosaur remains in the area. On July 20, 1938, President Roosevelt issued an Executive order expanding the Dinosaur National Monument by over 200,000 acres in the vicinity of the confluence of the Green and Yampa Rivers. This action was taken after public hearings were conducted in the area by the National Park Service, at which time the people of eastern Utah and western Colorado were expressly promised that the creation of the enlarged national monument would not bar subsequent water and power projects within its borders.

President Roosevelt's Executive order expressly embodied the promises made by the National Park Service. The order states:

> This reservation shall not affect the operation of the Federal Water Power Act of June 10, 1920 (41 Stat. 1063), as amended, and the administration of the monument shall be subject to the reclamation withdrawal of October 17, 1904, for the Brown's Park Reservoir site in connection with the Green River project.

According to former Assistant Secretary of the Interior George W. Abbott, who wrote me in his official capacity in 1959 as the then Solicitor of the Department of Interior, the wilderness bill's provisions prohibit power and reclamation development within the Dinosaur National Monument. There is no provision within S. 174 which would authorize the President to provide for the establishment of reservoirs and water conservation works within the national parks and monuments.

While water development in Dinosaur may not be needed for decades, I as a Senator from Utah must consider the

welfare of Utahans yet unborn and not just the casual esthetic enjoyment of a few wilderness lovers. We in Utah also love wilderness, but we love life more, and we shall have hundreds of thousands of acres of wilderness whether this bill is passed or not, because the Creator made it so. I therefore take strong exception to S. 174, which could bar water development in Dinosaur and perhaps destroy Utah's right to 500,000 acre-feet annually under the Upper Colorado River compact approved by Congress in 1948. In the words of the Salt Lake Tribune, which has been a leading voice for sound conservation, in an editorial for June 5, 1959:

A special problem keeps most Utahans opposed to the wilderness bill. The wilderness backers are dedicated to preventing any water storage inside Dinosaur National Monument and this, if continued, will deprive Utah of its fair and guaranteed share of Yampa River water in the upper Colorado reclamation program. Solemn guarantees from the U.S. Government and its agents were made prior to and at the time the Dinosaur Monument was expanded up the Green and Yampa Rivers.

The wilderness bloc is doing everything possible to seal up this source of precious water from Utah.

In the interest of justice and fairness, so that the promises of the Federal Government may be kept to the people of Utah and Colorado, I urge the adoption of my amendment, and I ask unanimous consent that the Executive orders to which I have referred be included in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. BENNETT. Madam President, the effect of my amendment would be to require affirmative action by Congress before any portion of the Dinosaur National Monument could be designated as part of the wilderness system. It does not prohibit wilderness development in the monument, but merely makes certain that the Secretary of Interior cannot bypass Congress.

EXHIBIT 1

PROCLAMATIONS, 1915

BY THE PRESIDENT OF THE UNITED STATES

A proclamation

Whereas in section 26, township 4 south, range 23 east of the Salt Lake meridian, Utah, there is located an extraordinary deposit of dinosaurian and other gigantic reptilian remains of the Juratrias period, which are of great scientific interest and value, and it appears that the public interest would be promoted by reserving these deposits as a national monument, together with as much land as may be needed for the protection thereof.

Now, therefore, I, Woodrow Wilson, President of the United States of America, by virtue of the power in me vested by section 2 of the act of Congress entitled "An Act for the Preservation of American Antiquities," approved June 8, 1906, do hereby set aside as the Dinosaur National Monument, the unsurveyed northwest quarter of the southeast quarter and the northeast quarter of the southwest quarter of section 26, township 4 south, range 23 east, Salt Lake meridian, Utah, as shown upon the diagram hereto attached and made a part of this proclamation.

While it appears that the lands embraced within this proposed reserve have heretofore been withdrawn as coal and phosphate lands, the creation of this monument will prevent the use of the lands for the purposes for which said withdrawals were made. Warning is hereby expressly given to all unauthorized persons not to appropriate, excavate, injure or destroy any of the fossil remains contained within the deposits hereby reserved and declared to be a national monument or to locate or settle upon any of the lands reserved and made a part of this monument by this proclamation.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington, this 4th day of October, in the year of our Lord 1915 and the independence of the United States the 140th.

WOODROW WILSON.

By the President:

ROBERT LANSING,
Secretary of State.

ENLARGING THE DINOSAUR NATIONAL MONUMENT—COLORADO AND UTAH

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A proclamation

Whereas certain public lands contiguous to the Dinosaur National Monument, established by Proclamation of October 4, 1915, have situated thereon various objects of historic and scientific interest; and

Whereas it appears that it would be in the public interest to reserve such lands as an addition to the said Dinosaur National Monument:

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, under and by virtue of the authority vested in me by section 2 of the act of June 8, 1906, chapter 3060, 34 Stat. 225 (U.S.C., title 16, sec. 431), do proclaim that, subject to all valid existing rights, the following-described lands in Colorado and Utah are hereby reserved from all forms of appropriation under the public-land laws and added to and made a part of the Dinosaur National Monument:

Colorado

Sixth principal meridian

T. 6 N., R. 99 W.,
sec. 5, W½,
secs. 6 and 7,
sec. 8, W½,
sec. 17, W½,
secs. 18 and 19,
sec. 20, W½,
sec. 29, W½,
secs. 30, 31,
sec. 32, W½; (partly unsurveyed)
T. 6 N., R. 100 W., secs. 1 to 30 and 33 to 36, inclusive;
T. 6 N., R. 101 W., secs. 1 to 30, inclusive; (partly unsurveyed)
T. 7 N., R. 101 W., secs. 25 to 36, inclusive; (partly unsurveyed)
T. 6 N., R. 102 W., secs. 1 to 30, inclusive; (partly unsurveyed)
T. 7 N., R. 102 W., secs. 5 to 8, 17 to 20, and 25 to 36, inclusive; (partly unsurveyed)
T. 8 N., R. 102 W., secs. 5 to 8, 17 to 20, and 27 to 34, inclusive; (partly unsurveyed)
T. 9 N., R. 102 W., secs. 16 to 21, and 28 to 33, inclusive; (partly unsurveyed)
T. 6 N., R. 103 W.,
secs. 1 to 14, inclusive;
secs. 23 and 24;
T. 7 N., R. 103 W., all; (partly unsurveyed)
T. 8 N., R. 103 W.,
sec. 1,
sec. 2, E½,
sec. 11, E½,
secs. 12 to 15, 22 to 28, and 32 to 36, inclusive; (partly unsurveyed)
T. 9 N., R. 103 W., secs. 13, 24, 25 and 36;
T. 6 N., R. 104 W., secs. 1, 2, 11 and 12; (partly unsurveyed)
T. 7 N., R. 104 W., all;

Utah

Salt Lake meridian

T. 4 S., R. 23 E.,
secs. 9 to 16 and 21 to 25, inclusive;
sec. 26, N½, E½SE¼, SW¼SE¼, W½SW¼, SE¼SW¼
secs. 27, 28, and those parts of secs. 34 and 35 north of Green River; (partly unsurveyed)
T. 3 S., R. 24 E., secs. 25, 26, 35 and 36;
T. 4 S., R. 24 E., secs. 1 to 3, and 7 to 30; inclusive; (partly unsurveyed)
T. 3 S., R. 25 E.,
sec. 11, E½,
secs. 12 and 13,
sec. 14, E½,
secs. 20 to 36; inclusive; (partly unsurveyed)
T. 4 S., R. 25 E., secs. 1 to 12, inclusive; (partly unsurveyed)

aggregating 203,885 acres.

Warning is hereby expressly given to any unauthorized persons not to appropriate, injure, destroy, or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

The reservation made by this proclamation supersedes as to any of the above-described lands affected thereby, the temporary withdrawal for classification and for other purposes made by Executive Order No. 5684 of August 12, 1931, and the Executive order of April 17, 1926, and the Executive order of September 8, 1933, creating Water Reserves No. 107 and No. 152.

The Director of the National Park Service, under the direction of the Secretary of the Interior, shall have the supervision, management, and control of this monument as provided in the act of Congress entitled "An act to establish a National Park Service, and for other purposes," approved August 25, 1916, 39 Stat. 535 (U.S.C., title 16, secs. 1 and 2) and acts supplementary thereto or amendatory thereof, except that this reservation shall not affect the operation of the Federal Water Power Act of June 10, 1920 (41 Stat. 1063), as amended, and the administration of the monument shall be subject to the reclamation withdrawal of October 17, 1904, for the Brown's Park Reservoir site in connection with the Green River project.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington this 14th day of July, in the year of our Lord 1938, and of the independence of the United States of America the 163d.

FRANKLIN D. ROOSEVELT.

By the President:

CORDELL HULL,
The Secretary of State.

[No. 2290]

Mr. CHURCH. Madam President, on page 13 of the bill, beginning in line 3, it is expressly provided:

Nothing in this Act shall be interpreted as interfering with the purposes stated in the establishment of, or pertaining to, any park, monument, or other unit of the national park system.

That language was included in the bill in order to leave the authorizing legislation establishing any given park or national monument in status quo.

It was not the purpose of the committee to interfere with existing law as it applies to any national park or national monument. Therefore there is no need to amend the bill as the Senator from Utah asks. Nothing would be changed by the bill. Whatever may be

applicable to any monument in Utah or in any other State, as found in the authorizing legislation will continue to be applicable after the passage of the bill. Therefore the amendment is unneeded. I think it would be an unwise precedent to put in a bill of this type an amendment that would relate to one particular monument, establishing special rules for it. I hope the amendment will be rejected.

Mr. BENNETT. Madam President, will the Senator yield for a question?

Mr. CHURCH. I yield.

Mr. BENNETT. Is it not true that the bill does select particular areas in the State of Minnesota for special treatment? The amendment would not establish a precedent. It would follow a situation that exists in the bill now.

Mr. CHURCH. I do not agree with the statement of the Senator from Utah. The provisions in the bill relating to the Minnesota area merely makes clear that existing law enacted specifically by Congress on previous occasions will not be altered by the wilderness bill.

Mr. BENNETT. I am happy to understand that the bill so states.

Mr. CHURCH. The statement I have read from the bill makes it clear that existing law as it relates to the establishment of national monuments and national parks in any given State, including Utah, will not be altered by the bill. Therefore I see no need for the amendment.

Mr. BENNETT. I read the words of the bill that follow those read by the Senator from Idaho, "except that any agency administering any area within the wilderness system shall be responsible for preserving the wilderness character of the area and shall so administer such area for such other purposes as also to preserve its wilderness character."

If I am mistaken, I should be delighted to have the Senator handling the bill make a legislative history which would, for the sake of the situation in which Dinosaur National Monument is involved, show that it is very clearly the intent of Congress that the power and reclamation withdrawals in the monument to which I have referred are to be preserved. If the chairman will assure me that what I have said is in effect the intent of the bill and that such rights will be preserved, then, of course, I shall not request a vote on the amendment.

Mr. CHURCH. In connection with the language I have quoted, some question arose in the committee as to whether or not that language was sufficient to permit mining activity in four national parks in which authorizing legislation specifically permits that kind of activity. We put the inquiry to the Secretary of the Interior, Mr. Udall, and he wrote a letter to the committee setting out his interpretation of the language. The letter appears on page 13 of the report: The first two paragraphs of the letter read as follows:

DEAR CLINT: Your letter of June 13, 1961, addressed to Director Wirth of the National Park Service states that a suggestion has been made that the wilderness bill, S. 174, should be amended so as not to interfere with mining activities in park areas where mining is now permitted.

In our opinion, such an amendment is unnecessary in order to permit mining activities in those few park areas where mining is now permitted. We believe that sufficient protection is afforded to mining by the language of the bill on page 6, lines 16 through 22, as recommended by our report of February 24, 1961, to your committee. Also, section 6(a) contains further assurance that such limited mining would be continued. Inclusion of specific provision on mining might cast doubt as to the retention of other uses under the language cited.

I think that statement makes clear enough what was intended by the language I have cited; and if mining activities in those special parks is considered within the protection of that language, I think that the particular reservations to which the Senator from Utah has reference would also be included.

Mr. BENNETT. Then it is the opinion of the Senator from Idaho that if the time ever came, the proposed language would permit the development of a reservoir inside the Dinosaur National Monument.

Mr. DOUGLAS. Madam President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. DOUGLAS. Did we not settle this issue several years ago? Did not Congress decide that the beauties of Dinosaur National Monument were such that they should not be endangered by reservoirs or power developments? I thought that issue had been settled. Am I incorrect in my memory?

Mr. CHURCH. I think the Senator is correct. I shall ask the distinguished junior Senator from Utah to reply because he is very familiar with the particular areas involved.

Mr. MOSS. In the Colorado River Storage Act, as it was passed by Congress and signed into law by the President, there was a prohibition against the building of the Echo Park Dam and the Split Mountain Dam. So that is the law at the present time. To overcome that restriction that was placed in the law would require an act of Congress.

With my senior colleague from Utah I agree that there is reason to have such a dam and that we should have the water. But the fact remains that what I have stated is in the law at the present time. Therefore, whether any provision relating to the Dinosaur National Monument would go into the wilderness bill would not either enhance or degrade the present limitation. That is the situation as it exists. Therefore, I do not think it is important whether or not the features of the wilderness bill attach to any part of the Dinosaur National Monument, because we would have the same problem in either event.

Mr. BENNETT. Madam President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. BENNETT. I should like to point out to my junior colleague, my friend from Illinois, and the Senator from Idaho, who is handling the bill in the Senate, that Congress placed one barrier against the ultimate development of water in Dinosaur when it adopted the language that exists in the Upper Colorado River Act. We are about to place another barrier, so that if the time should ever come when we would find it necessary, for the life of the people of Utah to have the water in that area, which is ours by right, we would then have two barriers to overcome. First, we would have the barrier that exists in the Upper Colorado River Act. Second, the area would be blanketed into a wilderness area. Therefore, I hope that the Senate today will not erect the second barrier.

Mr. MOSS. Madam President, will the Senator yield?

Mr. CHURCH. I am happy to yield.

Mr. MOSS. My senior colleague and I agree on the objective that the people of Utah should seek. But I think the language of this bill makes clear that a second barrier would not be erected, because the bill would preserve any right that exists at the present time. Of course, we could go into the history of the creation of the Dinosaur Monument and its extension. When it was extended by Executive order, the President specifically provided in his order that the sites reserved should remain and should not be impaired by the extension of the monument. But that is another argument. The rights are preserved in the bill. We would not give up anything in the bill because the bill provides that whatever rights exist shall continue to exist and will not be derogated by the bill. Therefore, whether the area should go into or remain outside a wilderness area, the original reservation that was made would not be changed.

Mr. DOUGLAS. Madam President, will the Senator yield?

Mr. CHURCH. I am happy to yield.

Mr. DOUGLAS. I think a very important point underlies all these questions: To whom do the water and the public lands belong? I happen to be one who believes that the water which falls is not the property of the particular locality upon which it falls but is the property of the United States of America.

I also believe that the public lands belong to the people of the United States. Then when my friend from Utah speaks of "water that is rightfully ours"——

Mr. BENNETT. Madam President, will the Senator yield?

Mr. DOUGLAS. I believe beauty has value, too, in this world, as well as utility. I have never had the privilege of going into Dinosaur National Monument, but I have seen motion pictures of the area and of canoe trips there. I have talked with people who have made the trip. I think it is one of the great beauty spots of the Nation. Its beauty might be appreciably reduced and possibly destroyed if we carried this reservoir theory too far. There ought to be some place in the world for rushing waters and the beauties of nature. Some people may laugh, but beauty is as much a part of life as drinking water.

Mr. BENNETT. Five hundred thousand acre-feet of water of the reservoir were granted to the State of Utah under the Colorado River compact which was ratified by Congress in 1948. With this legal right to the water, Colorado has it in the most effective way in which we can acquire it.

I should like to continue to question my friend from Idaho. I am very much interested in his assumption that the language in the bill absolutely preserves whatever rights may be left after the passage of the Upper Colorado Storage Act, and does not in fact weaken or eliminate them. Is that the feeling of the Senator?

Mr. CHURCH. Originally I tried to indicate that whatever the existing law may be with reference to national parks and national monuments, and the purposes for which they were created and the uses to which they might be put, the language in the pending bill is meant to preserve the applicability of such laws. In the course of the colloquy it developed that under existing law there is a prohibition against construction of the Echo Park Dam. Therefore, I would say that the language of the pending bill affects that prohibition neither one way nor another. Existing law is left intact.

Mr. BENNETT. Is it the impression of the Senator from Idaho that the withdrawals to which I have referred within the Dinosaur National Monument are also preserved to the extent that they now have any validity?

Mr. CHURCH. To the extent that they now have any validity, as I have tried to indicate, they would continue to have validity. To the extent that they now have no validity, they would continue to have no validity.

Mr. BENNETT. The Senator from Idaho has recognized what happened when the bill for the Upper Colorado River storage was passed. We in Utah cling to the hope that some day conditions will make it possible for us to restore the full validity of those early withdrawals. It is my present understanding that the Senator from Idaho feels that nothing in the bill would affect existing rights with respect to these withdrawals, and therefore there is no need for the amendment. On the basis of that assurance, the Senator from Utah will be happy to withdraw the amendment.

Mr. DOUGLAS. In order that the RECORD may be clear on this point, does not the Senator from Idaho also say that the prohibitions which were imposed in the Upper Colorado Act still apply?

Mr. CHURCH. Yes.

Mr. METCALF. Madam President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. METCALF. Under the provisions of the bill for the incorporation of national monuments into the systems, all of that can be accomplished at the time that the question of incorporation of the monuments arises. The bill, in subsection (c) (1) provides:

> There shall be incorporated into the wilderness system, subject to the provisions of and at the time provided in this section, each portion of each park, monument, or other unit in the national park system—

And so forth. This is different from the national forest section. This will have to come under discussion at the time the President suggests that Echo Park National Monument be incorporated into the system.

Mr. MANSFIELD. Madam President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. MANSFIELD. Until that time the law as it is now in effect remains in effect. Is that correct?

Mr. METCALF. The monument is not incorporated into the system. The existing law is applicable and continues in existence without change so far as this bill is concerned.

Mr. BENNETT. Until it is——

Mr. METCALF. Until the proposal comes from the President——

Mr. BENNETT. To include it in the system.

Mr. METCALF. That is correct.

Mr. BENNETT. I appreciate the additional right. I have withdrawn my amendment. Therefore this question is no longer before us.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ALLOTT. I am very happy to hear of the great interest of the Senator from Illinois in the Dinosaur National Monument. For 3 years the Senator from Colorado has had pending a bill in the Interior Committee on which he has not been able to obtain a hearing. The bill would make a national park of the Dinosaur National Monument. I would be very happy to have the Senator from Illinois join me in my efforts.

Mr. DOUGLAS. I shall be very happy to join the Senator in his efforts unless he has some Greeks contained within the wooden horse.

Mr. ALLOTT. I do not know what the Senator means by Greeks. I assure the Senator that there are no rotten apples there. I must say that I think the Senator's remarks are uncalled for, and that they imply an impugning of the motives of the Senator from Colorado, which I resent. Let us leave it at that. Let us leave the RECORD as it is, and not rewrite it.

Madam President, I call up my amendment identified as "8–25–61—D."

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 11, lines 17 and 18, it is proposed to strike out the word "Congress" and to substitute in lieu thereof the words "Senate or the House of Representatives."

Mr. ALLOTT. I am sure the junior Senator from Idaho will accept this amendment. It was made necessary by some amendments which were made in committee. Unless the amendment is adopted, the language in the bill is inconsistent. I do not see any point in discussing it further.

Mr. CHURCH. The Senator is correct. I am happy to accept it, and I urge the Senate to adopt it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MILLER. Madam President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of line 2 on page 11 it is proposed to add the following words:

> *Provided further*, That where a resolution of opposition to any such recommendation has been introduced, a hearing thereon shall be held within 30 days by the committee to which such resolution has been referred.

Mr. MILLER. One of the principal points in the major amendment offered by the Senator from Colorado [Mr. ALLOTT] was that in the negative procedure which the bill provides, a resolution in opposition might be introduced without the benefit of a hearing, and that under the Reorganization Act procedure when an effort would be made to pry loose from the committee the resolution, the proponent of the motion would not have the benefit of the record of the hearing before the committee to sustain his motion. I feel quite sure that Members of the Senate would not like to have such a situation arise, and that the intent of the Senate is that if a resolution of opposition to a recommendation is presented, at least it should be given a hearing. All my amendment provides is that such opportunity shall be granted, and that the hearing shall be conducted by the committee within 30 days.

I have discussed the amendment with the distinguished Senator from Idaho [Mr. CHURCH], who is in charge of the bill, and I understand it is acceptable to him. I have no further comments to make on the amendment. If Senators have any questions, I shall be happy to yield to them and shall try to answer the questions.

Mr. CHURCH. Madam President, the Senator from Iowa is correct in his assumption that the amendment is acceptable to me. I believe the amendment improves the procedures for review which are now incorporated in the bill, by making it certain that in every case a hearing will be held, so that all the facts can be brought to light and a proper record made to support a resolution of opposition when it is brought to the floor.

I think the amendment is a good amendment and a fair amendment. It reaches one of the principal objections raised by the Senator from Colorado [Mr. ALLOTT] earlier in the debate.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa.

The amendment was agreed to.

Mr. GRUENING. Madam President, I call up my amendment which is at the desk and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 19, line 24, after the word "and" it is proposed to insert "at least".

On page 20, line 1, after the word "Interior" insert "and the Secretary of Agriculture"; in line 3, after the word "the", where it appears the first time, insert "appropriate"; in line 5 strike the word "Congress" and insert the word "President"; in line 6 after the word "Interior" insert "or the Secretary

of Agriculture and any recommendations made to the Congress by the President."

Mr. GRUENING. Madam President, this is in the nature of a perfecting amendment. The committee adopted an amendment providing for a Land Use Commission in States where the Federal Government owns more than 90 percent of the total land area, and provided that the recommendations of the Commission should be referred to the Secretary of the Interior. It was, of course, intended that recommendations having to do with public lands should go to the Secretary of the Interior, and reservations and withdrawals having to do with the Forest Service should go to the Secretary of Agriculture. The amendment merely provides that the appropriate Secretary shall have jurisdiction.

The other amendment is that the Commission shall have three members who shall be residents of the State concerned, and the words "at least" provide that the President may appoint three or more members.

I understand the amendment is acceptable to the Senator from Idaho, who is in charge of the bill.

Mr. CHURCH. Madam President, the amendment is acceptable. It implements what was intended by the committee at the time the amendment was first taken up.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

The amendment was agreed to.

Mr. BENNETT. Madam President, yesterday the distinguished junior Senator from Idaho [Mr. CHURCH] and I engaged in a colloquy over the problems involved in State-owned lands included in the wilderness areas. With that in mind, and with the understanding of the junior Senator from Idaho, I should like to offer my amendment:

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 12, between lines 6 and 7, it is proposed to insert the following:

STATE LANDS SURROUNDED BY WILDERNESS SYSTEM

(j) In any case where State-owned land is completely surrounded by lands incorporated into the wilderness system such State shall be given either (1) such rights as may be necessary to assure adequate access to such State-owned land by such State and its successors in interest, or (2) vacant, unappropriated, and land in the same State, not exceeding the value of the surrounded land, in exchange for the surrounded land.

Mr. CHURCH. Madam President, I am very happy that the original amendment offered by the distinguished Senator from Utah has been so modified. In its modified form, it is acceptable to me.

The RECORD should show that there are 7,599 acres of State land in six wilderness-type areas in the national forests in the West. There are 110,000 acres of State lands in the boundary waters canoe area in Minnesota.

The six western areas and the State acreage in them are as follows:

South Absoraka, Wyo., 160 acres.
Teton, Wyo., 40 acres.
Cloud Peak, Wyo., 120 acres.
Rawah, Colo., 1,218 acres.
San Juan, Colo., 1,920 acres.
Idaho Primitive Area, Idaho, 4,144 acres.

I am also told that the precise acreage of State holdings in national parks and wildlife areas is being determined, but that it is comparatively quite small. I am sorry I do not have the precise figures. However, I think the amendment is fair to the States involved. If they need rights of access, they should have them; if they want to relinquish the land, they ought to have the right to acquire other land of comparable value.

Mr. BENNETT. That is all I was hoping to accomplish.

Mr. CHURCH. I am happy to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah.

The amendment was agreed to.

Mr. HUMPHREY. Madam President, I am pleased to have this opportunity after prolonged debate on numerous amendments to speak in support of the wilderness bill, S. 174. I commend especially the Senator from New Mexico [Mr. ANDERSON] for his leadership in developing this legislation and advancing its consideration. I also wish to commend the Senator from Idaho [Mr. CHURCH] who has managed the bill, along with the Senator from Montana [Mr. METCALF]. I am proud to be a cosponsor of this important measure.

This is an excellent measure, one that should make sure that some parts of America may always remain unspoiled and beautiful in their own natural way, untrammeled by man and unmarred by machinery. I am happy to be among its cosponsors. It is a measure that gives expression to a policy which has long been a reality in the minds and hearts of the American people but has never yet been embodied in legislation. Enactment of this congressional charter for wilderness will long be looked upon as one with historic significance.

After the conference on Northwest wilderness held in Portland, Oreg., in April of 1956, when we were developing a wilderness bill in draft form for the first time and submitting it for criticism and suggestions—2 months before its first introduction—one of the participants in the conference wrote me a letter and said: "The proposal to establish a national wilderness preservation system, in which your role is so prominent, was presented to us and talked about in great detail at the conference banquet—its first unveiling before the general public. Then, and all the following day," said this letter, "there was something that made us sense that we were participating in an event of special significance."

Madam President, I think we feel that way here today. After a decade of earnest study on the part of organizations and individuals devoted to the public interest in preserving some of the remnants of primeval America that are still within our keeping as citizens, we undertook some 5 years ago to formulate a legislative program that would accomplish our preservation purposes without damaging any other public program or sacrificing any other existing interests. For 4 years, through two Congresses, this measure has been subjected to hearings, criticisms, revisions, and reintroductions. We now have in Senator Anderson's S. 174 the culmination of all this that has gone before.

Four years ago, when I addressed the first hearing on this measure, I had the feeling that we were approaching this undertaking just in the nick of time. I was convinced then that the chance to provide for wilderness preservation without interfering with other programs will not last very long. Four years later I feel this even more strongly and consider it fortunate that our opportunity is still as good as it is. We should indeed act promptly.

Our conservation situation becomes constantly more difficult. Those of us in the Congress who are vitally interested are indeed worried, and with good cause. We see the pressure that is coming, and, as elected representatives, we see our duty to do something before all the horses have been driven out of all our barns. There seems to be a crisis every day in the world in which we live, and the only way we are going to change this is by looking ahead and taking timely action.

This is what this wilderness bill proposes to do. Instead of waiting until the crisis has engulfed us, we can, through this legislation, make secure the preservation of these areas that do now, in effect, constitute our national wilderness system, the areas that are now, in fact, handled as wilderness, even though they serve other and consistent purposes also. Doing that now means providing security for what we already have, perpetuating the multiple-purpose programs we now have on those areas, and making sure that multiple purpose on these lands always includes wilderness preservation.

Let me hasten to emphasize that the situation which puts us under such a pressing obligation to provide wilderness protection also still presents us a remarkably rich opportunity.

It is indeed fortunate that, after the centuries we have spent in developing this continent, we do still have some large areas of wilderness. It is doubly fortunate that many of these areas are federally owned and are also included in parks, forests, or refuges, or other kinds of reservations within which the wilderness has so far been preserved in keeping with the purposes of the reservations.

Some 48 or so national parks and monuments have within them unspoiled areas large enough to be called wilderness. It is estimated that some 20 or so of the national wildlife refuges and ranges do too. Within the national forests there are some 82 areas that have been designated by the Forest Service for protection as wilderness.

Putting all these together, we have 150 or so areas of wilderness in Federal ownership that are also inside areas within which wilderness can be preserved

consistently with other purposes, as part of what might be called a multipurpose wilderness-preservation program.

At present, however, there is no law of Congress which protects these areas of wilderness as wilderness, although the Multiple Use-Sustained Yield Act passed last year does make plain that the preservation of wilderness within the national forests has congressional endorsement, and wilderness preservation is indeed an assumed purpose of our national parks.

Even in the national parks and monuments, however, the pressures for roads and nonwilderness recreational and tourist developments threaten in many places to destroy the primeval backcountry wilderness. In the national forests, the wilderness, wild, primitive, and canoe areas have been set up administratively and could be abolished or greatly reduced by a future Secretary of Agriculture. In fact, none of our Federal wilderness has the protection which Congress could give by providing for wilderness preservation as a national policy applied to a definite system of areas.

This wilderness bill will provide this needed protection, and in such a way as to be integrated without violence into the land-management policies and programs that have already been so carefully developed. This bill shows how we still can preserve in America an adequate system of wilderness areas without sacrificing any other program. But there will not long be any such areas unless we do deliberately preserve them as wilderness. So I consider this program both readily feasible and also urgent.

It appears to me to be as easy to accomplish as it is important. It will be part of an overall land-management program that encompasses also our other needs.

There need be no essential conflict. No area now devoted to any economic purpose, or to any other development program, is withdrawn from its use by this legislation. The proposed legislation, rather, is based on the understanding that we in America still have the opportunity for preserving wilderness while at the same time meeting, outside our wilderness reserves, all our needs for commodities and for developed recreation areas. It is, for example, in no sense in conflict with, or in competition with, forestry for timber and other economic products. On the contrary, foresters are among those upon whom our wilderness program is, in reality, dependent for its success.

If ever the American people come to the borders of our wilderness areas with a need for timber that cannot be met elsewhere, then our wilderness areas will be doomed.

Thus, it is to the foresters of America, and to their effective programs for sustained yield cutting on their production forests, that we must look for success in wilderness preservation.

We recognize this, and we face our program in a spirit of cooperation and with a feeling of dependence on the intelligent foresters of America for support.

Similarly, we contemplate cooperation and integration with other enterprises that may likewise be inconsistent within a wilderness and yet thoroughly consistent with the preservation of wilderness as a part of an overall program.

Not only in a general or overall sense, but also, specifically, with regard to each area involved, this proposal is one that respects the importance of other programs. It is a multiple-purpose wilderness program. Every area included in the proposed national wilderness preservation system is now serving some other purpose, or purposes, consistent with the continued protection of the area as wilderness. Under this legislation, these areas will continue to serve these purposes, and they will be administered by the same agencies that now handle them.

The central concept of this measure, as I see it, is that our present areas of wilderness can be preserved within the existing land-management pattern if the preservation purpose is made a matter of fundamental policy.

Rather than upsetting the multiple-use program of the Forest Service, for example, this legislation should help prevent the upset that would result if the wilderness areas are not protected from the uses that would destroy them as wilderness.

As to national park and monument areas to be included, the bill gives added protection as wilderness for the portions not needed for roads and accommodations, and yet sets no limitation on the portions that may be designated for such use, as needed. Park areas will continue to serve park purposes, just as forest areas will continue to serve forest purposes.

The areas in national wildlife refuges and ranges to be included will continue to serve their wildlife purposes. Some wilderness is essential for the preservation of our native species of wilderness wildlife. This measure, accordingly, will help insure our having a few areas devoted primarily to the preservation of wildlife through the protection of their wilderness environment.

Thus for every area to be included in this system, wilderness preservation will be an aspect of its management for some other concurrent purpose.

I might also emphasize this in the negative, by pointing out that the bill does not establish any special-use privilege, nor does it provide for any special users. Rather than being concerned with any special use or user, it relates instead to the character of the areas involved. Hunting, for example, although it is not mentioned in the bill, will continue to be a major recreation within many national-forest units of the system and will be prohibited in national parks. Wherever there is hunting, it will be wilderness hunting. That is the force of this measure.

Uses of all the various kinds of lands involved will continue to vary. The common concern is that wilderness conditions will persist, whatever the uses.

The first achievement of this bill, in my opinion, will be its establishment of a clear-cut national policy for preserving, for both the present and the future, some of what remains of our resource of wilderness. In line with such a policy, the Congress as I read the bill, gives sanction to the policies and programs of the Agriculture and Interior Departments under whose wise administration our great resource of wilderness has so far been preserved. And the measure provides a way whereby this policy and this sanction can take effect in a practical program.

I view as of central importance in this program the establishment of the national wilderness preservation system, to be made up of areas of primeval America that are still wilderness and in Federal ownership and capable of being kept that way without interfering with other present purposes now being served by these lands. This will not mean any transfer of areas from one agency of government to another, nor any change of jurisdiction. No new land-administering agency will be created.

The fact should be emphasized that this national wilderness preservation system will be made up of areas that are already in Federal ownership and are already within parks, forests or refuges.

Each such area will remain as at present, park, forest, or refuge, as it is now administered. It will continue to serve the multiple purposes it now serves and under the jurisdiction of the same agency that now protects it. The difference will lie on the fact that from now on the agency having jurisdiction over any areas within this system will have the sanction and encouragement of Congress and the legal responsibility for preserving the area's wilderness character. It will have the responsibility for seeing that other purposes continue to be served in such a way as to prevent damage to the wilderness.

Each such area will thus come under special protection as part of the Nation's still unspoiled heritage of the primeval.

Besides giving expression to a national policy and providing for the establishment of a wilderness preservation system, this bill also describes and provides for the proper use of the areas of wilderness it is designed to preserve.

In this connection, I should like to emphasize again that this proposal is not one for any special-use or special-privilege legislation.

The first and topic sentence of the section of this bill that relates to uses of the areas within this system—section 6—expresses a key concept in this proposal. It states firmly that—

> Nothing in this act shall be interpreted as interfering with the purposes stated in the establishment of, or pertaining to, any national park or monument or other unit of the national park system, or any forest, wildlife refuge, game range, or other area involved, except that any agency administering any area within the wilderness system shall be responsible for preserving the wilderness character of the area and shall so administer such area for such other purposes as also to preserve its wilderness character.

Under this proposal, for example, the parts of the national forests involved would continue under the same kind of

administration they now have. Grazing permits, for instance, could be continued as at present. The basic multiple purposes of the national forests would be maintained.

National parks, national wildlife refuges, and any other areas would also, as already pointed out, continue to serve their own distinctive purposes.

No use privileges of any kind will be created by this proposed law. The only added responsibility of each administering agency will be to see that the areas in the system under its jurisdiction remain wilderness—as they are now. I reiterate, this bill deals only with preserving wilderness as such in connection with various other land uses and does not create any special privilege, or provide for any special users.

Our civilization moves fast. Our population pressures are growing. The time when we still have the opportunity to provide for the preservation of wilderness without having to interfere with other programs will not be with us long.

This is a far-reaching, carefully thought out proposal. It deserves and requires the consideration of all who are concerned with the values that we place on our wilderness. While certain amendments have been adopted, they have not seriously changed or weakened the measure.

At the 1954 annual meeting of the Society of American Foresters, Dr. James P. Gilligan, then a member of the forestry department of the Oklahoma Agricultural and Mechanical College, speaking on wilderness preservation, commented as follows:

> Wilderness supporters have been chiefly defense minded, rushing to prevent developments that may have been carefully drawn and justified. The majority of areas now called wilderness exist because recreational or industrial development have not, as yet, been economically feasible. If there were well-defined purposes and plans for a national wilderness system which could generate common support, the wilderness movement might well be irrepressible. As it is, the disagreement among wilderness proponents is a highly important deterrent to wilderness preservation in this country.

Here is a bill which I trust can generate common support and firmly establish a sound wilderness preservation policy and program. It is good legislation. It is needed today and for the future.

Madam President, I ask unanimous consent to have printed at this point in the RECORD the text of the several amendments offered and a statement with respect to each.

There being no objection, the amendments and statements were ordered to be printed in the RECORD, as follows:

On page 17, strike out all of lines 6 through 11 and insert in lieu thereof the following:

"(8) Nothing in this Act shall be construed to prevent, within national forest and public domain areas included in the wilderness system, any activity, including prospecting, for the purpose of gathering information about mineral or water resources or to prevent the completely subsurface use of such areas, if such activity or subsurface use is carried on, in a manner which is not incompatible with the preservation of the wilderness environment."

COMMENTS ON S. 174 AMENDMENTS—NO. 1

Amendment "8–18–61—C" to S. 174 by Senator ALLOTT and others I believe to be undesirable. It would amend section 6(c)(8) by permitting subsurface use of wilderness areas and fact-finding activity in wilderness areas regarding water resources. Section 6(c)(8) was itself an amendment added in committee to permit prospecting and other fact-finding activity regarding mineral resources. Every such concession is a weakening of the wilderness preservation policy and program to be established by S. 174. The vague permission proposed in this amendment for subsurface use of wilderness areas, coupled with its extension of investigations, would weaken a preservation program which includes only a small portion of our land and which already has been modified even for this small portion by many special provisions.

On page 10, line 12, strike out all through line 7 on page 11 and insert in lieu thereof the following:

(f) Any recommendation of the President made in accordance with the provisions of this section shall take effect upon the day following the adjournment sine die of the first complete session of the Congress following the date or dates on which such recommendation was received by the United States Senate and the House of Representatives; but only if prior to such adjournment Congress approves a concurrent resolution declaring itself in favor of such recommendation: *Provided*, That, in the case of a recommendation covering two or more separate areas, such resolution may be limited to one or more of the areas covered or parts thereof.

COMMENTS ON S. 174 AMENDMENTS—NO. 2

Amendment "8–18–16—D" to S. 174 by Mr. ALLOTT and others is extremely undesirable as seriously obstructive to the program to be established by this bill. It was voted down by the Committee on Interior and Insular Affairs. It has been earnestly opposed by the committee chairman, Senator CLINTON P. ANDERSON, and by other leading proponents of wilderness preservation. It has been strongly urged on Senators by commercial interests who have long opposed the wilderness bill.

This amendment would require a concurrent resolution (or act of Congress) as the final step in approving, in the future, each of more than a hundred separate tracts that this act itself (S. 174) authorizes for inclusion in the wilderness system.

S. 174 provides in subsections 3(b), 3(c), and 3(d) for the areas that may be included in the wilderness system. Forty-four national forest areas are immediately included. Thirty-nine other national forest areas (now classed as "primitive") are included but made subject to further review in a 10-year review program. Areas in the National Park System that are 5,000 acres in size or larger and without roads are similarly included and similarly subject to review in a 10-year review program. So also are areas in wildlife refuges and ranges recommended by the Secretary of the Interior for inclusion. These areas authorized for preservation as wilderness are to be included in the wilderness system following review, public notice, public hearing if demanded, recommendation by the President, and scrutiny by Congress.

Upon recommendation by the President, these areas will be incorporated finally in the wilderness system if Congress does not reject the President's recommendations. Either a Senate or a House of Representatives resolution will reject a recommendation. Under provisions adopted from the Reorganization Act, such a resolution of rejection will receive prompt attention.

Committee on Interior and Insular Affairs chairman, Senator CLINTON P. ANDERSON, of New Mexico, predicted in his address of August 24, 1961, to the Senate on the wilderness bill that "there is going to be little objection to the inclusion of a great majority of these existing wild areas in the wilderness preservation system" following the review procedure and Presidential recommendation.

"So," Senator ANDERSON pointed out, "by the procedures of S. 174, a vast workload will be avoided, without sacrificing any of the power of either House of Congress to work its will."

These procedures with Presidential recommendations becoming effective if not disapproved by the Senate or House of Representatives are limited to the areas that are specifically dealt with in subsections 3(b), 3(c), or 3(d) of S. 174. As the committee report points out on page 12, second paragraph, "beyond those areas, no Federal lands can become a unit of the wilderness system except by the enactment of a law to that effect." This is provided for in subsection 3(h) of the bill, S. 174.

Amendment "8–18–16—D" by Senator ALLOTT and others would require a new act not only for the areas beyond those that Congress provides for in S. 174 but also for those which are provided for in S. 174. This amendment would substitute for the final step in the S. 174 procedure the requirement of a concurrent resolution. Such a concurrent resolution approving a Presidential recommendation would be fully equivalent to an act of Congress. This amendment thus proposes for each area not only the authorization given in S. 174 but also a later further act of Congress.

"There are about 100 prospective wilderness tracts to be processed," Senator ANDERSON told the Senate on August 24. Citing Representative CLARENCE CANNON'S statement that there are 27 steps involved in passing a bill through Congress, Senator ANDERSON estimated "it would involve at least 2,700 separate actions here in Congress to pass a bill on each and every one of the prospective wilderness tracts."

The procedure of S. 174 insures prompt action on a resolution to reject a recommendation of the President regarding a wilderness unit. The concurrent resolution that Senator ALLOTT'S amendment "8–18–16—D" would require would be subject to all the delays of congressional legislation. Its effect would be obstructive, and the support it has received suggests that its advocates would be pleased by such an effect.

Its defeat in committee should be sustained by rejection on the floor of the Senate.

On page 3, line 19, strike out all through line 10 on page 6 and insert in lieu thereof the following:

"(b)(1) The wilderness system shall include all areas within the national forests classified on the effective date of this Act by the Secretary of Agriculture or the Chief of the Forest Service as wilderness, wild, or canoe: *Provided*, That the areas within the national forests classified as primitive may be included in the wilderness system as hereinafter provided. Following enactment of this Act, the Secretary of Agriculture shall, within ten years, review, in accordance with paragraph C, section 251.20, of the Code of Federal Regulations, title 36, effective January 1, 1959, the suitability of each primitive area in the national forests for preservation as wilderness and shall report his findings to the President. Before the convening of Congress each year, the President shall advise the United States Senate and House of Representatives of his recommendations with respect to the inclusion within the wilderness system of each primitive area on which review has been completed in the preceding year, together

with maps and definition of boundaries: *Provided*, That the President may as a part of his recommendations, alter the boundaries existing on the date of this Act for any primitive area to be included in the wilderness system, recommending the exclusion and return to national forest land status of any portions not predominantly of wilderness value, or recommending the addition of any contiguous area of national forest lands predominantly of wilderness value: *Provided further*, That following such exclusions and additions any primitive area recommended to be included in the wilderness system shall not exceed the area classified as primitive on the date of this Act. The recommendation of the President with respect to the inclusion in the wilderness system of a primitive area, or portions thereof, shall became effective subject to the provisions of subsection (f) of this section: *Provided*, That if Congress fails to approve a recommendation of the President and no revised recommendation is made to Congress with respect to that primitive area within two years, the land shall cease to be a primitive area and shall be administered as other national forest lands: *And provided further*, That primitive areas with respect to which recommendations are submitted to Congress on the eighth, ninth, and tenth years of the review period herein provided shall retain their status as primitive areas until the expiration, in respect to each area, of a full session of Congress, two years for resubmission of revised recommendations to Congress by the President, and, if so resubmitted, until the expiration of a full session of Congress thereafter. Recommendations on all primitive areas not previously submitted to the Congress shall be made during the tenth year of the review period. Any primitive area, or portion thereof, on which a recommendation for inclusion in the wilderness system has not become effective within fourteen years following the enactment of this Act shall cease to be a primitive area and shall be administered as other national forest land.

COMMENTS ON S. 174 AMENDMENTS—NO. 3

Amendment "8–18–61—E" to S. 174 by Senator ALLOTT and others is extremely undesirable. It leaves the 39 national forest areas of wilderness now classified as "primitive" out of the wilderness system. It thus removes from these 7,890,973 acres of national forest land the wilderness protection that S. 174 would give them at once, and during the 10-year review program provided for their study and final delineation. To be protected as wilderness any of these areas would have to be added to the wilderness system during the 10-year review period.

All of the sponsors of this amendment are likewise sponsors of the amendment "8–18–61—D" which would require a concurrent resolution of Congress as the final step in the procedure for including a primitive area in the wilderness system. Thus these two amendments would greatly impede the establishment of these areas of wilderness in the system for their protection under S. 174.

This amendment "8–18–61—E" as printed seems extensive and carefully constructed. Actually it merely omits certain important words and phrases from S. 174 as reported to the Senate. These omissions should not be obscured.

On page 12, between lines 6 and 7, insert a new subsection as follows:

ADDITIONAL REQUIREMENTS WITH RESPECT TO RECOMMENDATIONS

(l)(1) The Secretary of Agriculture and the Secretary of the Interior shall each, in submitting any recommendations to the President with respect to any area's retention in or incorporation into the wilderness system, include with such recommendations the independent views of the Governor of the State in which such area is located with respect to the Secretary's recommendations generally, unless no reply is received from such Governor within ninety days after such recommendations are submitted to him and his views thereon requested.

(2) Views submitted to the President under the provisions of (1) of this subsection with respect to any area shall be included with any recommendations to Congress with respect to such area.

COMMENTS ON S. 174 AMENDMENTS—NO. 4

Amendment "8–18–61—F" to S. 174 by Senator ALLOTT and others is undesirable. It would delay and interfere with the establishment of the wilderness preservation system by requiring the Secretary of the Interior and the Secretary of Agriculture to seek the views of the Governors of the States regarding the areas of wilderness authorized for preservation by subsections 3(b), 3(c), and 3(d) of S. 174. All of the areas so authorized are already in Federal ownership and are already being protected as wilderness in the national park system, in wildlife refuges and ranges, and in certain portions of national forests classified as wilderness, wild, primitive, or canoe. There is thus no need for seeking the views of State Governors. These views, of course, can be expressed and will thereupon receive due attention by the President and the Congress. However, the amendment would do no harm and might encourage greater State participation in wilderness area preservation and effective conservation.

On page 9, line 2, beginning with ", and" strike out all to the period in line 8.

COMMENTS ON S. 174 AMENDMENTS—NO. 6

Amendment "8–23–61–A" to S. 174 by Mr. Moss is acceptable. It makes the provisions relating to wildlife refuges and ranges conform to the 10-year provisions as to other parts of the wilderness system. It does this by removing from S. 174 a provision permitting the incorporation in the wilderness system of portions of refuges or ranges that may be newly established in the tenth to fifteenth years following enactment of the wilderness bill. It is not, of course, possible now to know what areas of land may so be added to the refuge system during these years. This amendment thus removes from the authorizations of S. 174 the only areas that are not specifically provided for in this bill. Such areas as might be covered in phraseology removed by this amendment would (with the adoption of this amendment) be subject to an act of Congress as provided in section 3(h).

On page 14, line 24, strike out the word "President" and substitute in lieu thereof the words "appropriate Secretary".

COMMENTS ON S. 174 AMENDMENTS—NO. 7

Amendment "8–25–61–B" to S. 174 by Mr. ALLOTT is undesirable. It would permit a Secretary of Agriculture or Secretary of the Interior to authorize nonconforming uses of wilderness areas that S. 174 now makes a responsibility of the President. The apparent purpose of the amendment is to make such authorizations easier. The purpose of the provision in S. 174 is to provide for nonconforming uses of wilderness areas if these truly are in the public interest but to place such a decision at the highest level. The present language says that "the President may, within a specific area and in accordance with such regulations as he may deem desirable, authorize prospecting (including exploration for gas and oil), mining (including the production of oil and gas), and the establishment and maintenance of reservoirs, water-conservation works, transmission lines, and other facilities needed in the public interest, including the road construction and maintenance essential to development and use thereof, upon his determination that such use or uses in the specific area will better serve the interests of the United States and the people thereof than will its denial." Such a decision should be at the highest level.

On page 20, after line 8, insert the following:

"SEC. 10. Nothing in this Act shall be construed as superseding, modifying, repealing, or otherwise affecting the provisions of the Federal Power Act (16 U.S.C. 792–825r)."

COMMENTS ON S. 174 AMENDMENTS—NO. 8

Amendment "8-26-61—C" to S. 174 by Senator ALLOTT is undesirable. It tends to remove from the wilderness preservation system such protection against impoundments and other installations as is provided by S. 174. The bill in section 6(c)(2)(A) does provide for "reservoirs, water conservation works, transmission lines, and other facilities needed in the public interest" when these may be determined by the President to "better serve the United States and the people thereof" than would their denial. I regret that this amendment was adopted.

On page 11, lines 17 and 18, strike out the word "Congress" and substitute in lieu thereof the words "Senate or the House of Representatives."

COMMENTS ON S. 174 AMENDMENTS—NO. 9

Amendment "8–25–61–D" to S. 174 by Mr. ALLOTT is a clarifying or correcting amendment making the language to which it relates conform to amended language elsewhere in the bill. It is thus helpful and acceptable.

On page 20, after line 8, add the following:

SEC. 10. At the opening of each session of Congress, the Secretaries of Agriculture and Interior shall jointly report to the President for transmission to Congress on the status of the wilderness system, including a list and descriptions of the areas in the system, regulations in effect, and other pertinent information, together with any recommendations they may care to make.

COMMENTS ON S. 174 AMENDMENTS—NO. 10

Amendment "8–28–61–A" to S. 174 by Mr. Moss is helpful and desirable. It requires the Secretary of Agriculture and the Secretary of the Interior to prepare a joint annual report to the President on the status of the wilderness system for transmission to Congress. The amendment actually merely restores to the bill a sentence that apparently was inadvertently dropped when the rest of the section on "Records and Reports" (sec. 7) was made more strict.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. ALLOTT. Madam President——

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado.

Mr. MANSFIELD. Madam President, will the Senator from Colorado yield?

Mr. ALLOTT. I yield, provided I do not lose the floor.

Mr. MANSFIELD. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Colorado has the floor.

Mr. ALLOTT. Madam President, before the vote on the passage of the bill, I wish to restate in a concise way my opposition, which is, I believe, adequately set forth in the RECORD. I wish to make it perfectly clear why I am now opposed to the bill.

I have repeatedly stated that I would support a wilderness bill which would give to Congress adequate provision to review the additional acres, which can be as much as 65 million acres. If the review had been left in Congress affirmatively, I would support the bill. In the recent colloquy on the floor, it was brought out in very short order that Congress would have no right except to accept the recommendations or reject them. I regard this as a direct abrogation of congressional responsibility, and I would regard it as an abrogation of my responsibility as a Member of the Senate if I voted for the bill under those conditions. Therefore, since the bill does not leave Congress with the authority it should have, since it does not leave the States which are primarily involved with the protection they ought to have for the inclusion of the millions of new acres, I shall vote against the bill for the many reasons I have previously discussed during the debate on the bill.

Mr. GRUENING. Madam President, I intend to vote for the bill. I ask unanimous consent that my individual views, as presented to the Committee on Interior and Insular Affairs, be printed at this point in the RECORD.

There being no objection, the excerpt from the report (No. 635) was ordered to be printed in the RECORD, as follows:

INDIVIDUAL VIEWS OF SENATOR ERNEST GRUENING ON S. 174, THE WILDERNESS BILL

I am unqualifiedly in favor of establishing a National Wilderness Preservation System. I think it essential that we act to set aside and preserve, in their primeval state, some of the Nation's superb natural areas. The definition of a wilderness area, as set forth in Senate bill 174, which was ordered reported favorably by the Senate Interior and Insular Affairs Committee on July 13, 1961, is one where the earth and its community of life are untraveled by man; where man himself is a visitor who does not remain.

Given our exploding population and the foreseeable disappearance of much land now virgin, it is essential that we move in the direction provided by S. 174.

The issue has been before Congress for a number of years. A massive volume, totaling 1,995 closely printed pages, representing hearings before the Senate Committee on Interior and Insular Affairs during the 85th and 86th Congresses, and indeed only a part of a longer record of hearings, discussions, reprints, resolutions, and addresses, testifies to the amount of interest in and intensive work that has gone into the preparation of the bill which finally has been approved by the Senate committee and which, I have no doubt, will be by the Senate.

Of course, it would be impossible, with the various conflicting interests involved, to secure the draft of a bill which would be wholly satisfactory to everyone, indeed to anyone. Some of the more extreme, and, I regret to say, even fanatical, of my fellow conservationists would like to keep all of Alaska a wilderness—even to denying the accessibility upon which the enjoyment of wilderness is predicated. They oppose the harnessing of rivers and lakes for hydro. They are more concerned for a nesting duck and an anadromous salmon than for the economic welfare of a multitude of people. Their error, as I see it, is that they do not believe, as I do, that we conserve natural resources, whether wildlife, timber, water courses, soil and scenic beauty, not for themselves but for the future enjoyment of human beings. We preserve moose not for the sake of the moose, but so that coming generations can ever see moose, photograph moose, hunt moose—in undiminished supply. A wilderness that few, if any, can ever get to and hence enjoy, may furnish a snobbish and selfish pleasure to the few exceptional ones who can manage, at great expense not available to their fellow citizens, to get there, but it is not in keeping with what I deem the premise of our national park system, of our national forest wonderlands, and, indeed, of the proposed wilderness preservation system. Kings enjoyed such solitary monopolistic privileges in the Old World, in the days of feudalism, but they are unsuited to a contemporary and future democracy.

There is, on the other hand, the fear—a legitimate fear—on the part of various interested groups that natural resources which may well be needed by the Nation—resources of timber, waterpower, minerals, oil—may be locked up in such a way that when the Nation needs them, they may not be available. However, an escape clause in the bill provides that in that situation, the President of the United States may move to release such resources.

The bill provides, in general, that within three vast categories of federally owned lands, wilderness areas may be established. They are in the national forests, the national parks, and in the national wildlife refuges and game ranges. The bill authorizes the Secretary of Agriculture to withdraw areas of the national forests forever for wilderness purposes, and provides that the Secretary of the Interior may do so within the national parks and national wildlife refuges.

This is subject to the limitation that the establishment of such wilderness areas could be rejected by passage of a resolution of disapproval of either House of Congress. This, it should be understood, is a very dubious protection, since it might be extremely difficult to mobilize either House of Congress to reject a withdrawal that in only one State was considered injudicious. Needless to say, I would much prefer affirmative action by Congress in all such cases and throughout the legislation.

My special concern about this bill is what may happen in Alaska. There, in an area one-fifth as large as the older 48 States, conditions pertinent to this legislation are totally different from those which exist in the 48 older States. Alaska is a vast area of sensational scenic beauty, of the loftiest mountains in North America, of a million lakes, of virgin forest, of high waterfalls, of untamed rushing rivers and streams, the greater part of it still wilderness, and there is much in it that is wonderful and entitled to permanent wilderness status. The problem that Alaska confronts is that this 49th State is merely in its infancy, with a population of only 225,000 people, or 1 to approximately every 3 square miles, as compared with a density of population for the United States of 50.5 for every square mile.

Despite the present sparsity of population, the withdrawals already made in Alaska eligible for wilderness areas are tremendous and contrast not only with those made in any other State, but indeed with the entire Union. For example, in Alaska a total of 18,974,731 acres—virtually 19 million acres—have been withdrawn for wildlife refuges and game ranges. This contrasts with the total of 10,194,040 for the other 49 States. In other words, Alaska alone has been subject to wildlife and game range withdrawals almost double those in the entire rest of the Nation—an area five times larger.

Alaska's national forest area—with the Tongass and Chugach National Forests—is greater than that of any other State in the Nation. It totals 20,742,224 acres (Idaho comes second, California third, and Montana fourth).

ALASKA'S NATIONAL PARKS

Alaska has three national parks or monuments, the largest of which, Katmai, with 2,697,590 acres, is larger than the largest park in the national park system—Yellowstone with 2,213,207 acres. Katmai National Monument, with 2,697,590 acres, Glacier Bay National Monument, with 2,274,595 acres (also larger than Yellowstone), and Mount McKinley National Park, with 1,939,334 acres, total 6,911,519 acres, exceeding by more than 50 percent the next most generously endowed national park State, California, which has 4,050,346 acres in national parks and monuments, and representing for Alaska a total which is approximately two-fifths of the total national park and monument areas of the rest of the country.

Let me say, at this point, that I consider these three Alaska parks and monuments highly desirable, and that I rejoice in their creation. Each of them contains natural phenomena and other qualities which are unique and fully deserve their status in the national park system. However, it should be pointed out that these have suffered a lack of attention and lack of even minimal development which is peculiarly pertinent to the provisions of the wilderness bill. This lack is part and parcel of the neglect and discrimination which Alaska suffered during its 91 years as a territory. The wilderness bill has a distinct bearing on the question of whether this will be remedied.

The wilderness bill provides that in the national park system, the Secretary of the Interior may set aside any continuous area of 5,000 acres or more without roads. There are no roads whatever in the Katmai National Monument. The Federal Government has not built even a trail there. The absurdity of this neglect lies in the fact that the Katmai National Monument was created as a result of the cataclysmic volcanic explosion in 1912 which sent ash around the world's atmosphere and in Alaska created the Valley of 10,000 Smokes and much else. Yet today, visitors to Katmai cannot reach this valley either on a motor vehicle or boat, and unless they are prepared to camp out for weeks and carry their own subsistence, cannot walk into these areas. They are, in effect, inaccessible to the park public. Visitors to Katmai—which is being ably developed, in the matter of accommodations, by one of Alaska's local airlines—must get their satisfaction and recreation from fishing, which is indeed, excellent, but leaves totally unutilized and unenjoyed the original values for which this mammoth monument was set aside. Yet, if some future Secretary of the Interior 10 years hence saw fit to blanket this whole area into wilderness, reasonable access to tourists and visitors to the volcanic phenomena for which the park was created would be permanently denied. (Unless, as stated before, it could be possible to mobilize one House of Congress to reject such action.)

The situation is only a little better in Mount McKinley Park. Set off arbitrarily without adequate surveying in 1917 with straight boundary lines running east and west and north and south, this park is

roughly a rectangle 200 miles long from east to west and 50 miles from north to south. The only road extends half the park's length along its northern edge. It was never planned as a park road, but before the park was created, was a trail leading into the Kantishna mining district, which lies just north of the central portion of the northern park boundary. From that trail, the road was gradually developed. It completely misses some of the truly finest areas in the park. Visitors never see them.

Mount McKinley, North America's loftiest summit, 20,300 feet, and the raison d'être of the park, is not visible from the only entrance to the park on the Alaska Railway. A brief glimpse of its summit is obtained as one drives along the road at about the 15-mile mark. It is then again invisible until one gets to the sixties and continues to be visible until the end of the road 90 miles from the entrance. During those last 30 miles, the road continues at a distance of about 25 miles from the mountain.

If the visitor wishes to approach this noblest of mountains, he has to ford the McKinley River, a torrential glacier stream passable by the hardy at various times of low water (as I have), but frequently dangerous and impassable when the water is high and the current swift and, therefore, really not possible for tourists.

Under the provisions of S. 174, a future Secretary of the Interior could include practically the entire area of the park as wilderness and prevent even a footbridge from crossing the McKinley River, thus denying, to all intents and purposes, even the pedestrian access to Mount McKinley.

Mount Foraker, 17,340 feet, also located in the park—the third highest mountain in Alaska, and far higher than any peak in the lower 48 States—is at no time visible from the existing highway. For the visitors, it might as well not exist. To go to a point where it can be even seen, numerous unbridged and unfordable rivers would have to be crossed—an assignment impossible for the ordinary tourist.

Glacier Bay National Monument is in a different category but will require marine transportation facilities if it is to be seen. To date, there are none except a small boat used by the Park Service officials. If it becomes wilderness, motorboats will be forbidden and its galaxy of glaciers largely invisible.

So much for Alaska's national parks.

ALASKA'S GAME RANGES

In 1940, Secretary of the Interior Harold Ickes withdrew 2 million acres on the Kenai Peninsula and created the Kenai National Moose Range. No hearings were held on this withdrawal, and no information was given to the public about it. I was Governor of Alaska at the time, and was not even notified concerning this action until it had been consummated. It so happened that a former Governor of Alaska—George A. Parks—who had served as the Territory's chief executive from 1924 to 1932, was the cadastral engineer of the Federal Land Office, and thus the matter came to his attention. He registered an emphatic protest, urging that at least hearings be held, but this was ignored.

This great withdrawal for moose—by the latest count 500 acres per moose—aroused little opposition at the time, first because few people knew about it and because the area was then roadless and inaccessible. Now, two important highways connect Anchorage with Seward, and Anchorage with the rapidly growing communities on the thin fringe of land along the Kenai Peninsula's west coast along the shore of Cook Inlet, where human habitation is permitted: Kenai, Soldotna, Kasilof, Cohoe, Ninilchik, Clam Gulch, Anchor Point, and Homer.

The purpose of this withdrawal was to make it a moose range, on the assumption which appeared valid at the time, that it was the habitat of the largest species of moose. It is not, of course, a refuge, and moose are hunted there, as elsewhere in Alaska, under existing game laws. However, the area, with an exception to be noted subsequently, is withdrawn from any other form of development. It is not possible for a lodge to be built on one of the two great and beautiful lakes in this area, Lake Tustumena and Skilak Lake, nor is it permitted to build a dock on their shores so that needed larger boats, safer than canoes, can be utilized there.

One tragic consequence of that restriction was that two employees of the Fish and Wildlife Service lost their lives when a canoe they were paddling was upset by the turbulent waves in these very considerable, at times windswept, bodies of water, which cannot safely be navigated by such frail craft. It has been forbidden for anyone to bring into this vast area of mountains, lakes, and rivers anything bigger than a sleeping bag or a pup tent. Not even a shelter cabin can be constructed. In fact, except for the Anchorage-Homer Highway through it and but for an exception about to be noted, it is a wilderness area now.

However, the exception took place in 1957, when it became known that a vast oilfield underlay the Kenai National Moose Range, and a group of Alaskan citizens interested in developing this resource took what steps they could to promote oil exploration and drilling in this area. This was violently opposed by the Fish and Wildlife Service, strongly supported by a group of professional conservationists who prophesied death and destruction of the moose if oil exploration or drilling were permitted. The battlelines were closely drawn, and I was a volunteer in the combat. Fortunately, reason prevailed, and oil drilling was permitted, so that 4 years later Alaska now has 30 producing wells, all in the Kenai. In consequence, Alaska's economy, suffering the grave diminution of its formerly two major industries, fisheries and mining—the former because of salmon depletion, the latter because of the gold price—has been given an essential lift without which the State probably would have had great difficulty in satisfying the basic public needs. Meanwhile, the moose have flourished, frequenting the roads that have been built by the oil companies and suffering no damage.

However, one interesting aspect of this Kenai National Moose Range deserves mention. In 1945, a devastating forest fire destroyed some 250,000 acres of standing virgin timber in this range. Most conservationists, including myself, would naturally have considered this a disaster; but not so the guardians of the range—the Fish and Wildlife Service. They pointed out that as a result of the destruction of these 250,000 acres of virgin spruce, second growth of birch, aspen, and willow would follow, which was excellent browse for the moose. Indeed, this unfortunate so-called act of God, this tremendous conflagration, has now been followed by systematic acts of man, by which every year several hundred acres of standing virgin conifers are deliberately burned in order to make browse for the moose.

A paradoxical and relevant fact, however, is that since the establishment of the Kenai National Moose Range, in 1940, the moose have spread all over Alaska. They are far more numerous outside the range. They have penetrated the Arctic. The largest specimens have actually been found recently across Cook Inlet, on the Alaska Peninsula. Moose have invaded the Matanuska Valley, where they were nonexistent before the colonization and farming experiment launched there in 1935, under the administration of President Roosevelt. In fact, they constitute a serious problem for the farmers, on whose garden drops they enjoy feeding.

This is pointed out to indicate—among other things—that the habits of wildlife change, that game migrations take place, and that irrevocable commitments sometimes produce immutable and possibly undesirable results.

My reservations as to the wilderness bill lay and lie in the fact that the kind of arbitrary actions taken by Secretary Ickes in 1940, in disregard of any attempt to ascertain public opinion or consult anyone in Alaska, and by Secretary Seaton in December of 1960, after his party had been retired by popular vote, in withdrawing, despite adverse action by the Congress, 9 million acres of arctic wildlife range, may be repeated by their unknown successors 10 years hence under the provisions of this bill.

I am not alarmed about any similar action by a future Secretary of Agriculture. That is, I believe, without danger to Alaska. The Forest Service has consistently and wisely adopted a policy of multiple use. Moreover, in the nearly 16 million acres of Tongas National Forest and 4,800,000 acres of Chugach National Forest, are tremendous scenic areas above and below the timberline—jeweled lakes nestling under towering peaks, high meadows riotous with alpine flora, sensatorial icecaps, deep fiords, at whose farther end tidal glaciers discharge their crystal-blue cargoes into the clear salt waters, oases of majestic solitude ideal for wilderness purposes, which can safely be established without fear of interfering with economic pursuits, especially the basic timber resource, and safeguarded in a national emergency by the Presidential power to make exception in case some valuable and needed resource were ascertained to be there. These desirable and natural wilderness areas in our Alaska national forests alone total millions of acres.

The committee, in response to my presentation of the different conditions in Alaska, however, kindly agreed to an amendment, modified somewhat from the original form in which I introduced it, which offers, I believe, a reasonable safeguard to the fear I have that distant men, without adequate knowledge of Alaska's needs, will act in such a way as both to limit the possibilities for enjoyment of our parks, wildlife refuges, and game ranges, and also interfere needlessly with required economic development. The amendment reads as follows:

"LAND USE COMMISSIONS

"SEC. 9. With respect to any State having more than 90 percent of its total land area owned by the Federal Government on January 1, 1961, there shall be established for each such State a Presidential Land Use Commission (hereinafter called the Commission). The Commission shall be composed of five persons appointed by the President, not more than three of whom shall be members of the same political party, and three of whom shall be residents of the State concerned. The Commission shall advise and consult with the Secretary of the Interior on the current utilization of federally owned land in such State and shall make recommendations to the Secretary as to how the federally owned land can best be utilized, developed, protected, and preserved. Any recommendations made to the Congress by the Secretary of the Interior pursuant to the provisions of this Act shall be accompanied by the recommendations and reports made with respect thereto by the Commission."

With the inclusion of this amendment in any law finally enacted, I would be willing to risk passage of this bill because I think it is clear that three residents of Alaska,

constituting a majority of the Commission of five, would bring a rational and intelligent understanding to the task devolving upon the Secretary of the Interior.

The committee also agreed to an amendment, at my request, that any additions to the wilderness system not specifically provided for under the provisions of the act could be made only after specific affirmative authorization by law for such addition—that is, by an act of Congress.

Existing rights in any area which is to be declared wilderness are safeguarded. That protects the present provisions for mining in Mount McKinley National Park and in Glacier Bay National Monument. An amendment which I proposed, to spell out this protection more specifically, was withdrawn on the chairman's and the Secretary of the Interior's assurance that the language in section 6(b) provided that safeguard. Likewise, I supported an amendment by Senator CHURCH, which reads:

"Nothing in this Act shall be construed to prevent, within national forest and public domain areas included in the wilderness system, any activity, including prospecting, for the purpose of gathering information about mineral resources which is not incompatible with the preservation of the wilderness environment."

Which was adopted. That makes ascertainable the existence of potentially highly valuable subsoil resources even though an area has been included in the wilderness system, and would make possible the utilization of such resources in case of need under the Presidential power provided in the bill.

I believe that the act should be further amended by a provision that any withdrawals, whether in parks, monuments, wildlife refuges and game ranges in excess of 100,000 acres, be subject to an affirmative act of the Congress—in other words, a special bill for each such area. I presented this amendment in the committee and it was defeated 9 to 7. I intend to offer it again on the floor. One hundred thousand acres is a very large area, and unless Congress wishes, in this instance as it has in so many others, to abdicate its powers and delegate them to unseen and unknown men in a vague future, I believe this amendment should be enacted and that amount of control retained by the people's elected representatives.

It is my belief that when the program is finally completed, Alaska should, can, and will have wilderness areas far in excess of those of any other State—areas of superb attractiveness to residents of Alaska and to visitors from the other States and from abroad—and thereby laying an enduring foundation for Alaska as a vacationland and making possible a tourist industry that can become world famous. And these areas, if knowledgeably established after survey and study, and when the pattern of population distribution is recognizable in Alaska as in the older States, can better carry out the dual objectives of Alaska's destiny as I see them, namely: (1) to safeguard the priceless heritage of its wilderness and (2) to foster a sound economic development, utilizing Alaska's resources for the establishment of a stable, diversified, expanding economy, able to support whatever growing population the State acquires, and to support it in conformity with the high standards, cultural, social, and material, to which Americans have a right to aspire.

Mr. BYRD of West Virginia. Madam President, I endorse the proposed legislation, and commend the distinguished Senator from New Mexico [Mr. ANDERSON] and his colleagues for bringing it to us in such sound and reasonable form. For some time I have been interested in this proposal. There are many worthy and interesting aspects of it that might be discussed, and, I trust, will be. What I should like to do, briefly, is to comment on the importance of congressional attention to our wilderness preservation opportunity, and then to defend the way in which this wilderness bill (S. 174) deals with the matter.

WHY CONGRESS SHOULD ACT

When wilderness legislation was first proposed as a concern of Congress there were some who said that this should not be a matter for congressional action. There are some who still say so.

There have been statements expressed that in enacting such legislation Congress would be usurping prerogatives of the Forest Service or the Park Service.

Others have said that in such a matter Congress would be concerning itself with details of land management that might better be left to the agency handling the land.

Some comment on this matter may be helpful not only in meeting arguments against congressional action but also in clarifying our purposes and intentions in taking such action.

First of all there can be no question that the use of Federal lands to preserve wilderness is a concern of Congress. The Constitution in article 4, section 3 says:

The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States.

The use of Federal lands for this purpose is clearly a concern of Congress.

Furthermore, the activity of Federal agencies in preserving areas of wilderness when they are operating under congressional authorizations and appropriations is a concern of Congress.

If Federal lands are involved and Federal agencies are engaged in a wilderness preservation program Congress must be concerned.

It is doubtless true that at least some of the arguments against congressional action even on this constitutional question are not so much concerned with principles of government as with opportunities to exploit areas of wilderness. The objectors seem to consider the chances for exploitation or further development of remaining areas of wilderness better under administrative determination of land policies than under an act of Congress. They like the status quo better than the prospects of congressional endorsement of wilderness preservation.

Now I believe these opponents are right in concluding that wilderness will be more surely preserved with this legislation than without it. That is the reason I favor it. Yet I think it only fair to warn them that if we go on as in the past 30 years or so we might find administrators setting aside more wilderness. We might find ourselves with a wilderness enthusiast in an administrative seat of sufficient authority to increase greatly our wilderness reservations.

The simple governmental fact is that the American people through their Constitution have determined that they want their lands managed in accordance with laws established by their elected representatives. They want their important national policies so determined likewise.

If wilderness preservation is to be a national policy, Congress and the President are to so establish it. If wilderness is to be preserved by the land-managing agencies we now have and not by some new agency, Congress and the President should so determine. If this preservation is to be an aspect of land-management programs now underway, in categories of lands now existing, rather than in some new category of land and by some altogether new program, Congress and the President should so determine. If exceptions are to be made in favor of economic or other special uses of wilderness lands this too is something to be determined here in Congress.

That is what is proposed in this legislation—to establish basic national policies and programs and to authorize and direct existing agencies to carry them out as to day-to-day detailed operations within certain special areas of land use now existing. This is a thoroughly sound and constitutional proposal.

Not only as to constitutional principles is this a sound development of a special land-use policy and program, but also as a practical matter.

The administrative agencies involved, each with its own category of lands, have seen wilderness preservation emerging as an important objective.

The Fish and Wildlife Service on its refuges and ranges and the National Park Service in the back country of the national parks and monuments have seen in their own on-the-land experience the importance of preserving within their boundaries some areas as wilderness.

The Forest Service, in determining in accordance with their basic laws the use and occupancy of the lands of the national forests, more recently in so doing in accordance also with the Multiple Use Act, has seen a value in designating certain areas as wilderness.

Each of these agencies, on the basis of such practical experience, has seen a necessity and desirability in the enactment by Congress of legislation to recognize these purposes as national policy and to strengthen by law their realization in fact.

They all have reported favorably on this bill, and the President himself has urged its enactment.

There is no question whatever that if wilderness preservation is to be a national purpose and policy the Congress should act accordingly. Preservation of areas of wilderness should become a firm national policy

The measure now before the Senate is both competent and adequate to accomplish its purposes, and the program it will establish is feasible, reasonable, and carefully guarded with provisions for congressional scrutiny.

We deal here in Congress in this measure with lands with which we are not entirely unfamiliar. They all are lands within a national park system which we have already established, within national forests with which we have long been concerned, or within areas already known to us as wildlife refuges and ranges. They are lands regarding which the agencies involved and competent

witnesses among citizen organizations have testified to us in a whole series of hearings that have established a record with much information. We are not unaware of what the nature is of the lands with which we deal. We know what we are doing.

What we are doing is this: We are saying to the administrators of our parks, forests, and refuges: "You have within your custody certain lands that we are ready to devote to the carrying out of a national policy and program which we are now establishing for the secure preservation of a very small part of our national estate as wilderness. We are not willing for you to put all your lands into this program."

Here in Congress we are saying, "Mr. Secretary of Agriculture, out of the 186 million acres of national forests there are about 14.6 million acres which we are willing to have considered for wilderness. Some of this land we are now so establishing, and there are 39 other areas you call primitive that we want considered for this purpose."

Also we are saying, "Mr. Secretary of the Interior, within the national park system and in the wildlife refuges and ranges there are areas of 5,000 acres or more without roads now that may be so kept as wilderness. Within 10 years we want you and the Secretary of Agriculture after reviewing these areas carefully, to suggest the boundaries for the portions that you find suitable as wilderness—within these particular parks, refuge, and national forest primitive areas. After you have subjected your proposals to the public notice and public hearing processes, we want the President to advise us in Congress of his recommendations regarding these areas." If we have no objections then we shall see these areas become a permanent part of our wilderness system, for by the Wilderness Act we shall have recognized them as potential units of the system subject to such recommendations. If we do have objections either the House of Representatives or the Senate may reject the recommendations.

That is the procedure established by this measure. Most of these areas, we are confident, after such review and careful boundary determination by the Executive will become units of the wilderness system without requiring further action by Congress. If any area is questioned we shall act on it promptly. We consider this a sound, feasible, and fair arrangement.

Any such objections will be handled promptly in accordance with the wilderness bill's provision that its handling will be subject to procedures provided under sections 203 through 206 of the Reorganization Act of 1949. This is in section 3(f) of the bill. It is on page 11, in lines 3 to 7.

We do provide that for any area not specifically provided for, for review and consideration by this act, there must be another act of Congress. That is section 3(h). That is clear. That is sufficient.

Mr. HART. Madam President, I believe that the Congress can fill a gap which should have been closed years ago by passing S. 174, creating a national wilderness preservation system. To me, there is a distinct parallel with the multiple-use forestry bill which was so carefully considered by our Committee on Agriculture and Forestry, and was passed by the Congress last year, and was enacted into Public Law 86–517.

Last year we were reminded that the U.S. Forest Service long had practiced the reasonable principle of multiple use in the administration of national forests. Accordingly, the purpose of the proposed Multiple Use Act, we were told, was to give official congressional sanction to a policy which heretofore had been purely administrative.

Only the Congress, of course, can enact laws. Rules and regulations regarding our Federal land estate are issued by executive agencies only through the delegation of such authority by the Congress, the branch of the Federal Government most directly responsible to the will of the people.

I am glad that the multiple-use forestry bill was accorded the sanction of Congress, and now I hope we shall pass S. 174, the wilderness bill.

It is to the credit of the Forest Service that it long ago recognized a distinct need for the preservation of wilderness. As a direct result of this policy, areas were set aside under the classifications of wilderness, primitive, wild, and canoe, depending upon size or particular use.

This preservation of wilderness, like the principle of multiple use, now is well established. Also like the principle of multiple use, it merits and requires the official sanction of the Congress. This sanction will lend the assurance that wilderness areas so established shall be altered only by similar action by the Congress.

I should like to make it clear that this enunciation of policy by the Congress does not usurp administrative functions of the executive agencies concerned with the management of the natural resources. Needless to say, we shall continue to look to them for specific recommendations, including recommendations about the areas to be included, boundaries, and the administrative functions. Actually, the enactment of S. 174 should make for better administration and more uniformity regarding our wilderness resources on national forests, parks, and wildlife refuges.

After many revisions developed through hearings and hard work by the Committee on Interior and Insular Affairs, along with amendments accepted as this debate has progressed, the bill as now perfected and developed has the endorsement of the executive agencies and practically all major private conservation organizations. Opposition now is largely centered in certain segments of commercial logging, mining, petroleum, and grazing interests.

A favorite expression used by opponents of the bill is that it will lock up resources needed now or in the future. But this bill does not extend the wilderness classification to one additional acre of land that is not wilderness at the present time and is not already protected from commercial use.

The opposition, then, are in effect saying, "We believe we are going to have in the future a better opportunity to use at least some of these lands for our purposes if they have only administrative protection rather than congressional sanction."

In my book, this opposition is one of the best reasons for enactment of S. 174. It reveals future designs on already over-established areas of wilderness. It demonstrates a need for the legislation.

As with any law enacted by the Congress, this measure can be modified at any time in the future. However, there are in S. 174 provisions which establish regular procedures whereby areas of wilderness can be added or deleted if the occasion arises. Congressional review is provided in the bill. If, for any valid reasons, the public interest is better served by utilizing resources in such areas, rather than by maintaining them as wilderness, a provision in S. 174 establishes a regular procedure. This does not lock up resources at all.

Madam President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the text portions of a brochure that the U.S. Forest Service has recently issued on wilderness in its multiple-use program, to which I have referred. The Forest Service, which I should note has urged enactment of this wilderness bill, S. 174, has set forth the values of wilderness and its place in the national forest program in this pamphlet, entitled—not surprisingly—"Wilderness," which is the first in a projected series on "The National Forests: America's Playgrounds."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NATIONAL FORESTS: AMERICA'S PLAYGROUNDS

WILDERNESS

(By the U.S. Department of Agriculture, Forest Service)

(This is wilderness—created by God, molded by nature; the province of wild creatures, the far retreat of man.)

OUR WILDERNESS HERITAGE

Wilderness is an integral part of our American heritage. Our Nation was born in wilderness, and from it we took land and materials to build our country. The freedom of wild lands, their great open spaces, and their grandeur are interwoven in our history, art, and literature, and have strongly influenced the shaping of our national character.

The wilderness that witnessed the birth of our Nation and nourished its growth no longer spreads from ocean to ocean. Neither has it all been tamed. Many of these untamed lands, majestic samples of primeval America, are parts of the national forests of the United States. Here, as wild and just as free as ever, 14½ million acres of wilderness in 83 tracts are held in trust by the U.S. Department of Agriculture's Forest Service for the use, enjoyment, and spiritual enrichment of the American people.

Over 35 years ago the Forest Service pioneered in preserving America's wilderness heritage. Wilderness is irreplaceable and must not all be lost. Inherent in its primeval character are recreational, scientific, educational, and historical values of great benefit to the Nation and its people.

The Forest Service bears with pride its stewardship of these unique lands and has long been dedicated to keeping them intact for this and future generations of America.

RICHARD E. MCARDLE,
Chief, Forest Service, U.S. Department of Agriculture.

BEYOND CIVILIZATION

All of the sixth day of their wilderness trip they had ridden the wild summits of the Continental Divide, and horses and men were tiring when they rounded Palisade Peak and saw the basin a thousand feet below. Three small lakes gleamed in the afternoon sun, and around them crowded dark green timber. Rocky peaks hemmed the basin except at its upper end where a great wall of granite rose sheer. David thought it was the most beautiful valley he had ever seen.

It took an hour to get down, skirting a snowbank melting in the July sun, bypassing rimrock, and crossing a slope so steep they had to lead the horses. Once on the valley floor, they pitched camp by the middle lake.

David broke out fishing gear and climbed toward the granite wall and the lake at its base. For a moment he stood quietly, enjoying the remoteness of the rocky shore. Then deftly he cast in quest of a trout, fishing waters no other man might fish for months.

"Why wilderness?" a friend in Philadelphia had asked. "Why go where there's nothing?" David hadn't known how to answer. He had known only that he wanted something more than food and drink and the pleasures of vacations he usually took. But he could answer his Philadelphia friend now; he had been beyond civilization.

For the first time he had slept cradled by the earth in a world totally new to him. He had enjoyed living close to the land, experiencing its isolation and, standing on lofty peaks or lying warm in his sleeping bag, listening to its remarkable stillness. In ancient rocks he had glimpsed its past; in green shoots reaching above decaying vegetation he had seen the wilderness renewing itself, and in these things he had sensed its link with things eternal. He had felt his mind and spirit and every faculty of his body respond to its spell. He had found the wilderness not the empty land of his friend's imagination, but a land of beauty and life.

The last soft daylight hung over the mountain rim when David started back to camp. He walked slowly, and turned often to look at the lake. On the last high rise he turned again, and now the red gold of the setting sun reflected from fleecy clouds overhead. The basin filled with the golden glow, and David knew that one day he must come again to this unnamed lake at the base of a granite wall in America's wilderness.

PIONEERING A CONCEPT

The value of going into the wilderness to refresh the spirit and body has been understood by men since Biblical times, and before. More recently, men have realized that in the habitable areas of the world wilderness lands might not always be available as a far retreat for mankind.

One of the first Americans to sense in his country's growth a threat to its wilderness, and to speak out for the preservation of wild lands, was Henry Thoreau. Even then, just over 100 years ago, the need was not immediate. Much of the land was still wild. There seemed to be more space for growing than the country would ever need. But before many decades passed, our building Nation was reaching toward even the remotest of its lands. For a few conservationists who looked to the future, this was a warning that without protection, none of our lands would remain forever wild.

Many of these farsighted individuals were in the Forest Service. Led by Aldo Leopold, who later was to become one of the Nation's most distinguished naturalists, their thinking influenced early recognition of wilderness values and benefits to the Nation. So began the Forest Service concept of wilderness land management: that of designating as wilderness those lands predominantly valuable as wilderness so as to manage and maintain them indefinitely for their out-of-the-ordinary values.

The Forest Service pioneered this concept in the 1920's. Studies of wild lands on the National Forests began, and in 1924 a large part of what is now the Gila Wilderness in New Mexico was set aside as a special area for the preservation of wilderness. The Gila, the Nation's first designated wilderness, contains 500,000 acres of primitive American lands astride the Mogollon and Diablo mountain ranges.

Two years later, parts of the present Boundary Waters Canoe Area in Minnesota were given special protection. This area, unique among national forest lands, includes 887,000 acres of woods, rocky shores, lakes, and streams—the finest canoe country in America.

Good progress was made in the next dozen years in the monumental job of studying millions of acres of wilderness-type lands. By 1939 most of the national forest acreage primarily valuable as wilderness had been marked for protection in its primitive state. Since then studies have been made to determine those areas suitable for reclassification as wilderness. The study and classification of wilderness lands is a continuing Forest Service task.

Once an area is designated a wilderness by the Secretary of Agriculture on the recommendation of the Chief of the Forest Service, no permanent roads may be built into it, nor is mechanized equipment permitted. Timber cutting and other commercial uses, except already-established grazing of livestock, are not allowed. Resorts, organization camps, summer homes, and similar uses are not permitted. Moreover, positive management in the form of controlled grazing of pack stock, trail building and maintenance fire protection, and supervision of use and cleanup of choice camping areas is necessary to prevent damage to the soil and vegetation. Such steps keep wilderness in its natural state for the enjoyment of all who wish to journey beyond civilization.

There are now 83 separate tracts of land, about 8 percent of the more than 186 million acres of the national forest system, which are designated as wilderness and are being managed and protected for their wilderness values. They are located on parts of 73 national forests in 14 States and their combined area, 14½ million acres, equals the total acreage of New Hampshire, Connecticut, and Massachusetts. Their management is included in the overall program of multiple-use management for the national forests.

These national forest wilderness lands embrace desert country and brushland, virgin timber stands, great valleys and alpine meadows, and some of the Nation's loftiest mountains. They contain countless streams and lakes, and great quantities of pure waterflow from wilderness watersheds to our cities. They abound in fish, small animals and birds, and big-game animals such as deer, elk, moose, mountain goats, and bighorn sheep. Some are the province of the grizzly bear, which must have the wilderness habitat to survive.

These ancient lands range in size from a few thousand acres to more than a million. Some are split by deep canyons, or are otherwise distinguished by geological formations in which can be read the history of the land. In others are the homes of living glaciers.

But however they have been worn and molded by the elements, however their features have been torn and twisted and sometimes piled one upon the other by ancient cataclysms, they all share in common a primeval character, the identifying mark of wilderness.

National forest wilderness is for all Americans. Here are lands of grandeur and expanse, spreading free and wild, and rising to the heavens. Here are lands of awe-inspiring spectacle, and of solitude unlike any other. Here is a world in which we can find tranquillity, spiritual uplift, and rejuvenation of mind and body. Here are the pristine lands of our Nation, lands we can use and enjoy even as we make ready to pass them on to another generation as a cherished and enduring part of our American heritage.

INTO THE WILDERNESS

The appreciation of wilderness values is an invention of civilization. Man generally does not recognize such values until he has become separated from them; that is, when he has become civilized and a member of a dynamic and complex society.

Primitive man, living deep in the forest and fearing its mysteries, had little regard for an environment in which his life was constantly endangered. The American pioneer viewed the wilderness first as a land to be conquered and put to domestic use, for he was confined more by it than by the villages, roads, and farms he was building.

He was aware of the solitude and beauty of wild forests and the freedom of untamed lands, but his awareness was blunted; the forests were too much in abundance and too much a part of his life.

It is only recently in this century that Americans, closely confined by a highly complex civilization, have begun developing a deeper appreciation of wilderness.

Many people—those working in historical, scientific, and educational fields—are interested in these lands in relation to their work. But by far the most popular appeal of wilderness to Americans is the opportunity it provides for rugged, primitive outdoor recreation.

Those who go into the American wilderness for recreation—whether spiritual or physical—are as diverse in character as are the wild lands they visit. They come from every section of the United States, men and women of many ages and backgrounds. They come for various reasons; wilderness means many different things to people. And they come prepared. They have made careful plans and detailed arrangements, both essential for a successful and enjoyable trip, for in the wilderness their way is the arduous, virile travel of the pioneers. On foot, on horseback, or by canoe—there is no other way to travel—they seek out the unusual outdoor experiences only these primitive lands can give.

They may go into the wilderness to hunt big game or to fish in waters seldom visited by other fishermen. Perhaps their hobby is photography and they wish to document America's primitive landscapes or to capture on film the wild animals and birds. Others may only seek the solitude of great space and distance. Some may desire to conquer a towering mountain peak thrust skyward millions of years ago and then, standing high on the peak, say to themselves that no man has stood here before.

But for most people, it is thrill enough and satisfying enough just to travel in primitive lands, camping where night falls and enjoying the soul-healing freedom of living in a world apart from the pressures of their daily lives.

Whatever his interest, the first-time wilderness visitor will find his days in the wild lands adding up to an experience of special significance to him, though perhaps unexplainable to another person. The wilderness environment will be unlike any he has ever known, and his emotional and spiritual reactions to it will be completely, uniquely his.

WILDERNESS UNDER FOREST SERVICE MANAGEMENT

The national forests are America's playgrounds—but they also are lands of many other uses. These public lands are producing high-level, sustained yields of water, timber, forage, wildlife, and forest recreation opportunities of all kinds, including those enjoyed in wilderness areas.

In the next few years, however, the Nation's rapidly expanding population will need even greater resource yields from the 155 national forests in 39 States and Puerto Rico. This rising need is being met by the program for the national forests. Popularly known as Operation Multiple Use, this program is conserving the land, the basic resource, while intensifying resource management and development to produce more forest products and services.

Management for multiple use takes positive action before, not after a need arises. It is the deliberate and carefully planned integration of various forest land uses so that each interferes with the others as little as possible and supplements the others as much as possible.

Multiple-use management coordinates the development and use of the renewable resources. It calls for sustained yields of the resources at as high a level of productivity as can be reached without impairment of the land's ability to produce.

Multiple-use management serves better than any other form of land management the basic purpose of conservation, which is a social one—the satisfaction of both the tangible and intangible needs of people.

The guiding principles of multiple-use management insure that all resources, all uses, and all users are considered in developing management plans for the national forests. Within this framework and consistent with policy of over 35 years' standing, the Forest Service is protecting and maintaining in their natural state those parts of the national forests which have been designated as wilderness.

Multiple-use management, then, is providing this generation of Americans with optimum opportunities for wilderness recreation. And for the benefit of those generations of Americans yet to come, it is making certain that these irreplaceable wilderness lands shall endure.

INFORMATION

For detailed information on visiting the national forest wilderness, see the wilderness map for the number of the Forest Service region administering the wilderness lands in which you are interested and write to the appropriate regional forester, Forest Service:

(1) Federal Building, Missoula, Mont.; (2) Denver Federal Center, building 85, Denver, Colo.; (3) New Federal Building, 517 Gold Street SW., Albuquerque, N. Mex.; (4) Forest Service Building, Ogden, Utah; (5) 630 Sansome Street, San Francisco 11, Calif.; (6) 729 Northeast Oregon Street, Post Office Box 4137, Portland 8, Oreg.; (7) 6816 Market Street, Upper Darby, Pa.; (8) 50 Seventh Street, Atlanta 23, Ga.; (9) Carpenter Building, 710 North 6th Street, Milwaukee 3, Wis.; (10) State Capitol Building, Box 1631, Juneau, Alaska.

For licenses to hunt or fish on the national forests, apply to the fish and game department of the State that includes the area you plan to visit.

Mr. JACKSON. Madam President, as acting chairman of the Committee on Interior and Insular Affairs, I wish to express my very great appreciation of the wonderful way in which the distinguished junior Senator from Idaho [Mr. CHURCH] has handled the bill during the last several days. In one form or another, this bill has been pending in the Senate for several years. I believe it most commendable that the distinguished junior Senator from Idaho undertook to handle this very difficult piece of legislation. He has handled it in admirable fashion, and has demonstrated a complete grasp of this complex subject. All of us are indeed very proud of him. I also want to commend and thank the junior Senator from Montana [Mr. METCALF] for his outstanding efforts in behalf of the bill. He has indeed made a most valuable contribution during the long and arduous debate on this legislation.

Mr. GRUENING. Madam President, will the Senator from Washington yield?

Mr. JACKSON. I yield.

Mr. GRUENING. I should like to join the Senator from Washington in commending the junior Senator from Idaho [Mr. CHURCH] for the admirable way in which he has handled the bill, both on the floor of the Senate and in the committee.

I also wish to commend the junior Senator from New Mexico [Mr. ANDERSON], who—although unfortunately required to be absent at this time, because of illness—has guided the bill during this session. The bill represents the culmination of many years of work by a number of Senators, including the late Senator Tom Murray, of Montana, the late Senator Dick Neuberger, of Oregon, and other Senators. The bill is the result of their outstanding work. Their achievements in this respect have been very great, indeed.

Mr. HUMPHREY. Madam President, I wish to join in the congratulations and commendations of the junior Senator from Idaho [Mr. CHURCH] for the admirable way in which he has handled this complex piece of legislation. We are deeply indebted to him for the action the Senate is about to take on the bill. It is a very happy culmination of the work of a number of us over a period of some 5 years.

I also wish to express our commendation of the Senator from Idaho [Mr. CHURCH] and the Senator from New Mexico [Mr. ANDERSON], for seeing to it that this measure reached the Senate Calendar and was ready for action by the Senate.

Certainly this bill is very important in terms of the future of the Nation.

Mr. MOSS. Madam President, I should like to join in the commendations which Senators have expressed because of the fine work done by the junior Sentor from Idaho [Mr. CHURCH] in managing the bill here on the floor of the Senate.

I know that the chairman of the committee, the junior Senator from New Mexico [Mr. ANDERSON] would like very much to be here at this time, now that we have reached the point of taking final action on the wilderness bill. I commend him for his long and faithful service and for his brilliant leadership in bringing the bill out of committee and to the floor.

I also wish to comment on the political courage of the junior Senator from Idaho [Mr. CHURCH]. The wilderness bill has not been well understood in the Mountain States, and interests there have brought great pressures on their congressional representatives, in connection with the bill. The junior Senator from Idaho has courageously guided the bill, which not only is in the interest of his State, but also is in the interest of all the other people of the United States. I am very proud and highly honored to stand with him as we are about to vote in favor of passage of the wilderness bill.

Mr. DOUGLAS. Madam President, I too, wish to commend the Senators from the Mountain States who have worked so hard for the passage of this bill and have resisted crippling amendments. I well know the pressures to which they have been subjected by the mining interests and the timber interests of their States, and I know that that situation required of them courage of a high order, in standing up against those pressures.

As one who comes from a Plains State and wishes to have these resources conserved for the benefit of the Nation, I wish to express my deep gratitude and appreciation to these Senators who dominate the Committee on Interior and Insular Affairs, and who sacrificed narrow political advantage for the welfare of the Nation.

Mr. MILLER. Madam President, it has been my privilege, as a member of the Committee on Interior and Insular Affairs, to participate in the consideration of this measure. Thus I have had a hand in some of the amendments that were adopted and in its approval after the amendments made it, in my opinion, acceptable.

I have long been in favor of preserving some of our country in its unspoiled natural condition.

I do think that we must be careful to accomplish this purpose in ways that are sound and in accordance with our democratic processes, and respectful of all interests concerned.

Accordingly, I paid particular attention to this bill in committee, to see its purpose advanced and also to see that it was in my opinion sound legislation.

I am pleased with the results, and am happy now to commend it to the Senate.

THE OUTDOOR RECREATION RESOURCES REVIEW COMMISSION

Two of the objections raised at the time of the February 27 and 28 hearings were of special concern to me. One of these had to do with the argument that this measure should be held up until after the Outdoor Recreation Resources Review Commission makes its report, which is due early in 1962. It is my privilege to be a member of this Commission; and, accordingly, I took special note of this argument.

Madam President, this argument should be turned around. Before the Commission has to draft its final report, we should handle the wilderness bill promptly, so that the House also can pass it and it can become law.

The wilderness bill will help the Commission. It will provide the Commission with a framework for the Commission's recommendations; furthermore, it will establish procedures through which wilderness recommendations of the Commission may be realized.

On the other hand, we do not need the Commission's recommendations as a basis for such legislation as this.

We do not need a Commission to tell us that wilderness preservation should be one of our land-use policies, or what kind of procedures should be established for carrying out such a policy.

We do not need a Commission to tell us that the wilderness to be preserved should be in our national park system, in wildlife refuges or ranges, and within the wilderness, wild, and primitive areas already set aside administratively in our national forests.

We do not need a Recreation Commission to tell us that in establishing wilderness areas we also need to make some special provisions and exceptions for certain economic and other purposes.

No, Madam President, we do not need the report of the Outdoor Recreation Resources Review Commission in order to proceed with the kind of legislation which we have before us now.

GREAT VALUE OF THE REVIEW

We all do, indeed, look forward to the availability of the ORRRC report. It will be of great value to us with regard to wilderness as well as other resources on which our outdoor recreation is based.

We shall value the Commission's recommendations regarding how much wilderness we shall need, for example; and as the program established by this legislation is carried out, we shall do well to heed such recommendations.

But the areas of wilderness to be preserved under this bill are not to be blanketed in upon its enactment. They are to be determined on the basis of 10-year reviews by the Department of Agriculture and the Department of the Interior, under the scrutiny of Congress.

We shall have an entire decade, Madam President, in which to make use in our wilderness program of the Outdoor Recreation Resources Review Commission's recommendations.

Thus, Madam President, the argument that we should wait for the Commission's report before enacting the wilderness bill is an argument in reverse. We do not need to wait; but, rather, we should promptly give the Commission the advantages in their preparation of recommendations by establishing now the national policy, program, and procedures that are set forth in this legislation.

I am afraid that the delay argument is simply an argument against the wilderness bill, and not in any sense a sympathetic concern for the success of the Outdoor Recreation Review.

CONGRESSIONAL RESPONSIBILITY

My other special concern during our committee study of this was to make sure that Congress does nothing to interfere with meeting its own responsibilities.

Inasmuch as others, too, share such a concern, it may be well for me to discuss this briefly, for I am convinced that this measure with the committee's and the floor amendments is sound and proper in this respect.

First of all, the very enactment of this legislation will be in keeping with the constitutional provision in article IV, section 3, that "the Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States."

As I view this provision, it is the Congress that should establish our national wilderness policy—and not the executive agencies, as at present, in taking action incidental to some other programs.

By this legislation, then, in my opinion, Congress is meeting its constitutional responsibilities. Recognizing the importance of wilderness preservation, realizing that this must be achieved on Federal lands, the Congress by this legislation determines the way in which territory belonging to the United States may be used for this purpose.

That seems right to me. The provisions of S. 174, as amended, seem right to me and in accord with my sense of congressional responsibilities.

CONGRESS AND PARTICULAR AREAS

The question that the committee's minority has raised in this regard has to do with congressional responsibility for the establishment of particular areas as wilderness. It will be well to examine the bill's provisions in this respect.

The bill does not blanket in the areas that will eventually comprise our wilderness system; it provides for their coming in over a 10-year period, or longer, following a series of studies.

Congress in this legislation does indicate what territory is available for consideration as wilderness; namely, roadless portions of the national park system, wildlife refuges and ranges, and national forest areas already administratively designated as wilderness, wild, primitive, or canoe.

From these areas, says Congress in this bill, we shall create our wilderness system. How? Well, first of all, there are 14 wilderness areas, 29 wild areas, and a canoe area—all within national forests—that have been so carefully reviewed already that the Congress by this measure establishes them as units of the wilderness system. These 44 areas total 6,773,080 acres.

Then there are 39 primitive areas in the national forests, comprising 7,890,973 acres.

Congress by this legislation says that these primitive areas also are a part of our national wilderness estate. They are units of the wilderness system. However, because of the history of their establishment and because the Forest Service is already engaged in studies for reclassifying these primitive areas as wilderness or wild, Congress in this bill says that these 39 primitive areas are to be studied during the next 10 years and included or excluded on the basis of recommendations by the President, recommendations which also would establish the boundaries of the areas to be included.

Congress further provides that these recommendations will take effect only if either the Senate or the House does not reject them by resolution. In other words any one of these primitive areas which Congress by this act declares suitable as a wilderness area may later be rejected by either House when the report on it is made during the 10-year review.

That seems reasonable to me. If any Senator sees something wrong with one of these primitive areas when it is recommended for permanent inclusion in the wilderness system, he may introduce a resolution to reject it; and if the Senate adopts the resolution the area will be excluded. Any Member of the House has the same opportunity.

Either House may thus reject an area. The safeguard against including any area improperly seems adequate.

CONCURRENT RESOLUTION PROPOSAL UNSOUND

The amendment that the minority insists upon would require that for every one of these 39 primitive areas, there would have to be adopted a concurrent resolution.

Each recommendation during the 10-year review would have to be followed by the submission of a concurrent resolution and by its adoption by both the Senate and the House.

Thus, repeatedly, the determination by Congress that these already designated primitive areas are suitable units for the wilderness system, subject to the 10-year review would have to be reexamined by Congress.

For each area we would risk such delaying tactics as those used against the wilderness bill itself these past years.

A resolution to reject a recommendation would be assured prompt attention under the bill as now amended. A concurrent resolution would be subject to all the delays that opponents, though few, can so skillfully manage.

These considerations apply not only to the 39 promitive areas, but also to all the areas in the national park system and in the wildlife refuges and ranges.

It seems totally unnecessary, Madam President, after the passage of the wilderness bill, to require separate acts for the preservation as wilderness, as provided in this act, of the areas that the National Park Service or Fish and Wildlife Service, the Secretary of the Interior, and the President find to be suitable for such preservation.

The possibility of rejection by either House seems an adequate safeguard. Requirement of separate acts seems more obstructive than reasonable.

CONGRESS SPECIFIES THE AREAS

Let me emphasize, however, that these procedures apply only to the areas which Congress specifies in this bill. As to any other areas the bill is specific as requiring, in section 3(h) as follows:

> The addition of any area to, or the elimination of any area from, the wilderness system which is not specifically provided for under the provisions of this act shall be made only after specific affirmative authorization by law for such addition or elimination.

This is a sound and carefully worked out measure. It well serves an important national purpose. I am happy to support it and to have had an opportunity to participate in its consideration.

Madam President, the recreational attractions of the areas of wilderness to

be perpetuated by this measure are well represented in an article written by the publisher of the Valley Daily News, in Tarentum, Pa., which I should like to have appear in the CONGRESSIONAL RECORD at this point. I ask unanimous consent for that purpose. This article, by Gene Simon, tells of one of the a-way-to-the-wilderness trips sponsored by the Wilderness Society. It appeared in the Valley Daily News on November 4, 1960, with the heading "Real Wilderness Still Remains in United States."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REAL WILDERNESS STILL REMAINS IN UNITED STATES

(By Gene Simon)

(EDITOR'S NOTE.—The president of the Valley Daily News and Daily Dispatch recently spent 10 days on a horseback-pack trip into the remote mountains and high country of the Pecos Wilderness area of New Mexico. The trip was conducted jointly by two organizations: "The Wilderness Society" and "A Way to the Wilderness," with cooperation of the U.S. Forest Service. Your local newspaper is considering sponsorship of similar trips as a service to interested readers.)

Yes, there is still real wilderness remaining in our United States and you can get there. A true wilderness experience will prove for anyone an enriching source of tremendous and varied benefits that defy description.

What is a wilderness?

A wilderness is a large area of sufficient size to be preserved in its natural state where man and his works do not dominate the landscape. In a real wilderness untrammeled by man, man himself is merely a visitor who comes to enjoy but does not remain. A wilderness has outstanding opportunities for solitude and a rugged, primitive, unconfined type of outdoor recreation far removed from the pressure and rush of modern civilization.

Such an area is the 165,000 acres of high peaks, clear lakes, spruce, fir and aspen forests, alpine meadows and above-timberline tundra that is known as the Pecos Wilderness. Primarily in the Santa Fe Natural Forest of New Mexico, this wild wonderland rises above the headwaters of the historic Pecos River fabled in many Westerns. Here no road construction, logging, motorized travel, resorts or summer homes are permitted. This is why the high country of the Pecos, an untouched bit of Alpine Eden, is famous for its unforgettable natural beauty, its elk, mule deer, bear, beaver, wild turkey, spruce grouse, and mountain lion.

You don't have to be a top rider to enjoy a pack trip into any wilderness area, of which there are about a dozen left in the United States. You can have a horse that suits your ability. If you can stay on a gentle, well-trained mountain horse you are ready to ride. No person in good health, regardless of age, should question his ability thoroughly to enjoy one of these trips. If you like riding and living in the great out-of-doors, a pack trip will more than fulfill your highest expectations.

On the Pecos pack trip this past September, there were 10 riders, a crew of four (wranglers, packers, and cook), and our guide, Don Clauser, a long-legged, slow-drawling Texas type who heads "A Way to the Wilderness" and who knows the Pecos like the palm of his hand.

Doug O'Bannon, owner of the Mountain View Ranch at Cowles, N. Mex., who outfitted our trip, was also with us part of the time and on one of the stopover days managed to complete his fall roundup of about 75 head of cattle. That day the rancher and his cowboys rode from daybreak until long after dark.

Included in the riders was Howard Zahniser, executive director of the Wilderness Society in Washington and editor of its magazine, the Living Wilderness, and our physician, Dr. Lawrence Lunt, M.D. of Santa Fe, who is 74 and ramrod straight in the saddle.

Others were Bob Tapscott, age 67, a retired life insurance claims attorney, and his sparkling wife, Candace; Dr. Marjorie Bond, an executive director of the National Conference of Christians and Jews in California; Jerry Geiger, Army Ordnance supply officer from Illinois; Clarence Lica, a manufacturer's planning engineer also from Illinois; Bruno Rudek, a retired Cleveland Clinic orderly, who never rode a horse in his life before this trip (he's age 67); and Charlotte Ferree, a New Mexican college student born in Pennsylvania.

That is a lot of variety, but some of those ages and professions prove that even you are up to a wilderness trip. One thing these diverse persons obviously have in common: they love the out-of-doors and the truly wide-open spaces, and that makes for a comradeship that must be experienced to be understood.

Our no-hips, flat-stomached, few-words crew included three cowboys and two cowgirls (with spurs and chaps): Jim Jordan, Lonnie Mecham, Carol Darlington, Pat Maher and ex-Navy cook Don Higgins. These wonderful westerners were the real article in every way. They rode like they were part of their horses and could skillfully rope, hobble, saddle, pack, brand, and shoe a horse. They're the best.

What do you take with you on a wilderness trip?

Besides a mountainwise western range horse to suit your ability, you need a sleeping bag and air mattress, saddle slicker or poncho, lace or riding boots, warm jackets and tough gloves, blue jeans, flashlight, toilet articles, and some woolens. A fleece-lined sweat suit with a parka hood is dandy for sleeping on cold nights, and plastic freezer bags are handy in keeping things dry and ordered in your duffle bag. Some riders also take binoculars and a fly rod in metal case. The trout aren't fished out in the high country and they taste mighty good for breakfast. And of course you should have a camera.

Each rider is limited to a bed roll and duffiebag for his gear. Together they must weigh no more than 50 pounds. These are carried on packhorses, who also transport the range tents, powersaw, food and cooking equipment, of which the most prominent items are a huge skillet and two gallon coffee pots, one eternally for hot water and the other coffee. The horses lived off the lush grass and were hobbled each night with a bell around their necks. Those ridden the hardest were grain-fed.

On the 10-day trip, we rode over 90 miles, had five campsites (three of them over 10,000 feet elevation), found ice on the water pail almost every morning, rode in rain, hail, and snow, but most of the time experienced perfect sunny, warm, clear weather, with the bluest sky ever seen.

We usually turned in before 9 and were up around 6, slept like a baby and ate like a horse, sang and talked around a campfire every night, and three of us even shed our woolens and took a quick dip in ice-cold Pecos Baldy Lake at 11,500 feet elevation one sunny afternoon with snow still lying in the shadows.

Breakfast consisted of fruit juices, bacon and eggs, flapjacks, toast and coffee. Lunch was sandwiches you fixed yourself, cookies, apples or oranges, and a thermos of coffee or tea all packed in your saddle bag and eaten on the trail.

The evening "come and get it" was usually giant thick juicy steaks (this is cow country) broiled over an open fire, with home fries, canned vegetables and fruits, biscuits and tea or coffee. That living in the open does things to your appetite.

Yes, the rewards of a true wilderness experience are sufficient in themselves—the exhilaration and sense of release that come with the feeling of space and adventure, the joy of being in untouched valleys and mountains with unspoiled waters, and the underlying realization of genuine enrichment. Such wilderness experiences are possible only as long as wilderness remains wilderness.

In the Pecos high country men and women oppressed and harassed by the claustrophobia of high tension living may attain fuller release and true enjoyment of the charms and freedom of the mountain wilderness.

Most of us need this kind of experience and are better because of it.

Mr. BENNETT. Madam President, we have heard many fine things said about the floor manager of the bill, and I am sure all of them are well deserved. Of course, usually the winner gets the spotlight after the battle is over.

I should like to express my very deep appreciation of the excellent work which has been done by the senior Senator from Colorado [Mr. ALLOTT], who led the fight in which he was joined by more than 30 Members of the Senate. He, too, has been working on the bill on this floor for more than 2 days; and he, too, has been taking the pressure. Furthermore, he does not now have the pleasure of having won his battle. I believe we are very deeply indebted to the senior Senator from Colorado.

Mr. CASE of South Dakota. Madam President, will the Senator from Utah yield?

Mr. BENNETT. I am glad to yield.

Mr. CASE of South Dakota. I should like to join in the commendations of the excellent work done by the senior Senator from Colorado [Mr. ALLOTT]. In the efforts he has made, he has demonstrated in outstanding fashion that he is a true son of the West and is determined to preserve some of its independence. He has shown great knowledge of the resources there, and has made a valiant effort to preserve them; and he has done so in a way that will bring him great credit among all true lovers of the West.

Mr. MANSFIELD. Madam President, my remarks at this time will be brief. However, I wish to take this opportunity to express our thanks to the floor manager of the bill, the distinguished junior Senator from Idaho [Mr. CHURCH], and also to my distinguished colleague [Mr. METCALF]; to the distinguished majority whip, Mr. HUMPHREY; to the ranking majority member of the committee, next to the chairman, the Senator from Washington [Mr. JACKSON]; to the Senator from Utah [Mr. Moss]; the distinguished acting minority leader [Mr. KUCHEL]; and to all other Senators who have participated during the past 2 days in bringing the wilderness bill to the point of third reading and passage.

I believe great credit also should go to the senior Senator from Colorado [Mr. ALLOTT], to the senior Senator from Utah [Mr. BENNETT], to the senior Senator from Idaho [Mr. DWORSHAK],

and to other Senators on their side, who, although they were not in favor of the bill as it was originally reported, nevertheless tried conscientiously, from their point of view, to make it stronger and more effective. I think out of that process has emerged a better bill, and I am delighted that we have now reached the point of its third reading and passage. Certainly as a result of the work that has been done there is enough credit to go all around; and I am glad to join in giving credit to these and all other Senators for their contributions.

I also wish to take this occasion to extend my thanks to two of our late distinguished colleagues, Senator James E. Murray of Montana and Senator Richard Neuberger of Oregon, who were pioneers in this field; and also to the present chairman of the Committee on Interior and Insular Affairs, the distinguished Senator from New Mexico [Mr. ANDERSON], who worked so long and so hard, and at last was successful, for the first time, in bringing this bill to the floor of the Senate for consideration.

Mr. KEATING. Madam President, I shall vote for this bill. It is the culmination of years of research and effort by dedicated conservationists throughout the United States. It provides for the determination of certain portions of Federal land as wilderness areas, to be kept untrammeled by humankind.

With the population of the United States increasing at the rate of one human birth every 7½ seconds, the need for wilderness land, completely undeveloped, is great, and the pressures upon it are becoming even greater. We cannot afford to wait any longer to take vigorous and determined measures to set aside, clearly and definitely, certain parts of our Federal Government's holdings, to be free from development, even the development of hot dog stands and sightseeing tours for recreational purposes.

Madam President, it is said by some that only a very small minority of our people will use or enjoy these wilderness areas. Perhaps, at any one time, that is true. But over the years, over the decades, over the generations, and yes, even over the centuries, the number of people who will enjoy these wilderness areas will not be so small.

Furthermore, Madam President, if we add to those who actually have used these areas, the number of all those who hope some day to get into these primitive lands, all those whose eyes light up at the thought of a canoe or hiking pilgrimage into the depths of America's virgin forests and lake country, and all those for whom these lands are a gleaming challenge and a deep, green invitation into the uncivilized, into the unknown, then there are, indeed, very, very many who care for the preservation of our wilderness heritage.

Madam President, it is also said that for 2½ centuries the American people have fought against the wilderness. The American people won, and the wilderness lost; and, therefore it is asked, "Why preserve wilderness areas today, at the expense of more profitable or more popular development possibilities?" I would answer this question, Madam President, by stating that because of the central role which the wilderness, the frontier, has played in our history, we owe it to ourselves and to our heritage to preserve vestiges of our once virgin continent in its original state, so we can better understand and appreciate the heroic efforts of our forebears in taming the wilderness. Wilderness areas will keep alive a lasting memory and a vivid memorial to our Nation's infancy and the rugged pioneering spirit which first conquered the endless forests and plains and purple mountained majesties.

Madam President, the Audubon Society has been one of the most ardent supporters of this legislation from its origin. Therefore, I ask unanimous consent to have printed in the RECORD directly following my remarks an article, from Audubon magazine for May–June 1957, written by Edwin Way Teale, and entitled "Land Forever Wild." I only regret, Madam President, that the photographs accompanying the article cannot also appear in the RECORD, for they speak, more eloquently than words, in favor of this legislation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LAND FOREVER WILD

(By Edwin Way Teale)

One early October day, 2 miles above sea level near the Montana-Wyoming line, I stood on the lofty tundra of Beartooth Plateau. To the north the peaks and forests of the Montana Rockies extended away as far as my vision reached. Here was wilderness unmarked by man. Here was wildness untouched by civilization. Here was the land as Nez Perce braves had known it crossing Beartooth Pass for centuries before the first white man. In one vast panorama here was a vision of original America, of the wilderness of old—roadless, cityless, billboardless—as wild as the early pioneers saw it.

And just so future generations may also observe it. For at least part of the inspiring vista that spread before me that October day is now designed as a "primitive area." It is included in the wilderness preservation program of the Federal Government.

When the Pilgrim Fathers landed in New England, the whole continent extended away before them in one continuous wilderness. Only a century and a half ago, when Meriwether Lewis and William Clark started up the Missouri on the first overland journey across the United States to the Pacific, the western half of the continent was still wilderness. Even a generation ago, the homesteading era was not yet over. During all the early history of this country, the wilderness stood in the popular mind as the great enemy, barring progress. Our heritage of wildness was merely something to subdue, to tame, to conquer, to destroy. Its material resources—its gold and timber, furs and fertile valleys these alone had value.

But more and more in recent years, with the swift shrinking of space and the compression of mounting population, another side of the wilderness has become increasingly recognized. For lands that have been forever wild provide spiritual as well as material resources. Wildness itself offers something of value that needs protection.

Among the recently published letters of William Blake, the English poet, there is this sentence: "The tree that moves some to tears of joy is in the eyes of others only a green thing that stands in the way." The wilderness, like the tree, produces such diverse reactions. During the history of our land, in the main, human activity has reflected the viewpoint almost entirely of those who saw only something standing in the way, something to eliminate. As mechanization has increased, the power to destroy has become magnified. As the population has multiplied, the pressure on wild lands has mounted. Every 12 seconds our population is increased by one. The figure now stands at 170 million; it is estimated it will be 200 million only a decade hence. Indicative of the consequence is one small scene I recall from a part of Long Island once famed for its violets and its upland plover, the Hempstead Plains. Last spring, on one tiny tract amid spreading subdivisions, a single upland plover perched on a sign. The sign read: "A supermarket will be erected on this site."

During the past few years, in gathering material for recent books, I have visited all 48 States of the Union. Wherever I went the impact of mechanized civilization was apparent. Forests had been sheared. Waterfalls had been reduced to a sad, attenuated flow. People spoke of wild places they had known since childhood, now vanished. Over and over again I heard the same refrain: "This used to be such a beautiful place." But amid all this devastation there was something of gain. As the wilderness had receded, the appreciation of the wilderness had grown. A current seemed strengthening all across the country. The will to save something of all that is melting away had become more apparent.

"We need," Henry Thoreau wrote in "Walden," "the tonic of wildness—to wade sometimes in marshes where the bittern and the meadowhen lurk, to hear the booming of the snipe; to smell the whispering sedge where only some wilder and more solitary fowl builds her nest, and the mink crawls with its belly close to the ground." Throughout all the 20 volumes of Thoreau's works there runs the recurring theme of the value and importance of wildness. His was the first eloquent voice lifted in its praise. "In wildness," he said, "is the preservation of the world." Since his day others have recorded similar convictions. "The clearest way into the universe is through a forest wilderness," John Muir wrote amid his beloved Sierra peaks. And in a more recent day Aldo Leopold has set forth his belief that "the opportunity to see geese is more important than television, and the chance to see a pasqueflower is a right as inalienable as free speech." Such men have spoken for more of us than is generally recognized.

At first it was only the unique and spectacular features of the wilderness, such as Yellowstone, Yosemite, and the Grand Canyon, that elicited Government protection. The idea of preserving wildness for its own sake, as opposed to the setting aside of the inspiring scene or the dramatic manifestation of nature, this was slow in developing. Many men have had a part in its growth. Frederick Law Olmsted, Sr., planning Central Park to interfere as little as possible with nature, certainly was one of the pioneers. So was Verplanck Colvin, whose activities in the 1870's led to the inclusion of an article in the New York State constitution providing for an Adirondacks forest to be left "forever wild." So was John Muir, singing of his joy in wild, western mountains but at the same time keenly aware of all that had gone and all that was going. And so, in our own day, have been such men as Stephen Mather, Aldo Leopold, Robert Marshall, Arthur H. Carhart, and Olaus J. Murie. They all have contributed toward the preservation of those living museums of primeval America, areas of untouched, unexploited wilderness.

Perhaps the underlying philosophy of wilderness preservation can best be set forth in

a kind of Socratic dialog, taking up in turn the basic questions involved.

What is wilderness?

It is, by the strict dictionary definition, an area that is uncultivated and uninhabited by man. In a larger sense it is a sanctuary for all the primal realities of nature unchanged. Nothing artificial is imposed upon it by man. It is neither developed nor prettied up. A few years ago, along one of the trails in California's Point Lobos State Park, a woman was discovered pulling up plants with both hands. She explained she was "helping clean up the place." Near New York, when the Sunken Forest on Fire Island was turned into a sanctuary recently, a troop of Boy Scouts volunteered to come out with hatchets and aid in clearing out the area. This insatiable propensity of human beings for changing nature stops at the boundary of a wilderness area. There we find the whole book of nature and not—as Thoreau pointed out nature is usually found—a book from which previous visitors and previous generations have torn whole pages and mutilated others. A wilderness area is just wilderness; just that; an area in which nature is left unchanged by man.

But do not the national parks already provide sufficient sanctuaries for wildness?

In the back country of a number of national parks there are wonderful stretches of unspoiled wilderness. However, the fundamental purpose of a national park has not been to preserve wildness as such. It is to protect and make available to the public some superb example of natural splendor, some area that is unique. The significance of the national park, in the main, lies in features it contains that are found nowhere else. The significance of the wilderness area, on the other hand, lies in characteristics that it shares with all other wilderness areas, namely natural conditions as completely untouched and unaltered as is consistent with its protection and use as wilderness.

As long as many of the remaining wilderness areas are in remote, mountainous country, why worry about them? What can happen to them anyway?

Perhaps the best answer to such questions is to quote from the report of a select committee appointed by the Ohio State Senate in 1857—just a century ago—to study the need for protection of a species of bird. The committee reported no protection at all was needed. The birds, it found, were "wonderfully prolific." They had for their breeding grounds "the vast forests of the north." They could travel daily "hundreds of miles in search of food." The report concluded that "no ordinary destruction could lessen them" and that the numbers killed would never "be missed from the myriads that are yearly produced." The bird they referred to was the passenger pigeon, now completely extinct for nearly half a century. It cannot be taken for granted, as the history of America has amply demonstrated, that any area—no matter how wild at present, no matter how removed from centers of population at present—can remain unendangered without protection.

Why do wilderness areas have to be big? Wouldn't small areas serve just as well?

The wilderness, by its nature, demands solitude. It requires as much remoteness from man and his works as possible. Only in comparatively large areas can a wilderness continue to maintain its wilderness character.

Do these areas have to be roadless?

When we speak of an unspoiled area, "unspoiled" means different things to different people. But an area that is left as it was, unchanged, absolutely unchanged, cannot be spoiled for anyone. This is the aim of those interested in wilderness preservation. The road, the jeep, the outboard motor, the airplane all are part of a mechanized civilization incompatible with the whole conception of the wilderness. By its nature a wilderness must remain trail country, canoe country, primitive country. Roads will attract mainly those who have no real interest in the wilderness, those who merely want to see the fringes of wildness while going 60 miles an hour. Wherever a road is constructed through such a region, the cutting and filling and grading disturbs the vegetation, the drainage, the wildlife—not of just a narrow strip but for considerable distance on either side. Moreover as soon as one road is built the pressure mounts for joining roads, multiplying the danger and damage.

But if a single road bisected an area why wouldn't it give two wildernesses in place of one?

In the first place, the smaller the wilderness the less it is a wilderness. Furthermore, in bisecting the area it would also bisect the range of numerous animals and thus interfere with the normal balance of life which a wilderness area provides.

What about elderly people and those who are not strong? Would not a few such roads enable them to secure a taste of wildness unobtainable elsewhere?

There is, in truth, nothing that such roads would provide that cannot now be enjoyed on established highways through national parks and along the fringes of the wilderness. Wherever a road goes it brings with it the same fringe conditions that are found elsewhere. The real wilderness always lies in solitude away from the highway. Preserving the wilderness intact without roads thus does not deprive those who are unable to travel by trail or canoe of anything they cannot find in other places. The building of roads through wilderness areas, with its destruction of wilderness, would merely add to something relatively abundant, and subtract from something relatively scarce.

But couldn't just short roads be built in from the edge to, say, ski runs on mountainsides?

Here again the problem arises of what is a wilderness and what alters it until it is no longer a wilderness. Plans to develop portions of such areas—often in themselves attractive—are manifold. But it should be axiomatic that only those uses should be permitted that do not lessen or destroy the wilderness character of the area or any part of it.

Under these conditions, is not the preservation of such areas a special privilege for a minority group, namely those who are interested in wilderness for its own sake?

I remember discussing this point one overcast January day with Howard Zahniser, executive secretary of the Wilderness Society, as we walked down a street in Washington, D.C. He observed, quite rightly, that the National Art Gallery, with all its treasures, is used by only a small proportion of the people at any one time. Someone might say: "See all this floorspace going to waste. Only the walls are being used. Let's turn this into a roller-skating rink. It will attract more people and the skaters can look at the pictures as they go by." More people, no doubt, would be attracted but the essential, higher purpose for which the gallery was erected would be lost. Anyone is free to visit the art gallery but not to turn it into something else. Similarly anyone is free to visit a wilderness area so long as its character is not altered. None of the regulations governing the areas provides for special users. As Olaus J. Murie has said: "It is not for the sake of any privileged few that we are thus working for wilderness preservation, but rather for all Americans." At present, those who fully appreciate wilderness values are, in all probability, a minority. But in time, as the pioneer attitudes of our history recede, as the pressures of civilization increase, this minority may be no longer a minority. Every test in recent years has indicated that when an issue is posed the majority of voters favors preserving the wilderness. In fact, it may be true that even now the wilderness supporters comprise no minority at all but rather a silent majority.

The tonic of wildness, contact with the realities of the unchanged wilderness, these will grow increasingly precious in years to come. For going to the wilderness is not a flight from life. It is escape—but escape to reality, escape from all that is artificial in civilization. There we have left behind the forced-draft din of the advertisers, shouting that every want is a need. There we are no longer surrounded by today's thousand and one "improved means to unimproved ends." There we are in contact only with timeless and basic things.

One last question: In a country of growing population should not every acre be put to use?

Wilderness acres are put to use. They are useful to man for many things, the most important of all being such things as—to use John Ruskin's phrase—we do not "sell or pawn or in any other way turn into money." I walked, one morning some years ago, through a woods and around a lake with a New York businessman. His interest in nature was entirely confined to two recurring questions: "What's that? What good is it?" By good he meant good to his stomach or his pocketbook. A different yardstick is needed to measure the usefulness of the wilderness. Such areas are not to be considered merely as storehouses of lumber and reservoirs of waterpower for future use. They are storehouses of wildness, and wildness will become an ever-increasing spiritual need in the crowded tomorrow. "We cannot base wilderness reservations on what is merchantable," Howard Zahniser once wrote, "and we should not think of wilderness resources in terms of commodities. In the wilderness there are acres and acres of forest but no board feet. The resources of the wilderness are of another order."

There is always the temptation, in an effort to obtain immediate acceptance for wilderness preservation, to base the appeal on a lower level. The danger in taking a short cut on a lower road is: you may get stuck there. If, for example, you seek to save songbirds entirely on the basis of the number of caterpillars they destroy, it takes only some super-insecticide to sweep away your arguments. If you plead for saving a wilderness area on the basis of its importance as a watershed, you may find that, some time later on, new method of management make only a fraction of that area needed for the purpose. If you advance the argument that the area is of no use for anything else, or that the forest is no good for timber, or that lumbermen can't get in there anyhow, new techniques and new market requirements are likely to leave these seemingly practical arguments bankrupt at a later date. Only by saving the wilderness as wilderness will the goals of its long-time preservation be achieved.

This does not mean that protection of the wilderness is divorced in any way from the overall program of conservation. It is integrated with many phases of land use and land management. The development of sound forestry practices outside the areas, for instance, is of vital importance. As long as we continue to cut timber faster than we grow it, the pressure to invade wilderness tracts will mount. Only if reforestation on a wide scale and more efficient timber management are able to achieve a sustained yield outside the wilderness areas will these preserves be safe. Even if the great forests of the Olympic National Park, one of the glories of the Nation, were thrown open to the saw, it is estimated the available trees there would sustain the local lumber economy for only about a decade and then, with the irreplaceable forests gone, the need for more trees

would be as pressing as ever. Taking the easy way and throwing open the forests of wilderness preserves to lumbering will never offer a permanent solution to the problem. That solution must be found outside such areas if it is to be found at all.

There are, at the present time, wilderness tracts of many kinds, particularly in and to the west of the Rocky Mountains. They are under the jurisdiction of the National Park Service, the U.S. Forest Service, the Fish and Wildlife Service, and—subject to the approval of the Indians themselves—the Bureau of Indian Affairs. They vary greatly in size. They vary widely in designation. Within the national forests, some are called roadless areas, some primitive areas, some wild areas, and some wilderness areas. The wilderness area is the largest. It must be 100,000 acres or more in size. A wild area, on the other hand, ranges from 100,000 down to 5,000 acres. In the national forests alone, 81 acres have been set aside, totaling 14 million acres.

The whole program of wilderness preservation, although never formulated as such by Congress, has grown steadily in importance and popular interest. Its greatest danger at present is the fact that the status of any area can be altered merely by administrative decree. A more solid foundation in law is required if the areas that have already been set aside are to continue as "land forever wild."

It is for this purpose that Senator HUBERT HUMPHREY, of Minnesota, with a group of cosponsors in the Senate, and Representatives JOHN P. SAYLOR, of Pennsylvania, LEE METCALF, of Montana, and others in the House of Representatives, have introduced into the present Congress a bipartisan bill to establish a National Wilderness Preservation System. For the first time, it would give legal recognition to wilderness preservation as a national policy. It would designate specific areas to be set aside. It would outline the public policy in regard to them—such as that "man himself is a member of the natural community who visits but does not remain and whose travels leave only trails." It would set up a central advisory and information group, a repository of files for the system, known as the National Wilderness Preservation Council. In the main, the bill would preserve the status quo. No new land would be added. No new land administration agency would be set up. Jurisdiction would continue, as in the past, in various agencies of the Government.

However, public hearings would be required before the status of any area could be altered and Congress would have a chance to review any changes in the areas. Shifts by directorial fiat would be eliminated. Such changes would have to be freely announced and freely discussed before they could be put into execution. One other major change would be included in the legislation. At present anyone who reports a mining discovery in a wilderness area not only can stake out a claim but can have a road built into the spot. This continual threat to the integrity of wilderness areas would be eliminated by the legislation proposed.

Known as the National Wilderness Preservation Act, it represents one of the most important steps forward in the history of wilderness conservation in America. Hearings planned for late spring and summer should be of paramount interest to every conservationist. The sponsoring Senators and Representatives already have been greatly encouraged by the number of letters received from citizens expressing approval of the plan. The writer of every such letter plays a cumulatively important part in providing the impetus required for passage of this needed legislation. If the conservation support that defeated the attempted invasion of the Dinosaur National Monument rallies to the support of the wilderness bill its passage appears certain.

The wilderness itself is always perishable, as perishable as a pasqueflower or a warbler. Once destroyed it is forever gone. History has decided what wilderness areas are available for us to preserve. What is done in our time will determine what will be left for succeeding generations to preserve.

In a democracy one generation does not tie the hands of the next. The ultimate disposition of wilderness lands will be made by those who come later. So it is never enough to establish sanctuaries and then sit back content. Education, continual education, that will be handed on as the land is handed on, is also required.

Land forever wild. How long will forever be? The answer to this question depends upon two things. One is how well we preserve that which we have an opportunity of preserving in our own day. The other is how well those of a later day are brought to understand the value of wildness in the lives of men and all the resources of the spirit that lie within the wilderness.

Mr. CHURCH. Madam President, I ask unanimous consent that sundry telegrams I have received during the day from citizens of the State of Idaho expressing support for the bill be printed in the RECORD at this point.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

BOISE, IDAHO, *September 6, 1961.*

Senator FRANK CHURCH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CHURCH: Appreciate your courageous and effective work for the wilderness bill today. We urge your support and encourage passage as soon as possible.

IDAHO WILDLIFE FEDERATION,
ERNEST E. DAY, *President.*

CALDWELL, IDAHO,
September 6, 1961.

Senator FRANK CHURCH,
Senate Office Building,
Washington, D.C.:

Congratulations on wilderness bill support. There are many of us rank-and-file Idaho citizens behind you in your support of the bill.

LYLE M. STANFORD.

BOISE, IDAHO,
September 6, 1961.

Senator FRANK CHURCH,
Senate Office Building,
Washington, D.C.:

The members of the Ada County Fish & Game League appreciate your efforts today on the wilderness bill. Contrary to the Statesman editorials, a vote for the bill is a vote from every free-thinking citizen of Idaho. We are all behind you and commend your efforts.

W. W. BENSON, *President.*

BOISE, IDAHO,
September 6, 1961.

Hon. FRANK CHURCH,
U.S. Senate,
Senate Office Building,
Washington, D.C.:

Proud of your advocacy of wilderness bill. Senate should credit public interest by passage without Aliott and Dworshak amendments.

BRUCE BOWLER.

CALDWELL, IDAHO,
September 6, 1961.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: Keep up your splendid fight to save the wilderness bill so that future generations may know what outdoor America is really like.

COLLEGE OF IDAHO,
L. L. MCCRERY.

COEUR D'ALENE, IDAHO,
September 6, 1961.

Senator FRANK CHURCH,
Senate Office Building,
Washington, D.C.:

You are to be commended for your courageous action on the wilderness bill today. We here at home are standing behind you and will give you all of our support. We trust you will vote in favor of the wilderness bill tomorrow without weakening amendments.

BILL DUFF,
Chairman, District No. 1, Idaho Wildlife Federation.

CALDWELL, IDAHO,
September 6, 1961.

FRANK CHURCH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: We are Idaho farmers vitally interested in preserving our forests and their resources so we are behind you and the wilderness bill 100 percent. Please cast our vote "yea."

Mr. and Mrs. DONALD BLANC.

Mr. CHURCH. Madam President, I express my thanks to the Members of the Senate who have been so kind in their references to the part I have had to play in the passage of this legislation.

I should be remiss if I did not emphasize that the distinguished chairman of the committee [Mr. ANDERSON] is the man who really deserves the credit. He finally broke the logjam which held the bill in the committee for 5 long years. He brought the many questions to issue, and saw to it that the committee addressed itself to the vexatious problems which faced us, all of which resulted in the amended bill which was finally reported to the Senate. I am only sorry that the Senator from New Mexico could not be present, because of a temporary illness, to lead the debate in the Senate on a bill which is very close to his heart.

I also express appreciation to the distinguished junior Senator from Montana, the present Presiding Officer [Mr. METCALF] who was of such great assistance to all of us throughout the course of the debate, who was ever ready to help in every possible way.

The Senator from Washington [Mr. JACKSON] has long been interested in the wilderness bill. He has given great leadership to the cause. He certainly should be singled out for special commendation.

The same is true of the distinguished senior Senator from Minnesota [Mr. HUMPHREY] who has been in the Chamber whenever needed in the course of debate. The Senator from Minnesota was one of the original sponsors of the proposed legislation and has done much to promote its cause everywhere in the country. To him go our very special thanks.

I also want to specifically mention the stalwart service rendered to my friend, the junior Senator from Utah [Mr. Moss].

Mr. President, I commend all the members of the Committee on Interior and Insular Affairs, all the Senators from the States of the intermountain

West, who are so directly affected by the bill, for the role they played in bringing this cause to final fruition.

Mr. President, as I remarked in my opening statement yesterday, in the 5 years I have been a Member of the Senate I recall three bills which have come from the Committee on Interior and Insular Affairs of great historic significance. I am very proud that I have had an opportunity, in the course of the 5 years, to play a role in the passage of each bill.

The first was the bill granting statehood to Alaska.

The second was the bill granting statehood to Hawaii.

The third is the wilderness bill.

I supported the wilderness bill for the many reasons which I have stated during the course of the debate, but I must emphasize in closing that the ultimate reason, above all others, is a philosophical reason. Though we tend to feel that we are presently the owners of this country, we are not, in any true philosophical sense. We are the trustees of this country for a little time only. Our fathers and our grandfathers before us, though they may be dead and gone, still have a claim upon this country. Our children, our grandchildren, and generations yet unborn, who will come after us, have rights in this country. Our trusteeship will quickly pass, and we owe a responsibility to our forefathers before us and to our children after us to see to it that the trust is properly discharged.

Mr. President, the proper discharge of that trust is partly within the province of this bill. Unless we enact a wilderness bill, we shall soon lose the opportunity to preserve intact wild lands which, once overrun, can never be repossessed.

The great purpose of the wilderness bill is to set aside a reasonable part of the vanishing wilderness, to make certain that generations of Americans yet unborn will know what it is to experience life on undeveloped, unoccupied land in the same form and character as the Creator fashioned it. This is an experience we in the West can still know. The enactment of the bill will mean that our children will know it, too.

It is a great spiritual experience. I never knew a man who ever took a bedroll onto an Idaho mountainside and slept there under a star-studded summer sky who felt self-important the next morning. Unless we preserve some opportunity for future generations to have the same experience, we shall have dishonored our trust to posterity.

I am very proud of the step the Senate is about to take. I think the wilderness bill will go down as one of the great conservation measures, in the tradition of Theodore Roosevelt, of Gifford Pinchot, and all the dedicated conservationists who followed in their paths.

In this connection, I wish to say that the bill has had no partisan character. It has received widespread support from the Republican as well as from the Democratic side of the aisle. Time and time again, during the debate, we have relied upon the cogent arguments of the distinguished assistant minority leader from the great State of California [Mr. KUCHEL], who has given effective leadership to the cause.

To all who have had a part to play, I express my own appreciation. I think the Senate will take a noble and historic step by passing the wilderness bill.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield.

Mr. HUMPHREY. First, I thank the Senator for his generous remarks.

I am sure the Senator from Idaho would agree with me that if there were a way we could put a name or a title to the bill other than to call it the wilderness preservation bill we would wish to dedicate it to two of our beloved and departed colleagues who really pioneered the way.

One was the great Senator from Montana, the late Senator Murray, whose courage was second to none, and who really was a great conservationist. He loved the work in which he engaged, particularly the study, promotion, and preservation of the great wilderness areas of our Nation.

The second was the late and beloved Senator from Oregon, Dick Neuberger. I would hope that somehow or other we could look upon the bill which has been handled and managed by the extremely capable, dedicated and distinguished Senator from Idaho [Mr. CHURCH] as a memorial, in a sense, to Senator Murray and Senator Neuberger—a real living memorial to two men who literally gave of their lives for the protection of the future.

I wish to join with the Senator from Idaho [Mr. CHURCH] in saying that the proposed legislation deals not only with the present but with the future and is really a great gift to the children of tomorrow. I hope that Senators will remember the pioneering that was done by those whom I have mentioned.

If the Senator will permit me, I should like to say there is one private citizen above all others I can think of whom I have seen in and around the Senate for many years urging the adoption of this particular type of legislation. I do not say that he urged the adoption of every title, section and line of S. 174. But he urged that Congress take affirmative action to protect the great primitive and wilderness areas. That man was Howard Zahniser of the Citizens Natural Resources Committee. He is truly a conservationist, a dedicated individual and a good citizen. I wish to pay my respects to him because during the years he has been very helpful to me as we have had to plan and work in behalf of the proposed legislation.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield to the distinguished Senator from California.

Mr. KUCHEL. I am grateful for the generous comment of my friend, the Senator from Idaho. I was glad in the debate today to be alined with him and others from both sides of the aisle in producing a convincing majority for a piece of proposed legislation which he so eloquently described will be in the interest of the American people and future generations who come afterward. I thank my friend for his comment.

Mr. CHURCH. I thank the Senator very much.

I wish to say that all of us on the committee owe a debt of gratitude to the staff members who have been so helpful, particularly to Ben Stong of our committee staff, and to Stewart French, our counsel, who have worked long and hard upon the bill.

I wish to associate myself fully with the statement that has been made by the distinguished Senator from Minnesota [Mr. HUMPHREY] that if the bill could carry the names of two Senators it should properly bear the names of the late great Senators Neuberger and Murray. I am very thankful that the Senator made the remarks he did on that point, because no more fitting or deserving memorial to these two great men could be proposed than that of the wilderness bill.

Mr. JAVITS. Mr. President, the State of New York has a great conservation tradition, as exemplified by the Adirondack and Catskill conservation areas.

I shall support the bill.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROUTY (when his name was called). On this vote I have a pair with the Senator from Arizona [Mr. GOLDWATER]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would note "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. HICKEY (after having voted in the negative). Mr. President, on this vote I have a pair with the senior Senator from Oregon [Mr. MORSE]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. LONG of Louisiana (after having voted in the negative). Mr. President, on this vote I have a pair with the junior Senator from New Mexico [Mr. ANDERSON]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

Mr. HUMPHREY. I announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Washington [Mr. MAGNUSON], and the Senator from Oregon [Mr. MORSE] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from New Mexico [Mr. CHAVEZ] are absent because of illness.

I further announce that the Senator from West Virginia [Mr. RANDOLPH] is necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from West Virginia [Mr. RANDOLPH] would each vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the

Senator from North Dakota [Mr. YOUNG]. If present and voting, the Senator from New Mexico would vote "yea" and the Senator from North Dakota would vote "nay."

On this vote, the Senator from Washington [Mr. MAGNUSON] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Washington would vote "yea" and the Senator from Kansas would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kansas [Mr. CARLSON] are absent because of illness.

The Senator from Illinois [Mr. DIRKSEN] and the Senator from North Dakota [Mr. YOUNG] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business, and his pair has been previously announced.

On this vote, the Senator from Kansas [Mr. CARLSON] is paired with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from Kansas would vote "nay," and the Senator from Washington would vote "yea."

On this vote, the Senator from North Dakota [Mr. YOUNG] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from North Dakota would vote "nay," and the Senator from New Mexico would vote "yea."

The result was announced—yeas 78, nays 8, as follows:

[No. 188]

YEAS—78

Aiken	Gruening	Miller
Bartlett	Hart	Monroney
Beall	Hartke	Morton
Bible	Hayden	Moss
Boggs	Hickenlooper	Mundt
Burdick	Hill	Muskie
Bush	Holland	Neuberger
Butler	Hruska	Pastore
Byrd, Va.	Humphrey	Pell
Byrd, W. Va.	Jackson	Proxmire
Cannon	Javits	Robertson
Capehart	Johnston	Russell
Carroll	Jordan	Saltonstall
Case, N.J.	Keating	Scott
Case, S. Dak.	Kefauver	Smathers
Church	Kerr	Smith, Mass.
Clark	Kuchel	Smith, Maine
Cooper	Lausche	Sparkman
Curtis	Long, Mo.	Stennis
Douglas	Long, Hawaii	Symington
Eastland	Mansfield	Talmadge
Ellender	McCarthy	Wiley
Engle	McClellan	Williams, N.J.
Ervin	McGee	Williams, Del.
Fong	McNamara	Yarborough
Gore	Metcalf	Young, Ohio

NAYS—8

Allott	Dodd	Thurmond
Bennett	Dworshak	Tower
Cotton	Schoeppel	

NOT VOTING—14

Anderson	Fulbright	Morse
Bridges	Goldwater	Prouty
Carlson	Hickey	Randolph
Chaves	Long, La.	Young, N. Dak.
Dirksen	Magnuson	

So the bill (S. 174) was passed.

Mr. CHURCH. Mr. President, I ask unanimous consent that the bill be printed as it passed the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement on the bill by the junior Senator from New Mexico [Mr. ANDERSON].

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Senator CLINTON P. ANDERSON, Democrat, of New Mexico, who introduced the wilderness bill, issued the following statement from Albuquerque, where he is recovering from a recent operation:

"Senate passage of the wilderness bill is testimony that this Nation regards the preservation of part of its sternest regions as a solemn trust to future generations.

"Support for the wilderness system came from members of both parties and was widespread among many groups across the Nation. I am optimistic about its future in the House."

Mr. JACKSON. Mr. President, as all of us know, Senator ANDERSON has worked for many years on this legislation. It is regrettable that he could not be here at this time. But I know that he, too, is indeed appreciative of the admirable way in which the Senator from Idaho [Mr. CHURCH] and others have handled the bill on the floor of the Senate.

Mr. KUCHEL. Mr. President, I have sundry editorials in connection with the wilderness bill which I ask to have printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the San Francisco Examiner, June 26, 1961]

THE WILDERNESS BILL

The bill designed to establish a national wilderness preservation system is scheduled for a hearing before the Interior and Insular Affairs Committee of the U.S. Senate Wednesday. This is the latest of the series of hurdles it has confronted in the last 5 years.

Unless there is to be frustration again in the campaign to get final congressional approval of this important measure, there will have to be a lot of muscling up of public support.

The recent public hearings in Washington clearly established the interest in the bill and the awareness of its necessity. But the drive of commercial interests to bottle it up in committee is strong. The obvious offset is to make a sufficient show of public concern to impress the members of the committee.

There are compelling factors in the situation. The Nation cannot afford the waste of even a small part of another 5 years in bringing the wilderness program to fruition. Preservation of our wilderness resources is not merely one of the imperatives of our national life, but a matter of dwindling opportunity. Less than 2 percent of the national land area now remains in primitive state. The inroads of commerce put an unrelenting time limit on the cause of conservation.

[From the San Francisco News-Call Bulletin, July 17, 1961]

SAVING THE WILDERNESS

The wilderness bill approved by the Senate Interior Committee last week, while not perfection itself, nevertheless is a tremendous stride toward preservation of America's dwindling wild natural areas.

For the first time, it puts a congressional mantle of protection around such areas. Heretofore action was left up to the Forest Service for administrative decision. Since that branch of the Government traditionally has viewed forests as a crop to harvest, the last of our virgin lands has continued to shrink.

The bill protects 13 million acres of wilderness, a substantial fraction of which lies in California. It excludes another 8 million acres. The bill should be amended to include them. The wilderness is nearly saved. It would be a shame to have it leak away through a loophole in the bill.

We are not so rich that we can afford to throw away our wilderness, nor so poor that we must exploit it to survive.

[From the San Francisco Examiner, July 18, 1961]

WILDERNESS GAIN

The Senate Interior Committee, in giving a resounding 11-to-4 vote of approval to the wilderness bill, has at long last cleared the way for a vote by the full Senate on this vital conservation measure. We are delighted.

It has taken 5 years to get the bill out of committee. Let us hope the Senate action will be more expeditious, and also favorable.

The wilderness bill safeguards 13 million acres of national forest land against reckless commercial exploitation and devastation. It leaves the way open for preservation of eight more millions of acres of primitive park and wildlife refuge lands for the perpetual enjoyment and inspiration of future generations.

The setting aside of the Nation's small remaining assets of open space is a matter upon which much precious time has been spent. Much remains to be done within the ever-narrowing circle of time that is left.

[From the San Francisco Chronicle, July 19, 1961]

WILDERNESS BILL GAINS

For the first time in more than 5 years, a bill to create a system of wilderness areas—initially, about 13 million acres of national forest land—has cleared the Senate Interior Committee. Chairman CLINTON P. ANDERSON hails it, and so do we, as a great step in the conservation of rugged, primitive domains of our fast-disappearing wilderness.

Senator THOMAS H. KUCHEL, of California, played an essential part in getting the bill favorably considered, this despite considerable pressure from stockmen, lumbermen and miners among its opponents. He deserves credit for fighting for the larger interests of the public.

[From the Sacramento (Calif.) Bee, July 9, 1961]

PRESERVATION OF WILDERNESS AREAS IS THE RESPONSIBILITY OF CONGRESS

Ever since 1957 the wilderness bill, S. 174, has been kicking about in and kicked around by Congress.

This bill proposes that the Nation select about 30 to 40 million acres of its most scenic and primitive land from that now in national forests, national parks, wildlife refuges, and game ranges to be held untouched by ax, saw, drill, or wheel.

The current issue of the Saturday Evening Post devotes a feature article to the fight over this bill. For it has been a fight. Lumber interests, oil companies, electric power developers, miners, and irrigators are likely to approach a state of apoplexy when the bill is mentioned.

To them, especially to the lumbermen of the Pacific Northwest who have developed a system of reforestation and regard forests as crops, the impounding of so much acreage in the public domain is as wasteful as some feel the lumberman's ax to be.

In a sense the forest primeval is the Nation's first historic landmark. It alone tells what this country was like when it was owned by the Indians.

The Federal Government holds 775 million acres of land. Forested national parks cover 181 million acres of this.

Lumber interests which reforest the land have a point, of course. They call attention to the forests outside their grasp where disease, insects, and unpruned growth damage the wilderness. But forest rangers should be able to solve such problems as well as do the commercial companies.

Many exploiters of natural resources stress that only a few of the Nation's people have the stamina to use the most primitive forests set apart for posterity and that the Nation should be careful to select only those areas which are locked away from commercial use.

Some scientific users of the forests do not bar people from camping, they say, but are careful to preserve as much as possible of the wildlife and actually create recreation facilities on their holdings.

The claims of the commercial interests are partially correct. They are in a sense preservers when their methods actually conserve the forests. But the other side of the shield is equally true. Government often allows controlled grazing and oil drilling and other such commercial operations on its lands.

In 1941 the late President Franklin D. Roosevelt to protect moose in Alaska ordered 2 million acres set aside as the Kenai National Moose Range. Oil was discovered there when World War II was in progress and some oil companies were granted special permits to drill.

Wildlife people worried about the effect on the moose so the oil people promised to use all kinds of precautions so as not to scare away the moose—electric drilling equipment, noise reducing machinery, preservation of the natural cover and avoidance of stream pollution. It turned out the drillers did not disturb the moose. The friendly moose disturbed the drillers.

Workers stumbled over the curious animals, the roads opened up became their chief feeding grounds and most of the Kenai herd clustered around the drilling—foremen, no doubt.

The point Congress must keep in mind is that there is a need for scenic solitude in America and preservation of the public domain, if managed practically, is a good thing.

[From the Sacramento (Calif.) Bee, July 21, 1961]

SAVE THE WILDERNESS

The Senate Interior Committee has approved a wilderness area bill which would preserve 13 million acres of forest land from human exploitation.

Much credit for the action is due Senators THOMAS H. KUCHEL, of California, and CLINTON P. ANDERSON, of New Mexico, chairman of the group.

Conservationists have been trying to get such legislation enacted for many years. They have met with opposition from lumber, mining, and cattle interests which doubtless will continue their efforts.

Both the Senate and House should move swiftly to complete action on the measure and pass it along to the President for his signature.

The Nation's primitive areas are disappearing at a rapid rate. The sooner Congress acts, the more of them can be saved.

ROBERT E. GROSS, BOARD CHAIRMAN AND CHIEF EXECUTIVE OFFICER, LOCKHEED AIRCRAFT CORP.

Mr. KUCHEL. Mr. President, the United States this week mourns the passing of a great American. The late Robert E. Gross was connected with the Lockheed Aircraft Corp. for over a quarter of a century. He was a dedicated patriot and industrial giant. He devoted the genius and skill of his labors to bringing to the Government and the people of the United States much of the strength that was necessary to preserve this Nation in World War II.

As the executive head of Lockheed for many years, under his direction much of the marvelous development of science to protect and defend the American people came into being. There was the Agena, the first satellite to achieve polar orbit. There was the Polaris, the first successful missile ever developed for underwater launching. There was the Star Fighter, the first production airplane to fly twice the speed of sound. There were the Hercules transports, the great Constellations, and many, many other aircraft which have distinguished themselves in the service of the U.S. Air Force and in the service of commercial aviation around the globe.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield to my friend and colleague from California.

Mr. ENGLE. Mr. President, Robert E. Gross stated to employees of the Lockheed Aircraft Corp. on the 25th anniversary of the company in 1957 as follows:

There is a certain feeling of courage and hope when you work in the field of the air. You instinctively look up, not down. You look ahead, not back. You look ahead where the horizons are absolutely unlimited.

These words about sum up the philosophy of Bob Gross who met an untimely death on September 3. It was this philosophy that carried Bob Gross and his company to international renown in aviation and the aerospace sciences. Bob Gross guided the development of Lockheed Aircraft Corp. from a small establishment with less than 60,000 square feet of rented factory space to a 16-million-square-foot industrial giant with yearly sales of better than $1 billion, 66,500 employees, and a record of leadership in commercial and military aviation, missiles, spacecraft, electronics, propulsion, shipbuilding, heavy construction, complect transportation and communications systems, and related activities.

With Bob's death our country has lost a distinguished and outstanding contributor to aviation progress. Bob leaves behind him a great legacy. He leaves behind him also a tremendous host of friends and coworkers who had not only an abiding respect and admiration for him but a deep affection. I would like to express my personal condolences to his family and friends in their moments of sorrow.

I ask unanimous consent that certain biographical data on Bob Gross be printed at this point in the RECORD.

There being no objection, the data were ordered to be printed in the RECORD, as follows:

ROBERT E. GROSS, BOARD CHAIRMAN AND CHIEF EXECUTIVE OFFICER, LOCKHEED AIRCRAFT CORP.

Robert Ellsworth Gross was born in Roxbury, Mass., on May 11, 1897. His parents were Robert Haven Gross, a prominent figure for a quarter century in the Nation's coal and copper industries, and Mabel Bowman Gross.

Throughout his career Gross has been guided by faith in aviation's inevitable growth. He attended Newton High School in Newton, Mass., St. George's (preparatory), and Harvard College (1916–19), where he played on the hockey and baseball teams and was active in other campus affairs.

Last March 22 at the University of California's Charter Day ceremonies, Gross was awarded an honorary doctor of laws degree. The citation described him as a "businessman, builder, patriot whose life has been dedicated to giving reality to dreams of the future," and a man "who built a small depression broken business into one of the world's industrial giants."

Conferring the degree, University of California President Clark Kerr noted not only Gross' efforts in laying the foundations of international aviation for bringing the peoples of the world closer together and his leadership in aerospace activities for a strengthened defense for America, but also his work as a "civic leader with a deep sense of human values who continues to concentrate on new projects for a peaceful, better world of tomorrow."

His record of public service and an active business life included membership on the boards of the Good Samaritan Hospital in Los Angeles and the Children's Hospital in Boston.

He was southwest area chairman and vice chairman of the United Community Campaigns of America and chairman of the U.S. savings bond campaign in 1957.

Active in the affairs of St. Alban's Episcopal Church and the Los Angeles Diocese, Mr. Gross was awarded an honorary doctoral degree by the University of Redlands for his religious and civic work. He served as a trustee for the Boys Club of Southern California and as a member of the board of the Arthritis and Rheumatism Foundation.

In June (June 22) of this year he received one of four National Brotherhood Awards at the 13th annual brotherhood testimonial dinner in Los Angeles.

Demonstrating a continuing interest in the education of America's youth, he was a member of the Art Council of the University of California at Los Angeles. He served as overseer of Harvard University during the 1950's and is now helping direct the Lockheed leadership fund in assisting worthy students studying for careers related to the aerospace industry.

In 1955 he served as president of the Institute of Aeronautical Sciences and was named California Industrialist of the Year in 1959.

Gross began his business career in Boston with Lee, Higginson & Co., a banking firm, shortly after his graduation from Harvard. Later he served in New York, then London, traveling widely on the Continent, where he received liberal training in international banking and corporate finance.

In 1928 Lee, Higginson dispatched Gross, who had become a specialist in aviation investments, to study the growth possibilities of the Stearman Airplane Co., in Wichita, Kans. Impressed with Stearman's prospects, Gross invested $20,000 of his own money in Stearman.

At that time Gross made another sally into the airplane business when he and his younger brother, Courtlandt S. Gross, launched the Viking Flying Boat Co., at New Haven, Conn. The world market collapse wiped out the demand for private flying boats, but his faith in aviation's future remained high.

Becoming interested in Varney Speed Lines, a small, swift California airline, Gross was impressed by the speed and performance of Varney's Lockheed-built low-wing Orion transports on his Los Angeles-San Francisco run. Believing that in the Lockheed Aircraft Co., then in bankruptcy, there lay the nucleus of a successful aviation enterprise,

he and a group of associates—including Walter T. Varney, Lloyd Stearman, and Cyril Chappellet, now a Lockheed senior vice president—purchased assets of the Burbank, Calif., company in June 1932.

In the middle of the most severe economic setback the United States had yet experienced, they formed the present Lockheed Aircraft Corp. with Stearman as president and Gross as treasurer and chairman of the board.

No one knew better than Gross the difficulties that lay ahead in building a strong business from what was at best a speculative investment. Gross retained the board chairmanship and took on added responsibilities as president in 1934. He became chief executive officer and chairman in 1956 when Courtlandt S. Gross was elected president of Lockheed and assumed active management of the corporation.

At the same time, D. J. Haughton assumed the post of executive vice president previously held by Courtlandt Gross.

Under the management team Lockheed has devoted itself to massive scientific and engineering endeavors. It has grown to America's 28th largest industrial firm. Its interests have spread over the free world, with offices and facilities on five continents.

Among the achievements of Lockheed under the Gross brothers' leadership: The Agena, first satellite to achieve polar orbit; the Polaris, first successful missile ever developed for underwater launching; the Starfighter, first production airplane to fly twice the speed of sound.

Hercules transports continue to come from Lockheed plant in Marietta, Ga., to fly at the top and bottom of the world, and from the same factory are coming the world's first compact jet transports for corporate and governmental uses.

Neptunes, America's longest-lived production airplanes, flow even yet from Burbank assembly lines, along with newer Orions for meeting the antisubmarine menace.

Today Lockheed employs 66,556 persons, all devoted to new advances in aviation, electronics, shipbuilding, space sciences and related fields. The company's net assets come to $548 million.

Gross was honored by France and the Netherlands with awards as Chevalier of the Legion of Honor and the Order of Orange-Nassau for his contributions to the development of the Constellation series of airliners which made intercontinental movement of people and cargo practicable.

"We have soared above into the clear colorless regions of space where the white radiance of eternity is unstained and where truth may be found pure and undistorted," he told a group of San Francisco industrialists in February.

"It is my hope that our penetration of space will bring this white radiance into the lives of all of us and that our expanding knowledge of the universe will be matched by an increasing knowledge of how to live with each other."

Mr. KUCHEL. Mr. President, I aline myself completely with the sentiments expressed by my colleague, and I ask unanimous consent that a statement concerning the late Robert E. Gross be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ROBERT E. GROSS, BOARD CHAIRMAN AND CHIEF EXECUTIVE OFFICER, LOCKHEED AIRCRAFT CORP.

"There is a certain feeling of courage and hope when you work in the field of the air. You instinctively look up, not down. You look ahead, not back. You look ahead where the horizons are absolutely unlimited."

So spoke the late Robert E. Gross to employees of the Lockheed Aircraft Corp. on the 25th anniversary of the company in 1957.

This philosophy and vision carried Bob Gross and his company to international renown in aviation and the aerospace sciences.

Robert Ellsworth Gross was born in Roxbury, Mass., on May 11, 1897. His parents were Robert Haven Gross, a prominent figure for a quarter century in the Nation's coal and copper industries, and Mabel Bowman Gross.

Throughout his career Gross was guided by faith in aviation's inevitable growth. He attended Newton High School in Newton, Mass., St. George's (preparatory), and Harvard College (1916–19), where he played on the hockey and baseball teams and was active in other campus affairs.

He looked instinctively to the skies 33 years ago and he continued to look up, and ahead, to unlimited horizons.

Gross guided the development of Lockheed Aircraft Corp. from a small establishment with less than 60,000 square feet of rented factory space to a 16-million-square-foot industrial giant with yearly sales of better than $1 billion, 66,500 employees, and a record of leadership in commercial and military aviation, missiles, spacecraft, electronics, propulsion, shipbuilding, heavy construction, complex transportation and communications systems, and related activities.

Last March 22 at the University of California's charter day ceremonies, Gross was awarded an honorary doctor of laws degree. The citation described him as a "businessman, builder, patriot whose life has been dedicated to giving reality to dreams of the future," and a man "who built a small depression-broken business into one of the world's industrial giants."

Conferring the degree, University of California President Clark Kerr noted not only Gross' efforts in laying the foundations of international aviation for bringing the peoples of the world closer together and his leadership in aerospace activities for a strengthened defense for America, but also his work as a "civic leader with a deep sense of human values who continues to concentrate on new projects for a peaceful, better world of tomorrow."

His record of public service and an active business life included membership on the boards of the Good Samaritan Hospital in Los Angeles and the Children's Hospital in Boston.

He was southwest area chairman and vice chairman of the United Community Campaigns of America and chairman of the U.S. savings bond campaign in 1957.

Active in the affairs of St. Alban's Episcopal Church and the Los Angeles diocese, Mr. Gross was awarded an honorary doctoral degree by the University of Redlands for his religious and civic work. He served as a trustee for the Boys Club of Southern California and as a member of the board of the Arthritis and Rheumatism Foundation.

In June (June 22) of this year he received one of four national brotherhood awards at the 13th annual brotherhood testimonial dinner in Los Angeles.

Demonstrating a continuing interest in the education of America's youth, he was a member of the Art Council of the University of California at Los Angeles. He served as overseer of Harvard University during the 1950's and helped direct the Lockheed leadership fund in assisting worthy students studying for careers related to the aerospace industry.

In 1955 he served as president of the Institute of Aeronautical Sciences and was named California Industrialist of the Year in 1959.

Gross began his business career in Boston with Lee, Higginson & Co., a banking firm, shortly after his graduation from Harvard. Later he served in New York, then London, traveling widely on the continent, where he received liberal training in international banking and corporate finance.

In 1928 Lee, Higginson dispatched Gross, who had become a specialist in aviation investments, to study the growth possibilities of the Stearman Airplane Co. in Wichita, Kans. Impressed with Stearman's prospects, Gross invested $20,000 of his own money in Stearman.

At that time Gross made another sally into the airplane business when he and his younger brother, Courtlandt S. Gross, launched the Viking Flying Boat Co. at New Haven, Conn. The world market collapse wiped out the demand for private flying boats, but his faith in aviation's future remained high.

Becoming interested in Varney Speed Lines, a small, swift California airline, Gross was impressed by the speed and performance of Varney's Lockheed-built low-wing Orion transports on his Los Angeles-San Francisco run. Believing that in the Lockheed Aircraft Co., then in bankruptcy, there lay the nucleus of a successful aviation enterprise, he and a group of associates—including Walter T. Varney, Lloyd Stearman, and Cyril Chappellet, now a Lockheed senior vice president—purchased assets of the Burbank, Calif., company in June 1932.

In the middle of the most severe economic setback the United States had yet experienced, they formed the present Lockheed Aircraft Corp. with Stearman as president and Gross as treasurer and chairman of the board.

No one knew better than Gross the difficulties that lay ahead in building a strong business from what was at best a speculative investment. Gross retained the board chairmanship and took on added responsibilities as president in 1934. He became chief executive officer and chairman in 1956 when Courtlandt S. Gross was elected president of Lockheed and assumed active management of the corporation.

At the same time, D. J. Haughton assumed the post of executive vice president previously held by Courtlandt Gross.

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Gross and the former Mary Bradford Palmer were married in 1920. They had one daughter, Palmer (Mrs. Charles E. Ducommun) and two grandchildren, Electra and Robert. They lived in Bel-Air, Los Angeles, with a beach home near Carpenteria, Calif. His mother, Mabel Bowman Gross, lives in Los Angeles. Gross' hobbies included fishing, cooking, and playing the piano. He liked baseball, football, dancing, and art. He was a great American, known around the globe as a gallant leader in man's conquest of the air and of the vast reaches of space beyond.

LEGISLATIVE PROGRAM

Mr. KUCHEL. Mr. President, I would like to ask the distinguished majority leader what the plans are for the labor of the Senate.

Mr. MANSFIELD. Mr. President, in response to the question of the distinguished acting minority leader, the Senate has already agreed that we will come into session at 9 o'clock tomorrow morning. We have an agreement also that following the morning hour we shall take up the items on the calendar to which there is no objection. Following that it is my understanding that various Senators will wish to discuss the steel situation, especially as it relates to prices and wages.

After that we will proceed to the consideration of various pieces of legislation awaiting consideration by the Senate.

POINT REYES NATIONAL SEASHORE, CALIF.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 789, S. 476, be made the pending business.

The PRESIDING OFFICER (Mr. METCALF in the chair). The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 476) to establish the Point Reyes National Seashore in the State of California, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

Mr. KUCHEL. Mr. President, reserving the right to object—and I shall not object but, to the contrary, look with great glee upon the request made by the able majority leader—I thank him most humbly on behalf of the people of my State that this important bill will now receive the consideration of the Senate.

Mr. MANSFIELD. The person the Senator should thank is the senior Senator from Nevada [Mr. BIBLE], who worked long and arduously in behalf of the measure.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, following consideration of Calendar No. 789, there will be taken up Calendar No. 783, the Small Business Administration bill, S. 836; then Calendar No. 557, H.R. 2244, dealing with charitable contributions; then Calendar No. 727, Senate Joint Resolution 51, the Woodrow Wilson Memorial measure.

It is the intention then to take up Calendar No. 764, S. 923, dealing with the Avondale, Dalton Gardens, and Hayden Lake Irrigation Districts in Idaho; then Calendar No. 734, S. 1563, dealing with the Clark Hill Reservoir; then Calendar No. 712, H.R. 2883, dealing with the indemnification of Federal employees.

After that, it is proposed to take up Calendar No. 842, H.R. 6775, the dual-rate shipping bill; then Calendar No. 844, H.R. 6141, to amend the Housing Act.

Possibly on Saturday there will be taken up the Disarmament Agency bill, which was reported unanimously today by the Foreign Relations Committee.

These measures will not be taken up necessarily in the order laid down, but they will be considered. No further business will be transacted this evening.

Mr. KUCHEL. I should like to ask my able friend if he still has under consideration the possibility of dealing with the Saturday session more humanely later in the week.

Mr. MANSFIELD. We have been treating Senators very humanely in the past few weeks, because there have been no meetings on Saturday.

Mr. KUCHEL. I trust the same wisdom will guide my friend in the future.

IN MEMORIAM: WALTER M. HARRISON

Mr. MONRONEY. Mr. President, the Skipper, one of the Nation's most famous newspapermen, is dead at 73, quickly, of a heart attack. The reporters and editors he taught will have to carry on his work of turning out newsmen who can write copy straight and quickly—who can get all the news, and get it before deadline. But there are hundreds of them scattered all over the world, and they have learned the hard way, so they can do it.

Walter M. Harrison, a newsman in Oklahoma for 40 years who achieved a national reputation through his alumni and as president of the American Society of Newspaper Editors and of Sigma Delta Chi, never tried to hold his star reporters when they wanted greener fields. He even helped them get more money where they were going and exulted in their successes wherever they landed. But as long as they stayed with him, he taught them and insisted on performance.

As a cub reporter I knew him as managing editor of the Daily Oklahoman and Times in Oklahoma City and as editor and columnist for the North Star nearby, but I understand from those who knew him in his 5 years of Army service, first in the Transportation Corps and then as a colonel in press headquarters of the 6th Army in the Pacific, that he was a hard hitter who demanded results there too.

One of his Army aids said today:

> He slashed at redtape. He sensed where the stories were going to be and had a man on the spot. Sometimes he went himself, mortar fire notwithstanding. He could spot a phony a mile off and strip him of his covering with a sentence.

Many of the best eulogies of Walter Harrison will not see the printed page. They are being spoken today, as people who feared the lash of his tongue at sloppiness or prized his rare compliments, share with friends or strangers their own tales of this demanding and delightful editor.

One of his former reporters insisted today:

> He was crisp, clever, hard, soft, smart, able, imaginative, witty, terse, courageous, impossible, and lovable.

Regardless of what his students thought when they worked for him or what positions of eminence they have reached today, I will wager there is not one who did not save one of these "well done—WMH" notes if they got one. Certainly there is no former employee who will forget this colorful editor.

Skipper Harrison made a real contribution to journalism in Oklahoma and to the country. I am glad he was as slim and alert, curious and alive at 73 when I saw him earlier this year as he was when I first knew him 30-odd years ago. I ask unanimous consent to insert in the RECORD the story of his death from the New York Times today.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WALTER M. HARRISON DEAD AT 73; OKLAHOMA NEWSMAN 40 YEARS

OKLAHOMA CITY, September 5.—Walter M. Harrison, Oklahoma newspaper editor for more than 40 years, died today in an Oklahoma City hospital of a coronary thrombosis. He was 73 years old.

Mr. Harrison was board chairman of the Brittion Printing Co., Inc., lessee of the North Star, a weekly newspaper. He had been editor and publisher from 1949 until 1957 when he became board chairman.

The Skipper, as he was known to hundreds of newspapermen who worked for him, suffered his first attack Friday while flying to Las Vegas to close a deal for a newspaper executive post with the Don Reynolds newspaper and television chain. He was to serve as a consultant for the chain during a period of reorganization.

Mr. Harrison returned to Oklahoma City and suffered a second attack Sunday morning.

He was managing editor of the Daily Oklahoman and Oklahoma City Times for 30 years and served one term as president of the American Society of Newspaper Editors. He also served as a member of the Oklahoma City council from 1949 until 1957, and made three unsuccessful races for mayor.

Mr. Harrison was born August 16, 1888, in Irvington, Ky. He came to Oklahoma in 1916 after having worked as managing editor of the Winnipeg Tribune in Manitoba. He also worked on newspapers in Des Moines and Minneapolis.

He spent 5 years on active duty during World War II and at his death was a colonel in the Inactive Reserve.

HOUSING STANDARDS OF LATIN AMERICAN NATIONS

Mr. MONRONEY. Mr. President, the United States in recent years has been engaged in seeking means to raise the housing standards of Latin American nations. Private enterprise, too, has been doing its share. I should like to call your attention to the efforts in this field being made by the National Association of Home Builders.

Many of its members have volunteered their services to the Government and have made housing studies in the Latin American nations. The organization has a committee on international housing which is concerned solely with this endeavor. Its chairman is Paul L. Burkhard, who has been in the building field for more than 30 years and is a former mayor of Glendale, Calif. I ask permission that remarks he made to the National Association of Home Builders International Housing Committee at a

recent meeting of the National Association of Home Builders board of directors be inserted in the RECORD. They outline clearly, concisely, and definitively the objects of the private homebuilding industry to raise housing standards in Latin America.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT BY PAUL L. BURKHARD

Numerous historic events have occurred during the past year which will influence or determine international housing policies for the coming year and possibly many years to come.

These include the Act of Bogotá, the President's alliance for progress, loans made by the Development Loan Fund, the creation of the Inter-American Development Bank, the meeting of the Organization of American States in Montevideo, and finally the Act for International Development of 1961.

Housing is one of the most tangible benefits which can be bestowed upon a long-suffering people in newly developing nations who, now for the first time, have been given a glimmer of hope for a better life for themselves and their children in a secure atmosphere of freedom.

Members of this committee have volunteered their services to the International Cooperation Administration for the purpose of making housing studies in a number of selected countries. They have served on missions to Mexico, Guatemala, El Salvador, Ecuador, Peru, Chile, and Jamaica. Housing tours sponsored by the National Association of Home Builders have visited many other nations. Members have made firsthand studies of housing problems in many critical areas and met with governmental officials. Discussions with local engineers, architects, and contractors covered the full scope of building problems including construction methods and financing difficulties.

In all countries visited the local construction people emphasized that the greatest boon to the development of a housing industry would be participation by experienced American homebuilders in joint ventures, not only to stimulate the construction of homes but to promote the economic development of the country.

As homebuilders we submit that the stanchest defender of private property and the most dependable opponent of communism is the man who owns a home of his own. On the other hand, the readiest victim of Communist propaganda is the man whose children lack a decent roof over their heads.

Homebuilders, fortunately, are not alone in recognizing that measures must be taken to improve housing conditions in the countries to which assistance is to be extended. Members of the Senate Committee on Foreign Relations and the Foreign Affairs Committee of the House, whose committee activities have taken them abroad, have called for greater efforts to alleviate the miserable conditions under which most inhabitants of the urban areas are condemned to live.

Foreign governments are keenly aware of the growing unrest and discontent among families living in shacks and hovels. Some effort has been made to provide housing through the use of public funds but the enormity of the problem has proven to be beyond the economic resources of the countries where projects have been undertaken.

The ICA has had considerable success in joint operation with several governments in conducting aided self-help programs. This type of activity has been carried on with a direct grant to the foreign government on a matching fund basis. Housing constructed under this program is restricted to low-income families who are selected by lot from those who qualify as purchasers. The man of the family contributes sweat equity for the downpayment by assisting in the manufacture or fabrication of components used in construction. This operation is limited by the amount of capital which can be contributed for this purpose by both governments.

The less-developed countries have the materials and the engineering and manual skills to produce housing in volume. It is the almost complete lack of mortgage credit which has retarded the development of a homebuilding industry. In an effort to supply the missing ingredient the ICA has instituted a program designed to establish savings and loan systems throughout Central and South America. The Development Loan Fund was persuaded to supply the seed capital necessary for this purpose. Previously the DLF had restricted its loans to activities assumed to contribute more permanently to increased production and employment. Within the past few months the DLF has approved seed capital loans ranging from $5 to $10 million to Peru, Chile, Venezuela, and Ecuador. Approval is pending for similar loans to other countries. These loans are being made directly to agencies of the foreign governments and will be made available to institutions designed by the local agencies. It is assumed that the establishment of savings and loan institutions will attract savings and investment from internal sources.

In recognition of the fact that DLF loans will prove to be insufficient and that the accumulation of domestic savings may develop very slowly, Senator SMATHERS of Florida has proposed an amendment to the Federal Home Loan Bank Act, designated as S. 582. This would provide for the creation of an International Home Loan Bank. It is intended that the Bank shall raise its funds through investment in its stock and shares by savings and loan associations in the United States, and that such funds may be invested in mutual thrift and home financing institutions in other countries. It also provides that savings and loan associations in the United States may invest not to exceed 1 percent of assets in mutual thrift and home financing institutions located outside the United States. It appears unlikely, however, that S. 582 will be enacted at this session of Congress.

A similar bill, H.R. 7256 has been introduced by Congressman MULTER, of New York, with no significant changes other than that the word "mutual" has been deleted, and the benefits of the act could consequently be shared by savings institutions other than mutuals.

We are heartily in accord with the establishment of savings and loan association systems. This is indicated by our support of legislation to accomplish that purpose. However, it is our considered opinion that other proven methods of attracting mortgage funds should be adopted. It must be recognized that the growth of savings and loan institutions even in the United States was not rapid at the inception. People must be educated to entrust their money to savings institutions, particularly in nations where severe deterioration of the currency has occurred. Other means having more immediate potentiality should be employed to do the job. There can be no question but that as long as seed capital is provided by the DLF houses will be built. There does remain, however, the danger that government-to-government loans will not be as productive of result, will not get as many houses built, will not get as much out of the dollar, as would be the case if the responsibility of Government were limited to the function of insuring mortgages under a sound mortgage insurance program.

The ICA has recognized the desirability of encouraging the establishment of mortgage insurance agencies to supplement savings institutions. Within the past year the Housing and Home Finance Agency was requested to assist in setting up a FHA in Guatemala. The proven methods and procedures developed by the FHA in the United States during the past 27 years were incorporated in the rules and regulations under which the Guatemala agency will function. The legislation creating the agency appropriated a specific insurance reserve fund. Schedules of mortgage insurance premiums and charges sufficient to make the operation fully self-supporting were adopted. Procedures for appraisal of plans and specifications, for qualification of applicants, and course of action in event of default were prescribed. All nations receiving aid from our Government should be encouraged to enact similar legislation as expeditiously as possible.

Unfortunately the establishment of a mortgage insurance agency cannot of itself increase the supply of mortgage money in a capital-starved nation. It does, however, provide the basic facilities for the origination of mortgages and simplifies the procedure necessary to attract mortgage credit from private investment sources in the United States.

Members of this committee have contacted numerous sources of investment capital including securities underwriters, insurance companies, trust companies, and pension funds. Ways and means of implementing the foreign-aid program with respect to housing through the utilization of private investment funds has been thoroughly studied. Assurances have been received that a substantial flow of long-term, low-interest rate, investment-type capital can be developed subject to the availability of good and sufficient guarantees.

There is both precedent and experience to justify the extension of the use of guarantees for this purpose. For several years the ICA has successfully administered the investment guarantee program with an authorization of $1 billion. The purpose of this program is to encourage private American investment abroad to the maximum extent practicable. The protection afforded under the guarantee program is limited to what may be described as: "political" risks, such as war, confiscation or expropriation, and convertibility of foreign currencies. It covers equity capital invested in ventures which presumably hold promise of better than average profits. To attract investment-type capital, seeking only safety and a commensurate rate of interest, it goes without saying that nothing less than full repayment guarantees would be acceptable.

Extension of the guarantee program to insure American investors against loss which may be sustained in connection with residential financing presents a sensible and logical alternative to a program of direct government-to-government loans. Recent history bears evidence that governments may fall, in which subsequent governments may not choose to honor their obligations. Barring complete takeover by communistic forces as in Cuba, experience indicates that the individual purchaser who has obligated himself to buy a home will make every effort to pay off the mortgage just as purchasers of comparable status and income in the United States have met their obligations on FHA-insured loans. The individual purchaser would only vaguely realize that government insurance or guarantees existed. The obligation which he incurred on purchasing a home would be payable at a local bank and the likelihood of default would be no greater than in the United States.

A precise method of managing the proposed operation would be dictated by the source of investment funds. Purchasers in

countries having agencies to insure mortgages, when qualified as to income and job status, would purchase homes and execute mortgages thereon to which the mortgage insurance would be attached. Mortgages would be packaged, held in trust, and serviced by the local bank or financial institution originating the mortgage. It is tentatively suggested that the source of American investment funds and the foreign bank would effect arrangements through a trust indenture whereby investment trust certificates, or participation certificates, supported by underlying first liens on residential property, would be issued to facilitate the procedure. Application would be made to the appropriate U.S. agency for guarantees of the aggregate investment in the certificates or other evidences of mortgage debt as may be determined.

In the hope that Congress, in its consideration of the foreign-aid bill, would make provision to encourage U.S. private capital to accept some responsibility for extending mortgage credit to less-developed countries I appeared before the Foreign Relations Committee of the Senate on June 20. At that time I submitted a statement on behalf of National Association of Home Builders urging consideration of a long-range program to supplement and accelerate existing efforts. In my presentation I offered a suggested amendment proposing an experimental authorization to guarantee long-term mortgage credit from private investment sources. This testimony appears on pages 1010–1016 of the Senate hearings on S. 1983. It was later presented to the House Committee on Foreign Affairs and appears on pages 1217–1219 of hearings on H.R. 7372.

Given the opportunity to demonstrate the workability of our concept we are confident that in the next session of Congress greater consideration will be given to the encouragement of private capital to share the burden.

Since the number of demonstration projects to which guaranties can be extended is limited by the amount of the authorization it is extremely important that only feasible projects be selected. Weight must be given to the integrity, financial responsibility, experience, and past record of accomplishment of participating sponsors of proposed housing developments. A horde of promoters out to make a fast buck have been overrunning Latin American countries for years. Many have had no previous experience in homebuilding. While it is to be assumed that foreign operations may be profitable, it is our conclusion that if profit is the only motive actuating one's interest it would be more regarding to confine one's efforts under the American flag. If we cannot further the policy of our Government by contributing from our know-how and experience, it would be more appropriate to remain at home.

It is considered judgment that, despite the urgent and immediate need, crash programs should not be undertaken. We caution against hastily conceived ventures which fail to gage the supply of material, the availability of skilled construction labor, and the impact on local economies. To develop and expand a homebuilding industry requires the exercise of commonsense as well as optimistic determination.

Of necessity the dwellings to be constructed must be primarily for low-income families. Opportunity must be afforded to enable those in the low- and middle-income brackets to raise their living standards through occupancy in good, safe, sanitary, and adequate homes having health and sanitation facilities essential to the welfare of the inhabitants. Through supervision the tendency to replace one slum area with a better slum can be prohibited.

The fundamental principle underlying our concept is that private initiative and private investment should be encouraged to meet the housing crisis insofar as it is humanly possible. Foreign government participation should be restricted to functions similar to those exercised by the FHA in the United States. The participation of our Government should be limited to the extension of guarantees subject to prescribed rules and regulations. It is generally recognized that government-to-government loans tends to strengthen the existing government rather than the private sector of the economy. In some instances the interests of the government are not the same as the interests of the people it is supposed to help.

It is our conviction that participation by American builders in the development of a homebuilding industry in a foreign country will accelerate the growth not only of the industry but of the economy as a whole. Housing is the one social and economic measure in which private enterprise and private investment can contribute substantially to assist our Government in accomplishing the objectives of the foreign aid program. It is one activity that can be made to pay its own way.

To implement our program I propose the following resolutions be adopted by the international housing committee and submitted to the board of directors of National Association of Home Builders:

"1. That National Association of Home Builders urge the International Cooperation Administration and the Housing and Home Finance Agency to encourage foreign nations to establish mortgage insurance agencies which would develop a mortgage system similar to that which has been so successful in the United States.

"2. That National Association of Home Builders support legislation in the U.S. Congress which would give the President authority to issue guarantees to American investors covering long-term mortgage credit. This would be where friendly foreign governments have established mortgage insurance agencies and guarantee the loans under their own laws.

"3. That National Association of Home Builders urge the State Department to encourage American builders to participate with the nationals of friendly nations to develop and expand the homebuilding industry in their countries through private enterprise."

These resolutions were approved unanimously by the international housing committee, the executive committee, and the board of directors of the National Association of Home Builders, at the directors' meeting in Seattle, Wash., August 17–21, 1961.

THOUGHT CONTROL FOR OUR MILITARY EXPERTS

Mr. CURTIS. Mr. President, many of us who have spoken out against the memorandum prescribing thought control for our military experts can be comforted by some of the enemies we have accumulated in this effort.

I hold in my hand an article from the Worker of Sunday, August 27, 1961, which castigates our colleagues, Senators THURMOND and MUNDT for their "ultra-right attack" on this memorandum.

The article also notes that five of the Worker's writers "exposed the ultra-right military plot against our democratic institutions." Needless to say, I am deeply moved by the Worker's concern for our democratic institutions. I am sure that the Members of this body who are lauded by this Worker story for pressing the fight against the "political generals" are not beguiled by the Worker's expressed concern for our democratic institutions.

There are many in public life who object to any showing of the film "Operation Abolition." I believe I am correct in noting that it was formerly used by our Armed Forces for training purposes.

In recent days it is not fashionable for the military to use this document in training troops. I feel this film is a responsible production which has an important message to convey. As yet, I have seen no critical analysis by any authority which invalidates its objective. If such exists, I would welcome an opportunity to study it.

There are, according to the Worker of August 13, 1961, other films in circulation in this country which might also be useful for training our Armed Forces. I read into the RECORD the article from the Worker identifying this film:

CUBA FILMS IN DETROIT

DETROIT.—New Cuban films will be premiered for a Detroit audience Thursday, August 17, at a public showing arranged by the Fair Play for Cuba Committee.

The films cover a wide range of topics, from movies of the unsuccessful invasion attempt to a just released color film showing many recent construction projects. Films of the May Day parade, of rallies in support of Cuba throughout the world and on a variety of other subjects will be included.

The screening will be held at 8 p.m. at Hartford Avenue Baptist Church, Hartford at Milford.

Mr. President, let us note that these films are sponsored by the Fair Play for Cuba Committee, a committee whose pedigree can be established for you by the Senate Internal Security Subcommittee.

I think these films praising Castro and his good works, these films showing Castro's picture of the invasion, should be packaged and portrayed widely along with "Operation Abolition" and "Communism on the March."

I have no fear of exposing our citizens to the subtleties of Communist propaganda. I feel that this experience, for both our military and civilians, is an important adjunct to our learning about Communist imperialism as it is waged under cold war.

NOTICE OF SHOWING OF FILM "CONTINENTAL CLASSROOM"

Mr. DOUGLAS. Mr. President, I announce that at 10:30 tomorrow morning in the Old House Office Building caucus room there will be shown a film entitled "Continental Classroom," one in a series of public service programs on American Government, which will be telecast nationwide this fall. The program is sponsored by the American Association of Colleges for Teachers' Associations, the American Political Science Association, NBC, and the National Council for the Association of Students.

I hope that as many Members of the Senate and of their staffs who may find it possible to attend will do so.

ADDRESS BY SENATOR PELL ON THE SUBJECT OF "BERLIN AND GERMANY"

Mr. MANSFIELD. Mr. President, a few days ago the Senator from Rhode Island [Mr. PELL] delivered an important address in the Senate on the question of Berlin and Germany. His remarks reflected both his diplomatic experience and his thoughtful consideration of the current international crisis. The Senator's speech has contributed in a significant fashion to the public discussion of the critical problem of peace in Germany and has evoked considerable comment in the press. I ask unanimous consent that an article by Arthur Krock in the New York Times and an editorial in the Providence Sunday Journal, both referring to the speech of the Senator from Rhode Island be included at this point in the RECORD.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the New York Times, Sept. 5, 1961]

A STATEMENT OF THE HARD FACTS IS IN ORDER

(By Arthur Krock)

WASHINGTON, September 4.—Perhaps it is because the U.S. Government has been concentrating for so long on winning propaganda victories in the cold war that such confrontations with the hard facts of the German crisis as that recently attempted by Senator PELL, of Rhode Island, have been submerged in the news. But the American people ought to take a good look at these facts before doing much dancing in the streets over propaganda victories like the resumption of atmospheric nuclear weapons testing by the U.S.S.R. and the Kennedy-Macmillan note urging Premier Khrushchev, as President Eisenhower did in 1959, to confine tests to outer space and underground.

In the first place, the U.S.S.R. contends with the United States of America for world opinion (which as a concept ignores the fact that hundreds of millions have no knowledge whatever of exterior events) only when this does not threaten any standstill or loss of military potential. Conversely, the U.S. Government for 3 years has taken the grave risk of this standstill or loss by suspending even the small underground nuclear weapons tests, creating no fallout, for which the Atomic Energy Commission was ready, and which the Commission and informed Members of Congress agreed was vital for two reasons. One, the extreme probability was the U.S.S.R. was making these tests clandestinely. The second, that, without a controlled ban, they are indispensable to maintaining our superiority and hence our national security.

Both the Eisenhower and Kennedy administrations, despite the expert sources of the warning, proceeded on the theory that the risk to national security was less than resumption even of nonfallout tests would be to world opinion. But, as the proceedings thus far of the so-called unalined nations (including Cuba, Ghana, and Indonesia, save the mark) have demonstrated, the theory doesn't work in the case of the U.S.S.R. "We could understand the reasons [for the new atmospheric test] advanced by the Government of the U.S.S.R.," was the sympathetic comment of Marshal Tito, applicant for and recipient of a couple of billions of U.S. mutual assistance funds. And that comment at least raises these questions for the American Government and people: Just what is this great propaganda victory we won? And what will it cost more precious than billions?

UNIFICATION OF GERMANY

Another longstanding theory of U.S. policy is that we must stand on the unification of Germany as a realistic position. But most of our European allies (also the U.S.S.R.), with firsthand memories of the death and devastation wrought among them by German militarism in the brief span of 70 years after Germany was unified, are far from allured by the prospect unless the Germans are neutralized and offensively unarmed. Therefore, this is another hard fact the American people could never detect in official U.S. documents.

A policy based on facing the hard facts and abandoning unsuccessful, risky theories would be likely to carry more persuasion at home and abroad. The U.S. has plenty of firm ground for these stands: To refuse to be pushed out of West Berlin by the U.S.S.R. or any combination of nations. To maintain, at any cost, the air, ground, and water routes of access, both civilian and military, to West Berlin from the West on which depend not only the independence and economic viability of the Berliners, but the honor of great nations, including the United States, once they committed themselves to this maintenance.

To negotiations on these foundations the following statements by PELL in a recent Senate speech are constructive contributions: "We cannot retreat because of our commitments. Nor can Khrushchev because of the pressures [on him]. * * * So we must not look primarily for mutual concessions. * * * We should seek out those factors which mean more to one side than the other. * * * We could [in exchange for treaty built-in safeguards of free access to West Berlin] accept the Oder-Neisse boundary, a temporary recognition of East Germany, and make a commitment never to promise nuclear weapons to West Germany provided the Soviets make the same vis-a-vis East Germany."

To those Leonidases of the parlor rug and dinner table who are quick to call realism such as this "appeasement" it might be noted that, in addition to the many Senators who congratulated PELL on his speech, the American Legion of Providence endorsed it completely.

[From the Providence Sunday Journal, Aug. 27, 1961]

THE VALUE OF SENATOR PELL'S BERLIN STAND

The blueprint of concessions outlined by Senator CLAIBORNE PELL as a possible basis of negotiation with the Soviet Union makes a useful contribution to the Berlin crisis, but not for the reasons that he cites.

In a Senate speech, he urged the Western Big Three to recognize the Oder-Neisse line as the eastern border of Germany, to give temporary recognition to East Germany in exchange for definitive Western rights in and to West Berlin, and to propose a nuclear free zone in Germany as a prelude to a troop rollback from both sides of the Iron Curtain.

Senator PELL, whose experience in foreign affairs both in and out of Government have given him a stature about that usually accorded freshman Senators, advanced his proposal on two grounds. First, he said that they would enable the Western Big Three to take the diplomatic initiative. Secondly, he seeks to guide American thinking away from the futile and dangerous quest for mutual concessions from the Soviet Union to a policy farsighted enough to permit the sacrifice of lesser points to win what he calls major points of interest in the overall Western security.

Yet it scarcely is initiative in the accepted sense to offer an antagonist just about what he was demanding. Secondly, Senator PELL is putting the cart before the horse in identifying the securing of Western rights in West Berlin as a primary interest, for which it would be worth ceding temporary recognition of East Germany.

It may be true, as he says, that the peoples in nations that have fought against Germany in the past would prefer to see Germany remain divided, its strength halved. Yet this is a response of emotion, a relatively short-term ingredient. Inasmuch as this attitude also is rationalized as a curb against an innately militaristic nation which has launched three major wars in 90 years, it is a misreading of history. In contrast to Hitler's unrelieved guilt for starting World War II, Germany emerges from modern scholarship less and less the sole villain responsible for World War I and the Franco-Prussian War.

For purposes of perspective, understanding of the meaning of the permanent division of Germany is important. It establishes two critical masses of German people with an inevitable attraction to unite—a built-in time bomb which would prime itself with the very revanchism the Kremlin purports to fight. Division of Germany then merely loads the dice for a future threat to peace. Thus, in the long-range, objective view, German reunification is a major point of interest, of which Berlin started as a symbol. It it only recently, after reunification in the immediate or near future patently became a political impossibility, that maintenance of West Berlin as a free enclave became an end in itself.

There are other illusory premises in Senator PELL's blueprint, such as his apparent assumption that the labeling of any recognition of East Germany as temporary would make the division of Germany any less permanent, at least as far as the Soviet Union is concerned.

Yet when all these exceptions have been made, it remains that Senator PELL has performed valuable service in opening for realistic discussion the entire matter of American policy and position, as distasteful as it may be, on the Berlin and German issues prior to any Big Four conference. For instance, his Oder-Neisse line concession makes eminent sense, as does his proposal for a nuclear free zone in Germany as a safety against the trigger of fear touching off nuclear war.

Beyond that, formulation of a meaningful fallback position requires the recognition of two stark facts only remotely implied by Senator PELL.

First, the West, to its credit, has no intention of risking nuclear war in order to force the Soviet Union out of East Germany, nor has it the means to prevent the Kremlin from transferring technical control of East Germany to its puppet there via a paper peace treaty.

The Soviet Union, meanwhile, is determined to keep East Germany in orbit, regardless of the long-range threat to European stability. Rightly or wrongly, Mr. Khrushchev, as the Kremlin's First Minister, is no more willing to cede East Germany than the West is willing to risk West Germany's being pulled into the Soviet camp. This standoff is implicit in the cold war.

And, as the Soviet Premier frankly acknowledged in a speech on August 7, the Soviet Union could not change its tack on East Germany if it wanted to—which it doesn't.

In a paragraph not widely quoted, he said in effect that a change of heart on an East German peace treaty would be interpreted as Soviet cold war weakness that would expose the entire Soviet satellite system to disintegration—an unlikely option for the man who ordered the tanks into Hungary.

Thus, as Senator PELL suggested, the West probably faces little choice at the conference table except to agree to live in some way with a divided Germany—until time and circumstances moderate both communism and Soviet imperialism.

This suggests that some form of recognition of East Germany—de facto, temporary, conditional or tongue-in-cheek, the name is secondary—may prove the only way for the West to guarantee West Berlin's freedom short of war. If true, the public has a right to know about and discuss the bitter fact that the Nation and the West might have to swallow. Yet the Government, as a player at the diplomatic poker table, cannot and should not show its hand.

It appears that Senator PELL, using semantics as sugar coating, has undertaken to start the thankless job of putting a good face on a tactical retreat from a dangerous—Senator PELL called it "impossible"—situation.

Mr. MANSFIELD. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point a commentary published in the Christian Science Monitor of August 30, 1961, entitled "State of the Nations—Negotiate What?" written by Joseph C. Harsch.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STATE OF THE NATIONS—NEGOTIATE WHAT?

(By Joseph C. Harsch)

Everyone in high place, including Chancellor Adenauer of West Germany, says the West will be negotiating with Moscow about Germany sometime, presumably fairly soon.

But the nearer the diplomats come to negotiation, the less there is to negotiate about. The fact is that action is anticipating negotiation and leaving an ever-narrowing area of matters to be discussed in negotiation.

And if I read the signs of the times correctly, Western bargaining power in negotiation is dwindling with each passing day. If the Western governments continue much longer to be unable to agree over the time and purpose of negotiation, they will end up with nothing to do at the presumed future conference with the Soviets except to accept with or without protest a set of accomplished facts.

The division of Germany into two Germanys is an accomplished fact. The incorporation of East Berlin into East Germany is an accomplished fact. The closure of the refugee escape hatch between the two Berlins is an accomplished fact.

There was a time when willingness to grant what now has been taken might well have had some value on the bargaining table. Had the West been willing 6 months ago to accept the division of Germany in return for concessions from Moscow, it is quite conceivable that Western diplomats could have obtained firm and clear guarantees about access to West Berlin.

The opportunity for such a trade is gone now. Moscow has what it wants without negotiation and without offering something the West wants in return. This is not the first time that bargaining counters have been wasted from failing to use them when they still had some value.

Well back in the cold war Moscow was seriously concerned over the ring of Western airbases which surrounded the Communist empire. Moscow presumably would have been prepared to pay a price for the abandonment of some of those bases.

The bases are being abandoned now and there is nothing to show for it. Changing weapons and changing political conditions are driving the West from bases without the payment by Moscow of a single penny.

Well back in the cold war there was a time when Poland might have renounced some of its so-called "Western territories" in return for a West German agreement on the Polish-German frontier. The Poles were ready to give up Stettin and parts of Silesia, too, but not including Breslau. Bonn refused to consider any settlement of the frontier.

Subsequently the Poles have repopulated Stettin and the border area of Silesia. It is too late now for the Germans to get anything beyond the Oder-Neisse line.

Before the Soviets gave Walter Ulbricht the green light for his cement wall project through Berlin, Western diplomacy might have offered the Oder-Neisse line in return for continued four-power status in Berlin. In that case Herr Ulbricht might have had to be satisfied with East Germany without East Berlin.

It was not necessary for the West to lose its rights in East Berlin had it been willing to bargain when there was still time.

French diplomacy not only saw the dangers in the situation but itself and alone did accept the inevitable. Paris recognized the Oder-Neisse line. But because Bonn insisted on clinging to the reunification doctrine Washington and London reluctantly did the same. The Adenauer policy of giving nothing and admitting nothing may have lost to Germany valuable pieces of land now settled by Poles and the twilight freedom which East Berlin enjoyed until recent days.

Five years ago, probably even a year ago, Herr Ulbricht probably would have been delighted to settle for East Germany minus East Berlin. Now he has East Berlin.

In diplomacy a card is forfeited if it is not played while it still has value. Too many cards have been forfeited unnecessarily.

PROPOSED DEPARTMENT OF URBAN AFFAIRS AND HOUSING

Mr. SMITH of Massachusetts. Mr. President, Senate bill 1633, of which I am a cosponsor, comes up for consideration tomorrow. This bill would create a Department of Urban Affairs and Housing.

There is much bipartisan support for the measure. Governor Volpe, the Republican Governor of my State of Massachusetts, has endorsed the bill and said that the need for the Department is indisputable.

Furthermore, he has proposed the creation of a similar State agency in Massachusetts.

I ask unanimous consent to have printed in the body of the RECORD a letter from Governor Volpe to me, which was also sent to other members of the Massachusetts congressional delegation.

My reply to that letter, and Governor Volpe's message to the great and honorable General Court of Massachusetts calling for the creation of a State agency similar to the proposed Federal Urban Affairs and Housing Department, is also attached.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMONWEALTH OF MASSACHUSETTS,
EXECUTIVE DEPARTMENT,
Boston, August 18, 1961.

The Honorable BENJAMIN A. SMITH II,
U.S. Senate, Senate Office Building,
Washington, D.C.

DEAR SENATOR SMITH: I am taking this opportunity to express my endorsement of President Kennedy's proposed Department of Urban Affairs and Housing. In fact, prior to the submission of his legislation to the Congress I had proposed the establishment of a counterpart agency for the Commonwealth—a department of economic development and community renewal. It offers a similar consolidation and strengthening on the State level of programs designed to aid our cities and towns, and is under recess study by the General Court of the Commonwealth.

The need to afford Cabinet status to Federal programs concerned with the urban problems of the United States is, I believe, indisputable. These problems constitute a most serious and pervasive domestic challenge, and require the constructive attention of both Federal and State Governments. Because of my concern, I intend to place the proposed Department of Urban Affairs and Housing on the agenda of the next meeting of the New England Governors' conference.

Our proposed new department of the Commonwealth would mesh effectively with a Federal Department of Urban Affairs and Housing, since it would integrate State agencies responsible for urban renewal, housing, mass transportation, economic research, industrial and commercial development and local, regional, and statewide planning. And, as part of this comprehensive program of State assistance to our cities and towns, I have proposed direct financial participation by the Commonwealth in support of urban renewal, local and regional planning.

I know you share my interest in the maintenance of the economy of the New England region. The long-term prospects for employment opportunities for our people depends in large part upon the preservation and enhancement of the massive private and public capital investment in our urban areas. The responsibility for this is shared by Federal and State Governments.

A Federal Department of Urban Affairs and Housing and an effective counterpart in State government will serve to mobilize the resources of both levels of government on behalf of the best interests of our cities and towns. I am hopeful that you will support both.

Sincerely,

JOHN A. VOLPE,
Governor.

AUGUST 29, 1961.

Hon. JOHN A. VOLPE,
Governor, the Commonwealth of Massachusetts, Statehouse, Boston, Mass.

DEAR JOHN: This is to acknowledge and thank you for your recent communication.

As you know, I am a cosponsor of the bill which would create a Department of Urban Affairs and Housing. I, therefore, appreciate your endorsement of this bill.

With every good wish, I am,

Sincerely,

BENJAMIN A. SMITH.

To the Honorable Senate and House of Representatives:

In the words of President Kennedy, "Our communities are what we make them."

The Commonwealth of Massachusetts cannot afford the luxury of ignoring the fundamental problems of its cities and towns, for these are the most persistent challenge to the State government. Neither can the Commonwealth continue to dissipate its capacity to act with vigor and with purpose in dealing with this challenge.

In recent weeks—and for many years, we have seen example after example of the need to provide comprehensive solutions to an interlocking chain of municipal, metropolitan, regional, and statewide problems. The most basic of these involve the economic development and renewal of our communities through urban renewal, regional planning, metropolitan transportation, new highway construction, and the urgent promotion of commercial, industrial, and residential development, including vacation—travel.

I submit that, as public policy, these issues are not divisible. Certainly it is difficult to separate the economic potential of a prudential center from the inner belt.

New highway construction is unavoidably related to the problem of a rationally integrated transportation policy, which in turn reflects upon both publicly financed and privately operated commuter facilities. Our total transportation network exerts a controlling influence upon the distribution of population, land use patterns, and residential housing. Whenever families are displaced from urban renewal project areas or from the right-of-way of a limited-access highway, the provision of private and public housing adequate to the relocation need is an obligation of public policy and the conscience of the community. Success breeds success in economic development, so that those areas and regions most attractive in all aspects of private and public investment will continue to attract the most new investment. The more attractive the entire State in terms of the conservation of its natural and human advantages, the greater is the total potential for effective economic development.

Planning, in this context, becomes all important; but, as a word, "planning" is also overworked, almost to the point where it means all things to all men. To determine the route of a new highway is planning. To select an urban renewal project area is planning. To zone land for industrial development is planning. To provide for commuter transportation is planning. To establish a national park on Cape Cod is planning. From the viewpoint of individual jurisdictions and functions, there is much planning in Massachusetts. What we lack is the effective integration of many separate plans so as to maximize the advantages to be gained from all plans.

The primary mission of such integrated planning in Massachusetts is to halt the erosion of the economic base of the Commonwealth and to stimulate new economic growth. To the extent that the capacity to act against this erosion is within our power, we can neither accept nor tolerate high levels of unemployment and substandard living conditions. This is not and cannot be a partisan issue.

The obligation to mobilize effectively against economic erosion can no longer be avoided by our municipalities, and such mobilization requires not only community action, but also regional and metropolitan cooperation. Literally, Massachusetts can no longer afford major mistakes or omissions in its public policies. And the logic of public policy requires that the State government exchange the role of arbiter among its communities for that of an active partner. In assuming the obligations of partnership, the Commonwealth must insure the maximum integration of the efforts of its own agencies. The accuracy and concentrated force of a rifle is more appropriate to our long-range targets than the dispersion of a shotgun.

To achieve our objective, it is necessary to develop both an integrated program and an integrated vehicle for its administration. Therefore, I will submit to the general court legislation to achieve the following objectives:

1. Comprehensive State, regional, and local planning.
2. Integrated economic development.
3. Effective urban renewal.
4. Adequate relocation and public housing.
5. Rational transportation policies.
6. An administrative vehicle to coordinate these objectives as components of a single public policy—that of economic and community development for the entire Commonwealth.

Such legislation will provide in detail for the following recommendations:

A. ESTABLISH A DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMUNITY RENEWAL

Over the past 40 years, there has evolved an unfortunate tendency to violate the most elementary principles of good management by encouraging the proliferation of autonomous and mutually independent agencies within the executive branch of the State government. Legalistic devices and fictions have been employed to evade a soundly conceived constitutional limitation on the number of State departments. Such evasions have not only contributed to increasing the cost of State government while proportionately decreasing its efficiency, but they have frustrated the integrated planning of related programs and functions.

In both public and private business, effective reorganization and consolidation is designed to bring together for improved administration and planning separate organizational units which share appropriate common denominators. While many such consolidations may suggest themselves within the State government, few are more insistent or more appropriate than the consolidation of those agencies responsible for various aspects of economic and physical planning and community development.

Experience across the Nation indicates that the isolated administration of specific programs diminishes their potential contribution. This realization has led many States to organize fully rounded agencies capable of dealing with the technical necessity of a comprehensive approach to urban development and renewal.

The need for this approach is reflected at the Federal level of government, where President Kennedy has urged the creation of a new Department of Housing and Urban Affairs for the purpose of marshaling all the skills and abilities of the agencies concerned with these related problems into a single effective unit.

By effectively coordinating a comprehensive program for the planning and development of economic growth and community renewal, the Commonwealth can achieve its objective without further resort to fractionated government.

I therefore recommend that a new department of economic development and community renewal be established through consolidation of the functions exercised by the department of commerce, the mass transportation commission, the State housing board, and the division of urban and industrial renewal.

I must emphasize that the department of economic development and community renewal will consolidate and enhance the statutory responsibilities, powers, facilities and functions of the agencies it will absorb. It will constitute a positive mobilization of the Commonwealth's obligation in these areas.

Not only will this consolidation provide one source of information to which communities could turn with the assurance of receiving across-the-board advice and assistance for all aspects of economic development, it will also contribute substantially to reducing the inflexible organizational patterns which have sapped the capacity of State and municipal governments to take full advantage of Federal legislation and financial aid for planning, urban renewal, community development, mass transportation, housing and community facilities. In particular, it will prepare Massachusetts for full participation in future Federal programs for aid to distressed areas.

The department's chief missions will be:

First, to fight job destroying blight by launching an all-out attack upon the confusion, negligence and frustration—the negative factors—which undermine the economic stability and growth of every community and region in Massachusetts.

Second, to spur job-creating industry by generating a climate of public and private cooperation to support existing industry against injurious outside competition and to attract new industry to Massachusetts. It is important to recognize that the industrial base of Massachusetts incorporates not only manufacturing and research but also vacation travel, finance, and commerce and the support functions of service-oriented small business. The maintenance of a balanced economy must remain a prime objective of our economic development program.

Third, to tap the available resources of the Federal Government. Through depressed areas legislation and vastly expanded housing renewal, transportation, and economic development programs, the Federal Government will exert an increasing influence upon the private economy. Massachusetts taxes will support such programs whether or not we use them to advantage. Even more important is the fact that such Federal programs can adversely affect the competitive position of the Massachusetts economy, unless we are prepared to act aggressively on behalf of our own interests.

Anything less than a maximum effort in these directions will constitute dereliction on the part of the State government. Under the supervision of a commissioner of economic development and community renewal, the department will be organized in five divisions, each administered by a professionally qualified director. These divisions will include: A division of planning, a division of commerce, a division of transportation, a division of housing, and a division of urban and industrial renewal.

In recognition of the need to strengthen planning on all levels of State and local government, within the division of planning there will be established a bureau of local planning, a bureau of regional planning, and a bureau of State planning, together with a bureau of economic research and statistics reporting directly to the commissioner. The division will administer and coordinate the responsibilities of the Commonwealth for participation in the section 701 program of the Federal Government which provides financial assistance for State, regional, metropolitan, and local planning. In addition, the staff of the division will provide technical advice to local and regional planning agencies, and will undertake a comprehensive program of statewide planning.

The division of commerce will incorporate a bureau of commercial and industrial development, a bureau of promotion, a bureau of science and technology, a bureau of vacation and travel, and a women's bureau. Working in harness with the other components of the department, this division will concentrate upon applying their findings to all aspects of economic development, while guiding State promotional activities to encourage new industrial and commercial investment with particular emphasis upon strengthening the development phase of local urban renewal projects.

In Massachusetts it is not necessary to dwell on the role of scientific research and development in our economy. But it is necessary to do all in our power to enhance that role as the seedbed of our industrial economy of the future. Therefore, I propose to place within the division of commerce a small, expertly staffed bureau to concentrate on the needs of scientific and research-based industry. This bureau would assist new technological enterprises to draw upon the financial and business counsel, sources of investments, and production capability available in Massachusetts.

The division of mass transportation will incorporate and exercise the responsibility for planning and integrating all forms of public transportation planning within the context of a single agency devoted to the total development of the economic assets of the Commonwealth.

Responsibility for the planning, development, construction, and administration of State-aided public housing programs now assigned to the State housing board together with research capacity into the housing needs of the Commonwealth will be invested in the

division of housing. Inclusion of this function in the department will insure recognition for housing as a basic ingredient of the economic development of the Commonwealth and its relationship to transportation, planning, and urban renewal programs.

In order to assist the department of economic development and community renewal to mobilize on behalf of the public interest the expert knowledge and advice available in the private economy from business, industry, organized labor, and educational institutions, the legislation establishing the department will provide for unpaid advisory and coordinating committees on all aspects of the work of the department. These committees will assist the commissioner to maintain a continuous appraisal of the effectiveness of the programs administered by the department and shall include the following:

1. Committee of economic advisers.
2. Advisory committee of public and relocation housing.
3. Advisory committee on regional, metropolitan, and municipal planning.
4. Advisory committee on business and industrial development.
5. Advisory committee on technological unemployment.
6. Advisory committee on vacation and travel.
7. Advisory committee on urban renewal.
8. Interdepartmental coordinating committee on economic development and community renewal.

Each committee will include a qualified representative of labor and of business and industry.

Through the vehicle of the department of economic development and community renewal the Commonwealth will better provide for comprehensive and consistent direction of the economic policies and programs of the Commonwealth which affect the economic growth and improvement of Massachusetts and its cities and towns.

There is nothing sacred to the status quo of organization. Every agency of government exists solely to advance the public interest—of which it must be servant and not the master.

B. PLANNING—STATE, REGIONAL, AND LOCAL

If we are to achieve planning that is comprehensive and effective, it is not enough to provide administrative machinery properly harmonized with related functions. There are three jurisdictional levels to the planning process in Massachusetts: State, regional, and local. To produce results, each level requires intensive cultivation of its own potential—plus an efficient intermeshing of the efforts of all three.

For the direction we seek is the fulfillment of State and local policies directed toward economic growth and stability in Massachusetts and maximum protection for our natural, cultural, and economic assets.

Therefore, I submit the following recommendations to reinforce the planning function on each level of Massachusetts government:

1. Implementation of the bureau of State planning in the proposed division of planning with sufficient capability to undertake comprehensive statewide planning: Federal funds may be obtained to supplement the efforts of the Commonwealth in statewide planning; such planning would involve (1) continuous analysis of the economy of the State to guide legislative and executive policy; (2) preparation of a comprehensive economic base study of the entire Commonwealth to relate the results of regional and metropolitan planning; (3) preparation and maintenance of a long-range capital outlay plan for the Commonwealth; and (4) development and maintenance of a master plan for the physical and economic development of the Commonwealth which will relate in meaningful fashion the plans and programs of all State agencies calling for capital improvements with the needs and recommendations developed by regional planning agenices.

By drawing upon the findings and efforts of other divisions of the department of economic development and community renewal, it becomes feasible to attempt statewide planning. The installation of an efficient data processing system in the consolidated department will be justified and will permit, for the first time, the correlation of information previously too scattered and disorganized to be of practical use, to be geared to obtain full advantage of the byproducts of straight-line information handling.

2. Maximum encouragement of the formation of voluntary regional planning districts: Because of the special and almost crisis proportions of the problems of Metropolitan Boston, I will again recommend the immediate establishment of a mandatory metropolitan planning agency for Greater Boston. Other regions of the State require a similar agency responsible to the individual communities. Chapter 40B of the General Laws authorizes the formation of voluntary regional planning districts. Progress in forming such districts has been less than satisfactory.

Through the establishment of a bureau of regional planning in the proposed division of planning, it will be possible to give specific technical encouragement to the formation of such regional planning districts. In particular, regional planning districts will be encouraged to take advantage of Federal section 701 funds available to support regional planning.

As further encouragement to regional planning throughout Massachusetts, I recommend that the Commonwealth reimburse half the local funds expended in each regional planning district up to an annual limit of $20,000.

3. Maximum encouragement of municipal planning: Perhaps the greatest incentive to local planning in Massachusetts has been the availability of the Federal section 701 planning grants, which provides up to half the cost of specific local planning studies for municipalities less than 50,000 in population. However, certain limitations are associated with this program. First, the present staff of the department of commerce is inadequate to administer the program which must be processed through a State agency. Second, large communities receive no assistance. Third, the Federal program is designed to aid planning projects rather than a continuous planning process. Moreover, there is little inducement for neighboring communities to integrate their separate plans. Finally, there has been insufficient encouragement to our cities and towns to become aware of and to take advantage of other available Federal funds, such as may be obtained from the Federal Community Facilities Administration.

By organizing a specific bureau of local planning within the proposed division of planning, adequate attention can be paid to local planning needs, including the administration of the Federal section 701 program.

As an inducement to both local and regional planning, I recommend that the Commonwealth reimburse each community participating in regional planning districts for one-half the cost of their local planning activities up to an annual limit of $5,000.

The ultimate aim of planning is to prepare the maps of our future. A fundamental obligation of public policy is to know where we are going—and why.

C. STATE TECHNICAL ADVICE AND FINANCIAL ASSISTANCE TO MUNICIPAL URBAN RENEWAL PROGRAMS

The inadequacies and lack of progress in urban renewal efforts in the Commonwealth have been thoroughly documented. In accomplishment, the record of our cities and towns falls far short of the pressing need to revitalize our communities. In Massachusetts, the average project has required 60 months to complete the survey and planning stage and bring it into execution, as compared to a national average of 31 months and the maximum Federal performance standard of 18 months. Participation by Massachusetts in Federal funds authorized for urban renewal as of the end of 1960 amounted to a federally aided per capita percentage of 9.64. Meanwhile, Connecticut had reached 35.33 percent; New Jersey 16.63 percent; and Pennsylvania 14.88 percent. In actual money, this represents a loss of Federal funds available to Massachusetts in excess of $100 million. The actual loss in private investment, employment, income, improved housing, and tax base is incalculable.

A vastly expanded Federal urban renewal program recommended by President Kennedy is under consideration in the Congress, and there is little doubt that it will be enacted substantially as presented. This is a new opportunity for Massachusetts.

The Commonwealth's stake in the economic future of its cities and towns is too great to passively allow the forfeiture of additional hundreds of millions of dollars in Federal and private investment in the 1960's. The State government cannot ignore its responsibility as a partner to assist its political subdivisions to solve this problem of economic and community development. As one of the oldest and most urban States, the well-being of Massachusetts unavoidably is equated with that of its municipalities. Our assets and our economic strength are largely urban in character, and in no other State is the language of the President's message more in point than in Massachusetts.

"If the cities are to recapture their economic health, they must offer better opportunities for these commercial, industrial, and residential developments for which their central position is a distinct advantage. They must strengthen their cultural and recreational facilities and thus attract more middle and upper income residents. They should make space available for suitable light industries, especially those which need close-in locations. And they must improve their transportation systems, particularly rapid transit services.

"Urban renewal programs have been too narrow to cope effectively with the basic problems affecting older cities. We must do more than concern ourselves with bad housing—we must reshape our cities into effective nerve centers for expanding metropolitan areas. Our urban renewal efforts must be substantially reoriented from slum clearance and slum prevention into positive programs for economic and social regeneration.

"This program, if it is to be truly effective, must help communities go beyond the project-by-project approach * * * in which individual projects will be developed within the framework of an overall community program, a program which clearly identifies the city's long-term renewal needs and opportunities and the changing shape of the city."

We expect much from our cities and towns. In turn, the Commonwealth must provide effective technical guidance and leadership and a level of financial assistance at least equal to that provided by other urban, industrial States against which we must compete for our share of America's economic future.

1. Implement division of urban and industrial renewal: Presuming the establishment of the department of economic development and community renewal, I recommend provision and implementation therein for the division of urban and industrial renewal. In this agency would be vested administrative responsibility for the

role of State government in urban renewal, including research, planning, technical aid, and financial assistance.

2. State aid for federally assisted urban renewal projects: At the present time, the Federal Government assumes two-thirds or three-quarters of the net project cost of federally assisted urban renewal projects with the community paying the remaining one-third or one-quarter. Those States in which the most impressive progress in urban renewal has been attained provide State financial assistance up to one-half the local cost of federally assisted urban renewal projects. Last year the general court enacted similar legislation providing for such State aid through which the State would annually reimburse one-half the principal paid on urban renewal bonds, or in five equal annual installments where more than half the local cost is paid from appropriations other than bond issues. However, the method and amount of financing required for this legislation raised questions of interpretation which could not be easily resolved.

I strongly recommend that this legislation be effectuated, subject to the clarifying revisions I am proposing. I will, at the proper time, provide for the necessary appropriation. By making reimbursements in 20 equal annual installments, the cost of this program can be met from the general fund without the imposition of additional taxes, and without resorting to such devices as "skimming from the top" of the income tax or corporation tax distributions to the cities and towns.

3. State aid for nonfederally assisted urban renewal projects: I further recommend that existing legislation providing for financial assistance to nonfederally aided commercial and industrial redevelopment projects also be effectuated until existing restrictive provisions in Federal law are modified, to render it unnecessary. However, the greatest real benefit obtainable from this provision will derive from State aid to the redevelopment of blighted open areas for which Federal capital grants are not available. The recapture of this wasted acreage, and its addition to the tax base of our municipalities can become one of the most positive forms of assistance to the economic base of our cities and towns.

I therefore recommend that existing legislative policy be clarified to insure financial aid for the redevelopment of blighted open areas. The necessary funds can be provided as part of the basic State aid formula for urban renewal projects, as modified to insure its workability.

4. State aid for participation in community renewal programs: A most important amendment to the Federal Housing Act of 1959 authorized Federal grants of up to two-thirds of the cost of preparing comprehensive community renewal programs. The intent of a community renewal program is to identify and measure the total need for all forms of urban renewal on a community-wide basis. To quote from the Federal Housing Act:

"The Administrator may contract to make grants for the preparation of completion of community renewal programs, which may include, without being limited to (1) the identification of slum areas or blighted, deteriorated or deteriorating areas in the community, (2) the measurement of the nature and degree of blight and blighting factors within such areas, (3) determination of the financial, relocation and other resources needed and available to renew such areas, (4) the identification of potential project areas and, where feasible, types of urban renewal action contemplated within such areas, and (5) scheduling or programing of urban renewal activities. Such programs shall conform, in the determination of the governing body of the locality, to the general plan of the locality as a whole."

A community renewal program would enable a city or town to determine the priorities and schedule all of its urban renewal activities in terms of its financial resources, general plan and requirements for relocation housing.

When we consider that this approach offers a comprehensive attack on urban blight in each city and town, the fact that not one community in Massachusetts has received a Federal grant to proceed with a community renewal program is doubly significant. I submit that the encouraging of our municipalities to participate in the community renewal program will enable Massachusetts to extract maximum advantage from the huge investment from all sources that must be made in actual urban renewal and redevelopment projects.

I recommend that the Commonwealth assume one-half of the net local cost for community renewal programs approved for Federal assistance, and that provision therefore be incorporated in the State aid formula for urban renewal.

5. Liberalization of municipal debt limits for urban renewal: The restrictive limits now imposed on the financing of municipal urban renewal projects ought to be liberalized. Early repayment of bond issues for urban renewal imposes a distinct hardship because the heaviest payments come due before new construction has been added to the tax rolls. Urban renewal is a municipal investment program, and reasonable discretion ought to be accorded each municipality to achieve the most favorable financing suitable to its specific objectives.

I recommend that the general laws be amended to allow municipal bonds issued for urban renewal purposes to be repayable within a period not to exceed 25 years, rather than the existing limit of 20 years. I also recommend that the limit on municipal indebtedness which may be incurred for urban renewal purposes be raised from 2 percent to 3 percent of the average assessed valuation of a municipality for the preceding 3 years. I further recommend that municipalities be authorized to defer repayment of municipal bonds issued for urban renewal purposes for a period not to exceed 5 years.

6. Increased local discretion and home rule for urban renewal: There is a fine but important distinction between State aid and State interference. Nonessential statutory and bureaucratic intrusion has no justification, and ought to be eliminated wherever possible. Urban renewal is primarily a local responsibility, and the role of the State must be that of a supporting rather than a controlling partner.

I therefore recommend:

1. That cities and towns be accorded a reasonable local option to be exercised by either the city council or the town meeting in choosing the agency to be designated as the local redevelopment and renewal vehicle. The local governing body should be allowed to assign such responsibility to a housing or redevelopment authority or to establish an appropriate department of the municipal government to consolidate and exercise urban renewal functions.

2. That statutory State approvals and hearings now required for the institution of redevelopment or renewal projects be eliminated, and replaced by more appropriate review provisions.

3. That statutory requirements for State-appointed members of local urban renewal agencies be eliminated in favor of complete local appointments.

By thus reducing unnecessary and burdensome interference in local affairs, the Commonwealth will more closely fix the responsibilities of local leadership for effective urban renewal and economic development.

7. Technical clarification of existing urban renewal legislation: Inconsistencies of language and problems of interpretation have arisen with respect to existing provisions of law pertaining to urban renewal. I am recommending legislation necessary to achieve technical clarifications essential to the administration of State financial aid and to the authentication by bond counsel of municipal indebtedness authorized for urban renewal purposes.

8. The need to recodify existing urban renewal legislation: There is general agreement that existing statutory provisions governing urban renewal are awkward, and unreasonably complicated. The substantive recodification of all urban renewal legislation ought to be undertaken immediately. A most helpful start in this direction was initiated by the Speaker of the House in his proposal to reenumerate existing urban renewal and housing legislation into a new chapter of the general laws. The amendments I am recommending are submitted in the context of the Speaker's bill.

9. The need for effective conservation and rehabilitation: Existing legislation permits the conservation and rehabilitation of salvable structures. However, this most important instrument of urban renewal has yet to be effectively utilized, although a vast program to conserve the sound, established neighborhoods of our cities and towns is urgently required. One of the basic assignments to the division of urban and industrial renewal will be to devise technical solutions and to recommend legislative policy to strengthen conservation and rehabilitation techniques as essentials of a total program for community development and renewal.

10. Federal demonstration grants to develop a model State urban renewal program: On the presumption that the recommendation contained herein will be enacted into law, I have engaged in preliminary discussions with representatives of the Federal Urban Renewal Agency, and I have received assurance that, if these recommendations are adopted, Massachusetts would be eligible to receive major Federal demonstration grants to assist in developing a model State urban renewal program to serve as a guide for other States. It is probable that such demonstration grants could be applied to assist in the total recodification of urban renewal and related statutes. And it is also probable that these demonstration grants can be directly applied to the problem of relocating families and businesses displaced by new highway, urban renewal and other public construction in a metropolitan region such as Greater Boston—where the construction of interstate highways, the inner belt and various urban renewal projects is creating a potentially very difficult relocation problem.

I have instructed the commissioner of administration to prepare and to submit a formal application to the Federal Urban Renewal Administration for approval of such broad-scale demonstration grants.

Implicit in these recommendations is the intention of the Commonwealth to help, but not to control our cities and towns—to the end that the human, economic and urban resources of Massachusetts will be conserved and enhanced for the benefit of present and future generations.

I have appended legislation to effect these purposes. But, in consideration of the desire of the general court for a speedy conclusion to the work of this legislative session, I am requesting that this message and legislation be printed and filed for formal action at the next legislative session. Although I realize this procedure is not usual, it will provide the opportunity to invite you to join with me in a cooperative evaluation of this program. I will welcome your constructive suggestions and technical refinements between now and the next session.

During this period I will instruct the commissioner of administration to continue the

studies in progress. I believe you will agree with me that this program, these objectives, are of such consequence to the economic welfare of the Commonwealth and its cities and towns that it would indeed be unfortunate and unreasonable to subject this legislation to hasty disposition.

Respectfully submitted.

JOHN A. VOLPE,
Governor of the Commonwealth.

HOSPITAL SHIP SS "HOPE"

Mr. HUMPHREY. Mr. President, I have frequently praised the work and the success of the SS *Hope*, the hospital ship which has been bringing relief to the suffering and medical training to the people of the Indonesian area.

Project Hope is one of the most magnificent examples we have of voluntary, people-to-people efforts to bring help to the citizens of underdeveloped areas. I hope that it will continue and that such programs can be expanded.

The SS *Hope* is due back in the United States this month after a highly successful journey of mercy in the Pacific. One of the many articles about the SS *Hope's* work appeared in the August 6 edition of the New Haven, Conn., Register. I ask unanimous consent that this article titled, "Where There's Hope There's Life" be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHERE THERE'S HOPE THERE'S LIFE—VOLUNTEER DOCTOR, NURSES FROM CONNECTICUT PROVIDE MEDICAL AID IN INDONESIA

"The people I have met and cared for as patients (in Indonesia) have been wonderful. For many of them it is the first time they have seen such tall, light-skinned people, and it takes a little time to establish rapport, but like all human beings they respond to a smile and kindness.

"The children in particular are lovable. I find it a joy to work with and care for them. I love the expressions on their little faces when they taste ice cream for the first time. And just as in the States, chocolate sells itself the best."

Talking is Miss Nancy Campion, a graduate of St. Mary's Hospital in Waterbury. She is a nurse aboard the SS *Hope I*, a fully equipped and staffed floating medical center now in Indonesia.

She is but one of many Americans—among them current and former Connecticut residents—who, at a financial sacrifice to themselves, are participating in a program of cooperation in the field of health between people in the United States and people in underdeveloped countries in the Far East.

The undertaking is known as the Hope project, which stands for Health Opportunity for People Everywhere. It is sponsored by the People to People Health Foundation, an independent, nonprofit corporation.

Dr. Paul Winslow Tisher, a New Britain eye surgeon, who recently returned from the SS *Hope* after serving aboard it as a volunteer, says the U.S. State Department and the U.S. Department of Health are vitally interested in the accomplishments and influence of the SS *Hope*, but have no actual control of its activities.

Secretary of Health, Education, and Welfare Abraham A. Ribicoff wrote Dr. Tisher upon the latter's return to this country:

"It is quite obvious that your mission to Indonesia was a productive one and that it has caused you to put a great deal of thought on how relations with the countries of Asia might be improved through medicine."

KENNEDY PLEASED

Commenting on the mission of the SS *Hope*, which falls in line with purposes of his Peace Corps, President Kennedy said:

"I am confident that the project will continue to benefit the peoples of Indonesia and other countries of the world. * * * The good ship *Hope* is a project illustrative of effective people-to-people programs."

Through Project Hope, the entire world is seeing that the American people—acting on their own, outside the Government—are seriously concerned about the problems of other peoples. The great white ship is tangible evidence of the concern that American people have for their neighbors.

President Kennedy and Indonesian President Sukarno released a joint statement April 25, following 2 days of discussions between the two heads of state, in which they commended Project Hope. Their statement said:

"Both Presidents express gratification at the high degree of cooperation between their countries and noted the successful visit to Indonesia of the hospital ship, the SS *Hope*."

THOUSANDS HELPED

In the first 6 months that the ship has been in Indonesia, American medical personnel have performed some 600 operations, seen 16,000 patients aboard ship and on shore, given 800 classes, lectures and seminars, and made 4,687 diagnostic X-rays.

Former President Dwight D. Eisenhower, who extended encouragement to the project during its early days, said of its backers:

"The significance of your efforts goes beyond the worthy objective of bringing sorely needed medical assistance and training. It shows the world the warm heart of America."

The program was initiated to promote world peace through increased understanding between the people of the United States and the peoples of other nations. The originators of the project felt that better understanding among the peoples of the world could be achieved on a personal level through friendship, through sharing knowledge and through helping others to help themselves.

Its purpose is to bring the skills and techniques developed by the American medical professions to the people of other nations in their own environment, adapted specifically to their needs and their way of life.

To implement its purpose and hopes, the foundation acquired from the Government a U.S. Navy hospital ship, formerly the U.S.S. *Consolation*, which was constructed during World War II and which saw service during the Korean conflict. The 15,000-ton, 575-foot vessel had been part of the mothball reserve fleet of the U.S. Navy since December 1955.

Rechristened the SS *Hope*, the ship was equipped with 800 hospital beds, and ample space was reserved for class and demonstration rooms and laboratories. The surgical section is as complete as that of a land-based hospital.

WHY INDONESIA?

Why was Indonesia chosen as the first country on which the SS *Hope* would call? In addition to receiving an invitation from that nation's government to visit the archipelago, it was felt that the people were badly in need of medical care.

The country has 1,500 doctors—one for every 20,000 Indonesians. In some isolated cases, the ratio is 10 doctors for 5 million persons.

Cost of the project for a year's operation of SS *Hope I* is $3,500,000. Invitations to visit their countries have also been received from the medical professions in Korea, South Vietnam and Pakistan.

It is hoped that the work of SS *Hope* can be continued and that similar ships can be sent to Latin America and Africa.

The ship began her first mission of mercy in Indonesia last September.

Waterbury's Miss Campion, who is working as a nurse in the intensive care unit aboard the ship says they take care of the most seriously ill patients that come aboard.

"We have had several unusual operations performed on the ship," she says, "but we confine our operations to those which will be most beneficial for teaching purposes."

Another Connecticut resident, Miss Susan B. Glocke, a physiotherapist, of Mason's Island, Mystic, is also serving aboard the SS *Hope*.

Miss Glocke, who worked at the Grace-New Haven Community Hospital from 1956 to 1958 as a staff therapist, says serving on the ship "has * * * been an exciting and thrilling experience, and has presented me with many challenges.

PEOPLE ARE THE SAME

"Before the first week was out at Djakarta, it was * * * apparent to me that the people—especially the children in this area—are the same as they are in the States * * * people are the same all over, having the same problems and the need for rehabilitation.

"My experiences have included teaching as well as doing actual treatment work * * * I have been able to go into rehabilitation polio centers in Djakarta and Soerabaja, work with the assistant therapists there and also help train assistant therapists at the general hospital.

"Here at Makassar has come the greatest challenge (to me). Since there is no speech therapists abroad ship, they asked me to set up a program for a deaf and dumb Indonesian child, age 13.

"This is what I have been doing each day for the past week, treating both the mother and the child, so that she can continue the training after I leave.

"Granted this would be a challenge to a physical therapist to do in English at home, but to try to do this in the Indonesian language really makes it even more unusual for me."

Margaret M. Donahue, a nurse anesthetist from Grand Rapids, Mich., who worked at the Yale Medical Center here for 2 years before joining *Hope*, shows an awareness of the broad objectives of the mission.

"Our opportunities to create a better relationship between the people of Indonesia and the people of America," she says, "are numerous. Better friendship can only be attained through better knowledge and understanding of another's country and habits.

TEACH EACH OTHER

"We are living with several Indonesian people and each one is learning about the other's customs.

"The Indonesian people have a beautiful outlook on life. They are very friendly, easy going, and extremely eager to learn. I am happy to be here and real proud to be a part of this worthwhile organization."

Priscilla D. Strong, a nurse anesthetist from Pittsfield, Mass., also served at the Yale Medical Center before embarking on the ship.

Miss Strong, who has a sister living in Elmwood, Conn., says that she and the other anesthetists aboard the ship have benefited from their association with their Indonesian counterparts. "We have learned and used some of the Indonesian techniques and equipment," she says.

She adds that the Indonesian anesthetists who have been working with them aboard the ship have also learned American techniques and are now teaching others what they have absorbed.

Chief nurse on the SS *Hope* is Clair Eugenia O'Neil whose brother, Dr. Vincent B. O'Neil, practices medicine in Newington. She helped establish the hospital ship and is currently directing the work of the American nurses who are training 30 Indonesian nurses.

"We have a great responsibility to these girls," she says, "because they will be used as the nucleus of a staff that will establish a new hospital in Djakarta.

"All our work is not done on the ship. Many times we go into the local hospitals and work with the nurses there."

CAPTAIN FROM STAMFORD

Captain of the SS *Hope* is also a Connecticut man. He is Aime Gerber of Stamford, former captain of the SS *Atlantic*. He heads a crew of 150 men, who are assigned the task of navigating the ship into ports where patients wait to be taken aboard. To date some 65,000 patients and visitors have gone aboard the ship without a major mishap.

Although many thousands of persons have received hospital treatment aboard the ship, the SS *Hope* is primarily a teaching ship. In this way, according to the foundation, much more effective and lasting results are achieved than would be possible if the medical specialists concerned themselves solely with the immediate treatment of the sick.

Dr. Tisher, a member of the *Hope* medical advisory committee, was the first Connecticut physician to serve aboard the ship on a rotating basis. He says the medical training center of the ship makes its services available to doctors in foreign lands.

The purpose of this, he adds, is to exchange medical information and the latest techniques with doctors and medical technicians who are far away from teaching centers and have been out of contact with the latest advances in medical treatment.

Since the SS *Hope* first set sail, hundreds of doctors, dentists, pharmacists, nurses, technicians, and other medical specialists have learned and passed on to their associates new knowledge and skills acquired from their association with Project Hope medical staff members.

The good ship *Hope* goes only where invited. The entire program is developed with the cooperation and guidance of the medical societies in the countries to be visited.

TRAVEL INLAND

Units using motor vehicles and launches travel inland, bringing instruction and treatment to areas far removed from the better equipped and staffed port cities.

In these remote areas where medical attention is virtually nonexistent, mobile teams from the ship teach rudimentary sanitation, medication, inoculation, and other simple health procedures which can materially improve the well-being of the people.

The ship also serves as a logistic base and a receiving center for more complicated therapeutic and training problems, and is available in the event of such emergencies as natural disasters or epidemics.

Following an earthquake in March, the ship sailed from Kupang to the stricken city of Ende immediately after a request for assistance came from the Indonesia Health Minister.

A team of doctors and nurses preceded the ship and were airlifted to the disaster area where 80 percent of the city, including the only hospital, were destroyed.

The ship's permanent staff is made up of 15 volunteer doctors, 30 nurses, dentists, pharmacists, and supporting hygienists and technicians. Although they are paid, they receive less than if they held comparable jobs in the States.

In addition to the permanent staff, teams of volunteer doctors, serving without pay, are flown to the ship for periods of 2 to 4 months on a rotating basis.

ROTATING DOCTORS

The rotating doctors are selected from more than 3,000 of the Nation's leading medical men and women who volunteer for unpaid duty aboard the SS *Hope*. Rotating specialists are provided according to the immediate local needs.

Dr. Tisher is no newcomer to volunteer service. He has served at the Grenfell Mission in Newfoundland as a volunteer worker at least five times over a period of 10 years. The periods of service, which were intended to help the Indians and natives and teach medical students, lasted from 2 to 8 weeks. He was last there in 1955.

"The American doctors and nurses," says Dr. Tisher, "work with the foreign doctors and nurses to help them develop new skills and techniques, and add to their fund of medical knowledge.

"You can't go into these foreign places with a superior attitude, because a lot of them are as smart as you are."

Dr. Tisher, who served abroad the SS *Hope* from January 15 to February 26, says his duties included: instructing doctors doing eye surgery on the native population and working with eye doctors on shore in local hospitals.

At Ambon, Indonesia, he taught two doctors to do cataract operations, which they had never done before. Working very closely with the native doctors, he practically stood over their shoulders, guiding them during the operations and correcting their mistakes.

In this country it usually takes 6 months for a doctor to become proficient in performing cataract operations, but out there Dr. Tisher gave them an accelerated course in 2½ weeks.

Between February 10 and March 6, the ship's and cooperating native doctors saw 3,522 patients in Ambon. Of these, 112 were surgical cases; 2,500 required chest X-rays; 36,000 units of the new Ciba leprosy drug were dispersed.

At Djakarta, he lectured at the University Hospital, held consultations with native doctors on glaucoma, served as a consultant during many eye operations. He did the same at Bondong and Makassar.

MANY NATIVE DISEASES

Native eye diseases with which he came in contact in Indonesia included trachoma (a virus disease associated with dry, dusty regions), glaucoma, cataracts and diseases of malnutrition. Other diseases that were prevalent included malaria, leprosy, and tuberculosis.

In addition to performing operations on the ship, they also hold clinics for doctors to demonstrate techniques and new methods of treatment.

Operations conducted on the ship are televised on a closed circuit so that many doctors can observe them simultaneously. The operating doctors wear microphones around their necks so that they can explain to those watching and listening in other rooms what they are doing.

In some cases, American doctors are learning techniques from the native doctors, who have developed them because of the necessity of coping with the lack of instruments. Many of the native doctors, Dr. Tisher says, have received excellent training in their own and European schools.

American doctors are learning to recognize leprosy. They are also becoming familiar with various types of parasites which are unknown in this country and they have come upon a type of malignancy rarely found in the United States.

American and Indonesian urologists, alarmed by the disproportionate number of spleen, kidney, and bladder illnesses there, have started a joint research project to determine what is causing them.

"It gave me a great deal of satisfaction," the New Britain eye surgeon says, "to know that the level of work we do here in the United States of America and particularly in Connecticut, is commensurate with the best work done anywhere else in the world."

While in the Far East, Dr. Tisher was also able to stop off at eye hospitals in Calcutta, India; Tokyo, Japan; Bangkok, Thailand; and Cairo, Egypt.

A REAL SATISFACTION

"Anyone who does missionary work," he says, "gets the satisfaction of doing something good for others.

"Furthermore, it's the best way I know to fight communism. It's the strongest anti-communistic work being done in the world today.

"The Makassar people feel that the impact of Hope on this southern Celebes area has been more effective than a million dollars worth of aid (would be if) given directly to the area.

"The interest generated by *Hope's* visit extends far back up into the small mountain towns (and) throughout the whole area. It is difficult to really estimate how great it is.

"The Russians were so impressed with the operations of the SS *Hope* that they are building a hospital in Djakarta to be staffed by Russian personnel, to offset the favorable publicity achieved by Hope.

"Native peoples would travel as much as 500 miles in coming for treatment to the port where the ship was stationed.

"We would only treat those patients cleared and recommended by the local committee of doctors, for they alone can determine which are their most pressing needs and problems."

Dr. Tisher says he doesn't know how many formerly blind persons can now see as a result of the operations performed or supervised by *Hope* personnel, or how many persons have been nursed back to health at the ship, but he thinks the number might be considerable.

PRIMITIVE CONDITIONS

Conditions were so primitive in some local hospitals, he says, that there was no water with which the surgeon could wash his hands prior to an operation.

In such a place, he used the same pair of rubber gloves and the same gown through six or seven operations one morning. He says the best he could do was to wash the gloves with carbolic acid between operations.

Political strife and discontent are still evident in parts of Indonesia, he says. On Sundays when the American doctors were taken on outings into the country by their hosts, truckloads of armed soldiers would precede and follow their bus to protect them from the rebels.

It is believed, Dr. Tisher says, that the rebels wanted to kidnap the American doctors and have them administer medical care to the people living in the rebel camps in the mountains. He experienced no such incidents, however.

"The situation in each community that we visited," says Dr. Tisher, "was different. In Makassar, the native doctors and population were reticent in extending a welcome to us, while in Ambon, we were received with open arms the very first day."

There were some humorous aspects to his experiences. In Ambon, they were greeted by big printed streamers, which were strung across the street.

STRANGE GREETINGS

Some of the signs read:

"Have you a headache? Have you back trouble? Is your stomach upset? Have you been sick a long time? Come to Ambon. The ship SS *Hope* arrives February 4."

Also in Ambon they were taken to a school auditorium where a party was held for the Americans. They were entertained by a native choir of 40 voices, singing "God Bless

America" in English although not one of them could speak English. A 40-piece fife band also entertained them.

An 11-piece dance band played American dance songs, which they had imitated from records.

Dr. Tisher, who just happened to have his clarinet along, entered into the spirit of the occasion and joined the band, playing several hot Dixieland specialities, including "Sweet Georgia Brown."

He played a chorus and then a trumpet player played another chorus and then they played in unison, "bringing the house down," Dr. Tisher says. He added that this occurred only about 100 miles from communities where cannibalism is still practiced.

VOCATIONAL REHABILITATION

Mr. HUMPHREY. Mr. President, when the Congress passed the foreign aid bill, that program included an item known as the technical services for peace amendment which I had offered to the bill. The technical services for peace amendment urged that the AID administration utilize the facilities and personnel, and professional competence of the existing and established agencies of the Government wherever such was practicable or possible. The emphasis of the amendment was in the fields of education, health, housing, agriculture, and other areas where technical assistance might be useful. These other areas included such matters as labor, social welfare, public works, irrigation, conservation, and many other activities.

I was pleased to see the amount of work being done by some of our established departments of Government that are frequently referred to as domestic departments and not directly related to the foreign aid administration. I call to the Senate's attention a report from the Director of the Office of Vocational Rehabilitation, Miss Mary Switzer.

Miss Switzer assures me of her desire to assist in the development and operation of the rehabilitation activities under our foreign aid program. She gives a splendid report of the activities of the Office of Rehabilitation in our foreign aid endeavors.

I ask unanimous consent that excerpts of a report by Miss Switzer be printed at this point in the RECORD. I wish to commend the Department of Health, Education, and Welfare, and in particular the Office of Vocational Rehabilitation for the good work it is doing overseas as well as at home.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

AUGUST 23, 1961.

Hon. HUBERT HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR HUBERT: I want to applaud your sponsorship of the "technical services for peace" amendment to the foreign-aid bill and the fine statements you made in support of it. We, of course, would welcome the opportunity to assist in the development and operation of rehabilitation activities under our foreign-aid program and hope the legislation, as it comes out of conference, will make this possible. I think the following report on what our technical knowledge has already accomplished, internationally, firmly demonstrates the rightness of what you have been saying for years.

Under Public Law 480, the Agricultural Trade Development and Assistance Act, we now have approved 14 research projects in the following countries: Israel, 6; India, 4; Brazil, 3; and UAR-Egypt, 1. Projects in Indonesia and Burma are in the process of development. Two prosthetics experts from the Veterans' Administration, on detail to the Office of Vocational Rehabilitation, are now in Yugoslavia doing research on prosthetics.

One of the research projects we have in India is Dr. Brand's project, at the Christian Medical College in Vellore, for the rehabilitation of lepers. As you know, leprosy is one of the most serious problems in India—more hands are, perhaps, made useless by this disease than all other diseases combined. Dr. Brand needs and has requested expert assistance in his research and we are trying to provide this under Public Law 86-610, the International Health Research Act. Through Dr. William L. White, University of Pittsburgh Medical School, a group of specialists in plastic surgery is now being organized to go to the Christian Medical College in Vellore, in rotation, to do research and to help build a broad program for the rehabilitation of lepers. We hope that the first of these surgeons will be able to leave for India in early September to work in India for a period of 2 months.

All of the surgeons, who will probably number 12 in the first 2 years, are men of outstanding reputations and are affiliated with such medical schools as Harvard University, University of North Carolina, University of Pittsburgh, University of Kansas, Yale University, University of Michigan, Johns Hopkins University, University of Miami, St. Louis University, and the University of Texas. In carrying out this program, we plan to pay, from U.S.-owned local currencies, round-trip transportation and expenses in India for these doctors. We have requested the Ministry of Health in India to nominate Indian surgeons to do research here on an exchange basis. We hope to secure from voluntary agencies in the United States the dollars these experts would need while in this country.

I thought you would be interested in learning about these developments. We regard Public Law 86-610 and Public Law 480 as complementary and supplementary to each other in unique and unlimited ways. The programs that can be established under these acts will do much toward demonstrating our concern for the disabled over the world, strengthening our relationships with the cooperating foreign countries, and generally furthering our foreign-policy aims.

Sincerely yours,

MARY E. SWITZER,
Director, Office of Vocational Rehabilitation, Department of Health, Education, and Welfare.

DUAL-RATE SHIPPING

Mr. KEFAUVER. Mr. President, it is anticipated that on Friday of this week the Senate will take up H.R. 6775, the so-called dual rate shipping bill.

As this bill passed the House—on the Consent Calendar—it contained a number of antitrust safeguards. These were designed to protect the great mass of American shippers, both importers and exporters, as well as independent American steamship companies, both liners and tramps, from complete control of ocean freight rates by the shipping conferences. These conferences or, if you prefer, cartels completely dominate the foreign commerce of the United States.

In its report and by its unanimous action on H.R. 6775, the House clearly indicated that American shippers and independent carriers should not be left at the complete unregulated mercy of these cartels which are comprised in very large part of foreign ship owners.

Unfortunately, the Senate Commerce Committee has drastically amended the House bill. It not only eliminated the antitrust provisions, it added new provisions which would make the cartels even more powerful than they have been in the past. For example, it added a provision which would legalize a supercartel of shipping cartels, something unheard of in American law and tradition, and something which, I am confident, will not be acceptable to the Senate, the Congress, the business community, or the public.

On August 31 I wrote to the Attorney General seeking his views on the Senate Commerce Committee version of H.R. 6775. He replied on September 5. I ask that these letters, together with an earlier and more detailed one from Deputy Attorney General White, be printed in the RECORD.

Mr. President, you will see that the Attorney General is clearly opposed to passage of the legislation without clear antitrust safeguards. His letter is unequivocal.

I have had printed a number of amendments to H.R. 6775 and these are lying on the table. I shall call them up at the appropriate time. Several are perfecting amendments, which, I hope, will be accepted by the managers of the bill. Others are substantive and will be the subject of considerable debate. I invite my colleagues' attention to them, as well as to the material which I have inserted in the RECORD above.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AUGUST 31, 1961.

Hon. ROBERT F. KENNEDY,
The Attorney General, Department of Justice, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: As you know, the Senate Commerce Committee has approved a version of the dual-rate shipping bill (H.R. 6775), which differs radically from that approved by the House of Representatives. I am very much concerned that many American interests would be sacrificed to international cartels if the Senate version were enacted.

I share the views expressed in your letter to Chairman BONNER, dated May 3, 1961, which stresses the indispensability of certain safeguards in any dual-rate bill. These safeguards have been largely eliminated in the Senate Commerce Committee version.

Therefore, I would appreciate it if you could study this version, which will be debated on the Senate floor within the next few days, and give me your views as quickly as possible.

With kindest regards.

Sincerely yours,

ESTES KEFAUVER.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., September 5, 1961.

Hon. ESTES KEFAUVER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KEFAUVER: This is in response to your letter of August 31, 1961,

requesting the views of the Department of Justice on H.R. 6775, as it was reported by the Senate Committee on Commerce.

The Senate Committee version of H.R. 6775 differs materially from the bill as passed by the House of Representatives. The bill, as it was passed by the House of Representatives, contained specific safeguards to prevent ocean steamship conferences from using dual-rate systems or other concerted activity as predatory devices to drive nonconference competition out of business. These safeguards have been omitted in the Senate Committee bill. In particular the Senate Committee bill has deleted: (1) The provision that the dual-rate contracts referred to in the bill shall not be intended or reasonably likely to cause the exclusion of any other carrier from the trade; and (2) the provision that the Board shall not approve agreements whose probable effect will be reasonably likely to exclude any other carrier from the trade.

The deletion of these provisions would have the effect of reversing the rule of the Isbrandtsen case, thereby permitting ocean steamship conferences, which are international cartels, to stifle independent competition by resort to predatory dual-rate systems. In the opinion of the Department of Justice these provisions constitute competitive safeguards which are indispensable to any reasonable enactment on this subject. The public interest would be disregarded were these provisions to be omitted.

It is our opinion that no legislation on this subject should be enacted unless such provisions are included. We urge that these provisions, as they have appeared in the House-enacted bill, be restored.

In addition, for your information I am attaching a copy of a letter from Deputy Attorney General Byron White to Senator WARREN G. MAGNUSON, which expresses in detail the views of the Department of Justice on the Senate Merchant Marine and Fisheries Subcommittee Print, which is substantially similar to the Senate Committee version of H.R. 6775.

Sincerely,

ROBERT KENNEDY,
Attorney General.

U.S. DEPARTMENT OF JUSTICE, OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, D.C., August 16, 1961.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate,
Washington, D.C.

DEAR CHAIRMAN MAGNUSON: We have been furnished by Mr. Webster, counsel for the committee, with the subcommittee print of H.R. 6775, dated August 8, 1961. Mr. Webster informed us on August 3, 1961, that the Department of Justice comments on this print of the bill would be desired by your committee. Accordingly, we are pleased to submit the following report on the subcommittee print.

H.R. 6775 would amend the Shipping Act, 1916, as amended (46 U.S.C. 801 et seq.), in various respects. The comments which follow are directed to the provisions of the subcommittee print of the bill intended to effect changes in existing law which are of serious concern to this Department.

Section 3 of H.R. 6775 would amend section 14 of the Shipping Act by adding a new section 14b which would require the Federal Maritime Board (hereinafter referred to as "the Board") to permit the use by any common carrier or conference of carriers in foreign commerce of any contract which provides lower rates to shippers or consignees who agree to give all or any fixed portion of their patronage to such carrier or conference, if such contract would not have certain proscribed effects and if it meets requirements enumerated in the bill. The effect of enactment of section 3 would be to sanction the use in the ocean shipping trades of the exclusive patronage contract-noncontract rate system, more frequently referred to as the dual-rate system.

Section 4 of the bill would amend section 15 of the Shipping Act which deals with Board approval of agreements between carriers. The principal changes concern conference agreements.

Sections 3 and 4 of the subcommittee print depart radically from the version of H.R. 6775 which was unanimously enacted by the House of Representatives on June 12, 1961. The House legislation contained provisions in sections 1 and 2 (to which sections 3 and 4 of the subcommittee print are roughly comparable) designed to protect competing carriers, shippers, and the general public from untoward effects of the use of dual-rate contracts by ocean shipping conferences. These competitive safeguards—the very heart of this legislation, in our opinion—have been eliminated, either directly or in effect, from the subcommittee print. Therefore, were H.R. 6775 to be enacted in its present form, it would give ocean shipping conferences virtually unrestricted license to employ dual-rate contracts, and other conference practices, as deliberate predatory devices to stifle the competition of carriers not affiliated with the conferences.

As the committee is aware, ocean shipping conferences operating in the foreign commerce of the United States are private organizations, somewhat akin to trade associations, organized to further the business interests of the participating steamship lines. While the conferences must file their agreements with the Board and secure approval prior to initiating joint action, because of the international nature of the shipping industry the supervision which the Board may exercise is quite limited and hardly comparable to the comprehensive regulation exercised with respect to domestic transportation industries by such agencies as the Civil Aeronautics Board and the Interstate Commerce Commission. For example, the Board has no jurisdiction over the reasonableness of rates charged by steamship lines in American foreign commerce and, except as to subsidized U.S. carriers, has no control over the adequacy, frequency, or regularity of service provided by steamship lines operating to and from U.S. ports.

The most profound change in H.R. 6775 which would be effected by the subcommittee print deals with the right of nonconference carriers to enter or serve ocean trades with freedom from predatory and anticompetitive onslaughts by the conferences.

The typical shipping conference represents a tremendous concentration of power. On practically every one of the U.S. foreign trade routes the conferences enjoy monopoly control; indeed, there are few, if any, in which the conference does not control at least 80 percent of the liner cargo movement. in most trades the percentage is much higher. Absent the antitrust exemption which Congress provided in the Shipping Act, the joint rate-fixing activity and the other forms of anticompetitive collaboration typical of the conference system would do violence to the antitrust statutes. The history and weight of interpretation of the 1916 act amply demonstrate that while Congress made it possible for steamship lines to cooperate voluntarily in conference arrangements, Congress was equally determined to protect the rights of carriers who choose not to participate in conferences, as well as to insure to shippers the right to patronize nonconference carriers without retaliation from the conferences. Thus, for example, Congress specifically outlawed in section 14, first and second, of the Shipping Act two of the most vicious practices known in 1916 to have been employed by conferences against their competitors; namely, the deferred rebate and the operation of fighting ships. In section 14, third, Congress similarly prohibited retaliation against shippers who patronize other carriers.

H.R. 6775 as enacted by the House of Representatives took into account the demand for legalization of dual-rate contracts but at the same time provided that such contracts not be used where designed to drive another carrier out of business or where the reasonably likely result of their use would be equally adverse to the public interest in maintenance of free competition. By contrast, the subcommittee print of August 8, 1961, reflects the philosophy that a carrier ought to join a conference or suffer the consequences of predatory conference action. It is this approach to legislation on dual rates which the Department of Justice finds so disturbing.

The changes effected in sections 1 and 2 of H.R. 6775 by the subcommittee print are not fully apparent until study is made of all the provisions of sections 3 and 4 of the subcommittee print, and particularly of section 4. While section 3 appears to retain in substance the language of the House-passed version which would bar removal of any dual-rate contract which is intended or will be reasonably likely to cause the exclusion of any carrier from the trade, section 4 would wholly nullify the purport of this key provision. Section 4 of the subcommittee print provides that "(1)f a common carrier is eligible but unwilling, on reasonable and equal terms and conditions, to join a conference approved by the Board and serving a trade, such carrier may not be deemed excluded from that trade, or prevented from entering it, or eliminated from it, within the meaning of all such terms as used in this section and section 14b of this act."

The clear effect of the latter provision would be to deprive the nonconference carrier of the protection against unfair exclusion from a trade whenever the nonconference carrier has chosen to remain independent of the conference. Since almost every conference in the U.S. foreign trade would welcome the membership of the nonconference carrier in order to eliminate the latter's competition, it is impossible to conceive of a situation involving a nonconference carrier in competition with a conference which would not fall within the above quoted language of the subcommittee print. In sum, therefore, the Committee on Commerce, in considering adoption of the proposed language of the subcommittee print vis-a-vis the language of the House enactment, will be deciding which concept shall henceforth apply to the ocean shipping industry: freedom of opportunity for all steamship lines, whether as conference members or independent operators, according to individual preference, as opposed to compulsory conference membership resulting in elimination of competition and monopolistic freight rates.

The Department of Justice considers indispensable to any reasonable enactment on dual-rate and steamship conference agreements the inclusion of language unequivocally barring the approval of such agreements where they are intended or will be reasonably likely to cause the exclusion of another carrier from the trade. Assistant Attorney General Loevinger indicated in his testimony before the Merchant Marine and Fisheries Subcommittee on August 3, 1961, how important are the actual and potential benefits of this legislative protection to American carriers, shippers, and the general public. Judge Loevinger noted that, even though at a given moment there may be no American carrier operating independently of the conferences, the ability of an American carrier to withdraw without fear of conference retaliation provides it with leverage within the conference which may be exerted

to avert action which may be adverse to its interests or to the foreign commerce of the United States. This is of extreme significance to American carriers which account for only a small vote in virtually every important conference serving our foreign trade.

It is important also to bear in mind that in the ocean trades competition is the only practical restraint on unduly high freight rates. In this connection, the Under Secretary of State submitted to the Merchant Marine and Fisheries Committee on August 3, 1961, data obtained from foreign governments in response to the State Department's inquiry of them how reasonableness of rates is assured in waterborne commerce. Eight foreign nations—Belgium, Denmark, Federal Republic of Germany, Finland, Italy, Netherlands, Norway, and Sweden—of the 11 questioned, replied that they rely on free competition to achieve reasonable rates. The subcommittee print, however, would leave the way open for shipping conferences to eliminate the very competition which the United States has historically fostered and which a majority of foreign nations espouse, by withdrawing protection of the rights of the competitor who may choose to offer rate competition.

We would further direct the committee's attention to the example cited in Assistant Attorney General Loevinger's testimony of the unconscionable rate charged on an important commodity moving in American foreign commerce when there was no independent carrier providing competition in the particular trade. The entry of an independent carrier brought about a reduction of the rate from $80 to $40, the latter level being one which, by the admission of one of the American carriers involved, still permitted profitable operations.

For the reasons outlined above, we urge the committee to delete the provision appearing in the subcommittee print beginning at line 22 on page 5, which completely nullifies the protection for nonconference carriers, contained in the House-passed version. This important competitive safeguard, but for the language beginning at line 22 on page 5, would be preserved in the subcommittee print. We deem it essential that these protective provisions be retained as they were in the House-enacted version of H.R. 6775.

There are other provisions of the subcommittee print on which comment should also be made. Whereas section 1 of the House enactment would require the proponents of dual-rate systems to establish in Board proceedings that the proposed dual-rate contract would not have the proscribed effects, the subcommittee print would shift the burden to opponents thereof or to the Board. The latter would have to prove by the preponderance of the evidence that a dual-rate contract would contravene the language of the bill. We believe that the House approach is the more reasonable. It places the burden where it belongs, that is, upon the proponent and expected beneficiary of the proposed dual-rate contract.

The subcommittee print, also changes the House-enacted provisions dealing with dual-rate contracts by inserting the word "common" before the word "carrier" in several places. The insertion of the word "common" before the word "carrier" on line 17 of page 2 would limit the protection against exclusionary dual-rate systems to common carriers and would appear to permit the use of dual-rate contracts which are designed or are likely to exclude a carrier which is not a common carrier. We are aware of no justification for differentiating between the types of carrier that might be adversely affected by conference use of dual-rate contracts. We therefore recommend that the committee delete the word "common" wherever it has been added to H.R. 6775 by the subcommittee print. This comment would also apply to the addition of the word "common" on line 17 of page 5 of the print.

We turn now to the language of the subcommittee print which relates to provisions which must be expressly incorporated in any dual-rate contract to be lawful under the proposed legislation.

The subcommittee print would strike from H.R. 6775 the provision that prohibits dual-rate contracts from covering shipments of goods where the contract shipper has no legal right to select the carrier. The effect of this deletion will be to create endless controversy as to whether or not certain shipments, notably shipments of goods sold on f.o.b. and f.a.s. terms, are covered by approved dual-rate contracts. Without the provision contained in the House version, the way is left open for conferences to charge contract shippers with breach of their dual-rate contracts when they sell goods to buyers who elect to ship via nonconference carriers. The deletion of this provision could be construed to permit the conferences to forbid contract shippers from doing business with anyone who will not surrender his right to make his own shipping arrangements. We urge that this provision be restored to the bill in order that it be made clear that Congress does not intend to allow the shipping conferences to dictate the terms upon which one merchant must sell to another.

Another provision deleted from the House enactment which should be reinstated is that precluding any requirement that shippers divert their shipments from natural routings. The purpose of this provision was to insure shippers' freedom to choose the ports from which and to which to ship their goods. It is one thing for Congress to permit a system of contracts under which shippers must promise that when they ship from a particular port they will use conference vessels, but it is a wholly different thing to permit conferences to compel shippers to ship from a particular port when it may be more economical for them to ship from other ports which the conferences may not happen to serve. The Department of Justice recommends that the House provision on this point be reinstated in H.R. 6775.

We are also concerned with clause 3 of section 3 of the subcommittee print. This clause would limit damages recoverable for a shipper's breach of a dual-rate contract to actual damages, but the proviso permits liquidated damages not to exceed the freight charges at the contract rate, less cost of handling.

We reiterate our previous objection to the proviso in this clause. It is our understanding that clause 3 is in the bill for the purpose of barring the past practice of disguising oppressive penalties in the form of liquidated damages. At the same time it was desired to permit liquidated actual damages where desired by the parties so as to avoid possible future uncertainties and controversies in situations where actual damages were difficult to prove.

We are convinced that the present formula will not achieve the objective of eliminating penalties. The proviso assumes that the actual damages for a shipper's breach of a dual-rate contract are the same as damages resulting from breach of a space reservation or booking contract. As was made clear in Assistant Attorney General Loevinger's testimony on August 3, 1961, the present proviso, which in effect equates the two types of damage, can only result in damages for a shipper's dual-rate contract breach far in excess of actual damages. In its present form, therefore, the bill still leaves the way open for unduly harsh and punitive results.

While we recognize that any effort to specify liquidated damages may not in all cases result in an approximation of the actual damages, we observe that no liquidated damage formula has been advanced which does not also constitute a severe penalty all out of proportion to the actual damages suffered by the conference or its members. Since the demand is for a measure which is certain, is fair to the carrier, but at the same time not oppressively punitive, we respectfully suggest that the committee place a maximum on liquidated damages of 1½ times the spread between contract and noncontract rates. This, we believe, is a fair and reasonable approach to the problem. It would deter a shipper from disregarding his dual rate contractual obligations, but would not place him in jeopardy of being required, in the event of breach, to pay the conference an amount clearly having no logical relation to the loss which the conference can be considered to have sustained.

Clause 5 of section 3 of the subcommittee print permits the approval of dual rate systems where the maximum spread between contract and noncontract rates is 15 percent. We view any spread in excess of 10 percent as unwarranted. In this connection, it should be noted that the House report indicated a problem in determining a maximum spread figure which would not penalize a shipper who does not choose to limit his shipments to conference vessels and which at the same time would provide a reasonable inducement to execute such agreements. It is the considered view of the Department of Justice that the 15-percent maximum spread provided for in clause 5 of section 3 of the subcommittee print does not strike such balance. Rather, it weighs heavily on the side of coercing shippers to limit their cargoes to conference vessels. All would agree that shippers should be provided with a realistic choice in deciding whether to contract to ship exclusively on conference vessels or whether to retain their right to ship on both conference and nonconference vessels as they choose. There is good reason to believe that a spread of 15 percent would foreclose this choice.

While the difference between a 10-percent and a 15-percent spread may seem to be solely a matter of degree, the fact is that in the highly competitive and price-conscious world of international trade an additional handicap of 5 percentage points in freight rate markedly reduces a shipper's ability to determine whether he would prefer freedom to use both conference and nonconference vessels rather than being limited to the use of one type of service. We recommend that a 10-percent maximum be written into this clause by the committee.

We would next direct the committee's attention to the provision of section 4 of the bill which in effect would permit Board approval of agreements between conferences serving different trades which are competitive, with the proviso that each conference retain what the bill refers to as the "right of independent action." We urge the committee to delete the proviso thereby clearly prohibiting any interconference agreements.

While the existing language of the bill gives a conference the right to take independent action on matters embraced within the agreement, it nevertheless permits all parties to an agreement to establish a uniform policy on rates and other competitive matters when it serves their purpose to do so. The Department of Justice is convinced that it is not in the public interest to permit agreements which may create a virtual monopoly of ocean transportation to or from this country. Congress should not sanction private rate-fixing schemes or supercartels which could embrace every port through which the foreign commerce of the United States is conducted. Such an arrangement would deny shippers the cost savings resulting from their location on or in proximity to a particular coastal range.

Another amendment to section 15 of the Shipping Act is the provision of section 4

of the subcommittee print requiring conferences to police their agreements. We question the policy requiring conferences to engage in private policing. Congress should neither require nor permit cartels, even the ones in ocean shipping, to use penalties to coerce compliance with their cartel agreements. Nor do we believe Congress should delegate to cartels the responsibility for enforcing our maritime laws, especially in view of the potential harm that could be caused by unwarranted coerced disclosure of confidential business records to competitors and from the assessment by the cartels of harsh or discriminatory penalties.

Section 5 of the subcommittee print provides that agreements filed with the Board after passage of the proposed act are lawful until disapproved by the Board. There is no limit set on the period within which the Board must act on such agreements. The exemption from the antitrust laws of any cartel agreement, and certain cartel tying devices, is a most serious matter and a departure from our free-enterprise principle that competition should be the rule of trade. No dual-rate agreement should be permitted to go into effect for an unlimited period.

The Chairman of the Board, in his testimony before the House committee, indicated that a 1-year period would be a realistic one within which to review and dispose of the number of agreements which are likely to be filed after passage of this legislation. If it takes the Board a longer period to review such agreements, at least the unsupervised dual-rate system cannot continue to be employed during any such delay. On the other hand, under the provision in the subcommittee print, any delays experienced by the Board would have the effect of permitting the unsupervised dual-rate system to continue in effect. Clearly, this would encourage dilatory tactics and tend to postpone indefinitely the clarification of status of all dual-rate contracts which for the past 3 years Congress has been seeking to provide.

The Department of Justice also recommends the deletion of section 7 of the subcommittee print. This section would permit serious inroads to be made upon the confidential relationship between shippers and carriers established by section 20 of the 1916 Shipping Act. It must be appreciated that shippers are required to disclose certain of their private business affairs to carriers to permit the assessment of proper tariff charges. Under section 20 of the Shipping Act the carriers are in return put under the obligation of maintaining such data in secrecy so that the shippers' business transactions are not disclosed to competitors and that such information is not used in any way to the shippers' detriment.

The proposed legislation would depart from the traditional concept of section 20 and would cause a substantial lessening of the protection which shippers now enjoy. Under the instant bill not only could a common carrier furnish data on a shipper's transactions without the shipper's consent but a "conference or any person, firm, corporation or agency designated by the conference" could solicit information as to a shipper's transactions. Presumably this data could be solicited from freight forwarders, terminal operators, warehousemen or any other persons subject to the Shipping Act who may have knowledge of the shipper's transactions. This would involve a radical change in public policy and, in our opinion, would open the way for widespread abuses and breaches of confidence in the shipping industry.

In addition to these potential results, the bill creates an apparent paradox. While a conference or its agent would be permitted by the proposed legislation to solicit information without limitation, those other than a conference carrier who might be solicited would still be restrained by the language of section 20 from disclosing the solicited information. Thus section 7 of the instant bill would authorize the solicitation of data from persons whom, were they to divulge it, could be criminally prosecuted for doing so. Any further attempt to deal with this anomalous situation would probably create more problems than it would solve. Even if all persons subject to the Shipping Act were to be authorized to release data for the purposes stated in the bill, a terminal operator or warehouseman would obviously act at his peril in relying on a representation that confidential data he was solicited to disclose was desired solely for one of the purposes permitted by the bill.

For the reasons indicated in the foregoing analysis, the Department of Justice respectfully urges the Committee on Commerce to amend the subcommittee print of H.R. 6775 in accordance with the recommendations contained herein.

The Budget Bureau has advised that it has no objection to the submission of this report from the standpoint of the administration's program.

Sincerely yours,

BYRON WHITE,
Deputy Attorney General.

MIGRATORY BIRD TREATIES NOT VIOLATED BY ESKIMOS TAKING DUCKS FOR FOOD

Mr. GRUENING. Mr. President, 3 months ago, the people of Alaska were startled to hear over their radios and to read in their newspapers that the local agents of the Fish and Wildlife Service had arrested Eskimos in the far north and far west of the 49th State for shooting ducks and geese, and had confiscated their guns.

This has never happened before in the history of Alaska.

The fish and wildlife agents' justification for their unprecedented action was that the taking of these birds between March 10 and September 1 was in violation of a convention between the United States and Great Britain, adopted in 1916, for the protection of migratory waterfowl.

The convention makes exceptions in the case of Eskimos and Indians who, in the words of the convention, "may take at any season, auks, auklets, guillemots, murres, puffins, and their eggs, for food and their skins for clothing, but the birds and eggs so taken shall not be sold or offered for sale."

But the convention does not make exception for many other migratory game birds numbering more than two score, and including ducks and geese, for the taking of which the local fish and wildlife agents in Alaska arrested Eskimos in late May of 1961.

The news created a sensation. Two days after the arrests, the Associated Press reported that 100 Eskimos at Barrow, the northernmost community under the American flag, had gathered at a mass meeting, bringing the eider ducks they had killed, and had freely signed statements admitting their actions. At a subsequent mass meeting, 300 Barrow natives signed a petition asking President Kennedy to issue emergency regulations permitting them to hunt migratory waterfowl for food at any time of the year, and if enforcement against them to prevent this was to take place thereafter, to seek a change in the convention.

To those familiar with this long-established custom of the Eskimos, this unprecedented action caused surprise and indignation. This was the universal reaction in Alaska among natives and most whites. Governor Egan immediately wrote to Secretary of the Interior Stewart Udall in protest. As a press conference, the Governor stated that it appeared to him that the treaty was flexible, and that the Secretary of the Interior had it within his power to permit such of the native population as had always taken ducks and geese for food at any time of the year to continue to do so. Governor Egan said:

> They have done so for generations, and the flocks have not diminished because of their activities. Commonsense and good judgment should prevail. We should not deprive these people of their very existence.

Welfare costs would jump $150,000 a year, the Governor further pointed out, if this always hitherto available food supply, on which the Eskimos had depended, were cut off.

Governor Egan also voiced a widely believed reason for the unprecedented action of the local fish and wildlife agents; namely, that "now that the State has taken over its own game and fisheries program, the Fish and Wildlife Service had to do something to justify its existence in Alaska."

In Alaska, the fish and wildlife agents demanded prompt prosecution of the Eskimos by the U.S. attorney at Fairbanks. However, Assistant U.S. Attorney Jerry Shortell referred the matter to the Department of Justice for guidance. The Associated Press reported Secretary Udall as saying, at a press conference, "The law is the law," and indicating that he had no choice but to enforce it.

Being convinced that an error had been committed somewhere, or that at least an unfortunate situation had been needlessly created, the Alaska congressional delegation, Senator BARTLETT, Representative RALPH RIVERS, and I called on Secretary Udall to discuss the matter. The meeting took place in his office on the Assistant Secretary of Fish and Wildlife, Mr. Frank P. Briggs, and other representatives of the Fish and Wildlife Service were present.

Secretary Udall's stated position at that time was again that "the law is the law" and that he had no choice but to enforce it.

The members of the Alaska delegation, however, expressed the opinion that there was substantial doubt in their minds just what "the law" in this case was. They voiced the view that it was difficult to reconcile the action taken by the fish and wildlife agents in Alaska in May 1961 with the fact that since 1916 no Secretary of the Interior or no Secretary of Agriculture had made any attempt to enforce what was now, for the first time, presumed to be "the law." From 1916 to 1940, the protection of birds and other wildlife was under the jurisdiction of the Department of Agriculture through its agency, the Biological

Survey, which in 1940 was merged with the Bureau of Fisheries of the Department of Commerce, and the resulting agency, the Fish and Wildlife Service, with jurisdiction over both marine and land animals, transferred to the Department of the Interior. But throughout this entire period of the convention between Canada and the United States to protect migratory birds, the responsibility for the Eskimos and Indians in Alaska had been vested in the Department of the Interior.

The delegation, therefore, expressed its dissent to Secretary Udall from the position he had taken at that time, shortly after arrests of Eskimos in Alaska.

The reason for that dissent is based on a number of factors.

The Eskimos are meat-eaters, for the obvious reason that vegetables do not grow naturally in the Arctic. Before the coming of the white man, so-called white man's food—flour, cereals, dried fruits, canned vegetables, coffee, tea, sugar—did not exist in the Eskimo world. In villages where they now exist, the Eskimo frequently has no money to buy them.

So, the Eskimo has depended on whale meat, seal, walrus, fish, caribou, and birds, particularly the eider duck. From time immemorial, the Eskimos have been taking eider ducks and geese, as well as other nonmigratory birds—taking them with slings and other implements of their own devising before the white man introduced firearms. In the late spring, and with time variations in different parts of farflung Eskimo Alaska, no other form of life-sustaining game is available. The nonavailability at such times of these other game foods is based on climatic conditions, such as the breaking up of the pack ice in the Arctic Ocean and Bering Sea and the inaccessibility or scarcity of certain food animals because of these seasonal conditions.

It seems clear to me that despite the inclusion in the Migratory Bird Convention—or treaty—of ducks and geese among the birds not to be taken from March 10 to September 1, the established habits of the Eskimos and their essential needs were considered by the Federal authorities after the convention was ratified in 1916. How otherwise explain the total absence of any effort at enforcement of the provisions of the treaty against the Eskimos of Alaska? A corresponding absence of enforcement against Canadian Eskimos appears to have characterized the corresponding Canadian authorities, including—and thus differing from the U.S. fish and wildlife agents in Alaska—the year 1961.

It should be especially noted that in transmitting the treaty to the Congress, neither the President nor the Secretary of State made mention of the fact that ratification of the treaty would involve substantial budgetary implications in welfare costs for natives who would be deprived of a vital food source. Can it be said that the President and the Secretary of State did not make full disclosure to the Senate as to the full implications of the requested ratification?

Such an interpretation, attributing, in effect, bad faith to the President and the Secretary of State must be rejected.

Instead it is more logical to interpret their actions as indictating that they did not believe that the ratification of the treaty would cause any change in the living habits of the natives and that hungry Eskimos could still hunt as they had done since time immemorial to keep themselves from starvation.

In 1916, Franklin Knight Lane was Secretary of the Interior in President Wilson's Cabinet, and continued in that post until 1920. He was, of course, fully aware of the provisions of the United States-Canada Migratory Bird Treaty, indeed perhaps peculiarly interested since he was born in Canada. Moreover, more than any previous Secretary of the Interior, he exhibited a deep interest in and concern for Alaska. On his motion, two Alaskan residents were successively appointed as Governors of Alaska. No previous Secretary of the Interior had so great a knowledge of Alaska's problems and needs. If enforcement of the Migratory Bird Treaty of 1916 had been of concern for its effects on the Eskimos of Alaska, Secretary Lane, vocal as no other Secretary had been on Alaskan matters, and particularly outspoken on the conflicting and overlapping of Federal bureaucracy in that territory, would certainly have asserted himself.

While at the time the Secretary of the Interior had jurisdiction over the natives of Alaska—Eskimos, Aleuts, and Indians—and, indeed, over all Alaskan matters not specifically assigned to some other Federal department, the responsibility for the management of wildlife was, as I have pointed out, lodged in the Department of Agriculture. The Secretary of Agriculture in President Wilson's Cabinet was David F. Houston. The special responsibility for wildlife was vested in one of the Department of Agriculture's agencies, the Biological Survey.

That bureau was headed by one of the Nation's foremost naturalists, Edward William Nelson. He had been with the Biological Survey since 1890, was promoted through its ranks, was made its chief in 1916, and continued as such throughout the Wilson administration and long thereafter. Now it happened that despite his nationwide jurisdiction, Nelson was one of the great specialists within his field on Alaska and particularly in what may be described as the Eskimo country—the littoral of the Arctic Ocean and the Bering Sea. He had engaged in extensive scientific explorations in these regions as far back as 1877, and had continued them throughout his long and distinguished public service. While his knowledge covered the broad field of biology, he was preeminently an ornithologist. In addition to other scientific distinctions, he was elected president of the American Ornithological Union. His published scientific writings included: "Birds of Bering Sea and the Arctic Ocean," as well as numerous other papers on birds and the need for their conservation. But his interest ranged beyond animal life, and in 1908 he had published his study entitled "The Eskimo About Bering Straits."

To that highly and uniquely informed public servant fell the responsibility for any action in Alaska involving the taking by Eskimos of the birds of the Bering Sea and the Arctic Ocean. He took no action. There is no evidence that he saw the need for any action. We shall see how 45 years later, another group of distinguished scientists located on the scene, and through personal observation highly knowledgeable, would register their view that the enforcement procedures of 1961 were harmful both to the Eskimo and to the ducks.

Thus, in the year of the Migratory Bird Convention, 1916, and in the years immediately following, neither Secretary of the Interior Franklin K. Lane, in whom was lodged the jurisdiction over the Eskimos and Indians of Alaska, and Edward W. Nelson, as the representative of the Secretary of Agriculture in his responsibility for the migratory and other birds of the territory of Alaska, saw any need for action in regard to the taking of ducks for food by the Eskimos.

If ever the issue was pertinent, it was then—in the year of the ratification of the Migratory Bird Treaty between the United States and Canada, and in the years immediately following.

And, understandably, with that precedent of no action established during the sequent 4 years in the Wilson administration by incumbents Lane and Houston, no action to prosecute the Eskimos for taking ducks was taken in the successive secretaryships of the Interior of John Barton Payne, of Albert B. Fall, of Hubert Work, of Roy O. West, of Ray Lyman Wilbur, or Harold L. Ickes, nor in the successive Secretaryships of Agriculture of Henry T. Meredith, of Henry C. Wallace, of Howard M. Gore, of W. M. Jardine, of Arthur M. Hyde, of Henry A. Wallace.

In 1940, as I have pointed out, the functions of the Biological Survey were transferred from the Department of Agriculture and vested in the Fish and Wildlife Service of the Department of the Interior. This Department thereafter had responsibility for the Eskimos and Indians of Alaska, and, until statehood, for wildlife management and conservation, retaining the latter responsibility after statehood only in the case of previously established fish and wildlife game refuges or ranges, and for the enforcement of international treaties. Yet neither Secretary Ickes, after receiving this dual responsibility in his Department for the years 1940–45, nor his successors, Julius A. Krug, Oscar L. Chapman, Douglas McKay, and Fred A. Seaton felt impelled to order action such as was taken by the Alaska fish and wildlife agents in May of 1961.

While the negative action of nonenforcement, as far as Eskimos and their taking of ducks was concerned in the first 43 years of the United States-Canadian Convention is impressively evidential, positive evidence that Eskimo bird taking was not deemed within the purview of the convention is furnished by Circular No. 10 of the Biological Survey

issued in April 1933. In this pamphlet, which incorporates the Alaska game law of January 13, 1925, as amended on February 14, 1931, whose enforcement was the province of the Biological Survey, it is stated:

> Nor except as herein provided, shall (any regulation) prohibit any Indian or Eskimo, prospector or traveler, to take animals or birds during the close season when in absolute need of food and other food is not available * * * but the Secretary (of Agriculture) by regulation may prohibit such native Indians or Eskimos, prospectors or travelers from taking any species of animals or birds for food during the close season in any section of the Territory (of Alaska) within which he shall determine that the supply of such species of animals or birds is in danger of extermination.

Clearly, it is here provided that Indians and Eskimos may take birds for food during the close season for food, when the need is there, and other food not available, and that a contrary regulation of the Secretary is required only if and when there appeared to be danger of extermination.

Let it be noted here that Fish and Wildlife officials have admitted to me in June of 1961 that the taking of ducks and geese by Eskimos during the years have in nowise depleted the supply.

Shortly thereafter, in 1936, a convention was negotiated between the United States and Mexico "* * * for the protection of migratory birds * * *." In transmitting the draft to the Senate, President Franklin Delano Roosevelt stated that it was a treaty similar to the one with Canada of 1916. Since some of the species of birds protected in the earlier convention migrated to Mexico, it was, he said, desirable to extend protection to them there, also.

There were some interesting differences in the texts of the letters of transmission from our Secretaries of State and in the texts of the two treaties, although both seemed designed for the same general purpose; namely, to save the migratory waterfowl from extinction.

In his letter of transmission of the Canadian treaty on August 17, 1916, Secretary of State Robert Lansing gave this justification for it:

> That a very great number of people in the United States are personally interested in the protection of our migratory wild birds is evidenced by the fact that there are about 5 million sportsmen in this country and their number is steadily increasing. These men are all dependent upon the continuance of our supply of wildfowl for their sport, and a very large number of them are in consequence taking an active interest in the present treaty. In addition, the value of the proper protection of our migratory insectivorous birds is of the deepest interest to farmers for the practical assistance they give in destroying insects injurious to crops. Furthermore, millions of people in the United States are deeply interested in the conservation and increase of bird life from an esthetic viewpoint, as well as on account of their practical utility.

Conservation of the birds, first, for sport; second, for the farmers' crops; third, for their esthetic value—these are the three and the only reasons alleged in Secretary Lansing's letter of transmittal.

It is a well accepted principle of treaty interpretation that when a topic is not specifically covered by the written words of a treaty, then customs and usage prevailing at the time of ratification and drafting of the treaty, and continuing unabated thereafter, can be consulted in interpreting the treaty. Neither the Canadian nor the Mexican treaties provides specifically for situations where individuals were permitted to hunt for essential food. We must, therefore, go outside the written words of the treaties to determine the intent of the signatories to the treaties.

As already indicated, custom and usage when the treaties were negotiated, signed and ratified, and subsequent thereto, permitted the taking of ducks and geese for food.

One may well ask: Was the most basic of all purposes to justify conservation of these migratory waterfowl—namely, their use as food for those who needed the food—considered insufficiently important to list, or was it taken for granted as one purpose of the treaty?

I prefer to assume the latter. That assumption is justified by the text of the convention. Indeed, its preamble lists the value of the birds for food first, their insectivorous service second, and says nothing about their use for sport.

The letters of transmission of the Mexican Treaty, either by Secretary of State Cordell Hull to the President, or by the President of the Senate, contain no declaration of purpose, but the Mexican Treaty, in its preamble, lists four values of the migratory birds in the following order: sport, food, commerce, and industry.

There are other differences: The Canadian Treaty, in article VIII, provides:

> The high contracting powers agree themselves to take, or propose to their respective appropriate lawmaking bodies, the necessary measures for insuring the execution of the present convention.

The Mexican Convention, following article I, which declares its purpose to prevent the extinction of migratory species, provides, in article II:

> The high contracting parties agree to establish laws, regulations, and provisions to satisfy the need set forth in the preceding article.

And it lists five general provisions, one of which is modified by permitting the taking of birds in conformity with the laws of each contracting country.

This language is significant. In the preparatory work for the Mexican Treaty are two memorandums prepared for the U.S. Chargé d'Affaires in Mexico City, stating that the Mexican Government intended that poor people might take such birds for food but not for sale. The Mexican authorities were desirous of including a specific exception for the indigent poor but were persuaded not to include this modification in the final treaty draft.

Yet article 857 of the Mexican Civil Code permits the indigent poor to take such migratory fowl at any time regardless of season. This provision continues in full effect.

Thus, the three nations, signatories to the treaties, achieved the same result until 1960: in the case of Canada as in the United States through nonapplication of its provisions to Eskimos taking ducks for food; in the case of Mexico, by excluding from possible prosecution, in its civil laws, the indigent poor. The United States alone, for the first time—in 1961—operated to prevent the greatest of all possible uses of migratory birds: their use for food by those needing the food.

These considerations prompted me to write Secretary of State Dean Rusk as follows:

JUNE 13, 1961.

Hon. DEAN RUSK,
The Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: I am greatly disturbed at the sudden prosecution of Eskimos and Indians in Alaska under the migratory bird laws for hunting ducks and geese which, since time immemorial, have formed an essential portion of their food supply. I am at a loss to explain this sudden zeal for law enforcement.

It is my understanding that this action is founded on an interpretation of the 1916 treaty with Great Britain and the 1936 treaty with Mexico. Since one treaty is 45 years old and the other is 25 years old and since the Eskimos and the Indians in Alaska have all during those years—and before—been hunting ducks and geese for food without prosecution, can it not be said that the proper interpretation of both these treaties is that the preexising rights of Eskimos and Indians are not be affected by their provisions?

If this interpretation is not possible, then I would suggest that the Governments of Canada and Mexico be approached without delay and codicils adopted for both treaties exempting the hunting of geese and ducks by Eskimos and Indians where such hunting is for the purpose of securing food for themselves and their families.

I am writing the Secretary of the Interior requesting that enforcement measures against Indians and Eskimos hunting ducks and geese in Alaska for food be suspended until a ruling on this interpretation can be obtained or until the adoption of appropriate codicils to these treaties can be negotiated.

In any event, I would appreciate an opportunity of conferring with the appropriate officials of your Department and of the Department of the Interior at the earliest possible moment on this most pressing matter.

With all best wishes, I am,
Cordially yours,
ERNEST GRUENING,
U.S. Senator.

I sent a copy of the letter I had written to Secretary Rusk to Secretary Udall, as follows:

Hon. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: I am enclosing a copy of a letter I have sent to the Secretary of State concerning the interpretation of the Migratory Bird Treaties with Great Britain and Mexico. I believe this letter is self-explanatory.

I believe that, in all fairness to the Indians and Eskimos of Alaska, this sudden reversal in enforcement procedures should be suspended until there has been ample opportunity either to explore fully the validity of the interpretation of the treaty which I have advanced or to negotiate protocols with the Governments of Mexico and Canada. I hope that you will follow this course of action.

In the meantime, as I suggested to the Secretary of State, I would welcome an opportunity in the immediate future of conferring with the appropriate officials of your Department and the Department of State.

With all best wishes, I am,

Cordially yours,

ERNEST GRUENING,
U.S. Senator.

Secretary of State Rusk replied as follows:

DEAR SENATOR GRUENING: Your letter of June 13 was the first indication to the Department that a problem exists in relation to enforcement of migratory bird regulations with respect to Eskimos and Indians in Alaska.

The laws governing the taking of ducks and geese are formulated under applicable provisions of a treaty with Great Britain on behalf of Canada signed in 1916 and a treaty with Mexico signed in 1936. While these treaties provide sufficient latitude for regulations permitting the taking of certain migratory birds for food, a closed session is provided for between March 10 and September 1 of each year for conservation purposes. Certain exceptions are noted in the Canadian Treaty, but they are not in question here. The Department has no responsibility for enforcing these treaties.

However, should it be determined that inequities do exist, the Department would interpose no objection to the correction of these inequities. It would be expected that any such measures would be based on scientific findings in respect to sound conservation principles.

I should be happy to make representatives of the Department, knowledgeable in this field, available for discussion with you, at your convenience.

Sincerely yours,

DEAN RUSK.

I likewise sent a copy of my letter to Secretary Rusk to Assistant Secretary of the Interior, Frank P. Briggs, who is in charge of fish and wildlife. Assistant Secretary Briggs replied as follows:

DEAR SENATOR GRUENING: Thank you for your letter of June 13 transmitting a copy of your letter to Secretary Rusk regarding the Migratory Bird Treaty.

As you will recall, during our recent meeting with the Alaskan congressional delegation, this subject was thoroughly discussed. I thought it was a fruitful session and trust we were able to clarify the Department's position on this matter.

Sincerely yours,

FRANK P. BRIGGS.

Since it was evident to me that the Department's position, as expressed by Assistant Secretary Briggs, did not afford any satisfactory solution, I replied as follows:

Hon. FRANK P. BRIGGS,
Assistant Secretary of the Interior for Fish and Wildlife, Department of the Interior, Washington, D.C.

DEAR MR. BRIGGS: Replying to your letter of July 12, in which you say, concerning the Migratory Bird Treaty, that at the recent meeting with the Congressional delegation, this subject—namely, the taking of birds by the Eskimos for food—was thoroughly discussed, and further, that you considered it a fruitful session, in the course of which you were able to clarify the Department's position on the matter.

My impression is that the Department's position, as stated at the meeting, was that the Eskimos were entitled to no special consideration; that although they had taken ducks for food since time immemorial without let or hindrance, the unprecedented strict enforcement this year, for the first time, by the Fish and Wildlife Service, had the Department's approval.

Speaking for myself, and I feel I likewise express the view of my two colleagues in the congressional delegation, I think this is a most regrettable attitude and one that needs further study and, we hope, revision. It is my belief that when the Migratory Bird Treaties with Mexico and Canada were enacted, the aboriginal rights of our natives in this field were either tacitly recognized by nonenforcement—and should continue to be—or that if that is not the case, those of us concerned with this human and vital problem should press for reinterpretation or modification of the treaties.

It does seem contrary, in my judgment at least, to the ideology of the "New Frontier" that these natives, who, in the great majority of cases are dependent on a supply of migratory birds during this session of the year (I am referring to those who still pursue a subsistence economy) should not have prior consideration over the interests of a few professional duck hunters for sport in the older 48 States. There is the further fact, which I think could be substantiated, that the taking of these ducks in the past by the Eskimos for food has not, in any sense, depleted the supply.

In the circumstances, I hope that the Department will not consider its position established as it appeared to be at our meeting, but that it will be prepared to approach this question from a standpoint of relative values and essential human rights.

Cordially yours,

ERNEST GRUENING,
U.S. Senator.

Secretary Briggs replied, more or less reaffirming his previous position. His letter follows:

DEAR SENATOR GRUENING: This will acknowledge your letter of July 18. As indicated in our earlier correspondence and in conversation, we are much concerned about the welfare of the Eskimos. However, treaty provisions give the Department no recourse but to carry out a progressive program of enforcement.

Our program continues to be one of information and education. It has not been one of sudden enforcement. Rather it has been in effect since the midforties with attention at first given to the more heavily populated settlements.

We certainly intend to continue studying all possible solutions. Talks will be initiated with representatives of the Canadian Government in an attempt to secure treaty revisions. I am sure you recognize that there is no easy, equitable solution, particularly with respect to the enforcement of existing laws and regulations.

Sincerely yours,

FRANK P. BRIGGS,
Assistant Secretary of the Interior.

Meanwhile, numerous letters had been received, not merely from Eskimos presenting their plight and requesting some remedy, but letters from others expressing their dismay at the unprecedented enforcement.

Typical of the Eskimos' plea was a petition sent by Paul Green and 133 others from Nome addressed to the Fish and Wildlife Service. It said:

We, the people that live along the coast of the Bering Sea and the Arctic Ocean have always experienced a lot of trouble in obtaining enough to eat during the time of the spring breakup. At this time of year seals are scarce and hard to catch, the rivers have much ice, and the fish runs have not begun, nor have the greens appeared. In the past we have been able to get waterfowl for food during this time, but now you tell us that we cannot hunt them for food during the spring. We would like to have those laws changed, especially on eider ducks.

Many waterfowl fly by the coast during the spring and many of them fly over to Siberia and are killed there. We have heard that very few of the eider ducks ever leave Alaska, and that we are the only people that hunt them. Thus we believe that we should be permitted to shoot eider ducks during the spring because there are many of them and we need them for food.

We hope that you can change the regulations soon. We have always needed waterfowl during the spring, and we still need them for food. If you cannot change the laws for us, many of the families will be hungry and unhappy. We want to obey the laws but it is difficult to do so when the family is hungry and needs the food you say we cannot take.

Six residents of Anvik, an Eskimo village on the lower Yukon River, wrote as follows:

We here in Anvik feel a real hardship because of this law. We find it impossible to obtain fresh meat of any kind. In the past we have always relied on what few geese and ducks we could get in the spring to tide us over until we could get fresh fish after the breakup. Those of us with big families could never afford to buy canned meat from the store, even if it was always available in the store. We don't even like to eat canned meat.

We have always hunted ducks and geese in the spring and we can't see how the few ducks and geese we get each year are going to cut down the total number in the world. It seems that this problem might be caused by the many who just hunt for the sport of it.

As it is now we are faced with two choices here. We can either go without meat for about 2 months, or we are forced to break the law in order to feed our families.

As you know, legal bird-game hunting is from September 1 to December 3. We here in the interior only see ducks and geese for less than half of that time. If we could have some of this season in the springtime when we need it more, it would really help.

A letter from a clergyman, the Reverend Rene Astruc, S.J., from St. Michael, on the Bering Sea, to Senator BARTLETT, of which I received a copy, states:

These parts of Alaska have been in quite an uproar recently: the sudden decision by the Fish and Wildlife to enforce the law of no hunting waterfowl at the spring of the year has taken everybody by surprise. This law is well known but has seldom been enforced on the native population for the simple reason that these birds are just about the only food these people have at this time of the year. Therefore 1961 has been a particularly bad year resourcewise.

When there is no other food available at this time of the year, you cannot expect these people who have always depended on the waterfowl to stop hunting. I should add that they kill relatively little and that all is used for food. Very little seems to be done is these parts to destroy natural predators * * * and the damage caused by these far surpasses any other. The people are going to continue hunting for food * * * It is my observation that the lack of wise rules is destroying, in the mind of the native people, the notion that such organization as the Fish and Wildlife is there to help them by protecting their resources. Neither can work well without the cooperation of the other. This, I am afraid, is not the way to obtain that of the native people.

Typical of another letter from other than Eskimos was one written from

Minto, a native village on the Tanana River, by the Reverend Gordon Olson, whose experience, in addition to his missionary service, included the local postmastership and acting as a licensing agent and tagging officer for the Alaska State Department of Fish and Game. The Reverend Olson wrote as follows:

DEAR SENATOR GRUENING: The news of the arrest of several hunters at Barrow and the confiscation of a large amount of ducks and geese from residents there by an agent or agents of the U.S. Fish and Wildlife Service is a very disturbing matter to the people of the villages. To a person who is aware of the native dependence on wildlife, this episode borders on the ridiculous.

In the past 9 years in serving as a missionary in villages and lately also as license agent and tagging officer for the Alaska Department of Fish and Game, I have come in close contact with the need of natives to hunt in order to provide for their families when there is a need. At times the shelves in the homes are bare. A meal may consist of coffee or tea and meat in some form. Then for someone to come along and say you can't hunt because the season is closed seems absolutely absurd. Should the Fish and Wildlife Service continue this harassment of the native way of providing for their families—carried on long before the coming of the white man—most villages would be nearly 100 percent dependent on welfare. Also the initiative of providing for their families would be lost. This whole matter is a very serious matter, for in effect, all the native people are on trial.

You have been so helpful in the past in matters concerning the needs of villages. I know that the native people will deeply appreciate a strong effort to see that the people can continue their way of living in a way which is morally right.

Sincerely yours,

Rev. GORDON OLSON,
Postmaster.

A letter from another clergyman, the Reverend Norman Donohue, S.J., pastor of the Little Flower Mission at Hooper Bay, raised some additional points on related issues. Father Donohue wrote as follows:

HONORABLE AND DEAR SENATOR GRUENING: I suppose you have heard from many Alaskans regarding the "Battle of Barrow" between the Eskimos and Fish and Wildlife. I have been intending to write you, but it took a remark in your May 5 Newsletter to get me to the typewriter.

In that letter it is stated that you were not opposing the appropriation for the Kuskokwim National Wildlife Range because State officials said it "may serve a useful purpose in the management of the waterfowl resources of the area." First of all, if the "State officials" quoted are the State Division of Fish and Game, their attitude has been no better than that of the Federal Fish and Game. A year ago, when a bill was introduced in the State legislature to remove a discrimination against the people of this coast in the matter of seal bounties, the State Fish and Game Division fought it tooth and nail. After the bill was passed in spite of them they stalled for months before paying the bounty, and they are still making what I consider an illegal requirement for certification of bounties. I do not know about Mr. Anderson; he was on leave at the time of the bounty bill. But he is leaving the service, and quite likely one of his underlings who was guilty of fighting justice last year will take his place.

Now about the Kuskokwim Range, I think Mr. Seaton's last-minute move to establish it was quite as blameworthy as in the case of the Arctic Range. When this withdrawal was first proposed, around 1955 or 1956, a public hearing was held in Bethel by the Bureau of Land Management, with speakers from the Fish and Wildlife. I was stationed in Bethel in those days, and I have never seen anything like the way in which the Eskimos threw off their usual lethargy to speak against the measure. They sent representatives from all the villages in and near the area. Everyone, white and Eskimo, opposed the measure, and none would believe the promises of the representatives of Fish and Wildlife. The whole proceedings were tape-recorded as well as transcribed, and they are probably still somewhere in the precincts of the Department of the Interior.

According to Fish and Wildlife, the sole purpose of the reservation was to give the Department power to regulate oil drilling and mining so that the nesting areas would not be polluted. It seemed like using a cannon to kill a mosquito; surely some simpler expedient would have sufficed. Now the first step is to spend $120,000 for a base in Bethel. To make the occasional inspection that would be necessary to check on oil operations? More likely to provide a base for breathing down the necks of all the residents of the area.

And that brings me back to my original remark about the "Battle of Barrow." As you must realize, the problem is not confined to Barrow, nor to the Arctic in a strict sense. The same conditions prevail at least far enough south to include the Kuskokwim Basin, and probably all the way to the Aleutians. Our people here at Hooper Bay, for instance, are probably more dependent on waterfowl than those of Barrow.

And, of course, it is not just a question of eider ducks. The people of Barrow, and Governor Egan, have been making a fight on the eider duck question, probably because they feel they have a better case there. But what needs to be cleared up is the whole question of migratory birds. If Fish and Wildlife has suddenly developed a tender conscience concerning treaty violations, why it seems we shall just have to revise the treaty.

It was perhaps humorous to make the magnanimous gesture of allowing Alaskans to hunt waterfowl until the 15th of December when the last birds had headed south in early October. It may have been funny when Fish and Wildlife was not paying much attention to the Eskimos, but it ceases to be funny now.

Governor Egan put his finger on the trouble when he stated it looked as though Fish and Wildlife, now that the State had taken over many of their former duties, had nothing left now but to annoy the Eskimos. Branson practically admitted the same thing later, when he said that formerly they did not have enough money to provide operatives to police remote areas.

Now, Senator, I think that is where you come in. With a battle for the world on our hands, we surely cannot afford to spend the taxpayers money on paying Fish and Wildlife to harass the Eskimos. So they do not have so much work to do now that the State has taken over: Fine. Let's cut their budget accordingly. No need for them to look for new wildlife activities. If they have too many men, let them fire a few. Maybe they can find some useful work in another line; if not, they can go on relief, whither they are trying to force the rest of the Eskimos.

If I sound a bit hot, you, as an Alaskan, will understand. You know how it has long been said it was safer to kill a man than a moose in Alaska. Again, honest law-enforcement officers cannot search without a warrant; why is the same not true of game wardens? It seems to me to be high time to get our scale of values back to order.

Our high today is 42°; sorry I cannot send you a little to refresh you in a Washington summer. I hope you will be able to keep hitting hard for the rest of the session, and then get away for a good vacation.

Sincerely yours,

NORMAN DONOHUE, S.J.

Considering Father Donohue's views highly pertinent and valuable, I transmitted his letter to Secretary Udall, as follows:

DEAR MR. SECRETARY: I am enclosing copy of a very pertinent letter from Father Norman Donohue, a Jesuit priest stationed at Hooper Bay, Alaska, which bears on the sudden enforcement by the Fish and Wildlife Service against the Eskimos of the Migratory Bird Treaty provisions.

As you know, it is my view that this treaty can properly be interpreted to permit natives to continue doing what they have always done—to take some of these ducks for food; and that is particularly true in the case of certain species of ducks.

Likewise, you will notice Father Donohue's views on the action of former Secretary Seaton to have the Kuskokwim Range withdrawn after he had been notified by the American people that he would no longer continue to be Secretary of the Interior. You are familiar with the views of the Alaska congressional delegation, as well as the Governor and the State legislature, on this subject, and I trust you will give heed to this additional valuable testimony from one who knows the problems first hand—Father Donohue.

Cordially yours,

ERNEST GRUENING,
U.S. Senator.

Secretary Udall answered my letter, transmitting Father Donohue's letter, replying to some of the criticisms made by Father Donohue. Secretary Udall's letter follows:

DEAR SENATOR GRUENING: Father Norman Donohue quite apparently has had much experience with the Alaska Eskimos and we appreciate receiving a copy of his letter of June 21 which accompanied your letter of July 11.

The dedication of the lands within the Clarence Rhode (Kuskokwim) National Wildlife Range for waterfowl management purposes has been applauded by conservationists of the Nation. The lands within the range comprise the most important waterfowl production habitat in all of Alaska. Important also is the waterfowl production contribution this area makes to the total waterfowl resource of North America.

The management of the Clarence Rhode Range, by the Bureau of Sport Fisheries and Wildlife of this Department, will be directed at preserving and improving the ecology and waterfowl production capacity. Additionally, the Bureau will regulate those exploitive activities that if uncontrolled could permanently endanger and destroy this native waterfowl habitat. Experience has taught us that the very thing that Alaskans want, assured fish and wildlife populations for public enjoyment and use, can only be had through applied management.

Father Donohue is correct in his statement that the conflict between the terms of the migratory bird treaties and the desires of native people of Alaska is not confined to Barrow or to the killing of eider ducks. Under the terms of the Treaties with Great Britain (Canada) and Mexico, ducks of all species are fully protected from March 10 to September 1. The Barrow people are particularly concerned with hunting eider ducks in the spring but Eskimos in other parts of

Alaska do not want to confine their hunting to this species. This, of course, complicates our approach to solving some of the conflicts.

In considering some of Father Donohue's remarks, it is noteworthy that of the 26,000 Eskimos in Alaska only 12 individuals were arrested in the spring of 1960 and 15 were apprehended this year for taking migratory waterfowl contrary to Federal and State regulations. This includes two men apprehended in the vicinity of Barrow, Alaska.

These people were from established communities where ample food is available. The basic conflict is the desire of the natives to continue certain primitive customs and yet live in civilized communities. They have by choice given up many of their old customs but they want to cling to their assumed right to hunt in the spring.

We are not unaware of the human emotions involving the Eskimo people in Alaska. We want to be fair with them and with all other citizens, but we must recognize that the settlement of the issues with which we are concerned in this instance cannot be reached quickly. Neither can the purposes of the treaties with Great Britain (Canada) and Mexico be ignored in reaching this settlement. All of us, including the Eskimos, must realize that the development of any country in the world brings with it advantages and disadvantages, and one of the great disadvantages is the closer regulation of man's activities. This is true in any civilization; and it must have become obvious already to many of the native people of Alaska.

Some of the publicity concerning U.S. game management agents in Alaska has been distorted. Prior to statehood these men were enforcing the terms of the migratory bird treaties and the Migratory Bird Treaty Act in addition to their other enforcement responsibilities. Enforcement activities in behalf of resident game and fish naturally occupied a part of the time of each agent in Alaska under Territorial status, but in those days there were more than twice as many agents. With statehood, the number of agents was reduced, and only sufficient men were retained to meet the responsibilities of the Federal Government.

One of these responsibilities is the enforcement of provisions of the conventions (treaties) with Great Britain (Canada) and Mexico, and no one has authority to set aside these provisions. U.S. game management agents are expected to use good judgment in the enforcement of these treaties and the Treaty Act regulations, but they cannot in good conscience overlook violations of these agreements and the regulations adopted pursuant to them.

Sincerely yours,

STEWART,
Secretary of the Interior.

I acknowledged Secretary Udall's letter of July 27, and summarized my beliefs and purpose regarding this unfortunate situation by saying:

I believe that we have not gotten to the bottom of this issue at all, and I am studying a two-way approach: one to determine whether it cannot be assumed that since the provisions of the treaty were never enforced against the Eskimos in the nearly half a century in which it has been in effect, it may be assumed that it was never intended to be enforced in the case of natives taking this supply for food. Apparently a similar tradition exists in Canada. A second approach would be a modification of the treaty, which, of course, would be more cumbersome and more difficult.

Mr. President, I ask unanimous consent that my letter to Secretary Udall of August 7 be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 7, 1961.

Hon. STEWART L. UDALL,
Secretary of the Interior, Department of the Interior, Washington, D.C.

DEAR MR. SECRETARY: I acknowledge your letter of July 27, in reply to mine of July 11, which included the letter of Father Norman Donohue concerning the problems of the ducks and the Eskimos. I wish merely to acknowledge the letter at this time because I believe that we have not gotten to the bottom of this issue at all, and I am studying a two-way approach: one, to determine whether it cannot be assumed that since the provisions of the treaty were never enforced against the Eskimos in the nearly half a century in which it has been in effect, it may be assumed that it was never intended to be enforced in the case of natives taking this supply for food. Apparently, a similar situation exists in Canada. The situation is a pretty serious one, and the feeling among the Eskimos is far deeper than you are aware of. A second approach would be a modification of the treaty, which, of course, would be more cumbersome and more difficult.

In any event, I want you to know that most nearly everyone in Alaska is concerned with this issue, and that the sentiment is almost universal that the food needs of the Eskimos should be given a prior and sympathetic consideration rather than the possible additional availability of these birds for duck hunters.

At a meeting in my office with representatives of the Fish and Wildlife Service, they admitted that the taking of these birds by Eskimos had caused no appreciable depletion in the supply.

Cordially yours,

ERNEST GRUENING,
U.S. Senator.

Mr. GRUENING. Mr. President, meanwhile, new light on the ecological relations of Eskimos and the eider ducks came from the Arctic Research Laboratory at Point Barrow, where a distinguished group of scholars have been working under the auspices of the University of Alaska.

This important research laboratory on the shore of the Arctic Ocean, at the northernmost point under the American flag, was established in 1947 with funds from the Office of Naval Research. For years its scientists have been living in the very Eskimo community most deeply involved in the present conflict, and have had a unique and unequaled opportunity to observe all its aspects.

Their pertinent and important views on hitherto unappreciated biological factors are set forth in a letter dated August 1 from Max C. Brewer, Director of the Arctic Research Laboratory.

I ask unanimous consent that his letter, as well as my reply to Mr. Brewer, be printed at this point in my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

ARCTIC RESEARCH LABORATORY,
UNIVERSITY OF ALASKA,
Point Barrow, Alaska.

Senator ERNEST GRUENING,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GRUENING: Recent publicity, both Alaskan and national, appears to disregard some very salient aspects of the existing relationship between the Eskimo and eider duck populations of northern Alaska. This relationship has existed for many hundreds of years and from the biological point has attained a natural predator-prey relationship.

Eskimos apparently have always taken eiders as soon as they arrived in the spring, usually early May, and have also taken both juvenile and adult birds migrating south in the early fall. These birds are an essential part of the Eskimo diet not only because these native people are predominantly meat eaters but also because their method of preparation provides certain necessary items of diet normally obtained through eating vegetables by more southerly located populations. To deprive the Eskimos of these very necessary items of diet could have far reaching undesirable effects on the already precarious health of these people.

It is the general consensus of the Arctic Research Laboratory and its associates that the population of eider ducks apparently is in ecological balance with the natural predators which include foxes, wolverines, bears, weasels, several species of predatory waterfowl, perhaps some fish, and the Eskimos. In fact, the urbanization of the Eskimos, particularly in the Point Barrow area, may tend to upset the ecological balance in favor of the ducks. The increase in the duck population would be expected to be offset by an increase in some faction of the small predator population, i.e., foxes, wolverines or weasels and thus maintain the ecologic balance of nature leaving a healthy and vigorous duck population. Since the maintenance of these vigorous populations as a result of ecological balance would fulfill the aims of good conservation practice it seems biologically irrelevant if the Eskimo or if the fox is the predator.

Eider ducks are not a sports duck inasmuch as they winter at sea, do not travel the great natural flyways, and because of their fishy flavor, are not eaten by nonnative populations. This factor has served to protect the eiders by restricting the hunting population to a constant group. Although no intensive population statistics are available, there appears to be little change other than cyclical, in the eider population.

The Eskimo people have a great respect for the law and their recent difficulty with the authorities is the result of their method of protest to a law which they regard as unrealistic and a very great threat to their health and economy. The most outstanding aspect of this unrealism is that the eider duck is not present in northern Alaska during the legal hunting season. For these reasons, we believe that it would be desirable to have a moratorium on enforcement, with respect to Eskimos, of the hunting provisions of the treaty of 1916 with Great Britain and the treaty of 1936 with Mexico and to endeavor to reinterpret these treaties with respect to the Eskimo. We believe that this would be advantageous to both the Eskimo and a healthy eider duck population.

We are happy that the Arctic Research Laboratory could be of service to you in forwarding this information. Please do not hesitate to call on us should you wish that we investigate this matter in greater detail.

Sincerely yours,

MAX C. BREWER,
Director.

AUGUST 4, 1961.

Mr. MAX C. BREWER,
Director, Arctic Research Laboratory, Barrow, Alaska.

DEAR MAX: Thank you so much for that excellent letter on the subject of Eskimos and eiders.

I am anything but happy, as are many others, at what has taken place. There is

a suspicion that the Fish and Wildlife Service, which never enforced its regulations about the taking of ducks by Eskimos out of season, is doing this in order to demonstrate that it is still around, its existence in Alaska is justified, and its role there essential, and that not all of its functions have been assumed by the state department of fish and game.

Since the treaty has never been enforced during the near half century of its existence in regard to Eskimos, and I am informed that a similar situation exists in Canada, it seems to me implicit that it was never intended to be enforced as far as natives taking ducks for food. Certainly it is more important that they should take these ducks for food than that the birds be saved for the use of sport hunters elsewhere. Actually, the Fish and Wildlife people have admitted that there has been no serious depletion as a result of the Eskimos' take.

I am making every effort to prevent similar Fish and Wildlife action in the future.

I am approaching the question in two ways: First, to see whether we cannot get an administrative decision to assume that the enforcement such as was practiced this spring was not called for—although, to date, I have made no progress with the Interior Department with that approach—and the second is to try to get a revision of the treaty. This will naturally be more cumbersome and perhaps more difficult, and it will take longer. I shall try both approaches.

Thanks so much for the helpful suggestions in your letter. I appreciate having them. They will, if agreeable to you, be included in a speech I expect to make in the Senate on this issue.

With best regards, I remain,

Cordially yours,

ERNEST GRUENING,
U.S. Senator.

Mr. GRUENING. Mr. President, however, good news lay ahead. On August 25 I received a letter from Secretary Udall and was happy to detect in it a change in attitude and a consequent willingness to consider a solution by way of interpretation of the treaty, as I had hoped could and would be done.

I ask unanimous consent that Secretary Udall's letter of August 25 be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., August 25, 1961.

Hon. ERNEST GRUENING,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GRUENING: Thank you for your letter of August 7. I share your deep concern for the welfare of the Eskimos, and I am continuing, as you are, to give careful study to ways and means of working out these problems.

I appreciate your thoughts in the interpretation of the treaty language, and I am having this matter looked into by the Solicitor. I am personally hopeful, Ernest, that it will not be necessary to reopen negotiations for revision of the treaty itself, for, as you point out, this procedure is cumbersome and difficult.

Sincerely yours,

STEWART,
Secretary of the Interior.

Mr. GRUENING. Mr. President, I certainly appreciate the apparent modification in Secretary Udall's position and his hope, which my colleagues in Congress, Senator Bartlett and Representative Ralph Rivers, Governor Egan, and countless other Alaskans, share, that a way out may be found without the need of reopening negotiations for revision of the treaty itself, which Secretary Udall and I agree would be cumbersome and difficult.

The fact is that the local agents in Alaska of the Fish and Wildlife Service, while no doubt acting in the faith that they were authorized to act as they did, should, in view of the past history of the treaty in Alaska in its relation to the Eskimos' taking birds for food, as well as the similar situation in Canada, have laid the whole problem before the Secretary of the Interior before acting. By not doing so, they placed him in the embarrassing position of being obliged to say that he had no recourse but to enforce the law. By so acting, they were, in fact, making policy for the Department of the Interior and for the United States, which should have been left to the higher authority to which they are responsible—namely, Secretary of the Interior Stewart Udall.

A great deal of other pertinent material—letters from Alaskans, Eskimo and non-Eskimo, and from interested non-Alaskans, and replies to them, memorandums of meeting with State and Interior Department officials, editorials and newspaper articles—is too voluminous to include here.

I do ask unanimous consent, however, that the full texts—to which previous reference has been made—of Executive Document E of the 64th Congress, 1st session—namely, the letters of transmission relating to the Migratory Bird Convention with Canada, and the text of the convention—as well as Executive A, 74th Congress, 2d session, dealing similarly with the Migratory Bird Convention with Mexico, be printed at this point in my remarks.

There being no objection, the documents and letters were ordered to be printed in the RECORD, as follows:

SENATE EXECUTIVE DOCUMENT E, 64TH CONGRESS, 1ST SESSION, ON PROTECTION OF MIGRATORY BIRDS

(Message from the President of the United States, transmitting convention between the United States and Great Britain for the protection of migratory birds in the United States and Canada)

To the Senate:

In pursuance of the resolution adopted by the Senate on July 7, 1913, requesting the President to propose to the governments of other countries the negotiation of a convention for the protection and preservation of birds, negotiations were by my direction initiated with the Government of Great Britain through the British Ambassador for the conclusion of a convention that would insure protection to migratory and insectivorous birds in the United States and Canada.

These negotiations have resulted in the signature, on August 16, 1916, of a convention for this purpose between the United States and Great Britain, which I transmit herewith to receive the advice and consent of the Senate to its ratification.

The attention of the Senate is invited to the accompanying report of the Secretary of State and to the views of the Department of Agriculture therein presented.

WOODROW WILSON.

THE WHITE HOUSE, *Washington, August 21, 1916.*

REPORT OF THE SECRETARY OF STATE

DEPARTMENT OF STATE,
Washington, August 17, 1916.

The PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate, if his judgment approve thereof, to receive the advice and consent of that body to its ratification, a convention between the United States and Great Britain for the protection of migratory birds in the United States and Canada, signed at Washington on August 16, 1916.

This convention is the result of negotiations initiated with the British Ambassador at Washington in pursuance of the resolution adopted by the Senate on July 7, 1913, "That the President be requested to propose to the Governments of other countries the negotiation of a convention for the protection and preservation of birds."

The Department of Agriculture has taken keen interest in the negotiations, and has been of great help in their final conclusion. The views of that Department regarding the negotiation of this treaty were expressed in a communication recently addressed to this Department, as follows:

"Not very many years ago vast numbers of waterfoul and shore birds nested within the limits of the United States, especially in the Far West, but the extension of agriculture, and particularly the draining on a large scale of swamps and meadows, together with improved firearms and a vast increase in the number of sportsmen, have so altered conditions that comparatively few migratory game birds nest within our limits. Th greater part of the supply still remaining, the value of which must be estimated at many millions of dollars, breed largely in the Canadian Provinces and consist of birds that winter within or to the south of the United States and journey back and forth in autumn and spring across our territory.

"That a very great number of people in the United States are personally interested in the protection of our migratory wild birds is evidenced by the fact that there are about 5 million sportsmen in this country and their number is steadily increasing. These men are all dependent upon the continuance of our supply of wild fowl for their sport, and a very large number of them are in consequence taking an active interest in the present treaty. In addition the value of the proper protection of our migratory insectivorous birds is of the deepest interest to farmers for the practical assistance they give in destroying insects injurious to crops. Furthermore, millions of people in the United States are deeply interested in the conservation and increase of our bird life from an esthetic viewpoint, as well as on account of their practical utility. As a result the number of persons who approve and are deeply interested in the conclusion and enforcement of the present treaty includes many millions. There is no question but that the Federal migratory bird law and the present treaty for the protection of migratory wild fowl now being negotiated between the United States and Canada are conservation measures of prime importance."

Respectfully submitted.

ROBERT LANSING.

CONVENTION

Whereas many species of birds in the course of their annual migrations traverse certain parts of the United States and the Dominion of Canada; and

Whereas many of these species are of great value as a source of food or in destroying insects which are injurious to forests and forage plants on the public domain, as well as to agricultural crops, in both the United States and Canada, but are nevertheless in danger of extermination through lack of ade-

quate protection during the nesting season or while on their way to and from their breeding grounds;

The United States of America and His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British dominions beyond the seas, Emperor of India, being desirous of saving from indiscriminate slaughter and of insuring the preservation of such migratory birds as are either useful to man or are harmless, have resolved to adopt some uniform system of protection which shall effectively accomplish such objects, and to the end of concluding a convention for this purpose have appointed as their respective plenipotentiaries:

The President of the United States of America, Robert Lansing, Secretary of State of the United States; and

His Britannic Majesty, the Right Honorable Sir Cecil Arthur Spring Rice, G.C.V.O., K.C.M.G., etc., His Majesty's ambassador extraordinary and plenipotentiary at Washington;

Who, after having communicated to each other their respective full powers which were found to be in due and proper form, have agreed to and adopted the following articles:

ARTICLE I

The High Contracting Powers declare that the migratory birds included in the terms of this Convention shall be as follows:

1. Migratory Game Birds;

(a) Anatidæ or waterfowl, including brant, wild ducks, geese, and swans.

(b) Gruidæ or cranes, including little brown, sandhill, and whooping cranes.

(c) Rallidæ or rails, including coots, gallinules and sora and other rails.

(d) Limicolæ or shorebirds, including avocets, curlew, dowitchers, godwits, knots, oyster catchers, phalaropes, plovers, sandpipers, snipe, stilts, surf birds, turnstones, willet, woodcock, and yellowlegs.

(e) Columbidæ or pigeons, including doves and wild pigeons.

2. Migratory Insectivorous Birds: Bobolinks, catbirds, chickadees, cuckoos, flickers, flycatchers, grosbeaks, humming birds, kinglets, martins, meadowlarks, nighthawks or bull bats, nut-hatches, orioles, robins, shrikes, swallows, swifts, tanagers, titmice, thrushes, vireos, warblers, wax-wings, whippoorwills, woodpeckers, and wrens, and all other perching birds which feed entirely or chiefly on insects.

3. Other Migratory Nongame Birds: Auks, auklets, bitterns, fulmars, gannets, grebes, guillemots, gulls, herons, jaegers, loons, murres, petrels, puffins, shearwaters, and terns.

ARTICLE II

The High Contracting Powers agree that, as an effective means of preserving migratory birds there shall be established the following close seasons during which no hunting shall be done except for scientific or propagating purposes under permits issued by proper authorities.

1. The close season on migratory game birds shall be between March 10 and September 1, except that the close season on the Limicolae or shorebirds in the Maritime Provinces of Canada and in those States of the United States bordering on the Atlantic Ocean which are situated wholly or in part north of Chesapeake Bay shall be between February 1 and August 15, and that Indians may take at any time scoters for food but not for sale. The season for hunting shall be further restricted to such period not exceeding three and one-half months as the High Contracting Powers may severally deem appropriate and define by law or regulation.

2. The close season on migratory insectivorous birds shall continue throughout the year.

3. The close season on other migratory nongame birds shall continue throughout the year, except that Eskimos and Indians may take at any season auks, auklets, guillemots, murres and puffins, and their eggs, for food and their skins for clothing, but the birds and eggs so taken shall not be sold or offered for sale.

ARTICLE III

The High Contracting Powers agree that during the period of ten years next following the going into effect of this Convention, there shall be a continuous close season on the following migratory game birds, to-wit:

Band-tailed pigeons, little brown, sandhill and whooping cranes, swans, curlew and all shorebirds (except the black-breasted and golden plover, Wilson or jack snipe, woodcock, and the greater and lesser yellowlegs); provided that during such ten years the close seasons on cranes, swans and curlew in the Province of British Columbia shall be made by the proper authorities of that Province within the general dates and limitations elsewhere prescribed in this Convention for the respective groups to which these birds belong.

ARTICLE IV

The High Contracting Powers agree that special protection shall be given the wood duck and the eider duck either (1) by a close season extending over a period of at least five year, or (2) by the establishment of refuges, or (3) by such other regulations as may be deemed appropriate.

ARTICLE V

The taking of nests or eggs of migratory game or insectivorous or nongame birds shall be prohibited, except for scientific or propagating purposes under such laws or regulations as the High Contracting Powers may severally deem appropriate.

ARTICLE VI

The High Contracting Powers agree that the shipment or export of migratory birds or their eggs from any State or Province, during the continuance of the close season in such State or Province, shall be prohibited except for scientific or propagating purposes, and the international traffic in any birds or eggs at such time captured, killed, taken, or shipped at any time contrary to the laws of the State or Province in which the same were captured, killed, taken, or shipped shall be likewise prohibited. Every package containing migratory birds or any parts thereof or any eggs of migratory birds transported, or offered for transportation from the Dominion of Canada into the United States or from the United States into the Dominion of Canada, shall have the name and address of the shipper and an accurate statement of the contents clearly marked on the outside of such package.

ARTICLE VII

Permits to kill any of the above-named birds which, under extraordinary conditions, may become seriously injurious to the agricultural or other interests in any particular community, may be issued by the proper authorities of the High Contracting Powers under suitable regulations prescribed therefor by them respectively, but such permits shall lapse, or may be cancelled, at any time when, in the opinion of said authorities, the particular exigency has passed, and no birds killed under this article shall be shipped, sold, or offered for sale.

ARTICLE VIII

The High Contracting Powers agree themselves to take, or propose to their respective appropriate law-making bodies, the necessary measures for insuring the execution of the present Convention.

ARTICLE IX

The present Convention shall be ratified by the President of the United States of America, by and with the advice and consent of the Senate thereof, and by His Britannic Majesty. The ratifications shall be exchanged at Washington as soon as possible and the Convention shall take effect on the date of the exchange of the ratifications. It shall remain in force for fifteen years, and in the event of neither of the High Contracting Powers having given notification, twelve months before the expiration of said period of fifteen years, of its intention of terminating its operation, the Convention shall continue to remain in force for one year and so on from year to year.

In faith whereof, the respective Plenipotentiaries have signed the present Convention in duplicate and have hereunto affixed their seals.

Done at Washington this 16th day of August, 1916.

ROBERT LANSING.
CECIL SPRING RICE.

SENATE EXECUTIVE DOCUMENT A ON A CONVENTION FOR THE PROTECTION OF MIGRATORY BIRDS AND GAME MAMMALS

(Message from the President of the United States transmitting a convention between the United States of America and the United Mexican States for the protection of migratory birds and game mammals, signed at Mexico City, February 7, 1936)

THE WHITE HOUSE,
March 5, 1936.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a convention for the protection of migratory birds and game mammals, between the United States of America and the United Mexican States, signed at Mexico City February 7, 1936, and an exchange of notes expressing an understanding between the Governments of the two countries that ratifications are to be exchanged in Washington and the convention will come into force on the day on which ratifications are exchanged.

The convention is similar to the treaty for the protection of migratory birds in the United States and Canada, signed August 16, 1916. That convention was unquestionably a great step forward toward the restoration and protection of our migratory birds. But inasmuch as numbers of species of the birds whose protection in the United States and Canada has long been provided for extend their migrations to Mexico and still farther south, and in order to protect other groups of birds which migrate between the United States and the United Mexican States, it is obvious that effective conservation requires further international cooperation. It is for these purposes that the convention with Mexico has been concluded.

The attention of the Senate is invited to the accompanying report from the Secretary of State and the comment of the Secretary of Agriculture presented therein.

FRANKLIN D. ROOSEVELT.

(Accompaniments: Report of the Secretary of State. Convention. Exchange of notes.)

THE PRESIDENT:

I have the honor to forward to you herewith a convention between the United States of America and the United Mexican States for the protection of migratory birds and game mammals, signed at Mexico City February 7, 1936, which is being brought to your attention for transmittal to the Senate, if you approve thereof, with a view to receiving the advice and consent of that body to its ratification.

This convention, which represents the culmination of some years of negotiations, embodies the conservation principles contained in the well known migratory bird treaty, signed at Washington August 16, 1916, for the protection of migratory birds in the United States and Canada.

The present convention limits, with certain exceptions, the taking, transportation,

and sale of migratory birds and their products to a maximum period of 4 months annually in each country under a system of permits; provides for the establishment of refuge zones; prohibits hunting from aircraft; and specifically provides for a closed season for wild ducks extending from March 10 to September 1 of each year.

Further, the present convention prohibits the transportation of migratory birds and game mammals, dead or alive, their parts or products, across the American-Mexican border without a permit of authorization provided by the Government of each country.

Pursuant to an understanding between the governments of the two countries, expressed in an exchange of notes which accompanies the convention, ratifications are to be exchanged in Washington and the convention will come into force on the day on which ratifications are exchanged.

The Department of Agriculture has taken an active interest in the negotiations and has greatly assisted in the conclusion of the convention. In a recent letter to me the Secretary of Agriculture made the following comments:

"A vast stride toward the restoration and protection, indeed in some cases the rescue from extirpation, of our migratory game, and various groups of our insectivorous and other birds, was taken by the conclusion of the convention of August 16, 1916, with Great Britain, for the protection of birds migrating between Canada and the United States. But as numbers of species of these birds, both game and nongame, extend their migrations and winter dispersals to Mexico and beyond, it has been manifest that to insure their more effective conservation, as well as the conservation of other groups of birds migrating between Mexico and the United States, cooperation with the United Mexican States is not only desirable but also quite imperative, and to that end the Department of Agriculture has earnestly desired and for some years past has sought to bring about the negotiation of a convention with that Republic."

"It is with genuine satisfaction and no little anticipation that we are now informed that the consummation of our hope shortly may be realized.

"Millions of our citizens, and their numbers are growing apace, whether they be tillers of the soil, nature lovers, sportsmen, or merely those aesthetically inclined, are very earnestly interested in and concerned about the conservation of our birds, and it is not too much to say that they would heartily acclaim such a convention as this.

"With Canada, the United States, and Mexico cooperating in the conservation of migratory species of birds it confidently may be expected that the perpetuity of these birds is assured against all contingencies save the untoward operations of nature."

Respectfully submitted.

CORDELL HULL.

DEPARTMENT OF STATE, *Washington.*

(Enclosures: Convention and exchange of notes.)

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE UNITED MEXICAN STATES FOR THE PROTECTION OF MIGRATORY BIRDS AND GAME MAMMALS

Whereas some of the birds denominated migratory, in their movements cross the United States of America and the United Mexican States, in which countries they live temporarily;

Whereas it is right and proper to protect the said migratory birds, whatever may be their origin, in the United States of America and the United Mexican States, in order that the species may not be exterminated;

Whereas for this purpose it is necessary to employ adequate measures which will permit a rational utilization of migratory birds for the purposes of sport as well as for food, commerce, and industry;

The Governments of the two countries have agreed to conclude a convention which will satisfy the above-mentioned need and to that end have appointed as their respective plenipotentiaries: The Honorable Josephus Daniels, representing the President of the United States of America, Franklin D. Roosevelt, and the Honorable Eduardo Hay, representing the President of the United Mexican States, General Lázaro Cárdenas, who, having exhibited to each other and found satisfactory their respective full powers, conclude the following convention:

ARTICLE I

In order that the species may not be exterminated, the high contracting parties declare that it is right and proper to protect birds denominated as migratory, whatever may be or origin, which in their movements live temporarily in the United States of America and the United Mexican States, by means of adequate methods which will permit, insofar as the respective high contracting parties may see fit, the utilization of said birds rationally for purposes of sport, food, commerce, and industry.

ARTICLE II

The high contracting parties agree to establish laws, regulations, and provisions to satisfy the need set forth in the preceding article, including:

(A) The establishment of closed seasons, which will prohibit in certain periods of the year the taking of migratory birds, their nests or eggs, as well as their transportation or sale, alive or dead, their products or parts, except when preceeding, with appropriate authorization, from private game farms or when used for scientific purposes, for propagation, or for museums.

(B) The establishment of refuge zones in which the taking of such birds will be prohibited.

(C) The limitation of their hunting to 4 months in each year, as a maximum, under permits issued by the respective authorities in each case.

(D) The establishment of a closed season for wild ducks from the 10th of March to the 1st of September.

(E) The prohibition of the killing of migratory insectivorous birds, except when they become injurious to agriculture and constitute plagues, as well as when they come from reserves or game farms; provided however, that such birds may be captured alive and used in conformity with the laws of each contracting country.

(F) The prohibition of hunting from aircraft.

ARTICLE III

The high contracting parties respectively agree, in addition, not to permit the transportation over the American-Mexican border of migratory birds, dead or alive, their parts or products, without a permit of authorization provided for that purpose by the government of each country, with the understanding that in the case that the said birds, their parts or products are transported from one country to the other without the stipulated authorization, they will be considered as contraband and treated accordingly.

ARTICLE IV

The high contracting parties declare that for the purposes of the present convention the following birds shall be considered migratory:

Migratory game birds: Familia Anatidae, Familia Gruidae, Familia Rallidae, Familia Charadriidae, Familia Scolopacidae, Familia Recurvirostridae, Familia Phalaropodidae, Familia Columbidae.

Migratory nongame birds: Familia Cuculidae, Familia Caprimulgidae, Familia Micropodidae, Familia Trochilidae, Familia Picidae, Familia Tyrannidae, Familia Alaudidae, Familia Hirundinidae, Familia Paridae, Familia Certhüdae, Familia Troglodytidae, Familia Turdidae, Familia Mimidae, Familia Sylviidae, Familia Motacillidae, Familia Bombycillidae, Familia Ptilogonatidae, Familia Laniidae, Familia Vireonidae, Familia Compsothlypidae, Familia Icteridae, Familia Thraupidae, Familia Fringillidae.

Others which the Presidents of the United States of America and the United Mexican States may determine by common agreement.

ARTICLE V

The high contracting parties agree to apply the stipulations set forth in article III with respect to the game mammals which live in their respective countries.

ARTICLE VI

This convention shall be ratified by the high contracting parties in accordance with their constitutional methods and shall remain in force for fifteen years and shall be understood to be extended from year to year if the high contracting parties have not indicated twelve months in advance their intention to terminate it.

The respective plenipotentiaries sign the present convention in duplicate in English and Spanish, affixing thereto their respective seals, in the city of Mexico, the 7th day of February of 1936.

JOSEPHUS DANIELS.
EDUARDO HAY.

DEPARTMENT OF FOREIGN RELATIONS, UNITED MEXICAN STATES,
MEXICO,

Mexico, February 10, 1936.

Mr. HENRY R. NORWEB,
Chargé d'Affaires and Interim of the United States of America, City.

MR. CHARGÉ D'AFFAIRES: I have the honor of state to you in relation to the convention between the United Mexican States and the United States of North America for the Protection of Migratory Birds and of Game Mammals, signed in this city the 7th date of the current month, that this Department takes the liberty of proposing the city of Washington for effecting the exchange of ratifications referred to by article VI of the said convention as soon as may be practicable.

I avail myself of the opportunity to renew to you the assurances of my respectful consideration.

EDUARDO HAY.

[No. 1488]

EMBASSY OF THE
UNITED STATES OF AMERICA,
Mexico, February 11, 1936.

His Excellency Señor General EDUARDO HAY,
Minister for Foreign Affairs, Mexico.

EXCELLENCY: I have the honor to acknowledge with appreciation Your Excellency's courteous note No. 3, Ref. III, of February 10, 1936, in which it is suggested with reference to the Convention between the United States of America and the United Mexican States for the Protection of Migratory Birds and Game Mammals signed in this city on the 7th of this month that the ratifications provided for in article VI of the above-mentioned convention be exchanged in Washington. It is understood that this proposal is satisfactory to my Government and that the treaty shall take effect on the date of the exchange of ratifications.

Please accept, Excellency, the renewed assurances of my highest and most distinguished consideration.

R. HENRY NORWEB,
Chargé d'Affaires ad interim.

Mr. GRUENING. Mr. President, I have gotten to know the Eskimo through my quarter of a century association with Alaska. I came to appreciate them fully when, in the early days of World War II, I organized them in the Alaska Territorial Guard, later securing their inclusion in the Scout Battalions of the

Alaska National Guard. No more loyal, brave and patriotic Americans are to be found under the flag; no finer, more decent, more kindly people anywhere. Their generosity has been testified to innumerable times by those who have been its beneficiaries. But perhaps the best and most succinct appraisal of the Eskimo was given 13 years ago, before a Senate subcommittee, by Vilhjalmur Stefansson, the noted Arctic explorer, who spent years among the Eskimos. Said he:

I have heard of the merits of the Golden Rule from my Sunday school days up, but I have never seen it practiced as consistently as it is by the uncivilized and civilized Eskimos.

PROGRESS IN OUR PACIFIC POSSESSIONS

Mr. LONG of Hawaii. Mr. President, I am happy to report that there is a new attitude both in Congress and in the Kennedy administration toward meeting our responsibilities in our Pacific possessions—American Samoa and Guam—and in the Trust Territory of the Pacific.

As members of a special study mission appointed by the Interior and Insular Affairs Committee, pursuant to Senate Resolution 330 of the 86th Congress, Senator ERNEST GRUENING, of Alaska, and I visited Samoa, Guam, and the Trust Territory late last year. The report on our findings in American Samoa, along with the findings of a staff of carefully selected consultants, has been published as Senate Document No. 38. The report documents the results of the neglect which American Samoa has experienced during the past 8 or 9 years and offers a number of recommendations to overcome some of the problems which have accumulated. In conclusion, our report states:

In American Samoa, the United States has a tremendous opportunity to show, both in the strategic South Pacific and to the world at large, that we do practice what we preach, and that a Christian nation can and will do justice to a minority group, however small and however far away.

Both Congress and the administration are moving to seize that opportunity.

Secretary of Interior Stewart Udall informed me of his Department's plans for Samoa in a letter dated July 19, 1961:

A vigorous and accelerated program is now underway to upgrade substantially and as rapidly as possible essential programs in the education, medical, and economic fields. While congressional appropriations for the current fiscal year are double those of last year, we are asking for even more money to insure that adequate public services are provided. If funds are made available, we expect by September 1962 to provide classrooms for all high school students in the territory; to pave the most heavily traveled portion of the road system; to have a modern power generating and distribution system in operation; and to renovate or rebuild many of the other essential public facilities. The foregoing represents only some of the highlights of our accelerated program.

I should like to assure you that this Department and the newly appointed Governor, the Honorable H. Rex Lee, will not neglect American Samoa, and we shall exert every effort to improve upon our performance in the past. We propose to aid the people of American Samoa to achieve the local self-government and economic status which they desire and rightfully deserve. In turn, I know we can rely on your continued support in our efforts to better conditions in American Samoa.

Immediately after taking office in January, the Kennedy administration moved to speed help for Samoa. In February, approval was given for the use of $100,000 in local Samoan funds to start preparations for the South Pacific Conference to be held in Pago Pago in July 1962.

At the same time, the administration made a supplemental request for a $465,000 appropriation for the construction of housing and meeting facilities for the conference which will be attended by indigenous representatives from 16 Pacific areas. The facilities will be permanent installations long overdue for schoolroom and other uses. Congress approved the full amount which was signed by the President and made available on March 31—Public Law 87–14.

Of great importance to Samoa was the approval of $2,350,000 in the Interior Department's appropriation bill for the new jet runway now under construction in Samoa. This was signed by the President on August 3—Public Law 87–122. The funds will make it possible to speed construction so that the jet runway will be operational next year, making Samoa a key link in the chain of jet airbases being built to handle the increasing air traffic of the Pacific.

Meanwhile, Congress, with administration help, has been taking steps to implement the recommendations of the special study mission that Samoa be included in various Federal-aid programs.

I wish to commend particularly the senior Senator from Oregon [Mr. MORSE] for his invaluable assistance in having Samoa included in the Federal aid to education bill, S. 1021. Not only would Samoa be included in the proposed new aid program for construction and teachers salaries, but it also would be made eligible for possible aid under the impacted schools program, Public Laws 815 and 874. Samoa may need such aid as the result of the possible Federal buildup in connection with the new jet runway.

Again with the help of the Senator from Oregon [Mr. MORSE], Samoa was included in the Senate bill to extend the National Defense Education Act (S. 2345).

Although, because of the recent action of the House of Representatives, it appears that these particular bills will be not enacted at this time, I am confident that the 87th Congress will eventually pass some education legislation and that Samoa will be included in it.

Thanks to the cooperation of the senior Senator from Illinois [Mr. DOUGLAS] Samoa was included in S. 1, the area redevelopment bill which was signed into law on May 1—Public Law 87–27. This legislation is intended to give Federal assistance for the development of local economies and for broadening employment opportunities in economically depressed areas.

Meanwhile, I have introduced for Senator GRUENING and myself S. 2440 to include Samoa in various other programs as recommended by the study mission. The bill would provide authority for the Secretary of Agriculture to provide technical assistance to Samoa and include Samoa under the Vocational Education Act, the National School Lunch Act, the Public Health Service Act, and the Library Services Act.

Other recent actions to help our Pacific friends include:

Senate passage of S. 1742 to make Guam, American Samoa, and the Trust Territory of the Pacific Islands eligible for Federal assistance under the Federal Disaster Act of 1950.

Passed and sent to the President, H.R. 29 to make American Samoans eligible for appointment to the U.S. Merchant Marine Academy.

Approved by the Senate Commerce Committee, H.R. 3296 to authcrize the Secretary of Interior to nominate citizens of the trust territory for appointment to the U.S. Merchant Marine Academy.

Inclusion by the Senate of Guam in S. 1991, the proposed Manpower Development and Training Act of 1961.

Enactment of S. 539 to include Samoans under the Fulbright scholarship program—Public Law 87–153, signed August 17.

Enactment of S. 1087 to transfer certain Federal land formerly held by the U.S. Navy to the government of Samoa—Public Law 87–158, signed August 17.

Senate passage of S. 1589 to permit Samoans to obtain radio operator licenses.

The variety of the problems facing Guam and Samoa is evident from this brief summary of actions taken or proposed for these areas. We have made a good beginning. A very great deal remains to be done. I am hopeful that as Congress becomes more aware of the large amount of work which is required to meet our responsibilities in these areas, that it will also become apparent that Guam and Samoa should have some kind of representation here in the Congress.

In this connection I have introduced S. 994 and S. 995 which would provide for a nonvoting deputy to represent Guam and Samoa respectively in the House of Representatives. In this way, Guam and Samoa would have the means of keeping track directly of the legislation moving through Congress which affects those two areas.

RESUMPTION OF NUCLEAR TESTING BY SOVIET UNION

Mr. MILLER. Mr. President, the day after the announcement from Moscow that the Soviets were resuming nuclear tests, I expressed the hope that the President would heed the advice of the Atomic Energy Commission and of his military advisers and direct that our own testing of refined nuclear weapons be resumed. I am reassured that the President has now done so. Let me add that I am in thorough agreement with the President in his efforts to obtain an agreement with the Soviets which will enable nuclear testing to be conducted

without danger of fallout. I also wish to make clear that I believe that we should continue negotiations with the Soviets looking forward to a nuclear test ban, with effective inspection and controls, as long as the Soviets give any indication of a willingness to make an honest effort to reach such an agreement.

My position with respect to the resumption of nuclear testing is well set forth in an excellent article published in the Des Moines Sunday Register of September 3 by Mr. Richard Wilson, entitled "The Crisis We Face on Nuclear Tests;" in a very shrewd editorial appearing in the Cedar Rapids Gazette on September 3; and in the lead editorial appearing in today's Washington Evening Star, which makes it clear why there was really no other choice for the President. I ask unanimous consent that the article and editorials be printed in the RECORD.

There being no objection, the article and editorials were ordered to be printed in the RECORD, as follows:

[From the Des Moines Sunday Register, Sept. 3, 1961]

THE CRISIS WE FACE ON NUCLEAR TESTS

(By Richard Wilson)

WASHINGTON, D.C.—The Soviet decision to renew nuclear testing has impressed official Washington as never before that the present showdown with Russia is absolutely critical.

It is not so much that the Russians have resumed testing, but the timing that impresses the highest officials here.

They are calling this the greatest crisis since World War II. They do so because they now think that the Soviet leaders are committing themselves fully and absolutely to destroying the prestige of the United States and its president in Berlin and in every other area of the world.

It is thought by the highest officials here that the Soviet leaders have measured the adverse world reaction to testing against the advantages in terms of world power of a stronger nuclear establishment. The decision favored the latter so that the Soviet Union would be in a position to press to a showdown the issue with the United States.

TACTICAL WEAPONS

Much emphasis has been placed on the development of the 100-megaton "hell bomb." But informed officials in Washington are paying more attention to the possible development of tactical weapons.

In his book "Nuclear Policy for War and Peace," the late Thomas E. Murray, AEC Commissioner for 7 years, put it this way:

"Today, at least so far as the United States is concerned, third-generation weapons are in the planning stage. (The 3-year moratorium on testing prevented their testing.)

"These third-generation devices would be primarily antipersonnel in character. They would be capable of being used in a discriminating way to destroy a foe's military forces without posing suicidal dangers to the side which employs them.

"COULD BE DISASTROUS

"We must assume that the Soviets may already have them, or soon will have. Neither a tacit mutual moratorium nor a formal test ban treaty will prevent the Soviets from developing such weapons.

"If it is in their interest to do so, they can be expected to proceed with underground tests and not risk detection.

"A large stockpile of such weapons in Soviet hands could be disastrous. The United States, if it persists in its present test-ban policy and forfeits the opportunity to improve its stockpile, will wake up one morning and find it obsolete.

"In the realm of military technology, which is a dynamic one, the concept of a permanent technological stalemate is absurd."

With these possibilities in view, the Russians have now timed their resumed testing to affect a particular situation, Berlin. It is within scientific speculation that the Russians may be on the verge of a breakthrough to produce tactical antipersonnel nuclear weapons on a large scale for use against military forces.

Premier Nikita Khrushchev has also long spoken of what he called a fantastic weapon. Murray said in 1960: "Mr. Khrushchev's talk of possessing a fantastic weapon may not be dismissed as an idle boast; it may well be true.

"The nuclear area that Mr. Khrushchev claims has been conquered by the Soviet scientists may be the very area that our own scientists are urgently asking to explore."

Again, in 1960, Murray was more specific. He said the new weapon is as radically different from the H-bomb as the H-bomb was from the Hiroshima-type A-bomb. "All that may be said of it here is that it is primarily antipersonnel in destination and effect. Hence it is apt for properly military uses."

PERHAPS THE N-BOMB

Scientific speculation is that this is the so-called N-bomb, which is thought to be a highly secret project at the Atomic Energy Commission's Livermore Weapons Laboratory in California.

The project is thought to be an attempt to develop a hydrogen weapon that would release most of its energy in the form of deadly neutron radiation instead of a combination of neutrons, heat, light, blast, and fission products.

According to Murray, if the Russians perfect such a weapon before we do, "our present symbol of strength, the old H-bomb, becomes a symbol of weakness and inferiority."

Murray continued: "Conceptual designs for this new type of weapon have existed in American laboratories. They would have already been tested, had it not been for our test moratorium. The moratorium has effectively blocked American advances to a new position of military and political strength."

MAY BE AHEAD

Now, it is anticipated by U.S. officials that the Russians not only have executed their conceptual designs of a new weapon but are ready to test it. They may thus be a long stride ahead.

It is clear to officials now that Khrushchev intends to report the success of the new weapons to the Communist Party Congress next month as a part of the continuing campaign of pressure and terror.

Before this, U.S. officials have noted an abrupt change in the attitude of Soviet officials with whom they have dealt.

They noted that after the first and second manned space flights Russians adopted attitudes of confidence and became even less manageable in negotiations for disarmament and a nuclear test ban.

This new attitude is related by U.S. officials to a general policy announced by Khrushchev last January 6. Both President Kennedy and Secretary of State Dean Rusk have referred to this speech many times as indicating a new departure in Soviet policy.

NEW BALANCE OF POWER

The doctrine is that with the rise in Soviet nuclear and rocket capability a new balance of power has been established in the world. The moment in history has arrived to use that new balance in favor of the Soviet Union to achieve new gains.

This is why the President has referred to the Soviet action resuming testing as "atomic blackmail."

What is basically involved is that a highly challenging attitude will force the West to accept compromises in Berlin and elsewhere and try to gloss them over.

For, whatever the U.S. position, it must reckon with the anxieties of its European allies.

Khrushchev is going all-out on Berlin, and he is doing so in a way which may convince the peoples of Europe that the single alternative to knuckling down in Berlin is an atomic war, with new and more effective weapons in the hands of the Russians.

MONUMENTAL GAMBLE

It is a gamble of monumental proportions, and one which Western leaders never thought Khrushchev would actually take.

The attitude is developing here that Berlin cannot be taken separately, that any backdown there cannot be glossed over or dressed up, and if Khrushchev wins, he will have dealt a blow to America's world position of far reaching importance.

In an article in the current Reader's Digest, former AEC Chairman Lewis L. Straus says:

"In the autumn of 1960, President Eisenhower told various members of his administration that, in his opinion, the time had come to resume nuclear tests, either underground or in outer space where there would be no fallout problem.

"However, he added, such action would necessarily extend beyond his administration, and he considered it proper to leave the incoming President a free hand.

"This was the decision that President Kennedy faced when he took office last January."

[From the Cedar Rapids Gazette, Sept. 3, 1961]

DANGER OF BEING MOUSETRAPPED

Reportedly the official tactic in Washington with respect to the Russians' resumption of nuclear testing is for the United States not to follow suit immediately but to hold off for a little while to let the Soviet Union get the full brunt of world disapproval of their move. This may be all right so long as the master minds remain keenly aware that the tactic is fraught with danger and could easily backfire.

If we dilly-dally too long in resuming our own tests, it would be relatively simple for the U.S.S.R. to come out smelling like a rose and leave us in the same position they now occupy so far as world opinion is concerned. Or in an even worse position so far as our own national security is concerned.

Manifestly the Russians did not announce their decision to resume testing until they were all ready to go on some tests they felt they needed to make and couldn't make without detection. It is conceivable that they could rush these tests through in a few days, before the conference of in-between nations in Belgrade ends.

Then, having got the information they need, they could yield magnanimously to the sentiment of the so-called neutrals, concede that perhaps they were a bit hasty in resuming the nuclear tests, and announce the suspension of further testing, in the interests of world peace. The relieved delegates at Belgrade, in any such event, doubtless would praise them to the skies and possibly nominate Khrushchev for a Nobel Prize.

And there we'd sit, out in Yucca Flats with the punk lit and our untested bombs ready to go.

Then we'd either have to say we were resuming testing anyway, thereby incurring all the condemnation that is now being directed at the Russians, or acquiesce meekly in a wholly unpoliced nuclear testing moratorium such as we already have let the Russians enjoy for 3 years while we argued futilely at Geneva against making any such arrangement permanent.

Pleasant as it may be to hear the fans in the bleachers riding the Russians instead of us, for a change, we'd better seize quickly the legitimate excuse Russia has given us to carry out whatever important nuclear tests we have been holding in abeyance.

[From the Washington Evening Star, Sept. 6, 1961]

NO OTHER CHOICE

President Kennedy has done the right and imperative thing in ordering the resumption of underground nuclear tests, which cause no health-endangering fallout. Certainly, as he has explained in his brief and admirable statement on the subject, our Government, in striving for nearly 3 years past to work out with the Russians an adequately policed ban on all such experimentation, has taken "every step that reasonable men could justify." But now, because of the Kremlin's sudden decision to resume atomic-hydrogen detonations in the earth's atmosphere, we must take "those steps which prudent men find essential. We have no other choice. * * *"

This is so, this fact of no other choice, because the security and very survival of our country and the free world as a whole could be gravely imperiled if we continued to debar ourselves from testing while the Russians staged shot after shot designed to help them develop weapons that might give them a decisive advantage over us. Actually, even if the Kremlin had not resumed atmosperic detonations (the kind that can unleash radiactivity capable of doing genetic harm to the human race), the United States would have had good reason to reactivate its program of underground explosions, together perhaps with some in outer space.

Indeed, well over 18 months ago, some of our most knowledgeable experts began exhorting the United States to resume such testing without delay. This they did because of the fact that there is at present no effective means of detecting underground shots and that therefore the Kremlin could easily have staged clandestine experiments throughout the so-called moratorium that began in October of 1958. Perhaps the Russians have not really cheated on us in this fashion, but they could have done so quite readily in view of our easy-going trustfulness. That is why our Atomic Energy Commission, in its last annual report to Congress, warned as follows:

"Nuclear weapons development is not a static science. Important advances in weapons design are possible—advances which would have great military significance. * * * Our weapons scientists are convinced that further nuclear testing would achieve major advances. * * *

"The military advantages to be gained from clandestine nuclear testing are great, and the probabilities of detecting and identifying clandestine tests are very small. This will be the free world's situation so long as there is an unpoliced de facto moratorium on nuclear weapons testing."

Well, all that particular kind of American risktaking now has come to an end—and none too soon—as a result of the President's decision. This does not mean, of course, that our Government will not continue to strive for a trustworthy ban agreement, a first step toward which would be Premier Khrushchev's acceptance of Mr. Kennedy's and Prime Minister Macmillan's proposal for an immediate and lasting halt to atmospheric tests. Unhappily, however, such acceptance, even though the proposal would require no policing of the type called espionage by the Kremlin, is not likely to be forthcoming. In the circumstances, nothing could be more important than for our country to move forward as fast as possible with the program ordered by the President.

THE SO-CALLED NEUTRAL NATIONS

Mr. MILLER. Mr. President, much attention has been given during the past few years to the opinion of the so-called neutral nations. The Washington Daily News, on August 30, 1961, published an editorial entitled "Our Neutral Friends," which pointed out some of the difficulties which we encounter from the so-called neutral nations and some of the defects in their so-called policy of neutrality. The editorial states that perhaps the so-called neutral nations would do well to recognize the fact that their neutrality is possible only because there are free world powers, such as the United States of America, to afford them this protection.

I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News, Aug. 30, 1961]

OUR NEUTRAL FRIENDS

"Why should that man speak ill of me?" once asked Pennsylvania Political Boss Boise Penrose. "I've never done a favor for him."

Meeting in Belgrade this week are the representatives of 24 nations or political entities that could, if they would, count favors from the United States to the total of $8.2 billion.

That is the amount of money we have given, or are committed to give them, in various forms of aid—military, economic, food, loans, grants.

It is advertised as a meeting of neutrals.

It will be interesting to observe—from their deliberations and resolutions and future votes in the United Nations—whom they are neutral against.

Let's call the roll, alphabetically, and list the U.S. dollars (in millions):

Afghanistan 146, Algerian FLN none, Burma 93, Cambodia 263, Ceylon 65, Cuba 41 (pre-Castro), Cyprus none, Ethiopia 114, Ghana 4, Guinea 4, India 3,800, Indonesia 560, Iraq 46, Lebanon 86, Mali none, Morocco 194, Nepal 40, Saudi Arabia 46, Somali 9, Sudan 44, Tunisia 135, United Arab Republic 295, Yemen 11, and Yugoslavia 2,200.

Some of these countries have also received substantial Russian aid.

The largest voices at the Belgrade powwow, as the figures indicate, will be India's Nehru, Yugoslavia's Tito, UAR's Nasser, and Indonesia's Sukarno. They will all be vocal for peace, in sincere idealism, and also perhaps as a matter of self-interest. For if big-power shooting should start, the foreign aid spigot would be shut off tight while we used all our resources for our own survival, and some neutrals would not even be able to feed themselves.

And as self-appointed umpires of the cold war, they'll have ideas on how to settle the Berlin crisis—ideas easier to come by since none has a single soldier guarding freedom in Berlin.

But will they applaud Britain, France, and the United States for trying to keep the peace? Will they condemn the U.S.S.R. and puppet East Germany for erecting concrete and barbed-wire barricades across Berlin and creating the cisis? On the basis of past performance, that is not likely. For the neutrals have learned they may criticize the free world and be heeded, whereas the Communist dictatorships pay no attention whatever to criticisms.

Neutrality has its obvious advantages to all of the nations represented at Belgrade, and we could wish some were more neutral than they are. But it would be heartening if there were an occasional sign of recognition that their neutrality is possible only because there are free world powers to give them protection.

Mr. MILLER. Mr. President, also on August 30, the Wall Street Journal published an editorial entitled "Power and Opinion," which states that the so-called neutral nations may have an undue amount of weight upon so-called world opinion, and that the danger of giving too much weight to their opinion is that we may be inclined to disapprove of doing things which we in our own self-interest must do.

I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Aug. 30, 1961]

POWER AND OPINION

Twenty-four uncommitted countries will meet this week in Belgrade, Yugoslavia, to express their opinions on world affairs. The Soviets don't seem especially interested, but Washington is waiting rather anxiously to hear what the neutrals think about Berlin.

What accounts for this sharp difference in attitude? Soviet disinterest is explained by the fact that the nations which will assemble at Belgrade are weak, and weakness does not command Mr. Khrushchev's respect. Moreover, he doesn't take the "uncommitted" tag seriously. In his brutal view, the world is split into Communist and non-Communist camps; so-called neutrals are merely those against whom the full weight of Soviet power is not yet committed. Their opinions are of no importance.

The United States, on the other hand, has long placed great importance on showing a decent respect for the opinions of mankind. And properly so. We would, if we could, have every nation understand why we act.

Harsh as it may seem, Khrushchev's view of the world—as the arena of struggle between two great powers—is more realistic. Small, weak and backward nations cannot deeply influence the cold war. Indeed, their independence is a result of the West's power to check the ambitions of the East. The fact is, the U.S. commitment to opposing communism permits their posture of noncommitment.

Yet, paradoxically, the United States gets little but criticism for its pains. Part of the explanation of this is that others do not understand, or refuse to admit, that their own rights flow from the rights we uphold. If the world had to count on the Soviets to protect the right of self-determination, it would soon see the blessings of U.S. self-assertion.

But the heaviest blame for neutralist buffeting of U.S. policy falls on ourselves; we invite it. While the Soviets stand stony-faced and quick to punish those who cross them, Washington seems only too willing to try to please everyone. It even takes the uncommitted at face value, crediting them with a special place above the cold war battle that makes them somehow more moral and peace loving than the fully committed antagonists. Yet the more influence they gain over U.S. policy, the more they must scorn a great power that does not know its own mind.

No one can argue that the United States should be indifferent to the opinions of others. But if the neutrals cannot see how their self-interest coincides with our interest in safeguarding freedom, their blindness does not excuse our paralysis. The danger of

placing the world's good opinion before all else is that, when others disapprove, we may become powerless to do what we must.

Mr. MILLER. Mr. President, the Washington Evening Star of today contains an article entitled "A Moral Issue Belies Neutrals," written by David Lawrence, which states some of the defects in the logic of the neutrals in claiming to possess a neutral attitude.

I ask unanimous consent that the article may be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A MORAL ISSUE BELIES NEUTRALS: SOFT STAND ON BERLIN AND NUCLEAR BLASTS BELIEVED LOSING THEM MUCH RESPECT

(By David Lawrence)

Maybe the 25 so-called nonalined nations thought they were building up their prestige by their summit conference just held at Belgrade, Yugoslavia, but the truth is they gave the world an example of why doubledealing doesn't pay.

This group of nations can hardly be called neutral, for they do take a position on issues which affect them directly. They cannot truly describe themselves as nonalined because they have for the most part sought favors, financial and otherwise, from both sides—the East and the West.

The 25 nations sought to give the impression that they are not only against war but have become the chief exponents of all that is good and virtuous in international relations. The sad fact is, however, that when the Soviet Union broke faith with the world and abandoned its pledges that it would not resume nuclear tests unless the West did so first, the voices of protest from the nonalined group were soft and almost inaudible. It was indeed proof that they were alined with the Soviets. For they failed to denounce the steps taken by Moscow—three nuclear tests in the air—during the very time the nonalined nations were actually in conference at Belgrade.

Former President Truman, who is by no means inarticulate on these matters, put it this way:

"The only thing that pleases me is the jolt the neutralists got. They got what's coming to them. They ought to take sides with the free world if they're going to survive. They're free now because we made them free. The Russians didn't do that. All the satellites they (the Russians) took after World War II are slave states now. You name one that isn't."

The conference of the nonalined was, however, a useful event in one respect. It exposed the hypocrisy of the uncommitted nations. They are uncommitted primarily because they want to derive benefits from both sides—the East and the West. But when the subsidies and donations and grants are added up, it will be found that these nations got many times more from the United States and its allies than from the Russians.

The impression made here by the Belgrade conference is a painful one. Officials in Washington were shocked to note that, in the resolutions adopted, there was no denunciation of the Soviets for resuming nuclear tests in the air. Despite all the talk by Nehru of India about the importance of preserving peace, he himself was restrained in his comments.

The mission of President Sukarno of Indonesia and President Keita of Mali, in coming to Washington on a special trip to persuade President Kennedy to negotiate with Nikita Khrushchev at a summit conference, is something of an anticlimax.

Here was a group of nations which profess to be against war and especially against colonialism. Yet they fail to stand up to the biggest practitioner of colonialism in the modern world—the Soviet Union. If ever a moral issue has presented itself to challenge the peace-loving elements of the whole world, it is in the Berlin issue—especially in the fate of the people of the divided sectors of Germany. Despite all the pious words about liquidating colonialism wherever it exists, not a word was spoken or written at the Belgrade conference in favor of liberating the East German people from the colonial yoke imposed upon them by Moscow.

Also, despite all the many words denouncing nuclear tests, the action of the Soviet Government in resuming such tests in the atmosphere was glossed over.

The conclusion is inescapable that most of the so-called nonalined nations are not idealistic but materialistic, that they will play the West against the East and vice versa in order to get funds. As between right and wrong, there can be no neutrality. Countries like Sweden and Switzerland, which shunned the Belgrade Conference, are neutral, too, but only in the sense that they stay out of international disputes on the political front. Their newspapers, however, are far from neutral, and the sharpest denunciation of Premier Khrushchev's policy in resuming nuclear tests in the air has come from Swedish and Swiss newspapers.

The nonalined may have thought they would gain prestige by the Belgrade Conference. In truth, they have lost the respect of many other governments. For most of the group of nonalined now are considered "alined" with the position of Moscow, though professing not to accept its doctrines. The Belgrade group seems to be willing to equate the evils of aggression—as evidenced in the Berlin issue—with the heroic efforts of the West to preserve peace and save the nonalined nations themselves from being enslaved.

WHAT LAND REFORM IS NEEDED?

Mr. MILLER. Mr. President, an editorial entitled "Blight Upon the Farm," which was published in the Wall Street Journal of today, September 6, deals with statements, purportedly emanating from the Department of Agriculture, to the effect that there should be land reform in agriculture in the United States. I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Sept. 6, 1961]

BLIGHT UPON THE FARM

Anyone who wanders about the Department of Agriculture these days is sure to hear the phrase "land reform" crop up in the conversation soon or late. Indeed, Secretary Freeman observed not long ago: "We are selling land reform to other countries while drifting into trouble here in our own country."

Well, it seems clear that what this country lacks is land reform. But what isn't clear at all is what Mr. Freeman means by this phrase he tosses about.

Land reform is usually associated with backward, feudal countries, where many are landless because they lack the means or the opportunity to satisfy their hunger for their own piece of ground. Antiquated land tenure systems and perpetuation of great holdings in the hands of a very few are common obstacles. In some countries, the hunger of the many has been satisfied without grave injustice to the few; landholders have been paid for what they were required to surrender.

In other countries, "land reform" is a catch-phrase to cover robbery, or worse, by the State. In Castro's Cuba today, as in the Soviet Ukraine a generation ago, "land reform" is the regime's euphemism for forced collectivization of the soil and the debasing of the tillers to serfdom.

But wherever land reform is carried out, regardless of the circumstances, it means government redistribtuion of the land—the taking of one man's property and the giving of it into the hands of others.

How can anyone even consider such a scheme in a country where land is distributed and redistributed daily by the free-market? Any man who pleases may go into the market, without let or hindrance by the Government, and realize his wish to own or sell land. Indeed, we are a nation of landowners, if only of a piece of greenery in suburbia. Moreover, 97 percent of the Nation's farms, according to the Agriculture Department's own figures, are family operated units.

True, a great deal of the land is presently ill used, and some men in Government think it is because it isn't in the right hands. That reasoning is familiar enough; it is of a piece with the prevailing philosophy in Washington that the Government must set its hand to running just about everything.

Yet much of the Nation's farmland is ill used only in the sense that what's grown on it is intended not for use but for storage in the Government's overflowing warehouses. Certainly it is not the farmer who puts his hand to such useless toil. It is the Government which directs his hand that bears the blame for this foolishness.

So there is something to be said for reforming the land, and Charles B. Shuman, president of the American Farm Bureau Federation, has said it well: "The only land reform American farmers need is greater opportunity—not more restrictions." Land reform is an excellent idea—if it reforms the main evil; namely, the blight of Government controls upon the land.

U.S. FARMERS FACE LOSS OF MARKET IN EUROPE

Mr. MILLER. Mr. President, an article entitled "U.S. Farmers Face Loss of Market in Europe" was published in the Wall Street Journal of August 30. The article points out that if certain plans and policies of the Common Market are implemented, "imports of feed grains into the Common Market could drop by 50 percent or much more in a short number of years," and it is also stated that "American farmers stand to lose a $250 million a year market if proposals now before the six-member European Economic Community are adopted."

I ask unanimous consent that this timely article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Aug. 30, 1961]

U.S. FARMERS FACE LOSS OF MARKET IN EUROPE—EXPORT OFFICIAL SAYS PROPOSALS NOW BEFORE COMMON MARKET WOULD ALTER EXPORTS

CHICAGO.—American farmers stand to lose a $250 million a year market if proposals now before the six-member European Economic Community are adopted, an export official warned.

Walter C. Klein, president of Bunge Corp., New York exporting firm, expressed the fear in an address for delivery to the American Soybean Association meeting in Indianapolis today. The group represents about 6,200 soybean growers.

The EEC is considering marketing and pricing policies for agricultural goods which could most seriously affect exports, Mr. Klein said. The group, also called the Common Market, is composed of West Germany, France, Italy, Belgium, Holland, and Luxembourg.

"Their proposals would seek to increase domestic production at fixed high prices under the protection of various import controls that would keep the price of imports (from other than Common Market countries) always at or above the domestic prices. This would relegate the United States and other exporting countries to positions of residual suppliers," Mr. Klein added.

The Common Market countries combined annually take about one-forth of U.S. total agricultural exports, which amounted to $4.8 billion in 1960, he noted.

Specific proposals have been made concerning wheat, coarse grains, sugar, milk and dairy products, beef, pork, poultry, eggs, tobacco, fruits, vegetables, and wine. These products make up about one-half of annual U.S. exports to Common Market countries, Mr. Klein said.

Measures proposed to restrict common market imports of commodities include fixed tariffs and variable import duties for livestock products and most other goods as well as a system of support purchases of wheat and feed grains by a proposed European Grain Bureau serving the member lands. This bureau would also have the emergency power to completely suspend all imports at any time, Mr. Klein said.

"Imports of feed grains into the Common Market could drop by 50 percent or much more in a short number of years," Mr. Klein said. The area has a large unused productive capacity for feed grains and can undoubtedly expand production substantially, he said. This would cost the United States 90 million bushels of feed grain exports each year, he said. Last year this country exported 181 million bushels of feed grains to Common Market countries.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL REPORT OF A COMMITTEE

Mr. SPARKMAN, from the Committee on Foreign Relations, to which was referred the joint resolution (S.J. Res. 132) extending recognition to the International Exposition for Southern California in the year 1966 and authorizing the President to issue a proclamation calling upon the several States of the Union and foreign countries to take part in the exposition, reported it favorably, without amendment, and submitted a report (No. 883) thereon.

ADDITIONAL BILL INTRODUCED

Mrs. NEUBERGER (for herself and Mr. MORSE), by unanimous consent, introduced a bill (S. 2508) to establish reciprocity between members of the Confederated Tribes of the Umatilla and Warm Springs Indian Reservations and other Indian tribes in the matter of succession by will or inheritance to certain types of restricted or trust properties, and for other purposes, which was read twice by its title and referred to the Committee on Interior and Insular Affairs.

AMENDMENT OF SENATE RULE XXII, RELATING TO CLOTURE—AMENDMENTS

Mr. MILLER submitted amendments, intended to be proposed by him to the resolution (S. Res. 4) to amend the cloture rule by providing for adoption by a three-fifths vote, which were ordered to lie on the table and to be printed.

NOTICE OF HEARING ON NOMINATION OF JAMES R. BROWNING TO BE U.S. CIRCUIT JUDGE, NINTH CIRCUIT

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, September 13, 1961, at 11 a.m., in room 2228, New Senate Office Building, on the nomination of James R. Browning, of Montana, to be U.S. circuit judge, ninth circuit, vice Walter L. Pope, retired.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

NOTICE CONCERNING NOMINATION BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary: Robert H. Cowen, of North Carolina, to be U.S. attorney, eastern district of North Carolina, term of 4 years, vice Julian T. Gaskill.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Wednesday, September 13, 1961, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. HUMPHREY. Mr. President, in accordance with the order previously entered, I move that the Senate now adjourn until tomorrow, at 9 a.m.

The motion was agreed to; and (at 8 o'clock and 2 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Thursday, September 7, 1961, at 9 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate September 6, 1961:

U.S. CIRCUIT JUDGE

James R. Browning, of Montana, to be U.S. circuit judge for the ninth circuit, vice Walter L. Pope, retired.

U.S. ATTORNEY

Robert H. Cowen, of North Carolina, to be U.S. attorney for the eastern district of North Carolina for the term of 4 years, vice Julian T. Gaskill.

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in rank as follows:

Maj. Gen. Robert William Porter, Jr., O18048, U.S. Army, in the rank of lieutenant general.

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3306:

To be brigadier generals

Brig. Gen. Stephen Michael Mellnik, O18754, Army of the United States (colonel, U.S. Army).

Brig. Gen. Charles Salvatore D'Orsa, O18866, Army of the United States (colonel, U.S. Army).

Brig. Gen. Andrew Ralph Lolli, O29844, Army of the United States (colonel, U.S. Army).

Brig. Gen. James Abner Richardson, 3d, O29906, Army of the United States (colonel, U.S. Army).

Brig. Gen. Roland Haddaway del Mar, O29917, Army of the United States (colonel, U.S. Army).

Brig. Gen. William Allen Harris, O18976, Army of the United States (colonel, U.S. Army).

Brig. Gen. Herbert George Sparrow, O19003, Army of the United States (colonel, U.S. Army).

Brig. Gen. John Joseph Lane, O19021, Army of the United States (colonel, U.S. Army).

Brig. Gen. John Frederick Thorlin, O19067, Army of the United States (colonel, U.S. Army).

Brig. Gen. Ethan Allen Chapman, O19076, Army of the United States (colonel, U.S. Army).

Brig. Gen. Oren Eugene Hurlbut, O19077, Army of the United States (colonel, U.S. Army).

Brig. Gen. George Allen Carver, O19122, Army of the United States (colonel, U.S. Army).

Brig. Gen. Richard John Meyer, O19147, Army of the United States (colonel U.S. Army).

Brig. Gen. Joseph Edward Bastion, Jr., O19162, Army of the United States (colonel, U.S. Army).

Brig. Gen. Thomas Bowes Evans, O19174, Army of the United States (colonel, U.S. Army).

Brig. Gen. David Parker Gibbs, O19189, Army of the United States (colonel, U.S. Army).

Brig. Gen. Carl Darnell, Jr., O19213, Army of the United States (colonel, U.S. Army).

Brig. Gen. Frederick Otto Hartel, O19254, Army of the United States (colonel, U.S. Army).

Brig. Gen. Benjamin Henry Pochyla, O30103, Army of the United States (colonel, U.S. Army).

Maj. Gen. Stuart Sheets Hoff, O38766, Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert George MacDonnell, O19361, Army of the United States (colonel, U.S. Army).

Brig. Gen. Thomas Heber Lipscomb, O19371, Army of the United States (colonel, U.S. Army).

Brig. Gen. Austin Wortham Betts, O19373, Army of the United States (colonel U.S. Army).

Brig. Gen. Jonathan Owen Seaman, O19385, Army of the United States (colonel, U.S. Army).

Brig. Gen. Harvey Julius Jablonsky, O19390, Army of the United States (colonel, U.S. Army).

Brig. Gen. John Francis Franklin, Jr., O19476, Army of the United States (colonel, U.S. Army).

Brig. Gen. James Richard Winn, O19491, Army of the United States (colonel, U.S. Army).

Brig. Gen. William Hutcheson Craig, O19526, Army of the United States (colonel, U.S. Army).

Brig. Gen. Oliver Clark Harvey, O38776, Army of the United States (colonel, U.S. Army).

Brig. Gen. Julian Alexander Wilson, O30359, Army of the United States (colonel, U.S. Army).

Brig. Gen. Charles Scott Hays, O42534, Army of the United States (colonel, U.S. Army).

Brig. Gen. William Winston Lapsley, O19727, Army of the United States (colonel, U.S. Army).

Maj. Gen. John Lathrop Throckmorton, O19732, Army of the United States (colonel, U.S. Army).

Brig. Gen. George Ruhlen, O19733, Army of the United States (colonel, U.S. Army).

Brig. Gen. George Stafford Eckhardt, O19766, Army of the United States (colonel, U.S. Army).

Brig. Gen. Charles Frederick Leonard, Jr., O19829, Army of the United States (colonel, U.S. Army).

Maj. Gen. James Dyce Alger, O19848, Army of the United States (colonel, U.S. Army).

Brig. Gen. Ralph Edward Haines, Jr., O19849, Army of the United States (colonel, U.S. Army).

Brig. Gen. Francis Mark McGoldrick, O19857, Army of the United States (colonel, U.S. Army).

Brig. Gen. Autrey Joseph Maroun, O19865, Army of the United States (colonel, U.S. Army).

Maj. Gen. Reuben Henry Tucker, 3d, O19894, Army of the United States (colonel, U.S. Army).

Brig. Gen. Vernon Price Mock, O19906, Army of the United States (colonel, U.S. Army).

Maj. Gen. Charles Wythe Gleaves Rich, O19910, Army of the United States (colonel, U.S. Army).

Brig. Gen. Andrew Jackson Boyle, O19924, Army of the United States (colonel, U.S. Army).

2. I nominate the officers named herein for appointment as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major generals

Col. Malcolm Hay, O284748, Adjutant General's Corps, Army National Guard of the United States.

Brig. Gen. James Edward Taylor, O376731, Army National Guard of the United States.

3. I nominate the officer named herein for promotion as Reserve commissioned officer of the Army under the provisions of title 10, United States Code, sections 593(a) and 3385:

To be brigadier general

Col. Walter Woodrow Nations, O346660, Artillery, Army National Guard of the United States.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299:

To be lieutenant colonels

Abrino, Francis E., O79721.
Adair, George W., O79722.
Adams, Richard E., O39202.
Agnew, John P., O53985.
Ahern, William F., O36187.
Aileo, Edward J., O25000.
Albright, Jack A., O40870.
Alexander, George W., O34143.
Allen, Richard J., O46952.
Allin, George R., Jr., O24760.
Allison, Grant W., O25293.
Andersen, Eldon B., O35991.
Anderson, Andrew C., O36146.
Anderson, Charles J., O25376.
Anderson, Charles L., O35797.
Anderson, Thomas W., O25383.
Andrews, John T., Jr., O33908.
Andrews, Stephen E., Jr., O33976.
Antonelli, Theodore, O46189.
Appleton, Irvine, O34867.
Armstrong, Clare H., O24098.
Armstrong, DeWitt C., 3d, O25441.
Arnold, Walter F., O46714.
Aronson, Richard W., O39073.
Asbury, Barney B., O46788.
Athan, Byron D., O53273.
Austin, Benton McD., O35161.
Austin, John D., O46516.
Autrey, Paul, O46504.
Avery, Philip S., O36241.
Aycock, Robert C., O46664.
Ayer, Franklin A., O34199.
Aykroyd, Albert W., O35069.
Babbs, John B., O39203.
Baccus, George W., O35670.
Bachtel, Charles L., O79729.
Baden, Clyde H., Jr., O36333.
Bailey, Jack L., O35552.
Baird, Cud T., 3d, O46804.
Baker, Chester A., O79730.
Baker, John, O24704.
Baldwin, James L., O36864.
Bandley, Marion K., O45222.
Bane, Frank P., O36121.
Bankson, Rodger R., O79731.
Baranouskas, Raymond M., O79732.
Barclay, John R., O46727.
Barlow, Lester E., O35544.
Barnes, John W., O24663.
Barnes, Roger A., O24694.
Barrow, Thomas A., O35686.
Bartholomees, James B., O24839.
Basile, Daniel, O40900.
Bass, Glenn L., O40818.
Bass, Koy McL., Jr., O39125.
Bates, Frank A., Jr., O53290.
Beachler, William C., O36099.
Beaman, Horace E., O35583.
Beard, William D., O47010.
Beebe, John E., Jr., O79736.
Beeson, John P., O24686.
Bell, Carl H., Jr., O35743.
Bell, Marion S., O35787.
Bell, Theodore S., O36122.
Bender, Paul C., O47706.
Bennett, Robert J., O46832.
Bennett, Warren K., O35691.
Benson, Walter R., Jr., O39180.
Berglund, Arnold A., O35599.
Bergman, Ralph W., O45174.
Bethea, Ned R., O47132.
Beyer, Donald A., O40751.
Bigart, Robert J., O35831.
Biggio, Charles P., Jr., O36821.
Billings, Linwood W., O34831.
Billmyer, Carroll D., Jr., O34676.
Bischoff, Lawrence P., Jr., O25571.
Bissett, David A., Jr., O47274.
Black, Don W., O36126.
Blackwell, John R., O53789.
Blair, Robert M., O24934.
Blake, William R., O36162.
Blaney, Kermit B., O35591.
Blissenbach, Leonard J., O24936.
Blue, Douglas K., O25453.
Boardman, Dumas H., Jr., O34963.
Boehmer, William J., O36550.
Bogen, Paul L., O79747.
Boles, Fletcher W., O46985.
Bolton, Donnelly P., O24982.
Bonasso, Russell P., O24714.
Bond, John R. F., O35986.
Bond, William R., O36618.
Bonta, James C., O34731.
Boston, Joffre H., O35537.
Boudman, Arthur B., O79751.
Bowden, James A., O88578.
Bowen, James D., O46668.
Bowman, Donald S., O83094.
Boyce, William M., O79753.
Boyd, Hugh K., Jr., O36658.
Boyle, Thaddeus A., O35791.
Brabson, Kimberly, O35465.
Brake, Ralph W., O35708.
Braxton, Joseph C., O36703.
Bremkamp, Louis E., O79755.
Bringham, Robert MacD., O24925.
Brooks, Engle R., Jr., O34764.
Brown, Thomas W., O25769.
Browne, Laurence S., O47086.
Brownfield, Lee B., 2d, O36135.
Browning, Earl S., Jr., O35536.
Brownyard, Fred R., O35279.
Bruce, Edward C., O25404.
Brugh, Robert G., Jr., O25009.
Bruley, Henry L., O35457.
Bryson, Ernest D., O47161.
Buchanan, Dale E., O24759.
Buchanan, Stephen C., O39182.
Buck, Charles A., O34641.
Buehler, Vernon M., O53373.
Bull, Richard T., O53984.
Bullock, Richard B., O24198.
Burch, Jack P., O45948.
Burdick, James R., O36760.
Burgher, Frank E., O36180.
Burke, William A., O46646.
Burnes, Philip D., O34153.
Burns, Donald E., O79763.
Burr, Lynn S., O53788.
Burton, Jonathan R., O36198.
Burton, Lewis R., O34567.
Butler, Ernest C., O35578.
Butsch, Thomas C., O47199.
Cage, Lee E., O24909.
Cake, James M., Jr., O25372.
Calder, Henry L., Jr., O34671.
Calvert, George M., O36061.
Cameron, Ernest V., O40876.
Camm, Frank A., O25448.
Camp, Marlin W., O35999.
Campbell, Elden C., O40817.
Campbell, Gay, O35586.
Campbell, James E., O47367.
Campbell, Robert B., O33868.
Campbell, William A., O25400.
Capshaw, Benjamin D., Jr., O36345.
Carey, Merle L., O25586.
Carleton, Linwood A., O36260.
Carpenter, Robert W., Jr., O24816.
Carraher, Raymond W., O45292.
Carson, Thomas M., O32918.
Caruthers, Lawrence H., Jr., O24896.
Casart, William M., O35848.
Cates, Cecil H., Jr., O33600.
Cavanaugh, Stephen W., Jr., O36485.
Cavender, James W., O46443.
Cerar, Paul R., O24674.
Chambers, John S., Jr., O25357.
Chandler, Melbourne C., O37486.
Chapin, Richard H., O47651.
Charbonneau, Cecil K., Jr., O24817.
Chavis, Thomas N., O39193.
Cheney, John L., O24604.
Chesebro, John S., O47284.
Chester, Michael C., O88247.
Chilk, Samuel J., O53777.
Chrietzberg, James, Jr., O39129.
Christin, Charles A., Jr., O80383.
Christol, Max S., O34343.
Chrysler, Edward J., O53809.
Church, William V., O36171.
Ciraldo, Robert I., O36117.
Clagett, David C., O24952.
Clagett, Robert H., Jr., O24803.
Clapp, Edwin G., Jr., O24914.
Clark, James T., O33773.
Clay, Frank B., O24937.
Click, Ralph M., O39188.
Clyde, Gordon F., O47271.
Coates, Harry R., O36067.
Cochran, Walter B., Jr., O53411.
Cockrell, James K., Jr., O24805.
Cockrill, John C., O24730.
Coleman, Charlie C., O24987.
Coleman, William S., O35710.
Coley, Fred A., O40851.
Colladay, Edgar B., Jr., O24968.

Collins, Leroy P., Jr., O24031.
Condy, William, O25220.
Connolly, Donald H., Jr., O24783.
Conrad, Eugene B., O34204.
Cook, Charles W., O35787.
Cook, George L., O35450.
Cooper, George T., O35983.
Cooperhouse, Jacob B., O24840.
Copmann, Chester J., Jr., O46636.
Corley, William E., Jr., O24746.
Corrado, Vincent L., O54417.
Cotter, Arthur E., O79780.
Couch, Buford J., O52969.
Cowan, Bryan, O40850.
Cowles, Donald H., O35735.
Cox, J. Newton, O46561.
Cox, Richard F., O24541.
Coyne, John C., O46506.
Craig, John E., O24784.
Crandell, Norman H., O84356.
Cranston, Robert, O88034.
Craven, Virgil E., O34824.
Craven, William D., O53969.
Cravens, Gerald McA., O35188.
Crawford, Kenneth C., O35784.
Crawley, John L., Jr., O53963.
Craze, James H., O53279.
Crisson, Robert C., O36520.
Crittenberger, Willis D., Jr., O24893.
Cronin, Eugene S., O39070.
Cronin, Henry J., O35545.
Cross, Kenneth W., O35852.
Crosson, William H., Jr., O24880.
Crosswhite, Clyde C., O40750.
Crouch, Horace J., Jr., O46131.
Crowley, John D., Jr., O25016.
Crumlish, William S., O45536.
Cullen, Joe C., O79786.
Cunningham, James E., O36361.
Curran, Charles E., Jr., O36163.
Curtan, Eugene R., O40814.
Daems, Leonard R., Jr., O47270.
Dailey, Howard M., O34702.
Dakin, Hollis, O40780.
Dale, Joseph W., Jr., O36144.
Danforth, Carroll F., Jr., O23997.
Daniel, Emile W., Jr., O34871.
Daniels, Robert J., O53682.
Danley, Earl E., O47136.
Danner, James D., O53384.
Datnoff, Arthur R., O35053.
Datres, Eugene B., O35166.
Daulton, James O., O79792.
Davenport, Clarence M., Jr., O25656.
Davies, John M., 3d, O25010.
Davis, Ernest H., O34740.
Davis, John F., Jr., O24948.
Davison, Frederic E., O45682.
DeAngelis, Anthony J., O39252.
DeMund, Robert J., O80271.
DeReus, Clarence C., O35790.
Dean, Philip F., O35768.
Deane, John R., Jr., O24835.
Delaney, Donald J., O34852.
Dellinger, William F., Jr., O53658.
Denham, Russell B., O53714.
Denham, William O., O35948.
Dennis, William J., O36151.
Dennison, Richard F., O34040.
Detchemendy, Edward B., O45117.
Detwiler, Robert P., O23892.
Dey, Edward H., O87730.
Diamantes, Thomas, O35694.
Dillard, John A. B., Jr., O53930.
Dilworth, Joel J., O24790.
Divers, Walter A., O24945.
Doane, Leslie O., O33493.
Dorn, William C., O36316.
Dougherty, Edward J., O35817.
Douglass, Francis L., O24254.
Doupe, Robert L., O35562.
Downer, William V., Jr., O24331.
Draper, James L., Jr., O79801.
Driess, Edward, O35589.
Ducey, Donald L., O35811.
Dudley, Eldridge C., O54260.
Duffield, Lyle A., O91217.
Duffy, David A., O34662.
Duke, Henry B., O79803.
Duke, Jack W., O33662.
Duke, Russell A., O40873.
Duncan, Herbert L., O39230.
Dunlap, Robert E., O40862.
Dunn, Maurice W., O40985.
Duren, Elton W., O35087.
Durham, Ernest E., O35709.
Duty, Clifton O., O35981.
Dyke, Harold H., Jr., O53334.
Eckert, George L., O24976.
Eckert, Kenneth R., O39196.
Edler, William C., O33725.
Edmunds, James M., O35174.
Edwards, Corwin V., O85159.
Eichen, Harris C., O80406.
Eichnor, John T., O53927.
Elder, Edwin W., Jr., O34033.
Elliott, Wallace R., Jr., O40837.
Ellis, Arthur P., Jr., O36150.
Ellis, Clarence H., Jr., O34762.
Ellis, Rodney C., O34872.
Ellis, Vincent H., O53814.
Ellis, William H. N., O53993.
Ellison, Charles J., O40846.
Ely, John A., O24807.
Eney, John K., O36514.
Engl, John W., O44278.
Ervin, John W., O39216.
Evans, Byrne A., O36859.
Evans, Frank J., O53630.
Evans, Thomas H., Jr., O39179.
Evans-Smith, William, O53988.
Falks, Jack B., O25266.
Falls, Bruce T., O47145.
Fallwell, Marshall L., O35463.
Fansler, Reginald K., O40608.
Farley, Jack H., O53889.
Farnsworth, Thomas H., O25800.
Faulkner, Brock H., O45844.
Fawcett, Lawrence W., O45319.
Fayle, Orin A., O88260.
Fazio, Vincent F., O46947.
Fechtman, Robert H., O46262.
Fellows, John L., Jr., O79810.
Fenili, Vasco J., O25579.
Ferguson, Allen E., O45765.
Fergusson, Charles M., Jr., O24709.
Ferrell, Robert M., O53808.
Fickessen, Jack W., O35973.
Finneran, Thomas C., O36643.
Fish, Rue D., Jr., O46559.
Fisken, Archibald D., Jr., O24868.
Flager, George W., O53081.
Flanagan, Edward M., Jr., O25710.
Flanders, Walter C., O81897.
Flor Cruz, Pedro R., O47122.
Foelsch, Richard G., O36337.
Folts, Rudolf H., O40784.
Ford, Harry E., O35741.
Ford, Wilfred C., O25005.
Fordyce, Robert C., O53996.
Foss, Russ C., O46767.
Foster, Garrard, O24732.
Foster, Randolph V., O45728.
Foster, Robert W., Jr., O25360.
Foster, Virgil P., Jr., O36229.
Foulk, John DeH., O35629.
Fox, Clifton C., O47142.
Fox, George F., O36234.
Fragala, James J., O40583.
Francis, Ernest H., O40758.
Franke, Gustav H., Jr., O52959.
Franklin, Charles C., O47521.
Fraser, Joseph J., Jr., O53292.
Frederick, Floyd, O36243.
Fredrikson, Graydon F., O35700.
Freedland, Sumner, O47401.
Fritz, Robert W., O24744.
Fulbruge, Charles R., O34190.
Fulmer, Richard P., O39130.
Fulton, William B., O25385.
Furey, Thomas P., O24876.
Fuson, Jack C., O36184.
Gaby, Walter E., Jr., O34656.
Gage, Nathaniel A., Jr., O47155.
Gallinger, Herald B., O36481.
Garnhart, George H., O25267.
Garth, Marshall B., O36357.
Gates, John L., O40539.
Gates, Mahlon E., O24685.
Gates, Vincent I., O79820.
Gaustad, John McE., O39164.
Gay, John F., O40804.
Geery, Billy B., O34877.
Geiger, Edward H., O46621.
Geiger, Roy S., Jr., O24845.
Geist, Russell C., Jr., O46585.
Gelling, Louis, O36353.
Gerfen, Frederick H., O53165.
Getchell, Wilmah M., O40737.
Gettings, James J., Jr., O46600.
Gibb, Edward F., Jr., O45769.
Gibb, Harry E., O47853.
Gibney, Raymond F., O36068.
Gibson, John S., O53145.
Gibson, Thomas A., Jr., O35478.
Gill, William E., O79824.
Gilman, James W., O25394.
Glasebrook, Arthur J., O45192.
Gleason, Frank A., Jr., O35882.
Gobeille, Gerard A., O79827.
Godding, George A., O40790.
Godwin, Norman A., O46291.
Goldberg, Seymour L., O79829.
Goldblum, Kirby D., O79830.
Golladay, William C., O40897.
Goodwin, Frederick C., O34335.
Gooley, William D., O53743.
Gordon, Herschell G., O46942.
Gordon, James L., O39213.
Gordon, Preston O., O35828.
Gordon, Thomas L., O36662.
Goudreau, Albert D., O46744.
Gower, Wilford D., O35699.
Grant, Andrew R., O25045.
Grant, Francis A., O40643.
Grant, Jonathan M., O36083.
Grant, Joseph H., Jr., O25384.
Grant, Wilburn E., O35789.
Gray, Belfrad H., Jr., O33666.
Greenberg, Norman D., O25695.
Greiner, Robert J., O54034.
Griesbeck, Wilson K., O40604.
Grimshaw, Charles M., O24872.
Grissom, Thomas C., Jr., O46263.
Grones, Dow S., O47225.
Gude, Joseph L., O36138.
Guenthner, Robert A., O47146.
Gueymard, Joffre L., O46963.
Guidera, Thomas F., O47165.
Gunn, James W., O40896.
Guntharp, Walter A., O36178.
Gussie, Michael, O35697.
Gust, Daniel G., O36330.
Guthrie, John R., O36240.
Hackwood, Arthur W., Jr., O36109.
Hakala, Wendell E., O53672.
Hale, William C., O36124.
Haley, Joseph K., Jr., O79836.
Hall, Harold M., O47123.
Hallmark, Rufus E., O47516.
Halpin, Daniel E., O24957.
Hambleton, Harry B., O40670.
Hamblin, James M., O25127.
Hamel, George F., O46167.
Hamerly, Leon J., O24665.
Hamilton, Stuart, A., Jr., O36152.
Hamilton, William M., O53618.
Hamilton, William T., O24678.
Hampton, Rex H., O47211.
Hancock, Daniel W., O35281.
Hankins, Grat B., O35257.
Hanna, Loyd G., O35843.
Hansen, Herbert C., O79842.
Hanson, Mark K., O79844.
Hanson, Walter S., O79845.
Hard, William H., O36120.
Hardin, Fariss, O35600.
Harding, William B., Jr., O53958.
Hargis, Lorne T., O53866.
Harkins, John H., O33724.
Harlan, Edwin F., O25343.
Harlan, Robert D., O35861.
Harper, Garlyn W., O80418.
Harps, Joseph F., O53692.
Harris, Charles E., O46675.
Harris, Charles K., O23848.
Harris, William J., O47105.
Harrison, Donald L., O25373.
Harrison, James H., O46389.
Harvey, Ben, Jr., O40688.
Hatch, McGlachlin, O25578.
Hatcher, Robert P., Jr., O53259.
Hatfield, Mills C., O23741.
Hatter, William T., O24468.
Hayes, James H., O24646.

Hayes, Melvin B., O79848.
Hayes, Thomas F., O34738.
Hays, Claude A., O47134.
Hays, James G., Jr., O25390.
Hays, Samuel H., O24797.
Healy, Richard D., O36033.
Heard, John W., O24953.
Heimer, Gerard, O33907.
Hemingway, Jack W., O35854.
Henderly, Harold B., O36065.
Henderson, Basil W., O46671.
Henderson, David S., O25412.
Hendren, Ed V., Jr., O46682.
Henne, Charles A., O46253.
Hennessy, Richard L., O24690.
Henshaw, Philip B., Jr., O34856.
Hensley, Emery M., O34720.
Herndon, William H., O36636.
Herod, John A., O52859.
Herrod, Ralph, O79634.
Hertzog, Jack McK., O40856.
Heske, Richard F., O35641.
Hesselbacher, George E., Jr., O24651.
Heuberger, Newton J., O35476.
Hickman, David, O33986.
Hickman, Don R., O35996.
Hickok, James N., O36096.
Hiett, Joseph C., O34657.
Higgins, Hugh R., O36183.
Higgins, Wayne G., O79851.
Hill, Benjamin I., O24791.
Hill, Charles R., O24940.
Hill, Edward M., O36185.
Hill, James A., O88735.
Hill, James H., Jr., O39191.
Hillman, Robert G., O25477.
Hinton, Reginald J., O79853.
Hoagland, Charles E., O34645.
Hobrecht, Alfred P., O34968.
Hodges, John, O34353.
Hogrefe, Walter W., O25518.
Holcomb, Joel P., O46829.
Holcomb, William L., O53160.
Hollis, Harris W., O53724.
Hollis, Jesse B., Jr., O25651.
Hollstein, Jean W., O35559.
Holmes, Henry B., 3d, O25348.
Holmgrain, Bruce E., O46656.
Homann, Gerald W., O25382.
Honea, John C., Jr., O36175.
Hopkins, Truman A., O36057.
Horn, Robert L., Jr., O53717.
Horne, Richard C., 3d, O40863.
Horton, Paul N., O36254.
Hottenroth, James H., O24645.
Howard, Charles E., O39153.
Howard, Robert C., O53368.
Howell, DeWitt C., O45937.
Hoye, John H., O46570.
Hrdlicka, Edward B., O33985.
Hudak, Edward M., O47803.
Huggins, Lloyd G., O36139.
Hughes, John P-M., O47232.
Hughes, Thomas K., O24449.
Hunter, Albert E., O24898.
Hurley, Frederick J., O46434.
Hutchinson, Robert C., Jr., O53429.
Hutchison, Russell J., O52921.
Hyde, Radford D., O35949.
Irby, Pierce B., Jr., O34282.
Irvin, Richard, Jr., O25118.
Irvine, Richard H., O36705.
Iuliucci, Thomas P., O24848.
Ivey, Robert H., O24849.
Jackson, Burwell B., O34840.
Jackson, Fred O., O47577.
Jackson, Gordon E., O46950.
Jackson, Harry R., O53997.
Jackson, Robert L., Jr., O53104.
James, Joyce B., O53547.
Janousek, Neal F., O36127.
Jeffress, Clarence E., O25255.
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Johnson, Charles W., O36315.
Johnson, Fredric E., O35885.
Johnson, Glen R., O87803.
Johnson, James M., O54002.
Johnson, Kenneth L., O36285.
Johnson, Leonard L., O35441.
Johnston, William F., O35987.
Jones, Erwin B., O36168.
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Jones, Lee G., O24757.
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Jones, Randolph L., O35477.
Jones, Raymond G., O24576.
Jones, Ulysses G., Jr., O24882.
Jones, Wayland, Jr. O35763.
Jones, Wyly K., O46743.
Jordan, Edward E., O54028.
Jordan, Linwood F., O24879.
Josephson, Stanton W., O24745.
Joyner, Archie B., Jr., O54001.
Kalina, Edwin C., O33604.
Kamp, Anthony M., Jr., O33482.
Kasler, Charles L., O34599.
Kates, Robert C., O24787.
Kays, Lee G., O32750.
Kean, Marshall P., Jr., O40927.
Keevan, Edward F., Jr., O87814.
Keiser, Carl P., Jr., O36066.
Keleher, William P., O35568.
Kelleher, James E., O25611.
Kelly, Francis J., O37505.
Kendrick, Robert C., O46545.
Kennedy, Cary A., Jr., O40779.
Kennedy, Clarence N., O53230.
Kennedy, Harold R., O46534.
Kennedy, Paul R., O35563.
Kennedy, Richard J., Jr., O80935.
Keogh, William T., O33742.
Kerley, Ralph A., O47139.
Kerr, James W., O25417.
Kifner, Daniel R., O37530.
Kimball, Morton W., O47178.
Kimmitt, Joseph S., O36343.
King, James B., O46196.
King, William I., O36153.
Kinkead, William W., O40838.
Kinney, Howard D., Jr., O34697.
Kirk, Leonard M., O36130.
Kitchens, Edward B., Jr., O40791.
Kleysteuber, William R. A., O53062.
Kline, Earl G., O46466.
Klingenhagen, John L., O39223.
Knoll, Ernest L., O54304.
Knowlton, William A., O25436.
Knutson, Sidney A., O36199.
Kogstad, Arthur W., O36176.
Koisch, Francis P., O24669.
Koster, Samuel W., O24873.
Kraft, William R., Jr., O24726.
Kressin, Harold R., O45387.
Krueger, Herbert W., O39207.
Krueger, Philip G., O24677.
Kruger, Carl W., O35845.
Kullmar, Malcolm, O35555.
Kuykendall, J. W., Jr., O35836.
LaBounty, Jack V., O34422.
La Mont, Charles E., O79885.
Lahm, Lawrence, O24761.
Laird, Paul G., O45698.
Lake, Jack F., O34391.
Lambert, Arthur L., O24731.
Langley, Charles F., O40834.
Lathrop, Alba B., O36492.
Lau, Ernest V., O79886.
Laudieri, Mario F., O79887.
Leavey, Edmond H., Jr., O24698.
Leavitt, Charles S., O40830.
Lee, Richard M., O35551.
Leech, Lloyd L., Jr., O25386.
Leeper, Michael E., O46552.
Leister, Albert F., O36201.
Lekson, John S., O35837.
Leonard, Richard M., O53957.
Levick, Warren N., O47292.
Levin, William B., O53865.
Levy, Gilbert P., O79892.
Levy, Richard M., Jr., O23980.
Lewis, Charles A., O53421.
Lewis, Hollis C., O25205.
Lewis, Keith L., O79893.
Ligon, Wayne E., O36510.
Lilly, Grady F., O36990.
Lindow, Rodman E., O79898.
Lisk, Percy F., Jr., O53540.
Littleton, Augustine V., O46066.
Locke, Thomas W., O53105.
Loesing, Vernon T., O36090.
Logan, Edward O'N., O36610.
Lombard, Richard J., O33904.
Long, Richard L., O46931.
Longacre, David R., O33378.
Longerich, Harry, O53791.
Loomis, Jester M., Jr., O79899.
Lord, Nicholas A., O46045.
Lovelace, Richard M., O39079.
Lowe, Henry A., O34748.
Lowe, Herbert S., O35561.
Lowry, Everett E., Jr., O25799.
Luk, William, O40642.
Lukens, Howard I., O53619.
Lunger, Richard T., O25388.
Lydon, Joseph P., O33853.
Lynch, William J., O53175.
Lyon, David R., O53594.
Lyons, Thomas L., O35997.
Mabry, Ned B., O53148.
MacDonald, Robert J., O39172.
MacIndoe, John W., O25407.
MacQueen, Lawrence P., O35614.
MacVeigh, Charles, O25496.
Macek, Kenneth T., O46866.
Machnicke, Max R., O33465.
Madden, Francis J., O46258.
Maertens, George K., O25698.
Maertens, James E., O48227.
Magruder, Lawson W., Jr., O36711.
Mahone, Thomas B., Jr., O46521.
Marconi, Sabatine R., O36128.
Marks, Edwin H., Jr., O24935.
Marr, John W., O36567.
Marshall, Robert C., O25467.
Martin, Allen C., O34231.
Martin, Harold V., O79637.
Martinez, Severino, Jr., O24811.
Mason, Anthony, O89358.
Mason, Kermit R., O46951.
Materi, Joseph T., O24330.
Matheson, Salve H., O36253.
Mathews, Bernard L., Jr., O79909.
Mathews, Lawrence G., O25402.
Mathews, William R., Jr., O47934.
Matthews, Milton A., O56906.
Matthews, Robert A., O46599.
Mattice, Edson R., O79911.
Mattina, John C., O24683.
Mattson, Rudolph L., O79912.
Maysonave, Rene E., O45650.
Mazzucchi, Reno A., O36208.
McAdams, Samuel C., O39177.
McBride, George H., O47172.
McCabe, William J., O39167.
McCain, Paul B., O48072.
McCarthy, Max R., O36249.
McCartin, George J. J., Jr., O79638.
McCaughey, Mack J., O36196.
McCloskey, John A., O36372.
McClure, Paul J., Jr., O35640.
McClure, Richard, O35064.
McCuller, Louis T., O34636.
McDermott, Austin J., Jr., O40754.
McDivitt, Joseph B., O53661.
McDowell, Richard D., O79919.
McElree, Hall B., O36252.
McEvoy, John P., O46774.
McEvoy, Robert W., O35570.
McFadden, David B., Jr., O54083.
McFalls, Carroll, Jr., O47800.
McFarland, James D., O53149.
McGovern, Donald H., O36851.
McGuire, Paul M., O35705.
McIntyre, John C., O23976.
McKay, Robert J., O79923.
McKean, William A., O35958.
McKee, Henry H., O36190.
McKemie, Edward B., O46573.
McKenna, John J., O33704.
McLaughlin, John D., O46520.
McMahon, John A., O54182.
McMillan, Donald L., O23791.
McMullin, William C., O79925.
McMurtrey, Gail B., O46748.
McNair, Donald C., O33791.
McNally, Joseph D., O35796.
McNamara, Harry, Jr., O35795.
McQuinn, Austin D., O48053.
Mead, Charles E., O36314.
Meads, John A., Jr., O36108.
Meara, William D., O35823.
Meggs, Ernest L., O35474.
Mehlinger, Walter E., O36149.

Meier, Arthur C., O35560.
Meltesen, Clarence R., O40616.
Mengel, Ralph H., 2d, O33504.
Merkl, Earl C., O53306.
Messner, Spurgeon A., O53753.
Metcalfe, Alvin C., O36809.
Mewshaw, Charles T., O40832.
Meyer, Stewart C., O25560.
Michael, James R., O25609.
Miketinac, Anthony J., O45671.
Milberg, Arthur W., O35842.
Miles, Jesse R., Jr., O24979.
Miles, Richard C., O24939.
Miller, Harold R., O53967.
Miller, Winthrop G., O45957.
Milloy, Albert E., O35289.
Mills, Eric R., Jr., O47272.
Mills, Webster, O79929.
Milotta, David E., O35989.
Minch, Howard G., O34945.
Minson, Roscoe T., O34568.
Mirras, Peter W., O53684.
Misdom, Howell E., O79930.
Mitcham, Gene L., O33622.
Mitchell, George R., O79932.
Mizell, Charles M., O24728.
Mollen, Irving R., O79933.
Monk, Jeremiah B., Jr., O46946.
Monroe, Melvin C., O34552.
Monsarrat, George F., O36698.
Monty, Percy A., O53945.
Moore, Clayton H., Jr., O35178.
Moore, James D., O25760.
Moore, Jasper S., O47770.
Moore, Joseph W., O53733.
Moran, John, O53964.
Morey, Joe V., O24975.
Morgan, Clayton B., O85624.
Morgan, Reuben T., O36154.
Morgan, William H., O24660.
Morrell, John R., O79938.
Morris, Jack W., O45540.
Morrison, Allen L., O32837.
Morrow, Jesse L., Jr., O36564.
Moseley, Woodford T., O35858.
Motes, Marshall M., O46627.
Mulheron, William, Jr., O47283.
Mullen, James J., O36191.
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Mumma, John R., O46819.
Munch, Robert J., O45546.
Mundhenk, William H., O36155.
Murphy, James H., O80465.
Murphy, John L., O79941.
Murphy, Raymond P., O24729.
Murray, Douglas C., O24899.
Murray, Jack H., Jr., O35974.
Murrell, Hampden J., O53641.
Myers, Woodrow H., O53888.
Napper, Frank E., O36416.
Nash, Grover E., Jr., O36182.
Nechanicky, William G., O33910.
Nechey, Walter F., O47231.
Neff, R. Wilson, O53439.
Neidner, William E., O47381.
Neill, Dennis W., O46137.
Nemethy, Frank J., O36332.
Neubauer, William C., O35572.
Neumann, James D., O35956.
Neve, Jack C., O40893.
Newby, Gilbert U., O40858.
Newlands, George, O40606.
Newman, James B., 3d, O24654.
Nickel, John R., O25553.
Nickell, John S., O35794.
Nielsen, Edward L., O40868.
Niland, William H., O45456.
Nispel, Richard LaV., O53810.
Nixdorff, James B., O40867.
Norman, Brooks O., O35793.
Nottingham, Allen H., O36157.
Null, Jack G., O36202.
Obenchain, Irving R., Jr., O24658.
O'Connell, William H., O35575.
O'Connor, Joseph P., Jr., O40648.
O'Donovan, William E., O79639.
Offley, Robert H., Jr., O24871.
O'Hea, John T., O35486.
O'Leary, Joseph E., O37002.
O'Leary, Robert J., O36344.
Olsen, Charles I., O47541.
Olson, Arthur A., O36174.
Omenhiser, John T., Jr., O54485.
O'Neal, Beverly F., Jr., O46929.
O'Neal, George R., O24772.
Orme, Eric C., O24673.
O'Rourke, Donald C., O36611.
Orsi, Francis J., O36238.
Otis, Allen M., O24990.
Overall, Jesse U., 3d, O46630.
Owen, Edwin B., O47079.
Owens, Elmer G., O39181.
Palmatary, Robert H., O45026.
Panisnick, George G., O89455.
Parker, Reuben D., O47214.
Parr, Marvin M., O53681.
Parr, Stanley F., O35524.
Parrish, Charles P., O53233.
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Parsons, George E., Jr., O36095.
Parthum, Alfred H., Jr., O35939.
Pasciak, Leonard J., O24765.
Pashley, Walter A., Jr., O40942.
Patten, Clarence W., O35859.
Patterson, Edwin H., O54094.
Paul, Donald T., O36142.
Payne, Irving P., O53878.
Perley, Robert L., O46454.
Perry, Arthur G., O52985.
Peters, Gus S., O79949.
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Peterson, Theodore W., O47644.
Petkoff, Leonard, O57580.
Petruzel, Frank, O36364.
Pettit, Morris W., O34100.
Pfeffer, Joseph M., O34836.
Phillips, Adolph H., O35888.
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Picciotti, Romulus A., O79951.
Pickell, Wayne F., O46670.
Pieklik, Joseph E., O36942.
Pietsch, William H., Jr., O25773.
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Pilliod, Dallas A., O36257.
Pinson, William C., O36408.
Pister, Carl E., O53390.
Poole, Edgar R., O35959.
Pope, Cornell, O79955.
Porter, Clark W., O46162.
Potts, William E., O54461.
Prather, Herb D., O36258.
Pratt, William D., O24079.
Prescott, Dana S., O79959.
Pressentin, Vernon F., O35391.
Putnam, George W., Jr., O39206.
Pynes, Oats A., Jr., O36491.
Quimby, James O., Jr., O35534.
Raichlen, Richard A., O54419.
Raines, Martin L., O35621.
Ramberg, Vernon C., O53063.
Ramsey, David M., Jr., O53610.
Ramsey, James D., O36228.
Raub, Stanley C., O36209.
Raudstein, Knut H., O53611.
Rawls, Robert M., O24675.
Raymond, Daniel A., O24670.
Ream, Ellis A., O36165.
Rebh, George A., O25444.
Redd, Thomas L., Jr., O35508.
Redheffer, George E., O35672.
Reed, John P., O35839.
Rees, James B., O35539.
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Regner, William J., O25395.
Rehkopf, George D., O25004.
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Reilly, Robert S., O23813.
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Remick, Charles E., O34408.
Reppa, Robert B., O34978.
Restani, Raymond, O36568.
Rettgers, Forrest I., O36414.
Rey, John F., O47633.
Reynolds, Emmett R., O25489.
Reynolds, Harold K., O39218.
Rhodey, William A., O53943.
Rice, Harold W., O24800.
Richards, Darrie H., O25458.
Richardson, Hugh F., O36193.
Riedel, Philip H., Jr., O24756.
Rienzi, Thomas M., O24715.
Riles, William L., O36221.
Riley, James A., O79968.
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Robens, Robert F., O36665.
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Rodgers, Louie N., O35941.
Roecker, Frederick C., Jr., O24681.
Rogers, William T., O81859.
Romans, Warren L., O39150.
Ross, Homer G., O79973.
Rottstedt, Vernon R., O53185.
Rotz, Carl R., O46505.
Rounsaville, Tom J., O36259.
Rountree, Councill P., O34050.
Rowe, Gerald W., O35810.
Royalty, Lester D., O36081.
Rubenstein, Seymour, O24695.
Ruby, Jack W., O45871.
Ruhsam, Harry E., O47135.
Russell, Peter T., O24947.
Rutherford, Robert D., O34355.
Ryder, Charles W., Jr., O24951.
Saari, Albert E., O25470.
Sabolyk, Robert, O35475.
Salthouse, Wirt C., O79982.
Salyer, Everett G., O36107.
Sammet, George, Jr., O35624.
Samusson, Lewis F., O36147.
Sanders, Joe M., O79983.
Sanders, Paul F., O53770.
Sauter, Louis F., Jr., O79986.
Savage, David B., O46184.
Sawyer, Alan A., O35464.
Sawyer, George F., O25033.
Scherberger, Frederick, 3d, O53918.
Schintz, Thomas A., O39074.
Schmidt, Harry U., O36425.
Schmidt, Joseph J., O24672.
Schofield, James H., Jr., O25754.
Schrader, Henry C., O40820.
Schroeder, Hal LeR., O25397.
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Sears, Frank S., O45378.
Sedberry, George R., Jr., O25415.
Seignious, George M., 2d, O47226.
Seip, George R., O24792.
Semmens, Clifton P., O34857.
Senior, William G., O46632.
Shaffer, Cornelius J., O47584.
Shaima, Adolph L., O36677.
Sharp, John D., Jr., O46693.
Shaw, Earl D., O84421.
Shedd, William E., 3d., O24971.
Sheffey, John P., 3d, O24701.
Sheffield, Paul R., O35569.
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Short, Walter D., O24789.
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Silvestri, Armand J., O79996.
Simmons, Franklin B., Jr., O53683.
Simmons, Wesley J., O34713.
Simon, Donald E., O24776.
Simpson, George H., O34704.
Simpson, Leonard D., O46128.
Singlaub, John K., O37040.
Sitterson, John D., Jr., O24818.
Skrien, Cyrus A., O79999.
Small, Eugene J., O47190.
Smith, Anderson Q., O34187.
Smith, Bowen N., O53523.
Smith, Edward W., Jr., O45586.

Smith, Lloyd G., O38024.
Smith, Marshall J., O80004.
Smith, Norvin E., Jr., O34694.
Smith, William E., O34859.
Snow, Jerrold D., O24671.
Snyder, Neil N., Jr., O34319.
Spears, James H., O33815.
Spears, John H., O46027.
Speirs, Ronald C., O35820.
Spencer, Andrew, O36076.
Spilman, Robert B., O24955.
Staiger, Theodore S., O53879.
Standish, Frederick D., 2d, O24981.
Stanley Leroy S., O36112.
Stansberry, Conrad L., O85802.
Stansill, John T., O40738.
Starnes, William L., O25475.
Stauffer, Charles J., O33757.
Steckel, Glenn A., O46036.
Stefani, Louis J., O40707.
Steiner, Fred G., O35860.
Steinmetz, Rollin T., O24720.
Stell, James H., O80006.
Stephens, Joel B., O24913.
Stephens, John F., O25539.
Stephens, John M., Jr., O34689.
Stern, Gates B., O80007.
Stevens, Donald K., O36118.
Stevens, Garth, O24735.
Stevens, George R., 3d, O39215.
Stewart, Claude C., O47006.
Stewart, Edward W., O46148.
Stewart, Lewis M., O46789.
Stewart, Willard C., O53438.
Stielau, Walter E., O35815.
Stoutner, Everette A., O36105.
Strickland, James M. S., O35184.
Strnad, Joseph J., O37497.
Stroup, Ray B., O34267.
Stutler, Warren H., O36148.
Styer, George D., O36034.
Sullivan, Lloyd S., O53326.
Sullivan, Richard C., O84808.
Sutton, Arthur J., O36816.
Sutton, George M., O35970.
Swaim, Jack, O46685.
Swearngan, William R., O36143.
Swears, Clayton C., O80011.
Sweeney, Arthur H., Jr., O40865.
Swensson, John D., O46859.
Swofford, James L., O53451.
Tabb, Robert P., Jr., O24680.
Talbott, William J., O25468.
Tallon, William P., Jr., O35965.
Tanner, John L., O33683.
Tarver, Thomas H., O24851.
Tatsch, William D., O24822.
Taylor, Harry J., Jr., O80013.
Terrel, Mark H., O24826.
Terribile, Valentine T., O80015.
Terry, Robert D., O24739.
Testa, Louis P., O40877.
Thomas, Charles B., O25411.
Thomas, Jesse, Jr., O24590.
Thomas, Joseph A., O80017.
Thomas, William G., 3d, O53386.
Thompson, Albert N., O24823.
Thompson, Shelden L., O35687.
Thomson, Donald E., O35490.
Thornblom, Carlton C., O33750.
Thorne, John H., O36166.
Thornton, Warren G., O46663.
Tiffany, Willard D., O34230.
Timmons, Max E., O53965.
Timothy, James S., O24992.
Tisdale, Charles F., O45925.
Tisdale, Tyron E., O46953.
Titley, Richard J., O35982.
Tooley, Jack W., O46860.
Toomer, Harold K., O40849.
Topp, Alphonso A., Jr., O25408.
Toth, Alfred L., O25587.
Touart, Anthony J., Jr., O25377.
Townsend, Lester B., Jr., O53798.
Townsend, Robert H., O24890.
Townshend, Charles S., Jr., O40833.
Trees, Paul A., O45254.
Trigg, Thomas K., O80019.
Tringali, Joseph A., O39152.
Trussell, John B. B., O39190.
Tucker, Walter F., O24548.
Tufts, Harry N., O40679.
Turner, Julian, O40697.
Ugalde, Jesse G., O36354.
Uhler, Frederick C., O25003.
Ulrich, Fred R., O35566.
Ulsaker, Carl C., O24815.
Underwood, Charles C., O34337.
Underwood, Joe H., O36521.
Underwood, Vernon W., O36204.
Urquhart, Edmond R., O40831.
Urrutia, Henry W., O24966.
Vail, Edwin W., O35647.
Van Dusen, Roy R., Jr., O35538.
Van Tassell, Frederick E., O36087.
Vaughan, Elton D., O47395.
Vaughn, Molloy C., Jr., O25393.
Vestal, Elvin V., O40828.
Vias, Felipe, O36110.
Vivian, James A., O24751.
Voegeli, Albert H., O56909.
Vogel, Lawrence W., O24661.
Vogelsang, Edward C., O36078.
Von Burg, Robert H., O35449.
Wachendorf, Miles L., O24679.
Waddell, Edward L., O25371.
Wagner, Paul R., O53850.
Wagstaff, Jack J., O35585.
Walker, Berrisford H., O36195.
Walker, Boyd F., O24998.
Walker, Frank E., Jr., O34691.
Walker, George C., O35719.
Wall, George R., O40836.
Wallace, Ernest H., O37552.
Waller, Marshall, O24758.
Walrath, Charles F., Senior, O36207.
Walters, John W. B., O35840.
Waple, Louis A., O24584.
Warner, Edgar B., Jr., O53206.
Warren, VanCleave P., O24856.
Waters, William P., Jr., O35543.
Watkin, William W., Jr., O24664.
Watkins, George W., O34638.
Watson, Douglas H., O45908.
Watson, Foster B., O35665.
Watson, John R., O24748.
Watson, Richard R., O34354.
Wear, James H., O47014.
Webb, Hugh W., O47228.
Webber, John D., Jr., O36393.
Webster, Raymond S., O36621.
Weeks, Eugene L., O24700.
Weigley, Alton J., O45241.
Wein, Joseph C., O46294.
Weiss, Alfred V., O36287.
Wells, Forest O., O46515.
Wendel, Edmund, Jr., O36220.
West, Herman L., O48031.
Westbrook, Clyde H., Jr., O47007.
Wheeler, Robert F., O40872.
Wheelock, John G., 3d, O25572.
Whisnant, Isaac E., O46983.
Whitenton, Robert M., O36114.
Whitfield, Morgan A., O36389.
Whiting, Troy E., O33729.
Whitley, Arthur N., O47359.
Whitmire, Charles G., O25257.
Whitmore, Harry E., O35993.
Wilbourn, Donald E., O25606.
Wilder, Alvin D., Jr., O24676.
Wiley, James A., O47130.
Wilhm, Jack F., O47170.
Williams, Artha D., Jr., O40871.
Williams, Daniel B., O35669.
Williams, Frank S., O34649.
Williams, Frederick E., Jr., O36227.
Williams, Winfield S., O40789.
Williamson, James B., O35648.
Williamson, Robert H., Jr., O34560.
Willoughby, Glen, O85284.
Wilson, Ernest W., O41141.
Wilson, Francis H., Jr., O53452.
Wilson, Lloyd G., O34685.
Wilson, Russell J., O40848.
Wilson, Victor O., O25387.
Wing, Albert G., Jr., O46100.
Winter, Waldron J., O35832.
Wirt, Charles A., O25725.
Wiselogle, Candler R., O39271.
Woelfer, Carlyle P., O25350.
Wofford, Ralph W., Jr., O79641.
Wood, Darrell G., O54196.
Wood, Vocqsal D., Jr., O47003.
Woodruff, Owen E., Jr., O36172.
Woods, James R., O35812.
Woodward, Joseph G., O39101.
Woodworth, George B., O35995.
Wooten, John H., O53968.
Wreidt, Niel M., O34753.
Wright, Edward McW., O24693.
Wyatt, Othel, O80027.
Wyman, Philip A., O24854.
Yantis, Ray J., O47002.
Young, Charles M., Jr., O47107.
Young, George H., Jr., O36242.
Young, Hugh F., O36327.
Young, Robert P., O24652.
Young, Willard, O36350.
Zacharias, George A., O88536.
Zakel, John, Jr., O35849.
Zimmermann, William M., O53738.

To be lieutenant colonels, Chaplain

Bell, Richard R., O43201.
Betzold, John W., O76785.
Branyan, William H., Jr., O43181.
Cheatham, Richard B., O40124.
Fitzgerald, William R., O76786.
Frain, Joseph E. X., O76787.
Gorski, Joseph, O79679.
Lam, Alfred P., O76794.
Lifshutz, Oscar M., O52023.
Read, Charles E., O83542.
Scott, Osborne E., O31188.
Taylor, Newell E., O52031.

To be lieutenant colonels, Women's Army Corps

Abbott, Elenor P., L315.
Butler, Miriam L., L111.
Elderdice, Eunity F., L114.
Harllee, Frances E., L532.
Kehrer, Marie, L263.
Lane, Mary C., L124.
Lawton, Rosa T., L254.
Long, Margaret A., L127.
Reece, Ruth S., L134.
Schuchart, Martha F., L317.
Simpson, Maribeth T., L106.
Sorrough, Irene M., L112.
Todd, Sarah B., L259.
Weible, Elsie L., L320.
Woodworth, Charlotte I., L137.

To be major, Chaplain

Edens, Allen C., Jr., O67567.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3298:

To be first lieutenants

Bacon, Donald D., O93020.
Bennett, Roger M., O94045.
Brown, Larry D., O93367.
Cramer, Ronald P., O93380.
Davis, Alexander D., O93384.
Denzler, Ancil L., O93387.
Heipp, William A., O91866.
Kleiber, Richard L., O84206.
Koger, Ronald G., O93451.
Langendorff, Herbert E., Jr., O85598.
Lewis, Tedd McC., O93458.
Macci, David K., O85613.
MacDonald, Robert W., O85206.
Malave-Garcia, Samuel, O83943.
O'Hara, Francis G., Jr., O89364.
Pearce, William L., O91665.
Williams, Phillip J., O93540.

To be first lieutenant, Women's Army Corps

Kelly, Jacquelin J., L601.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified under the provisions of title 10, United States Code, sections 3283, 3284, 3285, 3286, 3287, and 3288:

To be lieutenant colonel

Hoover, Gerald B., O329035.

To be captains

Beekman, Gerald R., O1925278.
Carson, Howard E., O1925293.
Cromley, David J., O2020402.
Fisher, George E., Jr., O4001710.
Harron, Dennis J., O4006946.
Hudlin, Irving C., O987533.
Hysinger, Jim, O976429.

Leikam, Norman A., O4010123.
Marlatt, Tommy D., O1884090.
Marr, Robert A., O970188.
McKenzie, Charles B., Jr., O975235.
Rieser, John D., O2103496.
Stoller, Wayne M., O1929505.

To be first lieutenants

Cox, Sammy T., O4049162.
Davis, Dale E., O2285011.
Folley, Thomas C., O4085662.
Hall, Claude V., Jr., O4074486.
Hirzel, James W., O5202763.
Hoyt, Joseph M., O4051296.
Kahalekulu, Benjamin I., O5701769.
LeBleu, Thomas R., O5401065.
O'Brien, John A., O4084516.
Rachels, Ray H., O5302541.
Reichelt, Eric F., O4074744.
Saunders, Donald S., O4062441.
Schreifels, Eugene H., O5506053.
Shriver, William F., O4009915.
Stevens, Floyd M., O5405188.
Tremayne, James R., O5304274.
Trunkes, William J., O5304164.
Vaughan, Frederick C., O4045377.
Weathers, John T., O2266128.
Whittle, William E., O4059847.

To be second lieutenants

Baldwin, Joseph A., O5850069.
Becker, Harvey A., O5213420.
Bonner, John E., O5006624.
Brennan, Patrick M., O5510506.
Corley, Thaman N., O5404215.
Doukas, James W., O5405340.
Freihube, Gary R., O5209957.
Griffith, Jerry R., O5405344.
Isaacson, Roy W., O5505415.
Kirk, William M., Jr., O5209146.
Ladner, Donald A., O5401279.
Liberatore, Samuel N., O5208206.
Mirkovich, Richard S., O5704803.
Patterson, Robert J., O5704441.
Pott, Robert G., O5704286.
Sherard, John H., IV, O5307911.
Smith, Horace M., O5310945.
Spann, Juan W., O5308133.
Steed, John H., O5309187.
Straight, Kaye R., O5703876.
Vermette, Robert E., O5000336.
Waghelstein, John D., O5209009.
Woolcock, Miles A., O5210920.
Yeomans, William A., O5308514.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of title 10, United States Code, sections 3283, 3284, 3285, 3286, 3287, 3288, 3289, 3291, 3292, and 3294:

To be major, Dental Corps

Paul, John K.

To be captain, Dental Corps

Grisham, William K., O2240691.

To be captain, Medical Corps

Barnhart, Roger A., O2265278.

To be captain, Medical Service Corps

Plewes, William J., O535029.

To be first lieutenant, Army Medical Specialist Corps

Walker, Hilda L., M2295611.

To be first lieutenants, Army Nurse Corps

Konstanski, Maria R., N2297660.
Widman, Jean L., N5207850.

To be first lieutenants, Judge Advocate General's Corps

Esposito, John J., O5002657.
Moreland, Joseph A., Jr., O5205719.
Otto, Wilbur M., O5204951.
Stewart, Ronald B., O2299087.

To be first lieutenant, Medical Corps

Wiitala, Walter W.

To be second lieutenant, Army Nurse Corps

Clifton, Mary R., N5407244.

The following-named distinguished military student for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 3283, 3284, 3285, 3286, 3287, and 3288:

Jones, Donald H.

EXTENSIONS OF REMARKS

Robert Ellsworth Gross

EXTENSION OF REMARKS
OF
HON. EDGAR W. HIESTAND
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 6, 1961

Mr. HIESTAND. Mr. Speaker, this is a tribute to Robert Ellsworth Gross, industrialist, philanthropist, and patriot.

Robert Gross, born in Roxbury, Mass., graduate of Harvard, died Saturday at a hospital in Los Angeles.

In 1932 Robert Gross, his brother, Courtland, and a group of associates bought the bankrupt Loughead Aircraft Co. for $40,000. Today Lockheed, as it is now known, employs 66,000 people and has a net worth of $548 million, all in 27 years. It manufactures airplanes, ships, electronics, and does research and development in these and allied scientific fields.

Robert Gross, who was chairman of the board since 1934, was president from 1934 until 1956, when he was succeeded by his brother, Courtland.

We knew Bob Gross as a fine citizen, an able executive, a church leader, and genuine friend. He was known for his extreme fairness to employees, his appreciation of the worth of others, his indefatigible energy, his great modesty, his spirit of team play. He was truly an enlightened employer.

Extremely conscious at all times of his responsibility to his community, his State, and his country, he spared no effort in doing his duty, as he saw it.

Burbank, Los Angeles City and County, the State, and Nation have lost a great citizen and many hundreds have lost a true friend.

His memory, however, will prove an inspiration to many thousands.

Today, memorial services will be held in St. Alban's Church in Westwood, Calif., in final tribute to a distinguished American.

Taxes Related to Corporate Activity

EXTENSION OF REMARKS
OF
HON. ESTES KEFAUVER
OF TENNESSEE
IN THE SENATE OF THE UNITED STATES
Wednesday, September 6, 1961

Mr. KEFAUVER. Mr. President, my distinguished colleague, the Senator from Tennessee [Mr. GORE], delivered a thoughtful and interesting speech before the Tax Executives Institute in Detroit, Mich., of this year which deserves the consideration of Congress. The speech was printed in the Tennessee Law Review, volume 28, summer 1961, No. 4. Because I know it would be helpful to Members of Congress I ask unanimous consent to have it printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TAXES RELATED TO CORPORATE ACTIVITY

(Address by Senator ALBERT GORE, of Tennessee, before Tax Executives Institute, Detroit, Mich., May 24, 1961)

A modern State has political purposes and social and economic goals all its own. Political, social, and economic goals should be mutually compatible and mutually supporting, the more so the more viable, and perhaps the more enduring, the society will be. In a modern democracy, certain generally accepted ends are pursued on a continuing basis. Among these ends, in a free society, is a proper distribution of the fruits of the economy, for political democracy and the nonstratification of society will hardly survive without it.

In the United States, it is desirable that economic gains be widely shared. Deep poverty, on the one hand, and the accumulation of untoward amounts of wealth by any individual, on the other, are equally to be shunned. Equality of opportunity is to be preserved. A meaningful regard for future generations as well as our own must be kept in mind. The process of raising up the bottom layers of society is a continuing one. Only if we follow these guidelines can the extremes of power, so inimical to democracy, be avoided. Only on this basis can political democracy be preserved for ourselves and for our children, or so it seems to me.

Taxation is a vital part of the foundation of our whole national structure. Indeed, the tax system is one of the primary tools used by a society, through its government, for achieving the goals that society has set for itself. If this view is accepted, taxation has functions other than revenue. Sufficient revenue must, of course, be obtained and this is the primary purpose of taxation, but it must be obtained in such a way as to further the general aims of society, not to hinder their fulfillment.

I think we have no particular difficulty in agreeing on the other generally accepted principles of taxation. Most of us, for example, would readily agree that we must adhere closely to the principal of ability to pay. Few people today seriously support the benefits received theory. Of course, there are always exceptions. Some may refer to the ability to pay principle as a soak the rich scheme. But even Adam Smith recognized the correct application of the principle. You will recall that he started the section on taxation in his classic "Wealth of Nations" with this statement: "The subjects of every state ought to contribute toward the support of the government, as nearly as possible, in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state."

I doubt if there is any widespread objection to using taxation for the accomplishment of specific social and economic purposes, in principle, so long as the purposes themselves receive widespread public support. The taxation of oleomargarine is a case in point. We also have a graduated estate tax in an effort to prevent the accumulation of too much economic power in the hands of any one person. We could go on for hours discussing principles of taxation, and succeed, perhaps, in developing wide areas of both agreement and disagreement. What we are really interested in are specifics which violate our subjective judgment as to what is equity. In my view, our tax laws are so riddled with instances of tax favoritism that our system is not now equitable. It certainly cannot be said that equal incomes are today bearing equal tax burdens. Realizing that one man's loophole is another man's equitable adjustment of properly taxable income, we will neither begin nor end in wholehearted agreement. I assume, however, that since you invited me here, you are interested in some of the views held by me and by others of like mind in the Congress.

Many of you, I am told, are associated with corporations. So, although there are many inequities in the individual tax field, perhaps I should concentrate on the corporate tax structure, and taxes directly related to corporate activity. Among the most frequently discussed topics in this area today are the treatment of depreciation and depletion allowances, the taxation of income earned abroad, and means by which corporations compensate their "key" officers and employees at a reduced rate of effective taxation.

I. DEPRECIATION AND DEPLETION ALLOWANCES

First, let us look at depreciation and depletion. The corporate tax rate of 52 percent is high. Everyone will admit that. But it is also admitted that revenue is needed, and no serious attempt has been made recently, and none will be made this year, to lower the corporate rate. This will not be done until we have some overall tax reform or world conditions change drastically. This "temporary" rate of 52 percent will be extended again this year without any hard fight in the Congress. What has been done, and what will be attempted from time to time, is to lower the effective tax rate on corporations by liberalizing depreciation allowances. This is a kind of back-door-type reduction.

You are familiar with the arguments on this point. Some of you, perhaps, have gone before the Ways and Means Committee or the Finance Committee at various times to testify in favor of liberalized depreciation. Some will say that depreciation is merely a recovery of capital and has no bearing, no matter how liberal, on the effective tax rate. In my view, this is not good logic, under growth conditions. As long as the economy is growing, and a corporation is growing along with it, expenditures for plant and equipment are going to continue to increase. And, as long as this is the case, liberalized depreciation has the effect of lowering the effective tax rate. In other words, this is not tax deferral we are talking about, but tax reduction.

Mr. John B. Madigan, an officer of the Hartford Electric Light Co., has put this about as well as anyone. He stated, in an address before the National Conference of Electric and Gas Utility Accountants at Chicago in 1959, that by "using liberalized depreciation in our company we reduced our Federal income tax by 14 percent in 1957 and as much as 30 percent in 1958." He went on to say that "with very few exceptions the annual tax bill will continue to be less under accelerated depreciation than under straight-line" and "the cumulative amount of tax savings will be still growing at the turn of the next century." In considering any type of liberalized depreciation, then, let us bear in mind that we are actually talking about reducing the effective tax rate for those corporations able to take advantage of the liberalization.

President Kennedy has proposed a tax credit based on above normal capital expenditures. This is a new form of liberalized depreciation. This method of tax reduction favors some types of enterprises over others. Industrial corporations, for the most part, are pretty much in the same situation vis-a-vis investment in plant and equipment. But what about the corporation which uses relatively little capital equipment or machinery, such as financial institutions or research organizations? Even the industrial corporation which has invested heavily in modern plant and equipment during the past few years, and whose long-range program now calls for a slowdown in purchases of new equipment for 3 or 4 years, will be at a disadvantage.

Then, too, the type of tax credit President Kennedy has recommended may work somewhat counter to the built-in stabilizers in our tax system. In years, such as 1957, when demand is sparked by plant expansion, there will likely be good profits and high taxes, and therefore there will be a desire to take advantage of a tax credit. This may serve to bunch expenditures even more in a peak year. On the other hand, in years of recession when plant expansion should be encouraged, profits will be low, with reduced tax liability. But cash flows will continue to be relatively high due to high depreciation allowances for past expenditures. There will be little incentive to try for a tax credit, and capital expenditures will therefore not be encouraged. As a member of the finance committee, I am continuing my study of this recommendation, as well as of our existing depreciation provisions. At the present time, I have reservation about increasing depreciation allowances.

I said I was going to discuss depreciation and depletion. Perhaps there is no need to say very much about depletion. Percentage depletion is, in my opinion, one of the most unjustified tax gimmicks ever perpetrated on the taxpaying public. Depletion, like depreciation, is designed to allow the taxpayer to recover the value of a capital investment tax free. Our system of percentage depletion, however, bears no relationship whatsoever to the cost, or even to the value at any stage of development, of the capital asset. Cost may be recovered many times over, and still this tax deduction continues to run.

The argument most often advanced is, of course, that a big so-called depletion allowance is necessary to encourage expensive exploration. Put in this way, this type of allowance is nothing more than a subsidy. Moreover, it is, under present law, a continuing subsidy after there is no longer any relationship between the subsidy and any possible developmental incentive. Of course, percentage depletion is available to those who do no exploration. To these, it serves as a tax reduction, pure and simple, and without justification. I am hopeful that the administration will join those of us in the Congress who wish to move next year against percentage depletion. To date, this decision has apparently not been made.

II. TAXATION OF INCOME EARNED ABROAD

Let us now move to another aspect of corporate taxation in which most of you, I am sure, are interested, that is, the taxation of income earned abroad. Private foreign investment is getting to be a problem of rather serious proportions. It is getting to be serious because our tax laws continue to be heavily weighted in favor of foreign investment, as against increased domestic investment, and world conditions have, in the last 3 or 4 years, changed sufficiently to begin to make this tax favoritism effective in siphoning off capital and increasing the volume of its flow to Europe and other industrially developed areas.

Let me hasten to say that I am not against foreign investment. I am just in favor of taxing its profits. Now every time anyone begins to talk about foreign investment, someone will rush to its defense with the argument that, in the first place, increased foreign investment increases our exports, and in the second place, we get back more in dividends than we send abroad in new money. Let us see about this.

If a company is exporting machinery to Italy, let us say, and it finds that it needs to manufacture spare parts, or make final assembly, or do servicing in Italy, does it need a tax concession to encourage it to set up a small operation in Italy? Will such a company turn its back on this export source of profit because it is required to pay taxes on that part of its profit earned in Italy? I hardly think so. And do we really get back more in dividends than we send abroad in new money? We may if dividends from subsidiaries and profits from branch operations are combined, although even this is doubtful. Branch profits are repatriated because they are taxed currently, although sometimes very lightly. As you know, much of the foreign operations carried on in branch form are in the petroleum and mineral area, and many of the companies concerned, when they combine the foreign tax credit with the depletion allowance, pay practically no U.S. tax whatsoever. Naturally there is no inclination on the part of these companies to try to hide their profits in a subsidiary in Liechtenstein.

What I am really concerned about in this field are subsidiary operations. This is where the big tax avoidance lies. This is where you will find the tax haven abuses. When an American company doing export business in Latin America collapses its Western Hemisphere trade subsidiary in favor of a Swiss subsidiary which, in turn, fronts for a Liechtenstein subsidiary, which, in turn, performs no function whatsoever except to receive a 20-percent commission on all corporate exports—and these exports are actually sold by outside agents—then things have gone too far. This sort of thing is happening daily.

Now, some may say that we should not tax all subsidiaries, but instead we should plug up these various kinds of tax haven loopholes as they are discovered. This is easier said than done. In the first place, it is hard to discover the true facts. Liechtenstein, for example, has such a tight economic espionage law that our Internal Revenue agents working in Europe face the prospect of a long jail term if they go inquiring in Liechtenstein to find to what American-owned subsidiaries are up to. And once a particular type of operation is discovered, it is sometimes difficult to devise specific legislative language to stop it.

Consider the rather limited field of reinsurance. We find at least three variations. In one case, an American operating company will reinsure with a dummy subsidiary in a tax haven, with the reinsurance treaty rigged so as to pull most of the profits into the tax haven. As a variation on this, a foreign company may set up an American operating subsidiary with a reinsurance treaty which pulls the profits of the American company into its parent abroad, or into a tax haven subsidiary of that foreign parent. A third variation is to have an American company set up a subsidiary in a tax haven which, in turn, sets up an operating subsidiary abroad. The reinsurance treaty can be so rigged that the losses of the foreign operating company are paid by the U.S. parent out of funds earned but untaxed in the United States, while the profits of the foreign operating company go into the tax haven subsidiary. The only sure way to cure

these abuses is to tax all subsidiaries currently on their profits.

III. RESTRICTED STOCK OPTIONS

As to special means of compensating certain "key" corporation employees, the restricted stock option plan is a favorite. The restricted stock option is a loophole which affects both the corporation and the individual beneficiary. I classify it as a loophole because, as it has been used by many companies and insiders, it amounts only to a scheme for transforming what is in fact ordinary income into a type of income which the tax code recognizes as being entitled to a capital gains tax treatment, if taxed at all.

Here is a case which has been called to my attention. It does not involve a Michigan company, I am glad to say. In this particular company, reportedly almost 5 percent of the shares of stock outstanding were set aside for options. Those insiders who were able to take advantage of the situation have made a profit of about 500 percent on the arrangement. Even worse, when the options were exercised, in at least some cases, the company accepted a note from the officers exercising the options for 95 percent of the purchase price, with a rate of interest so low that the dividends would pay the interest on the loan. What a free ride—500 percent profit without capital, without risk, and with very little tax liability.

But the ordinary stockholder can do nothing. The stock exchanges require fairly full disclosure in proxy statements, but that is, perhaps, all they can do. No Government agency has any authority to review these plans, in most instances.

The root of the trouble lies with the Congress. Because of faulty legislation, this sort of thing has been encouraged until it is now at the point of becoming a national scandal. The only way to put a stop to this sort of thing is to correct the laws. I am trying to accomplish that during this session of Congress.

You know, people have short memories. Just last December the Wall Street Journal ran a wrap-up article on restricted stock options, and the headline, believe it or not, was "Options on the Wane." During the period covered by the SEC March report, officers and directors of the companies listed on the major exchanges reported 358 separate purchases of stock under options, with a market value—based on the closing prices for May 8, 1961—of $27,144,000. Restricted stock options are anything but "on the wane." Every time the market goes up, both sales and purchases increase.

So far as I am concerned, the restricted stock option is wholly unjustified. I am told that corporate executives need stock options to encourage them to do a conscientious job. I don't believe it. Would you quit your job if the law were changed? If you did, what would you do? Would you be less conscientious in your work if you did not have stock options? Of course not.

I am working for greater tax equity. I would also like to see lower tax rates. But the only way we can have lower rates and more equity is to eliminate special tax favoritism, only a few instances of which I have mentioned tonight. When that is done, we can begin to treat equal incomes, from whatever source, equitably, and with some possible preference to earned income.

The Agricultural Act of 1961

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1961

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks, I include a very interesting and informative letter received from Hon. Orville L. Freeman, Secretary of Agriculture, conveying to me, as I assume he has done to other Members of Congress that "the recently approved Agricultural Act of 1961 is the most constructive and promising farm legislation in many years," and "it is a significant step toward a healthier farm economy, and will therefore strengthen the economy of the entire Nation."

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, August 25, 1961.

Hon. JOHN W. McCORMACK,
House of Representatives.

DEAR CONGRESSMAN: I am certain the great majority of farm families across the Nation share my appreciation for the constructive interest the Congress has demonstrated in agriculture during the current session. The recently approved Agricultural Act of 1961 is the most constructive and promising farm legislation in many years. It is a significant step toward a healthier farm economy, and will therefore strengthen the economy of the entire Nation.

The act recognizes both the principle of expanding our use of agricultural products and the necessity for adjusting our abundant production to quantities that we can use. Its provisions for wheat and feed grains will make for higher farm incomes, and at the same time provide substantial savings to taxpayers by reducing storage costs that would otherwise occur. Its expansion of marketing order programs will bring about greater and more effective use of this self-help method of increasing farmers' bargaining power. Better farm incomes can also be expected as a result of provisions in the new act that expand and improve the supervised credit service of the Farmers Home Administration. Supervised credit will now be more useful in meeting credit needs of young farmers struggling to get started and a more powerful instrument in eliminating rural poverty, strengthening family farms, and revitalizing rural communities.

The U.S. Department of Agriculture will seek to carry out its responsibilities under the new programs with maximum concern for their success. We shall seek to consult and cooperate with farmers wherever appropriate, and to welcome suggestions from producers and groups of producers who seek to improve programs that affect their economic welfare. We shall seek effective implementation of the intent of the Congress as expressed in this act. We expect to learn from our experience under these programs, to the end that they may be improved and perfected. We welcome your suggestions.

We regard the period immediately ahead as an opportunity for further study and evaluation of proposed policies and programs, and most particularly for further efforts to build greater public understanding of the farm situation. We regard it as a challenge to formulate the next steps in seeking to reach our goals: continued improvement of farm income without exploitation of consumer or taxpayer, and thus contributing to a healthy national economy; and continued efforts toward greater use of our agricultural productivity to meet human needs at home and to contribute to the advancement of progress and freedom abroad.

Sincerely yours,
ORVILLE L. FREEMAN,
Secretary.

President McKinley Fatally Wounded 60 Years Ago

EXTENSION OF REMARKS
OF
HON. FRANK T. BOW
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 6, 1961

Mr. BOW. Mr. Speaker, this is a sad and significant anniversary in our history.

Sixty years ago, on September 6, 1901, President William McKinley was fatally wounded while attending the Pan-American Exposition, at Buffalo, N.Y.

Interest in the martyred President is very much alive in his hometown and mine, Canton, Ohio, and I have just received a very moving account of the assassination from George R. Bechtel, of Canton, an admirer of the late President and collector of McKinleyana. The repository of Canton also has taken note of this anniversary.

SENATE

THURSDAY, SEPTEMBER 7, 1961

The Senate met at 9 o'clock a.m., and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou who art the light of man's mind, with eyes of wonder we have greeted again the eternal miracle of a new day; as dawn has conquered the darkness, so rise, we pray Thee, with morning light upon our souls.

Even through the terror and tumult of these darkened days may we discern the shining pathway which is leading upward to the City of God as obediently and patiently we follow the kindly light.

Pressed by the practical problems which crowd our hours and cry for solution, we would keep ever clear in our vision and faith the eternal things that cannot be shaken amid the tempests of the temporal.

Giving of our best ability to the people's good, may we rise above life's bitterness by an unshakeable belief in the shining splendor of humanity.

In the Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, September 6, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on September 6, 1961, the President had approved and signed the following acts:

S. 85. An act for the relief of Maria Dolores Villar Salinas, Angela Cassanova Cabello, Carmen Guenaga Anchustegui, and Flora Casals Pons;

S. 304. An act for the relief of Anna Lekos;

S. 561. An act to amend the act relating to the small claims and conciliation branch of the municipal court of the District of Columbia, and for other purposes;

S. 570. An act for the relief of Giuseppa Alonzi;

S. 713. An act for the relief of Anastasia Stassinopoulos;

S. 722. An act for the relief of Aideh Kobler;

S. 880. An act to amend section 216 of the Merchant Marine Act, 1936, as amended, to authorize the Secretary of Commerce to accept gifts and bequests of personal property for the U.S. Merchant Marine Academy; and

S. 1908. An act to provide for a national hog cholera eradication program.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H.R. 157. An act to change the name of the Playa del Rey Inlet and Harbor, Venice, Calif., to the Marina del Rey, Los Angeles, Calif;

H.R. 2292. An act to authorize the Secretary of the Treasury to issue certificates of honorable discharge in lieu of certificates of disenrollment to certain persons who served as temporary members of the U.S. Coast Guard Reserve during World War II;

H.R. 4357. An act to increase monthly disability and death compensation payable pursuant to the War Hazards Compensation Act;

H.R. 4939. An act to provide for the conveyance of all right, title, and interest of the United States in a certain tract of land in Jasper County, Ga., to the Jasper County Board of Education;

H.R. 6535. An act to validate the salary overpayments made to certain officers and employees incident to the salary adjustment provisions of the Federal Employees Salary Increase Act of 1955, and for other purposes;

H.R. 6630. An act to amend the act of May 25, 1920, relating to conveyances of certain parts of rights-of-way by railroad companies;

H.R. 6729. An act to provide for the disposal of certain lands held for inclusion in the Cape Hatteras National Seashore Recreational Area, N.C., and for other purposes;

H.R. 7037. An act to amend section 3238 of title 18, United States Code;

H.R. 7477. An act to repeal section 409 of the Public Buildings Act of 1949, requiring the submission of a report to the Congress concerning eligible public building projects;

H.R. 7854. An act to modify the project for the Duluth-Superior Harbor, Minn. and Wis., to provide for the abandonment of the 21st Avenue West Channel, and for other purposes;

H.R. 7888. An act to amend the Flood Control Act of 1958 to extend the time within which land in certain reservoir projects in Texas may be reconveyed to the former owners thereof;

H.R. 7890. An act to authorize the Postmaster General to dispose of certain land, and for other purposes;

H.R. 8038. An act to amend section 491 of title 18, United States Code, prohibiting certain acts involving the use of tokens, slugs, disks, devices, papers, or other things which are similar in size and shape to the lawful coins or other currency of the United States;

H.R. 8236. An act to authorize the use of funds arising from judgments in favor of any of the Confederated Tribes of the Colville Reservation;

H.R. 8320. An act to amend the Freeport Harbor project, Texas;

H.R. 8490. An act to amend the act of September 2, 1958, establishing a Commission and Advisory Committee on International Rules of Judicial Procedure, as amended;

H.R. 8632. An act to amend section 510(1) of the Merchant Marine Act, 1936, relating to the exchange of vessels;

H.R. 8719. An act to amend the act of July 23, 1947, chapter 301, as amended, to extend for 2 years the authority to make temporary appointments and promotions in the U.S. Coast Guard;

H.R. 8762. An act to amend the Small Business Act to increase the amount available for regular business loans thereunder; and

H.J. Res. 358. Joint resolution authorizing the President to issue annually a proclamation designating the third week in March as National Poison Prevention Week, in order to aid in bringing to the American people the dangers of accidental poisoning.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H.R. 157. An act to change the name of the Playa del Rey Inlet and Harbor, Venice, Calif., to the Marina del Rey, Los Angeles, Calif.;

H.R. 7477. An act to repeal section 409 of the Public Buildings Act of 1949, requiring the submission of a report to the Congress concerning eligible public building projects;

H.R. 7854. An act to modify the project for the Duluth-Superior Harbor, Minn. and Wis., to provide for the abandonment of the 21st Avenue West Channel, and for other purposes;

H.R. 7888. An act to amend the Flood Control Act of 1958 to extend the time within which land in certain reservoir projects in Texas may be reconveyed to the former owners thereof; and

H.R. 8320. An act to amend the Freeport Harbor project, Texas; to the Committee on Public Works.

H.R. 2292. An act to authorize the Secretary of the Treasury to issue certificates of honorable discharge in lieu of certificates of disenrollment to certain persons who served as temporary members of the U.S. Coast Guard Reserve during World War II; and

H.R. 8632. An act to amend section 510(1) of the Merchant Marine Act, 1936, relating to the exchange of vessels; to the Committee on Commerce.

H.R. 4357. An act to increase monthly disability and death compensation payable pursuant to the War Hazards Compensation Act;

H.R. 6535. An act to validate the salary overpayments made to certain officers and employees incident to the salary adjustment provisions of the Federal Employees Salary Increase Act of 1955, and for other purposes;

H.R. 7037. An act to amend section 3238 of title 18, United States Code;

H.R. 8038. An act to amend section 491 of title 18, United States Code, prohibiting certain acts involving the use of tokens, slugs, disks, devices, papers, or other things which are similar in size and shape to the lawful coins or other currency of the United States;

H.R. 8490. An act to amend the Act of September 2, 1958, establishing a Commission and Advisory Committee on International Rules of Judicial Procedure, as amended; and

H.J. Res. 358. Joint resolution authorizing the President to issue annually a proclamation designating the third week in March as National Poison Prevention Week, in order to aid in bringing to the American people the dangers of accidental poisoning; to the Committee on the Judiciary.

H.R. 4939. An act to provide for the conveyance of all right, title, and interest of the United States in a certain tract of land in Jasper County, Ga., to the Jasper County Board of Education; to the Committee on Agriculture and Forestry.

H.R. 6630. An act to amend the act of May 25, 1920, relating to conveyances of certain parts of rights-of-way by railroad companies;

H.R. 6729. An act to provide for the disposal of certain lands held for inclusion in the Cape Hatteras National Seashore Recreational Area, N.C., and for other purposes; and

H.R. 8236. An act to authorize the use of funds arising from judgments in favor of any of the Confederated Tribes of the Colville Reservation; to the Committee on Interior and Insular Affairs.

H.R. 7890. An act to authorize the Postmaster General to dispose of certain land, and for other purposes; to the Committee on Post Office and Civil Service.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour, for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Juvenile Delinquency Subcommittee of the Judiciary Committee was authorized to meet during the session of the Senate today.

On request of Mr. KUCHEL, and by unanimous consent, the Committee on the Judiciary was authorized to meet during the session of the Senate today.

On request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee

on Constitutional Amendments of the Committee on the Judiciary was authorized to sit during the session of the Senate this afternoon.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust and Monopoly and the Subcommittee on Constitutional Amendments, of the Committee on the Judiciary, be permitted to sit while the Senate is in session today.

The VICE PRESIDENT. Is there objection?

Mr. DIRKSEN. Mr. President, I object.

The VICE PRESIDENT. The Senator from Illinois objects.

Mr. DIRKSEN. Mr. President, I have been requested to object.

The VICE PRESIDENT. The Senator from Illinois states he has been requested to object.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with an amendment:

S. 970. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Mid-State reclamation project, Nebraska, and for other purposes (Rept. No. 884).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 1274. A bill for the relief of the widow of Julian E. Gillespie (Rept. No. 889);

H.R. 2816. An act for the relief of CWO James M. Cook (Rept. No. 890);

H.R. 3606. An act for the relief of William C. Winter, Jr., lieutenant colonel, U.S. Air force (Medical Corps) (Rept. No. 891);

H.R. 3863. An act for the relief of Woody W. Hackney of Fort Worth, Tex. (Rept. No. 892);

H.R. 4369. An act for the relief of Henry James Taylor (Rept. No. 893);

H.R. 5182. An act for the relief of Charles P. Redick (Rept. No. 894);

H.R. 5559. An act for the relief of Ralph E. Swift and his wife, Sally Swift (Rept. No. 895);

H.R. 6996. An act for the relief of Harry Weinstein (Rept. No. 896);

H.R. 7264. An act for the relief of M. C. Pitts (Rept. No. 897); and

S. Res. 201. Resolution providing additional funds for the Committee on the Judiciary in connection with the internal security of the United States; and, under the rule, referred to the Committee on Rules and Administration.

By Mr. FONG, from the Committee on the Judiciary, with an amendment:

S. 521. A bill for the relief of Charles J. Utterback (Rept. No. 898).

By Mr. DIRKSEN, from the Committee on the Judiciary, without amendment:

H.J. Res. 109. Joint resolution designating the 17th day of December 1961 as Wright Brothers Day (Rept. No. 885).

By Mr. McCLELLAN, from the Committee on the Judiciary, without amendment:

H.J. Res. 499. Joint resolution authorizing a celebration of the American patent system (Rept. No. 886).

By Mr. JOHNSTON, from the Committee on the Judiciary, without amendment:

H.R. 176. An act to amend section 331 of title 28 of the United States Code so as to provide for representation on the Judicial Conference of the United States (Rept. No. 887); and

H.R. 6690. An act to amend section 332 of title 28, United States Code, in order to provide for the inclusion of a district judge or judges on the judicial council of each circuit (Rept. No. 888).

By Mr. JORDAN, from the Committee on Rules and Administration, without amendment:

H.R. 6667. An act to amend the act of August 16, 1957, relating to microfilming of papers of Presidents of the United States, to remove certain liabilities of the United States with respect to such activities (Rept. No. 902); and

S. Con. Res. 40. Concurrent resolution authorizing the printing as a Senate document of the 40th biennial meeting of the Convention of American Instructors of the Deaf; and providing for additional copies (Rept. No. 901).

By Mr. JORDAN, from the Committee on Rules and Administration, with an amendment:

S. 2488. A bill to increase the number of apprentices authorized to be employees of the Government Printing Office, and for other purposes (Rept. No. 900).

By Mr. JORDAN, from the Committee on Rules and Administration, with additional amendments:

S. Res. 105. Resolution to create a Special Committee on National Fuels Study (S. Rept. No. 899).

TAX TREATMENT OF CERTAIN CLAYS AND SHALE—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 903)

Mr. BYRD of Virginia. Mr. President, from the Committee on Finance, I report favorably, with amendments, the bill (H.R. 7057) relating to the application of the terms "Gross income from mining" and "ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products" to certain clays and shale for taxable years beginning before December 14, 1959, and I submit a report thereon. I ask that the report be printed, together with the minority views of Senators DOUGLAS and GORE.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar and, without objection, the report will be printed, as requested by the Senator from Virginia.

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL EMPLOYMENT AND PAY

Mr. BYRD of Virginia. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a report on Federal employment and pay for the month of July 1961. In accordance with the practice of several years' standing, I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN EXECUTIVE BRANCH, JULY AND JUNE 1961, AND PAY, JUNE AND MAY 1961

PERSONNEL AND PAY SUMMARY

(See table I)

Information in monthly personnel reports for July 1961 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures is summarized as follows:

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In July numbered	In June numbered	Increase (+) or decrease (−)	In June was	In May was	Increase (+) or decrease (−)
Total [1]	2,435,804	2,419,104	+16,700	$1,171,937	$1,202,582	−$30,645
Agencies exclusive of Department of Defense	1,392,621	1,376,609	+16,012	648,606	664,600	−15,994
Department of Defense	1,043,183	1,042,495	+688	523,331	537,982	−14,651
Inside the United States	2,277,043	2,260,057	+16,986			
Outside the United States	158,761	159,047	−286			
Industrial employment	559,665	569,235	−9,570			
Foreign nationals	168,659	170,196	−1,537	24,789	[2] 24,460	+329

[1] Exclusive of foreign nationals shown in the last line of this summary.

[2] Revised on basis of later information.

Table I breaks down the above figures on employment and pay by agencies.

Table II breaks down the above employment figures to show the number inside the United States by agencies.

Table III breaks down the above employment figures to show the number outside the United States by agencies.

Table IV breaks down the above employment figures to show the number in industrial-type activities by agencies.

Table V shows foreign nationals by agencies not included in tables I, II, III, and IV.

TABLE I.—*Consolidated table of Federal personnel inside and outside the United States employed by the executive agencies during July 1961, and comparison with June 1961, and pay for June 1961, and comparison with May 1961*

Department or agency	Personnel				Pay (in thousands)			
	July	June	Increase	Decrease	June	May	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	103,767	102,569	1,198		$45,769	$44,516	$1,253	
Commerce [1]	30,618	30,352	266		16,571	18,560		$1,989
Health, Education, and Welfare	71,844	70,335	1,509		35,602	36,186		584
Interior	59,525	58,750	775		30,095	29,810	285	
Justice	31,582	[2] 31,262	320		19,419	19,667		248
Labor	7,636	[2] 7,474	162		4,208	4,287		79
Post Office	588,082	582,447	5,635		249,605	257,696		8,091
State [3 4]	39,110	38,813	297		18,194	18,028	166	
Treasury	81,752	79,974	1,778		44,028	46,596		2,568
Executive Office of the President:								
White House Office	418	411	7		273	256	17	
Bureau of the Budget	473	485		12	404	360	44	
Council of Economic Advisers	41	44		3	32	24	8	
Executive Mansion and Grounds	71	71			32	37		5
National Aeronautics and Space Council	4	3	1		4	4		
National Security Council	51	56		5	46	50		4
Office of Civil and Defense Mobilization	1,838	1,834	4		1,245	1,130	115	
President's Committee on Fund Raising Within the Federal Service						3		3
Independent agencies:								
Advisory Commission on Intergovernmental Relations	13	18		5	9	9		
Alaska International Rail and Highway Commission					3	2	1	
American Battle Monuments Commission	446	446			85	86		1
Atomic Energy Commission	6,973	6,846	127		4,791	4,953		162
Board of Governors of the Federal Reserve System	612	600	12		375	392		17
Civil Aeronautics Board	774	760	14		542	556		14
Civil Service Commission	3,800	3,773	27		2,268	2,323		55
Civil War Centennial Commission	7	7			5	5		
Commission of Fine Arts	6	6			4	5		1
Commission on Civil Rights	77	84		7	60	56	4	
Development Loan Fund	152	155		3	111	115		4
Export-Import Bank of Washington	265	259	6		174	176		2
Farm Credit Administration	235	237		2	161	173		12
Federal Aviation Agency	43,229	42,857	372		26,375	27,029		654
Federal Coal Mine Safety Board of Review	7	7			4	5		1
Federal Communications Commission	1,461	1,396	65		891	918		27
Federal Deposit Insurance Corporation	1,303	1,298	5		788	812		24
Federal Home Loan Bank Board	1,145	1,129	16		704	722		18
Federal Mediation and Conciliation Service	357	347	10		293	301		8
Federal Power Commission	932	918	14		590	603		13
Federal Trade Commission	904	855	49		584	594		10
Foreign Claims Settlement Commission	57	56	1		43	44		1
General Accounting Office	4,960	4,973		13	2,971	3,073		102
General Services Administration	30,365	29,947	418		13,709	14,174		465
Government Printing Office	6,750	6,726	24		3,819	3,884		65
Housing and Home Finance Agency	11,612	11,507	105		6,900	7,124		224
Indian Claims Commission	17	16	1		15	14	1	
Interstate Commerce Commission	2,401	2,396	5		1,536	1,590		54
James Madison Memorial Commission [5]	1		1					
National Aeronautics and Space Administration	18,055	17,601	454		13,002	12,104	898	
National Capital Housing Authority	406	406			171	177		6
National Capital Planning Commission	54	53	1		36	35	1	
National Capital Transportation Agency	36	28	8		14	13	1	
National Gallery of Art	327	329		2	142	139	3	
National Labor Relations Board	1,847	1,816	31		1,187	1,239		52
National Mediation Board	136	129	7		123	100	23	
National Science Foundation	723	838		115	468	441	27	
Outdoor Recreation Resources Review Commission	55	52	3		36	34	2	
Panama Canal	14,365	14,330	35		4,570	4,554	16	
President's Committee on Equal Employment Opportunity	34	26	8		15	15		
Railroad Retirement Board	2,279	2,235	44		1,148	1,213		65
Renegotiation Board	270	271		1	215	228		13
St. Lawrence Seaway Development Corporation	160	160			95	97		2
Securities and Exchange Commission	1,097	1,087	10		707	729		22
Selective Service System	6,598	6,607		9	2,059	2,136		77
Small Business Administration	2,714	2,633	81		1,577	1,600		23
Smithsonian Institution	1,173	1,163	10		547	557		10
Soldiers' Home	1,051	1,046	5		346	334	12	
South Carolina, Georgia, Alabama, and Florida Water Study Commission	52	53		1	38	39		1
Subversive Activities Control Board	26	27		1	23	23		
Tariff Commission	278	279		1	196	196		
Tax Court of the United States	147	146	1		107	115		8
Tennessee Valley Authority	17,707	17,134	573		9,894	9,761	133	
Texas Water Study Commission	47	48		1	32	34		2
U.S. Information Agency	10,907	10,864	43		4,402	4,287	115	
Veterans' Administration	175,773	174,110	1,663		73,972	77,271		3,299
Virgin Islands Corporation	631	639		8	147	181		34
Total, excluding Department of Defense	1,392,621	1,376,609	16,201	189	648,606	664,600	3,125	19,119
Net change, excluding Department of Defense			16,012				15,994	
Department of Defense:								
Office of the Secretary of Defense	2,032	2,005	27		1,485	1,525		40
Department of the Army	390,919	390,779	140		189,875	193,190		3,315
Department of the Navy	347,410	346,312	1,098		181,425	187,199		5,774
Department of the Air Force	302,822	303,399		577	150,546	156,068		5,522
Total, Department of Defense	1,043,183	1,042,495	1,265	577	523,331	537,982		14,651
Net change, Department of Defense			688				14,651	
Grand total, including Department of Defense [6]	2,435,804	2,419,104	17,466	766	1,171,937	1,202,582	3,125	33,770
Net change, including Department of Defense			16,700				30,645	

[1] July figure includes 183 seamen on the rolls of the Maritime Administration and their pay.

[2] Revised on basis of later information.

[3] July figure includes 14,867 employees of the International Cooperation Administration, as compared with 14,751 in June and their pay. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The July figure includes 3,580 of these trust fund employees and the June figure includes 3,547.

[4] July figure includes 312 employees of the Peace Corps as compared with 233 in June and their pay.

[5] New agency, created pursuant to Public Law 86-417.

[6] Exclusive of personnel and pay of the Central Intelligence Agency and the National Security Agency.

TABLE II.—*Federal personnel inside the United States employed by the executive agencies during July 1961, and comparison with June 1961*

Department or agency	July	June	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	102,735	101,530	1,205	
Commerce [1]	30,016	29,766	250	
Health, Education, and Welfare	71,380	69,869	1,511	
Interior	59,022	58,248	774	
Justice	31,246	[2] 30,926	320	
Labor	7,540	[2] 7,385	155	
Post Office	586,708	581,099	5,609	
State [3 4]	10,036	10,016	20	
Treasury	81,176	79,405	1,771	
Executive Office of the President:				
White House Office	418	411	7	
Bureau of the Budget	473	485		12
Council of Economic Advisers	41	44		3
Executive Mansion and Grounds	71	71		
National Aeronautics and Space Council	4	3	1	
National Security Council	51	56		5
Office of Civil and Defense Mobilization	1,838	1,834	4	
Independent agencies:				
Advisory Commission on Intergovernmental Relations	13	18		5
American Battle Monuments Commission	11	10	1	
Atomic Energy Commission	6,941	6,811	130	
Board of Governors of the Federal Reserve System	612	600	12	
Civil Aeronautics Board	773	759	14	
Civil Service Commission	3,797	3,770	27	
Civil War Centennial Commission	7	7		
Commission of Fine Arts	6	6		
Commission on Civil Rights	77	84		7
Development Loan Fund	152	155		3
Export-Import Bank of Washington	265	259	6	
Farm Credit Administration	235	237		2
Federal Aviation Agency	42,263	41,888	375	
Federal Coal Mine Safety Board of Review	7	7		
Federal Communications Commission	1,459	1,394	65	
Federal Deposit Insurance Corporation	1,301	1,296	5	
Federal Home Loan Bank Board	1,145	1,129	16	
Federal Mediation and Conciliation Service	357	347	10	
Federal Power Commission	932	918	14	
Federal Trade Commission	904	855	49	
Foreign Claims Settlement Commission	55	54	1	
General Accounting Office	4,894	4,905		11
General Services Administration	30,365	29,947	418	
Government Printing Office	6,750	6,726	24	
Housing and Home Finance Agency	11,461	11,358	103	
Indian Claims Commission	17	16	1	
Interstate Commerce Commission	2,401	2,396	5	
Independent agencies—Continued				
James Madison Memorial Commission [5]	1		1	
National Aeronautics and Space Administration	18,045	17,592	453	
National Capital Housing Authority	406	406		
National Capital Planning Commission	54	53	1	
National Capital Transportation Agency	36	28	8	
National Gallery of Art	327	329		2
National Labor Relations Board	1,818	1,787	31	
National Mediation Board	136	129	7	
National Science Foundation	716	833		117
Outdoor Recreation Resources Review Commission	55	52	3	
Panama Canal	167	177		10
President's Committee on Equal Employment Opportunity	34	26	8	
Railroad Retirement Board	2,279	2,235	44	
Renegotiation Board	270	271		1
St. Lawrence Seaway Development Corporation	160	160		
Securities and Exchange Commission	1,097	1,087	10	
Selective Service System	6,441	6,450		9
Small Business Administration	2,679	2,601	78	
Smithsonian Institution	1,164	1,155	9	
Soldiers' Home	1,051	1,046	5	
South Carolina, Georgia, Alabama, and Florida Water Study Commission	52	53		1
Subversive Activities Control Board	26	27		1
Tariff Commission	278	279		1
Tax Court of the United States	147	146	1	
Tennessee Valley Authority	17,699	17,126	573	
Texas Water Study Commission	47	48		1
U.S. Information Agency	2,872	2,830	42	
Veterans' Administration	174,732	173,062	1,670	
Total, excluding Department of Defense	1,332,744	1,317,088	15,847	191
Net increase, excluding Department of Defense			15,656	
Department of Defense:				
Office of the Secretary of Defense	1,988	1,962	26	
Department of the Army	341,534	341,534		
Department of the Navy	324,474	324,129	345	
Department of the Air Force	276,303	275,344	959	
Total, Department of Defense	944,299	942,969	1,330	
Net increase, Department of Defense			1,330	
Grand total, including Department of Defense	2,277,043	2,260,057	17,177	191
Net increase, including Department of Defense			16,986	

[1] July figure includes 183 seamen on the rolls of the Maritime Administration.
[2] Revised on basis of later information.
[3] July figure includes 2,204 employees of the International Cooperation Administration, as compared with 2,215 in June.
[4] July figure includes 302 employees of the Peace Corps as compared with 231 in June.
[5] New agency, created pursuant to Public Law 86-417.

TABLE III.—*Federal personnel outside the United States employed by the executive agencies during July 1961, and comparison with June 1961*

Department or agency	July	June	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,032	1,039		7
Commerce	602	586	16	
Health, Education, and Welfare	464	466		2
Interior	503	502	1	
Justice	336	336		
Labor	96	89	7	
Post Office	1,374	1,348	26	
State [1 2]	29,074	28,797	277	
Treasury	576	569	7	
Independent agencies:				
American Battle Monuments Commission	435	436		1
Atomic Energy Commission	32	35		3
Civil Aeronautics Board	1	1		
Civil Service Commission	3	3		
Federal Aviation Agency	966	969		3
Federal Communications Commission	2	2		
Federal Deposit Insurance Corporation	2	2		
Foreign Claims Settlement Commission	2	2		
General Accounting Office	66	68		2
Housing and Home Finance Agency	151	149	2	
National Aeronautics and Space Administration	10	9	1	
National Labor Relations Board	29	29		
National Science Foundation	7	5	2	
Panama Canal	14,198	14,153	45	
Selective Service System	157	157		
Small Business Administration	35	32	3	
Smithsonian Institution	9	8	1	
Tennessee Valley Authority	8	8		
U.S. Information Agency	8,035	8,034	1	
Veterans' Administration	1,041	1,048		7
Virgin Islands Corporation	631	639		8
Total, excluding Department of Defense	59,877	59,521	389	33
Net increase, excluding Department of Defense			356	
Department of Defense:				
Office of the Secretary of Defense	44	43	1	
Department of the Army	49,385	49,245	140	
Department of the Navy	22,936	22,183	753	
Department of the Air Force	26,519	28,055		1,536
Total, Department of Defense	98,884	99,526	894	1,536
Net decrease, Department of Defense			642	
Grand total, including Department of Defense	158,761	159,047	1,283	1,569
Net decrease, including Department of Defense			286	

[1] July figure includes 12,663 employees of the International Cooperation Administration, as compared with 12,536 in June. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The July figure includes 3,580 of these trust fund employees and the June figure includes 3,547.
[2] July figure includes 10 employees of the Peace Corps as compared with 2 in June.

TABLE IV.—*Industrial employees of the Federal Government inside and outside the United States employed by the executive agencies during July 1961, and comparison with June 1961*

Department or agency	July	June	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	4,019	3,904	115	
Commerce	5,713	5,873		160
Interior	6,793	8,314		1,521
Post Office	247	240	7	
Treasury	5,200	5,148	52	
Independent agencies:				
Atomic Energy Commission	268	264	4	
Federal Aviation Agency	1,825	1,808	17	
General Services Administration	1,474	1,443	31	
Government Printing Office	6,750	6,726	24	
National Aeronautics and Space Administration	18,055	17,601	454	
Panama Canal	7,362	7,344	18	
St. Lawrence Seaway Development Corporation	127	127		
Tennessee Valley Authority	14,750	14,185	565	
Virgin Islands Corporation	631	639		
Total, excluding Department of Defense	73,214	73,616	1,287	1,689
Net decrease, excluding Department of Defense			402	
Department of Defense:				
Department of the Army:				
Inside the United States	[1] 141,100	[2] 141,118		18
Outside the United States	[1] 4,800	[2] 4,830		30
Department of the Navy:				
Inside the United States	200,838	199,596	1,242	
Outside the United States	447	453		6
Department of the Air Force:				
Inside the United States	137,851	148,114		10,263
Outside the United States	1,415	1,508		93
Total, Department of Defense	486,451	495,619	1,242	10,410
Net decrease, Department of Defense				9,168
Grand total, including Department of Defense	559,665	569,235	2,529	12,099
Net decrease, including Department of Defense				9,570

[1] Subject to revision.

[2] Revised on basis of later information.

TABLE V.—*Foreign nationals working under U.S. agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of July 1961 and comparison with June 1961*

Country	Total		Army		Navy		Air Force		National Aeronautics and Space Administration	
	July	June	July	June	July	June	July	June	July	June
Australia	1	1							1	1
Canada	35	32					35	32		
Crete	49	51					49	51		
England	3,299	3,339			25	20	3,274	3,319		
France	21,079	21,499	17,816	18,010	9	9	3,254	3,480		
Germany	79,461	79,837	66,638	67,050	87	88	12,736	12,699		
Greece	271	274					271	274		
Japan	54,832	55,565	19,956	20,315	14,612	[1] 14,702	20,264	20,548		
Korea	6,216	6,190	6,216	6,190						
Morocco	2,767	2,796			844	844	1,923	1,952		
Netherlands	42	44					42	44		
Norway	23	24					23	24		
Saudi Arabia	5	5					5	5		
Trinidad	579	539			579	539				
Total	168,659	170,196	110,626	111,565	16,156	16,202	41,876	42,428	1	1

[1] Revised on basis of later information.

FOREIGN NATIONALS

Table V segregates and accounts for certain categories of personal services rendered to the U.S. Government overseas, which cannot be regarded as ordinary direct employment.

This personal service is rendered to U.S. agencies overseas under agreements with the foreign governments. In most cases the employment is indirect. The foreign governments hire the employees. The U.S. military agencies in most cases administer or direct the activity.

Personnel hired and used under such circumstances cannot be properly considered in the same category as regular employment, but they are used and should be counted for what they are.

For this reason the Joint Committee on Reduction of Nonessential Federal Expenditures counts employees of this type along with, but separate from, regular U.S. employment overseas.

STATEMENT BY SENATOR BYRD OF VIRGINIA

The cost of civilian employment in the executive branch of the Federal Government reached its alltime high in fiscal year 1961 which ended June 30, although employment over the full 12 months averaged less than in fiscal year 1960.

The increase in payroll costs reflected the general pay raise which became effective July 1, 1960. Federal civilian payroll costs during the year totaled $13,684 million, plus $285 million in U.S. pay for foreign nationals not on the regular rolls. The personal service cost of the Government exceeded $1 billion a month for the third consecutive year.

The payroll cost for employment by civilian agencies in fiscal year 1961 was $7,622 million and for civilian employment in military agencies was $6,026 million.

Figures by fiscal years since 1955 follow:

Annual Federal expenditures for civilian payroll, executive branch, fiscal years 1955–61

[In millions of dollars]

Fiscal year	Civilian agencies	Department of Defense [1] (civilian employment)	Total
1955	$4,921	$4,700	$9,621
1956	5,359	5,167	10,526
1957	5,602	5,399	11,009
1958	6,040	5,415	11,455
1959	6,564	5,766	12,330
1960	6,877	5,760	12,637
1961	7,622	6,026	13,648

[1] Excludes U.S. pay for foreign nationals not on regular rolls.

Average employment by civilian agencies of the Government increased during the year despite conclusion of the 18th decennial census; but this increase was more than offset by a reduction in the average civilian employment by military departments.

Employment by executive branch agencies during fiscal year 1961 (ended June 30) averaged 2,372,445 as compared with an average of 2,386,345 in the previous year. Employment by civilian agencies averaged 1,835,089, an increase of 3,484 as compared with an average of 1,331,605 in the previous year. Civilian employment by military agencies average 1,037,356, a decrease of 17,384 as compared with an average of 1,054,740 in the previous year.

Average employment by fiscal years since 1955 follows:

Average civilian employment by Federal agencies, executive branch, fiscal years 1955–61

Fiscal year	Civilian agencies	Department of Defense [1] (civilian employment)	Total
1955	1,182,663	1,184,627	2,367,290
1956	1,189,458	1,174,584	2,364,042
1957	1,219,835	1,174,263	2,394,099
1958	1,242,941	1,104,403	2,347,344
1959	1,266,566	1,085,676	2,352,242
1960	1,331,605	1,054,740	2,386,345
1961	1,335,089	1,037,356	2,372,445

[1] Excludes foreign nationals not on regular rolls (averaging 173,427 during fiscal year 1961).

JULY 1961 EMPLOYMENT

Monthly reports on personnel certified to the Joint Committee on Reduction of Nonessential Federal Expenditures showed civilian employment by executive agencies of the Federal Government during July totaled 2,435,804 an increase of 16,700 over the previous month.

Civilian agencies reporting the larger increases were Post Office Department with 5,635; Treasury Department with 1,778, Veterans' Administration with 1,663, Department of Health, Education, and Welfare with 1,509, Agriculture Department with 1,198 and Interior Department with 775. The increases in the Departments of Agriculture, Interior, and Post Office were largely seasonal.

Total employment inside the United States in July was 2,277,043 an increase of 16,986 as compared with June. Total employment outside the United States in July was 158,761, a decrease of 286 as compared with June.

Employment by civilian agencies in July totaled 1,392,621, an increase of 16,012 over June. Civilian employment by military agencies in July totaled 1,043,183, an increase of 688 as compared with June.

FOREIGN NATIONALS

The total of 2,435,804 civilian employees certified to the committee by executive agencies in their regular monthly personnel reports includes some foreign nationals employed in U.S. Government activities abroad, but in addition to these there were 168,659 foreign nationals working for U.S. agencies overseas during July who were not counted in the usual personnel report. The number in June was 170,196. A breakdown of this employment for July follows:

Country	Total	Army	Navy	Air Force	National Aeronautics and Space Administration
Australia	1				1
Canada	35			35	
Crete	49			49	
England	3,299		25	3,274	
France	21,079	17,816	9	3,254	
Germany	79,461	66,638	87	12,736	
Greece	271			271	
Japan	54,832	19,956	14,612	20,264	
Korea	6,216	6,216			
Morocco	2,767		844	1,923	
Netherlands	42			42	
Norway	23			23	
Saudi Arabia	5			5	
Trinidad	579		579		
Total	168,659	110,626	16,156	41,876	1

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FONG:

S. 2509. A bill for the relief of Richard Chin Kai Young (Kai Leong); to the Committee on the Judiciary.

By Mr. McCARTHY:

S. 2510. A bill for the relief of Rollo Oskey; to the Committee on the Judiciary.

By Mr. MUSKIE (for himself and Mr. PELL):

S. 2511. A bill to provide for the production and distribution of educational and training films for use by deaf persons, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MUSKIE when he introduced the above bill, which appear under a separate heading.)

By Mr. THURMOND (for himself and Mr. JOHNSTON):

S. 2512. A bill to authorize the Secretary of the Navy to accept H.M.S. *Seraph* as a gift from the United Kingdom, for the purpose of redonating it to The Citadel of Charleston, S.C.; to the Committee on Armed Services.

By Mr. YARBOROUGH (for himself and Mr. KERR):

S.J. Res. 133. Joint resolution to provide for the coinage of a medal in recognition of the distinguished services of SAM RAYBURN, Speaker of the House of Representatives; to the Committee on Banking and Currency.

(See the remarks of Mr. YARBOROUGH when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. SYMINGTON (for himself and Mr. LONG of Missouri):

S.J. Res. 134. Joint resolution to authorize the President to proclaim the month of May 1962 as National Clean Up-Paint Up-Fix Up Month; to the Committee on the Judiciary.

CONCURRENT RESOLUTION

ANNUAL SINE DIE ADJOURNMENT OF THE CONGRESS

Mr. ALLOTT submitted the following concurrent resolution (S. Con. Res. 43); which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That section 132 of the Legislative Reorganization Act of 1946 is amended to read as follows:

"SEC. 132. (a) Effective with the second session of the Eighty-seventh Congress, except in time of war or during a national emergency proclaimed by the President after September 30, 1961, the two Houses shall adjourn sine die not later than the last day (Sundays excepted) in the month of July in each year unless otherwise provided by the Congress.

"(b) The consent of the respective Houses is hereby given to an adjournment of the other as specified in subsection (a)."

RESOLUTION

EXPENDITURE OF ADDITIONAL FUNDS BY COMMITTEE ON GOVERNMENT OPERATIONS

Mr. HUMPHREY submitted the following resolution (S. Res. 205); which was referred to the Committee on Rules and Administration:

Resolved, That S. Res. 26, agreed to February 13, 1961, authorizing the Committee on Government Operations, or any duly authorized subcommittee thereof, to conduct a study and investigation of all matters pertaining to interagency coordination, economy, and efficiency, is amended on page 2, line 20, by striking out "$75,000" and inserting in lieu thereof "$90,000".

PRODUCTION AND DISTRIBUTION OF EDUCATIONAL AND TRAINING FILMS FOR THE DEAF

Mr. MUSKIE. Mr. President, the distinguished junior Senator from Rhode Island [Mr. PELL] and I introduced, for appropriate reference, a bill to provide for the production and distribution of educational and training films for use by deaf persons. This legislation amends Public Law 85-905 (72 Stat. 1742) which established the captioned films for the deaf program. The amendment expands that program to include research in the use of educational and training films for the deaf, the production and distribution of such films, and the training of persons in the use of films for the deaf. I believe this modest proposal could have a major impact on our educational efforts on behalf of handicapped persons.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2511) to provide for the production and distribution of educational and training films for use by deaf persons and for other purposes, introduced by Mr. MUSKIE (for himself and Mr. PELL), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first section of the Act entitled "An Act to provide in the Department of Health, Education, and Welfare for a loan service of captioned films for the deaf", approved September 2, 1958 (72 Stat. 1742), is amended to read as follows:

"That the objectives of this Act are—

"(a) to promote the general welfare of deaf persons by: (1) bringing to such persons understanding and appreciation of those films which play such an important part in the general and cultural advancement of hearing persons, (2) providing, through these films, enriched educational and cultural experiences through these films, enriched educational and cultural experiences through which deaf persons can be brought into better touch with the realities of their environment, and (3) providing a wholesome and rewarding experience which deaf persons may share together; and

"(b) to promote the educational advancement of deaf persons by: (1) carrying on research in the use of educational and training films for the deaf, (2) producing and distributing educational and training films for the deaf, and (3) training persons in the use of films for the deaf."

(b) Section 4 of such Act is amended to read as follows:

"SEC. 4. There are hereby authorized to be appropriated for each fiscal year such funds as may be necessary to carry out the objectives of this Act."

Mr. MUSKIE. Mr. President, the captioned films program involves new techniques in communication and education of the quarter of a million citizens who suffer the isolating handicap of deafness. The film service for the deaf, inaugurated in 1958 under Public Law 85-905, is presently limited to the circulation of a few older Hollywood moving pictures. After slightly more than a year of operation as Government distributor of films, captioned films for the deaf have had more than 80,000 viewers. Some 600 groups of deaf persons are registered for loans of roughly 40 film titles now available. Forty-five additional titles are in preparation and are scheduled for completion early this fall. Despite the fact that schools are the largest users of captioned films, no educational films have been offered to date. Now, negotiations are in process to add a dozen educational films in the area of science. Many schools are presently using a film a week, and the demand is even greater. It is obvious that until we make substantial improvements in the program, particularly in the field of education, we shall be doing a very limited job for those who need our help.

The present limitations of the program result in part from financial restrictions. The authorization under the existing act is $250,000, but the appropriation for fiscal year 1961 was only $185,000. The appropriations bill for 1962, as enacted by the House, provided an appropriation of $185,000. The Senate increased that amount to $250,000. It is my hope that the full amount will be provided in the conference report. But even if we are successful in expanding the funds available for the program, it is obvious that the great gap will still exist in the educational field.

Knowledgeable people, working with the deaf, see the captioned film service as a powerful, but underdeveloped tool that could help break through the communication barriers that surround the deaf. To do so would require considerable research and the development of the program as an educational medium rather than a limited form of entertainment.

Helen Keller, recognizing the unusual severity of deafness as an educational handicap, says that if she had her life to live over she would devote more attention to assisting those who are deaf. I believe that this is an area in which we could move most effectively in providing a needed service for an all-but-forgotten-group in our society.

During the past several years I have been interested in the potential of modern educational techniques. Because of this interest, I have consulted with experts in the field of audiovisual aids and other teaching devices. The more I have studied this field, the more I have been convinced of the tremendous possibilities in revolutionary improvements in educational programs, especially in such specialized fields as the training of the deaf.

The bill which Senator PELL and I have introduced would enable us to expand and improve the existing program of captioned films in the area where the need is greatest.

As U.S. Commissioner of Education Sterling M. McMurrin wrote to me earlier this year, with reference to the captioned film program:

> We believe that this program offers great potential. Its contribution could be greater yet if careful research could be undertaken on the extremely complex problems involved in using films for educational purposes with deaf children. In addition, there is need for research in the area of films for adult education and training, for teacher training, for social workers, vocational rehabilitation officers, psychologists, and audiologists who work with deaf children and adults. These are virtually unexplored areas.
>
> Since the deaf constitute a fairly small part of the total population, it is not commercially feasible to produce those specialized films which would be of use only to the deaf. Included in this category would be films on such matters as auditory training, speech reading, special languages systems, and other special problems. The present act does not permit use of funds for the actual production of films, but if the research to which I have referred above is to yield practical results, some means, either private or governmental, should be found to sponsor the production of specialized films.

Mr. President, the bill which Senator PELL and I have introduced would meet the basic objectives which Commissioner McMurrin has outlined. The bill retains the basic program, as it now exists, and adds provisions for research in the use of educational and training films for the deaf, production and distribution of educational and training films, and training for persons using films for the deaf. The bill authorizes the appropriation of such funds as may be necessary to carry out the objectives of the act. We have not specified a set amount for the program, because we do not have sufficient experience to set an exact figure. We believe a modest increase in existing appropriations should provide a beginning. We should point out that in fiscal year 1961 the expenditure for books for the blind through the Library of Congress was $1,700,000. A doubling of the amount now authorized for captioned films for the deaf would represent less than a third of the funds being spent for books for the blind at the present time.

It is my hope, Mr. President, that the necessary preliminary action can be taken this fall to enable us to enact this legislation early in the 2d session of the 87th Congress. As I have indicated, this is a modest request, but it is an essential one for those who suffer from the handicap of deafness.

Mr. PELL. Mr. President, I am most pleased to cosponsor the bill just introduced by my distinguished colleague from Maine. This bill will help to meet a very real educational need among the approximately 250,000 deaf people in the United States, 27,500 of whom are children and young people under the age of 21.

We in Rhode Island are proud of the Rhode Island State School for the Deaf and Windmill School which provides outstanding education for deaf children and certainly the challenge of providing adequate education for the deaf is one which faces educators in every State of the Union. Moreover, it is not just a question of education for deaf children but of providing stimulating and rewarding education for the adult deaf. The enactment of this bill can definitely contribute to the vocational skills of the deaf.

Mr. President, I believe the program outlined in this bill is a sound one which presents a well thought out approach to improving educational and vocational opportunities for deaf children and adults. In addition to providing for the production of films the bill very wisely includes provisions for research in the use of captioned films as educational media with the deaf and for training professional personnel in the proper use of captioned films.

When I first looked into this whole question I was surprised to note that very little research and training has been done in these fields. The provisions for research and training of personnel will insure that the maximum effective use is made of these films.

Mr. President, the proper education of the deaf is a national challenge which deserves our serious attention. The outstanding chairman of the Committee on Labor and Public Welfare, Senator HILL, and other distinguished Senators have consistently sponsored and supported legislation to assist the deaf. In this connection, I believe that Senator MUSKIE's and my bill makes an important contribution. It is clearly important that we provide our deaf children with the best possible learning tools and that we help to stimulate adult education programs for the deaf which will in turn enable them to enhance their contribution to our society.

COINAGE OF GOLD MEDAL PROPOSED FOR SPEAKER RAYBURN

Mr. YARBOROUGH. Mr. President, on behalf of myself, and the distinguished senior Senator from Oklahoma [Mr. KERR], I introduce a joint resolution to provide for the coinage of a medal in recognition of the distinguished services of SAM RAYBURN, Speaker of the House of Representatives of the United States.

Mr. President, we all know of the modesty and absence of ostentation of the able and beloved Speaker of the House. He knows nothing of this resolution; not a breath of this action has been whispered to him. If he were in Washington, he would doubtless put his foot down upon it; he neither seeks nor desires praise of himself. But, now that he is back in his beloved home district in Texas, I believe that this Congress should act speedily in both Houses and authorize this medal before he returns.

Return he will. All the reports from Texas indicate his improving health and vigor, for which we are all thankful, so, I request my colleagues to act before the beloved "Mr. Speaker," "Mr. SAM" comes back to the Congress.

There is ample precedent for this action. By Public Law 221 of the 81st Congress—House Joint Resolution 188—a similar medal was authorized for the beloved "Mr. Veep," Vice President Alben W. Barkley, in 1949, the first year he was Vice President. I ask unanimous consent that Public Law 221, 81st Congress—the Alben W. Barkley Medal Resolution—be printed at this point in the RECORD.

There being no objection, Public Law 221, 81st Congress, was ordered to be printed in the RECORD, as follows:

PUBLIC LAW 221, 81ST CONGRESS—CHAPTER 420, 1ST SESSION—HOUSE JOINT RESOLUTION 188

Joint resolution to provide for the coinage of a medal in recognition of the distinguished services of Vice President Alben W. Barkley

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in recognition of the distinguished public service and outstanding contribution to the general welfare of Alben W. Barkley, Vice President of the United States, the Secretary of the Treasury is authorized and directed to cause to be struck and presented to Vice President Alben W. Barkley a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary. There is authorized to be appropriated the sum of $2,500 to carry out the purposes of this section.

SEC. 2. The Secretary of the Treasury is authorized and directed to cause duplicates in bronze of such medal to be struck and sold, under such regulations as he may pre-

scribe, at a price sufficient to cover the cost thereof (including labor). The proceeds of the sale of such bronze medals shall be reimbursed to the appropriation then current for the expenditure of the Bureau of the Mint chargeable for the cost of the manufacture of medals.

Approved August 12, 1949.

Mr. YARBOROUGH. Mr. President, former Vice President Barkley was honored by a resolution which originated in the House. I think it appropriate that the resolution to honor Speaker RAYBURN originate in the Senate.

Mr. President, this resolution I offer does not come the first year that Mr. RAYBURN is Speaker. On the contrary, it comes after he has served as Speaker of the House for longer than any other person in American history. He has served in the House of Representatives more than 48½ years, longer than any other person in American history. In addition to the speakership, he has served there as both minority and majority leader of his party, and as chairman of the influential Committee on Interstate and Foreign Commerce.

Ten times the Members of the House of Representatives of the United States have elected SAM RAYBURN Speaker. Three times his own party, the Democratic Party, has elected him permanent chairman of three separate national conventions—1948, 1952, 1956. Before coming to the Congress of the United States in 1913, at the youthful age of 31, he had already served as speaker of the House of Representatives of the State of Texas.

He has placed his imprint and his influence on more legislation than any other man in American history, and it has been an influence for progress in America.

Mr. President, I know of no other person in public life today so worthy of this medal sought by this resolution, as the Speaker of the House of Representatives. I ask unanimous consent that this resolution not be referred to a committee, that it lie on the desk for 2 days for the signatures of cosponsors, and I request all of my colleagues who feel so inclined to join me as cosponsors.

Mr. President, I ask unanimous consent that this resolution not be referred to a committee, but that at the conclusion of 2 days, it be placed directly upon the calendar.

Mr. MANSFIELD. Mr. President, I think the regular procedure should be followed. I have no objection to the resolution lying on the desk; I think that is a good idea. However, I believe the proper committee should consider the resolution in the regular course of its business.

The VICE PRESIDENT. The understanding of the Chair is that the Senator from Montana suggests that the resolution, in addition to lying on the table for 2 days, be referred to the appropriate committee.

Mr. MANSFIELD. That is correct.

Mr. YARBOROUGH. Of course, it could be placed upon the calendar directly only by unanimous consent.

Mr. President, I ask unanimous consent that the resolution be printed at this point in the RECORD.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD, and will lie on the desk, as requested by the Senator from Texas.

The joint resolution (S.J. Res. 133) to provide for the coinage of a medal in recognition of the distinguished services of SAM RAYBURN, Speaker of the House of Representatives, introduced by Mr. YARBOROUGH (for himself and Mr. KERR), was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in recognition of the distinguished public service and outstanding contribution to the general welfare of SAM RAYBURN, Speaker of the House of Representatives, the Secretary of the Treasury is authorized and directed to cause to be struck and presented to Speaker SAM RAYBURN a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary, but to include the phrase "For services rendered to the people of the United States." There is authorized to be appropriated the sum of $2,500 to carry out the purposes of this section.

SEC. 2. The Secretary of the Treasury is authorized and directed to cause duplicates in bronze of such medal to be struck and sold, under such regulations as he may prescribe, at a price sufficient to cover the cost thereof (including labor). The proceeds of the sale of such bronze medals shall be reimbursed to the appropriation then current for the expenditure of the Bureau of the Mint chargeable for the cost of the manufacture of medals.

REVISION OF FEDERAL ELECTION LAWS—AMENDMENTS

Mr. KEATING. Mr. President, I submit two amendments to the bill (S. 2426) to revise the Federal election laws, to prevent corrupt practices in Federal elections, and for other purposes, which I ask to have printed. I ask unanimous consent that the text of these two amendments, together with my individual views which are contained in the report on Senate bill 2426, be printed in the RECORD at the conclusion of my remarks.

The VICE PRESIDENT. The amendments will be received and printed, and will lie on the table; and, without objection, the text of the amendments and the individual views will be printed as requested.

(See exhibits 1 and 2.)

Mr. KEATING. Mr. President, this statement describes in brief, the two amendments which I have just offered. Both amendments were adopted by the Senate last year.

The first would include in S. 2426, primaries, conventions, and caucuses for the purpose of nominating candidates for Federal office. In many cases, victory in a primary is tantamount to election. We would therefore only be taking a nibble at the problem, rather than a full bite, if we did not require reports and apply ceilings to the nominating process as well as general elections, as specified in existing law.

My second amendment places a $20,000 ceiling on the amount which any one individual can contribute to candidates for Federal office. Present law limits the amount which candidates can spend and places a $5,000 limit on contributions to any one candidate or committee. It does not limit total contributtions. The Senate last year adopted an overall ceiling of $10,000 on individual contributions. I consider this amendment an important means by which to avoid any one contributor having an undue and excessive influence over a successful candidate.

In offering both of these amendments, I am joined by the distinguished Senator from Missouri [Mr. LONG], to whom I wish to pay tribute for introducing proposed legislation very similar to that introduced and successfully guided through the Senate last year by the late distinguished Senator Hennings, of Missouri.

In addition, I have joined with the Senator from Missouri [Mr. LONG] in an amendment which he is introducing today, to include under the provisions of Senate bill 2426 intrastate political committees which spend more than $10,000 on campaigns for Federal office.

EXHIBIT 1

INDIVIDUAL VIEWS OF MR. KEATING

I am pleased that the Committee on Rules and Administration has again reported a clean elections bill. This bill contains several important features which would greatly strengthen our electoral system. S. 2426 places realistic ceilings on campaign expenditures, makes campaign financing information available at the State level, and authorizes a tax credit to encourage broader participation in political campaigns. Although I enthusiastically endorse these important innovations, I differ with the committee on two points. They affect—not what the bill does—but what it does not do.

First. I regret that this bill excludes from coverage primaries, conventions, and caucuses for the purpose of nominating candidates for Federal office. In many States, victory in a primary is tantamount to election. I do not mean to imply that there are more or greater irregularities in primaries. However, I believe that a free system of government depends greatly upon full access to information and public vigilance in the political process. These are the aims of the clean elections bill. We would be sorely remiss if we did not apply them across the board.

The Supreme Court in 1941 cleared the way for Federal regulation of primaries in the case of *United States* v. *Classic* (313 U.S. 299).

Second, I favor an overall limit on the amount which can be contributed by any one individual to the campaigns of candidates for Federal office. While this limit should not prevent or restrict active participation in the electoral process, it is widely agreed that we must set a maximum limit, beyond which a contributor would be likely to have an undue and excessive influence over a successful candidate for office. I believe a limit of $15,000 (or perhaps $20,000) would serve this purpose. Last year the Senate adopted $10,000, but it must be remembered that the other body did not act on this measure.

These two areas involve changes which, I believe, would greatly improve the bill reported by our committee. I signed the committee report and cosponsored the bill introduced for the committee by Senator CANNON the distinguished chairman of the

Subcommittee on Privileges and Elections. Nevertheless, I reserve the right to go beyond the provisions of this measure in offering and supporting amendments on the floor of the Senate.

EXHIBIT 2

Page 2, strike out lines 4 to 6, inclusive, and insert in lieu thereof the following:

"(1) The term 'election' includes a general, special, or primary election, and a convention or a caucus of a political party held for the purpose of nominating candidates;".

Page 3, line 1, after the word "for" insert the following: "nomination for, or".

Page 3, line 1, after the word "as" insert a comma.

Page 3, line 3, after the word "is" insert the words "nominated or".

Page 13, line 15, after the word "election" insert the following: "(treating primaries, nominating conventions, caucuses, and special and general elections as separate for the purposes of this limitation)".

Page 13, line 21, after "(2)" insert the following: "in the case of an election other than a caucus or nominating convention,".

Page 16, strike out lines 18 to 20, inclusive, and insert in lieu thereof the following:

"(1) The term 'election' includes a general, special, or primary election, and a convention or a caucus of a political party held for the purpose of nominating candidates;".

Page 16, line 22, after the word "for" insert the following: "nomination for, or".

Page 16, line 22, after the word "as" insert a comma.

Page 16, line 24, after the word "is" insert the words "nominated or".

Page 2, in the table of contents, strike out the heading of section 302 and insert in lieu thereof the following:

"Overall limitation on financial aid to candidates or political committees and prohibition of certain purchases."

Page 18, strike out lines 7 and 8 and insert in lieu thereof the following: "OVERALL LIMITATION ON FINANCIAL AID TO CANDIDATES OR POLITICAL COMMITTEES AND PROHIBITION OF CERTAIN PURCHASES"

Page 18, beginning with line 11, strike out through line 4 on page 19 and insert in lieu thereof the following:

"SEC. 608. (a) Whoever, directly or indirectly, makes contributions or expenditures in an aggregate amount in excess of $20,000 during any calendar year, or in connection with any campaign for nomination or for election, for any or all of the following purposes—

"(1) to or on behalf of any candidate or candidates for an elective Federal office or offices, including the offices of President and Vice President of the United States and Presidential and Vice Presidential electors, or

"(2) to or on behalf of any committee or committees or other organizations engaged in furthering, advancing, or advocating the nomination or election of any candidate or candidates for any such office or offices or the success of any national political party, shall be fined not more than $5,000 or imprisoned not more than five years, or both.

"This subsection shall not apply to contributions or expenditures made by a political committee."

Mr. LONG of Missouri (for himself and Mr. KEATING) submitted amendments, intended to be proposed by them, jointly, to Senate bill 2426, supra, which were ordered to lie on the table and to be printed.

REREFERRAL OF S. 1747, RELATING TO IMPORT TAXES ON LEAD AND ZINC

Mr. BYRD of Virginia. Mr. President, the Senate Committee on Interior and Insular Affairs reported S. 1747, Calendar No. 849, a bill revising the import taxes on lead and zinc and providing for Government assistance to certain small producers.

This is primarily a revenue measure and should be referred to the Committee on Finance.

It is true that the bill contains a subsidy feature, one which is the substance of H.R. 84, which has passed the House and is now before the Interior and Insular Affairs Committee and can be acted upon separately.

This subsidy feature of S. 1747 is relatively minor when compared with the revenue features, both as to effect on the economy and the number of dollars involved. The bill is overwhelmingly in the class of bills over which the Finance Committee must take jurisdiction.

The matter was discussed in a meeting of the Finance Committee and the chairman was directed by a vote of the committee, in the event that S. 1747 was reported by the Interior and Insular Affairs Committee, to ask that it be rereferred to Finance.

The chairman of the Interior and Insular Affairs Committee is absent because of illness, but I have discused the matter with him by telephone and he has assured me that he would not object. Therefore, I ask that the bill, S. 1747, be taken from the calendar and be referred to the Finance Committee.

The VICE PRESIDENT. Is there objection to the request of the Senator from Virginia [Mr. BYRD]? Without objection, the bill will be referred to the Committee on Finance.

ESTABLISHMENT OF FRANKLIN DELANO ROOSEVELT MEMORIAL NATIONAL PARK — ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of August 31, 1961, the name of Senator LONG of Missouri was added as an additional cosponsor of the bill (S. 2501) to establish the Franklin Delano Roosevelt Memorial National Park, introduced by Mr. DOUGLAS on August 31, 1961.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on September 6, 1951, he presented to the President of the United States the following enrolled bills:

S. 415. An act for the relief of Margaret Jean Dauel;

S. 513. An act to authorize and direct the Secretary of the Treasury to cause the vessel *Acadia* owned by Robert J. Davis of Port Clyde, Maine, to be documented as a vessel of the United States with coastwise privileges;

S. 888. An act to authorize the Secretary of the Interior to lease certain lands in the State of Utah to Joseph A. Workman; and

S. 1012. An act to direct the Secretary of the Interior to adjudicate a claim of the Greif Bros. Cooperage Corp. to certain land in Marengo County, Ala.

GOVERNOR ROCKEFELLER'S ENDORSEMENT OF MILK BARRIERS

Mr. PROXMIRE. Mr. President, yesterday's New York Times reported that Gov. Nelson Rockefeller attacked Secretary of Agriculture Orville Freeman for the support given by the Secretary of Agriculture to a national milk sanitation law. In doing this Governor Rockefeller threw his chances in the crucial 1964 Wisconsin Republican primary right out the window.

Should Governor Rockefeller be the Republican nominee for President in 1964, Wisconsin consumers and dairy farmers will have every reason to reject his candidacy resoundingly.

Consumers will be bitterly disappointed that a figure of Governor Rockefeller's reputation should attack the interest of the Nation's consumers on behalf of the short-run economic interest of part of the New York State dairy industry. For a political figure with national aspirations to endorse the horse-and-buggy milk sanitation requirements which restrict milk marketing all over our country reveals a shocking and disturbing lack of vision.

The New York Governor's statement benefits only a small number of producers in protected big-city markets. It totally ignores the Nation's millions of consumers, including some 16 million in New York State itself, who would have greater assurance of ample milk supplies at reasonable prices if artificial barriers were eliminated.

It ignores our growing, changing population, which will need more milk in new areas. Modern refrigeration means milk can be shipped long distances, from the regions best suited to dairying.

It completely ignores the ability of Wisconsin dairy farmers to produce top quality, sanitary milk to supply big city markets in all parts of the country, at competitive prices. For years, Wisconsin farmers and public officials in both Wisconsin political parties have vehemently opposed these ridiculous barriers to Wisconsin milk.

Wisconsin farmers have not even been given a chance, up to now, to sell their milk in the protected markets. Governor Rockefeller would like to see them stay fenced out permanently.

In refreshing contrast, the Secretary of Agriculture, Orville Freeman, has just ringingly endorsed national milk sanitation legislation, showing again that this administration intends to keep faith with the farmers.

When President Kennedy was in the Senate, some of his constituents opposed the St. Lawrence Seaway. Senator Kennedy had the vision to rise above narrow regionalism. He supported the seaway, which is bringing enormous benefits to the entire Nation.

Governor Rockefeller should remove the horse blinkers from his vision and should repudiate his endorsement of milk barriers, if he has any regard for his previous fine reputation as a national statesman.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, is there further morning business?

A PUBLIC INTEREST CODE FOR AMERICAN BUSINESS

Mr. JAVITS. Mr. President, in a speech before the New York State Society of Certified Public Accountants, earlier this year, I proposed a public interest code for American business.

With our present hearings on the antitrust laws, the framework and the discussion we are likely to have today on the matter of steel prices, and the ethics of business involved, as they have been, in matters such as price fixing in the electric appliances industry, and so forth, I believe it might be very useful to present at least one Member's ideas in regard to what should be the code of ethics for American business. So I ask unanimous consent to have printed at this point in the RECORD the article I wrote, which appears in the September 1961, issue of the journal entitled "The New York Certified Public Accountant."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A PUBLIC INTEREST CODE FOR AMERICAN BUSINESS

(By Hon. JACOB K. JAVITS)

(U.S. Senator JACOB K. JAVITS, Republican, of New York, was the featured speaker at our society's annual dinner held on May 8, 1961. His paper received such acclaim as to warrant its reproduction for the benefit of members who were not able to attend.

(In his remarks, aside from this paper, the Senator made a strong point about the important role of accountants, as a major advisory force in the field of business, in helping to bring about the necessary improvements in our economy and in its structure.)

I should like to talk to you today about the state of the U.S. economy and the role of U.S. business—which I define to include labor, management, farmers and voluntary organizations—in helping to insure our security and to spur the economic progress of the American people and the peoples of the free world.

We are meeting a great challenge in foreign affairs and our attention has been correctly focused on the Congo, Laos, and Cuba. But we are also meeting a great challenge in our domestic economy and in a mounting Communist economic offensive.

At home we have been in a real recession—a recession characterized by high and hard-core unemployment and an imbalanced international balance of payments. The imbalance in international payments was substantially improved during the first quarter in 1961, but remains a danger. High unemployment remains a sore spot; and hard-core unemployment remains a stubborn aspect of our economy that we have so far failed to solve.

The basic problem of our country is to effect an adequate mobilization of our resources, public and private, to support our role for effective peace leadership in the free world; and for the development, proportioned to that leadership, of our American society.

The theory that our economy will automatically adjust is not adequate to the problems and responsibilities we have today, nor to the acceleration of timing brought on by the Communist economic offensive. We need government-business coordination to make our economy operate to produce enough and in the right lines to meet our economic responsibilities in the public interest. I am convinced that the techniques to achieve this purpose are available without such Federal Government direction and control as will seriously endanger individual freedom.

Our strength is production based on the dignity of the individual and on the good faith of credit. We have overwhelming economic power to make this principle good in terms of the well-being of peoples in the neutralist areas and in the areas, newly self-governing, which will determine which way the world goes. Our Government's policy must be the recognition of this essential base for the free world's success, and the determination to marshal our resources, public and private, with the boldness, vision, and discipline required for their effective utilization for this grand design—and for their coordination with the similiar resources of the other leading industrial nations for the same purpose—as, for example, in the newly organizing 20-nation OECD (Organization for Economic Cooperation and Development).

One of the chief concepts of modern, progressive political thinking is that we can achieve our maximum economic potential by means of our private economic system operating in the public interest.

In accordance with this concept, I would like to offer to you, as a suggestion of how business can operate in the public interest, a public interest code for American business. I know it will take much refining but here is at least a 10-point start on a vital issue:

1. Dealing with corporations, employees, stockholders and consumers in the ethical spirit of trusteeship; and acting as good citizens in dealing with Government officials.

2. Making every effort to eliminate featherbedding, in management as well as in labor, as being in the national interest, which demands maximum productivity.

3. Encouraging stockholder democracy through maximum voting, full disclosure, and other participation.

4. Extending the benefit of restricted stock options or other means of profit sharing and wage security to workers generally.

5. Moving vigorously to eliminate discrimination or segregation in employment on grounds of race, religion, sex, or age.

6. Expanding research, corporate participation in education and activities in natural resources conservation.

7. Determining the level of prices and wages in terms of the best interests of U.S. economic policy generally in addition to private considerations.

8. Participating in adjustment assistance to competitors and others in its community or trade, incident to technological obsolescence, concentrated imports or automation.

9. Observing the antitrust laws in letter and spirit and participating in developing trade association cooperation in research, standardization of product, quality, and other permissible affirmative activities.

10. Supporting U.S. foreign policy through foreign private investment, expansion of export markets, and making available technical assistance facilities for foreign use.

We need to move in a number of ways as a Nation to fully utilize our resources to meet our great challenges at home and abroad and to attain a new plateau of economic effectiveness and well-being.

A U.S. productivity drive is essential.

Enlistment of the cooperation of labor and management is essential for the fullest utilization of our economic potential.

A national policy of affording equal opportunity in employment, education, housing, and the exercise of their civil rights to all elements of our population, regardless of color or religion, is basic, also, to the entire effort toward productivity expansion.

A U.S. peace leadership requires a great expansion of our foreign trade, which represents our largest economic commitment to world affairs except for defense expenditures.

The international economic policy of the United States requires new media for coordinating the economic efforts of the free world.

U.S. policy must lead, on even a broader scale, toward the establishment of international banking and credit facilities which will provide for the increase of liquidity, which is the essential basis for the rapid expansion of international trade.

There must be a constant effort to draw upon the economic strength, technological skills, and managerial know-how of the private sector of our economy in carrying out our international economic policies.

There, then, are some of the ideas, some of the opportunities we can take to spur the economic progress of the American people and the world, not now being brought forward and developed by the administration. They are more than just the immediate measures needed to deal with the recession. They represent he real essence of the economic struggle. And they would demonstrate that we understand the basis for free world stability and that we are determined with all our resources to join with the rest of the free world in building that basis on a solid foundation.

THE RIGHT TO EQUALITY

Mr. JAVITS. Mr. President, I had the honor to write a book, entitled "Discrimination—U.S.A.," dealing with the great and, I think, momentous and historic issue of equal opportunity for all Americans, whatever be their race, creed, or color. I was requested to summarize the book for the magazine "Americas," which is published here in Washington under the auspices of the Organization of American States. Inasmuch as some Members or perhaps many Members may not have had an opportunity to see the book, they may be interested in the summary. Therefore, I ask unanimous consent that an article entitled "The Right to Equality," which is a summary of the book "Discrimination—U.S.A.," be printed at this point in the RECORD. The article was published in the September 1961 issue of the magazine "Americas."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE RIGHT TO EQUALITY

(By JACOB K. JAVITS)

The struggle against the remaining racial and religious discrimination in the United States engaged my interest and action long before I entered public life. I cannot emphasize too strongly the primary importance of this struggle to the tranquillity of our country and its moral leadership of the free world. Patience and determination are basic qualities for success, law is the necessary equipment, but most essential of all is the support of a well-informed public opinion. This book is my contribution to the effort to provide information and to stimulate discussion and study of one of the major issues of our time.

I was born in 1904, and I remember vividly my life as a small boy, the son of Jewish immigrants, in a janitor's flat on Orchard and Stanton Streets on the lower East Side of New York City. My father made pants and doubled as janitor of the tenement, then later worked full time as the janitor for $30 a month, plus rooms. My mother sold crockery and dry goods from a pushcart. In school I read about democracy and about the equality of all in America, but to a poor

Jewish boy, running errands for a candy shop, scratching for a penny, watching my father get out the vote for $2 a head paid by a saloonkeeper who was a Tammany Hall captain, the words democracy and equality seemed just so many distant, high-sounding phrases. I had little thought that I could win social acceptance, not to speak of being permitted to serve in the high public offices of Congressman, attorney general of New York State, and U.S. Senator.

My own experience is symptomatic of the social revolution which has marked American life since the turn of the 20th century. The United States of the early 1900's was a "white, Protestant, Anglo-Saxon" country, as people used to say. Millions of citizens were not white or Protestant or Anglo-Saxon (meaning descended from Western European stock), but the dominant assumption was that they should be satisfied with the skimpier educations, the dirtier jobs, and a severely limited right to advance in the economic or political world. In 1900 the top-ranking colleges admitted only a handful of students from minority families, and most of these came from decidedly exceptional circumstances. It was difficult for a Catholic of Irish or southern European background, and still harder for an eastern European Jew, to rise high in the basic industries, in the professions, or in the realm of arts and letters. No realistic person would have thought of proposing anyone but an old-stock white Protestant for the Presidency or the Vice-Presidency of the United States. As for the average Negro, in either the North or the South, he was lucky to find a livelihood that kept him in ramshackle housing and grubby food.

During the decades after World War I, the United States went on chipping away at the crust of caste. There were years when the Nation seemed to turn backward, but overall it headed toward the elimination of discrimination on the basis of race, creed, or color.

By the late 1950's, the highest prestige colleges were competing with each other to enroll outstanding students regardless of family background. More miles of trim suburbia were stretching out, now inhabited not only by the old-stock executive group but by the middle-class and working-class sons of immigrants. The only Federal civil rights law since Reconstruction days was passed in 1957, and was followed 3 years later by further civil rights legislation. In one area of U.S. life after another, Negroes scored more firsts. A particularly striking event occurred in 1958. For decades the top echelon of the U.S. diplomatic service had been considered a special preserve of the wellborn. On January 23, 1958, President Eisenhower appointed Clifton R. Wharton Minister to Romania, the first Negro to be named U.S. chief-of-mission to a country of predominantly white population.

All the while, the 1954 Supreme Court decision ordering the end of the color line in public schools was doing its work. Desegregation was resisted by efforts ranging from the portentous to the ridiculous. In Arkansas, Gov. Orval Faubus so brazenly defied the Supreme Court that President Eisenhower ordered Federal troops into Little Rock. In Florida, Henry Balch, columnist for the Orlando Sentinel, thundered that a children's book telling about the marriage of a white and a black rabbit was a plot of the "integrating desegregationists," and hounded the volume off the shelves of the public libraries. (The author, Garth Williams, mused sadly: "It was written for children from 2 to 5 who will understand it perfectly. It was not written for adults, who will not understand it because it is only about a soft furry love and has no hidden message of hate.") Under the circumstances, desegregation moved ahead slowly. In 1960, on the anniversary of the Court decision, the statistics showed that only 6 percent of the Negro students in the Southern and border States were attending integrated schools—and the percentage was zero in Alabama, Georgia, Louisiana, Mississippi, and South Carolina. Yet, whatever the rate of speed, whatever the obstacles, the Nation was going ahead desegrating its schools.

Today, I am confident, the United States is entering a period when the walls of discrimination will go on tumbling—and being tumbled—down. The election of a Catholic to the presidency is already a fact. By the year 2000, it is conceivable that we may see the election of a Negro to the presidency or the vice presidency. The appointment of a Negro Secretary of State does not seem farfetched when a man like Ralph Bunche is considered. A former Assistant Secretary of State, this distinguished American Negro is second only to Secretary General Dag Hammarskjold at the United Nations; he has, and has richly earned, an international reputation as a peace negotiator and statesman. Negro leaders have told me that they feel it will be politically feasible to name a Negro to the Supreme Court within the next 10 years.

In the proximate future we may well see a marked increase in the number of Negroes in Congress. The National Association for the Advancement of Colored People, spurred on by the passage of the Civil Rights Acts of 1957 and 1960, has launched a drive to triple Negro registration in the South and thus to put it on a par with the present 60 percent registration of eligible white voters. I believe that the number in the House of Representatives is likely to grow steadily, and that, from the Negro 10 percent of our population, between 30 and 40 qualified persons may be elected as Representatives to the 106th Congress by the year 2000. Long before then, I expect to see the first Negro since the Reconstruction Era taking his place in the U.S. Senate.

By 1965, public school integration should be well on its way even in the Deep South. The next two Congresses, those which convene in 1961 and 1963, will probably bring an end to the archaic Senate rule XXII and therefore to the filibuster, which has been the special and stubborn hurdle on the road to civil rights legislation. I make this prediction on the strength of my own experience in the Senate and on the basis of my observation of the mood of the country during the civil rights debates of 1957 and 1960. There is a new generation in the United States—and of those who live below the Mason-Dixon line. Today the South is producing an ever-increasing number of enlightened citizens who, while still opposed to general civil rights legislation, do not carry over the ancient southern opposition, indeed revulsion, to the idea of accepting Negroes as the equals of whites in public affairs. For example, during the civil rights discussions of recent years, a notable number of southern leaders conceded that the full enjoyment of the ballot belongs to the Negro as well as to the white man.

If the country's past argues for a continuing social upsurge, the country's present certainly does not gainsay it. The Negro group, latest of the groups to make its bid for equal rights and equal opportunities, is certain to increase in political power and certain to use that power to win more opportunities. Since 1950, it has been estimated, the potential nonwhite vote has catapulted 25 percent in New York, 50 percent in Chicago, 62 percent in Los Angeles. By the year 2000, 1 out of every 3 voters in New York and Chicago, and 1 out of 2 voters in Los Angeles may well be nonwhite. Population shifts of minority groups to urban areas are creating a tide that could elect a nonwhite mayor in New York, Chicago, Philadelphia, or Los Angeles before many years. In the South, as a result of the civil rights legislation already passed and the additional laws that are almost certain to come, the Negro will vote more and more. And, as all American groups have done, he will use the vote to broaden opportunities for himself.

Outside the South, the antidiscrimination forces can count on a hard reality of modern U.S. life; prejudice has proved to be ineffective politics. In the past, bigotry and hate may have had some success, but today they simply do not work. In my own career in politics, I have had no little experience with religious smear campaigns. In the late part of the senatorial campaign of 1956, literature appeared in New York City—which has a large Jewish population—carrying the innuendo that I had forsaken the Jewish faith. The matter was brought out into the open during a television interview when viewers telephoned in the question: "Is it true you changed your Jewish faith?" Questions such as this, as every public figure knows, are like that old verbal trap which calls for a yes-or-no answer to the question: "Have you stopped beating your wife yet?" Air time ran out before I could reply that I had not changed my religion. Yet, according to my analysis of the 1956 results, the question had little or no effect on the voters of New York State.

The most spectacular proof that appeals to religious prejudice do not work in modern U.S. politics came in the West Virginia presidential primary battle of 1960 between Senator John Kennedy, a Catholic, and Senator HUBERT HUMPHREY, a Protestant. Although Senator HUMPHREY made it ringingly plain that he wanted no votes gained from religious bias, anti-Catholicism was a blatant part of the campaign. Seasoned observers thought the prejudice might well have a decisive effect: West Virginia is 95 percent Protestant and was supposed to have a strong anti-Catholic tradition. But when the votes were counted, Kennedy had won a thumping 3-to-2 victory. He was hurt little or not at all by the anti-Catholic campaign. On the contrary, apparently he was actually helped by it. Heavily Protestant West Virginia seemed the more determined to give the Senator, a Catholic, a victory as a way of showing that it wanted no part of elections determined by irrelevant questions of religion.

There are approximately 18 million Negroes in the United States, one-half of whom live in the South, and another third in five urban centers in the North. Statistics offer a dramatic picture of how meagerly they share in our expanding economy. In 1939, the median income for white workers was $1,112 a year; for nonwhite workers, it was $460. In 1955, white workers had a median income of $3,986, contrasted with $2,342 for nonwhite workers. These figures make plain that while the nonwhite population has shared in our general prosperity and reduced the difference between incomes, the Negro nevertheless continues to pay a severe price solely because of the color of his skin. Today, two out of every five Negro families earn less than $2,000 a year. Average Negro incomes are still far below white incomes.

There is a final fact about the results of discrimination, the most important of all. The future of our Nation—indeed, its very existence—may well depend upon whether nonwhites living in the underdeveloped countries choose communism or freedom. The great contest revolves around the 1,200 million people—largely Negro and oriental—who live in the Far East, the Middle East, and Africa. This global picture is crucially related to our domestic struggle over civil rights and the ending of discrimination. It is so importantly related because the nonwhites are watching closely to see whether we practice what we preach about equality and justice.

No U.S. domestic situation gives the Soviet Union and the international Commu-

nist Party more fuel for their propaganda machines than our two faces on civil rights. In terms of world prestige, Little Rock cost us more in 1 day of violent prejudice than the launching of all the Russian space satellites.

Even more damaging to our prestige was the reaction of the press in the uncommitted areas of Asia, the Middle East, and Africa. Typically, the Times of Indonesia declared: "It is hard to realize that this is taking place in a country proclaiming its democratic liberties for all to hear." We simply cannot hope to win the nonwhite peoples of the world conclusively to our side if they doubt that we will consider them equals. They will continue to doubt just as long as we wave our Constitution at them with one hand, and with the other tolerate the denial to a substantial part of our citizens in a broad region of our own country of their rights under the Constitution.

As the United States hurries along the road toward genuine democracy, all kinds of efforts will help. The agitation of organizations will have its importance; so, too, will the labors of dedicated individuals and the studies of psychologists, sociologists, economists, and historians. But the prime need is law—more firm, carefully formulated legislation on the Federal, State, and municipal levels directed toward making equal rights and equal opportunities ultimate realities. Law is the indispensable advance guard of social change. It gives well-intentioned men a standard to which they can repair. It nudges the indifferent and it tames the hostile.

In this connection, too little attention has been paid to the fact that the Federal Government now spends more than $30 billion a year on contracts with private firms. This means that hundreds of thousands of jobs are placed where the Government has the power—indeed, the responsibility—to see that they are filled without regard to religion or color, but the Congress has to help. In 1953, by Executive order, President Eisenhower established the Federal Committee on Government Contracts, the main purpose of which is to combat discriminatory practices in industries fulfilling Government contracts. The committee has done some good work, but it is hampered by inadequate funds and staff and especially by the fact that it does not have the authority of an institution established by Congress. (Since 1953, it has investigated only 837 complaints, and settled to its satisfaction only 245.)

In 1959, as part of his package civil rights proposals, President Eisenhower recommended the establishment of a statutory Federal Commission on Equal Opportunity Under Government Contracts. New York State pioneered in this field with the formation of the State Commission Against Discrimination. This agency's experience and its success fully justify the President's recommendation. The Eisenhower proposal was lost in the Senate compromises, but its ultimate enactment is of prime importance.

Action is needed to bring, in all 50 States, the enactment of legislation already existing in five States, which forbids discrimination in any housing aided by federally guaranteed mortgages under the Federal Housing Administration (FHA) or the Veterans' Administration (VA). The existing State laws authorize agencies or commissions to deal with discrimination on a basis of conciliation and mediation and, if these fail, by civil action in the courts. But a big share of the responsibility for driving Jim Crow out of the housing field must be assumed by the Federal Government—and it could do a great deal more than it is presently attempting. It should be fundamental Federal policy for all agencies connected with housing to push vigorously for equal opportunity to a decent home. Every effort should be made—particularly every administrative effort—to bring about compliance by builders who seek the aid of FHA and VA mortgages. The urban renewal program shows that this can be done.

Those of us who live in States like New York, where public sentiment and every responsible governmental agency are on record against any inequality of opportunity, have a special responsibility to practice, and practice in highly positive terms, what we preach. If southern segregationalists are to be deprived of their most cherished distortion—that racial or religious discrimination which persists in the North gives a license for Jim Crowism in the South—then none among us can be a mere bystander in the fight.

It is a fight filled with its ups and downs, its nagging complexities, its shocking desertions, as I am only too well aware from my years in public office. It is also a fight peculiarly appropriate to the only nation in all of man's long history that ever dared mix so many different races, nationalities, and religions, and, having mixed them, dared to declare that the end product could be equal rights and equal opportunity for all. That the people of the United States have the desire, the strength, and the faith to go on pushing toward this goal has been said many times, but it was once said in a way that carries its special force over all the intervening decades. In 1880, U.S. Senator B. K. Bruce rose to support a pending bill. His remarks moved to the subject of the general meaning of the country's experience, and he said: "As a people, our history is full of surmounted obstacles. We have been scaling difficult problems for more than a hundred years. We have been (and will continue to be) settling material, moral, and great political questions that before our era had been unsolved."

B. K. Bruce was a Negro, born into human slavery, elected to the U.S. Senate from Mississippi amid all the anti-Negro bitterness and violence of reconstruction days. His speech was in support of a bill protecting the civil rights and extending the opportunities of the American Indian.

Many predict that racial tensions in the United States will get worse before they get better. I am well aware of these predictions and of the possibility that they could be correct, but I still have great faith in the resourceful genius of our country. When public indignation is raised here there is no denying relief. To save ourselves—and do it just in time—there must be those who will not permit themselves to be still and complacent or permit their fellow citizens to be complacent in the face of the incendiary injustices of discrimination and segregation which persist in our society.

NARCOTICS ADDICTION

Mr. JAVITS. Mr. President, thus far at this session we have not acted on legislation dealing with narcotics addiction, a matter which, however, has received considerable attention from a number of congressional committees, including the subcommittee headed by the distinguished Senator from Connecticut [Mr. DODD], the Juvenile Delinquency Subcommittee of the Judiciary Committee.

As attorney general of New York, I had the honor to inaugurate in our State the concept of the treatment of this dread affliction as an illness, rather than strictly as a crime, although, of course, it has its criminal aspects, which should be punished with condign punishment. But the medical approach to drug addiction is a very important new departure in that field, in which we have been so frustrated, both in regard to learning how to prevent it and in learning the proper treatment.

Mr. President, I have noted with great satisfaction the approach made to this matter in an editorial published on September 4 in the Washington Post. The editorial is entitled "Woe to the Victims." I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 4, 1961]

WOE TO THE VICTIMS

It is an anomaly of American criminal law that it seems to be applied at times with the greatest ferocity against those who least deserve to be punished and who are least likely to be reformed by punishment. This anomaly is nowhere better illustrated than in the Federal Narcotic Control Act of 1956. The act operates to impose its penalties more often on the hapless victims of drug addiction than on the vicious nonaddicts who are the overlords of the country's illicit drug traffic. And the penalties are truly ferocious—ranging from 5 years for a first offense up to 80 years in prison with no possibility of parole or mitigation.

Despite these penalties, there appears to be no abatement of the illicit traffic in drugs. According to Senator THOMAS J. DODD, whose Juvenile Delinquency Subcommittee has been looking at the problem, "Our continuing study of narcotics traffic and addiction among juveniles indicates that drug trafficking is at an all-time high, that there is an increase in addiction among the young, and that the facilities for confining and treating the addict-pusher-criminal are hopelessly inadequate.

The Dodd subcommittee sent a questionnaire respecting the efficacy of the Narcotic Control Act to all the Federal law enforcement officials concerned with the problem. Seventy-five percent of them recommended changes in the statute. It seems plain that an entirely new approach is in order. It needs to be rooted in a recognition that drug addiction ought to be treated fundamentally as an illness rather than as a crime. An ounce of compassion may well be worth a pound of punishment.

TOTAL PSYCHOLOGICAL WARFARE

Mr. KEATING. Mr. President, in the Wednesday issue of the New York Times, C. L. Sulzberger has a most perceptive and shrewd article in which he discusses the type of psychological warfare now being waged by the Kremlin. It is evident that the Communists will stop at nothing in their efforts to intimidate and browbeat the peoples of the world into a fearful acceptance of Communist tyranny. Our society and our cold war techniques must be flexible enough and imaginative enough to meet the Communist threat strongly and effectively on our own terms. There is great need for a thorough going over and intelligent reappraisal of our own cold war tactics.

Diplomacy as usual is not the only answer to an enemy who threatens to bury us.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD C. L. Sulzberger's article on the Communist basis of psychological warfare and our own need for more vigorous anti-Communist tactics.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Sept. 6, 1961]

TOTAL WAR IN THE FOURTH DIMENSION

(By C. L. Sulzberger)

Moscow, September 5.—Total war is a reality in the three-dimensional sense and is becoming a reality in the four-dimensional sense, the fourth dimension being time. Thus, in a way, the two ideological blocs are constantly in conflict without fighting. Technical progress has made it possible to switch from war waged psychologically to psychological war as such.

Peaceful coexistence, a term invented in Moscow, is a tactical variation. Peace alone is carefully eschewed as the descriptive phrase. There are three variations of coexistence within Marxist meaning. Mao Tse-tung is for militant coexistence; Khrushchev for dynamic coexistence, and Tito for passive coexistence. Only Tito's formula is truly peaceful.

It is extremely difficult for a governmental system, dependent upon mass support and allied cooperation, to switch abruptly from one to another diplomatic line. Our adversaries, controlling both their public and allied opinion, need not worry about sudden shifts in policy.

We are finding this out today in the growing Berlin crisis, rendered still more grave by the end to any thought of a ban on nuclear tests. On both these issues we are convinced we are wholly in the right; but we find ourselves hard pressed to convince a confused world opinion of this verity.

The free world, handicapped by its own complexes and political theorems, has shown itself largely defenseless in this kind of warfare. It has learned more about ingenious methods of selling automobiles and synthetic fabrics than about selling political ideas. The Communist world, not faced with a glut of consumer goods, specializes in selling ideas.

The Russians have closed down some of their foreign military bases, such as Porkkala in Finland and Saseno in Albania. But the Russians have not closed down the bases of their psychological war. These bases are the Communist Party cells, overt or covert, scattered about the globe.

There is today hardly a nation that does not have at least the cadre of a Communist Party. Suzanne Labin, a thoughtful student of the problem, writes in France's National Defense Review:

RIGIDLY ORGANIZED GROUPS

"There is one among the Eskimos, one among the Touaregs, one in the United States, one in Bechuanaland. Sometimes the Communist Party has millions of members, sometimes only a handful, but this handful is rigidly organized."

Outside the Marxist bloc itself there are mass parties in seven countries: France, Italy, Finland, India, Indonesia, Cuba, and Iraq. There are significant but less solid parties in 22 other lands, and elsewhere small legal or illegal groups.

Nevertheless, illegality does not necessarily denote impotence. In Greece the outlawed Communists are gaining. In the United Arab Republic, although their leaders are in prison or exile, they conspire. And in Iran, masquerading under the name of Tudeh and illegal for 12 years, they pose a threat.

Mlle. Labin estimates there are 6 million Communist militants in non-Communist countries. We may comfort ourselves that some of these are divided by schisms in the Marxist bloc, above all the Khrushchev-Mao feud. But all of them work against us.

Our own military bases are ready to function in case of military war. But the Communist bases work all the time in psychological war. Day and night, they are rearmed with slogans, leaflets, instructions, funds, and agents.

This is the war we know as peace, the reversal of Clausewitz' famous theory, a continuation of war by other means. It is a war we have not yet learned properly to fight. It is ridiculous merely to blame the Russians for skillfully propagating what they think is right. That is the rule of the missionary. We remain unable either to define our own ideas or to make them plainly understandable to those we court.

A report on this subject to the Assembly of the Western European Union concludes that if means of combating Communist propaganda techniques are not found, "the West will no longer have to seek a raison d'être, it will no longer exist." Khrushchev himself announces he will surpass us in 1970. Apropos of this timetable it is worth recalling Lenin's 1920 prophecy:

"In 50 years' time armies will no longer have much significance. We shall have undermined our enemies to such an extent before war breaks out that it will be impossible to set the war machine in motion in the hour of need."

ECHO PARK, UTAH, WILDERNESS AREA

Mr. ALLOTT. Mr. President, yesterday the senior Senator from Utah [Mr. BENNETT] offered to the so-called wilderness bill an amendment which related to the Echo Park area, which is in the northwest corner of Colorado and Utah. I wish to point out for the benefit of my colleagues, and particularly our neighbors in Utah, that the senior Senator from Utah has rendered a spectacular and very worthy service, not only to the people of Utah, but also to the people of the entire West in offering the amendment.

The withdrawal of the amendment was occasioned by the fact that the legislative history has been made clear that there is no diminution of the rights which exist in Dinosaur National Monument with respect to power or water by virtue of the passage of the wilderness bill. At this time I merely wish to pay particular respect to the foresight of the senior Senator from Utah, which goes so far to adequately protect the development and vital interests of the people of his State. It is a characteristic move on his part, and I am sure that with that history, the economic advancement of the State of Utah and that area of the country will be much strengthened.

Mr. MANSFIELD. Mr. President, is there further morning business?

The VICE PRESIDENT. Is there further morning business? If not, morning business is concluded.

THE CALENDAR

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MANSFIELD. Am I correct in assuming that, at the conclusion of the morning business, it is the will of the Senate to turn to the consideration of items on the calendar to which there is no objection?

The VICE PRESIDENT. The Senator is correct, beginning with Order No. 825, the Parliamentarian informs the Chair.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

The clerk will state the first bill on the calendar to be called.

BILL PASSED OVER

The bill (S. 778) to amend the act entitled "An act to authorize the District of Columbia government to establish an Office of Civil Defense, and for other purposes," approved August 11, 1950, was announced as the first bill in order.

Mr. YOUNG of Ohio. Over.

The VICE PRESIDENT. The bill will go over.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INDECENT PUBLICATIONS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H.R. 4670) to amend the law relating to indecent publications in the District of Columbia, which had been reported from the Committee on the District of Columbia with an amendment to strike out all after the enacting clause and insert:

That section 872 of the Act entitled "An Act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended (D.C. Code, sec. 22–2001), is amended (1) by inserting "(a)" immediately after "SEC. 872", and (2) by adding thereto the following new subsections:

"(b) Any vehicle, fixture, equipment, stock, or any personality (including, without limitation, vehicles, equipment, fixtures, or things adaptable to a lawful use) used or to be used in connection with (1) the sale, distribution, manufacture, or showing of any article or material, or (2) the advertising or staging of any exhibition, the sale or advertising of which is prohibited by subsection (a) of this section, shall be subject to seizure by any member of the Metropolitan Police Force or the United States Park Police, or the United States marshal, or any United States deputy marshal, for the District of Columbia, and shall, upon seizure, be proceeded against by libel action brought in the Municipal Court for the District of Columbia in the name of the District of Columbia by the Corporation Counsel or any of his assistants and shall, unless good cause be shown to the contrary, be forfeited to the District of Columbia and shall be made available for the use of any agency of the government of the District of Columbia or otherwise disposed of as the Commissioners of the District of Columbia may, by order or regulation, provide, except that all such property of an indecent, obscene, or lewd

nature shall, upon order of the court, be destroyed, and any lien thereon shall be deemed not to be a bona fide lien: *Provided*, That if there be bona fide liens against the property so forfeited then such property shall be disposed of by public auction. Bona fide liens against property so forfeited shall, on good cause shown by the lienor, be transferred from the property to the proceeds of the sale of the property. The proceeds of the sale of such property shall be available for the payment of such liens and for all expenses incident to such sale, and the remainder shall be deposited in the Treasury of the United States to the credit of the District of Columbia.

"(c) Any house, building, vessel, garage, shed, booth, shelter, enclosure, room, lot, or other premises to which the public commonly resort or congregate for business or pleasure, where publications, pictures, films, recordings, and other things and devices forbidden by this section are kept, possessed, sold, exhibited, manufactured, bartered, or given away, or to which persons resort for the purpose of observing same, is hereby declared to be a common nuisance and may be enjoined as hereinafter provided. Any person who knowingly maintains or assists in maintaining such a place is guilty of maintaining a nuisance.

"(d) Evidence that any of said prohibited acts are frequently committed in any of such places shall be prima facie proof that the proprietor or person having custody or control knowingly permitted the same, and evidence that persons have been convicted of committing any said act in any of such places is admissible to show knowledge on the part of the defendants that this section is being violated in the house or premises. The original papers and judgments, or certified copies thereof in such cases of convictions may be used in evidence in the suit for injunction, and oral evidence is admissible to show that the offense for which said parties were convicted was committed in said house or premises. Evidence of general reputation of said houses or premises shall also be admissible to prove the existence of said nuisance.

"(e) An action to enjoin any nuisance defined in this section may be brought in the name of the District of Columbia by the Corporation Counsel of the District of Columbia or any of his assistants in the municipal court for the District of Columbia against any person conducting or maintaining such nuisance or knowingly permitting such nuisance to be conducted or maintained. The rules of the municipal court for the District of Columbia relating to the granting of an injunction or restraining order shall be applicable with respect to actions brought under this subsection, except that the District as complaining party shall not be required to furnish bond or security. It shall not be necessary for the court to find the building, ground, premises, or place was being unlawfully used as aforesaid at the time of the hearing, but on finding that the material allegations of the complaint are true, the court shall enter an order restraining the defendant from keeping, possessing, selling, exhibiting, manufacturing, bartering, or giving away publications, pictures, films, recordings, or other things and devices forbidden by this section. When an injunction, either temporary or permanent, has been granted, it shall be binding on the defendant throughout the District of Columbia. Upon final judgment of the court ordering such nuisance to be abated, the court may order that the defendant, or anyone claiming under him, shall not occupy or use, for a period of one year thereafter, the building, ground, premises, or place upon which the nuisance existed, but the court may, in its discretion, permit the defendant to occupy or use the said building, ground, premises, or place, if the defendant shall give bond with sufficient security to be approved by the court, in the penal and liquidated sum of not less than $1,000 nor more than $5,000, payable to the District of Columbia, and conditioned that the acts prohibited by this section shall not be done or permitted to be done in or upon the buildings, grounds, premises, or place. On violation of such bond the whole sum may be recovered as a penalty in the name of and for the District of Columbia and shall be deposited in the Treasury of the United States to the credit of the District of Columbia.

"(f) In the case of the violation of any injunction, temporary or permanent, rendered pursuant to the provisions of this section, proceedings for punishment for contempt may be commenced by the Corporation Counsel, or any of his assistants, by filing with the court in the same case in which the injunction was issued a petition under oath setting out the alleged offense constituting the violation and serving a copy of said petition upon the defendant requiring him to appear and answer the same within ten days from the service thereof. The trial shall be promptly held and may be upon affidavits or either party may demand the production and oral examination of the witnesses. Any person found guilty of contempt under the provisions of this section shall be punished by a fine of not more than $1,000, or by imprisonment for not more than twelve months, or by both such fine and imprisonment."

SEC. 2. Nothing in this Act shall be construed so as to affect the authority vested in the Board of Commissioners of the District of Columbia by Reorganization Plan Numbered 5 of 1952 (66 Stat. 824). The performance of any function vested by this Act in the Board of Commissioners or in any office or agency under the jurisdiction and control of said Board of Commissioners may be delegated by said Board of Commissioners in accordance with section 3 of such plan.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

CERTAIN RELATIVES RESPONSIBLE FOR SUPPORT OF NEEDY PERSONS

The bill (S. 914) to provide for a more effective administration of public assistance in the District of Columbia; to make certain relatives responsible for support of needy persons, and for other purposes, was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "District of Columbia Public Assistance Act of 1961".

DEFINITIONS

SEC. 2. As used in this Act, the word "District" means the District of Columbia; the word "Commissioners" means the Commissioners of the District of Columbia or the agents, agencies, officers, and employees designated by them to perform any function vested in them by this Act; the term "public assistance" means payment in or by money, medical care, remedial care, goods or services to, or for the benefit of, needy persons; the word "recipient" means a person to whom or on whose behalf public assistance is granted and the word "State" includes Puerto Rico, Guam, and the Virgin Islands.

FUNCTIONS OF COMMISSIONERS

SEC. 3. This Act shall be administered by the Commissioners who shall—

(a) establish such categories of public assistance as they deem appropriate;

(b) (1) provide for maximum cooperation with other agencies rendering services to maintain and strengthen family life and to help applicants for public assistance and recipients to attain self-support or self-care, and (2) provide such services directly under this Act to the extent that they are not available from other agencies: *Provided*, That as used in this paragraph the term "other agencies" shall include programs administered by or under the Commissioners under the authority of any law other than this Act;

(c) establish and enforce such rules and regulations as may be necessary or desirable to carry out the provisions of this Act;

(d) cooperate in all necessary respects with agencies of the United States Government in the administration of this Act, and accept any funds, goods, or services payable to the District for public assistance and for administering public assistance;

(e) enter into reciprocal agreements with any State relative to the provision of public assistance to residents and nonresidents.

ELIGIBILITY FOR PUBLIC ASSISTANCE

SEC. 4. Public assistance shall be awarded to or on behalf of any needy individual who either (a) has resided in the District for one year immediately preceding the date of filing his application for such assistance; or (b) who was born within one year immediately preceding the application for such aid, if the parent or other relative with whom the child is living has resided in the District for one year immediately preceding the birth; or (c) is otherwise within one of the categories of public assistance established by the Commissioners pursuant to this Act.

AMOUNT OF PUBLIC ASSISTANCE

SEC. 5. (a) The amount of public assistance which any person shall receive shall be determined in accordance with regulations approved by the Commissioners.

(b) Such amount as referred to in subsection (a) of this section shall not be less than the full amount determined as necessary on the basis of the minimum needs of such person as established in accordance with such regulations. No ceiling shall be administratively imposed with respect to the amount of public assistance which any person, or class of persons, may receive.

(c) The provisions of subsection (b) of this section shall become effective on July 1, 1961.

APPLICATION FOR PUBLIC ASSISTANCE

SEC. 6. Application for public assistance shall be accepted from, or on behalf of, any person who believes himself eligible for public assistance. Such application shall be made in the manner and form prescribed by the Commissioners, and shall contain such information as the Commissioners shall require.

INVESTIGATION OF APPLICANT

SEC. 7. Whenever the Commissioners shall receive an application for public assistance, they shall promptly make an investigation and record of the circumstances of the applicant in order to ascertain the facts supporting the application and to obtain such other information as they may require.

AWARD AND PAYMENT OF PUBLIC ASSISTANCE

SEC. 8. (a) Upon completion of the investigation, the Commissioners shall determine whether the applicant is eligible for public asistance, the type and amout of public assistance for which he is eligible, and the date from which such public assistance shall begin, and shall furnish public assistance with reasonable promptness to all eligible persons: *Provided*, That such date shall not be prior to the first day of the calendar

month in which such determination is made, except that as a result of reconsideration or review of a case, and in order to correct previous erroneous administrative action such as undue delay or improper denial of assistance, an initial payment of pubic assistance may be made for a period beginning prior to the first day of the calendar month in which the eligibility determination is made.

(b) Money payments of public assistance shall be made by check, except that in emergency cases under section 10 of this Act, money payments of public assistance may be made in cash, and to accomplish such purpose the Commissioners are authorized to make necessary provisions for advancing from time to time to one or more officers or employees of the District such sum or sums as the Commissioner may determine: *Provided*, That no such advance shall be made to any such officer or employee who has not been previousy bonded in such amount and form as the Commissioners shall determine.

RECIPIENT INCAPACITATED

SEC. 9. Whenever a recipient has been found by the Commissioners to be incapable of taking care of himself, his property, or his money, and a person has been judicially appointed as legal representative, or a responsible person has been appointed by the Commissioners, on behalf of such incapacitated individual for the purpose of receiving and managing such individual's public assistance payments (whether or not he is such individual's legal representative for other purposes), public assistance payments may be made on behalf of such individual to such judicially appointed legal representative, or to such responsible person appointed by the Commissioners.

EMERGENCY PUBLIC ASSISTANCE

SEC. 10. The Commissioners may grant emergency public assistance pending completion of investigation when eligibility has been established pursuant to section 4 of this Act: *Provided*, That such emergency assistance shall not be granted in any case for a period exceeding sixty days.

REDETERMINATION OF GRANTS

SEC. 11. All public assistance grants made under this Act shall be reconsidered by the Commissioners as frequently as they may deem necessary. After such further investigation as the Commissioners may deem necessary, the amount of public assistance may be changed, or may be entirely withdrawn, if the Commissioners find that any such grant has been made erroneously, or if they find that the recipient's circumstances have altered sufficiently to warrant such action. If at any time during the continuance of public asistance the recipient thereof becomes possessed of income or resources in excess of the amount previously reported by him, or if other changes should occur in the circumstances previously reported by him which would alter either his need or his eligibility, it shall be his duty to notify the Commissioners of such fact immediately on the receipt or possession of such additional income or resources, or on the change of circumstances.

RECORDS

SEC. 12. (a) The Commissioners are directed to prescribe regulations governing the custody, use, and preservation of the records, papers, files, and communications of the Commissioners relating to public assistance. Except as herein otherwise provided, such regulations shall provide safeguards restricting the use or disclosure of information concerning applicants for, or recipients of, public assistance to purposes directly connected with the administration of public assistance. The Commissioners are authorized in their discretion to include in such regulations provision for the public to have access to the records of disbursement or payment of public assistance made after the effective date of this Act.

(b) No person who obtains information by virtue of any regulation made pursuant to subsection (a) of this section shall use such information for commercial or political purposes.

(c) This section and section 13 of this Act shall be construed as State legislation conforming to the requirements of section 618 of the Revenue Act of 1951 (Public Law 183, Eighty-second Congress).

PENALTIES

SEC. 13. Any person violating subsection (b) of section 12 of this Act shall be punished by a fine of not more than $500, or by imprisonment of not more than ninety days, or by both such fine and imprisonment. Prosecutions for such violations and for violations of section 17(a) of this Act shall be brought to the municipal court for the District of Columbia by the Corporation Counsel or any of his assistants.

FUNERAL EXPENSES

SEC. 14. On the death of a recipient, reasonable funeral expenses may be paid, subject to rules and regulations approved by the Commissioners.

HEARINGS

SEC. 15. An applicant for, or recipient of, public assistance aggrieved by the action or inaction of the Commissioners shall be entitled to a hearing. Each applicant or recipient shall be notified of his rights to a hearing. Upon request for such hearing, reasonable notice of the time and place thereof shall be given to such applicant or recipient. Such hearing shall be conducted in accordance with rules and regulations prescribed by the Commissioners. The findings of the Commissioners on any appeal shall be final.

PUBLIC ASSISTANCE NOT ASSIGNABLE

SEC. 16. Public assistance awarded under this Act shall not be transferable or assignable at law or in equity, and none of the money paid or payable to any recipient under this Act shall be subject to execution, levy, attachment, garnishment, or other legal process, or to the operation of any bankruptcy or insolvency law.

FRAUD IN OBTAINING PUBLIC ASSISTANCE—REPAYMENT

SEC. 17. (a) Any person who by means of false statement, failure to disclose information, or impersonation, or by other fraudulent device obtains or attempts to obtain or any person who knowingly aids or abets such person in the obtaining or attempting to obtain, (1) any grant or payment of public assistance to which he is not entitled; (2) a larger amount of public assistance than that to which he is entitled; or (3) payment of any forfeited grant of public assistance; or any person who with intent to defraud the District aids or abets in the buying or in any way disposing of the real property of a recipient of public assistance, shall be guilty of a misdemeanor and shall be sentenced to pay a fine of not more than $500, or imprisoned not to exceed one year, or both.

(b) Any person who obtains any payment of public assistance to which he is not entitled shall be liable to repay such sum. In any case in which, under this section, a person is liable to repay any sum, such sum may be collected without interest by civil action brought in the name of the District. Any repayment required by this subsection may, in the discretion of the Commissioners, be waived in whole or in part, upon a finding by the Commissioners that such repayment would deprive such person, his spouse, parent, or child of shelter or subsistence needed to enable such person, spouse, parent, or child to maintain a minimum standard of health and well-being.

PROPERTY

SEC. 18. (a) At the death of any person who has received public assistance in the form of old-age assistance, medical assistance for the aged, or aid to the disabled pursuant to the provisions of this Act, or of any Act repealed by this Act, the District shall have a preferred claim for the amount of any such public assistance against the estate of the deceased recipient. Notwithstanding the provisions of any other law, no statute of limitations shall be deemed applicable as a defense to any claim of the District made pursuant to this section. The Commissioners are authorized to waive any such claim when in their judgment they deem it appropriate to do so.

(b) In addition to the remedy provided by subsection (a) of this section, or by any other provision of law, the Commissioners may file a notice in the office of the Recorder of Deeds in any case where public assistance in the form of old age assistance or aid to the disabled is granted to any person under this Act, and such notice shall constitute and have the effect of a lien in favor of the District against the real and personal property of such person for the amount of such public assistance which theretofore has been granted or which may thereafter be granted to, or on behalf of, such persons. Any such lien may be enforced by a proceeding filed in the United States District Court for the District of Columbia. The Commissioners shall file in the office of the Recorder of Deeds a release of any such real and personal property from the effect of such lien whenever there has been repaid to the District the amount of the public assistance theretofore granted to, or on behalf of, such person. The Commissioners are also authorized to release any such lien when in their judgment they deem it appropriate to do so. Such notices and releases may be filed without payment of fees.

(c) If the District collects from any recipient of public assistance in the form of old-age assistance or aid to the disabled or from his estate, or otherwise, any amount with respect to public assistance furnished him under this Act, or under any Act repealed by this Act, the pro rata share to which the United States is equitably entitled shall be paid to the United States in accordance with the provisions of the Social Security Act, as amended (42 U.S.C. 303, 603, 1203, 1353). The pro rata share due the District shall be deposited as miscellaneous receipts to the credit of the District.

RESPONSIBLE RELATIVES

SEC. 19. (a) The husband, wife, father, mother, or adult child of a recipient of public assistance, or of a person in need thereof, shall, according to his ability to pay, be responsible for the support of such person. Any such recipient of public assistance or person in need thereof or the Commissioners may bring an action to require such husband, wife, father, mother, or adult child to provide such support and the court shall have the power to make orders requiring such husband, wife, father, mother, or adult child to pay to such recipient of public assistance or to such person in need thereof such sum or sums of money in such installments as the court in its discretion may direct and such orders may be enforced in the same manner as orders for alimony.

(b) The Commissioners shall be empowered on behalf of the District to sue such husband, wife, father, mother, or adult child for the amount of public assistance granted under this Act or under any Act repealed by this Act to such recipient or for so much thereof as such husband, wife, father, mother, or adult child is reasonably able to pay.

(c) All suits, actions, and court proceedings under this section shall be brought in the domestic relations branch of the municipal court for the District of Columbia.

To the extent applicable, the provisions of the Act entitled "An Act to establish a domestic relations branch in the municipal court for the District of Columbia, and for other purposes", approved April 11, 1956, shall be followed in suits, actions, and proceedings brought pursuant to this section.

PAYMENT OF EXPENSES

SEC. 20. All necessary expenses incurred by the District in carrying out the provisions of this Act shall be disbursed in the same manner as other expenses of the District are disbursed.

DELEGATION OF AUTHORITY

SEC. 21. The Commissioners are authorized to make provisions for delegation and subdelegation of any function vested in them by this Act to any agency, officer, or employee of the District.

VOLUNTARY SERVICES

SEC. 22. The Commissioners are authorized to accept voluntary services in administering the provisions of this Act. Such voluntary services shall not create any obligation against the District.

APPROPRIATIONS

SEC. 23. (a) The Commissioners shall include in their annual estimates of appropriations such sums as may be needed to carry out the provisions of this Act.

(b) Unobligated balances of appropriations for the Department of Public Welfare are hereby made available for the purposes of this Act.

REPEALS

SEC. 24. The following Acts are hereby repealed: The Act entitled "An Act to provide aid to dependent children in the District of Columbia", approved June 14, 1944 (58 Stat. 277); the Act entitled "An Act to amend the code of laws for the District of Columbia in relation to providing assistance against old-age want", approved August 24, 1935 (49 Stat. 747); and the Act entitled "An Act to provide aid for needy blind persons of the District of Columbia and authorizing appropriations therefor", approved August 24, 1935 (49 Stat. 744), as amended. Notwithstanding such repeal, all claims of the District of Columbia for recovery of amounts expended for aid or assistance granted under such repealed Acts which it now has, or which would have accrued had such Acts not been repealed, shall be recoverable in the same manner and to the same extent as such amounts would be recoverable had such aid or assistance been granted under the provisions of this Act.

REORGANIZATION

SEC. 25. This Act shall not be considered as affecting the authority vested in the Board of Commissioners of the District of Columbia by Reorganization Plan Numbered 5 of 1952 (66 Stat. 824), and the performance of any function vested by said plan in the Board of Commissioners or in any office or agency under the jurisdiction and control of said Board of Commissioners shall continue to be subject to delegation by said Board of Commissioners in accordance with section 3 of such plan. Any function vested by this Act in any agency established pursuant to such plan shall be deemed to be vested in said Board of Commissioners and shall be subject to delegation in accordance with such plan.

VALIDITY

SEC. 26. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

EFFECTIVE DATE

SEC. 27. Except as otherwise provided in this Act, the provisions of this Act shall take effect on the first day of the second month following the date of enactment.

BILLS PASSED OVER

The bill (H.R. 8383) to further amend section 201(i) of the Federal Civil Defense Act of 1950, as amended, and for other purposes, was announced as next in order.

Mr. YOUNG of Ohio. I ask that the bill go over.

The VICE PRESIDENT. The bill will go over.

The bill (H.R. 8406) to further amend Reorganization Plan No. 1 of 1958, as amended, in order to change the name of the office established under such plan, and for other purposes, was announced as next in order.

Mr. BARTLETT. Mr. President, over by request.

The VICE PRESIDENT. The bill will go over.

AMENDMENT TO REORGANIZATION PLAN NO. 1 OF 1958

Mr. BARTLETT. Mr. President, I ask unanimous consent that the Senate return to the consideration of Calendar No. 830, H.R. 8406.

The VICE PRESIDENT. Is there objection to the request of the Senator from Alaska?

There being no objection, the Senate proceeded to consider the bill (H.R. 8406) to further amend Reorganization Plan No. 1 of 1958, as amended, in order to change the name of the office established under such plan, and for other purposes, which was ordered to a third reading, was read the third time, and passed.

FINANCIAL CONTRIBUTION FOR CIVIL DEFENSE PURPOSES IN OKLAHOMA

The bill (H.R. 2877) to authorize the Director, Office of Civil and Defense Mobilization, to approve a financial contribution for civil defense purposes to the State of Oklahoma, was considered, ordered to a third reading, read the third time, and passed.

USE OF REVOLVING FUND OF VETERANS' ADMINISTRATION

The bill (H.R. 8414) to amend section 5011 of title 38, United States Code, to clarify the authority of the Veterans' Administration to use its revolving supply fund for the repair and reclamation of personal property, was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT TO UNITED STATES CODE TO INCREASE DEPENDENCY AND INDEMNITY COMPENSATION

The bill (H.R. 6969) to amend title 38, United States Code, to increase dependency and indemnity compensation in certain cases, was considered, ordered to a third reading, read the third time, and passed.

FREE ENTRY OF TOWING CARRIAGE FOR USE OF MICHIGAN UNIVERSITY

The Senate proceeded to consider the bill (H.R. 5852) to provide for the free entry of a towing carriage for the use of the University of Michigan, which had been reported from the Committee on Finance with an amendment on page 1, after line 6, to insert a new section, as follows:

SEC. 2. (a) Paragraph 1798(b) of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1201, par. 1798(b)), is amended by renumbering subdivisions (2) and (3) as (3) and (4), respectively, and by inserting after subdivision (1) the following new subdivision:

"(2) not exceeding $100 in value of articles (including not more than one wine gallon of alcoholic beverages and not more than one hundred cigars) accompanying such person to be disposed of by him as bona fide gifts, if such person has not claimed an exemption under this subdivision (2) within the six months immediately preceding his arrival and he intends to remain in the United States for not less than seventy-two hours;"

(b) Paragraph 1798(g) of such Act, as amended (19 U.S.C., sec. 1201, par. 1798(g)), is amended by striking out "subdivision (2) of subparagraph (b)" and inserting in lieu thereof "subdivision (3) of subparagraph (b)".

(c) Subdivision (2)(B) of section 321(a) of such Act, as amended (19 U.S.C., sec. 1321), is amended by inserting "(b)(2) or" after "paragraph 1798".

(d) The amendments made by subsections (a), (b), and (c) shall apply with respect to persons arriving in the United States on or after the 30th day after the date of the enactment of this Act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended, so as to read: "An act to provide for the free entry of a towing carriage for the use of the University of Michigan, and to increase the duty-free exemption of persons arriving in the United States who are not returning residents thereof."

Mr. JAVITS subsequently said: Madam President, I ask unanimous consent to have printed in the RECORD a statement I have prepared on H.R. 5852, which was on the Consent Calendar earlier today.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JAVITS

I should like to express my profound satisfaction with the action by the Senate in unanimously adopting H.R. 5852, incorporating an amendment sponsored by me that will be extremely helpful in encouraging travel into the United States.

The amendment, which I have sponsored as a bill for the past 3 years, would permit visitors from abroad to bring $100 worth of gifts into the United States free of duty. They are now permitted only to bring $10 worth of gifts free of duty. The bill thereby gives equal treatment to tourists from abroad with our own tourists who return from abroad.

My amendment has been endorsed by the Commerce Department, the Treasury Department, and the Agriculture Department

and was recommended by Clarence Randall, President Eisenhower's special assistant who who made a study during the Eisenhower administration on how to increase tourism to the United States.

The report from the Department of Commerce emphasizes the importance of this amendment. It states in part:

"This Department favors enactment of S. 1280 (the original text of the amendment) as an element in the encouragement of foreign travel to the United States. Many visitors from abroad enjoy the hospitality of American families during all or part of their stay, and such visitors quite naturally feel that they should at least offer a gift in return for the hospitality received. To some extent, the limitations on dollar exchange allowed to them by their governments make it impracticable for foreign visitors to purchase gifts here. On the other hand, gifts from the home country can, of course, be purchased with local currency, and more importantly have the added attraction of being more personal and characteristic in nature. To give nonresident travelers a more adequate duty-free allowance for gifts, as proposed, would, we believe, contribute to better public international relations and to some increased international travel, with little, if any, loss of revenue."

This may be considered by some a minor amendment, but I believe it is a highly significant one, in view of the importance of travel to this country's economic and political well-being, and in order to stimulate, encourage, and genuinely welcome a larger number of foreign tourists.

AMENDMENT TO SHIP MORTGAGE ACT OF 1920

The bill (H.R. 2308) to amend the Ship Mortgage Act, 1920, with respect to its applicability to certain vessels, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. BARTLETT. Mr. President, I offer an amendment which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 2, after line 13, it is proposed to insert the following:

SEC. 3. That the proviso at the end of section 511(h) of the Merchant Marine Act, 1936, as amended, is amended to read as follows: *"Provided,* That until January 1, 1962, in addition to the extensions hereinbefore permitted, further extensions may be granted ending not later than December 31, 1962".

SEC. 4. The amendment made by the first section of this Act shall take effect December 31, 1961, or on the date of enactment of this Act, whichever date first occurs.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Alaska.

The amendment was agreed to.

The VICE PRESIDENT. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 2308) was read the third time, and passed.

TEMPORARY APPOINTMENTS AND PROMOTIONS IN U.S. COAST GUARD

The bill (S. 2376) to amend the act of July 23, 1947, chapter 301, as amended, to extend for 2 years the authority to make temporary appointments and promotions in the U.S. Coast Guard was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 16 of the Act of July 23, 1947, chapter 301 (61 Stat. 413; 14 U.S.C. 435, note), as amended, is amended to read as follows:

"SEC. 16. Notwithstanding the limitations contained in subsection (a) of section 435, and subsection (a) of section 436, of title 14, United States Code, the authority granted by those sections may be exercised until—

"(1) such time as the Secretary of the Treasury determines that the number of officers holding permanent appointments on the active list of the Coast Guard is equal to 95 per centum of the number of such officers authorized by law, exclusive of extra numbers; or

"(2) January 1, 1964;

whichever occurs earlier."

Mr. HUMPHREY subsequently said: Mr. President, earlier today the Senate passed Senate bill 2376. House bill 8719 has just now been received from the House of Representatives.

I ask unanimous consent that the vote by which Senate bill 2376 was passed be reconsidered.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I move that the Senate now proceed to the consideration of House bill 8719.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 8719) to amend the act of July 23, 1947, chapter 301, as amended, to extend for 2 years the authority to make temporary appointments and promotions in the U.S. Coast Guard.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 8719) was ordered to a third reading, was read the third time, and passed.

Mr. HUMPHREY. Mr. President, I ask that Senate bill 2376 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, Senate bill 2376 will be indefinitely postponed.

Mr. HUMPHREY. I thank the Chair.

PART 1 OF TRANSIT DEVELOPMENT PROGRAM, NATIONAL CAPITAL TRANSPORTATION AGENCY

The Senate proceeded to consider the bill (S. 2397) authorizing the National Capital Transportation Agency to carry out part 1 of its transit development program and to further the objectives of the act approved July 14, 1960 (74 Stat. 537), which had been reported from the Committee on the District of Columbia, with amendments, on page 2, line 12, after the word "the", to insert "acquisition or", and on page 3, line 6, after the word "as", to strike out "it determines"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of enabling the National Capital Transportation Agency to carry out that part of its transit development program described in its report entitled "Report on Part One of the Transit Development Program, July 1961", transmitted to the Congress on July 31, 1961, pursuant to the provisions of subsection (c) of section 204 of the National Capital Transportation Act of 1960, the National Capital Transportation Agency is hereby authorized, subject to the provisions of such Act, to acquire, or enter into agreements for the acquisition or use of, facilities, property, and rights-of-way for express transit:

(1) in the center median area and elsewhere in, adjacent to, or in conjunction with (A) Interstate Route 66 in Fairfax County and Arlington County, Virginia; and (B) Interstate Route 95 in Prince Georges County, Maryland;

(2) adjacent to, or in conjunction with (A) the George Washington Memorial Parkway; (B) the Little Falls Branch Parkway from the George Washington Memorial Parkway to the vicinity of Massachusetts Avenue; (C) the Parkway Spur through the Cabin John Valley from Cabin John to the Capital Beltway; and (D) the Capital Beltway from the George Washington Memorial Parkway to the vicinity of Bradley Boulevard, all in Montgomery County, Maryland: *Provided,* That the Agency is further authorized to carry out, as part of part 1 of its transit development program, such construction in connection with the land acquisition projects provided for herein, as must necessarily be undertaken at the time the aforesaid highways and parkways are constructed: *Provided further,* That the authority granted the Agency under subparagraph (2) above shall in no way diminish the powers of the Secretary of the Interior under other Federal laws.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

AMENDMENT TO GAMBLING LAW IN DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H.R. 4669) to amend the law relating to gambling in the District of Columbia, which had been reported from the Committee on the District of Columbia, with an amendment, on page 3, line 2, after the word "auction.", to strike out "Bona fide liens against property so forfeited shall, on good cause shown by the lienor, be transferred from the property to the proceeds of the sale of the property. Forfeit moneys and other proceeds realized from the enforcement of this section shall be deposited in the Treasury of the United States to the credit of the District of Columbia." " and insert "The proceeds of the sale of such property shall be available, first, for the payment of all expenses incident to such sale; and, second, for the payment of such liens; and the remainder shall be deposited in the Treasury of the United States to the credit of the District of Columbia. To the extent necessary,

liens against said property so forfeited shall, on good cause shown by the lienor, be transferred from the property to the proceeds of the sale of the property.'"

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

JUVENILE DIVISION WITHIN DISTRICT OF COLUMBIA YOUTH CORRECTIONAL CENTER

The bill (S. 2299) to provide for the establishment of a juvenile division within or in connection with the District of Columbia Youth Correctional Center, and to authorize the judge of the juvenile court of the District of Columbia to commit to such juvenile division, subject to the provisions of the Juvenile Court Act, children 15 years of age or older, was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Commissioners of the District of Columbia are authorized to establish within or in connection with the District of Columbia Youth Correctional Center at Lorton, Virginia, a juvenile division of such center, with facilities separate and distinct from those designed and intended for persons convicted of crime, and so designed and maintained as to provide suitable custody, care, subsistence, education, training, treatment, and guidance for juveniles committed thereto under the Juvenile Court Act of the District of Columbia. Appropriations for this purpose are hereby authorized. Nothing contained in this section shall be construed to prevent the use of any of the facilities of such youth correctional center by juveniles committed thereto in accordance with section 2 of this Act if such juveniles use such facilities at different hours than persons committed to such center under the provisions of the Federal Youth Corrections Act, as amended (18 U.S.C. 5005 et seq.), and such juveniles are not permitted to have contact with the persons committed under said Federal Youth Corrections Act.

SEC. 2. The judge of the juvenile court of the District of Columbia is authorized to commit to the juvenile division of the District of Columbia Youth Correctional Center, authorized by this Act to be established, any child, fifteen years of age or older, who comes within the provisions of said Juvenile Court Act, and who—

(1) in the opinion of the judge will benefit from immediate commitment thereto and treatment therein, or

(2) having been committed by the court to the National Training School for Boys demonstrates by his conduct that he is not amenable to the rules of, or treatment at, such school, or

(3) having been committed by the court to the National Training School for Boys, has absconded therefrom, or

(4) having been committed by the court to the National Training School for Boys and paroled therefrom, has violated the conditions of his parole, or

(5) regardless of any disposition which may have previously been made in his case by the judge, thereafter is found by the judge, in the interest of providing a satisfactory disposition in his case, to require commitment to and treatment in such juvenile division.

BILLS PASSED OVER

The bill (S. 1528) to make the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 applicable to retired former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service; and to their widows, widowers, and children, was announced as next in order.

Mr. FONG. Over, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1918) to extend benefits of the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 to widows and surviving children of former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, or the U.S. Secret Service Division, who were retired or who died in the service of any such organization prior to the effective date of such amendments, was announced as next in order.

Mr. FONG. Over, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

The bill (H.R. 6775), to amend the Shipping Act, 1916, as amended, to provide for the operation of steamship conferences, was announced as next in order.

Mr. BARTLETT. Over, Mr. President. The bill is not properly calendar business.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1728) to amend section 510 of the Merchant Marine Act, 1936, to provide for the trade-in of obsolete vessels in connection with the construction of new vessels, either at the time of executing the construction contract or at the time of delivery of the new vessel, was announced as next in order.

Mr. FONG. Over, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

The bill (H.R. 6141) to amend the act of September 1, 1954, in order to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the application and operation of such act, and for other purposes, was announced as next in order.

Mr. FONG. Over, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

PROTECTION FROM DOWNGRADING ACTIONS AND PROTECTION FOR CERTAIN POSTAL FIELD SERVICE EMPLOYEES

The bill (H.R. 7043) to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

EMPLOYMENT OF RETIRED FEDERAL GOVERNMENT PERSONNEL BY THE DISTRICT OF COLUMBIA BOARD OF EDUCATION

The Senate proceeded to consider the bill (S. 502) to authorize the employment of retired personnel of the Federal Government by the Board of Education of the District of Columbia, which had been reported from the Committee on the District of Columbia with amendments, on page 1, line 7, after the word "to", to strike out "the" and insert "any"; in line 8, after the word "Board", to insert "and which is covered by the provisions of the Act for the retirement of public school teachers in the District of Columbia, approved April 7, 1946 (60 Stat. 875), as amended", and on page 2, line 8, after the word "who", to insert "having attained mandatory retirement age", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any former employee of the Federal Government who has been retired under the Civil Service Retirement Act of May 29, 1930, as amended, shall, if otherwise qualified under the rules of the Board of Education of the District of Columbia, be eligible for appointment to any position for which he may be qualified under the rules of the Board and which is covered by the provisions of the Act for the retirement of public school teachers in the District of Columbia, approved April 7, 1946 (60 Stat. 875), as amended, and shall draw the pay or compensation authorized for the position to which he may be appointed, in addition to the pension he is authorized to receive under the Civil Service Retirement Act.

SEC. 2. Any former employee of the Board of Education of the District of Columbia who, having attained mandatory retirement age, shall have been retired under the Act for the retirement of public school teachers in the District of Columbia, approved April 7, 1946 (60 Stat. 875), as amended, shall, if otherwise qualified under the rules and regulations of the Civil Service Commission, be eligible for appointment to the position for which he may be qualified under the rules of the said Civil Service Commission, and shall draw the pay or compensation authorized for the position to which he may be appointed, in addition to the pension he is authorized to receive under the Act for the retirement of public school teachers in the District of Columbia, as amended.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

BILLS PASSED OVER

The bill (H.R. 7622) to repeal sections 1176 and 1177 of the Revised Statutes of the United States relating to the District of Columbia, was announced as next in order.

Mr. BARTLETT. Over, by request, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1747) to stabilize the mining of lead and zinc in the United States,

and for other purposes, was announced as next in order.

Mr. FONG. Over, Mr. President, by request.

The VICE PRESIDENT. The bill will be passed over.

CREDITS AGAINST EMPLOYMENT TAX

The Senate proceeded to consider the bill (H.R. 2585) relating to the credits against the employment tax in the case of certain successor employers, which had been reported from the Committee on Finance, with amendments, on page 2, after line 21, to strike out:

(b) The amendment made by subsection (a) shall apply with respect to the calendar year 1955 and each calendar year thereafter. Provisions having the same effect as the provisions added to the Internal Revenue Code of 1954 by such amendment shall be deemed to be included in the Internal Revenue Code of 1939 and shall apply with respect to the tax imposed by section 1600 of such Code for the calendar years 1951 through 1954.

And in lieu thereof, to insert:

(b) The amendment made by subsection (a) shall apply with respect to the calendar year 1961 and each calendar year thereafter.

And, on page 3, after line 7, to insert a new section, as follows:

SEC. 2. ELECTION FOR QUARTZITE AND CLAY USED IN THE PRODUCTION OF REFRACTORY PRODUCTS.

(a) ELECTION FOR PAST YEARS.—If an election is made under subsection (c), in the case of quartzite and clay used by the mine owner or operator in the production of refractory products, for the purpose of applying section 613(c) of the Internal Revenue Code of 1954 (and corresponding provisions of the Internal Revenue Code of 1939) for each of the taxable years with respect to which the election is effective—

(1) the term "ordinary treatment processes" shall include crushing, grinding, and separating the mineral from waste, but shall not include any subsequent process; and

(2) the gross income from mining for each short ton of such quartzite or clay used in the production of all refractory products sold during the taxable year shall be equal to 87½ percent of the lesser of—

(A) the average lowest published or advertised price, or

(B) the average lowest actual selling price, at which, during the taxable year, the mine owner or operator offered to sell, or sold, such quartzite or clay (in the form and condition of such products after the application of only the processes described in paragraph (1) and before transportation from the plant in which such processes were applied). For purposes of this paragraph, exceptional, unusual, or nominal sales or selling prices shall be disregarded. If the mine owner or operator makes no sales of, or makes only exceptional, unusual, or nominal sales of, such quartzite or clay after application of only the processes described in paragraph (1), then in lieu of the price provided for in subparagraph (A) or (B) there shall be used the average lowest recognized selling price for the taxable year for such quartzite or clay in the marketing area of the mine owner or operator published in a trade journal or other industry publication.

(b) YEARS TO WHICH APPLICABLE.—An election made under subsection (c) to have the provisions of this section apply shall be effective on and after January 1, 1951, for all taxable years beginning before January 1, 1961, in respect of which—

(1) the assessment of a deficiency,

(2) the refund or credit of an overpayment, or

(3) the commencement of a suit for recovery of a refund under section 7405 of the Internal Revenue Code of 1954,

is not prevented on the date of the enactment of this Act by the operation of any law or rule of law. Such election shall also be effective on and after January 1, 1951, for any taxable year beginning before January 1, 1961, in respect of which an assessment of a deficiency has been made but not collected on or before the date of the enactment of this Act.

(c) TIME AND MANNER OF ELECTION.—An election to have the provisions of this section apply shall be made by the taxpayer on or before the 60th day after the date of publication in the Federal Register of final regulations issued under authority of subsection (f), and shall be made in such form and manner as the Secretary of the Treasury or his delegate shall prescribe by regulations. Such election, if made, may not be revoked.

(d) STATUTES OF LIMITATIONS.—Notwithstanding any other law, the period within which an assessment of a deficiency attributable to the election under subsection (c) may be made with respect to any taxable year for which such election is effective, and the period within which a claim for refund or credit of an overpayment attributable to the election under such subsection may be made with respect to any such taxable year, shall not expire prior to one year after the last day for making an election under subsection (c). An election by a taxpayer under subsection (c) shall be considered as a consent to the application of the provisions of this subsection.

(e) TERMS: APPLICABILITY OF OTHER LAWS.—Except where otherwise distinctly expressed or manifestly intended, terms used in this section shall have the same meaning as when used in the Internal Revenue Code of 1954 (or corresponding provisions of the Internal Revenue Code of 1939) and all provisions of law shall apply with respect to this section as if this section were a part of such Code (or corresponding provisions of the Internal Revenue Code of 1939).

(f) REGULATIONS.—The Secretary of the Treasury or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended, so as to read: "An Act relating to the credits against the employment tax in the case of certain successor employers and to provide an election for past taxable years with respect to the determination of gross income from mining in the case of quartzite and clay used in the production of refractory products."

BILLS AND RESOLUTION PASSED OVER

The bill (H.R. 8444) to amend the act of August 12, 1955, relating to elections in the District of Columbia, was announced as next in order.

Mr. BARTLETT. Over, by request, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

The resolution (S. Res. 4) to amend the cloture rule by providing for adoption by a three-fifths vote, was announced as next in order.

Mr. BARTLETT. Over, Mr. President, by request.

The VICE PRESIDENT. The resolution will be passed over.

The bill (S. 2426) to revise the Federal election laws, to prevent corrupt practices in Federal elections, and for other purposes, was announced as next in order.

Mr. BARTLETT. Over, by request, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

REFERENCE OF SENATE BILL 1845 TO THE COURT OF CLAIMS

The resolution (S. Res. 144) to refer S. 1845 to the Court of Claims, was considered and agreed to, as follows:

Resolved, That the bill (S. 1845) entitled "A bill for the relief of Moorland Court, Inc.", now pending in the Senate, together with all accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate at the earliest practicable date.

CONSTRUCTION OF RAILROAD SIDING IN THE DISTRICT OF COLUMBIA

The bill (S. 2470) to authorize the construction of a railroad siding in the vicinity of Taylor Street NE., District of Columbia, was announced as next in order.

The VICE PRESIDENT. Without objection, the Senate will proceed to consider the companion House bill.

The bill (H.R. 8466) to authorize the construction of a railroad siding in the vicinity of Taylor Street NE., District of Columbia, was considered, ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. Without objection, Senate bill 2470 will be indefinitely postponed.

WORKWEEK OF FIRE DEPARTMENT OF THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 1292) to amend the act of June 19, 1948, relating to the workweek of the Fire Department of the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia, with an amendment to strike out all after the enacting clause and insert:

That subsection (a) of section 2 of the Act entitled "An Act to amend the Act entitled 'An Act to classify the officers and members of the Fire Department of the District of Columbia, and for other purposes', approved June 20, 1906, and for other purposes", approved June 19, 1948, as amended (sec. 4-404a(a), D.C. Code, 1951 ed.), is amended to read as follows:

"(a) The Commissioners of the District of Columbia are authorized and directed to es-

tablish a workweek for officers and members of the firefighting division of the Fire Department of the District of Columbia which will result in an average workweek of fifty-six hours in any complete work cycle: *Provided,* That no workweek shall exceed seventy hours.

"(b) The firefighting division shall operate under a two-shift system and all hours of duty of any shift shall be consecutive.

"(c) The Commissioners of the District of Columbia are further authorized and directed to establish a workweek for officers and members of the Fire Department, other than those in the firefighting division, of forty hours, and the hours of work in such workweek shall be performed on consecutive days in such workweek.

"(d) The days off duty to which each officer or member of the Fire Department is entitled shall be in addition to his annual leave and sick leave allowed by law. In the case of any shift of the Fire Department beginning on one day and extending without a break in continuity into the next day, or in the case of two shifts beginning on the same day, the Commissioners are authorized to designate the shift which shall be the workday, and the entire shift so designated shall be considered the workday for all pay and leave purposes.

(e) If a holiday shall fall on any day off of any officer or member of the Fire Department, he shall be excused from duty on such other day as is designated by the Commissioners of the District of Columbia, and if he is required to be on duty in lieu of such day off, he shall receive compensation for such duty at the rate provided by law for duty performed on a holiday. When any shift of the Fire Department begins on the day before a holiday and extends without a break in continuity into the holiday, or begins on a holiday and extends without a break in continuity into the next day, the Commissioners of the District of Columbia are authorized to designate either of such shifts as the holiday workday, and the entire shift so designated shall be considered as the holiday workday for all pay and leave purposes. As used in this subsection the word "holiday" shall have the same meaning as such word has in the Act of October 24, 1951 (65 Stat. 607), as amended (sec. 4–808, D.C. Code, 1951 ed.), and as supplemented by the Act of January 11, 1957 (71 Stat. 3; Public Law 85–1)."

SEC. 2. Section 2 of such Act appoved June 19, 1948 (62 Stat. 499; sec. 4–404a(b), D.C. Code 1951 ed.), is further amended by redesignating subsection (b) as subsection (f) and by amending the first sentence of subsection (f) as so redesignated to read as follows: "Notwithstanding the provisions of the preceding subsection, whenever the Commissioners declare that an emergency exists of such a character as to necessitate the continuous service of all or some of the officers and members of the Fire Department, the granting of days off shall be suspended during the continuation of such emergency."

SEC. 3. Subsection (e) of the first section of the Act entitled "An Act to provide a five-day week for officers and members of the Metropolitan Police force, the United States Park Police force, and the White House Police force", approved August 15, 1950 (64 Stat. 447), as amended (sec. 4–904, D.C. Code, 1951 ed.), is amended (a) by inserting "the Fire Department of the District of Columbia," after "Metropolitan Police force,"; (b) by striking "Major and Superintendent of Police," and inserting in lieu thereof "Chief of Police, the Fire Chief,"; and (c) by striking therefrom "section 5 of the Act entitled 'An Act to fix the salaries of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia', approved July 1, 1930, as amended", and inserting in lieu thereof "such section".

SEC. 4. The first section of the Act entitled "An Act to provide for granting to officers and members of the Metropolitan Police force, the Fire Department of the District of Columbia, and the White House and United States Park Police forces additional compensation for working on holidays", approved October 24, 1951 (65 Stat. 607), as amended (sec. 4–807, D.C. Code, 1951 ed.), is amended to read as follows:

"That under regulations promulgated by the Commissioners of the District of Columbia each officer and member of the Metropolitan Police force and of the Fire Department of the District of Columbia when he may be required to work on any holiday, shall be compensated for such duty, excluding periods when he is in a leave status, in lieu of his regular rate of basic compensation for such work, at the rate of twice such regular rate of basic compensation: *Provided,* That for the purpose of this Act, each such officer or member who works eight hours or less on any holiday shall be compensated for such duty in addition to his regular rate of basic compensation for such work, at the rate of one-eighth of his daily rate of basic compensation for each hour so worked, computed to the nearest hour, counting thirty minues or more as a full hour: *Provided further,* That the total compensation to be paid any such officer or member for duty performed on a holiday shall not exceed an amount equal to twice the daily rate of pay to which such officer or member shall be entitled for performing one regular tour of duty on a day other than a holiday: *And provided further,* That no such officer or member shall be entitled to additional compensation for such holiday work for any day for which he is entitled to receive additional compensation under the provisions of subsection (e) of the first section of the Act approved August 15, 1950 (64 Stat. 447), as amended (sec. 4–904, D.C. Code, 1951 ed.). So much of the compensation for such holiday work as is in excess of the regular pay for such day shall not be considered as salary for the purpose of computing deductions for life insurance or for computing annuity payments under the provisions of the Policemen and Firemen's Retirement and Disability Act (39 Stat. 718, 71 Stat. 391; sec. 4–521, et seq., D.C. Code, 1951 ed.), nor shall such excess compensation be subject to deduction as provided in such Act. Appropriations for personal services for the Metropolitan Police force, the Fire Department of the District of Columbia, the White House Police force, and the United States Park Police force shall be available for payment of the additional compensation authorized by this Act."

SEC. 5. Clause (D) of subsection (b) of section 405 of the District of Columbia Police and Firemen's Salary Act of 1953, as amended (67 Stat. 76; D.C. Code, sec. 4–821), is amended to read as follows:

"(D) In the case of the Metropolitan Police force, except with respect to computation of holiday pay, a biweekly rate shall be divided by the number of hours constituting the biweekly tour of duty in order to derive an hourly rate.

"(E) In the case of the firefighting division of the Fire Department of the District of Columbia, except with respect to computation of holiday pay, the weekly or biweekly rate shall be divided by 56 or 112, as the case may be, to derive an hourly rate.

"(F) In the case of officers and members of divisions of the Fire Department of the District of Columbia other than the firefighting division, except with respect to computation of holiday pay, a biweekly rate shall be divided by the number of hours constituting the biweekly tour of duty in order to derive an hourly rate."

SEC. 6. (a) For the purpose of recording annual and sick leave on an hourly basis for officers and members of the firefighting division of the Fire Department of the District of Columbia, the workday of any workweek shall be considered to be twelve hours.

(b) For the purposes of recording on an hourly basis annual and sick leave taken by officers and members of the firefighting division, the following formula shall be used:

(1) During the day shift of ten hours, one and two-tenths hours of leave shall be charged for each hour taken.

(2) During the night shift of fourteen hours, twelve-fourteenths of an hour of leave shall be charged for each hour taken, calculated to the nearest fractional tenth.

SEC. 7. This Act shall take effect on the first day of the first full pay period which begins at least sixty days after the date of approval of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

REGULATION OF FARES FOR TRANSPORTATION OF SCHOOLCHILDREN

The Senate proceeded to consider the bill (S. 1745) to amend the act of August 9, 1955, relating to the regulation of fares for the transportation of schoolchildren in the District of Columbia, which had been reported from the Committee on the District of Columbia, with an amendment, on page 1, after line 7, to strike out:

"SEC. 2. As soon as practicable after June 30 of each year, the Washington Metropolitan Area Transit Commission shall determine and certify to the Board of Commissioners of the District of Columbia, with respect to each common carrier required to furnish transportation to schoolchildren at a reduced fare under this Act, an amount which is the difference between the total of such reduced fares paid each such carrier by schoolchildren during the preceding fiscal year and the amount which would have been paid each such carrier if such fares had been paid at the cash fare established by the Commission for regular route transportation. Within thirty days after receiving such certification, the Board of Commissioners shall pay to each such carrier an amount equal to the amount so certified. Any amount so received by each such carrier shall not be subject to the imposition of Federal income taxes or District of Columbia franchise taxes levied upon corporate income."

And, in lieu thereof, to insert:

"SEC. 2. If, after giving effect to any and all motor vehicle fuel tax and real estate tax exemptions, the net operating income of any common carrier required to furnish transportation to schoolchildren at a reduced fare under this Act for any twelve-month period ending June 30 is less than the rate of return by the regulatory Commission having jurisdiction in such carrier's last rate case, net after all taxes properly chargeable to transportation operations, including but not limited to income taxes, on its gross operating revenues, exclusive of any school fare subsidy, then the Washington Metropolitan Area Transit Commission shall, as soon as practicable after such June 30, certify to the Commissioners of the District of Columbia or their designated agent with respect to such twelve-month period: (1) an amount which is the difference between the total of all reduced fares paid to each such carrier by schoolchildren in accordance with this Act and the amount which would have been paid to each such carrier if such fares had been

paid at the lowest adult fare established by the Commission for regular route transportation; and (2) an amount which is the amount by which each such carrier's net operating income is less than such rate of return established by the appropriate regulatory commission in the carrier's last rate case, after giving effect to the aforesaid tax exemptions, exclusive of any such school fare subsidy. Upon such certification, the Board of Commissioners of the District of Columbia shall pay to each such carrier an amount equal to the amount certified pursuant to clause (1) thereof; except that in no event shall such amount exceed the amount certified pursuant to clause (2) hereof."

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to provide for the regulation of fares for the transportation of schoolchildren in the District of Columbia", approved August 9, 1955 (D.C. Code, sec. 44–214a), is amended by adding at the end thereof the following new section:

"SEC. 2. If, after giving effect to any and all motor vehicle fuel tax and real estate tax exemptions, the net operating income of any common carrier required to furnish transportation to schoolchildren at a reduced fare under this Act for any twelve-month period ending June 30 is less than the rate of return by the regulatory Commission having jurisdiction in such carrier's last rate case, net after all taxes properly chargeable to transportation operations, including but not limited to income taxes, on its gross operating revenues, exclusive of any school fare subsidy, then the Washington Metropolitan Area Transit Commission shall, as soon as practicable after such June 30, certify to the Commissioners of the District of Columbia or their designated agent with respect to such twelve-month period: (1) an amount which is the difference between the total of all reduced fares paid to each such carrier by schoolchildren in accordance with this Act and the amount which would have been paid to each such carrier if such fares had been paid at the lowest adult fare established by the Commission for regular route transportation; and (2) an amount which is the amount by which each such carrier's net operating income is less than such rate of return established by the appropriate regulatory commission in the carrier's last rate case, after giving effect to the aforesaid tax exemptions, exclusive of any such school fare subsidy. Upon such certification, the Board of Commissioners of the District of Columbia shall pay to each such carrier an amount equal to the amount certified pursuant to clause (1) thereof; except that in no event shall such amount exceed the amount certified pursuant to clause (2) hereof."

SEC. 2. The amendment made by the first section of this Act shall be applicable with respect to the twelve-month period ending on June 30 next following the date of enactment of this Act, and to each twelve-month period thereafter.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 6302) to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes, was announced as next in order.

Mr. BARTLETT. Over, Mr. President, this bill is too important to be passed on the call of the calendar.

The VICE PRESIDENT. The bill will be passed over.

PRESENTATION OF MONUMENT TO THE PEOPLE OF MEXICO

The Senate proceeded to consider the bill (S. 653) to provide for the presentation by the United States to the people of Mexico of a monument commemorating the 150th anniversary of the independence of Mexico, and for other purposes, which had been reported from the Committee on Foreign Relations, with an amendment, on page 1, line 7, after the word "Mexico", to strike out "in commemoration of the occasion of the one hundred and fiftieth anniversary of the independence of Mexico and the one hundredth anniversary of the triumph of Benito Juarez", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of State is authorized and requested to procure a statue of Lincoln to commemorate appropriately the independence of Mexico, and present the same, on behalf of the people of the United States, to the people of Mexico. Such monument shall be prepared only after the design, plans, and specifications therefor have been submitted to and approved by the Commission of Fine Arts.

SEC. 2. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, including payment of the cost of such statue, the design and construction of a suitable pedestal therefor, transportation, including insurance, erection of the statue in Mexico, and traveling expenses of persons delegated by the Secretary of State to present such statue, on behalf of the people of the United States, to the people of Mexico.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended, so as to read: "An Act to provide for the presentation by the United States to the people of Mexico of a monument commemorating the independence of Mexico, and for other purposes."

Mr. KUCHEL subsequently said: Mr. President, I ask unanimous consent that I may comment briefly, and that my comments may appear in the RECORD following the action taken on Calendar No. 859.

The VICE PRESIDENT. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

Mr. KUCHEL. Mr. President, passed today by the Senate was legislation providing for the presentation by the people of the United States to the people of Mexico of a monument, the likeness of the sainted Abraham Lincoln. Standing in the beautiful capital of our neighboring Republic it will be a tangible indication of the growing friendship between two great Western neighbors.

There are no barbed wire entanglements running along the borders of America to the south or to the north. We are the friends of Mexico, as we are the friends of Canada. The people of Mexico and the people of the United States share a common heritage. Our culture has been enriched in great part by the culture and by the history of Mexico and by her people. We desire to be good friends. She and her people, like us, love liberty, desire an honorable peace, and object to any type of government by slavery.

I was rather interested the other day to note that the Government of Mexico has confiscated about 12 tons of Communist propaganda, printed in the Soviet Union, and sent to the Soviet Embassy in Mexico via Cuba. I suggest that in that example the Government of the United States might very well follow suit.

At any rate, the people of Mexico commemorate Abraham Lincoln, as do the people of the United States. In this Capital City of ours much of the beauty which we know has come from gifts from other nations in this hemisphere and around the globe, which add luster and beauty to the streets of Washington.

This monument is a tangible indication of the aspirations which the American people have for freedom, for the hemisphere, and for the globe.

My colleagues in the Senate on both sides of the aisle who joined me in sponsoring the legislation, endorsed by the State Department both in this administration and its predecessor, are grateful for the action the Senate is taking today in giving its stamp of approval to the gift of a monument to Mexico.

Mr. MANSFIELD. I compliment the distinguished acting minority leader on the remarks he has made relative to the passage of the bill he sponsored, in which capacity he was joined by a number of his colleagues on both sides of the aisle. I believe this is an evidence of the great amity, friendship, understanding, and tolerance which exists between the great Republic of Mexico, at the present time under the leadership of one of the great leaders in the hemisphere and of the world, Adolfo Lopez Mateos, and our country.

Of course there are many things in the past that we would like to forget, or at least not to remember. However, we cannot recall the past; we must live in the present, and prepare for the future.

This small token in its way is very significant and indicative of the feeling of love, admiration, respect, and affection which the citizens of the United States have for the citizens of the Republic of Mexico.

As one who was a participant in a conference last February in the beautiful city of Guadalajara in the State of Jalisco, at which time the Mexican delegates overwhelmed us with their hospitality and their understanding and their tolerance, I am indeed grateful that the Senate has unanimously passed the bill which was sponsored by the distinguished minority leader and which has now been brought to fruition. It is indeed symbolic of the deep friendship which exists between two great countries, Mexico and the United States.

Mr. KUCHEL. I am grateful to the able majority leader for his eloquence and the accuracy of his statement. It is indeed true that these two peoples must live together in peace and friendship and look forward to strengthening the bonds between the two countries.

Mr. ENGLE. Mr. President, I wish to associate myself with the remarks of the distinguished majority leader with reference to the legislation and to compliment my senior colleague on the authorship of the resolution. I am proud to be a coauthor with him.

Certainly those of us who live close to Mexico know how important it is for our two peoples to establish the kind of relationship that makes it possible for us to work together in harmony and in peace.

Last year I had the privilege of attending the Interparliamentary Conference, the first of its kind between Mexico and the United States, which was attended by 24 legislators from the United States and 24 from Mexico. Our association with these legislators was a revealing experience to all of us. It will help to bridge the gap of misunderstanding whenever there might be any between the two countries.

It gave us a proper grasp of the problems which face us on both sides of our international boundary. I am delighted that we did not adjourn before passing this measure authorizing our Government to present to the people of Mexico a monument of Abraham Lincoln to commemorate the 150th anniversary of Mexican independence.

Today Mexico stands among the forefront of the democracies. It is one of our stanchest allies in the defense of freedom and human dignity. The United States shares with Mexico a common historical experience in having thrown off the yoke of foreign domination. This common heritage has been an important factor in strengthening the hands of friendship between us in the fight to preserve the freedoms of the world.

The original intent was to send to the people of Mexico a statue of Miguel Hidalgo, the patriot whose call to freedom inspired Mexico's movement of independence. But it was the Mexican Government's own suggestion that, instead of a statue of one of their own heroes, we send them a monument of Abraham Lincoln. Here is one more example to prove that Abraham Lincoln not only "belongs to the ages" but to all nations. I can think of no finer gesture of inter-American friendship than to send to the people of Mexico a monument of a man who symbolizes the universal quest for humanitarianism and freedom.

It is my earnest hope that the House of Representatives will lose no time in sending this bill to the White House.

I am glad that the bill to provide for the presentation of a monument to commemorate the 150th anniversary of the independence of Mexico has passed the Senate and will further add to the atmosphere of good will and understanding between our two great countries.

Mr. KUCHEL. I thank my able colleague, because he and I come from a State whose specific California culture is intertwined with the culture and the history of Mexico and her people.

Mr. YARBOROUGH. Mr. President, I commend the distinguished senior Senator from California for his leadership in having the resolution considered.

The State of Texas also adjoins Mexico on the longest boundary between our two countries.

The United States conducts many joint activities with Mexico and has had many fruitful negotiations with her. Travelers and commuters in large numbers cross the border between the two nations. Our fishing and shrimp fleets fish in the Gulf of Mexico, off the coast of Tampico. We realize the necessity and also the advantage of highly desirable, friendly relations with our neighbor.

The population of Mexico has been increasing steadily until now it is about 35 million. The prosperity of the average citizen of Mexico and trade between our two countries have jumped immeasurably in the past decade.

U.S. tourist travel to Mexico amounts to as much as 70 percent of the total tourist traffic to Europe. Millions of Americans are now going south. That leads to a strengthening of the ties of friendship between the two great Republics of the North American Continent.

Again I thank the distinguished Senator from California for his leadership in the passage of the bill.

Mr. KUCHEL. I thank the distinguished Senator from Texas for the generosity of his remarks. He and his colleague from Texas, like the two Senators from California, come from a State which borders Mexico. I know that they have the same fondness and respect for their neighbors as we have and, indeed, which the people of our whole country have.

APPOINTMENT OF REPRESENTATIVE TO THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT

The Senate proceeded to consider the bill (S. 2423) to provide for the appointment of a representative of the United States to the Organization for Economic Cooperation and Development, and for other purposes, which had been reported from the Committee on Foreign Relations with amendments on page 1, line 9, after the word "shall", to insert "have the rank and status of minister plenipotentiary and", and on page 4, line 23, after "$7,800", to strike out "each"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Organization for Economic Cooperation and Development Act of 1961".

SEC. 2. (a) The President, by and with the advice and consent of the Senate, may appoint a permanent representative of the United States to the Organization for Economic Cooperation and Development (hereinafter referred to as the "Organization"), who shall have the rank and status of minister plenipotentiary and hold office at the pleasure of the President. Such representative shall be the representative of the United States to the Organization and shall perform such other functions in connection with the participation of the United States in the Organization as the President may from time to time direct.

(b) The President may appoint or designate an alternate permanent representative of the United States to the Organization to serve during the absence, illness, or other disability of the permanent representative provided for in subsection (a) of this section or in the event of a vacancy in that office. The President may also appoint or designate from time to time such other persons as he may deem necessary to represent the United States in the bodies of the Organization.

(c) Persons nominated by the President and elected to chair any committee or other body of the Organization shall receive compensation at rates determined by the President upon the basis of duties to be performed but not in excess of rates authorized by sections 411 and 412 of the Foreign Service Act of 1946, as amended (22 U.S.C. 866, 867), for chiefs of missions and Foreign Service officers occupying positions of equivalent importance. Any such persons may be granted allowances and benefits not to exceed those received by chiefs of mission and Foreign Service officers occupying positions of equivalent importance. If a Foreign Service officer shall be nominated by the President to serve under this subsection, the period of his service shall be considered as constituting an assignment for duty within the meaning of section 571 of the Foreign Service Act of 1946, as amended, and such person shall not, by virtue of such service, lose his status as a Foreign Service officer.

(d) All persons appointed or designated in pursuance of authority contained in subsections (a) and (b) of this section shall receive compensation at rates determined by the President upon the basis of duties to be performed but not in excess of rates authorized by sections 411 and 412 of the Foreign Service Act of 1946, as amended (22 U.S.C. 866, 867), for chiefs of mission and Foreign Service officers occupying positions of equivalent importance, except that no Member of the Senate or House of Representatives or officer of the United States who is designated under subsection (b) of this section as a representative of the United States in the bodies of the Organization shall be entitled to receive such compensation. Any person who receives compensation pursuant to the provisions of this subsection may be granted allowances and benefits not to exceed those received by chiefs of mission and Foreign Service officers occupying positions of equivalent importance.

SEC. 3. The representatives provided for in section 2 hereof, when representing the United States in the Organization, shall, at all times, act in accordance with the instructions of the President transmitted by the Secretary of State unless other means of transmission are directed by the President.

SEC. 4. There is hereby authorized to be appropriated annually to the Department of State, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the payment by the United States of its share of the expenses of the Organization, and for all necessary salaries and expenses of the permanent representative, other representatives, and persons provided for in section 2 hereof, and of their appropriate staffs, including personal services without regard to the civil service laws and the Classification Act of 1949, as amended; travel expenses without regard to the Standardized Government Travel Regulations, as amended, the Travel Expense Act of 1949, as amended, and section 10 of the Act of March 3, 1933, as amended; salaries as

authorized by the Foreign Service Act of 1946, as amended, and allowances and benefits of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended; services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); translating and other services, by contract; hire and purchase (not to exceed two, the cost of which shall not exceed $7,800) of passenger motor vehicles and other local transportation; printing and binding without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111); official functions and courtesies; and such other expenses as may be authorized by the Secretary of State.

SEC. 5. The salaries, expenses, and allowances of any employees of the United States Government detailed to serve with the Organization which are payable by the Organization may be credited against the payment by the United States Government of its share of the expenses of the Organization.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. JAVITS subsequently said: Mr. President, I enter a motion that the vote by which Calendar No. 860, Senate bill 2423, to provide for the appointment of a representative of the United States to the Organization for Economic Cooperation and Development, and for other purposes, was passed today by the Senate, be reconsidered.

The PRESIDING OFFICER. The motion will be entered.

Mr. JAVITS. Mr. President, let me ask whether that motion is now in order.

The PRESIDING OFFICER. The entering of a motion to reconsider is a privileged matter, and is in order at any time.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 1633) to establish a Department of Veteran Affairs and Housing, and for other purposes, was announced as next in order.

Mr. FONG. Mr. President, I ask that the call of the calendar be terminated at this point.

Mr. BARTLETT. With Calendar No. 860?

Mr. FONG. Yes.

The VICE PRESIDENT. Does the Senator request that Calendar No. 861, Calendar No. 862, Calendar No. 863, Calendar No. 864, and Calendar No. 865 go over?

Mr. FONG. Yes, beginning with Calendar No. 861.

The VICE PRESIDENT. The bills and joint resolution will be passed over.

The bills and joint resolution passed over are as follows:

S. 1633 to establish a Department of Veteran Affairs and Housing and for other purposes.

S. 2194 to amend the District of Columbia Unemployment Compensation Act of 1935, as amended.

S. 1761 to amend the act of March 3, 1901 relating to divorce, legal separation, and annulment of marriage in the District of Columbia.

S. 2180 to establish a U.S. Disarmament Agency for World Peace and Security.

Senate Joint Resolution 132 extending recognition to the International Exposition for Southern California in the year 1966, and authorizing the President to issue a proclamation calling upon the several States of the Union and foreign countries to take part in the exposition.

POINT REYES NATIONAL SEASHORE, CALIF.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, S. 476, be laid before the Senate.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 476) to establish the Point Reyes National Seashore in the State of California, and for other purposes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate resumed the consideration of the bill (S. 476) to establish the Point Reyes National Seashore in the State of California, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 6, line 5, after the word "acres", to insert "Notwithstanding the foregoing description, the Secretary is authorized to include within the Point Reyes National Seashore the entire tract of land owned by the Vedanta Society of Northern California west of the centerline of Olema Creek, in order to avoid a severance of said tract."; in line 16, after "(a)", to strike out "The" and insert "Except as provided in section 4, the"; on page 7, line 23, after "Sec. 4.", to strike out "Within such area the Secretary shall designate not less than twenty thousand acres of ranch land as a pastoral zone in which the open space shall be preserved. In order to preserve the pastoral scene the Secretary shall, with respect to land so designated, (1) acquire said land subject to its continued use and occupancy for ranching purposes, upon terms and conditions which he finds will preserve said scene; or (2) upon acquiring the fee title to said land, enter into lease agreements for its continued use for ranching purposes in such manner and upon such terms and conditions which he finds will satisfy said preservation objective. In carrying out the provisions of this section the Secretary shall utilize that alternative method which, with respect to the particular land involved, affords the most effective means of preserving Point Reyes National Seashore in accordance with this Act." and, in lieu thereof, to insert "Within such area the Secretary shall designate approximately twenty-six thousand acres of ranch or dairy land as a pastoral zone in which the existing open space and pastoral scene shall be preserved, the zone being generally depicted on map numbered NS–PR–7002, dated August 15, 1961, on file with the Director, National Park Service, Washington, District of Columbia. No parcel within the designated pastoral zone, exclusive of that land required to provide access for purposes of the national seashore, shall be acquired without the consent of the owner so long as it remains in its natural state or is used exclusively for ranching and dairying purposes, including housing directly incident thereto."; on page 8, after line 24, to insert:

(a) In acquiring access roads within the pastoral zone, the Secretary shall give due consideration to existing ranching and dairying uses and shall not unnecessarily interfere with or damage such use.

(b) So long as that tract of land generally known as Duck Cove, situated on the west side of Tomales Bay and containing approximately sixteen acres, is held by Duck Cove, Incorporated, and is devoted to the sole purpose of non-commercial, residential uses, the Secretary shall not acquire said land by condemnation.

On page 10, line 14, after the word "latest", to strike out "The owner shall elect the term to be reserved."; on page 11, line 20, after "(b)", to strike out "The Secretary is authorized to enter into cooperative agreements with the State of California regarding rules pertaining to hunting and fishing and management programs pertaining to fish, game, wildlife, and wild fur-bearing animals which in his judgment will not materially impair the scenic, scientific, and recreational features of the Point Reyes National Seashore." and insert "The Secretary may permit hunting and fishing on lands and waters under his jurisdiction within the seashore in such areas and under such regulations as he may prescribe during open seasons prescribed by applicable local, State, and Federal law. The Secretary shall consult with officials of the State of California and any political subdivision thereof who have jurisdiction of hunting and fishing prior to the issuance of any such regulations, and the Secretary is authorized to enter into cooperative agreements with such officials regarding such hunting and fishing as he may deem desirable.", and on page 12, line 14, after the word "Act", to insert a comma and "except that no more than $14,000,000 shall be appropriated for the acquisition of land and waters and improvements thereon, and interests therein, and incidental costs relating thereto, in accordance with the provisions of this Act"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to save and preserve, for purposes of public recreation, benefit, and inspiration, a portion of the diminishing seashore of the United States that remains undeveloped, the Secretary of the Interior (hereinafter referred to as the "Secretary") is hereby authorized to take appropriate action in the public interest toward the establishment of the national seashore set forth in section 2 of this Act.

SEC. 2. (a) The area comprising that portion of the land and waters located on Point Reyes Peninsula, Marin County, California, which shall be known as the Point Reyes National Seashore, is described as follows by reference to that certain boundary map, designated NS–PR–7001, dated June 1, 1960, on file with the Director, National Park Service, Washington, District of Columbia.

Beginning at a point, not monumented, where the boundary line common to Rancho Punta de los Reyes (Sobrante) and Rancho Las Baulines meets the average high tide line of the Pacific Ocean as shown on said boundary map;

Thence southwesterly from said point 1,320 feet offshore on a prolongation of said bound-

ary line common to Rancho Punta de los Reyes (Sobrante) and Rancho Las Baulines;

Thence in a northerly and westerly direction paralleling the average high tide line of the shore of the Pacific Ocean; along Drakes Bay, and around Point Reyes;

Thence generally northerly and around Tomales Point, offshore a distance of 1,320 feet from average high tide line;

Thence southeasterly along a line 1,320 feet offshore and parallel to the average high tide line along the west shore of Bodega Bay and Tomales Bay to the intersection of this line with a prolongation of the most northerly tangent of the boundary of Tomales Bay State Park;

Thence south 54 degrees 32 minutes west 1,320 feet along the prolongation of said tangent of Tomales Bay State Park boundary to the average high tide line on the shore of Tomales Bay;

Thence following the boundary of Tomales Bay State Park in a southerly direction to a point lying 105.4 feet north 41 degrees east of an unimproved road heading westerly and northerly from Pierce Point Road;

Thence south 41 degrees west 105.4 feet to a point on the north right-of-way of said unimproved road;

Thence southeasterly along the north right-of-way of said unimproved road and Pierce Point Road to a point at the southwest corner of Tomales Bay State Park at the junction of the Pierce Point Road and Sir Francis Drake Boulevard;

Thence due south to a point on the south right-of-way of said Sir Francis Drake Boulevard;

Thence southeasterly along said south right-of-way approximately 3,100 feet to a point;

Thence approximately south 19 degrees west approximately 300 feet;

Thence south approximately 400 feet;

Thence southwest to the most northerly corner of the Inverness watershed area;

Thence southerly and easterly along the west property line of the Inverness watershed area approximately 9,040 feet to a point near the intersection of this property line with an unimproved road as shown on said boundary map;

Thence southerly along existing property lines that roughly follow said unimproved road to its intersection with Drakes Summit Road and to a point on the north right-of-way of Drakes Summit Road;

Thence easterly approximately 1,000 feet along the north right-of-way of said Drakes Summit Road to a point which is a property line corner at the intersection with an unimproved road to the south;

Thence southerly and easterly and then northerly, as shown approximately on said boundary map, along existing property lines to a point on the south right-of-way of the Bear Valley Road, approximately 1,500 feet southeast of its intersection with Sir Francis Drake Boulevard;

Thence easterly and southerly along said south right-of-way of Bear Valley Road to a point on a property line approximately 1,000 feet west of the intersection of Bear Valley Road and Sir Francis Drake Boulevard in the village of Olema;

Thence south approximately 1,700 feet to the northwest corner of property now owned by Helen U. and Mary S. Shafter;

Thence southwest and southeast along the west boundary of said Shafter property to the southwest corner of said Shafter property;

Thence approximately south 30 degrees east on a course approximately 1,700 feet to a point;

Thence approximately south 10 degrees east on a course to the centerline of Olema Creek;

Thence generally southeasterly up the centerline of Olema Creek to a point on the west right-of-way line of State Route Numbered 1;

Thence southeasterly along westerly right-of-way line to State Highway Numbered 1 to a point where a prolongation of the boundary line common to Rancho de las Reyes (Sobrante) and Rancho Las Baulines would intersect right-of-way line of State Highway Numbered 1;

Thence southwesterly to and along said south boundary line of Rancho Punta de los Reyes (Sobrante) approximately 2,900 feet to a property corner;

Thence approximately south 38 degrees east approximately 1,500 feet to the centerline of Pine Gulch Creek;

Thence down the centerline of Pine Gulch Creek approximately 400 feet to the intersection with a side creek flowing from the west;

Thence up said side creek to its intersection with said south boundary line of Rancho Puna de los Reyes (Sobrante);

Thence southwest along said south boundary line of Rancho Punta de los Reyes to the point of beginning, containing approximately 53,000 acres. Notwithstanding the foregoing description, the Secretary is authorized to include within the Point Reyes National Seashore the entire tract of land owned by the Vedanta Society of Northern California west of the centerline of Olema Creek, in order to avoid a severance of said tract.

(b) The area referred to in subsection (a) shall include also a right-of-way, to be selected by the Secretary, of not more than 400 feet in width to the aforesaid tract from the intersection of Sir Francis Drake Boulevard and Haggerty Gulch.

SEC. 3. (a) Except as provided in section 4, the Secretary is authorized to acquire by donation, purchase with donated or appropriated funds, condemnation, transfer from any Federal agency, exchange, or otherwise, the land, waters, and other property, and improvements thereon and any interest therein, within the areas described in section 2 of this Act or which lie within the boundaries of the seashore as established under section 5 of this Act (hereinafter referred to as "such area"). Any property, or interest therein, owned by a State or political subdivision thereof may be acquired only with the concurrence of such owner. Notwithstanding any other provision of law, any Federal property located within such area may, with the concurrence of the agency having custody thereof, be transferred without consideration to the administrative jurisdiction of the Secretary for use by him in carrying out the provisions of this Act.

(b) The Secretary is authorized to pay for any acquisitions which he makes by purchase under this Act their fair market value, as determined by the Secretary, who may in his discretion base his determination on an independent appraisal obtained by him.

(c) In exercising his authority to acquire property by exchange, the Secretary may accept title to any non-Federal property located within such area and convey to the grantor of such property any federally owned property under the jurisdiction of the Secretary within California and adjacent States, notwithstanding any other provision of law. The properties so exchanged shall be approximately equal in fair market value, provided that the Secretary may accept cash from or pay cash to the grantor in such an exchange in order to equalize the values of the properties exchanged.

SEC. 4. Within such area the Secretary shall designate approximately twenty-six thousand acres of ranch or dairy land as a pastoral zone in which the existing open space and pastoral scene shall be preserved, the zone being generally depicted on map numbered NS–PR–7002, dated August 15, 1961, on file with the Director, National Park Service, Washington, District of Columbia. No parcel within the designated pastoral zone, exclusive of that land required to provide access for purposes of the national seashore, shall be acquired without the consent of the owner so long as it remains in its natural state or is used exclusively for ranching and dairying purposes, including housing directly incident thereto.

(a) In acquiring access roads within the pastoral zone, the Secretary shall give due consideration to existing ranching and dairying uses and shall not unnecessarily interfere with or damage such use.

(b) So long as that tract of land generally known as Duck Cove, situated on the west side of Tomales Bay and containing approximately sixteen acres, is held by Duck Cove, Incorporated, and is devoted to the sole purpose of noncommercial, residential uses, the Secretary shall not acquire said land by condemnation.

SEC. 5. (a) As soon as practicable after the date of enactment of this Act and following the acquisition by the Secretary of an acreage in the area described in section 2 of this Act, that is in the opinion of the Secretary efficiently administrable to carry out the purposes of this Act, the Secretary shall establish Point Reyes National Seashore by the publication of notice thereof in the Federal Register.

(b) Such notice referred to in subsection (a) of this section shall contain a detailed description of the boundaries of the seashore which shall encompass an area as nearly as practicable identical to the area described in section 2 of this Act. The Secretary shall forthwith after the date of publication of such notice in the Federal Register (1) send a copy of such notice, together with a map showing such boundaries, by registered or certified mail to the Governor of the State and to the governing body of each of the political subdivisions involved; (2) cause a copy of such notice and map to be published in one or more newspapers which circulate in each of the localities; and (3) cause a certified copy of such notice, a copy of such map, and a copy of this Act to be recorded at the registry of deeds for the county involved.

SEC. 6. (a) Any owner or owners (hereinafter in this subsection referred to as "owner") of improved property on the date of its acquisition by the Secretary may, as a condition to such acquisition, retain the right of use and occupancy of the improved property for noncommercial residential purposes for a term ending at the death of such owner, the death of his spouse, or the day his last surviving child reaches the age of thirty, whichever is the latest. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition less the fair market value on such date of the right retained by the owner.

(b) As used in this Act, the term "improved property" shall mean a private noncommercial dwelling, including the land on which it is situated, whose construction was begun before September 1, 1959, and structures accessory thereto (hereinafter in this subsection referred to as "dwelling"), together with such amount and locus of the property adjoining and in the same ownership as such dwelling as the Secretary designates to be reasonably necessary for the enjoyment of such dwelling for the sole purpose of noncommercial residential use and occupancy. In making such designation the Secretary shall take into account the manner of noncommercial residential use and occupancy in which the dwelling and such adjoining property has usually been enjoyed by its owner or occupant.

SEC. 7. (a) Except as otherwise provided in this Act, the property acquired by the Secretary under this Act shall be administered by the Secretary, subject to the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535), as amended and supplemented, and in

accordance with other laws of general application relating to the national park system as defined by the Act of August 8, 1953 (67 Sta'. 496), except that authority otherwise available to the Secretary for the conservation and management of natural resources may be utilized to the extent he finds such authority will further the purposes of this Act.

(b) The Secretary may permit hunting and fishing on lands and waters under his jurisdiction within the seashore in such areas and under such regulations as he may prescribe during open seasons prescribed by applicable local, State, and Federal law. The Secretary shall consult with officials of the State of California and any political subdivision thereof who have jurisdiction of hunting and fishing prior to the issuance of any such regulations, and the Secretary is authorized to enter into cooperative agreements with such officials regarding such hunting and fishing as he may deem desirable.

SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, except that no more than $14,000,000 shall be appropriated for the acquisition of land and waters and improvements thereon, and interests therein, and incidental costs relating thereto, in accordance with the provisions of this Act.

SEC. 9. If any provision of this Act or the application of such provision to any person or circumstances is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

Mr. BIBLE. Mr. President, this measure is the second of the bills which would preserve great areas of our seashore for public use that has been considered by the Senate Committee on Interior and Insular Affairs, and reported to the Senate. Point Reyes is an area of great natural beauty and recreational potentialities located on the Pacific coast approximately 30 miles north of San Francisco.

The bill had the very careful consideration of the Committee on Interior and Insular Affairs. Amendments were carefully worked out, and committee action on it was unanimous.

Point Reyes National Seashore constitutes one of the three great national seashore areas to be preserved for public benefit and enjoyment that our committee hopes to move forward either in this session or early in the next session of Congress. We have already passed the Cape Cod bill, and it has been signed into law by President Kennedy.

I ask unanimous consent that a statement I have prepared concerning the Point Reyes National Seashore project be printed at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BIBLE
POINT REYES NATIONAL SEASHORE

In his message to Congress on natural resources last February, President Kennedy pointed out, in part:

"From the beginning of civilization, every nation's basic wealth and progress has stemmed in large measure from its natural resources. This Nation has been, and is now, especially fortunate in the blessings we have inherited. Our entire society rests upon—and is dependent upon—our water, our land, our forests, and our minerals. How we use these resources influences our health, security, economy, and well-being.

"But if we fail to chart a proper course of conservation and development—if we fail to use these blessings prudently—we will be in trouble within a short time.

"Present projections tell us that our water use will double in the next 20 years; that we are harvesting our supply of high-grade timber more rapidly than the development of new growth; that too much of our fertile topsoil is being washed away; that our minerals are being exhausted at increasing rates; and that the Nation's remaining undeveloped areas of great natural beauty are being rapidly preempted for other uses."

Later in this message, the President said:

"America's health, morale, and culture have long benefited from our national parks and forests, and our fish and wildlife opportunities. Yet these facilities and resources are not now adequate to meet the needs of a fast-growing, more mobile population—and the millions of visitor-days which are now spent in federally owned parks, forests, wildlife refuges, and water reservoirs will triple well before the end of this century.

"To meet the Federal Government's appropriate share of the responsibility for fulfilling these needs, the following steps are essential:

* * * * *

"To improve both the quality and quantity of public recreational opportunities, I urge the Congress to enact legislation leading to the establishment of seashore and shoreline areas such as Cape Cod, Padre Island, and Point Reyes for the use and enjoyment of the public. Unnecessary delay in acquiring these shores so vital to an adequate public recreation system results in tremendously increased costs."

As chairman of the Subcommittee on Public Lands of the Senate Interior Committee, I made an official inspection trip to Point Reyes this spring, and from my own knowledge and observation, I heartily concur in the President's views. It is in truth an area of unique charm, great natural beauty, and endowed with outstanding recreational potentialities.

It is described by the "Pacific Coast Recreation Area Survey," published in 1959, as follows:

"The shoreline varies in character, with wide sandy beaches, wave-swept caves, offshore rocks, steep coastal bluffs and one 3-mile long sandspit. The upland consists of sand dunes and grassland graduating into chaparral and magnificent fir and pine forests. Also included are such features as Drakes Estero with its 28 miles of shoreline, nine inland fresh-water lakes plus Abbotts Lagoon of several hundred acres, several fresh and salt water marshes, and an interesting variety of birds and mammals."

The Department of the Interior's report on S. 476, the bill now before us, states:

"Point Reyes is one of the nine most important relatively unspoiled natural seashore areas in the United States. This was revealed by a comprehensive survey of the Nation's entire coastal and Great Lakes shoreline. Located only 30 miles north of San Francisco, the proposed national seashore area encompasses some 45 miles of undeveloped sandy beaches, wave-swept caves, offshore rocks and steep coastal bluffs with 53,000 acres of upland, including dunes, coastal grasslands, chaparral, and fir and pine forested mountains. Moderated by the moist ocean breezes, the cool summer temperatures provide delightful respite from the inland heat. This climate, in combination with the great variations in topography and soils of the area, has produced an extraordinary diversity of forests, beachlands, grasslands, dune vegetation and marshes. As a result, the wildlife exhibits a corresponding diversity, ranging from salt-water shore birds to birds and mammals typical of dense mountain forests. Moreover, historians believe that Sir Francis Drake may have repaired his vessel, the *Golden Hind*, here in 1579 before starting out across the Pacific on his journey around the world."

As mentioned in the Interior Department's report, an especially fortunate fact about the proposed national seashore is its location: Point Reyes is within easy access of the highly populous San Francisco-Oakland area, presently containing some 4½ million persons with an estimated increase to 7 million by 1980. The highway entrance to the peninsula is but some 30 miles or so north of downtown San Francisco. In addition, the National and State road pattern makes it easily accessible to tourists from all parts of the country.

An aspect of the pending legislation meriting particular attention is the manner in which the Interior Committee has amended the bill to protect both private rights and the interests of the State of California with respect to hunting and fishing in the area. The committee gave full and careful consideration to every objection to the establishment of the proposed national seashore, especially those made by dairy and beef cattle ranchers, and by commercial fishermen.

By its principal amendment to section 4, the committee has provided for the designation of a pastoral zone of 26,000 acres which shall not be acquired by the Secretary without the consent of its owners as long as the land remains in its natural state or is used exclusively for ranching or dairying purposes. Such a provision permits a reduction of land acquisition costs as well as the fostering of long-established ranching and dairying activities which, in the committee's judgment, will not interfere with the public enjoyment and use of those areas on the Point Reyes Peninsula most suitable for recreational pursuits.

The new language in section 4(a) is designed as a safeguard of ranching and dairying interests in those areas where the National Park Service must necessarily acquire rights-of-way for the development of access roads through the pastoral zone.

Section 4(b) permits the retention in private ownership of that area within the proposed seashore boundaries known as Duck Cove. This area on Tomales Bay is a closely held property presently devoted to seasonal occupancy by its owners; as long as it is maintained for private, noncommercial, residential use it will not be acquired by condemnation. The developed property enjoys a somewhat secluded location that would neither benefit the park development scheme if acquired nor obstruct development plans if permitted to remain in its present ownership.

The revised language of section 7(b) clarifies the procedure to be followed in the event the Secretary of the Interior determines that hunting and fishing are consistent with seashore objectives and requires that hunting and fishing, if and when permitted, be conducted under applicable local, State, and Federal laws.

S. 476, as amended, is an excellent bill, preserving as it does an outstanding seashore area for the enjoyment, education, and physical well-being of our fellow Americans of today as well as of future generations, and at the same time protecting private and State interests.

I commend it to the Congress and the American people.

Mr. BIBLE. Mr. President, the Point Reyes National Seashore bill (S. 476) is sponsored by the senior Senator from California [Mr. KUCHEL] and the junior Senator from California [Mr. ENGLE]. Both in its sponsorship and in action on

it, the measure is truly a nonpartisan one, being in the interests of all of the people of all of the States of the United States.

Mr. President, I move that the committee amendments be considered en bloc, and that the bill as thus amended be considered as original text for the purpose of amendment.

The VICE PRESIDENT. The question is on the motion of the Senator from Nevada.

The motion was agreed to, and the committee amendments were considered and agreed to en bloc.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. BIBLE. I am happy to yield to the distinguished senior Senator from California.

Mr. KUCHEL. For many years I have worked assiduously in behalf of the legislation now before the Senate to establish the Point Reyes National Seashore. S. 476, which was jointly introduced by my colleague from California [Mr. ENGLE] and myself, is the result of the hopes and careful planning by many public-spirited citizens who are interested in conserving and putting to controlled use for the benefit of all Americans the unique scenic, scientific, and recreational areas which exist within our land. As early as 1935, the Department of the Interior recommended the establishment of a 53,000-acre national seashore recreation area at Point Reyes. A preliminary report was submitted by the National Park Service in 1957.

It was then my privilege to secure an appropriation so that a more detailed land use survey and economic feasibility study could be undertaken. On April 14, 1960, a public hearing was held in the area by the Senate Committee on Interior and Insular Affairs. At that time, the able Director of the National Park Service, Conrad L. Wirth, appeared before the committee and informed the group of the support for a Point Reyes National Seashore by the Secretary of the Interior's Advisory Board on National Parks, Historic Sites, Buildings, and Monuments. A 3-year survey by the National Park Service agreed with this recommendation.

On August 10, 1960, the then Secretary of the Interior, Fred A. Seaton, favorably recommended such legislation. In this session of Congress, under the careful guidance and distinguished leadership of the Senator from Nevada [Mr. BIBLE], the Subcommittee on Public Lands held 3 days of hearings on S. 476. The subcommittee chairman and several other members again visited the area so that they would have an on-the-scene knowledge of the vastness and the beauty which had been described to them by the proponents of this measure as well as attempt to arrive at an equitable solution to the problems which inevitably arise in a project of this scope. Following this visit the Subcommittee on Public Lands and the full Interior and Insular Affairs Committee favorably and unanimously reported the measure which is now before you.

The proposed Point Reyes National Seashore, if established, would include 53,000 acres of the 64,000 acres which form the Point Reyes Peninsula, beginning approximately 15 miles north of the entrance to the Golden Gate Channel of San Francisco Bay and extending northward for 45 miles. In this unique area of wide, sandy beaches, with stark offshore rocks, one can stand high on the coastal bluffs and look out to a turbulent ocean where 382 years ago in 1579 that valiant English sailor, Sir Francis Drake, who plyed the Spanish Main, is said to have put in to what is now appropriately known as Drake's Bay, to repair his vessel, the *Golden Hinde*.

The seclusion that this peaceful inlet offered was to remain with the passage of the centuries. Since the now well-known Golden Gate and San Francisco Bay was accidently discovered almost two centuries later in 1769, by the Spanish explorer, Don Gaspar de Portola, who was traveling north from San Diego by land.

Much of the isolation and poetic charm remains despite the fact that this unique land area is located so close to one of the major metropolitan areas of our Nation, the San Francisco-Oakland Bay area. Besides the small communities of Bolinas and Inverness and such other groupings as Duck Cove and isolated homes here and there, the peninsula is largely occupied with fine dairy and beef ranches.

In 1960, a detailed study showed that there were 15 dairy ranches totaling approximately 19,000 acres and 10 beef cattle ranches with a total of 23,000 acres which were located within the boundaries of the present proposed seashore. An equitable solution in preserving the local economy has been reached in the bill before you. Approximately 26,000 acres within the 53,000-acre national seashore has been set aside to preserve most of the ranching and dairying lands.

As long as these areas are maintained for their present purposes which are vital to the needs of Marin County and the bay area, the Secretary of the Interior will not be able to acquire them. Over 2,000 additional acres include the communications facilities belonging to the Radio Corp. of America, and the American Telephone & Telegraph Co. A similar parcel of almost 2,000 acres is operated as a religious retreat for the Vedanta Society of Northern California. By continuing uses which are not incompatible with the purposes of the park the acquisition costs have been greatly decreased and the total amount authorized has been set at $14 million.

Mr. President, one other parcel of land known as Duck Cove of approximately 16 acres of which 8 are usable was included in the Point Reyes National Seashore but provision was made that the Secretary of the Interior "shall not acquire said land by condemnation" as long as it "is devoted to the sole purpose of noncommercial, residential uses." The community of Duck Cove which was incorporated to formalize long-existing arrangements as to the use of the common facilities such as the playground and beach area is delighted with the establishment of the Point Reyes National Seashore.

This little group of 10 members was founded originally 15 years ago when Dr. Richard Wistar, a professor at Mills College, visited a tiny cove with a small strip of beach frontage on Tomales Bay, adjacent to the Tomales Bay State Park. He sank a well and with neighborly help built an access road. It was the unanimous feeling of all members of the Subcommittee on Public Lands that the community nature of this group called for the privilege of transferability in case one of the members passed on. It is not the intent of the Committee on Interior and Insular Affairs to permit further subdivision than that already provided.

The Committee on Interior and Insular Affairs noted in its report on S. 476 that—

> This area on Tomales Bay is a closely held property presently devoted to seasonal occupancy by its owners; as long as it is maintained for private, noncommercial, residential use it will not be acquired by condemnation. The developed property enjoys a somewhat secluded location that would neither benefit the park development scheme if acquired nor obstruct development plans if permitted to remain in its present ownership.

Point Reyes has been aptly called a gem of the California coastline. With the passage of this legislation, it will truly be a gem of the American coastline—available for all the people who seek quiet solitude; or hiking, biking, or riding on the many paths and byways to be constructed; or a pleasant drive along the winding roads as the fog creeps in from the vast Pacific. Here now for all our people is an area ranging from majestic hills to grassy lowlands; an array of wildflowers to Douglas-fir; an occasional marsh to wide strips of sand; and floating birds such as geese and pelicans and animals such as sea lions and hair seals. Now this uniqueness belongs to the people.

I most earnestly urge prompt approval by the Senate of this measure in the interest of all of the people of our Nation.

Mr. BIBLE. I now yield to the distinguished junior Senator from California, who also has had a longstanding interest in this particular area. Senator ENGLE has been most helpful in bringing this meritorious measure to the floor of the Senate in its present well-considered form.

Mr. ENGLE. Mr. President, I desire to join with my senior colleague in expressing our thanks to the distinguished chairman of the subcommittee which handled the proposed legislation for the attention and courtesy he has shown to the people of our State. We appreciate particularly the time that he personally took to investigate, along with other members of the committee, the site of this proposed park.

The area is one remaining place where millions of people who live in the San Francisco Bay area will have an opportunity in the future to go for recreational purposes. The action of the Senate today in passing the bill will go a long way toward preserving one of the really great recreational areas of the country, and multitudes of people will

be grateful to the Senator from Nevada [Mr. BIBLE], the committee, and the Congress for the action taken today.

Mr. President, section 1 of this bill states its official purpose, which is "to serve and preserve, for purposes of public recreation, benefit, and inspiration, a portion of the diminishing seashore of the United States that remains undeveloped." The significant point that I wish to make is that if S. 476 is approved by the 87th Congress, this worthy purpose can be achieved within close proximity of one of the great metropolitan areas of our country.

This probably is our last opportunity, with respect to both time and geography, to accomplish our purpose anywhere near a growing urban area like the San Francisco Bay region. But we do still have the opportunity. The rugged grandeur of the seacoast, the wild beauty of the redwood groves, and the pastoral loveliness of the rolling farmlands still remain unspoiled on the Point Reyes Peninsula approximately 35 miles from downtown San Francisco.

Unless this area is preserved it will not remain in its natural state very long. The whole bay region is expanding rapidly, as I will show by some population statistics. This fact is not only a warning that we must act now or never with respect to Point Reyes, but it also is fair indication of the large mass of people who will need the recreational space here available and who will be able to enjoy the Point Reyes National Seashore to be established by this bill.

The 1960 census gave the official population of the nine-county San Francisco Bay metropolitan area as 3,638,000. The Department of Commerce has just completed a special study of the area which predicts that the population of the nine counties will increase to 5,729,000 by 1980. The projection for the year 2000 is 8,261,000.

Beyond the nine-county bay region, Point Reyes has an especial appeal to the citizens of the dry and hot counties of the Sacramento and San Joaquin Valleys. That appeal is the sight of the surging sea, the coolness of the ocean breezes and, yes, even the fog which is fairly common to the whole Golden Gate area in midsummer.

I do not mean to suggest, Mr. President, that the Point Reyes National Seashore is designed to serve the San Francisco Bay region alone, or California alone. This legislation would preserve Point Reyes for the recreational use and inspiration and enjoyment of every U.S. citizen. I think the National Park Service is correct when it predicts that visitors to Point Reyes may be expected from every State in the Union.

This is not a new proposal. The Congress has had an opportunity to ponder the merits of Point Reyes as a national seashore for more than 3 years. I first proposed the legislation as House Resolution 634 in July 1958 in the 85th Congress. It was approved by the House committee but not taken up on the floor. I introduced it also in the 86th Congress, as S. 2428, which served to expedite an intensive Park Service study of the area. With the study completed, in January of this year I introduced the more detailed and perfected version as S. 476.

I want to compliment the senior Senator from Nevada for his legislative handling of the bill in committee. As chairman of the Public Lands Subcommittee of the Senate Interior Committee, Senator BIBLE has conducted extensive hearings, both in California and in Washington. He has worked out certain amendments to the original bill which have solved many problems and accommodated the interests of many groups involved, without sacrificing the basic public interest and without chopping off the land areas needed for park purposes. He has brought a bill to the floor which meets my objective as the author of the legislation and which satisfies the expressed interests of all of the major groups concerned.

Mr. BIBLE. I thank the Senator from California.

The VICE PRESIDENT. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 476) was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. KUCHEL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ENGLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE OREGON DUNES: AN AREA UNEQUALED ON THE NORTH AMERICAN CONTINENT

Mrs. NEUBERGER. Mr. President, in recent hours many bills have been passed by the Senate. Yesterday, the Senate passed the bill to create and regulate wilderness areas in our country and for the preservation of many of our natural resources—the first bill of that sort ever to be passed by either House of Congress.

I was glad to be on the floor of the Senate today when the two Senators from California commented so succinctly on another historic bill; namely, the one creating at Point Reyes the second national seashore park. I was delighted to hear the junior Senator from California state that the overflow from the San Francisco Bay area will find the Point Reyes National Seashore an excellent recreational area.

I wish to urge that the overflow travel just a few miles to the north, where there is a very scenic area for them to visit, and it will soon join the great State on the south in a national seashore development.

Mr. President, early this year a group of my constituents organized a Committee for the Oregon Dunes to help preserve a particularly scenic section of my State's beautiful coastline. The committee, under the chairmanship of Mr. James A. Mount, of Portland, undertook an objective study of the area and the various proposals which had been advanced for its future development.

The conclusion of this citizen's committee was that establishment of the Oregon Dunes National Seashore, with propert safeguards, provides many advantages over other proposals for managing the area. I am pleased, of course, with the decision of the Committee for the Oregon Dunes, because it is my belief that enactment of a bill I introduced early this year, S. 992, would accomplish the objectives sought by this group of outstanding Oregon citizens.

President Kennedy has signed into law the act to establish the Cape Cod National Seashore. I certainly share the hope expressed by the President that this legislation will serve as the pattern and forerunner for action on other national seashore recreation bills pending before Congress, including the Oregon Dunes National Seashore.

Mr. President, the Oregon Dunes is an area unequaled on the North America continent. As such, it is certainly deserving of protection and development as a unit of the national park system. This is the theme of a detailed analysis and report which has been prepared by the Committee for the Oregon Dunes. I ask consent to include the text of the report in the body of the RECORD with my remarks; and I ask unanimous consent that my comments on the Oregon Dunes be printed in the RECORD following the remarks of the able Senators from California on the Point Reyes National Seashore bill which was passed this morning.

The VICE PRESIDENT. Without objection, it is so ordered.

The report is as follows:

THE OREGON DUNES AND THE WISE DECISION

This appraisal of the Oregon Dunes area is based upon our desire that this unique area of the Oregon coast be developed to provide the most suitable recreational benefits for the public and the greatest economic benefits to the surrounding area and to Oregon, and at the same time preserve the essential character of this unusually attractive area as part of our national heritage. It is undertaken in an effort to determine the essential facts about the various programs that have been proposed for the dunes area, to try and determine what would be the most desirable development program, and to recommend for the dunes a development program that should have the active support of the citizens and political leaders of Oregon and the Nation.

While different political leaders have been identified in varying degrees with different proposals for the development of the Oregon Dunes, we believe that the dunes development program should be nonpartisan and this report is prepared in that spirit.

CHARACTER OF OREGON DUNES

The Oregon Dunes area is almost universally regarded by all interested parties as an area of unique beauty and great potential for recreational use. There is no comparable area on the Pacific coast with the natural characteristics of the Oregon Dunes and it was identified as one of four or five most outstanding natural areas of any kind on the west coast by a survey of the coast conducted by the National Park Service in 1959. The sand dunes themselves have been identified as the most outstanding example of shifting dunes to be found anywhere on the North American Continent.

DUNES PRIMARY VALUE IS RECREATIONAL

It is generally recognized by all interested parties that recreational development is the primary economic value of the Oregon Dunes. In addition to the mass recreation uses of the area such as boating, swimming,

hiking, museums, etc., all plans recognize the special recreation qualities of the area which are suitable for trail hiking, bird watching, opportunities for solitude, scientific observation, scenic vistas and other features of esthetic and inspirational character. In fact, there has seldom been an area that has had a recreation potential so overwhelmingly superior to all other possible purposes. Since this basic fact has been recognized, the choice that Oregon must make is between the alternate programs of recreational development that have been proposed.

FOREST SERVICE PROPOSAL

The U.S. Forest Service has recently presented a comprehensive program for the development of a portion of the Siuslaw National Forest in the Oregon Dunes area into a major recreational area. Representative DURNO has introduced a bill in Congress giving legal sanction to this program and authorizing an expenditure of $9 million over a 10-year period for this purpose. The salient facts of the Forest Service proposal are discussed in the following paragraphs.

The Forest Service land lies almost entirely west of U.S. 101 and adjoins only a very small fraction of the shorelines of the principal lakes. There are significant amounts of private land within this area, including most of the property adjacent to the highway. Under Forest Service regulations this property could only be acquired through voluntary exchange of the private lands for other Forest Service property outside the area.

The Forest Service recreational plan envisions the development of a large number of campsites, and swimming and boating facilities to the extent that the Forest Service land gives access to lakes, which is limited. In addition, in a new departure for the Forest Service, they propose an active recreational program which includes special interpretive facilities and staff.

This latter proposal deserves careful consideration, for an appraisal of its significance includes many factors. Probably the foremost factor is that this would be a program new to Forest Service experience. Heretofore their program has been almost entirely passive, basically providing the facilities for camping. It has been the National Park Service that has conducted active interpretive programs in the outstanding natural areas of the country.

The Forest Service has been primarily organized, and its personnel have basically been trained, for a program of land management, principally forest management. Recreation has largely been an auxiliary consideration. The Forest Service is not organized for the planning and management of active programs for preservation of unique recreational, scenic, scientific, and geological areas for the benefit of the Nation at large. It is appropriate to wonder how effective an active program could be developed by an organization whose basic aims and operations are of a fundamentally different character, and where career success does not lie in achievements in the preservation and interpretive development of outstanding unique natural areas.

The Forest Service proposal envisions having only technical personnel on duty on a permanent basis and hiring temporary personnel for the heavy tourist season. It appears probable that the supervision of the Oregon Dunes would continue to be responsibility of the Smith River ranger, who is located outside the Oregon Dunes and has many other responsibilities of greater importance to his professional career.

The Forest Service report talks of multiple use, but this is an empty phrase for recreation is the only significant use of this area. This fact has been recognized by the Forest Service in their earlier action banning grazing and their proposal to eliminate any general timber cutting. There are situations where a single use is the only appropriate use for an area and other activities are both limited in potential and harmful to the best use. Multiple use is not applicable to the Oregon Dunes.

THE DURNO BILL (H.R. 6528)

It is known that the original Forest Service plans for this area were modified in accordance with Representative DURNO'S wishes, which he incorporated in his bill. This bill has several unique features.

One of these is the appropriation of $9 million over a 10-year period for the development of the Oregon Dunes. This is many times any amount mentioned in other development plans and there is no indication of how it is to be spent. The Pacific Northwest regional office of the Forest Service has no information on the utilization of this sum of money. A request for a budgetary allocation of this sum has been sent to Representative DURNO and the Chief Forester.

Another aspect of the Durno bill that deserves special consideration is that while it directs that recreation and conservation of scenic values are to be major purposes of this area, it also specifically states that no unnecessary restrictions are to be placed on other utilization of the area. This means that the Forest Service must permit other uses of the area, subject only to the vague limitation that recreational and scenic values are to be major purposes. This raises the real hazard that individual interpretations could result in other activities that would significantly change the natural character of the Oregon Dunes. Actually, it would be difficult to deny other activities because the phrasing of the bill directs that they are to be permitted.

This is in contrast to a national seashore under National Park Service administration which would preserve the area for all time for recreation purposes and would not be subject to change by changing administrative policies. If unique natural areas such as Oregon Dunes are to be preserved under a long-range policy of conservation and protection, administrative discretion must be limited to well-defined areas so that a hasty, ill-considered administrative decision (perhaps by a single man) cannot destroy for hundreds of years or perhaps forever the extraordinary natural values of the area sought to be preserved.

The significant fact is that the Durno bill gives wide discretionary power and specifically States that the Oregon Dunes shall be utilized for other purposes without unnecessary restrictions. This provides for less protection of the area than is found in national park legislation, which clearly specifies the preservation of the natural character of an area and would require congressional action to permit any fundamental change. Long experience has shown that such a major safeguard against the pressures of special interests is highly desirable. Scenic and recreational values are generally interpreted in a very narrow sense unless they are clearly and firmly made the sole purpose of an area.

At the present time the Forest Service proposes to limit timber cutting to dead, diseased, and dangerous trees. However, there is no bar to more extensive timber cutting at a later date, even though the dollar return would be insignificant in terms of the recreational income that would be available through comprehensive development. An additional hazard to the natural beauty of the area is the danger that the proposed cutting, unless very strictly controlled, would be undertaken in a manner that would be destructive of the natural and scenic value.

The Forest Service believes it vital to stabilize through planting approximately 6,600 of the 18,200 acres of dunes within their proposed area. Other estimates indicate that the actual moving dunes between the Suislaw and Umpqua Rivers totals only approximately 8,500 acres and that the proportion of this area that might be stabilized under the Forest Service program could be as high as 75 percent. The Park Service would stabilize a much smaller area, at most only a fourth of the Forest Service plans and possibly less than that. This difference in approach is important, for the basic attraction of the open dunes is their unique, living, moving character. The more the dunes are stabilized, the greater will be the interference with the processes of nature and the greater will be the destruction of the distinctive nature of the area.

While the Forest Service program plans the maximum development of the lakes within the Forest Service boundaries, these lakes are very limited in size compared with those that would be developed under the national park program. The Forest Service lakes total only 630 acres altogether. The inclusion of the principal lakes which would be part of the national park development would add 4,250 additional acres of lake surface which would be available for comprehensive recreational development.

THE NATIONAL SEASHORE PROPOSAL (S. 992)

The national seashore proposal, which is embodied in a bill introduced by Senator NEUBERGER, directs that the Oregon Dunes area be administered by the National Park Service. The program which would result from its adoption would differ in a number of significant respects from either a continuation of the present development of the area or the development that would occur if the Durno bill were passed.

A very important difference would be the area involved. The national seashore would include the entire area of the Oregon Dunes that belongs together naturally, geologically, and recreationally. The very significant difference is the inclusion of the principal lakes, which were formed by the ancient dunes, and the area bordering U.S. Highway 101. It would also mean the ultimate acquisition of all private land within the area. Unimproved land would be acquired immediately. Improved land which was being utilized for noncommercial residential purposes would be acquired over an extended period. Basically the national seashore proposal envisions the creation of an integrated unit comprising all of the principal areas of the Oregon Dunes. This area would be developed as a unit to provide comprehensive recreation use and to preserve the essential natural beauty of the area.

Controlled use of the extensive mass recreation areas, adjoining the unique natural areas, permits the preservation of the latter. A smaller Federal area, such as proposed by the Durno bill, will result in reduced ability to control use and to protect uniqueness. A far greater use pressure is brought to bear upon a smaller recreation area which can result in serious overuse and destruction of some of the unique features in the name of recreation, as has already occurred in some of the fine State parks along the coast.

The program for the acquisition of private property has several features which should be clearly understood. Owners of residential property may retain use of it for the rest of their lives, the lives of their spouses, and their children until they are 21, or for 25 years, whichever is latest. The property may be conveyed or leased. Zoning regulations are to be established for the protection of the area.

However, private property shall not be acquired for the seashore if it consists of a single-family dwelling, and adjoining land, which was constructed before January 1, 1961, and which is in an area with an approved zoning law. In addition, local property taxes will continue to be imposed on all

public property acquired in the area which is leased to a person in whose hands property is taxable and on all private property which, by virtue of approved zoning, is not acquired.

When private land is acquired, payments equivalent to the taxes on it will be paid to the appropriate county for the balance of the year of acquisition and the 2 succeeding years. At the end of this period it is expected that increases in property values adjacent to the national seashore will more than compensate for the tax loss.

The development program for the national seashore has been subject to considerable public misunderstanding, which has complicated the appraisal of the national seashore development program. A national seashore deviates in several significant respects from a national park. While both of them are limited to areas of such outstanding and unique natural attractiveness that they warrant special preservation and development, a national seashore is also an area that can sustain a much more varied and intensive recreational program. The Oregon Dunes program would actively encourage maximum recreational enjoyment consistent with the preservation of the natural values of the area. A major recreational activity which is specifically permitted by the national seashore bill is hunting, which is not allowed in national parks.

Another important feature of the Oregon Dunes National Seashore bill is the provision permitting the withdrawal of ground and surface water for use outside the seashore, as long as it does not materially impair the scenic, scientific, and recreational features of the national seashore.

Commercial and industrial use of land within the national seashore is prohibited, except as it may be specifically authorized by the Secretary of the Interior as being desirable for the recreational development of the seashore and in harmony with its natural values.

The national park program provides for extensive consultation with the State of Oregon in the development and administration of their program. An advisory board of five members would be established, two of whom would be residents of counties in the seashore. Two of the board would be appointed by the Secretary of the Interior and three by the Governor of Oregon.

In addition, the appropriate Oregon officials shall be consulted in the establishment of hunting and fishing regulations and cooperative arrangements may be established. While some individuals have felt that fishing and hunting within national park boundaries should be directly managed by the State, there are very good reasons why such a policy would be both inappropriate and hazardous. There should never be two agencies administering a major recreational area. In such a situation there would be danger of a festering disagreement developing between the Park Service staff, which is charged with the general recreational development program, and a State agency whose program is for one use. In addition, if the Federal Government should give up a portion of its management rights in Oregon, it would establish a precedent for similar action elsewhere. This would create a constant problem of conflicting management in all national parks, together with the intrusion of State politics into park management wherever and whenever aspiring politicians felt it personally advantageous to do so.

Actually, it is very likely that the Park Service hunting and fishing program would be largely in harmony with the State's desires. The principal hunting activity, which would be waterfowl, is basically governed by Federal regulations now. Fishing regulations are likely to be essentially the same as State regulations. Since the national seashore bill specifically provides for consultation and cooperation, there does not appear to be any real basis for concern. Certainly, it would be difficult to justify opposition to a development program which would do so much for the recreational and economic welfare of Oregon solely on this point.

The creation of a national seashore would mean the establishment of a substantial park staff in the area on a permanent basis. This permanent staff would be supplemented by a number of temporary employees during the season of heavy tourist use.

The national seashore staff would supervise the recreation development of the area, carry out an active program to encourage full recreational use of the area and create and conduct interpretive programs. Trained ranger naturalists will conduct extensive programs of a scientific, educational character utilizing museums and furnishing lectures as is customary in national parks. This type of interpretive activity is not likely to be furnished by the Forest Service in a comparable degree.

The basic purpose of the national seashore would be the protection, preservation, and recreational development of an area that is generally regarded as unique and outstanding in its scenic, recreational, and scientific qualities. This is an area that is considered of such national significance, similar to our various national parks, that it should be preserved and developed for the single purpose of recreational use, rather than having recreation receive only "primary" emphasis among many uses.

The unique character of an Oregon Dunes National Seashore would result in very substantial publicity for this area and for Oregon. All tourist guides and maps give prominent notice to national park facilities. Travel articles on our national parks appear regularly in national magazines and in newspapers. Travel tours are conducted to national parks. The Government-sponsored public information program is extensive. The benefits of this publicity which would accompany the establishment of an Oregon Dunes National Seashore would be of very great value in encouraging tourist visits to this area and to Oregon.

ECONOMIC POTENTIAL OF THE OREGON DUNES

The fact that tourist industry is Oregon's third largest economic asset, after forest products and agriculture and is the only one of these three which is capable of extensive and rapid growth, gives special emphasis on the economic implications of the different programs for the development of the Oregon Dunes. The most authoritative report on the economic potential of the Oregon Dunes was prepared in 1959 by Dr. J. Granville Jensen, chairman of the Department of Natural Resources at Oregon State University. This report compares the economic benefits that would result from a continuation of the present land use and recreational pattern with those resulting from the creation of a national seashore.

In summary, his conclusion is that the economic benefits to be obtained from the national seashore are overwhelmingly greater than those which would accompany the continuation of the present use pattern of the area. He estimates that 30 years from now the annual tourist income for just the adjoining area would be $26 million, more than 300 percent greater than could be contemplated under a continuation of the present use program.

Capital investment from private sources would exceed $14 million contrasted with $4,600,000 that would occur without the national seashore. Federal expenditures for capital improvements within a national seashore would total $3,535,000 compared with $1,200,000 of Federal and State expenditures.

This report also points out that the establishment of the national seashore would substantially increase the tax receipts in the surrounding area as a result of the major increase in businesses serving the tourists and the general rise in property values. This increase would greatly exceed the loss of tax revenue resulting from the incorporation of private land within the Oregon Dunes National Seashore. There is extensive evidence across the country supporting this conclusion.

All of Oregon would benefit from an Oregon Dunes National Seashore, but we cannot be so parochial that we consider only Oregon's interest. We must also recognize that there is a great national interest in proper development and protection of seashore areas.

WILDERNESS AREA PRESERVATION

Mrs. NEUBERGER. Mr. President, yesterday, while the wilderness area bill was being debated in the Senate, I had the good fortune to be presiding over the Senate, for I was intent on listening to all the debate.

At this time I should like to submit my own statement in support of the bill.

Mr. President, the bill to establish a National Wilderness Preservation System is the natural outgrowth of policies which have developed ever since President Teddy Roosevelt launched the U.S. Forest Service. When that agency was being established, Secretary of Agriculture James Wilson sent a letter of instructions to Gifford Pinchot, the famed first Chief Forester. The letter stated, in part:

> In the administration of the forest reserves it must be clearly borne in mind that all the land is to be devoted to its most productive use for the permanent good of the whole people and not for the temporary benefit of individuals or companies.

The wilderness bill seeks to assure that portions of the public domain still natural and unspoiled will be protected for "its most productive use."

All too few acres on this continent remain as our forefathers found them. The prudent thing to do is to give some protection to the scenic and majestic wilderness now available. We need these timbered sanctuaries from the pressures and tensions of 20th-century society.

The passage of S. 174 will have relatively minor effect on existing land uses in my own State of Oregon. Under the act, some 662,527 acres out of the 31.5 million acres of federally owned land in Oregon will go into the wilderness system without additional review. The basic wilderness system in Oregon will be comprised of Eagle Cap and Three Sisters Wilderness areas, and Diamond Peak, Gearhart Mountain, Kalmiopsis, Mount Hood, Mount Washington, Mountain Lakes, and Strawberry Mountain Wild Areas.

Only one primitive area in Oregon is available for later inclusion in the wilderness system. This is the Mount Jefferson primitive area, comprising 87,700 acres in the Deschutes, Mount Hood, and Williamette National Forests.

Under the provisions of S. 174, valid wilderness in national parks and national wildlife refuges and game ranges could be included in the wilderness system. Oregon has 160,290 acres in national parks and 438,069 in wildlife refuges. Very little of this acreage

will ever go into the wilderness system, for the simple reason that it is not valid wilderness.

For instance, the Hart Mountain Antelope Refuge, in Oregon, has 323 miles of roads maintained by the Fish and Wildlife Service. The road bisects the refuge, and a spur runs up Hart Mountain. The Malheur National Wildlife Refuge, in Oregon, is a T-shaped unit embracing Donner Creek and Harney and Malheur Lakes. It is crisscrossed with 240 miles of roads maintained by the Fish and Wildlife Service. I do not know the mileage of Federal and State roads in wildlife refuges in Oregon, but I do have the data on roads under jurisdiction of the Fish and Wildlife Service.

I ask unanimous consent to have printed in the RECORD information regarding the roads and trails on national wildlife refuges administered by the Bureau of Sport Fisheries and Wildlife.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Bureau maintains 5,428 miles of roads and trails on 28,537,000 acres of land within 289 national wildlife refuges and game ranges. All of these roads and trails are located on the refuges and ranges in the 48 contiguous States where we have 270 projects aggregating 9,565,000 acres. There are also public highways on these projects which we do not maintain. We have no record of the mileage of such public roads, except that for Alaska there are approximately 2,125 miles of public and abandoned military roads.

The records for the national wildlife refuges in Oregon are as follows:

Name	County	Acreage	Miles roads and trails
Malheur	Harney	184,871.8	240
Hart Mountain	Lake	239,933.0	323
Cape Meares	Tillamook	138.5	0
Cold Springs	Umatilla	3,116.8	0
McKay Creek	do	1,836.5	0
Oregon Islands	Curry	21.0	0
Three Arch Rocks	Tillamook	17.0	0
Upper Klamath	Klamath	12,532.8	0
Klamath Forest	do	731.1	0
Lower Klamath	do	1,340.0	0
Charles Sheldon	Lake	627.5	0

Mrs. NEUBERGER. Mr. President, Crater Lake National Park in Oregon has 160,000 acres. It is pierced with roads and has considerable development to accommodate tourists and visitors. Almost 400,000 people went into the park last year. With three major highways traversing it, it could hardly be regarded as wilderness.

I have been advised that our entire national park system has 6,480 miles of roads and 8,589 miles of trails. Yet the argument has been made by opponents of the wilderness bill that vast amounts of national park and national wildlife refuges will be devoted to wilderness. I think that no reasonable person will contend that parks with 15,000 miles of roads and trails and with facilities for millions of visitors could all be included in wilderness.

There are in our parks and wildlife refuges some outstanding acres that should be kept roadless. They will be, under the procedures of S. 174. But there will be no blanketing of primitive national park and game refuges into the wilderness system. The acres to be added will be added only after lengthy study and review and only if the areas qualify as valid wilderness.

The claim has been made that S. 174 will limit timber harvesting in Oregon. This is not so. No commercial timber is being taken from any of the areas in Oregon which are eligible for inclusion in the wilderness system. Out of Oregon's 31.5 million acres of federally owned land, only 749,000 of national forest land is eligible for wilderness status. But this does not mean that it is all in forest. Only one-third—252,000 acres—is commercial forest land. Of the balance, 178,000 acres is open, rough mountain land, and 319,000 acres is noncommercial, scrub, high-alpine-type forest.

In the national forests in Oregon alone there are 487,000 acres of commercial forest land that need reforestation. Why should we let the logger into wilderness when we have almost a half-million acres that need reforesting? Here is where some initiative needs to be taken.

We have a conservation job to do, and a part of that job is holding in reserve some of our resources. I do not view this holding as one to meet future needs, I view it more as a spur to assure the rehabilitation of lands which have been wastefully used. If we stand firm on wilderness, we force the application of public and private initiative and energy to the rehabilitation of exploitable lands.

Each time an effort is made to chop away at the little bit of timber in wilderness, we must ask ourselves this question: Have we reached the end of our resource? Of course we have not. We have simply failed to do the conservation job that should be done. Let us get on with reforesting the commercial timber lands, and retain for future generations the untrammeled wilderness that now exists.

Mr. President, we have heard arguments that Congress should be required to pass individually and affirmatively on each new addition to the wilderness system in the future. However, it is my opinion that the provisions in S. 174 give Congress adequate veto power over any unwise additions to the wilderness. It will require between 10 and 14 years to complete the review of areas now eligible for inclusion. If we find that procedural improvements are necessary, the Congress has ample time in which to make any needful changes.

There is nothing new in the bill's provisions for giving the President and the executive departments authority to make decisions for use of the public domain. Since 1803, the Congress has made grants to the States of 328 million acres. Much of this acreage was given to the States under acts by which Congress empowered the President to grant the lands to the States.

Some 94 million acres were given the railroads, some of this under precise grants, other lands under more general grants.

In 1862, Congress gave the President the power to grant homesteads; and 248 million acres were so granted for settlers. The Desert Land Act of 1877 enabled the President to grant patents to 10 million acres, and the Stock Raising Homestead Act placed another 70 million acres in private hands.

The Timber Culture and Timber and Stone Acts placed almost 25 million acres in private hands.

In sum, over 1.1 billion acres has passed from the Federal domain to State or private ownership; and virtually all of this has occurred under laws passed by Congress which gave the President broad authority to transfer title.

If the argument of some persons were followed to its illogical conclusion, Congress would have had to give affirmative approval to each grant and homestead entry.

In the wilderness bill we are dealing with the use of lands that are already under Federal ownership. We are not changing the title of the land.

All of the policy issues over use really are settled. For the parks, forests, and wildlife areas there are basic statutes which give the President direction. In this bill we are creating a useful device by which the Congress can review Executive action to restrict one of the uses of these lands—use for wilderness—no more, no less.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider nominations on the Executive Calendar beginning with new reports.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Albert Lee Stephens, Jr., of California, to be U.S. district judge for the southern district of California;

Raymond E. Plummer, of Alaska, to be U.S. district judge for the district of Alaska; and

H. Moody Brickett, of Montana, to be U.S. attorney for the district of Montana.

By Mr. LONG of Missouri, from the Committee on the Judiciary:

William H. Becker, of Missouri, to be U.S. district judge for the western district of Missouri.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. MANSFIELD. Mr. President, I move that the nominations be considered en bloc.

The VICE PRESIDENT. The question is on the motion of the Senator from Montana.

The motion was agreed to, and the nominations were considered en bloc, and were confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate resumed the consideration of legislative business.

SMALL BUSINESS ACT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 783, Senate bill 836.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 836) to amend the Small Business Act, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency, with amendments.

Mr. PROXMIRE. Mr. President, on February 9, 1961, I introduced a bill (S. 836) for myself, the Senator from Alabama [Mr. SPARKMAN], and the Senator from Indiana [Mr. CAPEHART]. Hearings were held on March 15, 16, and 17, and April 24, 1961, by the Small Business Subcommittee of the Banking and Currency Committee of which I am chairman. This bill was reported with amendments to the Senate on August 28, 1961. S. 836, a bill to amend the Small Business Act, is similar in many respects to H.R. 11207, which passed the Senate unanimously last July 1.

The bill passed the Senate unanimously last July and went to conference with the House. The bill would have been accepted in conference, except that it was rejected by a tie vote of the House conferees, with Senators unanimously supporting the far stronger bill. It was rejected because it was felt by the Defense Department that there were provisions in the bill which would result in the SBA interfering in the procurement process, and that should be exclusively and completely within the jurisdiction of the Defense Department.

We made compromise after compromise in S. 836 as compared with the bill last year. We have modified it very greatly. We have met virtually every objection that has been made by the Defense Department.

The bill not only applies to procurement, but it also would provide additional authorization for the SBA's revolving fund.

There are, however, some changes that I would like to point out to the Senate today.

First, the bill would increase the SBA's revolving fund by $36.5 million. This, together with the $20 million increase we just approved, would bring the total SBA revolving fund to $1,056,500,000. It would also provide for the pooling of the amounts that SBA can commit for its regular business loan program, its disaster loan program, and its prime contract authority. This pooling of loan authority would permit SBA to commit money for these three programs without regard to the ceilings that are presently contained in the act. The SBA estimates that if its revolving fund is increased by this amount and if the pooling amendment is adopted, it would be able to continue its regular business loan program until March 1962. This will give the Congress time early in the next session to review the lending programs administered by the SBA.

The committee deliberately decided not to provide funds to carry the SBA through 1962. It was an unusual decision by the committee. The feeling was that the SBA had expanded with such rapidity, the committee has a duty to the Senate to carefully consider the policies adopted by the SBA, to reconsider them early next year, and by limiting the authorization in this way, it will have an opportunity to do so.

This position had considerable bipartisan support.

The committee, in recommending this pooling of the amounts under this revolving fund authority, is mindful of the fact that this might at some time dangerously deplete the amount which could be available for the disaster loan program. Therefore, the committee recommended in its report on this bill that the SBA establish and maintain a reserve adequate to the needs of the disaster loan program.

The President has instructed the Department of Defense to increase the small business share of our military procurement dollar. He recommends that the small business participation be increased by at least 10 percent in fiscal year 1962. In order to facilitate such increased participation by small business concerns in our vast procurement program, this bill will provide for the development by the SBA, the Department of Defense and the General Services Administration of a small business subcontracting program.

This program would provide that all prime contracts of $1 million and above and all subcontracts of $500,000 and above shall include provisions which would insure that these contractors consult through the procuring agency with the SBA at the request of SBA. It would also provide that the SBA may obtain information on subcontracting from the procuring agencies.

This bill does not authorize a program which would dictate to the contractor the extent to which he should make contracts or the persons to whom the contracts should be granted. This bill clearly provides that any subcontracting program developed under this section will be administered by the procuring agencies.

The section provides that the three agencies shall cooperatively develop a contracting program. This means that SBA will participate fully in all stages of the development of this program, from the initial discussions to and including the formulation of the regulations in which this subcontracting program is to be expressed. In order to make it abundantly clear that the participation by SBA in the formulation of the program is to be carried through fully and completely, a specific provision was written into the section expressly requiring that SBA must approve the regulations before they are issued by the procuring agencies. In its report the committee makes it clear that SBA approval is necessary before the regulations can be issued.

While the subcontracting provisions are designed to give maximum assistance to small businesses, it is my understanding that the language of section 8(d)(1) would not authorize a procurement agency or the Small Business Administration to secure and disseminate technical data or processes developed by a company at its own expense.

S. 836 would also empower the Secretary of Commerce to obtain notice of all proposed defense procurement actions of $10,000 and above and all civilian procurement actions of $5,000 and above and publish them, with 10 stated exceptions, in the daily publication, U.S. Department of Commerce Synopsis of the U.S. Government Proposed Procurement, Sales and Contracts Awards.

We have met every single exception of the Defense Department.

This will furnish small businessmen an up-to-date record of what the Government is buying. Large corporations can afford to have representatives in Washington to furnish this information to them. Most small business concerns, however, cannot afford to receive this valuable service. This daily synopsis has a subscription rate of $10 per year. If there is any additional publication cost as a result of this bill, this cost should be borne by the subscribers.

I might say that the distinguished junior Senator from Michigan [Mr. HART] is completely responsible for all the initiative in having this particular provision incorporated in the bill. He pressed for it very hard last year, and he fought very hard for it again this year.

The Defense Department has informed the committee that it has now amended its regulations and accomplishes administratively what this section of the bill proposes.

However, the committee believes that it is better to have this requirement enacted into law and thus assure that this service will continue to be made available to the small business community.

I understand that there may be an amendment offered to the bill by the Senator from Texas [Mr. TOWER]. If so, the amendment, in my judgment, would reduce the authority and oppor-

tunity for the SBA to fight for small business to have a greater share of defense contracts. I wish to call the attention of the Senate to the fact that although the President of the United States only last January asked the Secretary of Defense to increase the share of small business by 10 percent, the fact is that the latest release of the Senate Select Committee on Small Business has this to say:

Small business share of military purchases hit an alltime low in fiscal 1961, dipping 15.9 percent compared with 16.1 percent in fiscal 1960. Research and development contract awards to small firms also dropped from 3.4 percent in fiscal 1960 to 2.8 percent in fiscal 1961.

It seems to me that small business should get a bigger share of this business. Unless we do something, unless we give this agency the responsibility and some opportunity and some authority in promulgating, together with GSA and Defense Department regulations, we will continue the relentless tendency and trend that we have had in the past of smaller and smaller share for small business in these contracts.

I hope the bill will pass.

Mr. TOWER. Mr. President, I ask unanimous consent that at this time I may yield to the Senator from Wisconsin [Mr. PROXMIRE] without losing the floor. He wishes to have action taken on the committee amendments.

The PRESIDING OFFICER (Mr. HICKEY in the chair). Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, a parliamentary inquiry: What is the pending business?

The PRESIDING OFFICER. The pending business is Calendar No. 783, Senate bill 836, to amend the Small Business Act.

Mr. PROXMIRE. Mr. President, I asked the question because some time ago I began to explain the bill, and then was interrupted in order to permit the presentation of statements in regard to a number of other measures. I ask unanimous consent that the entire debate on Senate bill 836 appear at one point in the CONGRESSIONAL RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc, and that the bill as thus amended be treated as original text, for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments agreed to en bloc are as follows:

At the top of page 2, to strike out:

"SEC. 3. Subsection 4(c) of the Act is amended

"(1) by striking out '$975,000,000' each place it appears and inserting in lieu thereof '$1,050,000,000'; and

"(2) by striking out '$575,000,000' where it appears in the fifth sentence and inserting in lieu thereof '$650,000,000'.

And, in lieu thereof, to insert:

"SEC. 3. Section 4(c) of the Act is amended to read as follows:

"'(c) The Administration is authorized to obtain money from the Treasury of the United States for use in the performance of the powers and duties granted to or imposed upon it by law, not to exceed a total of $1,056,500,000 outstanding at any one time. For this purpose appropriations not to exceed $1,056,500,000 are hereby authorized to be made to a revolving fund in the Treasury. Advances shall be made to the Administration from the revolving fund when requested by the Administration. This revolving fund shall be used for the purposes enumerated subsequently in sections 7(a), 7(b), and 8(a) of this Act, and in the exercise of the functions of the Administration under the Small Business Investment Act of 1958. Not to exceed an aggregate of $806,500,000 shall be outstanding at any one time for the purposes subsequently enumerated in sections 7(a), 7(b), and 8(a) of this Act. Not to exceed an aggregate of $250,000,000 shall be outstanding at any one time for the exercise of the functions of the Administration under the Small Business Investment Act of 1958. The Administration shall pay into miscellaneous receipts of the Treasury, at the close of each fiscal year, interest on the net amount of the cash disbursements from such advances at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding interest-bearing marketable public debt obligations of the United States of comparable maturities.'"

On page 5, line 9, after the word "deem", to strike out "desirable." and insert "desirable." ", and in the same line, after the amendment just above stated, to strike out "The Administrator may also request the Attorney General to make supplemental surveys and reports on any particular activities of the Government which may affect small business;"; at the beginning of line 13, to strike out the quote mark; in line 15, after the world "follows", to strike out "'Such" and insert "'Such"; line 21 to strike out "section.'" and insert "section." "; at the top of page 6, to strike out:

"SEC. 7. Section 8(b) of the Act is amended—

"(1) by inserting in paragraph (8) after 'concerning' the following: ', and for the purpose of review to have access to records involving,"; and

"(2) by amending paragraph (11) by adding after the word 'contracts' wherever it appears the words '(including subcontracts made pursuant thereto)'.

In line 8, to change the section number from "8" to "7"; after line 9, to strike out:

"(d)(1) Within ninety days after the effective date of this subsection, the Administrator, after consultation with the Administrator of General Services, the Assistant Secretary of Defense (Supply and Logistics), and the Chairman of the Atomic Energy Commission, shall promulgate a small business subcontracting program containing such provisions as may be appropriate (A) to enable small business concerns to be considered fairly as subcontractors and suppliers to contractors performing work or rendering services as prime contractors or subcontractors under Government procurement contracts, (B) to insure that such prime contractors and subcontractors will consult with the Administration when requested by the Administrator, and (C) to enable the Administration to obtain from any Government procurement agency such information and records concerning subcontracting by its prime contractors and their subcontractors as the Administration may deem necessary; except that no program promulgated hereunder shall prescribe the extent to which any contractor shall enter into subcontracts or specify the business concerns to which subcontractors shall be granted.

"(2) Every contract for property or services, including but not limited to contracts for research and development, but excluding contracts to be performed entirely outside of the United States or its territories, in excess of $1,000,000 made by a Government department or agency shall require the contractor to conform to the small business subcontracting program promulgated by the Administrator under this subsection (d), and to insert in all subcontracts and purchase orders in excess of $500,000 a provision requiring the subcontractor or supplier to conform to such small business subcontracting program.

"(3) The Administration shall include in any report filed under section 10(b) of this Act information, and such recommendations as it may deem appropriate, with respect to the administration of the small business subcontracting program promulgated under this subsection (d)."

And, in lieu thereof, to insert:

"(d)(1) Within ninety days after the effective date of this subsection, the Administrator, the Secretary of Defense, and the Administrator of General Services shall cooperatively develop a small business subcontracting program and shall approve the regulations implementing such program which shall contain such provisions as may be appropriate to (A) enable small business concerns to be considered fairly as subcontractors and suppliers to contractors performing work or rendering services as prime contractors or subcontractors under Government procurement contracts, (B) insure that such prime contractors and subcontractors will consult through the appropriate procuring agency with the Administration when requested by the Administration, and (C) enable the administration to obtain from any Government procurement agency such available or reasonably obtainable information and records concerning subcontracting by its prime contractors and their subcontractors as the Administration may deem necessary: *Provided*, That such program shall not authorize the Administration to (i) prescribe the extent to which any contractor or subcontractor shall subcontract, (ii) specify the business concerns to which subcontracts shall be granted, or (iii) vest in the Administration authority respecting the administration of individual prime contracts or subcontracts. Thereafter the Secretary of Defense and the Administrator of General Services each shall issue regulations implementing the program as developed. In addition, the Administrator of General Services and the Secretary of Defense may issue such other regulations concerning subcontracting not inconsistent with the small business subcontracting program as they each deem necessary or appropriate to effectuate their functions and responsibilities.

"(2) Every contract for property or services (including but not limited to contracts for research and development, maintenance, repair and construction, but excluding contracts to be performed entirely outside of the United States or its territories) in excess of $1,000,000 made by a Government department or agency, which in the opinion of the procuring agency offers substantial subcontracting possibilities, shall require the contractor to conform to the small business subcontracting program promulgated under this subsection (d), and to insert in all subcontracts and purchase orders in excess of $500,000 which offer substantial subcontracting possibilities a provision requiring the subcontractor or supplier to conform to such small business subcontracting program.

"(3) The Administration shall include in any report filed under section 10(b) of this Act information, and such recommendations as it may deem appropriate, with respect to the administration of the small business subcontracting program established under this subsection (d)."

On page 9, line 21, to change the section number from "9" to "8"; on page 11, line 1,

after the word "solicited", to insert "or (10) for which it is determined in writing by the procuring agency, with the concurrence of the Administrator, that advance publicity is not appropriate or reasonable." "; in line 5, to change the section number from "10" to "9"; after line 6, to strike out:

"(d) The Administration also is empowered to make grants to any State government, or any agency thereof, State chartered development credit or finance corporations, land grant colleges and universities, colleges and schools of business, engineering, commerce, or agriculture, and corporations formed by two or more of the entities hereinabove described which are eligible to receive such grants, for studies, research, and counseling concerning the managing, financing, and operation of small business enterprises and technical and statistical information necessary thereto in order to carry out the purposes of sections 8(b)(1) by coordinating such information with existing information facilities within the State and by making such information available to State and local agencies. Only one such grant shall be made within any one State in any one year and no such grant shall exceed an aggregate amount of $40,000. The Administration may require, as a condition to any grant under this section, that an additional amount not exceeding the amount of such grant be provided from sources other than the Administration to assist in carrying out the purposes for which such grant is made: *Provided,* That if such grant or any part thereof is to be utilized for the purpose of providing counseling services to individual small business enterprises the Administration shall require that such additional amount be provided and in an amount which is equal to the amount of such grant."

And, in lieu thereof, to insert:

"(d) The Administration also is empowered to make grants to any State government or any agency thereof, any State-chartered development credit or finance corporation, any land-grant college or university, any college or school of business, engineering, commerce, or agriculture, or to any corporation formed by two or more of the entities hereinabove described which are eligible to receive such grants, for studies, research, and counseling concerning the managing, financing, and operation of small business enterprises and technical and statistical information necessary thereto in order to carry out the purposes of section 8(b)(1) by coordinating such information with existing information facilities within the State and by making such information available to State and local agencies. The Administrator may recommend to grant applicants particular studies or research which are to be financed by such grants. The total of all grants (including amendments and modifications thereof) made under this subsection within any one State in any one year shall not exceed $40,000. The Administration may require, as a condition to any grant (or amendment or modification thereof) made under this subsection, that an additional amount not exceeding the amount of such grant be provided from sources other than the Administration to assist in carrying out the purposes for which such grant is made: *Provided,* That if such grant or any part thereof is to be utilized for the purpose of providing counseling services to individual small business enterprises the Administration shall require that such additional amount be provided and in an amount which is equal to the amount of such grant. What constitutes such additional amount may be defined by the Administration."

And, on page 13, after line 13, to strike out:

"SEC. 11. Section 502 of the Small Business Investment Act of 1958 is amended by deleting paragraph (6)."

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Act Amendments of 1961".

SEC. 2. As used in this Act, unless otherwise indicated, references to "the Act" are to the Small Business Act, approved July 18, 1958 (72 Stat. 384), as amended by the Small Business Investment Act of 1958, approved August 21, 1958 (72 Stat. 689), and Public Law 86-367 (73 Stat. 647).

SEC. 3. Section 4(c) of the Act is amended to read as follows:

"(c) The Administration is authorized to obtain money from the Treasury of the United States for use in the performance of the powers and duties granted to or imposed upon it by law, not to exceed a total of $1,056,500,000 outstanding at any one time. For this purpose appropriations not to exceed $1,056,500,000 are hereby authorized to be made to a revolving fund in the Treasury. Advances shall be made to the Administration from the revolving fund when requested by the Administration. This revolving fund shall be used for the purposes enumerated subsequently in sections 7(a), 7(b), and 8(a) of this Act, and in the exercise of the functions of the Administration under the Small Business Investment Act of 1958. Not to exceed an aggregate of $806,500,000 shall be outstanding at any one time for the purposes subsequently enumerated in sections 7(a), 7(b), and 8(a) of this Act. Not to exceed an aggregate of $250,000,000 shall be outstanding at any one time for the exercise of the functions of the Administration under the Small Business Investment Act of 1958. The Administration shall pay into miscellaneous receipts of the Treasury, at the close of each fiscal year, interest on the net amount of the cash disbursements from such advances at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding interest-bearing marketable public debt obligations of the United States of comparable maturities."

SEC. 4. Section 5 of the Act is amended by adding at the end thereof a new subsection as follows:

"(d) Section 3648 of the Revised Statutes (31 U.S.C. 529) shall not apply to prepayments of rentals made by the Administration on safety deposit boxes used by the Administration for the safeguarding of instruments held as security for loans or for the safeguarding of other documents."

SEC. 5. (a) Section 10 of the Act is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) The Administration shall make a report on December 31 of each year of operations under this Act to the President, the President of the Senate, and the Speaker of the House of Representatives. Such report shall include the names of the business concerns to whom contracts are let and for whom financing is arranged by the Administration, together with the amounts involved, and such report shall include information on the progress of the Administration in liquidating the assets and winding up the affairs of the Reconstruction Finance Corporation, and such other information and such comments and recommendations as the Administration may deem appropriate. The requirement contained in this subsection with respect to the inclusion of information respecting the progress of the Administration in liquidating the assets and winding up the affairs of the Reconstruction Finance Corporation in such report shall be in lieu of any requirement, pursuant to section 106(b) of the Reconstruction Finance Corporation Liquidation Act, and Reorganization Plan Numbered 1 of 1957, that progress reports with respect to such liquidation of or winding up of affairs by the Administration be made to the Congress on a quarterly basis.";

(2) by striking out "June 30 and" from subsection (b); and

(3) by striking out subsection (c) and inserting in lieu thereof the following:

"(c)(1) The Attorney General is directed to make, or direct the Federal Trade Commission to make for him, surveys of any activity of the Government which may affect small business, for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, promote undue concentration of economic power, or otherwise injure small business.

"(2) The Attorney General shall submit to the Congress and the President, at such times as he deems desirable, but not less than once every year, reports setting forth the results of such surveys and including such recommendations as he may deem desirable."

(b) The second and third sentences of subsection (e) of section 708 of the Defense Production Act of 1950 are amended to read as follows: "Such surveys shall include studies of the voluntary agreements and programs authorized by this section. The Attorney General shall submit to the Congress and the President at least once every three months reports setting forth the results of such studies of voluntary agreements and programs authorized by this section."

SEC. 6. The fifth sentence of section 2(a) of the Act is amended by inserting after "contracts", each place the term appears, the following: "or subcontracts".

SEC. 7. Section 8 of the Act is amended by adding at the end thereof a new subsection as follows:

"(d)(1) Within ninety days after the effective date of this subsection, the Administrator, the Secretary of Defense, and the Administrator of General Services shall cooperatively develop a small business subcontracting program and shall approve the regulations implementing such program which shall contain such provisions as may be appropriate to (A) enable small business concerns to be considered fairly as subcontractors and suppliers to contractors performing work or rendering services as prime contractors or subcontractors under Government procurement contracts, (B) insure that such prime contractors and subcontractors will consult through the appropriate procuring agency with the Administration when requested by the Administration, and (C) enable the Administration to obtain from any Government procurement agency such available or reasonably obtainable information and records concerning subcontracting by its prime contractors and their subcontractors as the Administration may deem necessary: *Provided,* That such program shall not authorize the Administration to (i) prescribe the extent to which any contractor or subcontractor shall subcontract, (ii) specify the business concerns to which subcontracts shall be granted, or (iii) vest in the Administration authority respecting the administration of individual prime contracts or subcontracts. Thereafter the Secretary of Defense and the Administrator of General Services each shall issue regulations implementing the program as developed. In addition, the Administrator of General Services and the Secretary of Defense may issue such other regulations concerning subcontracting not inconsistent with the small business subcontracting program as they each deem necessary or appropriate to effectuate their functions and responsibilities.

"(2) Every contract for property or services (including but not limited to contracts for research and development, maintenance, repair and construction, but excluding contracts to be performed entirely outside of the United States or its territories) in excess of $1,000,000 made by a Government department or agency, which in the opinion of the procuring agency offers substantial subcon-

tracting possibilities, shall require the contractor to conform to the small business subcontracting program promulgated under this subsection (d), and to insert in all subcontracts and purchase orders in excess of $500,000 which offer substantial subcontracting possibilities a provision requiring the subcontractor or supplier to conform to such small business subcontracting program.

"(3) The Administration shall include in any report filed under section 10(b) of this Act information, and such recommendations as it may deem appropriate, with respect to the administration of the small business subcontracting program established under this subsection (d)."

SEC. 8. Section 8 of the Act is further amended by inserting after subsection "(d)" (as added by section 8 of this Act) a new subsection as follows:

"(e) It shall be the duty of the Secretary of Commerce, and he is hereby empowered, to obtain notice of all proposed defense procurement actions of $10,000 and above, and all civilian procurement actions of $5,000 and above, from any Federal department, establishment, or agency engaged in procurement of supplies and services in the United States; and to publicize such notices in the daily publication 'United States Department of Commerce Synopsis of the United States Government Proposed Procurements, Sales, and Contract Awards', immediately after the necessity for the procurement is established; except that nothing herein shall require publication of such notices with respect to those procurements (1) which for security reasons are of a classified nature, or (2) which involve perishable subsistence supplies, or (3) which are for utility services and the procuring agency in accordance with applicable law has predetermined the utility concern to whom the award will be made, or (4) which are of such unusual and compelling emergency that the Government would be seriously injured if bids or offers were permitted to be made more than 15 days after the issuance of the invitation for bids or solicitation for proposals, or (5) which are made by an order placed under an existing contract, or (6) which are made from another Government department or agency, or a mandatory source of supply, or (7) which are for personal or professional services, or (8) which are for services from educational institutions, or (9) in which only foreign sources are to be solicited, or (10) for which it is determined in writing by the procuring agency, with the concurrence of the Administrator, that advance publicity is not appropriate or reasonable."

SEC. 9. Section 7(d) of the Act is amended to read as follows:

"(d) The Administration also is empowered to make grants to any State government or any agency thereof, any State-chartered development credit or finance corporation, any land-grant college or university, any college or school of business, engineering, commerce, or agriculture, or to any corporation formed by two or more of the entities hereinabove described which are eligible to receive such grants, for studies, research and counseling concerning the managing, financing, and operation of small business enterprises and technical and statistical information necessary thereto in order to carry out the purposes of section 8(b)(1) by coordinating such information with existing information facilities within the State and by making such information available to State and local agencies. The Administrator may recommend to grant applicants particular studies or research which are to be financed by such grants. The total of all grants (including amendments and modifications thereof) made under this subsection within any one State in any one year shall not exceed $40,000. The Administration may require, as a conditon to any grant (or amendment or modification thereof) made under this subsection, that an additional amount not exceeding the amount of such grant be provided from sources other than the Administration to assist in carrying out the purposes for which such grant is made: *Provided*, That if such grant or any part thereof is to be utilized for the purpose of providing counseling services to individual small business enterprises the Administration shall require that such additional amount be provided and in an amount which is equal to the amount of such grant. What constitutes such additional amount may be defined by the Administration."

Mr. PROXMIRE. I thank the Senator from Texas.

Mr. TOWER. Mr. President, I call up an amendment to Senate bill 836 and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Texas will be stated.

The LEGISLATIVE CLERK. On page 7, in line 25, beginning with the word "and", it is proposed to strike out all through line 1, on page 8, as follows: "and shall approve the regulations implementing such program".

Mr. TOWER. Mr. President, I should like to commend the distinguished Senator from Wisconsin [Mr. PROXMIRE] for his labors on this bill.

I believe that the bill is, on the whole, a good one which will be very helpful to small business.

However, I believe the bill has one serious defect; namely, it provides the Small Business Administration with virtual veto power over the procurement regulations of the Defense Department and the General Services Administration. In this day and age when we are trying to build up our Defense Establishment in order to meet the Communist threat, I think certainly the Defense Department should have a free hand in formulating its procurement policies.

I point out that the bill itself provides that the Department of Defense, the General Services Administration, and the Small Business Administration will cooperatively develop a small business subcontracting program; and this provision appears to me to be adequate. But the Defense Department has the greatest responsibility for developing effective procurement policies; and it must be allowed complete control, authority, and direction over its procurement policies.

At this time I yield to the Senator from Utah.

Mr. BENNETT. Mr. President, I am happy that the Senator from Texas made the last point with respect to the responsibility of the Defense Department, because as the cold war heats up, we might put ourselves into a tragic situation if we required the Defense Department, which might need to move rapidly in a procurement situation, to be governed by a set of regulations whose purpose was not to serve the needs of the Defense Department, but was to protect what everyone wants to protect; namely, the opportunity of small business to be considered in connection with the allocation of defense contracts.

The assumption in connection with the provision finally included in the bill is that the Defense Department cannot be trusted to consider the needs and the rights of small business; and that, therefore, another agency, with veto powers, must be put over the Defense Department, to serve as a barrier and a deterrent to the efficient operation of the procurement policies of that Department.

I personally feel that the consideration of this bill in the committee has made it abundantly clear that Defense, GSA, and SBA should consult and work together in the development of such a procurement program; but, in the event of some disagreement, I would think the needs of the Defense Department should override, if necessary, the point of view of the SBA.

Interestingly enough, the Senator from Texas [Mr. TOWER] and I, as Republicans, stand here to defend the position of the administration.

I certainly hope, in the present situation particularly, that we will realize that we are suggesting a situation that could make the operation of the defense procurement needs rather difficult. I hope the Senators in charge of the bill will accept the Tower amendment and preserve the consultative power of SBA, but not give it an ultimate veto power over the procurement program of our Defense Establishment.

Mr. TOWER. I wish to thank the distinguished Senator from Utah for his remarks, which I think build the strongest possible case for the adoption of this amendment. I should like to point, too, to the report of the committee, which makes it clear that the intent here is to give the SBA veto power over defense procurement, and I quote from the committee report:

> In order to make it abundantly clear that the participation by SBA in the formulation of the program is to be carried through fully and completely, a specific provision was written into the section expressly requiring that SBA must approve the regulations before they are issued by the procuring agencies. The committee wants to make it clear that SBA approval is necessary before the regulations can be issued.

I think it would be folly, when the Defense Department has the responsibility of accumulating the weaponry and the manpower necessary to defend our country against attack, against aggression, to give an administration that is not concerned at all with defense matters a veto power over procurement policies and regulations.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from Maryland.

Mr. BEALL. Mr. President, I rise in support of the amendment.

At the same time, I wish to give my strong endorsement to the establishment of a small business subcontracting program. The language in this bill, however, would give to the Small Business Administration, a nonprocurement agency, powers to veto the rules promulgated by GSA and the Department of Defense. While I favor greater participation in this program by SBA, I sincerely doubt the wisdom of placing

the final determination in a procurement matter with a nonprocurement agency.

S. 836 provides sufficient funds to enable the SBA to continue its regular business loan program until March 1962. The funds provided in this bill are essential to the continued operations of the agency.

The subcontracting provisions of the bill are already controversial. If we accept the present language giving a veto power to SBA, I fear that we may jeopardize passage of the entire bill.

Since it will be necessary to bring another bill to the floor next year, I think it would be wise to accept the provisions recommended by the administration. We would then be in a position to review the program next year. During my 19 years in Congress, I have learned that the weeks immediately prior to adjournment are not conducive to the enactment of new programs. I would much rather return next year and give this matter the careful consideration it deserves.

I hope the Senate will adopt this amendment.

Mr. PROXMIRE. Mr. President——

Mr. TOWER. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I oppose the pending amendment. This question was discussed at great length in the subcommittee, and also in the full committee. There was a strong feeling by a number of us against weakening the opportunity to provide small business to get a greater share of defense contracts. The facts are clear. The latest figures indicate that small business gets a small percentage of the military contracts. In fiscal 1961 the small business share hit an all-time low. A few years ago the percentage of defense contracts obtained by small business was 25 percent. The figure has gone down to 16.1 percent in fiscal 1960 and 15.9 percent in fiscal 1961. The President of the United States directed the Secretary of Defense in January of this year to increase the amount 10 percent, from 16.1 to 17.6 percent. Instead, the percentage has gone down to 15.9.

We can talk all we want to about offering a small business program, but unless we have a program that has "muscle" for small business, it is going to get a smaller and smaller share of defense contracts.

The fact is that the Defense Department does have the No. 1 responsibility for our defense, and it should have. It should not have to be concerned in any significant way with problems of small business. The Department has much more important obligations to our Nation and to the free world than getting involved in such problems. That is why it is so important that we have an SBA, an agency which has its primary responsibility to small business, to make certain it will develop such a program.

Let me say that the bill before us has already been compromised very greatly as compared with the bill which we unanimously passed last year, which gave SBA far greater power than this bill gives.

H.R. 11207, which we unanimously passed last year, provided that SBA, after consultation with Defense, should itself, alone, develop a small business subcontracting program. SBA would have had sole power.

This bill provides that Defense and SBA and GSA cooperatively shall develop a small business subcontracting program.

Obviously, we have gone a long way toward diminishing the authority of SBA and have increased the authority of GSA and Defense.

Anybody who follows what has happened in the past knows that the Defense Department has the muscle, the authority, the prestige, and the power to make its authority felt.

H.R. 11207, the bill we passed last year unanimously, provided that primary contractors and subcontractors consult with and utilize the facilities of SBA when requested by the SBA.

This bill, S. 836, provides that prime contractors and subcontractors consult through the procurement agencies. In other words, in this year's bill SBA does not have an opportunity to go to a prime contractor and say, "Will you give a bigger share of your procurement contracts to this and that small business?" They cannot do that.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. KUCHEL. Let me say first that the language of the bill, reading on page 7, line 22, is as follows:

> Within ninety days after the effective date of this subsection, the Administrator, the Secretary of Defense, and the Administrator of General Services shall cooperatively develop a small business subcontracting program and shall approve the regulations implementing such program which shall contain such provisions as may be appropriate—

And then they are enumerated.

The able Senator from Texas seeks to strike out the last word, "and" on page 7, and, continuing on the next page, the words reading, "shall approve the regulations implementing such program".

I assume the language which the able Senator from Texas would strike out gives the Small Business Administrator the right to veto what the Defense Department determines to be the rules upon which subcontracts shall be let. Is that the purpose of the amendment?

Mr. PROXMIRE. The purpose of the bill is to provide that SBA will be an equal partner. The way the bill was drafted last year and unanimously passed by the Senate, the SBA, Defense, and GSA would consult together. But the SBA alone would determine the program. We change that and say GSA, SBA, and the Defense Department shall cooperatively approve, and it must be approved by all, including SBA. If the Defense Department does not approve, it vetoes the regulations. They can stall and prevent the program. It means that if there is not agreement, the three agencies may go to the White House, they may conceivably bring the matter, to some extent, to Congress and try to work it out.

This would give to the Small Business Administration a little more influence, a little more power, a little more opportunity to fight for a program which will give small business some bigger share of the defense contracts than small business has had in the past.

Mr. KUCHEL. Did the able Senator or the committee listen to the comments of the Department of Defense?

Mr. PROXMIRE. We did, at great length. The Department of Defense testified last year and testified this year.

Mr. KUCHEL. Did the Department of Defense approve the proposal?

Mr. PROXMIRE. Oh, no. The Department of Defense did not approve or disapprove this proposal. I would say they have gone 95 percent of the way with the bill as now drafted.

Mr. KUCHEL. Did any agency in the executive branch of the Government approve it?

Mr. PROXMIRE. No.

I should say that we have greatly modified the bill, which passed the Senate unanimously last year, to meet the objections of the Department of Defense. I am enumerating the compromises we made. The Department did not finally approve every last comma and semicolon.

Mr. KUCHEL. In other words, while the language has been changed, it is a fair statement to say that the Department of Defense objects to the language sought to be deleted by the able Senator from Texas.

Mr. PROXMIRE. The Department of Defense came in with a proposal in which it was stated there should be a joint determination of the program and that it should be worked out cooperatively. We modified our bill to accomplish that.

We did not go all the way. I think we went about 95 percent of the way. The committee decided that if we were to have a small business program we should give to the Small Business Administration the opportunity to approve regulations.

Mr. KUCHEL. I understand that. Is it fair to say that the Department of Defense objects to the language sought to be deleted by the Senator from Texas?

Mr. PROXMIRE. The Department had its own language. The language sought to be deleted by the Senator from Texas was not in this bill when Defense approved. It was added by the committee in the final markup of the bill.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. PROXMIRE. I am delighted to yield.

Mr. JAVITS. I should like to express my support.

Mr. PROXMIRE. I am sorry; the Senator from Texas [Mr. TOWER] has the floor.

Mr. TOWER. I am happy to yield to the Senator from New York.

Mr. JAVITS. I should like to explain to the Senator what happened in the committee with respect to the amendment. I must admit I had something to do with the way it now stands.

I know the Senator is serious about his proposal and will press it, but I think the RECORD ought to be clear as to how this came about.

Three things were at issue. First, who would initiate the regulations? Second, who would approve them? Third, who would issue them?

One position was taken by the Senator from Wisconsin [Mr. PROXMIRE] and those with him, who wished to make the Small Business Administration a full participant in every one of these functions. Then there was a very strong objection by the Department of Defense and its friends, who felt it was the job of the Department of Defense to issue procurement regulations. They did not wish to have the Small Business Administration in that picture.

They felt it would confuse the procurement officers, and so on.

I suggested the formula as a compromise. It comes down to the fact that the Small Business Administration appears in only one phase, only as to the capability for veto. It is somewhat like the question we considered yesterday with respect to the wilderness bill.

The Small Business Administration does not have the power to initiate. That remains with the procurement agencies. The Small Business Administration does not have the power to issue. That remains with the procurement agencies.

The Senator will notice certain language which he did not move to strike, which is contained on page 8 of the bill and which relates to issuance by procurement agencies.

The Small Business Administration would have the power of veto, if it found the regulations unsatisfactory in terms of small business.

That was a compromise of a difficult situation, with conflicting points of view as among various agencies.

I appreciate the Senator's position, but I must say it seems to me to be a fair compromise and a necessary compromise, in view of the fact that otherwise we cannot give to small business any real assurance, in view of the bad experience it has had with the major procurement agencies in terms of getting what we consider—I think quite fairly—to be an equitable share of the procurement.

I think that is the situation.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from Utah.

Mr. BENNETT. This is a very interesting discussion, because in the record of hearings on page 231 and from there to page 239 is a copy of a letter which the committee received not from the Department of Defense but from John E. Horne, Administrator of the Small Business Administration. This is the Small Business Administrator speaking, and not the Department of Defense.

On page 236, as a part of the letter, Mr. Horne said, "I am, therefore, submitting the following redraft of section 8 of S. 836," prepared by the Department of Defense and the General Services Administration and the Small Business Administration.

Within that redraft are exactly the words which would remain in the bill if the Tower amendment is agreed to.

In other words, the Small Business Administration itself does not wish to have the power which the committee finally gave it.

Mr. Horne, in writing to the committee, proposed language which would be exactly what would remain if the Tower amendment is agreed to.

I have only one further observation. If the bill is passed, we shall face a situation which would create within the Government and within the area of defense the exact situation to which we apply the word "troika" with respect to the Russian insistence that there must be a three-headed control over, in that case, the suspension of testing of atomic bombs. In other words, the Russians wish to retain the power of veto.

We are asked to write into the bill a troika situation, under which the Small Business Administration would retain the power of veto over the Department of Defense in the face of the fact that neither the President nor the Administrator of the Small Business Administration wishes to have that power provided.

I agree with my colleague from Wisconsin that the advocates of giving to the Small Business Administration complete control over the procurement policies of the Department of Defense and the General Services Administration have retreated quite a ways, but they still would leave the troika principle, the Russian principle, which is that they must retain the power of veto. They would let the other man do all the work, and say, "Let him consult us. We will sit back, and if we do not like what he does, we will wipe it out with a wave of our hands."

I think this is particularly important under the present circumstances. It is far too serious to settle on the basis of a statement, "We have already retreated part way. We have only retained the right of veto."

We realize that the other body passed a bill which makes no change in the present situation. I think we would do well to agree to the Tower amendment and go to conference on a bill in which the troika principle is not involved.

Mr. TOWER. Mr. President, the problem should be put in proper perspective. Certainly we all feel that small business should receive an equitable share of defense contracts, but it should not have veto power over the procurement regulations of the Department of Defense.

Nothing could be more important than allowing the Department of Defense to procure goods and services with speed, dispatch, and efficiency at a time when we are trying desperately to build our Defense Establishment to meet the Communist imperialistic threat. This should override all other considerations.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas.

Mr. KUCHEL. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. KUCHEL. Mr. President, I ask for the yeas and nays on the amendment offered by the Senator from Texas.

The yeas and nays were ordered.

Mr. KUCHEL. Mr. President, I have a few comments to make.

We have never had a more dark or dismal future to contemplate. The Soviets are detonating nuclear bombs by way of testing and perfecting them. The Berlin crisis increases each day.

The Secretary of Defense and the Department of Defense have an overriding, crucial responsibility for the security of the American people.

The Senator from Texas deserves the commendation and congratulations of the Senate and of the country for bringing to the attention of the Senate today by his amendment the fact that the bill as it is presently worded would give to the Small Business Administration the right to stultify a portion of the responsibility which the Secretary of Defense has and ought to have.

No one in Congress has tried to be more helpful to the plight of American small business than has the Senator from California. I have been a member of the Subcommittee on Small Business. I have had the honor to join the able junior Senator from Alabama [Mr. SPARKMAN] time and time again in sponsoring legislation which would be of assistance to small business in America. I hope to be able to do so in the future.

But how can the Senate say to the Department of Defense, "Go away. We are not going to let the Senate give any consideration to the position that you take in discharging your responsibilities to the American people"?

The amendment of the distinguished Senator from Texas [Mr. TOWER] ought to be agreed to unanimously. I respectfully suggest to the Senate that this is not a time to place any kind of shackles on the men and the agencies in the American Government who are charged with providing this country with the sinews of defense and the strength and the Military Establishment to deter Communist aggression and, if necessary, to combat it. The amendment of the Senator from Texas ought to be agreed to unanimously.

Mr. TOWER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TOWER. Do I still have the floor?

The PRESIDING OFFICER. The Chair recognized the Senator from California. He was under the impression that the Senator from Texas had yielded the floor.

Mr. TOWER. I did yield the floor to the Senator from California.

The PRESIDING OFFICER. If the Senator from Texas wishes to be recognized, he is recognized now.

Mr. TOWER. I thank the Chair.

I should like to offer my gratitude to the distinguished Senator from California for his very piercing remarks. He has certainly gone directly to the heart of the problem. We know that everything we do in Washington is oriented by one consideration and that is the

necessity for the United States to maintain her defense perimeter as close to the enemy's shores as possible and as far from our own shores as possible. Our Defense Department must have the greatest latitude in formulating and implementing the policies necessary for us to maintain a position of military and strategic superiority to the Soviet Union, and this consideration must override and subordinate all others.

I therefore urge the Senate to agree to the amendment.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. JAVITS. I rise in opposition to the amendment. I think the amendment raises a fundamental question of policy, which is whether or not we believe that small business can or cannot contribute to the defense effort. In other words, is small business an anchor around the defense effort or is small business capable of contributing to the defense effort? That is the point now being argued. The argument is being made that we would do small business a favor, that we would carry it on our back because it interferes with the defense effort and we should not permit it to interfere. The argument is made that we should minimize its intrusion into the procurement process, and all business should be concentrated in big business. Then we will be sure that we will get everything that we want for defense. That is what the argument comes down to.

I come from New York, which has an enormous complex of small business. My State—and I think what I am about to say would go for many other States—is suffering from the fact that there has been a tremendous shift of defense contracts from the eastern part of the country to the far western part of the country. I think that we shall be put to even more of a disadvantage if we do not retain the bill in its present form. Either small business is capable of doing a job in respect of the defense procurement of the United States, or the Senator from Alabama [Mr. SPARKMAN], our whole committee and the Committee on Banking and Currency, have been wrong right along, and we are an incubus on the back of the body politic in the economy of the United States. That argument will be deeply resented by millions of small businessmen because it is not true.

The Defense Department authorities testified to that point themselves. Representatives of the Department are always saying how important, how valuable, how good, how efficient small business is, and how much it contributes. But when we come to the paying teller's window of actual participation by the Small Business Administration in the process of procurement, they are turned away. All the fine speeches and all the fine words are meaningless compared to the rollcall. This is where we will vote yea or nay depending on whether we think the small businessman contributes effectively to the defense effort.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. KUCHEL. Let us assume that the bill is passed in its present form. Let us assume that under the present wording of the bill the Administrator, exercising the authority given to him by the language sought to be striken by the Senator from Texas, would not favor the regulations implementing the program. Then, I ask my friend, on what basis would small business in America have any opportunity to participate?

Mr. JAVITS. I point out to the Senator that he might as well tell me in that case that the FBI will not enforce the law, or that the Secret Service will not protect the President, when it is their sworn duty to do so.

What law requires Congress to vote appropriations? My friend knows as well as I do that we can sit on our hands and bring the entire Government of the United States to an end by not doing our duty.

At the same time I would rather have the Small Business Administration, which is bound to carry out the law and the intent of Congress with respect to small business, as a party that has to agree, than to turn it over to the Department of Defense, which would use its own judgment and its own discretion without necessarily a regard to the small business field as to the kind of procurement regulations it will make.

In short, the Senator is saying that the Small Business Administration is not a coequal—equally patriotic and equally deserving in terms of the interest with which it is charged to deal—element of the U.S. Government, but that the Defense Department is superior to it in that regard. I cannot accept the argument, because that is not what Congress provided in the Small Business Act and in the authority of the Small Business Administration.

Mr. KUCHEL. Mr. President, all I ask is a simple question: Let us assume that under the language of the bill the Small Business Administrator states, "I will not approve these regulations." All I ask then is, On what basis would small business participate in the procurement of the Department of Defense? That is all I ask.

Mr. JAVITS. Then Congress has absolute authority, and the President has absolute authority to fire the Small Business Administrator on the ground that he would be running directly contrary to his duty, which is to help small business.

As I said to the Senator previously, it is absolutely inconceivable. We might as well say that we are going to sit on our hands and not vote appropriations. Surely we can do so. But would the country let us get away with it? Of course not.

To call on us to come to such a conclusion would call upon us to tax our imagination far more than to consider the possibility that if small business does not get into this process, what will happen will be exactly what has been happening all this time. Surely the volume of small business will be going down and down because there will be no one looking into the regulations and the processes that look after small business.

Mr. KUCHEL. Does the Senator suggest that while the proposed language gives the Small Business Administrator the right to approve or disapprove regulations implementing the program for small business, he would not exercise that right and would under no circumstances withhold approval?

Mr. JAVITS. I say nothing of the kind. I say that he would use his discretion, subject to the paramount authority of the President to fire the Secretary of Defense or anyone else in the process. In the final analysis, the sanctions which we have and the sanctions the country has lie in the final decision of the President. But we know from the dynamics of departmental operations that a department must participate in the process if we are going to get any particular result for the element of the economy that we represent. That is why the committee feels that the Small Business Administration must participate in this program.

Mr. KUCHEL. So that if the Small Business Administrator did not approve of the regulations, then the answer of my able colleague from New York would be that the President should remove the Small Business Administrator from his office?

Mr. JAVITS. If the Small Business Administrator, arbitrarily and contrary to the national interest of the United States, did not approve, he certainly should. That might be true not only of him but also of the Secretary of Defense and the Administrator of the General Services Administration. We are talking about processes in which various people participate. I do not see the Senator from California very much exercised about the fact that the Administrator of the General Services Administration is also supposed to participate in this process. He, too, can be arbitrary. The Secretary of Defense, too, can be arbitrary.

Mr. KUCHEL. The Senator from New York has supplied one more argument why the amendment of the Senator from Texas [Mr. TOWER] should prevail. We ought not to write into law a manacle by which any one of the three agencies would be able to shackle and to overrule the regulations under which small business participates in the defense procurement program. That responsibility rests, as it ought to rest, in the solid discretion of the Defense Department. It ought to stay there.

Mr. JAVITS. If it stays there we will have a repetition of the situation which we have had right along, under which small business cannot get its fair participation. We have tried it time and time again. If the amendment of the Senator from Texas prevails, it will copper-rivet it down and make it tight and make it clear that this is the intent of Congress, and that we do not have any special confidence in small business to carry its share of the load in relation to defense procurement.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. BENNETT. The Senator from New York has made the point that the Administrator of Small Business would

be more or less helpless if the Tower-Bennett amendment were approved. I have already indicated that in his letter of April 6, written to the committee, the Administrator of Small Business approved the language in the Tower amendment, and does not ask for this power which the committee is forcing on him.

It is hard for me to believe that the Small Business Administrator and his Administration would be so badly hamstrung when he is not asking for the power and is willing to proceed under the proposal which is represented by the amendment of the Senator from Texas.

Mr. JAVITS. I have not closely read the communication to which the Senator refers. I am not aware of the circumstances under which it was delivered. However, I would like to say that of course the Small Business Administrator can always appeal to the President. That has been their position up to now. Our position in committee was that it has not worked. We created the Small Business Administration. We created the Small Business Administrator. It is up to us to prescribe his powers and authority. If we think that what he is doing does not work, it is up to us to determine what will work. We believe that the scheme that we want to put forward, coming from the committee, has a much better chance of doing what we want done than what the Administrator has done up to now.

The Administrator, when he is suggesting policy, is dealing in a field in which he is not the sole judge. We are.

Although I have not read the details connected with the letter, I will take the Senator's word for it, and the letter is entitled to a certain amount of weight. However, it is not decisive. It is for us to say what we want him to do. It is up to us to say what will do most for small business.

Mr. BENNETT. I do not wish to repeat the full text of the letter, but the letter itself appears at page 231 of the hearings. I should like to read a few sentences to the Senator from New York:

> I am therefore submitting the following redraft of section 8 of S. 836.
>
> These recommendations are supported by the Department of Defense, the General Services Administration, and the Small Business Administration.

Incidentally, section 8 referred to by the administrator, is now section 7 in the bill as reported by the committee.

It means all three of them, acting together, propose the language which is identical with the language which will remain in the bill after the Tower amendment is adopted.

Mr. JAVITS. I do not even find the hearings on my desk, which is a little odd. So I am completely in the dark as to what the Senator has read. I am not disputing the Senator's point. As I say, it is up to us to determine what is the most effective type of approach in order to get a better program for small business. As far as the committee is concerned, we think this is the most effective type of approach.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. TOWER. No one is questioning the patriotism of the Small Business Administrator, nor his concern, or indeed that of any other agency, for the safety of the country. However, the point remains that it is not sound for the Small Business Administration to have a veto power over defense procurement. SBA should not be a coordinate partner with the Defense Department in defense procurement. We have heard a great deal of talk about helping small business. If we were introducing a bill to provide for right-to-work laws for the small businessmen, or to repeal the minimum wage for the small businessmen, I wonder if we would hear expressed very great concern for the small businessmen that we have heard here today.

Mr. JAVITS. In answer to the Senator from Texas I might say that what we are doing here is dealing with regulations on the small business subcontracting program, not the procurement activities of the Defense Department. We are dealing precisely with the area of activity which we have entrusted to the Small Business Administrator. Therefore, it seems to me very clear that if we want him to do what we expect him to do we must give him more muscle. It has often been said that the Small Business Administration lacks muscle. Of course, they have had advisers and they have been sent around to watch the situation and observe and study it and to advise about it. However, they have not had any muscle. This is the first time that we are giving it some muscle with respect to the subcontracting program itself, not with respect to defense procurement. This is a new initiative on the part of Congress in an attempt to do something substantively so far as small business participation in defense orders is concerned. We should not be frustrated in doing it by adopting the amendment offered by the Senator from Texas.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MILLER. I have two observations I should like to make and I would appreciate it if the Senator from New York would comment on them. The first observation is that it seems to me we are getting too many regulations cranked into this picture. At the top of page 8 of the bill there is a provision for regulations implementing the subcontracting program. Down at line 20 it states:

> Thereafter the Secretary of Defense and the Administrator of the General Services Administration each shall issue regulations implementing the program as developed.

It seems to me we have a duplication of regulations, which is not good. I believe all of us know that we have too many regulations now which businessmen must keep up with. I am just wondering if the provision which the Tower amendment seeks to strike was not put into the bill without taking into consideration that we have all these other regulations provided for, starting with line 20. That is the first observation.

The second observation is this: The Senator from New York is talking about giving some muscle to the Small Business Administration. But it seems to me the muscle has been taken out pretty well, starting at line 14, page 8, where reference is made to the program which is to be developed, and, of course, in turn, the regulations to implement that program. The language reads: "*Provided*, That such program shall not authorize the Administration to (i) prescribe the extent to which any contractor or subcontractor shall subcontract, (ii) specify the business concerns to which subcontracts shall be granted, or (iii) vest in the Administration authority respecting the administration of individual prime contracts or subcontracts."

There goes the muscle. It has already been taken out. I cannot see how the adoption of the Tower amendment will interfere in any way with the effectiveness of the Small Business Administration's program. The heart of it, it seems to me, is the program. In turn, the regulations to implement that program are prescribed, starting on line 20. I think the Small Business Administration and the powers envisaged by Congress for that administration would be amply protected by having the Tower amendment in the bill.

Mr. JAVITS. In answer to the Senator from Iowa, regulations, of course, will have to be issued. They are issued now. Nothing is being done now which will not be in the new set of regulations. It depends on what terms the regulations will carry. That is what we are debating now, because of the way in which they shall be approved. The question of promulgation is something the committee debated. The promulgating of regulations is an autonomous authority of the governmental departments which do the procuring. So we provide that power to them.

The reason I use the word "muscle" is this: Certainly, as the Senator from Utah [Mr. BENNETT] properly said, if we eliminate what the Tower amendment seeks to eliminate, we refrain from giving to the Small Business Administrator any responsibility or any authority to approve. We confine him to the fact that he shall be conferring with these agencies in order to cooperatively administer the program; but if they override him, then he must go to the President. That procedure has been found ineffective up to now.

On the other hand, if we give him this element of muscle, by which he, too, will become a high contracting party, he, too, will have to give his approval. We will, for the first time, have given small business a real voice in what would be contained in the regulations.

There will be no duplication of regulations, because they will be regulations which would have to be issued anyhow. The bill will provide that they are to be issued not only by GSA and the Department of Defense, but also are to be approved by them, if this is without any participation in the approval by the Small Business Administration. So I do not see how we are duplicating or making any more complicated the issuance

of regulations than we do whether we adopt the Tower amendment or not.

Mr. MILLER. May I ask, with respect to the last point, whether the regulations referred to on line 1, page 8, are the same regulations as are referred to starting in line 21, page 8?

Mr. JAVITS. That is my understanding, very clearly. I shall ask the Senator from Wisconsin, who is in charge of the bill, to confirm that understanding.

The question is whether the regulations which are referred to in the language sought to be stricken by the Tower-Bennett amendment are the very same regulations as are referred to on page 8, lines 20 to 22, inclusive.

Mr. PROXMIRE. The answer is, "Yes, they are the same."

Mr. JAVITS. Of course. That is my understanding, too.

Mr. MILLER. I appreciate the Senator's clarification of that point.

Mr. COOPER. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. COOPER. Adverting to the question raised by the Senator from Texas, I ask the Senator from New York if there is any force or validity to the argument which has been made that the language contained in this section would limit the Secretary of Defense and the Department of Defense, either in contracting or subcontracting activities, would limit their power and flexibility to make contracts or subcontracts for property or services, or for research and development, even though it were thought those regulations were not advantageous to the general security of the United States?

Mr. JAVITS. I do not believe there is anything in the bill which would limit the procurement capability of the Secretary of Defense. We are dealing only with the promulgation of a set of regulations. So far as the regulations are concerned, before he promulgated them, he would have to get the approval of his colleague in Government, in the executive department, the Small Business Administrator. If he does not like what his colleague is trying to do under the subcontracting program, he can always go to the President, who can overrule them all. This is a technique which has been adopted in foreign aid bills time and again, where there is a cooperative responsibility among the Department of State and other agencies of the Government. This is the first time, and a very effective time, in which we are trying to introduce the Administrator of Small Business. We are finally trying to give him some muscle, in terms of muscle which he can authorize with respect to other programs and agencies. However, I cannot see how in any way that would interfere with the Department of Defense programs and activities once these regulations are adopted. We expressly provided, as was contemplated in the committee, that the Department of Defense should put its own imprimatur on the regulations, should administer them itself, should interpret them itself. Once they get by the regulations stage, they are through the Small Business Administrator, except to the extent they deal with him now in their effort to get set-aside and give people information in terms of the defense program. We are introducing a new element, the element of giving the Administrator some say in the regulations which will be promulgated by the Department of Defense and the General Services Administration.

Mr. COOPER. I appreciate the Senator's explanation, but I must say that this point troubles me, as I am sure it troubles other Senators. I think it was last year or earlier this year, in connection with another bill, that the distinguished junior Senator from Louisiana [Mr. LONG] offered an amendment which provided that no Army installation could be moved, even though the Department of Defense needed to move or close that installation, unless the Department had the approval of some other agency. Anyway, the proposal was argued quite vehemently on the floor of the Senate. Many Senators thought the amendment was absolutely inconsistent with the security or the defense of this country to let some other agency determine what the Department of Defense should do, even though the ideas of the other agency were inconsistent with the protection and security of the country.

My only remaining question is this: What authority has the Secretary of Defense in cooperating with the Administrator of Small Business and the Administrator of General Services in developing these regulations? I think the Senator said that if there was a disagreement, it would always go back to the President. Is that the ultimate resort?

Mr. JAVITS. I do not think that is the ultimate resort, because we are dealing with a totally different quantity of authority in respect of this bill compared with the analogy which the Senator from Kentucky gave. The Small Business Administrator is not engaged in the day-to-day, month-to-month program activity of the Department of Defense. The Small Business Administrator comes into the process only in respect to the regulations. Once they have been issued, that is the end of his role, so far as this particular amendment is concerned. So he will not participate in the day-to-day or month-to-month decisions—the dynamics of the administration of the program or the administration of the Department of Defense.

Mr. SPARKMAN. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. SPARKMAN. That is specifically provided for in the proviso referred to by the Senator from Iowa [Mr. MILLER], a moment ago, which appears on line 14, page 8, of the bill. The language provides that the Small Business Administrator shall have nothing to do with the administration of contracts or the giving of subcontracts, and so forth.

Mr. JAVITS. The second point, which is very important on its face, is this: Where there is given what I call some muscle in respect to this matter, it is being given in respect to the small business subcontracting program. So the worst that could happen if the Small Business Administrator became obstinate or obdurate—and the Senator from California pointed that out—is that he would hurt the interests he is sworn to protect. If he becomes impossible to deal with, he will hurt the small business program more and more. He does not interfere with the general defense program or defense activities of the Department of Defense on any theory that it can get along without small business. But he would really be cutting off his own nose to spite his face, which seems to us to be inconceivable. So, if he did not agree, he would not cripple the Department of Defense; he would only hurt himself and the agency he was obligated to protect.

In the second place, if he did not participate in the dynamics of administration, but participated only in the rule-making process, once that was launched, it would end his participation in terms of the veto authority.

For those reasons, I do not believe that the normal operations of the Department of Defense would be interfered with.

Mr. COOPER. Mr. President, will the Senator from New York yield?

The PRESIDING OFFICER (Mr. METCALF in the chair). Does the Senator from New York yield to the Senator from Kentucky?

Mr. JAVITS. I yield.

Mr. COOPER. I assure the Senator from New York that I am not trying to find in the bill some hobgoblin which does not exist; but I think it is well for the Senator to interpret the amendment, which I know he had a great deal to do with developing.

On page 8, in line 20, we find the following:

> Thereafter the Secretary of Defense and the Administrator of General Services each shall issue regulations implementing the program as developed.

It seems to me that once the program is developed, the Secretary of Defense will be bound to issue regulations implementing the program; and that would be carried out by the further language, beginning in line 22:

> In addition, the Administrator of General Services and the Secretary of Defense may issue such other regulations concerning subcontracting not inconsistent with the small business subcontracting program as they each deem necessary or appropriate to effectuate their functions and responsibilities.

I know that the Small Business Administration is not engaged in the procurement activities of the Department of Defense; and the provision I have just read indicates that the regulations which the Secretary of Defense would be required to implement or which he might develop on his own initiative would have to adhere to the standard of consistency with regulations previously agreed to by the Administrator of the Small Business Administration, the Secretary of Defense, and the Administrator of General Services. But it seems to me that this provision goes back to the first provision about the development of regulations.

I should like to ask this question: In the event the Secretary of Defense determined that the regulations which might have been agreed to by the Administrator of General Services were not consistent with his obligations in

regard to the security of the Nation and the best methods of procurement, what would be his recourse?

Mr. JAVITS. His recourse, it seems to me—and it is very clearly spelled out—would be to go to the President, who is the final arbiter with respect to any conflicts between the executive departments. If the Administrator arbitrarily refused to agree, according to my interpretation—and the floor manager of the bill is here, and I believe it important that he confirm this statement, if he agrees—my interpretation is that if the Small Business Administrator refused to agree about the small business procurement regulations, then the Administrator of General Services and the Secretary of Defense could issue subcontracting regulations of their own. That is the very purpose of the last sentence, because then there would be no small business regulations with which their regulations could be inconsistent. So it seems to me that only buttresses our point, which is that we are giving the Small Business Administrator some muscle, but at the same time we are not giving him the ability to tie up the Defense Department procurement.

Mr. PROXMIRE. I would certainly confirm that completely; and that emphasizes the point that under this provision, of which the Senator from New York was the initiator, this could be called to the attention of the President, and perhaps to the attention of Congress. But the fact is that there would not be a minute's interference—let alone a day's interference or a week's interference—with the procurement process. The Department of Defense would simply go right ahead, because unless it approved, there would be no effect at all on any small business subcontracting program. There could not be any regulations if the Department of Defense refused to accept them.

Mr. JAVITS. And if they refused to accept what the Small Business Administrator was willing to approve, the Department of Defense could promulgate its own subcontracting regulations, and then there would be nothing with which they would be inconsistent.

Mr. PROXMIRE. That is correct.

Mr. COOPER. I think the Senator has come to the point on which I sought enlightenment. The Senator's statement is, then, that if the Defense Department did not agree with the Administrator of General Services on the regulations which they would like to promulgate, there would be no regulations insofar as the Department of Defense was concerned, regarding its procurement policies.

Mr. JAVITS. Exactly, and they could go ahead and could promulgate their own regulations and could do business in the normal way, without reference to this bill.

Mr. COOPER. Then there must be agreement between the three, before any regulations would become effective. Is that correct?

Mr. JAVITS. Before any regulations of the small business subcontracting program would become effective. That is the critical qualification. If there is to be a small business subcontracting program, the administrators must agree. If there is not to be a small business subcontracting program, the Department of Defense will proceed to transact its business in the way it is transacting it now, and it could not be stopped by the Small Business Administrator.

Mr. COOPER. The small business subcontracting program must be agreed to by the Department of Defense before it becomes effective as to their procurement policies?

Mr. JAVITS. That is exactly correct.

Mr. CAPEHART. Mr. President, the matter we are discussing is not a political one in any sense. It is a practical matter. We have been wrestling with it for many years in the Committee on Banking and Currency.

As all Senators know, the Defense Department spends billions of dollars a year. The problem is how to set up a system to assure that small businesses will get their fair share of those billions of dollars of business.

I suspect that I am the only Senator now discussing this matter who has had a great deal of experience over a period of 25 years in doing business with the Defense Establishment—selling merchandise and doing business with the Department as a small manufacturer.

For many years I have been vitally interested in this subject.

We need some sort of arrangement by which the small businesses of America can be assured a just and equitable share of defense business. But in the past the small businesses have not been getting it. This has not necessarily been the fault of the Defense Establishment. The Department must move rapidly from time to time. It purchases billions and billions of dollars' worth of goods and services. It must purchase them under the law. In short, over the years Congress has passed laws to which the Defense Establishment must adhere. So in many respects its hands have been tied by these laws.

I believe I can say without fear of successful contradiction that small businesses are not getting their fair share of the Defense Establishment expenditures. One of the reasons for that is, of course, that the big business concerns of the Nation maintain—they can afford to do so—offices in Washington and elsewhere, and have the necessary organization and facilities and funds to enable them to know what is going on every minute.

In the first place, thousands and thousands of small businessmen in the United States have no way of knowing what is going on. They have no possible way of knowing what is to be purchased.

I have discussed on the floor of the Senate before, and for hours in the Banking and Currency Committee, the desirability of a formula which would assure small business a larger percentage of our Government contracts.

I do not think the language in the bill we are now considering is 100 percent satisfactory. Parts of it I do not like.

On the other hand, small business is the backbone of this Nation. I am just as strongly for big business as I am for small business. I am a 100-percenter when it comes to all business. But I recognize, through experience over the years, the problems small businesses have in getting their share of defense contracts and also the business that goes overseas.

The language in the bill is an effort to assure small businessmen more business. I believe the Defense Establishment, the Small Business Administration, and the General Services Administration can get together on the proposal contained in the bill.

Congress has the responsibility to say to the Defense Department, "Since your expenditures are so great, and there are so many thousands and thousands of small businesses, we should have some sort of procedure here to help small business get more of your contracts."

This bill is an effort to do that. Some persons do not like the language of the bill because they fear the Small Business Administration will dominate the situation. I doubt that very much. Furthermore, I believe the good to be derived by channeling a larger percentage of the business to small firms will overcome any small harm that might be done the Defense Establishment.

As one who was in the manufacturing business and who purchased a great deal of goods and spent much money in that business over the years, I know it is easier for any buyer or for the Defense Establishment to give his business to one firm. It is easier to buy from only one concern. I know it is easier, on negotiated contracts, to do business with 2 or 3 manufacturers rather than 25.

But I happen to know from experience that in those instances where small businesses have finally forced their way into the Department of Defense with orders in certain emergencies, they have quoted prices that have saved the American taxpayers millions and millions of dollars. If it had not been for the competition of the small businessmen in competing with the big business firms, the taxpayers would have paid many more millions of dollars.

I do not particularly like some of the language of the bill, but I do not know any other way to bring about this result. There was a time when I seriously considered proposing, and I talked at great length about it, a regulation whereby the defense and other procurement agencies would be required to buy at least 33⅓ percent of their products from small businesses. In the case of a contract with a prime contractor that ran into millions and millions of dollars, while the contract would be awarded to the lowest bidder, a consideration would have been the awarding of the bid to a prime contractor who would have subcontracted the largest dollar volume to small business.

I do not believe anyone can successfully contradict the statement that small firms are not getting their share of Government business. I know the small business concerns in Indiana are not, and I know many of them are in trouble.

I believe the facts will show that the great volume of Government business goes to a few manufacturers. I can understand why that is so. First, it is the

easiest way to buy. Second, large firms are organized to get the business.

This is not a political matter at all. It is not a question of whether one is for or against something. A practical question is involved; namely, Is there some honest, equitable way in which small business can get a larger share of Government procurement contracts without in any way hurting the Defense Establishment? I believe there is. I believe this bill is a fair start. Perhaps it can be improved, but it is a fair start, and I think we should give it a try.

I do not want to see small businesses in this Nation hurt. I want to see them get their share. They, as well as big firms, pay taxes.

The more competition there is, the more people who are competing for Government orders, the lower the prices will be to the Government, and the better it will be for the economy of this Nation. So it is a practical matter, and not a political matter at all.

I have never felt that the Defense Establishment and the GSA have done as good a job in this respect as they could do. I feel they are to blame for the fact that this legislation is before us today.

There is another problem facing the Nation in the field of special items such as electronics, airplanes, missiles, rockets, and many other products in the manufacture of which many small businesses cannot engage. In other words, the nature of the purchases of products today, in comparison with World War II, has a tendency to put such contracts into the hands of large firms with engineering and research facilities. Because of these facilities, they possibly can do the job better. It is easier for them to do.

The other side of the coin is that the last thing I want to do or the committee would want to do is to establish a system which would hamstring or hurt the national defense and force the Defense Establishment to give orders to someone who could not deliver the goods or qualify except for a regulation which forced the agency to give the contract to him.

It seems to me the bill is a step in the right direction. I am talking from practical experience, both in the Senate of the United States and as a longtime manufacturer before I came to the Senate, who sold goods to the Government during World War II. It seems to me we should make the effort outlined in this bill. If we do, I believe we shall find that SBA, representing small business in America, together with GSA and the Defense Department, can get together and perform a great service for the small businessmen of America.

Small businessmen are having a hard time today. Small business is really pinched in a cost squeeze. The small businessmen are not making the amount of money they should be making. In my opinion, they are not getting a just share of governmental expenditures. I have thought so for a long time.

I have wrestled with the problem. It is not a new problem for me. I have talked about it for many years. We have talked about it in the Senate Committee on Banking and Currency for many years.

I certainly have no quarrel with anyone who feels opposite to the way I feel about the problem. I have had practical experience with the problem. I know exactly how procurement is handled and am completely familiar with the problems faced by a small manufacturer or small businessman, including the expense to which he is put to obtain business.

I must take the position I am taking because of the experience I have had in studying the problem, and actual experience in dealing with it.

We should make an effort. Perhaps some words in the bill could be changed. Perhaps some new language could be used. The last thing I wish to have happen is for the Small Business Administration to dominate the situation. I do not believe it would, under the proposed legislation. I am not interested in having that occur at all.

I am interested in establishing a system under which the Small Business Administration would help, with the Defense Establishment and the General Services Administration, to work out a program so that x amount of the business, which small business can handle, will be given to small business, and so that a system will be worked out whereby it will be easier for small business to know what is to be purchased, how it will be purchased, and how the small businessman should proceed.

My interest in the problem is that. I do not particularly like the language suggested, but I am willing to gamble on it. If we find it does not work, I shall be the first to say, "Let us repeal it" or "Let us change it."

I think the time has arrived when we must do something for small business in the United States.

Mr. TOWER. Mr. President, points remain which have not been refuted. The bill, if passed in its present form, would give to the Small Business Administration coordinate power to establish procurement policy for the Department of Defense with the Department of Defense. The Department of Defense does not want this. The Kennedy administration does not want it. It would be dangerous folly to allow an agency which has nothing to do with the defense effort, which has no responsibility for the Nation's safety, to impose its arbitrary will and discretion on the Department of Defense in these critical times.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from Utah.

Mr. BENNETT. The Senator from Utah has heard, ever since he has been a Member of the Senate, the statement that the Senate marches up the hill and then marches down again.

I have listened to the arguments made on the proposal. We have heard the argument made that if the Department of Defense promulgates regulations, in cooperation with the Small Business Administration, and the Small Business Administration vetoes them, then the Department of Defense could ignore the whole thing on the ground that no regulations had been promulgated. If that would not be marching up and down hill, I have no idea what it would be.

It seems to me it is a very weak argument in favor of the existing language of the bill, which is supposed to increase the power of small business to obtain defense contracts, if we say, "Well, if the Small Business Administration uses that power unwisely the Defense Department can ignore it, anyway."

Why should we go through all of this effort, to try to spell out that the Small Business Administration can be involved in making defense procurement regulations, under those circumstances?

I have listened with great interest to my friend from Indiana. Like him, I have engaged in the manufacturing business. My business officially is assumed to be small business, under the definition of the Small Business Administration.

Whether the bill passes or does not pass, in view of the interpretation made by the Senator from New York, I do not think it will affect the power of small business to get more subcontracts or contracts. We are dealing with a very interesting question, whether an agency set up to help one segment of the American economy can impose its will upon the $40-billion-odd defense procurement program to the point that it can veto the regulations under which the Department makes its procurement.

I think the bill properly goes to the point that the Small Business Administration and its officials should have a part in making the regulations originally, but if there should come a time of disagreement I do not think the Small Business Administration should say to the Department of Defense, particularly in these perilous times, "We do not like your regulations, therefore you cannot issue them."

I do not feel reassured to be told, "Well, if they cannot issue them, then the Defense Department can proceed and do its purchasing without regulations." That seems to me to negate all the work we are doing today.

I thank the Senator from Texas for yielding to me.

Mr. SYMINGTON rose.

Mr. TOWER. Mr. President, I yield to the distinguished senior Senator from Missouri.

Mr. SYMINGTON. Mr. President, first I express my appreciation for the interest and effort of the distinguished junior Senator from Wisconsin with respect to the problems of small business in this country. Every small businessman in the Nation should be grateful for his interest. I wish to work with him and for him on any program he or the able and distinguished Senator from Alabama have for the future in connection with problems relating to small business.

On the other hand, Mr. President, I have analyzed the proposal to the best of my ability and believe I should support the amendment of the distinguished Senator from Texas.

The problem of purchasing equipment, especially for the Department of Defense, involves purchasing units which have much to do with the lives of

the people who use them. I do not believe it advisable or right therefore for restrictions which might affect quality to be placed on those who have the basic responsibility for this equipment.

Not many years ago we had a sad experience in my home community. A corporation not normally involved in the work of building gliders built a glider. There was great interest. The construction took place during the war, when work was scarce and being parceled out. A demonstration of the glider was arranged. The mayor of St. Louis, the president of the Chamber of Commerce of St. Louis, the presiding judge of St. Louis County, the head of the Air Force in that part of the country, and others went up in the glider. A wing broke and every one of those fine citizens was killed.

Later it was found that the reason for the failure was a particular machined part that had been machined one-eighth of an inch more than the maximum tolerance specified on the drawing in question. It so happened the company that made the part was a fine company. The president was my good friend. But the company was then engaged in a line of new work and did not know the vital importance of certain tolerances on certain of the drawings.

I do not think there should be any restriction on the procurement policies of the Department of Defense, from the standpoint of purchasing quality.

In that connection, many small businesses in Missouri have written or telegraphed me requesting that I either work for the defeat of the bill or the deletion of section 7. I ask unanimous consent that four of these telegrams be printed at this point in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

ST. LOUIS, MO., *August 29, 1961.*
Senator STUART SYMINGTON,
Senate Office Building,
Washington, D.C.:
Defeat bill S. 836 or amend by deleting section 7.

PRECISION PRODUCTS CORP.

LAMBERTFIELD, MO., *August 29, 1961.*
Senator STUART SYMINGTON,
Washington, D.C.:
Reference Proxmire bill—S. 836 due to the labor problem existing in the metropolitan area at the present time we feel that this bill should be given careful consideration, especially section 7 of S. 836, i.e. This portion means definitely detrimental to all small businesses. I am sure that if aware of it many other small businesses would express the same opinion.

FLIGHT RESEARCH & DEVELOPMENT CO., INC.

LAMBERTFIELD, MO., *August 29, 1961.*
Senator STUART SYMINGTON,
Washington, D.C.:
Reference Proxmire bill—S. 836. Due to the labor problem existing in the metropolitan area at the present time we feel that this bill should be given careful consideration, especially section 7 of S. 836, i.e. This portion means definitely detrimental to all small businesses. I am sure that if aware of it many other small businesses would express the same opinion.

CLYDE MOSLEY,
President, Lambert Tool Specialty Co.

BLUE SPRINGS, MO., *August 29, 1961.*
Senator STUART SYMINGTON,
Senate Office Building,
Washington, D.C.:
I am in hopes that you will see the fallacies of the Proxmire bill, S. 836, in particular section 7. In my opinion can work out to be another bottleneck in the defense program and can do no good whatever.

Respectfully yours,

L. L. FIKE,
President, Fike Metal Products Corp.

Mr. SYMINGTON. Let me again assure my friend from Wisconsin, one of the great Members of this body, that I have every desire to support him in the development of small business, but I believe the amendment of the Senator from Texas is logical and right with respect to defense work.

Mr. TOWER. Mr. President, I thank the distinguished Senator from Missouri. In the light of his rich experience in the field, I think great weight should be given to his words.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the distinguished Senator from Arizona.

Mr. GOLDWATER. I wish to ask my friend from Texas a question or two on the subject. Was any evidence introduced in the hearings which would indicate what percentage small business should receive in relation to the total spent on defense contracts?

Mr. TOWER. Not to my knowledge. No such information came before the committee, either in testimony or as a result of study.

Mr. SPARKMAN. Mr. President, will the Senator yield at that point?

Mr. TOWER. I yield.

Mr. SPARKMAN. There was evidence. The Senator will recall that last year's experience was 16 percent, and that President Kennedy has directed the Defense Department to raise that percentage by 10 percent, which would make it 17.6 percent.

Mr. GOLDWATER. I am glad that the Senator from Alabama entered the discussion, because he has been a member of the committee for some time. I have always been puzzled as to what the goal should be. Should it be 16 percent? Twenty percent? Twenty-five percent? What should the goal be? Has evidence ever been introduced that would enable us to say that small business, under our definition of small business, should receive X percentage of the money that is spent on defense?

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. SPARKMAN. The Select Committee on Small Business has on several occasions pointed to 25 percent as being a reasonable figure. There was a time when the percentage ran around 25 percent. But over the past several years it has been gradually going down and, as the Senator from Wisconsin pointed out a few minutes ago, it actually has gone down a little since the first of the year. I believe it has decreased from 16 percent to 15.9 percent.

Mr. PROXMIRE. It is now at an all-time low. It has never before since records were first kept been as low.

Mr. TOWER. It seems to me altogether logical that although we would set a goal and hope that a certain percentage of defense procurement would go to small business, we must maintain flexibility in a matter of this kind, the flexibility, of course, being a concomitant of the fact that defense requirements vary from time to time, and needs change. So I do not think we can adopt a fixed goal and say, "This is what we must do. We must attain this percentage."

We can set a goal, but certainly we should not make the percentage so rigid and arbitrary that we must comply with the goal regardless of what the Defense Department needs are.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. CAPEHART. We ought to try to arrive at a policy under which small business would be given an opportunity to bid upon purchases. Therein lies the weakness of small businesses today. The fault is not necessarily that of the Defense Establishment. I wish to make that point clear. But small businesses ought to be given an opportunity to bid. A policy or system should be worked out to enable them to do so. That is what I hope will happen as a result of the bill. It may not. But small businesses should be given an opportunity to bid on such business, an opportunity which they do not have now. In thousands of instances there is no way by which small businesses know when purchases are about to be made.

The bill would set up a system whereby the Defense Establishment would not have to give small businesses any business, but they would be given an opportunity to bid and an opportunity to come in contact with the procurement agencies in such a way that they would be able to know when purchases were to be made.

I agree with the able Senator with respect to the percentage of business small businesses should receive. I do not know whether it should be 20 percent, 25 percent, or 30 percent.

As I said a moment ago, the percentage is growing a little smaller all the time because of the kind of things that the Defense Establishment buys—for example, airplanes, rockets, missiles, electronics, and that sort of thing. The average small business cannot make many of such items. Dollarwise, small business is getting less. I do not think the issue is a terrific one, one way or the other, but I am hopeful that we shall set up a system or a policy or a plan whereby small businesses will be given an opportunity to obtain business, if they want to do so.

Mr. GOLDWATER. Mr. President, will the Senator yield further?

Mr. TOWER. I yield.

Mr. GOLDWATER. I should like to ask either the Senator from Wisconsin [Mr. PROXMIRE] or the Senator from Alabama [Mr. SPARKMAN] if any provision has been placed in the bill to take care of the assistance concept of contracting. I might refer to Cape Canaveral as an example, or Fort Huachuca, Ariz., a place at which systems

are being tested and a prime contractor is awarded an overall contract. Many times such contractors form their own companies for subcontracting purposes.

Is there any provision of the bill which would encourage prime contractors to spread the subcontracts in assistance concepts?

Mr. PROXMIRE. If I might reply to that question, I think the Senator has stated an excellent example. It is exactly the kind of thing that the bill is designed to accomplish. It is a subcontracting bill. Of course, the argument that has been made constantly is that small business has a diminishing share of business. One of the big reasons is systems development in procurement. The Defense Department must go to big business in order to have its requirements handled.

This would be exactly the kind of thing that the SBA, the GSA, and the Defense Department would work on. The SBA would work very hard for it because, obviously, if we could encourage this kind of subcontracting and do it in such a way that it would not offend or adversely affect the Defense Department, it would greatly benefit small business. I think that certainly is a prime objective the bill is designed to achieve.

Mr. GOLDWATER. Could they not do that under the existing bill if they tried?

Mr. TOWER. I point out to the Senator from Arizona that the bill provides for the formulation and promulgation of a subcontracting policy by GSA, Defense, and SBA. The amendment of the Senator from Texas would not destroy the bill. It would simply delete that section of the bill which would give SBA veto power over the formulation of regulations for the implementatiton of this policy by the Department of Defense.

Mr. GOLDWATER. What the Senator is trying to do is to remove language which would require the adoption of regulations implementing such a program.

Mr. TOWER. That is correct.

Mr. PROXMIRE. Only the approval power.

Mr. TOWER. Only the power of approval of regulations; yes.

Mr. PROXMIRE. Also approval by Defense and GSA. We contend that this approval is protection for the Defense Department.

Mr. TOWER. Mr. President, I read from the committee report:

> In order to make it abundantly clear that the participation by SBA in the formulation of the program is to be carried through fully and completely, a specific provision was written into the section expressly requiring that SBA must approve the regulations before they are issued by the procuring agencies. The committee wants to make it clear that SBA approval is necessary before the regulations can be issued.

In other words, SBA has an absolute veto power over the procurement policies of the Department of Defense.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from Alabama.

Mr. SPARKMAN. I have an appointment and I shall have to leave the floor for a short time. I do wish to make some brief remarks on the bill. First of all, I do not believe the Senator from Texas is entirely accurate when he says that this provision gives a veto power to SBA. There is no veto involved so far as the procurement policies of the Defense Department are concerned. All that this section seeks to do is to set up a program which can be helpful to small business in sharing in subcontracts. This is not a prime contract bill. The plan is to set up a program. At the suggestion of the Defense Department, it was provided that GSA, the Defense Department, and the Small Business Administration should cooperate in setting up the program and should promulgate policies.

When it came to issuing regulations—and this is the thing to which the amendment of the Senator from Texas goes—the committee wrote in this provision. Originally we had written in a much broad provision. The only thing we added to the suggestion of the Defense Department, GSA, and SBA, was that when the regulations were issued, SBA would have the right to look at them and to approve or disapprove of them.

Let us remember that this does not refer to the Defense Department's procurement. It relates only to setting up a program to help small business share in subcontracts.

As has been pointed out, the SBA did not approve, or if the Defense Department did not approve, or if GSA did not approve, it would not interfere one single minute with procurement. The only thing it would do would be to say to SBA, instead of having this kind of policy to share in subcontracting, it would continue to run as it does now, which is a kind of hit and miss proposition. What we are trying to do is set up an orderly procedure by letting small business share in subcontracting.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. GOLDWATER. If it would not make any difference, why change the language in the bill as the committee is intending to do? What the Senator has said defeats his own purpose.

Mr. SPARKMAN. No; I do not believe it does. If I may go one step further, I conceived it as being an opportunity for the three to work together. If they work together on the first part, I feel certain they can agree on regulations. It gives them an opportunity to do that. It gives them a chance to sit around the table, before the regulations are printed and published in the Federal Register.

Mr. GOLDWATER. Suppose they do not agree on the second part?

Mr. SPARKMAN. If they do not agree, there are two different procedures to be followed. One would be to refer the matter to the President of the United States, as they have the right to do. The second would be not to have any regulations, which would mean that there would not be any small business subcontracting program.

Mr. GOLDWATER. Let us take the first case, where the matter is referred to the President. Am I correct in assuming that if there is any disagreement over whether regulations would follow, the contracting can be held up?

Mr. SPARKMAN. Yes; by any one of the three.

Mr. GOLDWATER. By any one of the three?

Mr. SPARKMAN. Yes.

Mr. GOLDWATER. The power would then be in the President of the United States.

Mr. SPARKMAN. Yes.

Mr. GOLDWATER. What concerns me, over and above putting too many regulations into the processes of business, is the matter of time. Let us consider what the House did yesterday, in passing a $30 million appropriation bill, to spend that money immediately on nuclear testing, which is something that we would want to get into in a matter of days. Let us assume that an important prime contract in connection with it came into dispute and the President was asked to step in.

Mr. SPARKMAN. The bill does not apply to prime contracts.

Mr. GOLDWATER. Let us talk about a subcontract. Let us assume that one of the subcontractors of a prime contractor has not followed regulations of the Defense Department. It must then go to the President. We are talking about something concerned with national defense, and we must implement it in a matter of a day or two.

Mr. SPARKMAN. This bill would not affect it in any way.

Mr. GOLDWATER. It would not have to wait for the decision of the President to go ahead?

Mr. SPARKMAN. No. As I said, this does not hold up procurement. What this tries to do is to organize a procedure in order to help. It sets up a policy to help small business share in subcontracting.

Mr. GOLDWATER. I understand that part.

Mr. SPARKMAN. It does not hold up procurement.

Mr. GOLDWATER. I cannot agree that it does not hold up procurement. There would be no sense in having any reference to regulations at all, if I understand it, because, let us assume that a subcontractor gets his contract in violation of regulations, and that he is going to get it anyway——

Mr. SPARKMAN. The Senator is assuming that the regulations have already been issued.

Mr. GOLDWATER. I have to assume that because I am putting myself in this bill and assuming it has passed in the language proposed by the Senator from Alabama.

Mr. SPARKMAN. I should like to call the attention of the Senator from Arizona to this fact. Reference has been made to how this would interfere with procurement and how terrible it would be in these days. During World War II we had the Smaller War Plants Corporation, which had the absolute right to go into defense and pick out contracts that should be given only to smaller war plants. There is no such power in the pending bill or in any program that we have now.

It did not interfere with production during World War II, even with stronger power, and we certainly are not asking that in this bill.

Mr. PROXMIRE. Mr. President, I think I know what is bothering the Senator from Arizona.

Mr. SPARKMAN. Mr. President, I shall have to leave the Chamber now. I appreciate the Senator from Texas giving me this opportunity to make a few remarks. I think we have worked out a good bill. It is just as mild as we could work it out, and as mild, certainly, as we ought to have it. Not only that, we have had fine cooperation existing among the heads of the various agencies involved. I am certain we are going to continue to have that good cooperation. I do not believe there is anything in the bill for us to be afraid of.

While I respect the viewpoint of the distinguished Senator from Texas, I must say that I hope his amendment will not prevail.

Mr. GOLDWATER. Mr. President, will the Senator from Texas yield?

Mr. TOWER. I yield.

Mr. GOLDWATER. I am sure the Senator from Wisconsin can answer a question in my mind, because I am a little confused by the statements made by the Senator from Alabama. They indicate to me that even if the language proposed is adopted, it will not make any difference; that is, if the amendment is adopted, it will not make any difference. So why not have the amendment? Why run the risk of controversy on the floor of the Senate or the floor of the House?

Mr. PROXMIRE. Mr. President, I see exactly the point of the Senator from Arizona. The fact is that the bill provides that within 90 days the agencies shall agree and shall cooperatively formulate a program and shall approve a program. What will happen if they do not agree, if the SBA decides to disagree, is that the program will go on as it has in the past, but the President and Congress can come into the picture. There is a fixed focus on the small business procurement program. That is what the bill can accomplish if agreement is not reached. In other words, the Department of Defense, the General Services Administration, and the Small Business Administration all know that there is pressure upon them to agree. If they do not agree, they will be subject to a decision by the President or subject to pressure by Congress, because it will be recognized that they have not been able to devise a program for small business. This is a kind of sanction which will compel them to get together, reconcile their differences, and provide a program which will not adversely affect the Nation's defense, but will get small business into the act more than it has been in the past.

Mr. GOLDWATER. I thank the Senator from Wisconsin for his explanation. Let us assume that the bill has become law, and that the regulations have been agreed to, but that a subcontractor gets a contract concerning which there is some question. As I understood the Senator from Alabama, the subcontractor would still be allowed to proceed with his subcontract, even though his obtaining of it was in violation of the regulations which had been agreed upon.

Mr. PROXMIRE. It seems to me that under those circumstances the Small Business Administration would be out. It would be up to the Department of Defense, however, to abide by its own regulations. It seems to me that they would be subject to criticism by the President and by Congress, or by any interested person involved in small business who had been cut out of a subcontract, because if there was a violation of the regulations, he could protest. However, it would be up to the Department of Defense to have the final word. The SBA cannot interfere in the contracting process between a contractor and the Department of Defense. That is entirely a Department of Defense decision. The SBA has nothing to do with the actual procurement process; only with the regulations.

Mr. GOLDWATER. I thank the Senator from Wisconsin. I must say that I can see no need for the language contained in the bill. I still do not feel it will accomplish anything. The fact that there may be a controversy will not help the small businessman, the Small Business Administration, the Department of Defense, or the General Services Administration. Therefore, I think the striking of this language by the amendment of the Senator from Texas is most desirable, because it maintains simplicity in a field in which I think simplicity must be maintained, in keeping the hand of government away from the small business segment of our country.

Mr. TOWER. I thank the Senator from Arizona.

Mr. President, in that connection I wish to bring up something which has been touched on only lightly; namely, what the small businessman thinks about this situation. I should like to read a portion of the testimony given by Charles E. Hastings in behalf of the Chamber of Commerce of the United States before the Small Business Subcommittee. It reflects, I believe, the thinking of the small businessman. Certainly the chamber of commerce is primarily an organization of small businessmen. The testimony, in part, reads as follows:

> The chamber supports the principle of subcontracting and small business participation in defense contracting. We recognize the importance of small business in the national economy and the need for integrating small business into the defense production program. The strength of American industry lies in its reliance, not on any one company or on any small group of companies, but on the teamwork of many business organizations both large and small working together.
>
> But we must also face up to the fact that the complexity of military technology, coupled with the rising importance of research and development in lieu of large production contracts, is making it increasingly difficult for small business to qualify and complete for prime defense contract awards.
>
> The primary objective of the program authorized in section 8 of the bill before the subcommittee is to make certain that prime defense contracts are subcontracted to the maximum extent to small business concerns. If the responsibility for implementing this objective were placed with the agency responsible for the procurement program, and were coupled with adequate safeguards to insure that this was done consistent with efficient and economical performance of such contracts, this would indeed be a sound objective. There are no size limitations on skill and ingenuity. It is well known that many prime contractors, because of the variety and volume of parts entering into defense items, cannot make many of the parts they require as economically as they can buy them from small business.
>
> Although purporting to help the small business concerns—the provisions of the bill which require contractors to consult with the Small Business Administration, when requested to do so, and which enable the SBA to obtain information and records from any procurement agency concerning subcontracting by its contractors, would in fact hurt the small businessman, rather than help him—I speak from experience.

Mr. PROXMIRE. Mr. President, I rose about an hour and a half ago to oppose the amendment. I had gotten about halfway through my speech when it was necessary to yield. I should like to complete my remarks now. In view of the colloquy, I think I should underline and emphasize once again the facts of life which have made the bill necessary and have made as strong a bill as possible necessary under these circumstances.

In 1954 the small business percentage of defense contracts was 25.3; in 1955, 21.5; in 1956, 19.6; in 1957, 19.8; in 1958, 17.1; in 1959, 16.6; in 1960—last year—16.1. This year, the share of small business in defense contracts has hit an all-time low of 15.9 percent. One of the reasons, perhaps the principal reason, is that small business is not getting the share it should get of defense subcontracting. The bill is designed to achieve that objective.

The bill has been attacked as interfering with the Department of Defense jurisdiction. It seems to me that the Senator from California and the Senator from Missouri, both of whom are experts in this field, unfortunately have not had a chance to study the whole history and to recognize that there is no interference possible—none. There is not a bit of interference with the defense program all along the line.

All the bill does, as we have tried to emphasize, is to provide that, so far as the small business subcontracting program is concerned, the SBA shall have the right to approve that program, and only that program, and shall have the right to approve regulations, but may not interfere in any stage of the program once those regulations are adopted.

I wish to emphasize that the bill which was passed last year, unanimously, provided that the SBA would have the sole right to promulgate the program. Now we bring in GSA and the Department of Defense along with the SBA to promulgate the program.

Last year the bill provided that prime contractors and subcontractors consult with and utilize the facilities of the SBA when requested by the SBA. This year the bill provides that prime contractors and subcontractors consult only through the Defense Department. So SBA has no direct contact with any

contractor or subcontractor under the bill.

H.R. 11207, last year, provided that SBA could obtain from prime contractors and subcontractors such information and records as it may require. It gave the SBA almost carte blanche authority. We have reduced that authority this year and have provided in the bill that SBA may obtain from the procuring agency, not the contractor or subcontractor, such available or reasonably available records regarding subcontracts.

The bill last year provided that the subcontracting program shall contain such other provisions and requirements as the Small Business Administrator may determine to be necessary and requisite to carry out the policy declaration of the act.

On the other hand, the bill this year provides that the program shall not prescribe, first, the extent to which any contractor or subcontractor shall contract, or, second, specify the business concerns to which subcontracts should be made. The bill also provides that the program shall not vest any powers in SBA to administer individual contracts or subcontracts.

Finally, this is a watered-down bill, a modified bill, a compromise bill to meet the objections of the Defense Department. As compared with the bill which was passed last year, the bill this year provides that the Department of Defense and the General Services Administration shall issue the regulations, but only after they have been approved by the Small Business Administration.

Mr. President, if we have any real concern with small business' proportion of the defense contracts, it seems to me we must at least permit the SBA to approve the regulations, so that if the SBA feels very strongly that the regulations will not serve the interests of small business, the SBA can object and can carry its objection to the President and can focus attention on that situation. This provision gives the SBA the power to object. It is a limited power, but it is at least the power to focus attention on the fact that the agency which has the responsibility for making proper provision for small business believes small business is not getting a fair share.

Let me point out what this provision is, to show how ridiculous it is for anyone to feel that such a provision would result in interference with the Department of Defense in any of its activities, including the necessary steps it must take in connection with the Berlin crisis or any other military crisis. I read now from the bottom of page 7, and page 8:

"(d)(1) Within ninety days after the effective date of this subsection, the Administrator—

That is, the Administrator of the Small Business Administration—

the Secretary of Defense, and the Administrator of General Services shall cooperatively develop a small business subcontracting program and shall approve the regulations implementing such program which shall contain such provisions as may be appropriate to (A) enable small business concerns to be considered fairly as subcontractors and suppliers to contractors performing work or rendering services as prime contractors or subcontractors under Government procurement contracts, * * *.

How would that interfere with the defense effort? How in the world could such action by the SBA, on the basis of subdivision (A), on page 8, interfere with or slow down the defense effort? Obviously it would not.

I read further from the provisions on page 8:

(B) insure that such prime contractors and subcontractors will consult through the appropriate procuring agency with the Administration when requested by the Administration,

What is wrong with that? Obviously it would not slow down the contractors or the subcontractors. They could send in their counsel to consult with the Defense Department, the GSA, and the SBA. This is a reasonable provision. If such a regulation were provided—and this measure limits the kinds of regulations which can be provided—obviously there could be no interference in any significant way with the Department of Defense.

And finally it is provided:

(C) enable the Administration to obtain from any Government procurement agency such available or reasonably obtainable information and records concerning subcontracting by its prime contractors and their subcontractors as the Administration may deem necessary: * * *.

Once again, the power to obtain that information, if it is reasonably available, is a very mild power; and certainly the SBA should have that much power. So this provision will not retard the Defense Establishment activities in any way.

Then the bill provides:

Provided, That such program shall not authorize the Administration to (1) prescribe the extent to which any contractor or subcontractor shall subcontract—

And so forth. I have already gone into those additional limitations on SBA.

Mr. President, this is a very mild bill. I feel almost apologetic for bringing the bill forward, following my introduction of it, along with the Senator from Indiana [Mr. CAPEHART] and the Senator from Alabama [Mr. SPARKMAN], now that the bill has been watered down to this extent. But we have had to yield to the interests and the appeal of the Department of Defense. I think we have gone about as far as we can go in that respect.

Finally, it is true that the bill does not conform to the extent of every comma, semicolon, dotted "i," or crossed "t" with what those agencies requested. But if Congress cannot proceed in this way, if Congress must dot every "i" in accordance with requests of the executive agencies, it seems to me Congress might just as well let the executive branch of the Government do the legislating.

This is a very modest provision, because we recognize that small business is not getting its fair share.

Mr. GOLDWATER. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. GOLDWATER. I know the Senator from Wisconsin is sincere in what he is attempting to do. Our disagreement stems over the means he has adopted.

I am not particularly fearful that these activities will be harmful to the defense effort, and so forth. My concern is in regard to the possibility of control. Obviously, if such power is available, someone may use it at some time.

On page 4 of the report, in the fourth paragraph, we find the following:

In order to make it abundantly clear that the participation by SBA in the formulation of the program is to be carried through fully and completely, a specific provision was written into the section expressly requiring that SBA must approve the regulations before they are issued by the procuring agencies. The committee wants to make it clear that SBA approval is necessary before the regulations can be issued.

That is what I find objectionable—namely, that the SBA would have a veto, in effect, over the purchasing practices of the GSA and the Defense Department.

I believe it would have sufficed to have had the bill indicate that it was the congressional intent that the three agencies work together. Certainly these agencies will pay attention to what Congress believes should be done.

But if it is provided that one agency—either the SBA or the GSA—shall have veto power over the promulgation of these regulations by the Department of Defense, I become fearful, because I have an inborn fear of bureaucracy.

Mr. PROXMIRE. I share much of the Senator's inborn fear of bureaucracy. But this measure provides only that the SBA shall have the right to approve this particular program. It is not a program in regard to all the procurement operations of the Government. This program deals with the small business subcontracting regulations. What does such approval mean? Does it mean that if the approval is not given, the SBA can write the regulations? No, Mr. President; it means that if the SBA does not approve, the GSA and the Defense Department may continue with the regulations they already have; but, if the SBA does not approve, it will become apparent to the country, to the Congress, and to the President that the SBA does not agree; and then at some point the President or his aids will enter the situation; and thus the disagreement will be carried to a higher authority.

It seems to me that at that point the influence of the SBA can begin to be meaningful. Without the provision for that approval, the Defense Department and the GSA could listen to the SBA, but they would not have to pay very much attention to it.

The entire history of such matters is that the power to approve in such cases is generally delegated to very junior officials. Of course, the Department of Defense necessarily has to consider many other matters. After all, it is responsible for the defense of the Nation. What has happened to the junior officer assigned by Defense to represent small business now. The Small Business officers are overruled again and again by senior officers in the Department of Defense.

Mr. GOLDWATER. But we do not seem to be able to agree in regard to what would be a fair division of this business between small business and

large business. I think one part of the problem is that we have not yet really decided what small business is.

Mr. PROXMIRE. I think the Senator is correct. I would not say, because small business was getting only 15.9 percent of the procurement contracts, that fact in and of itself meant the Defense Department was negligent. The small and declining percentage is a warning signal. It indicates to me that Congress is absolutely right in insisting that the SBA have an opportunity to take a really effective part in formulating regulations for small business procurement.

Mr. GOLDWATER. If the Senator will yield further, let me put forth a hypothetical situation relative to these regulations. Let us assume SBA does arrive at the figure of 25 percent, and writes into its regulation that 25 percent of the business must go to what we call small business. That in itself could very seriously revise the methods by which the Defense Department issues its procurement orders.

Mr. PROXMIRE. I am glad the Senator has raised that point. I think some persons have that fear, and we can make useful legislative history right now. As the Senator handling the bill on the floor, and as the author of the bill, if the agency even proposed that, it would be completely wrong. I am sure SBA would not do that. There is nothing in the bill to authorize that. If it insisted by regulation that small business should get 25 percent, or 15 percent, or 20 percent, it would be ridiculous. That would not be the kind of regulation that would serve our Defense Establishment. It should be provided that small business will have as great an opportunity as is possible to take part in subcontracts, where it is feasible. Often it is impossible.

Mr. GOLDWATER. I think that has been the clear intention of the legislation over the years. I was honored to be a member of the Small Business Committee. I remember at that time we made it abundantly clear to Defense what our feelings were about small business participating in the overall program. I still think if we try to alter the situation which exists, we are not going to help small business. I think a stronger expression in the bill as to the intent of Congress in this field would accomplish what the Senator wants and what I would like to see accomplished.

I am fearful that, when one reads the language of the bill as we see it on the last line of page 7 and the first line of page 8, and read in the report that the committee wants to make it clear that the SBA approval is necessary before the regulation can be issued, we take too long a step. I do not think it is necessary at all.

I believe that, had we been a little more attentive to the problems of small business, particularly in this general area, we might have forced, by our weight, a more cooperative attitude between the three agencies mentioned. It has been my limited experience, in my own section of the country, that the three agencies have gotten along very well. We have found minor areas of discontent on the part of small businessmen; but, on the whole, they have been getting along fairly well. We cannot keep any firm in business by Government edict. Today, some of the largest aircraft manufacturers are suffering very badly because it has been the intent of present Defense policy to get out of airplanes and into missiles. This is the nature of the beast we call our economic system.

I close by expressing the hope that the Senator from Wisconsin will reconsider his resistance to this amendment and consider the containment of stronger language in the bill which would contain the feeling that I know we mutually agree upon and which would accomplish the same purpose the language of the bill intends to accomplish.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and ask that we proceed to a vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Texas. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Oregon [Mr. MORSE], and the Senator from New Jersey [Mr. WILLIAMS], are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], and the Senator from New Mexico [Mr. CHAVEZ], are absent because of Illness.

I further announce that the Senator from West Virginia [Mr. RANDOLPH], is necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oregon [Mr. MORSE], the Senator from West Virginia [Mr. RANDOLPH], and the Senator from New Jersey [Mr. WILLIAMS] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kansas [Mr. CARLSON] are absent because of illness.

The Senator from North Dakota [Mr. YOUNG] is necessarily absent.

The result was announced—yeas 35, nays 55, as follows:

[No. 189]

YEAS—35

Aiken	Engle	Russell
Allott	Goldwater	Saltonstall
Beall	Gore	Schoeppel
Bennett	Hickenlooper	Scott
Bush	Holland	Smith, Mass.
Butler	Hruska	Smith, Maine
Byrd, Va.	Kuchel	Stennis
Case, S. Dak.	Lausche	Symington
Cotton	Long, Mo.	Thurmond
Curtis	Miller	Tower
Dirksen	Morton	Williams, Del.
Dworshak	Robertson	

NAYS—55

Bartlett	Hart	McNamara
Bible	Hartke	Metcalf
Boggs	Hayden	Monroney
Burdick	Hickey	Moss
Byrd, W. Va.	Hill	Mundt
Cannon	Humphrey	Muskie
Capehart	Jackson	Neuberger
Carroll	Javits	Pastore
Case, N.J.	Jordan	Pell
Church	Keating	Prouty
Clark	Kefauver	Proxmire
Cooper	Kerr	Smathers
Dodd	Long, Hawaii	Sparkman
Douglas	Long, La.	Talmadge
Eastland	Magnuson	Wiley
Ellender	Mansfield	Yarborough
Ervin	McCarthy	Young, Ohio
Fong	McClellan	
Gruening	McGee	

NOT VOTING—10

Anderson	Fulbright	Williams, N.J.
Bridges	Johnston	Young, N. Dak.
Carlson	Morse	
Chavez	Randolph	

So Mr. TOWER's amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MILLER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Iowa will be stated.

The LEGISLATIVE CLERK. On page 8, line 20, following the period, it is proposed to insert the following:

Provided further, That such program shall provide that in evaluating bids or in selecting contractors for negotiated contracts, the extensive use of subcontractors by a proposed contractor shall be considered a favorable factor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa.

Mr. MILLER. Mr. President, the purpose of the amendment is to make clear what I am sure the intention of Congress has been for a number of years, but which I am afraid has not been implemented by the administrative agency. A number of small businessmen have felt that they are being discriminated against because prime contractors who do not enter into subcontracts to an appreciable extent are obtaining contracts, and that some evidence should be given on the part of the administration to the various administrative agencies that subcontracting is a desirable factor.

The bill as now written provides that a program shall not authorize the Administrator to prescribe the extent to which any contractor shall get into subcontracting, or the particular subcontractors. It is all negative. It seems to me desirable to have in the bill a positive statement that a favorable factor will consist of the degree to which subcontractors are used by a prime contractor. It would not hamstring the administration at all.

I have discussed the subject with the Senator having the bill in charge, the able Senator from Wisconsin, and I understand that the amendment is acceptable to him.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. MILLER. I am happy to yield for any questions.

Mr. PROXMIRE. I think the amendment is an excellent one. It would add something to the bill which the bill needs. As the Senator from Iowa has said, the amendment states the intention of Congress. It would help small business. The more subcontracting that is done by big prime contractors, the more opportunity small business subcontractors will have to take part in defense work. I commend the distinguished Senator from Iowa upon his amendment and I am happy to accept it.

Mr. CAPEHART. I think it is a good amendment. I know of no Senator on this side of the aisle who is opposed to it.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Iowa.

The amendment was agreed to.

Mr. RANDOLPH subsequently said: Mr. President, this legislation is vital to the effective operation of the Small Business Administration and to the small business segment of our country's economy. The diligent Senator from Wisconsin [Mr. PROXMIRE] has performed a real service in sponsoring and managing this measure. I commend him, along with the distinguished Senator from Alabama [Mr. SPARKMAN], who is chairman of the Select Committee on Small Business and ranking majority member of the Committee on Banking and Currency, and the able Senator from Indiana [Mr. CAPEHART], ranking minority member of the Committee on Banking and Currency. Their cosponsorship of S. 836 and their aggressive support likewise merit commendation.

As a member of the Select Committee on Small Business, and as a Member of the Congress with a continuing interest in the stimulation of independent business activity, I am aware of the need for improving the status and adequacy of the SBA revolving fund. This measure is most helpful in meeting that problem.

Then, too, the authorization for SBA to pool the amounts it can commit for its regular business loan program, its disaster loans, and its prime contract authority, without being subjected to the ceiling inhibitions presently contained in the Small Business Act, would be a further stimulant to the SBA revolving fund.

Perhaps no other feature of this legislation is more meritorious than its provision for the development by the Small Business Administration, the Department of Defense, and the General Services Administration of a small business subcontracting program. This is consistent with the policy enunciated by the President to increase small business sharing in the defense procurement dollar and more independent business participation in general procurement. This is a vital need and one which has been too long neglected.

It is stimulating to find in still another provision of S. 836 an authority for the Secretary of Commerce to obtain notice of all proposed defense procurement actions of $10,000 and above and all civilian procurement actions of $5,000 and above, and to authorize their publication, subject to certain exceptions, in the "U.S. Department of Commerce Synopsis of U.S. Government Proposed Procurement, Sales and Contract Awards." This publication has been too limited in its scope and not sufficiently inclusive in its content and it is time that small businessmen be furnished more comprehensive information on what the Federal Government is purchasing.

It is a privilege to support this legislation.

The PRESIDING OFFICER. The bill is open to further amendment.

If there are no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Senate proceed to consider the bill H.R. 8762, coming over from the House of Representatives, a bill to amend the Small Business Act to increase the amount available for regular business loans thereunder.

The PRESIDING OFFICER. The bill will be stated by title.

The bill (H.R. 8762) to amend the Small Business Act to increase the amount available for regular business loans thereunder, was read twice by its title.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin?

There being no objection, the Senate proceeded to consider the bill.

Mr. PROXMIRE. Mr. President, I move to amend the bill (H.R. 8762) by striking out all after the enacting clause and inserting in lieu thereof the text of S. 836 as amended.

The PRESIDING OFFICER. The question is on the motion of the Senator from Wisconsin.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. PROXMIRE. Mr. President, I move that the Senate insist on its amendment and request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ROBERTSON, Mr. SPARKMAN, Mr. DOUGLAS, Mr. PROXMIRE, Mr. LONG of Missouri, Mrs. NEUBERGER, Mr. BEALL, Mr. BENNETT, Mr. JAVITS, and Mr. TOWER conferees on the part of the Senate.

Mr. PROXMIRE. Mr. President, I move that the Senate reconsider the vote by which H.R. 8762 was passed.

Mr. HOLLAND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Without objection, S. 836 will be indefinitely postponed.

DEFINITION OF "PEANUTS"

Mr. HOLLAND. Mr. President, I have cleared with the leadership on both sides the matter of bringing up Calendar No. 725, H.R. 1021. This is a bill on which the distinguished junior Senator from New York [Mr. KEATING] interposed an objection when it was called on the call of the calendar earlier today. He advised me last night that he was withdrawing his objection. I have since cleared the matter with the leaders on both sides of the aisle. I know of no objection. The bill, H.R. 1021, would simply extend for 2 years the definition now in effect of "peanuts" under the Agricultural Adjustment Act of 1938. The Senate will recall that that includes the exemption of peanuts for boiling only, which has not interposed any difficulty.

I ask unanimous consent that the bill be called up at this time.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 1021) to extend for 2 years the definition of "peanuts" which is now in effect under the Agricultural Adjustment Act of 1938.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HOLLAND. I know of no objection to the bill. I do not care to discuss it unless there are some questions concerning it.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

Mr. HOLLAND. I move that the Senate reconsider the vote by which the bill was passed.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to table was agreed to.

APPLICABILITY OF POLICEMEN AND FIREMEN'S RETIREMENT AND DISABILITY ACT AMENDMENTS OF 1957

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 840, S. 1528.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1528) to make the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 applicable to retired former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service; and to their widows, widowers, and children.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to and the Senate proceeded to consider the bill which had been reported from the Committee on the District of Columbia with an amendment to strike out all after the enacting clause and insert:

That the amount of relief or retirement compensation payable to each officer or member of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, or the United States Secret Service Division who retired under section 12 of the Act approved September 1, 1916 (39 Stat. 718), as amended, prior to the effective date of the Policemen and Firemen's Retirement and Disability Act Amendments of 1957, approved August 21, 1957, shall be increased 10 per centum beginning on the effective date of this Act.

SEC. 2. Each widow or child who, on or after the effective date of this Act, was receiving or is now receiving or shall hereafter be entitled to receive relief or annuity by reason of service in the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, or the United States Secret Service Division, of a deceased former officer or member who died in the service of any such organization prior to the effective date of the Policemen and Firemen's Retirement and Disability Act Amendments of 1957, approved August 21, 1957 (71 Stat. 391), or who retired prior to such effective date, shall be entitled to benefits computed in accordance with the provisions of subsection (k) of section 12 of the Act approved September 1, 1916 (39 Stat. 718), as amended (sec. 4–531, District of Columbia Code, 1951 ed., supp. VIII).

SEC. 3. Nothing in this Act shall be deemed to reduce the relief or retirement compensation any person receives, or is entitled to receive, on the date of approval of this Act.

SEC. 4. The effective date of this Act shall be the first day of the first month following the date of its approval.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement relative to the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MANSFIELD

The purpose of this bill is twofold; it will:

(1) Provide a 10-percent increase of present annuity to those former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the Secret Service, who retired prior to October 1, 1956; and

(2) Extend the benefits of the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 to the widows and surviving minor children of deceased firemen and policemen, of the various forces, who died prior to the effective date of the 1957 amendments.

The committee in considering the testimony presented at hearings July 19, 1961, concurred strongly with the position of the Board of Commissioners of the District of Columbia and other witnesses who then testified that relief was due in equity to the widows and surviving minor children of the deceased members of the various branches of the services. Since the present monthly rates for such widows and children are $125 for widows and $25 for each child, and since these rates have remained unchanged in a decade, an adjustment for these dependents is overdue. The cost of this section of the bill is estimated to be $4,696,000 for the remainder of the potential life expectancy of widow beneficiaries.

Under the provisions of this bill these benefits will be made effective the first day of the month following the date of enactment of this act.

The increased benefits for a widow and one child would rise from the present $150 a month to $200 per month. The formula for computing the increased benefits to such widows and children, the committee was given to understand, follows the civil service formula for similar situations when an employee dies in active duty status. This section of the bill would place on a complete parity the protection accorded the surviving dependents of men who died prior to the effective date of the 1957 amendments and the survivors of men who died after the effective date of the amendments.

In considering the adjustments to be accorded retirees who do not have the benefits of the 1957 amendments, the committee gave careful consideration to the proposition that they should in equity be accorded the same benefits as those former members who retired subsequent to the effective date of the 1957 amendments. To do this however, based on a prospective application, would involve expenditures of a magnitude of over $16 million over the life expectancy of the retirees.

The committee further took note of the fact that under the equalization clause of the present retirement system, which has been in operation since 1923, automatic increases in retirement annuities occur whenever a pay raise for active members of the forces is granted.

The following chart which sets forth examples of the relationships between the annuities of various classes of employees under present law, the salary received at date of retirement, the amount of retirement increases which have already occurred as a result of the equalization factor, and the amounts which would be received under the provisions of this bill, is herewith made a part of the report:

Examples of annuities paid policemen and firemen under the Policemen and Firemen's Relief Act of Sept. 1, 1916, as amended, indicating increases in annuity since original retirement and annuities as increased under the provisions of S. 1528, 87th Cong., as amended by the Senate committee in reporting the bill

Rank	Year retired	Service		Salary on date of retirement	Annuity on date of retirement	Effective Aug. 1, 1960, present annuity	Percent increase since retirement	Total amount of increase since retirement	10 percent increase over present annuity under S. 1528 (Senate committee amendment as reported)	
		Years	Months						Amount	Total
Disability retirements:										
Private	1940	10		$2,400.00	$1,200.00	$3,074.50	156	$1,874.50	$307.45	$3,381.95
Private (technician 1)	1929	10		2,100.00	1,044.00	3,209.00	207	2,165.00	320.90	3,529.90
Private	1944	30		2,700.00	1,350.00	3,676.50	172	2,326.50	367.65	4,044.15
Do	1941	35		2,400.00	1,200.00	3,676.50	206	2,476.50	367.65	4,044.15
Do	1955	35		5,635.00	2,817.50	3,676.50	30	859.00	367.65	4,044.15
Sergeant	1950	25		4,228.52	2,114.26	3,741.00	77	1,627.74	374.10	4,115.10
Lieutenant	1952	21	9	5,135.38	2,567.69	3,762.50	47	1,194.81	376.25	4,138.75
Captain	1947	33	7	5,023.29	2,511.64	4,300.00	71	1,788.36	430.00	4,730.00
Inspector	1955	33		8,335.00	4,167.50	5,106.50	23	939.00	510.65	5,617.15
Deputy chief	1931	32	8	7,251.12	3,625.56	5,912.50	63	2,286.94	591.25	6,503.75
Chief [1]	1931	35	3	8,000.00	4,000.00	8,250.50	106	4,250.50	825.05	9,075.55
Voluntary retirements:										
Private, class 4	1945	25		2,980.80	1,490.40	3,526.00	137	2,035.60	352.60	3,878.60
Do	1946	26	2	2,980.80	1,490.40	3,526.00	137	2,035.60	352.60	3,878.60
Do	1944	27		2,700.00	1,350.00	3,526.00	161	2,176.00	352.60	3,878.60
Do	1940	32	6	2,400.00	1,200.00	3,526.00	194	2,326.00	352.60	3,878.60
Do	1943	30		2,700.00	1,350.00	3,676.50	172	2,326.50	367.65	4,044.15
Private (detective sergeant)	1949	27	2	4,567.10	2,283.50	4,278.50	87	1,995.00	427.85	4,706.35
Sergeant	1946	39	8	3,396.60	1,698.30	4,042.00	138	2,343.70	404.20	4,446.20
Lieutenant	1940	39	6	3,050.00	1,525.00	4,139.00	171	2,614.00	413.90	4,552.90
Captain	1945	38		4,406.40	2,203.20	4,300.00	95	2,096.80	430.00	4,730.00
Deputy chief	1935	40		5,000.00	2,500.00	5,912.50	137	3,412.50	591.25	6,503.75
Chief [2]	1941	35		8,000.00	4,000.00	8,815.00	120	4,815.00	881.50	9,696.50

[1] Chief from April 1929 to Oct. 31, 1931, service step 2.

[2] Chief from October 1932 to October 1941, service step 7.

Statement showing years of service by retirement categories.

Years of service:	Number
Disability retirements:	
Under 33⅓	960
34	15
35 or more	30
Voluntary retirements:	
Less than 30	64
30 or more	66
Total	1,135

A cost statement, prepared by the government of the District of Columbia, of the 10-percent increase in annuities for retired members of the forces who do not have the benefits of the 1957 amendments is made herewith a part of the report:

Statement of estimated cost of section 1(a) of S. 1528 (relating to retired policemen and firemen) projected in 5-year periods from October 1, 1961, through 1986 and the period thereafter, based on 10-percent annual increase to each retiree:

1961–66	$1,646,000
1967–71	1,301,000
1972–76	895,000
1977–81	552,000
1982–86	300,000
1987 and over	250,000
Total	4,944,000

NOTE.—This information supplied by the Government Actuary of the U.S. Treasury Department.

It is the view of the committee that the 10-percent annuity increase herein recommended and which would be made effective the 1st day of the month following the date of enactment of this act, represents an equitable upward adjustment for this group of employees. While it is recognized that the proponents of a greater increase may find it inadequate, nevertheless, it is the considered judgment of the committee that a greater increase at this time would widen too greatly the existing disparity of treatment accorded the members of other retirement systems under the District government, specifically the teachers and the civil service retirees. Moreover, the committee was of the opinion that at this time it was unwise to burden the District of Columbia with any greater expenditures than are absolutely necessary in view of the fact that the District is presently having difficulty meeting its budgeted requirements for fiscal year 1962.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended, so as to read: "A bill to increase the relief or retirement compensation of certain former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service; and of widows and children of certain deceased former officers and members of such forces, department, or service."

EXTENSION OF BENEFITS OF POLICEMEN AND FIREMEN'S RETIREMENT AND DISABILITY AMENDMENTS OF 1957

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 841, S. 1918.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1918) to extend benefits of the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 to widows and surviving children of former members of the Metropolitan Police force, the Fire Department of the District of Columbia, and the U.S. Park Police force, the White House Police force, or the U.S. Secret Service Division, who were retired or who died in the service of any such organization prior to the effective date of such amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement of the purposes of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MANSFIELD

The purpose of this bill is to extend the benefits of the 1957 amendments to the Policemen and Firemen's Retirement and Disability Act to the widows and surviving minor children of former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and U.S. Secret Service Division, who died in service of any such organization prior to the effective date of the Firemen's Retirement and Disability Act Amendments of 1957, or who retired prior to such effective date.

The committee, in considering the testimony presented at hearings July 19, 1961, concurred strongly with the position of the Board of Commissioners of the District of Columbia and other witnesses who then testified, that relief was due in equity to the widows and surviving minor children of the deceased members of the various branches of the services. Since the present monthly rates for such widows and children are $125 for widows and $25 for each child, and since these rates have remained unchanged in a decade, an adjustment for these dependents is overdue. The cost of this bill is estimated to be $4,696,000 for the remainder of the potential life expectancy of widow beneficiaries. Under the provisions of this bill these benefits will be made effective the first day of the first month following the date of enactment of this act.

The increased benefits for a widow and one child would rise from the present $150 a month to $200 per month. The formula for computing the increased benefits to such widows and children, the committee was given to understand, follows the civil service formula for similar situations when an employee dies in active duty status. This section of the bill would place on a complete parity the protection accorded the surviving dependents of men who died prior to the effective date of the 1957 amendments and the survivors of men who died after the effective date of the amendments.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That each widow or child who, on or after the effective date of this Act, was receiving or is now receiving or shall hereafter be entitled to receive relief or annuity by reason of service in the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, or the United States Secret Service Division, of a deceased former officer or member who died in the service of any such organization prior to the effective date of the Policemen and Firemen's Retirement and Disability Act Amendments of 1957, approved August 21, 1957 (71 Stat. 391), or who retired prior to such effective date, shall be entitled to benefits computed in accordance with the provisions of subsection (k) of section 12 of the Act approved September 1, 1916 (39 Stat. 718), as amended (section 4–531, District of Columbia Code, 1951 ed., supp. VIII).

SEC. 2. Nothing in this Act shall be deemed to reduce the relief or retirement compensation any person receives, or is entitled to receive, on the date of the enactment of this Act.

SEC. 3. The effective date of this Act shall be the first day of the first month following the date of enactment.

TEACHING HOSPITAL FOR HOWARD UNIVERSITY AND TRANSFER OF FREEDMEN'S HOSPITAL

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 858, H.R. 6302.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 6302) to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. HUMPHREY. Mr. President, I merely wish to say how pleased I am that this measure, which was reported by the Committee on Labor and Public Welfare, comes before the Senate for approval. My colleagues in the Senate will remember that I recently visited Freedmen's Hospital and found that it was totally inadequate for modern hospital and medical care. The pending bill would put the hospital under the jurisdiction of Howard University Medical School. It provides ways and means of constructing a hospital of the size that will meet the patient load for this particular hospital facility.

As I understand, the bill would authorize the transfer of the present Freedmen's Hospital to Howard University pursuant to an agreement between the university board of trustees and the Secretary of Health, Education, and Welfare; authorize appropriations for such sums as may be necessary for the construction of a new hospital for the university and for partial support of its operation; and provide for continued employment of the Freedmen's Hospital employees and maximum consideration of their interest after the transfer.

My hope is that the hospital which will be constructed under this authorization will not be inadequate in size. There has been discussion as to whether a 500-bed

hospital is adequate. It is my view, after very careful study of this hospital—and I visited it and I talked with the hospital staff and the hospital management—that a hospital at least of the size of 850 beds is required. I am happy to know that there is no limitation in the bill on the size of the hospital that could be constructed under the authorization.

I hope that the Senate will quickly pass the bill and send it to the President for signature.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

MEMORIAL TO WOODROW WILSON

Mr. MANSFIELD. Mr. President, I move that the Senate turn to the consideration of Calendar No. 727, Senate Joint Resolution 51.

The PRESIDING OFFICER. The clerk will state the joint resolution by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (S.J. Res. 51) authorizing the creation of a commission to consider and formulate plans for the construction in the District of Columbia of an appropriate memorial to the memory of Woodrow Wilson.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Rules and Administration with amendments on page 4, at the beginning of line 3, to insert "However, such plans and recommendations shall not be reported until the Commission has obtained the assistance and advice of the National Capital Planning Commission and the Commission of Fine Arts if the memorial is to be located in the District of Columbia, or the assistance and advice of the National Capital Planning Commission, the Commission of Fine Arts, and the National Capital Regional Planning Council if the memorial is to be located in the environs of the District of Columbia. Furthermore, such plans and recommendations shall be consistent with the premise that the construction of the memorial would not be financed by public funds."; in line 24, after the word "memorial", to insert "and"; on page 5, line 3, after the word "joint", to strike out "resolution; and" and insert "resolution.", and after line 3, to strike out:

(d) avail itself of the assistance and advice of the Commission of Fine Arts, the National Capital Planning Commission, and the National Capital Regional Planning Council, and such Commissions and Council shall, upon request, render such assistance and advice.

So as to make the joint resolution read:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is hereby established a commission, to be known as the Woodrow Wilson Memorial Commission (hereinafter referred to as the "Commission"), for the purpose of considering and formulating plans for the design, construction, and location of a permanent memorial to Woodrow Wilson in Washington, District of Columbia, or in its immediate environs. The Commission shall, in general, decide on the advisability of one of two kinds of memorials: One which would be a monument similar to those which honor Presidents Washington, Jefferson, and Lincoln; or one which will serve as a building of a functional nature, or, as it is often called, a "living memorial". The Commission shall study, among others, proposals to associate the memorial with the Washington International Center program for international visitors.

(b) The Commission shall be composed of the following members:

(1) Former Presidents of the United States, at their pleasure;

(2) Two persons to be appointed by the President of the United States;

(3) Two Senators to be appointed by the President of the Senate;

(4) Two Members of the House of Representatives to be appointed by the Speaker of the House of Representatives; and

(5) Three members to be appointed by the President of the United States, one from each of the following:

(A) The Woodrow Wilson Foundation;

(B) The Woodrow Wilson Centennial Commission (now discharged); and

(C) One member of the Department of the Interior, who shall be the Director of the National Park Service, or his representative.

(c) The Commission shall select a chairman and a vice chairman from among its members. Vacancies occurring in the membership of the Commission shall be filled in the same manner as the original appointment.

(d) The members of the Commission shall serve without compensation, but shall be reimbursed for expenses incurred by them in carrying out the duties of the Commission.

(e) The Commission shall report such plans, together with its recommendations, to the President and Congress at the earliest practicable date, and in the interim shall make annual reports of its progress to the President and Congress. However, such plans and recommendations shall not be reported until the Commission has obtained the assistance and advice of the National Capital Planning Commission and the Commission of Fine Arts if the memorial is to be located in the District of Columbia, or the assistance and advice of the National Capital Planning Commission, the Commission of Fine Arts, and the National Capital Regional Planning Council if the memorial is to be located in the environs of the District of Columbia. Furthermore, such plans and recommendations shall be consistent with the premise that the construction of the memorial would not be financed by public funds.

SEC. 2. The Commission is authorized to—

(a) make such expenditures for personal services and otherwise for the purpose of carrying out the provisions of this joint resolution as it may deem advisable from funds appropriated or received as gifts for such purpose;

(b) accept gifts to be used in carrying out the provisions of this joint resolution or to be used in connection with the construction or other expenses of such memorial; and

(c) hold hearings, organize contests, enter into contracts for personal services and otherwise, and do such other things as may be necessary to carry out the provisions of this joint resolution.

SEC. 3. There is authorized to be appropriated not more than $10,000 to carry out the provisions of this joint resolution.

Mr. MANSFIELD. Mr. President, I wish to offer an amendment to the amendment on page 4, lines 11, 12, 13, and 14, to strike the following language:

Furthermore, such plans and recommendations shall be consistent with the premise that the construction of the memorial would not be financed by public funds.

In explanation of that proposal I wish to say that I have discussed this matter with the Senator from Virginia [Mr. ROBERTSON] and other Senators. In examining the matter affected by my amendment, I discovered that this is the first time a proposal of this kind has been brought to the floor with this particular provision contained in it.

I observe the distinguished junior Senator from Virginia in the Chamber. I yield to him for a statement on the proposed resolution.

Mr. ROBERTSON. Mr. President, we are very much interested in the proposal to build a suitable memorial to honor one of our truly great Presidents. Not only was he a great scholar and political philosopher, but he was a successful leader of our Nation during a time of serious war. We agree with the proposal just made by the distinguished majority leader that there be stricken from the joint resolution, beginning on page 4, line 11, the sentence:

Furthermore, such plans and recommendations shall be consistent with the premise that the construction of the memorial would not be financed by public funds.

Mr. MANSFIELD. I do not recall that I was in attendance in the Committee on Rules and Administration when this proposal was suggested, but the Senator from Iowa was there, and I think he has some views on it. So I would appreciate his comments at this time.

Mr. MILLER. Mr. President, the question was discussed thoroughly in the Committee on Rules and Administration when I was present. I believe the sentiment of the entire membership present at the meeting was that while this kind of project is most desirable, the proponents should make it very clear that the mere authorization of a commission does not at the same time carry with it the promise on the part of Congress that public funds will be used for the construction of the memorial.

From what has been said, as I understand, the objection is not so much to that policy as it is to the fact that the joint resolution singles out a particular project for special wording, wording which is different from that which has been accorded other projects. If that is so, I should like to ask the Senator from Virginia if he would object to having the legislative intent made clear on the floor of the Senate, that the only reason for deleting the language proposed to be deleted by the amendment of the Senator from Montana is that we, by so doing, recognize that we do not wish to single out this particular project for special language, language which is different from that accorded other projects; but that the legislative intent, nevertheless, is clearly that the authorization of the commission does not carry with it the promise, the pledge, or the

implication that Congress will later provide public funds for the project.

Mr. ROBERTSON. The junior Senator from Virginia hesitates to speak for the large number of patrons of the joint resolution who feel that our Nation would be fully justified in erecting a suitable memorial in the District of Columbia to a great President. However, he does say that there is nothing in the history of our Nation with respect to a proposal to erect a monument, in the District of Columbia or anywhere else, to a President of the United States which carried with it language that provided that no public funds should be invested in the proposal.

If we strike out these words, as the majority leader has suggested, and which the Senator from Virginia hopes will be done, the resolution can be taken for exactly what it says. It neither denies the opportunity to ask for public funds nor commits Congress to make appropriations for the memorial. Naturally, I hope that if the Commission recommends a suitable memorial, the Commission will not be precluded, for the first time in history, from asking for public funds for a memorial to one of our truly great Presidents.

Mr. MILLER. Mr. President, I am sure there was no intention on the part of any member of the Committee on Rules and Administration to single out the particular President concerned in the joint resolution for special language which would in any way detract from the high regard in which he is held on the part of the members of the committee.

However, there is concern on the part of many members of the Committee on Rules and Administration, including the junior Senator from Iowa, that particularly at this time, in the light of the policy of President Kennedy to avoid doing things which are merely desirable, instead of things which are absolutely necessary, that, of all the times when a resolution authorizing a Commission to be formed, Congress should not give the impression that it will later provide public funds for the project. In fact, when the proposal was discussed in committee, doubt was expressed that any public funds would be needed if the Commission did its work properly. It was felt that ample funds would be provided from private contributions, thus making the edifice even more befitting the memory of a great President.

The thought was expressed that authority to ask Congress for tax moneys to erect such a monument might detract from the memory of a great President.

I express the desire that the Commission will make all efforts possible to obtain voluntary contributions for this very appropriate, proper purpose, and with the understanding that there is no implication in the joint resolution that public moneys will be appropriated, I should say I would have no objection. I believe the RECORD should be made clear on this point, because it reflects the sentiment of the members of the Committee on Rules and Administration during the meeting I attended when the joint resolution was considered.

Mr. ROBERTSON. Mr. President, I hope the language proposed to be stricken can be removed on the basis I have indicated, so as to leave the Commission free to make plans to seek private donations for a suitable memorial, but not to preclude the Commission from coming to Congress if it thought that was the best way to carry the project through to completion.

Mr. MILLER. Mr. President, I do not believe the Commission would ever be precluded from coming to Congress, even if the language proposed to be stricken were retained in the joint resolution. I do not believe the Commission could be precluded from asking Congress for funds, no matter how the bill was worded. The important point, it seems to me, is to reflect the legislative intent. Whether it is contained in the bill or in statements made on the floor of the Senate does not make too much difference. The legislative intent should be clear that the Commission should make every effort to make certain that the memorial is financed by voluntary contributions, not only because there is concern about the use of public moneys, especially at a time like this, for what would not be considered an absolutely essential expenditure, but also for the purpose of having the monument erected by voluntary contributions from the people, which, in my judgment, would make it a memorial even more befitting the memory of a great President.

Mr. ROBERTSON. The Senator from Virginia agrees that this is not a good time, when the Nation is threatened with another world war and a big step-up in military expenditures, to say nothing of a huge expansion of domestic expenditures, to put a large sum of money into the construction of a memorial to anyone. But based on past experience, if the Commission is organized and can develop a project within the next 10 years on which agreement can be reached, they will be functioning rather effectively.

I think the fear of the Senator from Iowa that if the joint resolution is passed now Congress will be called upon to appropriate a great many million dollars next year is rather unfounded.

Mr. MILLER. I do not have such a fear. My only thought is that the record might not be absolutely clear that the passage of the joint resolution with the amendment of the Senator from Montana does not thereby give an implied promise on the part of Congress that it will later bail out the Commission, so to speak, if the Commission does not do its work properly. It is my personal hope that the Commission will be able to obtain adequate voluntary contributions, because, as I have said before, I think an edifice erected on the basis of voluntary contributions from citizens rather than from tax moneys will be much more befitting the memory of a great President.

Mr. MANSFIELD. Mr. President, I appreciate the courtesy extended by the Senator from Iowa. He has made his position quite clear.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana to strike out the language of the committee amendment on page 4, beginning with the word "Furthermore" in line 11 through 14.

The amendment to the committee amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment, as amended, on page 4, lines 3 through 11.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment on page 4, in line 24, after the word "memorial", to insert "and".

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment on page 5, line 3, after the word "joint", to strike out "resolution; and" and insert "resolution.", and after line 3 to strike out paragraph (d).

The amendment was agreed to.

The PRESIDING OFFICER. The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S.J. Res. 51) was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

Mr. WILLIAMS of New Jersey subsequently said: Mr. President, it has been my privilege to speak in this Chamber on many subjects of very great meaning and importance to me. Today, as one of the representatives from a State once served so well by Woodrow Wilson, I am particularly honored to speak on a proposal of great significance to me, to fellow citizens of my home State, and to every person who has been stirred by the eloquence and greatness of Woodrow Wilson.

Senate Joint Resolution 51, which we discuss here today, would establish a Commission to consider and formulate plans for the construction in the District of Columbia of an appropriate permanent memorial to the memory of Woodrow Wilson.

There are several points about this Commission I would like to make: The Commission would be required to make recommendations to Congress. It would not have the power to make final decisions on the form the memorial would take.

Its membership would include persons familiar with present and past efforts to honor Wilson.

The only appropriation of funds involved is $10,000 to carry out the provisions of the resolution. Members would serve without compensation. Recommendation. Recommendations to the President and the Congress would be made at the earliest possible date.

To make certain that the Commission recommendations do not conflict with future development of the District of Columbia, the Commission would be required to seek the assistance and advice of official planning agencies in the Capital City.

In other words, Mr. President, we have here a Commission which would:

First. Thoroughly study all possible forms that a memorial to Wilson could take.

Second. Consider the overall development of Washington, D.C., in making its recommendations.

Third. Seek advice from as many sources as necessary on an appropriate theme for the memorial.

Fourth. Offer recommendations to Congress, for approval or disapproval.

If we are to have a fitting memorial to Woodrow Wilson, this, I believe, is the way to prepare for it. The question is: Is this the time to seek such a memorial?

WILSON AND THE WORLD

When I introduced this resolution this year, 38 Senators joined with me in sponsoring it. In the House, 17 identical resolutions were offered. I have received many letters indicating great interest and enthusiasm for a memorial. Such immediate enthusiasm indicates to me that our affection for Wilson, and our debt to him, may be even stronger today than it was a few decades ago. Now that we are committed so thoroughly to global defense of freedom on all its frontiers, we can appreciate anew the spirit of a man who asked us for a universal dominion of right by such a concert of free peoples as shall bring peace and safety to all nations and make the world itself at last free.

That same man told us that America was born to serve mankind, that aspirations for self-determination should be nurtured rather than thwarted, and that—as he said to a small group in 1923 during his last public utterance:

> I cannot refrain from saying it: I am not one of those who have the least anxiety about the triumph of the principles I have stood for, that we shall prevail is as sure as that God reigns.

Mr. President, it seems to me that greatness is given to a nation when it can produce a man who believes as Wilson did and spoke as Wilson spoke. We should treasure such greatness; we should certainly not accept it dully; and Heaven help us if we ever forget it.

Our debt to Wilson is like a river fed by many streams.

To everyone who has served in education, Wilson will be remembered as the man who fought for new academic freedom.

To every citizen of New Jersey he will be remembered as a Governor who made over the State's corporation, election, public utility and labor laws.

To all who realize that progressive legislation was needed early in this century to dislodge those who "sat upon a hill of privilege," Wilson will be remembered as an architect of social change.

To everyone who believes that the Presidency is a podium for leadership rather than mere administration, Woodrow Wilson will be remembered as a man who gave this Office new dimensions.

And, to everyone who believes that a crime against one nation is a crime against all nations, Wilson will forever be remembered as the man who, in the words of Bernard Baruch, "dared to do what few statesmen have had the courage to do—to introduce ethics into international affairs and to insist that the conduct of nations as well as men be governed by law."

We are still working toward this goal in 1961—more than four decades after Wilson helped us to see it clearly. In 1961 we draw inspiration from Wilson's words, and I think we would draw inspiration from a memorial to him in the Capital of the United States.

THE STAGE IS SET

No one in this Chamber needs any more discussion, I am sure, on the life and accomplishments of Woodrow Wilson. I shall close, therefore, by noting the following:

First. The Woodrow Wilson Centennial Commission, after it completed its notable nationwide program in 1956–57, said that its work would remain incomplete until a memorial to Wilson is constructed in the Nation's Capital. Commission members felt that a memorial of size and grandeur similar to those honoring Washington, Jefferson, and Lincoln would be the only suitable one for Wilson.

Second. Many other suggestions have been made since then for "living memorials"—functional buildings that could carry out a specific Wilsonian theme while serving a specific purpose. As I have said on other occasions, the arguments for a living memorial and for a monumental memorial are strong; I am glad that the Commission will have the job of making the decision on this issue.

I would like to point out, however, that either form of memorial would capture the imaginations of many millions of people throughout the world. Imagine, for instance, the number of visitors from abroad who would visit a Wilson memorial to pay their respects to the memory of a man who may have had an important role in the winning of independence for their homelands. Imagine, too, how those who fled from "captive nations" would wish to visit the same memorial or to pay direct tribute to a man who said earlier in this century that their nations should be free and independent.

What better way could be found to remind our countrymen and our friends in other nations that the United States has sought peace with justice under the leadership of men like Washington, Jefferson, Lincoln, Wilson, and Roosevelt?

Third. My final comment is that the Woodrow Wilson Foundation and many distinguished Americans have expressed great interest in the memorial proposal. The Commission would be assured, I believe, of much help and extensive discussion as soon as it could begin its work.

Mr. President, we in Congress often borrow from Wilson when we wish to make a pertinent comment. I should like to end these arguments for a Wilson Memorial Commission with the words Wilson spoke during his 1912 campaign. He described America as a land with a vision of the future then added:

> She saw them free because they were equal. She saw them banded together because they had the spirit of brothers. She saw them safe because they did not wish to impose upon one another.
>
> And the vision is not changed. The multitude has grown, that welcome multitude that comes from all parts of the world to seek a safe place of life and of hope in America. And so America will move forward, if she moves forward at all, only with her face to that same sun of promise. Just so soon as she forgets the sun in the heavens, just so soon as she looks so intently upon the road before her and around her that she does not know where it leads, then will she forget what America was created for; her light will go out; the nations will group again in darkness, and they will say: "Where are those who prophesied a day of freedom for us? Where are the lights that we followed? Where is the torch that the runners bore?"

DEFENSE OF SUITS AGAINST FEDERAL EMPLOYEES

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar 712, House bill 2883.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 2883) to amend title 28 entitled "Judiciary and Judicial Procedure" of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment and for other purposes, which had been reported from the Committee on the Judiciary, with amendments, on page 2, line 23, after "(d)", to strike out "Any" and insert "With the consent of the plaintiff in any", and in line 24, after the word "court", to strike out "shall" and insert "such action or proceeding may".

The amendments were agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed——

FOREIGN AID

Mr. HUMPHREY. Mr. President, in a recent issue of the Minneapolis, Minn., Tribune, an excerpt from a speech by Mr. John Nuveen, a Chicago investment banker, dealing with foreign aid, appeared.

Mr. Nuveen is an authority on Latin American investment, and served as chief of the U.S. Economic Aid Mission to Greece in 1948 to 1949. His remarks indicate a brilliant insight into the basic problem of foreign aid—that is, how we can get our aid to the people who need it, and past the individuals and groups who in varying degrees have blocked the effective use of our capital in previous years.

I commend Mr. Nuveen's remarks to my colleagues as we consider the appropriations for the foreign aid program.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks the article entitled "Let's Interfere in Positive Way," by John Nuveen.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LET'S INTERFERE IN POSITIVE WAY

My thesis is quite simple. China was the first major battle in the cold war and we lost it.

If nothing else, we should have profited by the mistakes we made in China, but almost everything that we have done in Cuba shows that our foreign policy planners did not learn anything from China, for we have repeated almost all the same errors and have lost another major battle in the cold war.

A failure to understand the forces at work in the world is further evidenced by the reappearance, through the John Birch society, of a neurotic fear of communism which was epidemic under McCarthyism and shows that a substantial number of our citizens are not prepared to support a realistic program if our representatives in Washington should develop one.

Debate about the personalities of Mao Tse-tung and Castro tends to obscure from our minds the most important single fact in the world today, i.e. the revolution of the "have-nots." This was the force that was shaping events in China in 1947 and 1948. This is the force that is shaping events in Latin America and the rest of the world today.

What we should have debated in 1947–48 was whether Chiang Kai-shek's government had a program for helping the underprivileged masses of China. He did not but Mao did—that's the simple reason we lost China.

Imagine a sales manager explaining to the president or the president explaining to the board of directors why their company lost a big order to a competitor and saying our competitor merely offered them what they wanted while we offered them what we wanted.

But this is not only what we did in China, it is what we have been doing in our so-called foreign-aid program ever since the Marshall plan. We have told country after country that they should want an army to fight Communist aggression. The people in these countries wanted food and shelter, good health, and schools for their children.

Supporting Chiang has not deterred communism on the mainland and supporting him and his mock Cabinet to return and rule the mainland has long since been regarded as unrealistic. We are in trouble in Korea because for too long we suported Syngman Rhee without questioning his programs of economic and political reform. Bao Dai didn't save Indochina. We have lost North Vietnam and are about to lose Laos.

The one place where we were realistic was in the Philippines, where we helped them get rid of the corrupt leadership of Elpidio Quirino. When he was defeated by a coalition of opposition parties which we helped to bring about and was succeeded by Ramon Magsaysay, an honest patriot dedicated to raising the standard of living of the people, the Communist-inspired Huk rebellion collapsed. The unfortunate death of Magsaysay in a plane accident has produced some problems which are going to require more attention than we have been giving them.

And what did we do in Cuba? We supported Batista after he seized the power of the presidency illegally for the second time. He played ball with American economic interests and he hated communism, so we gave him economic and military aid. We never debated what was being done to raise the standard of living of the mass of the Cuban people.

As a result we are in deep trouble in Cuba, but our greatest danger is not from Cuba but that we will become so preoccupied with Cuba that we won't see the 19 other Latin American countries.

There are potential revolutions in most of these countries. Cuba contains only 6,500,000 people, while the 19 other countries in Latin America have a total population of nearly 200 million people. There is much more hope of preventing a destructive, Cuban-type revolution in those countries than there is of trying to put together the pieces after one has exploded.

There are a couple of simple facts that we should realize about Latin America. When we examine Latin America as a whole, we find that almost 50 percent of the people are illiterate, 50 percent are hungry, and 50 percent have no property and so few possessions that they do not even sleep in beds.

Up to the present time we seem to have assumed that all the ills of Latin America were due to a lack of capital and could be cured with dollars. Cuba certainly has disillusioned us on that. It had more American capital in proportion to its size than any other country in Latin America except Venezuela with its oil.

Our State Department has excused its lack of concern with social revolutions by stating that we couldn't interfere in the internal affairs of other countries and has written this into the articles of the Organization of American States.

Actually "noninterference" is an ambiguous cliche if not a meaningless platitude. It is next to impossible for a nation that is as dominant in world trade and world affairs as the United States to avoid interference in the internal affairs of other countries.

The decision of our Government to stockpile or to stop stockpiling may mean the difference between boom and depression to a neighbor with a one-product economy. Laws regulating the creation and disposal of agricultural surpluses, financial policies, and commercial regulations have an impact on the members of the Organization of American States as well as the commonwealths in the United States.

We should have learned after 12 years of foreign-aid programs that we cannot give aid to another country without interfering in its internal affairs, since such aid is always interpreted by the political regime in power as an endorsement of it and used to strengthen or prolong its political power. The people of Latin America have considered our aid to be interference, regardless of our intentions.

Let's say frankly that we recognize that there is nothing that we can do economically or otherwise to help our neighboring countries that will not constitute interference to some degree in their internal affairs, but we will try to see that such interference will support the cause of raising the standard of living of all the people and not just profit a few politicians and economic royalists

I am suggesting, if you please, that we only give economic aid with strings attached, but those strings will be to insure that our aid helps to better the lot of all the people in the recipient country, not strings to help our defense strategy.

I can offer you one bit of good news. President Kennedy in connection with the 500 million dollars of aid for Latin America which has just been approved by the Congress, has announced that it will have to be matched by action on land and other necessary reforms by the countries receiving it. This is the first time that we have announced such a fact publicly as official policy.

Let's not be deceived about the Communists. They are dedicated, ruthless, and conscienceless, but let's not be completely preoccupied with our enemies. Let's get on with the job of giving leadership in the great unfinished world revolution, the revolution we started, the revolution dedicated to the proposition that all men are created equal and that the governments derive their just powers from the consent of the governed.

MILK PRODUCTION POLICY AND OTHER AGRICULTURAL POLICIES

Mr. HUMPHREY. Mr. President, I wish to speak for a few moments on an item which appeared in the Nation's press, and, in particular, in the press along the eastern seaboard. This item relates to an address delivered by Governor Rockefeller, of the State of New York. His address was on the subject of agricultural policy.

I have heard the Governor of New York speak before on agricultural policy. I find his statements interesting, if not informative. I find his statements worthy of news copy, even if not worthy of very serious consideration.

For 2½ days, now, the headlines in the Washington, D.C., press have dealt with a speech which Governor Rockefeller made at the New York State Fair; the speech related to the agricultural policy of this administration.

It seems that on September 6, Governor Rockefeller, when speaking in Syracuse, N.Y., at the annual farm dinner on the eve of the Governor's Day at the State Fair, made some observations on current Government agricultural policy which I believe to be worthy of some comment, if only for the purpose of setting the record straight.

First, Governor Rockefeller assailed the Secretary of Agriculture, Orville Freeman, for advocating a national milk sanitation law; and then Governor Rockefeller criticized the current feed grains program. Governor Rockefeller specifically charged the Secretary of Agriculture with "pushing legislation favoring his own home State of Minnesota and its immediate neighbors at the expense of the rest of the country."

Because the Secretary of Agriculture is from a State which produces milk, among many other agricultural commodities, I suppose he is inevitably going to be subjected to this type of politically motivated accusation, even though he is simply advocating a measure in the national interest, one that is intended to bring commerce in milk and milk products out of the 19th century into the present day.

Incidentally, Mr. President, the second largest crop in Minnesota is soybeans, one of Minnesota's major crops.

Mr. President, I am a sponsor, along with my colleague [Mr. MCCARTHY] and the Senators from Wisconsin [Mr. PROXMIRE and Mr. WILEY] of Senate bill 212, to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce. The bill relates to nationwide standards for milk sanitation. The standards are to be high, and will be enforced by the Public Health Service.

In my testimony on the bill I pointed out that by establishing the U.S. Public Health Service proven milk code as a quality yardstick for milk moving in interstate trade, we shall eliminate the use of arbitrary health standards as trade barriers against the shipment of high quality milk from one State to another. Currently, many eastern and southern milk consuming areas are hemmed in by sanitary standards which are designed more to protect local milk monopolies than to protect the public health.

Mr. President, milk and milk products are the only agricultural products which are prevented from moving freely in interstate commerce. This is obviously unfair to the producers who live in areas such as Minnesota, Wisconsin, North Dakota, South Dakota, and other States that provide the ideal conditions for volume production. It is also unfair to the consuming public to deny them the benefits resulting from the free flow of trade.

The National Milk Sanitation Act is intended to bring commerce in milk and milk products out of the 19th century and into the present day, for the betterment of the general welfare and the consumers.

Mr. President, the proposed National Milk Sanitation Act is designed to establish the U.S. Public Health Service's proven milk code as the quality yardstick for milk moving in interstate trade; and the National Milk Sanitation Act would eliminate the use of arbitrary local health standards as trade barriers against the shipment of high-quality milk from one State to another.

Currently, many markets are being restrained and restricted by these health ordinances.

Mr. President, it seems to me there is a basic contradiction in Governor Rockefeller's proposals on agricultural policy.

For example, in the speech Governor Rockefeller delivered at Syracuse, he said that by backing national milk sanitary standards, Secretary Freeman is "threatening to disrupt our existing system for orderly milk marketing."

He did not say anything had disrupted it; he merely said it was threatening to disrupt it. What he really means is that he is against a national milk sanitation code that will assure consumers of milk a high quality product that meets higher standards than the present New York State standards; and he means that he prefers to restrict the flow of milk, in order to have milk production in New York State higher than in some other areas of the Nation. I cannot see much economy in that, and I do not see much sound economic policy in it. Governor Rockefeller is really a protectionist in his home State of New York even as he sends telegrams to Members of Congress advocating foreign aid. He says he is an internationalist when we talk about other nations. He is a protectionist at home, but a free trader abroad.

I have not noticed that the Governor has said there ought to be import duties on textile products, even though in New York thousands of people are in the textile business and their jobs are being affected by foreign competition. He appears to be less concerned about imports from Japan than he is about imports of milk from Wisconsin.

I would be interested in knowing how this Republican spokesman can explain that contradiction. Governor Rockefeller's statements reflect a philosophy that may be popular in his State on one product, but they are not those which would indicate a proper national interest for a national figure.

I want to remind my friends of the Republican Party that he is an alleged national figure. He ought to speak as a national figure.

I really do not know how the Governor, by the wildest stretch of the imagination, can inject the word "scarcity" as it applies to this discussion, particularly feed grains.

Let me quote from the news dispatch which appeared in the Herald Tribune News Service, Mr. Charles N. Quinn, Syracuse, N.Y.:

> The Republican Governor also chided the Kennedy administration for its emergency feed program to curb production. Rockefeller said the program would cost the taxpayers $800 million this year and could lead to higher prices for the New York dairymen, poultrymen, and livestock feeders.

In another story, in the New York Times, by Mr. Warren Weaver, Jr., the following statement appears:

> Mr. Rockefeller's objection to reducing feed grain production is that it tends to raise the prices that New York dairy farmers have to pay for their feed. He conceded that feed prices in the State now were not so bad, but warned against possible future increases.

What is the Governor saying? Well, the future looks bleak, because the farmers who produce feed grains may get a little more for their products. Let me add that what those farmers get will be far below parity prices. But the Governor concedes there is nothing wrong now, that it is not so bad, even though the feed grains program has been in effect for several months. This is a program of eventualities, the tortures of the future. It makes good politics, but it is very poor economics. What is more, it does not represent the truth.

The Governor of New York would have the American people believe that the feed grains program is going to cost $800 million this year. I say to Mr. Rockefeller, "You have revealed an abysmal lack of knowledge and information about this program." The program will cost, for payments and operations, $730 million; but it will save the Commodity Credit Corporation approximately $800 million in storage costs and in the handling of the surplus grains. Under this program, there has been a cut of 650 million bushels, at an average saving to the Government of $1.10 a bushel.

I say to the Governor of New York, "If you are going to tell the story, tell it all. If you are going to say how much this program costs in conservation payments, you ought to say how much we are going to save out of the production curb or control that is put into effect."

What are the facts? I now quote from a debate that took place in the House of Representatives the other day, a debate in which there was no contest over these facts, and which appears at page 18186 of the RECORD for September 5, 1961. Representative ALBERT was speaking and was quoting from the debate of the Representative from Iowa [Mr. HOEVEN]:

> The simple fact is that for every bushel of corn not produced and not acquired by CCC, a saving of $1.10 per bushel in storage, handling, transportation, and interest charges accrues to the Government, and hence to the taxpayer.
>
> September 1 estimates of the Department of Agriculture indicate that in point of fact the corn crop under the new program will be about 650 million bushels less than it would have been had the feed grains law not been enacted, and that it will be some 540 million bushels under the 1960 production figure.

So the feed grains law put into effect some production controls which have resulted in a saving of $800 million and over to the taxpayer and the Government on costs for handling the surplus. The total cost of the program will be approximately $730 million, which is a net saving to the taxpayer of $70 million. It will be more than that. These are conservative figures. What is more, the farm producer himself, not the handler, not the Commodity Credit Corporation, not the grain trade, but the farmer himself, will get a better price for his feed grains.

What do better prices for feed grains mean? Better prices for feed grains mean, first of all, a better income for the farm producer. This means better consumption. Farm income is up about 10 percent already under this administration.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. JOHNSTON. The reason I was so anxious to interrupt at this point is that history itself gives us a little light on this subject. I well remember when I was Governor of South Carolina and Mr. Dewey was Governor of New York, the same question came up about selling feed grains. He wanted more feed grains sold in New York at low prices. Governor Dewey was speaking at the conference and he was asked where he expected the feed grains to be sold which would be fed to the hogs. He said, "I expect them to sell it to us." He was asked, "What are you going to do with the little pigs?" He said, "Kill them." If one will look at the record, he will see a song was published at that time about the pigs squealing, which shows that the Governor of New York was looking after the interests of New York and what was best for New York, and not for the consumers or the people in general at all.

Mr. HUMPHREY. I thank the Senator for his contribution. I have no objection to the Governor of New York looking after what he considers to be the interests of his State and his constituents, but he should take into consideration the full constituency.

There should be fair prices for feed grains. The record of every university and every land-grant college in America, without exception, shows that when feed grain prices are fair and reasonable—which are above what they are today—cattle prices are fair—which are above what they have been—then the volume of milk is available which will keep consumer prices at a reasonable level. There is no excess supply of milk in this country in light of our national commitments and our needs. When we talk about what is good for the people, we

had better keep in mind not only what they produce, but what they eat, and the free flow of commerce in this Nation is to the interest of America. That is what we are talking about when we talk about a National Milk Sanitation Act.

The Governor went on to point out, in the agricultural policy statement, that we were engaging in a philosophy of scarcity. He said the Kennedy administration's program will create food shortages and is based on a philosophy of scarcity. The exact quotation is, "Mr. Rockefeller questioned the wisdom of the Kennedy administration's 'philosophy of artificial scarcity' in the feed grains used by dairy farmers." That is a quotation from the New York Times, a story by Warren Weaver, Jr.

About what philosophy of scarcity is he talking? I have news for Mr. Rockefeller. There are 1.1 billion bushels of corn in surplus, in the ownership of the Commodity Credit Corporation today, plus many hundreds of millions more under loan. There are 400 to 500 million bushels of feed grains in surplus over and beyond our commitments.

A philosophy of scarcity? All the administration has attempted to do is to slow down the accumulation of this surplus. There are large strategic reserves for our national emergency needs, as well as food supplies for our international commitments. There is available a supply over and above any of those requirements.

Today the feed grain farmers are getting a little better price than they received a year ago. A year ago the price on the average was below 70 percent of parity, which no industrial worker would tolerate and which no businessman would tolerate.

Today the feed grain producer is getting a little better price, but he is a long, long way from parity prices. The cattle raiser is a long way from parity prices.

The present Presiding Officer [Mr. HICKEY] comes from a State in which there are range cattle and feeder cattle. The Senator knows cattle prices need strengthening, rather than depressing. The Senator knows when there is an abundance—a fantastic surplus—of feed grains it tends to produce a surplus of cattle and hogs, which in turn results in lower prices.

What the administration is attempting to do is not to engage in a philosophy of scarcity but to engage in a philosophy of production regulation and production management, so that prices in the marketplace will provide a fair return on work and investment and capital. That is what we are trying to do. We are making a beginning. We have a long way yet to go, but we have made a beginning. We have turned the corner. The price structure of farm commodities is not going down. It is now beginning to go up.

Mr. President, for years the farm producer has been subsidizing food for all of us. Dairy producers in my State have been driven out of business by the thousands because of inadequate dairy prices. Entire herds were liquidated—hundreds of them—when dairy price supports were between 75 and 85 percent of parity.

Feed grain prices were cheap. Oats were selling at 40 cents a bushel, and corn at 90 cents a bushel. Feed grain prices were cheap. So were cattle prices. Milk was also cheap.

Farmers were driven off the land. Farmers were forced to sell their herds. Farmers had their property foreclosed.

The record of the recent years is a tragic one.

This Senator has not spoken on this subject this year, because we have been making some progress. We have been moving ahead. We extended more farm credit, at reasonable rates of interest. We stepped up the food-for-peace program. We improved the conservation program and the diverted acres program. We passed a feed grains program. We instituted a new wheat program, a program for cotton, a program for rice, a program for tobacco, a program for other commodities. We are beginning to move ahead.

A spokesman for the opposition party says that this program is based upon artificial scarcity, and he says that it is an unwise program endangering New York's dairy farm economy by playing politics with agriculture.

I say, very frankly, American agriculture has been endangered for years by bad politics and poor economics. A corn program passed over my protest. That was the administration program of the the Eisenhower-Benson administration, which permitted unlimited planting, with a guaranteed price, and it filled the Commodity Credit Corporation bins with over $3 billion worth of corn surplus.

This Senator said that would happen. This Senator stood on the Senate floor and said, "If you people accept the Eisenhower-Benson foreign program on corn, you will have anywhere from three-quarters of a billion to a billion bushels of corn more than you ever had before, and you can expect 15 million to 18 million acres of new production."

I was mistaken. There were actually 1.1 billion bushels more than expected, and 17 million acres were opened up for new planting at a guaranteed price.

Whom did this help? No one. It hurt the taxpayers. It hurt the Commodity Credit Corporation. It hurt the farm prices. It injured the farm economy. It hurt everybody.

Mr. President, I say it is rather peculiar to observe the leading spokesman for a great national party being protectionist for one commodity in his home State and a freetrader internationally. I really do not see how the Governor by the wildest stretch of his Republican imagination can inject the word "scarcity" into any discussion of feed grains, when he knows what are the available supplies.

I say to Governor Rockefeller, we shall have to liquidate, after this year's crop, nearly 2 billion bushels of corn surpluses before we can talk about scarcity.

I do not see how anything can be considered to be scarce when it would cost the taxpayers $800 million a year simply to store the overproduction. That is what it would have cost had we not passed the feed grains program.

We would have had to spend this year an additional $800 million for the handling and the storage of the corn alone, exclusive of the grain sorghums, barley, oats, rye—other well-known feed grains.

The elimination of this tremendous drain on the taxpayers is what the administration is trying to achieve, and at the same time the administration is trying to help the farm families share in the prosperity which is being enjoyed by the rest of our economy.

It is true that the feed grains program costs over $700 million a year. To whom does that go? It does not go to the banking houses on Wall Street, I say to the Governor of New York. It goes to the farm families in some 40 States of this Union, who produce feed grains.

In the process of giving out some $730 million in payments, either in cash or in kind, we save for the taxpayers of this country and for the Commodity Credit Corporation over $800 million on corn alone. This represents a cash saving to the taxpayers of over $70 million. By the time we add in savings on the other feed grains program, the figure is considerably larger.

Every study I have seen on this subject has shown that a fair price for feed grains in the marketplace means a better price for cattle, and this in turn insures an adequate supply of milk. If the milk supply is allowed to move freely in interstate commerce without impediment and without artificial restraints, as the National Milk Sanitation Act would provide—those restraints would be gone—the health of the consumer would be protected, and so would his pocketbook.

I repeat that the Governor was unable to state that the feed grain prices had increased in his State, because they have not. He raises this specter for the future. I predict he will turn out to be as bad a prognosticator on this subject as was the former Secretary of Agriculture, whose advisers are now coaching Governor Rockefeller.

Mr. President, I happen to like Nelson Rockefeller as an individual. I think he is a fine American. I wish to be a friend of his. He has been very kind to me.

I make that statement in all sincerity and respect. Mr. Rockefeller is a fine and great American. My respect for him as an individual is very sincere and genuine. But I say to that good man, "Get yourself new advisers on agriculture, because if you do not, you will mislead a great number of people and, first of all, you will mislead yourself."

I fail to see how an efficient dairyman in the State of New York could be hurt in the New York milk market by a Minnesota, South Dakota, North Dakota, Wisconsin, or Iowa dairyman who would have to transport his milk a thousand miles in order to reach that market. By a national Milk Sanitation Act we would be able to remove the artificial restraints, the barriers to the free flow of commerce; and if the dairy producer in one part of the country could produce a high quality, clean, healthful, nutritious product which met high Federal standards, and if he could compete economically with the producer closer at hand, it would be for the benefit of all. It would be for the benefit of the Nation,

and it would be for the benefit of the consumer.

As a man who believes in free enterprise and competition, I believe the good Governor of New York would agree with me in that statement. I cannot help but believe he must feel that there is no justification for the restraint of trade between the States.

It is bad enough when there is restraint of trade between nations. But interestingly enough, the Governor of New York, who is international-minded, a former adviser in the State Department, a man who is able, intelligent, and deeply concerned about questions of foreign policy, complains about restraints between nations. In the main I find myself in agreement with his stand. He has been of great help to us in these areas of foreign policy.

But I say to him, "Governor, how can you condemn import controls, quotas, and embargoes between nations when some of those import controls might well benefit a local industry in your State—a manufacturing industry, the textile industry, the garment industry, and other plants in which people work? Yet you seek to justify, and urge the retention of, import controls, embargoes, and artificial restraints of trade relating to one product—milk." We are not speaking of apples, oranges, citrus fruits, wheat, corn, or vegetable oil, but only one product.

In the national interest, rather than in the parochial or local interest, I call upon this Republican leader to join with the administration in seeking to break some of the many special barriers which prevent the free flow of milk and milk products in interstate commerce.

I also call upon him to study the feed grains bill and see what its favorable impact is upon the economy and offer his constructive suggestions for the improvement of our agricultural policy so that we may improve farm income. The drop in farm income in this country is more responsible for unemployment than any other single factor in our economy.

Farm income dropped from $15½ billion net in 1952 to slightly above $11 billion net in 1960—a drop of over $4 billion in annual income under the Eisenhower-Benson administration. This sharp decline in farm income caused unemployment in the steel industry and the textile industry, and held down the gross national product. Therefore, in part, it was responsible for the drop in national income and for the continuing tide of unemployment.

One of the best answers to unemployment is to place the agricultural sector of our economy on an equal basis with other segments. We ought to improve the price level. Let no one talk to me about efficiency. The farm producer is the most efficient producer in the world. He is the miracle producer of the world. He has everyone else run out when it comes to production.

It is interesting that we have all kinds of international protections for other commodities, but when it comes to the farmer, he must compete in the open market. All over the world there are restrictions against the importation of American agricultural products.

I have been riding herd on the State Department to have its diplomats, as they negotiate trade agreements, negotiate some relaxation in the barriers that prevent the importation of American farm products into country after country, particularly in Western Europe. When I was studying the Office for Economic Development in Europe, where we are trying to improve our trade relationships, and where we are making an effort to coordinate our economic policies, I found out, to my surprise and dismay, that literally country after country had tariffs, embargoes, and import restrictions upon one American agricultural commodity after another.

A great number of people can see the other fellow's point of view before they can see our own. I shall be one of those who see the other fellow's point of view. I have been a firm internationalist, an exponent of the United Nations, and an exponent of freer trade. But freer trade means trade in two directions. The very same people overseas who are concerned about the importation of American agricultural commodities want to make sure that we buy their radios, textiles, and other products.

Japan is one of the great markets for American agricultural products. The balance of trade with Japan is in our favor.

I have meticulously studied the record of every other country and have found that there is great room for improvement.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. I am glad that the Senator from Minnesota is emphasizing this point. Is it not true that, in addition to the limitations which European countries impose upon the importation of American farm commodities, in many cases limitations have been placed upon the amount of American coal which can be imported?

Mr. HUMPHREY. The Senator is correct.

Mr. DOUGLAS. The limitation of foreign markets on American coal is one of the factors which causes the coal industry to wish to restrict the importation of residual oil from Venezuela. Is that not true?

Mr. HUMPHREY. The Senator's analogy is absolutely correct.

Mr. DOUGLAS. If some of these countries—perhaps I should be more specific and mention West Germany—were to loosen their restrictions upon American coal, so that we could export many million more tons of coal, the pressure for further restriction on Venezuelan residual oil would be reduced.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. So that the practice of West Germany and the practice of other countries is having an indirect effect and is worsening conditions not merely between Europe and the United States, but also between the United States and countries in northern Latin America.

Mr. HUMPHREY. It might well have an adverse effect upon our relationship with the Middle East. We found out in recent days—and we should have known it for years, although the experts probably knew about it, but only recently there has been much public comment on it—that all our foreign aid in Latin America would do no good if there were a break in the commodity price of any sizable proportions. In other words, there are 14 countries in Latin America who are coffee producers. If the price of coffee were to drop 3 or 4 cents a pound, all of the money put into the Alliance of Progress would be lost. It would be consumed without having any impact on the economy at all.

I find that when I go to some areas of the world that some countries have heavy taxes on the importation of coffee. Some of these countries have a very favorable gold reserve, and a favorable balance of trade. If they would take off as little as half the tax on the importation of coffee, it would give a shot in the arm to Latin American countries far beyond even what our aid program could do.

That is true with West Germany and other countries in the NATO alliance.

I wish to conclude on this note. Our agriculture has been the victim of economic abuse by governmental policies. That abuse started in 1953. Farm parity in late 1953 stood at 100 percent of parity. That abuse and misuse of agriculture which started in 1953 continued right up until January 20, 1961, with the Kennedy administration coming into power.

The administration has a terrific problem and a great challenge on its hands. We have in the Secretary of Agriculture a man who knows how to meet these problems and these challenges. He did not come with all the answers ready made. He comes as a student of the law of economics, of agriculture, of farm people. He was the Governor of a great agricultural State.

The Department of Agriculture has many fine, wonderful people and competent experts in it. The Department is reevaluating the programs that are now on the statute books. A new farm program was presented to Congress. Some of it was accepted. About three-quarters of it was accepted, and about one-fourth of it was rejected. I am sure that my colleagues in the Senate in rejecting that portion felt they were doing the right thing. I had some doubts about portions of it myself. I am an administration supporter, but I am not an administration rubberstamp. I was sent to the Senate to represent the people of my State. I hope to be a U.S. Senator, not merely a Minnesota Senator. The Department of Agriculture under this administration is moving. I put in the RECORD a few weeks ago the record of the administration of the Secretary of Agriculture during the first 6 months.

The first act of our President was an Executive order for a broader distribution of surplus foods through the food stamp plan. We passed a law during the past administration granting the President such authority. I was the author of it. It stood around for 2 years, unused. President Kennedy put it into effect. We increased our soil conservation payments. We are extending our

Great Plains program, and our rural development program; also our Soil Conservation Service program. We are expanding and improving the agricultural research program. We have an emergency feed grain program which is working. In fact, the signup under that program is nothing short of amazing.

A distinguished Member of the House, Mr. HOEVEN, of Iowa, had this to say:

I find that in my section of the Corn Belt, the feed grain program is a very popular program. The degree of participation in the program certainly indicates that. The participation in Iowa is 65.4 percent; Minnesota, 50.2 percent; Missouri, 58.9; North Dakota, 73.5; and Nebraska, 71.5—all in the great feed grain area of this country.

This is not the language of a Democratic Senator or Representative. That is the language of a well-known and able Republican Representative. The farmers like the feed grain program. They have signed up. It is the greatest signup under a farm program since the late 1940's. The program is working. The program is going to save the taxpayers money. The program is going to raise agricultural income. We have had an increase of 10 percent this year already. The effect of the feed grain program has been felt in the cash registers of the country.

I put information in the RECORD 2 months ago, from the Federal Reserve district, showing what happened when these payments were made under the feed grain program; how the farmers used the money to repair machinery, to buy clothing, to repair their homes. We are beginning to move. What we need is a cooperative understanding on the part of prominent public officials, to get the farm economy where it belongs. When that happens, Detroit will be a happier city; so will Minneapolis. The farm implement industry of America has been a sick industry because of the farm recession which has been in effect for over 8 years. It will again start to become a vital, vigorous, prosperous industry. The farmer is the greatest user of steel products outside of the automobile industry. He is one of the largest users of lubricants and oils. He is one of the largest users of rubber products, and one of the largest users of electricity. That is, Mr. President, if he has money. One of the problems of having the capital on the eastern seaboard is that some people seem to forget in this part of the world what rural America is like, even though there are vast rural areas in this vicinity.

The miracle of American farming and the miracle of its production and efficiency is something which the other parts of the economy have never even come close to. Farmers have increased their productivity further than any other segment has accomplished. It has gone so far that no one even talks about catching up. The question is whether Maris or Mantle will equal Babe Ruth's record. They may or they may not. It is in the realm of the possible. However, no one ever asks whether American industry can ever catch up with the efficiency of agriculture. American industry is productive and efficient. It is all that in our economy, but it can never catch up with the efficiency and productivity of American agriculture.

All over the world, agriculture is failing. The greatest failure of the Soviet system and the greatest failure of communism is in its agriculture. The Soviet Union with all its atom testing and bluster and movement of troops has doubts in the mind of the Kremlin because of the colossal failure of its agriculture. Everywhere—China, East Germany, Rumania, Bulgaria, the Soviet Union—wherever there is communism and collectivism, agriculture is a failure. Wherever there is a reasonable degree of freedom, agriculture has a chance of succeeding. One of the great accomplishments of this Nation today is the tremendous achievement of our farm people. It is the great success story.

The American farmer has the food ready, if it is needed, for ourselves and our allies. The American farmer can produce more food the minute he is given the "go ahead." He will do it without injury to soil or man.

So I suggest that this is the kind of message, a little pat on the back for our farmers, a little word of encouragement, a little word of honor and respect, rather than "scarcity" or "injurious to our dairymen."

Someday I hope to have a talk with this able Governor. I think he needs a new direction in agricultural policy. Since I believe in a bipartisan foreign policy, I should like to help him out with a successful bipartisan agricultural policy.

I took the floor today to answer his address—an address which contained so much misinformation, yet got so much type and so much print. Is it not interesting that it got so much print? I have heard Governors from the Midwest who have said things to the contrary, but they have never been heard of. But if one speaks at Syracuse, N.Y., or in other great populated areas of the eastern seaboard about a subject of which he knows very little, and of which the greatest quality is its misinformation and misinterpretation, it makes the headlines day after day after day.

That speech was made on September 5. Yet even yesterday afternoon and last night, on the 6th of September, and this morning, too, there were news stories about the profound statement of the Governor of New York with respect to agriculture. The speech was just about as profound as to say that the moon is made of green cheese—which of itself suggests some agricultural philosophy.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Cooperatives Called Answer to Communism," published in the St. Paul Pioneer Press of August 24, 1961. The article relates to an address delivered by Raymond W. Miller, a visiting Harvard University lecturer and a member of the Harvard School of Business, before the American Institute of Cooperation at the University of Minnesota.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HARVARD LECTURER SPEAKS AT UNIVERSITY MEET—COOPERATIVES CALLED ANSWER TO COMMUNISM

Cooperatives are one of the free world's principal answers to communism, a visiting Harvard University lecturer told 3,000 people attending an American Institute of Cooperation session at the University of Minnesota Wednesday night.

Raymond W. Miller, who also is president of a Washington, D.C., public relations firm, said the free world can reverse the losing trend against communism by "exporting cooperative capitalism, or the kind of economic system found in the United States."

Miller emphasized that freedom is most secure in those countries where cooperatives are a basic part of capitalist economy—citing Sweden, Denmark, Great Britain, Ireland, Greece, Canada, and the United States as examples.

"Communism is in a virulent state where cooperatives are nonexistent or very weak," he said. "Although our cooperative system isn't perfect, it is concerned with providing for the betterment of the human spirit and the dignity of the individual * * * something the Soviet system does not do."

Among other speakers at the 3-day meeting was Richard M. Hausler, director of the rural areas development (RAD) program of the Rural Electrification Administration.

Hausler said economic boosting of low-income rural areas can be done with new industries and cooperatives can help industries find new markets for food and fiber processing and services.

In the AIC's annual summer election, most officers were reelected. Skull Rutford of St. Paul was renamed board of trustees chairman. New vice chairmen are Howard Gordon, Richmond, Va., and K. N. Probasco, Columbus, Ohio.

New 3-year trustees are Foy M. Troute, Walla Walla, Wash.; Ramiro L. Colon, Ponce, Puerto Rico; Al Whitmore, Orlando, Fla.; J. L. Harpole, Jackson, Miss., and Russell Dennis of New York City.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD excerpts from the Papal Encyclical entitled "Mother and Teacher," which were published in the magazine Catholic Rural Life for September 1961. The excerpts relate to agricultural philosophy and policy, and are entitled "Pope John Writes To and About Farmers." I commend the excerpts to the reading of all those who discuss agricultural philosophy and agricultural policy, because much is to be learned and gained from a careful reading of and thoughtful mediation upon the brilliant and profound words of the Holy Father, Pope John.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

POPE JOHN WRITES TO AND ABOUT FARMERS

A fundamental problem that arises in practically all political communities is the following: how to proceed in order that the disproportion in productive efficiency between the agricultural sector on the one hand and, on the other, the industrial sector and that of services be reduced; that the standard of living of the farm-rural population be as close as possible to the standard of living of city people, who draw their resources from the industrial sector and from that of the service sector; that

the tillers of the soil may not be possessed of an inferiority complex, but rather be persuaded that even in agriculture they can develop their personality through their toil and look forward to the future with confidence.

It is above all indispensable that great care be taken, especially by the public authorities, to insure that the essential services in country areas be suitably developed: good roads, transport, means of communication, drinking water, housing health services, elementary education and technical and professional training, conditions suitable for the practice of religion, means of recreation; and to insure that there should be a good supply of those products which enable the country home to be well equipped and to be run on modern lines. Whenever such services, necessary today for a becoming standard of living, are lacking in country areas, economic development and social progress become almost impossible or develop too slowly; and the consequence of this is that the flow of population away from the country becomes almost impossible to check and difficult to control.

The fundamental principle in a system of taxation based on justice and equity is that the burdens be proportioned to the capacity of the people to contribute. But the common good also requires that in the assessment of tax, it must be borne in mind that, in the sector of agriculture, the returns develop more slowly and are exposed to greater risks in their production, and that there is greater difficulty in obtaining the capital necessary to increase them.

Because the return per head is generally less in agriculture than in the sectors of industry and of services, it would not be in accordance with the standards of social justice and equity to set up systems of social insurance or of social security in which the allowances accorded to the forces of agricultural labor and of the individual families were substantially lower than those guaranteed to the sectors of industry and of services. We consider that social policy must aim at guaranteeing that the insurance allowances made to the people should not be materially different no matter in what economic sector they work or the income on which they live.

Given the nature of agricultural produce, it is necessary that an effective system of regulation should be enforced to protect prices, making use, to this end, of the numerous expedients which present day economic technique can offer. It is very desirable that such regulation should be, primarily, the work of the interested parties; though supervision by the public authority cannot be dispensed with.

It is also opportune to promote in agricultural regions the industries and services pertaining to the preservation, processing and transportation of farm products.

We should like to recall to your minds that in agriculture, as in other sectors of production, association is a vital need today, the more so as this sector has as its base the family size enterprise. Rural workers should feel a sense of solidarity one with another and should unite to form cooperatives and professional associations, which are both necessary if they are to benefit from scientific and technical progress in methods of production, if they are to contribute in an efficacious manner to defend the prices of their products, if they are to attain an equal footing with other economical professional classes who are likewise usually organized. They need to organize to have a voice in political circles as well as in organs of public administration, for today almost nobody hears, much less pays attention to, isolated voices.

There are countries which produce consumer goods and especially farm products in excess, while in other countries large segments of the population suffer from misery and hunger. Justice and humanity demand that the former come to the aid of the latter. To destroy or to squander goods that other people need in order to live, is to offend against justice and humanity.

In reducing social principles and directives to practice, one usually goes through three stages: reviewing the situation, judging it in the light of these principles and directives, deciding what can and what should be done according to the mode and degree permitted by the situation itself. These are the three stages that are usually expressed in the three terms: look, judge, act.

Certainly, the church has taught and always teaches that scientifico-technical progress and the resultant material well-being are truly good and, as such, mark an important phase in human civilization. Nevertheless, these things should be valued according to their true worth, namely, as instruments or means used to achieve more effectively, a higher end, that of facilitating and promoting the spiritual perfection of mankind, both in the natural and the supernatural order.

Mr. PROXMIRE. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. First, I wish to compliment the Senator from Minnesota upon his excellent statement. It should be written in words of fire, a mile high, that the farmers of America have done a magnificent job, the best job in terms of economic efficiency of any group in America. The American farmer is so far ahead there is no comparison with agriculture anywhere in the world or with any other American group. Somehow, this has escaped the people of America. Too many have the opinion that the farmers are on the backs of the taxpayers.

The fact is that the consumers of America have been subsidized by the farmer, as the able Secretary of Agriculture has said over and over again. I think it is so important that the people of America get a true picture of what the farmers are doing. I am certain the Senator from Minnesota will agree with me that there is no group in America who works harder or longer hours than the farmer.

I do not know of any group in America which has increased its efficiency as much as the farmers. There is no group in America which takes as big a risk as the farmer takes. There is no group in America which, in terms of per capita investment, has invested as much money and as much property in its operations as the farmer invests, considering what he gets out of it. With all that investment risks, his skill, and his hard work, the fact is that the farmers in Minnesota and Wisconsin earn less than $1 an hour.

Mr. HUMPHREY. And the farmers of Iowa, too.

Mr. PROXMIRE. The farmer in Iowa may perhaps earn more than the farmers in Wisconsin and Minnesota, but I am sure he must earn less than a dollar an hour.

The speech just delivered by the Senator from Minnesota is a wonderful speech also because it answers the Governor of New York. A little earlier this morning, I, too, spoke about the same speech made by the Governor of New York. I think it should be emphasized that the Governor of New York not only misunderstands the wonderful role, the vital role, which the farmer has played, and can play, and the way the administration is contributing to it, but it also overlooks the enormous benefit which will accrue to the consumers of America if we can adopt the kind of national milk sanitation law which the administration is now supporting. This proposal denounced by Rockefeller will vastly benefit the consumers, not only of Minnesota, Iowa, and Wisconsin, but also the 16 million consumers in New York State.

Once again, I have to—and I have to because it is true—say in conclusion that the Senator from Minnesota is truly the champion of the American farmer, and is properly viewed as the champion of the dairy farmers of Wisconsin and all over the Nation.

Mr. HUMPHREY. I thank the distinguished Senator from Wisconsin.

Mr. MILLER. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MILLER. Mr. President, I would be remiss if I did not make it clear that the champions of farmers do not all come from the other side of the aisle; that there are champions of the farmers on the Republican side, as well.

Furthermore, I wish to emphasize that I have always believed that the championing of farmers and the concern over the situation of the farmers is something which must, if it is ever to be solved, rise above the arena of partisan politics; that the championing of farmers should have no line drawn between the Members of the Senate or the Members of the House.

I think it well to point out that there are two sides to the coin with respect to the feed grains program. I think it well to point out that statements which have been made for several months, now, about the $800 million which will be saved American taxpayers under the emergency feed grains program are mere statements, mere guesses, mere estimates. No one knows what the savings will be.

At the time the emergency feed grains bill was being debated by the Senate earlier this year, I asked the question how much it would cost. I received no answer. The reason was that no one knew what the answer was. We will not know what the cost of the feed grains program will be or what the savings, if any, will be to the taxpayers, or what the net effect upon the farmers' pocketbooks in terms of net income, not gross income, will be, until probably sometime early next year.

Reports from States such as my State of Iowa indicate that, overall, there may be a record production of feed grains per acre this year. A part of this increase, perhaps, is reflected in the fact that early this year, after Congress had passed the emergency feed grains bill, the periodical Wallace's Farmer, an article appeared which, in effect, said, "You might as well get into the program, because you can't lose."

Yet when one turned from that article to the next page, he found an article

entitled "How To Grow More Corn Per Acre."

The reports are quite strong that in many cases just as much seed and just as much fertilizer are being used on the remaining acres as were used on the original acres last year. So it can be expected that there will be a great addition to our production per acre from what was produced in previous years. This leads me to believe, as I am sure it will lead many others to believe, that the reduction in production may not be nearly so much as what the proponents of the legislation had intended.

Another point should be emphasized. Inflation is probably the cruelest tax of any which the American people have ever had. But there is no group in America upon whom inflation bears more heavily and with more distressing results than the farm group.

I have talked with many farmers who would be perfectly content with the prices they have been receiving during the last 2 or 3 years for their livestock and grain if the costs of production were where they were 10 or 12 years ago. Unfortunately, the costs of production are not where they were 10 or 12 years ago. Inflation has boosted them and has squeezed the farmers so that their net income has been cut down to the point where the average small farmer simply cannot make a go of it.

I am very much concerned about the inflationary tendencies which are taking place during this administration. We have received a report that during the months of May and June one-half cent for every dollar was eaten up by an increase in the cost of living.

The farmers are going to be hurt worse than any other group by inflation. I sincerely hope and trust that efforts will be made by the administration to see to it that there is not another round of inflation, because if there is, all the benefits which may be derived from emergency feed grains programs and food stamp plans and continuation of Public Law 480 will be eaten up and probably will be more than offset by inflation.

I thank the Senator from Minnesota for yielding to me.

Mr. HUMPHREY. I thank the Senator from Iowa. His remarks are always constructive.

Without being argumentative, I wish to say that I think all of us are deeply concerned about inflation of the economy. Inflation is bad enough in itself, of course, but the farmers have not only been victims of inflated costs of production, but deflated prices as well for what they produce. And when a football player catches both a high block and a low block, he certainly goes down. That is exactly what happened to American agriculture during the past several years.

I am pleased to note that the rise in the cost of living—or what we call inflation—from January through August of this year has been the lowest, percentagewise, during the last 12 years—since 1951. This administration is vitally concerned in holding down living costs.

Mr. President, I think the Senator surely makes a good point in regard to the cutback in production, and it is very difficult to know what the final answer will be. We know that the payments cost $730 million. But the Crop Reporting Service of the Department of Agriculture—and that Service is one of the most professional services of any in the Government—estimates that the reduction in the corn crop alone this year will be 650 million bushels less than had previously been estimated, and 540 million bushels less than 1960. The Crop Reporting Service is neither Democratic nor Republican. Everyone knows that the Crop Reporting Service is so sensitive because of its effect upon the market when its statistics come out, that it has to be as objective as mankind can make it, and it is one of the most professional units or agencies in the Government. I only hope it will always be that way.

THE ZABLOCKI-HUMPHREY AMENDMENT FOR THE AMERICAN RESEARCH HOSPITAL FOR CHILDREN IN POLAND

Mr. HUMPHREY. Mr. President, the Foreign Assistance Act of 1961, Public Law 87–195, which we have just passed continues authority—in section 215(b)—whereby the President may use foreign currencies accruing to the U.S. Government for assistance to "hospitals outside the United States founded or sponsored by U.S. citizens and serving as centers for medical treatment, education, and research.

The first use of such currencies is, I am gratified to say, well advanced under what is known as the Zablocki-Humphrey amendment for an American Research Hospital for Children in Poland.

PRESIDENT KENNEDY'S INTEREST

Yesterday's—September 6—New York Times contains two impressive accounts on this future 300-bed hospital and research center.

One article relates the welcome news that the site has just been visited by two sisters of President Kennedy, Mrs. Eunice Shriver, and Mrs. Jean Smith. It is very fitting that members of the President's family personally symbolized by their presence at the site, the deep interest of President Kennedy in the success of the project. Mrs. Shriver and Mrs. Smith symbolize as well the interest of American women generally in serving the needs of children in the United States and abroad.

The second article is a biographical presentation on Mr. Wladek O. Biernacki-Poray, the Polish-born architect who conceived the project and brought it to the attention of Congressman CLEMENT ZABLOCKI, other Members of the Congress, and myself. Mr. Poray has devoted himself unstintingly to the task of bringing the project into reality and deserves the thanks of the Polish and American peoples.

I have worked many hours and days with Mr. Poray on this project and with the agencies of our Government that can be helpful in connection with it.

MY THREEFOLD INTEREST IN PROJECT

It was a little under 3 years ago that I first began to work on this issue. I became interested in it as a member of the Committee on Foreign Relations, as sponsor of food-for-peace and health-for-peace legislation and as chairman of a Senate Government Operations Subcommittee. Since August 1958 this latter subcommittee has been conducting a study of international health, pursuant to Senate Resolution 347, 85th Congress.

On July 30, 1959, the subcommittee held a hearing on the American Research Hospital for Children in Poland. On that very day, based on the facts which were brought to light, I offered a specific amendment to make possible initial funding of the hospital through the allocation of $50,000 in Polish currency—zlotys—accrued to the United States—as a result, let me say, of sending American agricultural products to Poland.

The grant was approved, pursuant to a general amendment which Congressman ZABLOCKI had succeeded in offering to the mutual security authorization bill of 1959.

In the years which have followed, I have participated in a long series of conferences and exchanges of correspondence with the State Department, with the International Cooperation Administration, with the Polish Embassy, with CARE, the U.S. Public Health Service, and other sources in helping to overcome the many obstacles which inevitably developed in connection with this project.

I wish to say that if this distinguished architect, Mr. Poray, had not had a tenacious spirit and great perseverance, I doubt that the project would be a reality. Many are the times he has visited the offices of Representatives and Senators. The other day I received a telegram from him. He has traveled between the United States and Poland a dozen times or more, at his own expense, in his efforts to have this evidence of American concern and compassion for others established. It is interesting, Mr. President, that, when the Russians occupied Warsaw after World War II, that they built there a statue of Stalin. It is a rather ugly statue, but there it stands, as a constant symbol and reminder of the oppression by Communist power. But the American people, acting in cooperation with the people of Poland who love freedom—and this project will primarily be undertaken and financed by people in this country who are of Polish descent—are going to build a children's hospital at Krakow, one of the oldest universities in the world; this year it is celebrating its 600th anniversary. We are going to build there a 300-bed research and medical treatment center for children; it will be for the treatment of all children, without regard to national origin. It will be an amazing demonstration, again, of the difference between the political system of totalitarianism and the political system of freedom which we represent.

PERSEVERING IN NEGOTIATIONS

The fact that this project is so well advanced is confirmation of the need for perseverance in dealing with problems in Eastern Europe.

There is, I may say, too much of a tendency in some quarters to become

pessimistic, to throw up one's hands in dismay when negotiating with Communist-bloc countries and experiencing almost inevitable difficulties and delay.

Fortunately, the fact is that the Polish people have always been a friend of the American people. They love freedom, and they are a people of great nationalistic tendencies. We have had a high regard and friendship for the Polish people, as well. Our problems need never be unsolvable between us.

Moreover, a project such as this which is so humanitarian and selfless by its very nature unites peoples further and in ways which no ideological barrier can separate.

On March 6, 1960, I received a letter from Mr. Poray which summarized the larger symbolism of the hospital as being synonymous with brotherhood and nobility.

I ask unanimous consent that excerpts from that letter be printed in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

MY DEAR SENATOR HUMPHREY: Within the next few days I shall be leaving for Warsaw. Many people in Poland know of your interest in their fortune, of your dedicated efforts to advance the realization of the project for children's hospital, medical aid and scientific exchange, food assistance and other forms of help which are so badly needed in the country so brutally devastated during the last war. And many of these people have asked me to convey to you their thanks, their respect and their blessings. You have made the name of the United States again synonymous with brotherhood and nobility—nobility and dignity of compassion, of human understanding, of hope.

Mr. HUMPHREY. Madam President, I also ask unanimous consent to have printed at this point in the RECORD two articles which appeared in the New York Times of September 6, 1961, one relating to Mr. Poray and the other referring to the particular hospital project I have referred to. The Times article pays appropriate respect to Mr. Biernacki-Poray. It is the story of how this wonderful project came into being.

I salute this fine American citizen. He has demonstrated the real qualities of being a gentleman, an American, a lover of freedom, and one who is motivated by the highest of principles and ideals.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

U.S.-BACKED CLINIC BEGUN IN KRAKOW—HOSPITAL PROJECT CONCEIVED BY POLISH-BORN ARCHITECT

(By Arthur J. Olsen)

WARSAW, September 5.—Two vacationing sisters of President Kennedy—Mrs. Eunice Shriver and Mrs. Jean Smith—made a small detour today in their sightseeing tour of Krakow, in southern Poland, and paused to stare at a hole in the ground.

The hole, in a wooded hilltop on the edge of Poland's ancient capital, represents the dream of a Polish-born architect who made his fortune in the United States.

It marks the start of construction of a 300-bed children's hospital and pediatric research center. It is expected to be, when finished in 1964, the only American hospital in a Communist country and one of the best pediatric institutions in Europe.

This will be the creation of Wladislaw O. Biernacki-Poray, who heads his own architectural firm in New York, with indispensable assistance from the U.S. Government.

While sitting up with his seriously ill daughter one night in April 1958, Mr. Biernacki-Poray conceived the idea of doing something for the benefit of children and also of his native Poland. The next morning he decided the project should be a children's hospital in Poland.

At first Mr. Biernacki-Poray planned to finance the project himself. But the four-story circular hospital that he designed, flanked by laboratories, teaching and surgical structures, exceeded even his ample means.

Mr. Biernacki-Poray heard about the U.S. accumulation of "frozen" zlotys in Warsaw, now in excess of 8 billion ($320 million at the tourist exchange rate). This bank account was built up from the sale of $360 million worth of surplus agricultural products to Poland since 1957.

The Battle Act, as enacted in 1950 to impose sharp restrictions on U.S. aid to Communist countries, forbade using funds from the zloty account to build anything for Polish use.

BATTLE ACT AMENDED

With the help of Senator HUBERT HUMPHREY, Democrat of Minnesota, and Representative CLEMENT ZABLOCKI, Democrat, of Wisconsin, Mr. Biernacki-Poray persuaded Congress to amend the act to authorize zloty expenditures on his hospital.

Then he flew to Poland to fight the battle of bureaucracy in Warsaw. In the last 3 years he has acquired more Polish visas in his passport than any other American.

Mr. Biernacki-Poray has negotiated with four Polish Government ministries over issues ranging from the amount of equipment he would provide—$1,500,000—to his insistence that a Roman Catholic chapel be built in the hospital.

Yesterday the soft-spoken architect, who lives at 195 Christopher Street, Montclair, received assurance that his 1958 inspiration would become a reality.

As president of the American Research Hospital for Children, Inc., Mr. Biernacki-Poray signed a construction agreement with the Ministry of Health.

WORK STARTED AT OWN RISK

In fact, his bulldozers were already at work at the site. In his urgency to get started, the architect assumed personal responsibility 6 weeks ago for all interim construction costs should the project eventually collapse.

Mr. Biernacki-Poray will be in Krakow next month for the formal ground-breaking, probably in the company of Senator HUMPHREY and Representative ZABLOCKI.

He has taken an apartment in Warsaw and plans to spend much of the next 3 years nursing his 146 million zloty ($6 million) hospital into being.

The timetable calls for the admission of the first patient in the spring of 1964. Judging from Mr. Biernacki-Poray's performance so far, the prospects are good that the schedule will be met.

ARCHITECT-HUMANITARIAN: WLADISLAW BIERNACKI-PORAY

Almost the last thing Wladislaw Biernacki-Poray would have wanted was celebration as an international figure. A warm, home-loving man, he prefers to avoid the spotlight. "He would even like me to accept his awards," says his wife.

But his devotion to the cause of humanity and his professional skills have brought attention to this modest Polish-born American architect.

Mr. Biernacki-Poray is the originator, designer, and construction overseer of one of the few U.S. institutions to penetrate the Communist world without arousing resentment: a children's hospital and pediatric research center on which work has just started in Krakow, Poland.

Mr. Biernacki-Poray, who is 37 years old, is an active member of the New York chapter of the American Institute of Architects. He has fared well as a designer of schools, hospitals, shopping centers, and other commercial and institutional buildings.

It was on an April night in 1958 that he thought of building the hospital in Poland. With the family doctor, the Biernacki-Porays were at the bedside of their 3-year-old daughter, Christina, who was ill with a cold virus.

In this quiet period of thought and consideration, the father wondered aloud: "How would it be in Poland at a moment like this?"

The reflection was followed a few days later by Mr. Biernacki-Poray's decision to go to Washington with his proposal for the hospital project. He had hit upon a way to serve humanity and help the country of his birth in one stroke.

WARSAW APPROVES PROJECT

Yesterday, the petite, dark-haired Mrs. Biernacki-Poray, also Polish born, received a telegram from her husband telling her that he had signed an agreement with the Polish Government that the work would go forward.

A short, compactly built man with dark hair, rosy cheeks and shining eyes, Mr. Biernacki-Poray is a tennisplayer and horseman who has had to give up most of his outside activities to give more time to his profession and his family.

It is a rare night, says his wife, Zofia, that he does not come home from his Montclair office, join the family for dinner and a short period of relaxation, and then return to his office until as late as 2 a.m.

His remaining leisure-time interests are card playing—bridge, poker, and almost everything else—and music. But it is the consensus of wife and friends alike that the center of his life is "his children and his home."

"He has very little time these days for anything but work and the children, whom he spoils terribly," Mrs. Biernacki-Poray said.

In addition to Christina, now 6, they have a 4-year-old daughter, Teresa, and a 2-year-old boy, Marek.

Mr. Biernacki-Poray was born in Lwow, in southern Poland, on June 9, 1924. He was brought to the United States by his parents when he was a small child. They returned to Poland for a visit shortly before World War II.

JOINED POLISH ARMY

When the Germans invaded Poland in 1939, Mr. Biernacki-Poray, then 15, joined the Polish army. Later a member of Polish army units abroad, he fought in the Middle East and was wounded at Monte Cassino, Italy. Both of his parents were killed during the war and he now has no close relatives in Poland.

After the war, he began his architectural studies in Rome and then went to the School of Architecture at the University of London. It was there that he met his wife, who was studying economics and commerce at the London School of Economics.

He worked at his profession in Britain from 1950 to 1952, when he returned to the United States. Mr. Biernacki-Poray is licensed also to practice in Britain and Canada.

RETIREMENT OF RUSSELL J. CALL FROM SENATE CLOAKROOM

Mr. COTTON. Madam President, I call to the attention of the Senate the

fact that Russell J. Call, of New Hampshire, has resigned his Senate cloakroom position.

A graduate of Plymouth Teachers College in Plymouth, N.H., Russ Call joined the staff of the secretary of the minority Mark Trice, upon the recommendation of Senator STYLES BRIDGES, of New Hampshire, and was placed in charge of the Republican cloakroom as supervisor of page boys, a position he has held since 1956. During his years of devoted service here, he earned his master's degree in education from George Washington University, and completed his work for a doctoral degree at American University.

In order to receive his degree, Mr. Call must now write his dissertation, which he will devote to a study of New Hampshire's educational system. In order to be closer to the research material available for this dissertation, he has accepted a teaching position at Bristol, N.H., where he will teach courses in mathematics and in problems in democracy.

To Russ Call, his wife, Connie, and their two children, Suzanne, 6, and Randall, 3, we extend our best wishes in their new home. We are sure that Mr. Call will be a fine addition to the educational life of New Hampshire, for in his work here he has demonstrated loyalty and devotion to duty which promise him success in his chosen field.

Mr. Call, of course, came into contact almost entirely with Senators on this side of the aisle because of his duties in the Republican cloakroom, but with whomsoever he came in contact, I know that Members of the Senate have witnessed his courtesy, his patience, his constant cheerfulness, his alert mentality, and his readiness to be of service.

RETIREMENT FROM FEDERAL BUREAU OF INVESTIGATION OF RICHARD D. AUERBACH

Mr. COTTON. Madam President, my senior colleague from New Hampshire [Mr. BRIDGES], as most of the Senate knows, is unavoidably absent from the Senate because he is convalescing, at his home in New Hampshire, from an illness. I am happy to report that he is fast regaining his health and will soon be back with us.

On his behalf and at his request, I desire to read into the RECORD the following statement prepared by my colleague:

A distinguished public servant has retired from Federal service and taken up employment in private enterprise. This event occurred 3,000 miles from Washington—on the west coast—but because of my close personal association with this very able man, I desire to bring his service to the attention of the Senate.

I well remember the day in June 1938 that Richard Dexter Auerbach, carrying a law degree from Boston University with the ink scarcely dry, walked into my office, announced he was a native of Massachusetts but a graduate of the University of New Hampshire and felt sure he could help me in my work as a U.S. Senator. His refreshing honesty and frankness were so impressive that I hired him on the spot as my legislative assistant.

He did a first-class job in my office and we soon became personal friends. He terminated his service with me in August 1940 to become a special agent of the Federal Bureau of Investigation. Dick Auerbach rose through the ranks of the FBI and served the greater part of his career in that great organization as a personal assistant to the Director and as a special agent in charge of one of its field offices. He was the top agent in charge in Richmond, Va., in Seattle, Wash., in Chicago, Ill., and finally in San Francisco, Calif., where he came to know the city so well that he is the only person alive who ever located a steam bath in the Palace Hotel.

His exploits in fighting crime and subversion while in the FBI were recognized by the ever-increasing responsibility assigned to him by J. Edgar Hoover. Throughout his entire career his basic honesty and human decency, together with a delightful sense of humor, his energy and his dedication to duty have been outstanding attributes.

On August 18 my friend Dick Auerbach officially ended his career as an employee of the U.S. Government after 23 years of faithful service. On September 1 he became vice president of the Pacific National Bank of Seattle, Wash., the hometown of his wife, Muriel. He will be assisting that progressive and forward-looking citizen of Seattle, Charles F. Frankland, president of the Pacific National.

I take this occasion to assure Dick Auerbach of my best wishes for his ever-continuing success. While he epitomizes the kind of person we like to see working for our Government, he has well earned his retirement and this splendid opportunity to devote his talents to the success of a private institution.

Mr. President, it has been my privilege and pleasure to read this statement from my senior colleague because I, too, know and have enjoyed the friendship of Dick Auerbach, and I, too, join in paying this well-deserved tribute to him.

On behalf of my colleague [Mr. BRIDGES] I ask unanimous consent to have printed in the body of the RECORD a number of letters and newspaper editorials and articles taking cognizance of the retirement of this outstanding American.

There being no objection, the letters, editorials, and articles were ordered to be printed in the RECORD, as follows:

FEDERAL BUREAU OF INVESTIGATION,
U.S. DEPARTMENT OF JUSTICE,
Washington, D.C., July 5, 1961.

Mr. RICHARD D. AUERBACH,
Federal Bureau of Investigation,
San Francisco, Calif.

DEAR AUERBACH: I received your letter of June 28, 1961, supplementing our telephone conversation concerning your retirement, and want to say again how sorry I am to see you leave the FBI. A summary of retirement information is enclosed in the hope that it will be of assistance to you.

You have helped build the Bureau's prestige over the years and have good cause to be proud of your many accomplishments in our organization's behalf. I want to express my gratitude for your splendid service.

I understand fully your reasons for retiring and hope that returning to Seattle will be the answer to the problems you mentioned. As I said on the telephone, I want you to always feel you are a part of the Bureau and I appreciate your thoughtful offer to be of assistance in the future.

Mrs. Auerbach and you have my very best wishes and kindest regards.

Sincerely,

J. EDGAR HOOVER.

FEDERAL BUREAU OF INVESTIGATION,
U.S. DEPARTMENT OF JUSTICE,
Washington, D.C., June 30, 1961.

Mr. RICHARD D. AUERBACH,
Federal Bureau of Investigation,
San Francisco, Calif.

DEAR AUERBACH: I want to extend to you my best wishes on your forthcoming retirement and to tell you how sorry I am that you are leaving the Bureau.

You may be justly proud of the record of achievements you have acquired over the years, and I know that in the future you will look back with a great deal of satisfaction on your contributions to the welfare of your country and your fellow citizens.

While your friends and associates in the FBI will miss you, you may be sure that you carry with you our best wishes for every success and happiness in the future.

I could not let the occasion pass without telling you that it has been a pleasure to be so closely associated with you in our mutual endeavors.

With kind personal regards,

Sincerely,

CLYDE TOLSON.

[From the San Francisco Examiner, July 6, 1961]

A SPLENDID RECORD

The retirement of Richard D. Auerbach after 22 years with the Federal Bureau of Investigation, the last two spent in charge of the San Francisco office, offers occasion for wishing him well in the private business career he now enters.

That this decision necessitates his departure from San Francisco is a matter of deep regret. Mr. Auerbach came here 2 years ago hoping to maintain the high law enforcement standards of the district. He succeeded superlatively in that intention. His administration of the local FBI office has been outstanding in the Nation.

It is the Nation's loss that his distinguished career in law enforcement ends. It is San Francisco's loss that his new work takes him elsewhere.

[From the Napa Register, July 20, 1961]

FBI OFFICIAL RETIRING SOON

Richard Auerbach, a man well known to Napa County law-enforcement men through his direction of FBI activities in northern California, is about to retire from Government service.

For the past several years Auerbach has headed FBI operations out of the San Francisco office, third largest in the Nation. Nearly 600 employees have been under his command.

While activities of the FBI are not generally exposed to the public, it is known that the organization's operations in the area have been effective and efficient. A large degree of this should rightly be credited to Auerbach.

Succeeding the well-liked, well-respected Auerbach is another FBI veteran, Frank Price, who has been directing operations in the San Diego area.

It would appear as though J. Edgar Hoover's organization will remain in capable hands locally.

[From the Oakland Tribune, July 10, 1961]

AUERBACH RETIRES

Seattle's gain will be the bay area's loss when Richard D. Auerbach leaves for the rainy city after 2 years as head of the Federal Bureau of Investigation in San Francisco.

Mr. Auerbach, one of the Nation's top bureau chiefs, announced his resignation from the FBI to be effective on August 18. He said he will make Seattle his new home.

A 20-year veteran of the FBI, Mr. Auerbach retires with a splendid record, having headed

several of the Nation's most critical FBI offices and serving during World War II as FBI Director J. Edgar Hoover's national supervisory assistant.

We are sorry to see Mr. Auerbach leave our area, but we want to wish him every success in his new incursion into the world of business. His loss to law enforcement will be felt.

[From the Seattle Times, Aug. 6, 1961]

Richard D. Auerbach, who was special agent in charge of the Federal Bureau of Investigation office here from 1951 to 1957, will become a vice president of the Pacific National Bank of Seattle September 1.

The announcement was made yesterday by Charles F. Frankland, president of the bank.

Auerbach will retire August 18 as chief of the FBI office in San Francisco. Since joining the FBI in 1940, his duties have included directing FBI offices here, in Chicago, and in San Francisco.

Frankland said Auerbach will be assigned to the bank's public relations and new business department.

Auerbach is a graduate of the University of New Hampshire and the Boston University Graduate School of Law. His wife, Muriel, was a Seattle resident before their marriage. The Auerbachs have a son, Eugene, 17, and a daughter, Meredith, 14.

Auerbach was honored last week by the San Francisco Junior Chamber of Commerce for outstanding public service.

CENSORSHIP OF TALKS BY MILITARY LEADERS

Mr. CURTIS. Madam President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "Military Talk Censoring Bolsters Red Position," which appeared in the Omaha World Herald of August 27, 1961, written by Edith Kermit Roosevelt.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MILITARY TALK CENSORING BOLSTERS RED POSITION

(By Edith Kermit Roosevelt)

Pentagon directives censoring talks by our military leaders lend respectability to a lie which the Communist Party has long tried to foist on innocent Americans: that the Communist Party is a political party and not an international conspiracy dedicated to the destruction of freemen everywhere.

The Defense Department's "gag orders" help validate the claim that communism is just another political philosophy by creating the misleading impression that to discuss communism is to discuss politics instead of to identify and expose the enemy.

Senator STROM THURMOND reveals that typical of the anti-Communist phraseology which the Pentagon's censorship office "persistently and invariably deletes" from officers' speeches as too political are:

"Communist conspiracy dedicated toward absolute domination of the world."

"The steady advance of communism."

"The Communist challenge."

"Insidious ideology of world communism."

"Nothing has happened to indicate that the goals of international communism have changed."

Furthermore, two proposed military seminars have been canceled—one in the Panama Canal Zone and the other at Fort Benjamin Harrison, Indianapolis, Ind.

The cancellation was inspired by the memorandum sent to the Pentagon by Senator J. W. FULBRIGHT and translated into policy July 10 which strongly indicates that military seminars should be abolished since these activities supposedly violate civilian control of the military. To support his argument in the memorandum Senator FULBRIGHT argues that the military should not educate the people on political issues.

While there may have been a few isolated cases in which local civilian speakers at seminars have touched on issues unrelated to military responsibilities, the seminars have dealt exclusively with military matters and the overall structure of the Communist world movement and Communist tactics.

The Fulbright memorandum, which seeks to set a new policy for the administration, states:

"Fundamentally, it is believed that the American people have little need to be alerted to the menace of the cold war."

These views are directly opposite to those held by President Kennedy, who on April 10 wired the Natinonal Military Industrial and Educational Conference, one of the groups conducting the seminars:

"It is important and vital work you are doing—alerting the attention of America's youth to the need for vigor as it prepares to face the realities of a world in conflict."

It is noteworthy that liberal and conservative Congressmen have participated equally in these nonpartisan, nonpolitical seminars. Those attending have included Senators HENRY L. JACKSON and PAUL H. DOUGLAS, as well as Senator ROMAN L. HRUSKA and Congressman WALTER H. JUDD.

Among the high figures in the Kennedy administration who have participated in the seminars are our Ambassador to the Soviet Union, Charles Bohlen; special advisers to the President, Walter W. Rostow and Dr. Henry Kissinger; and Assistant Secretary for Defense Paul Nitze.

GRANDMA MOSES DAY

Mr. KEATING. Madam President, I wish to pay, very briefly, a tribute to a gifted, beloved, and young-hearted citizen of the State of New York, Grandma Moses, who today celebrates her 101st birthday. This wonderful lady has become a legend in her time. It was not until she reached her seventies that she took up painting, but her gifts, though late flowering, were so unique, so infused with warmth, originality, and appeal that her fame has extended not only throughout this Nation but throughout the world of art.

Anna Mary Robertson Moses, of Eagle Bridge, N.Y., is 101 years old, but her spirit remains younger than springtime. She is in a rest home, under medical orders to relax, but inactivity is a prison to which Grandma cannot grow accustomed. She has told friends that she is impatient to get back to her board and brushes, for her mind has stories that her fingers want to tell.

It is not surprising, therefore, that all America remembers today that Grandma Moses is celebrating her birthday. She has entered the hearts of all of us, and we are the better, the richer, because her spirit and her talent have touched our lives.

I think, therefore, that I express the sense of the Senate and of the American people when I say that Grandma Moses must be classified not merely as one of our American artists, but as one of our national spiritual resources.

DEFENSE OF SUITS AGAINST FEDERAL EMPLOYEES

The Senate resumed the consideration of the bill (H.R. 2883) to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes.

Mr. KEATING. Madam President, I call up my amendment "8–28–61—C" and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 2, beginning on line 23, it is proposed to amend subsection (d) to read as follows:

Upon a certification by the Attorney General that the defendant employee was acting within the scope of his employment at the time of the incident out of which the suit arose, any such civil action or proceeding commenced in a State court shall be removed without bond at any time before trial by the Attorney General to the district court of the United States for the district and division embracing the place wherein it is pending and the proceedings deemed a tort action brought against the United States under the provisions of this title and all references thereto. Should a United States district court determine on a hearing on a motion to remand held before a trial on the merits that the case so removed is one in which a remedy by suit within the meaning of subsection (b) of this section is not available against the United States, the case shall be remanded to the State court.

Mr. KEATING. Madam President, H.R. 2883 represents the culmination of many years of effort to protect Government employees from personal liability for accidents occurring in the scope of their employment.

Under the present law, Federal maritime employees already enjoy such protection under the provisions of the Suits in Admiralty and Public Vessels Act. The pending bill is designed to provide equal treatment for thousands of nonmaritime Government employees.

I have proposed similar legislation for many years both in the Senate and while a Member of the other body. There always has been strong support for some such measure, but disagreement as to details has prevented enactment prior to this date.

Under the original language of the present bill, which was virtually identical to S. 202, which I introduced on January 6, 1961, suits against the United States would be the exclusive remedy for damages resulting from the operation by any Government employee of any motor vehicle while acting within the scope of his employment. Suits brought against the individual employee in such cases could be removed to the Federal court and be deemed a tort action against the United States.

Without such protection, Government employees driving motor vehicles in the course of their official duties must make a personal investment in insurance to protect themselves against damage suits. This imposes a heavy burden on a group

of employees who are not particularly well paid and who must incur this expenditure only because of their Government duties. In many large firms, such costs are reimbursed or assumed by the employer, but there is no provision for such reimbursement to Federal personnel. As a result, the employee must foot the bill for an expense which the Government should reasonably be expected to absorb.

There have been many different legislative proposals for coping with this situation. One approach has been to provide indemnity to the employee for his damages or to pay the cost of his insurance. But these alternatives raise serious administrative and practical difficulties which provision for assumption of liability by the Government avoids. This is what S. 202 and H.R. 2883 are intended to accomplish. In effect, the United States would be a self-insurer for its employees which would be much less expensive and much more efficient than paying for private insurance for each employee or reimbursing him after judgment.

Unfortunately, this purpose would be seriously undermined by an amendment to H.R. 2883 adopted in committee. As originally introduced, H.R. 2883, like S. 202, provided that when a Government driver is sued in a State court on a claim resulting from his operation of a motor vehicle while acting within the scope of his employment, such action would be subject to removal to an appropriate Federal court on the motion of the United States. There it would become an action against the United States under the Federal Tort Claims Act and be the plaintiff's exclusive judicial remedy. The committee's amendment, however, would allow such removal only with the plaintiff's consent.

The committee amendment is objectionable on several grounds:

First. The purpose of the bill is to make the United States wholly liable for any damages caused by its employees in the course of their duties and to protect the employee from any dual liability. This purpose would be frustrated if plaintiffs can continue to proceed against individual employees in State court proceedings.

Second. Under the committee's amendment, employees would have to continue to incur the expense of insurance to protect themselves against personal liability, which defeats another one of the objectives of the bill.

Third. Under the provisions of section 5 of the Suits in Admiralty Act—46 U.S.C. S 745—which is applicable to Federal maritime employees, the plaintiff has no option—the remedy against the United States is exclusive and suits must be brought in the district courts. The committee's amendment to H.R. 2883 would be inconsistent with this precedent and would establish different rules for maritime and nonmaritime employees of the United States.

Fourth. Under the Federal Tort Claims Act, the Federal courts have original jurisdiction over all other claims against the United States. The committee's amendment also is inconsistent with this scheme.

Fifth. The President last year vetoed H.R. 7577—a similar bill—because of the same amendment which the committee has again recommended. Approval of the committee amendment would invite the same action this year. The matter has been long delayed and it is unreasonable to jeopardize the legislation again this year.

The case against the committee's amendment is very well stated in this excerpt from President Eisenhower's veto message on H.R. 7577:

> This amendment is unfortunate, for any plaintiff, by refusing to give his consent, could prevent the conversion of the action to one under the Federal Tort Claims Act and thus thwart the sound purposes of the original bill. The amendment also makes the bill inconsistent internally and could give rise to needless litigation.

It should be pointed out that in his message, President Eisenhower reiterated his strong support of the legislation in its original form.

Following the report of the committee, I consulted other Senators and some of the employee groups most directly affected in an effort to find a basis for preserving the original purpose of H.R. 2883 without dealing unfairly with the legitimate interests of any potential plaintiffs. The result of this effort is the amendment designated as "8-28-61—C." This amendment would not require the plaintiff's consent to removal of suits against individual employees, but it would require the Attorney General—as a condition for removal—to certify that the employee was acting within the scope of his employment at the time of the incident out of which the suit arose.

This amendment avoids all of the objections to the committee's amendment and at the same time gives full protection to the plaintiff's interests. It makes certain that suits will not be removed improperly, but protects the employee from any personal liability where it is conceded that he was acting within the scope of his employment. Since the bill also provides that a suit will be remanded to the State court upon a determination after removal that the United States is not liable under the Federal Tort Claims Act, the plaintiff will be effectively spared any disadvantage under the proposed amendment.

The distinguished Senator from North Carolina [Mr. ERVIN] and the distinguished Senator from South Carolina [Mr. JOHNSTON] have cooperated and have worked hard on the preparation of this proposed legislation. It has been the subject of discussion at some length in the Committee on the Judiciary. I believe that this amendment reconciles all points of view and that its adoption will assure the enactment—at long last—of this important legislation. This amendment deserves the support of everyone interested in fair treatment for our dedicated Government employees. I hope it will be approved.

Mr. JAVITS. Madam President, will the Senator yield?

Mr. KEATING. I am happy to yield.

Mr. JAVITS. I see the distinguished Senator from South Carolina [Mr. JOHNSTON] is on his feet, which makes this a very auspicious moment. I shall take only a moment to express my support of my colleague's amendment, and also to express my pleasure because of the initiative he has shown in bringing about a resolution to this longstanding and apparently very trying problem, which will be very helpful to postal employees and to other civil service employees.

I thank my colleague.

Mr. KEATING. I am grateful to my colleague.

Mr. JOHNSTON. Madam President, the Senator from North Carolina [Mr. ERVIN] and I agree with respect to the value of the amendment which the Senator from New York has offered. We feel it will help a great deal. It will help also in regard to procedure.

It is possible, if we do not agree to the amendment, that some suits would be removed to the Federal court and then a question raised as to whether the employee was acting at the time the accident happened in the regular line of employment under his regular duties of employment. That being so, we believe the amendment is a very fine amendment.

We have worked in the committee a great deal on this, not only for 1 day, but day after day.

The Senator from North Carolina [Mr. ERVIN] has given this a great deal of thought, as has the Senator from New York [Mr. KEATING].

I am glad we have reached an amiable conclusion, which I think will be beneficial to Government workers and, at the same time, will be beneficial to the Government.

After a man has been sued and a judgment rendered against him, it is too late for the Government to raise the point as as to whether the matter should have been properly handled in the court. For that reason I think passage of the proposed legislation is necessary.

I am proud that all parties have gotten together. It looks as if we are on the road to having the bill approved by the President of the United States.

Mr. ERVIN. Madam President, I think the bill before the Senate, like similar bills considered in previous Congresses, illustrates in about as forceful a way as can be illustrated the truth of Woodrow Wilson's statement that Congress in committee is Congress at work.

The members of the Committee on the Judiciary, and particularly the able and distinguished senior Senator from South Carolina [Mr. JOHNSTON] and the able and distinguished junior Senator from New York [Mr. KEATING], have put in many hours of work in an effort to reach a satisfactory conclusion in respect to the interests of two different groups of people and a reconciliation with the tradition that cases against the Federal Government should be tried in Federal courts rather than State courts.

The first interest with which we have been concerned is the interest of parties injured by Government employees. These parties are entitled to have their cases adjudicated, and they are entitled to be protected against unnecessary removals of the cases to Federal courts,

where there is no liability on the part of the Government under the Federal Tort Claims Act.

The second interest with which we are concerned is that of the Federal employee, whether he be a postal employee or an employee in some other Federal activity, who causes injury unintentionally in the performance of his duties as an employee of the Federal Government. He is certainly entitled, under modern theories, to have liability for the act which he does for the Government borne by the Government, and he is entitled to have his cause defended by the Attorney General.

We have had the tradition that actions against the Federal Government should be tried in Federal courts.

This has not been an easy problem to resolve. There have been many different formulas proposed for its solution. In my judgment, the proposal which is embodied in the amendment offered by the able and distinguished junior Senator from New York is the best formula which has yet been devised.

The amendment, which would take care of the interests of the injured party and the Government employee and respect the tradition that actions against the Federal Government shall be tried in the Federal court is about as fine a solution as could be devised. For that reason, I support the amendment. So far as I know, there is no opposition to the amendment among those who have been interested for a long time in this particular problem.

I commend the able and distinguished senior Senator from South Carolina [Mr. JOHNSTON] and the able and distinguished junior Senator from New York [Mr. KEATING], for the interest they have taken in the problem and the many hours of work they have contributed to its solution.

Mr. KEATING. Madam President, will the Senator yield?

Mr. ERVIN. I am delighted to yield.

Mr. KEATING. I think the Senator is unduly modest. His learning and legal acumen had a great deal to do with the preparation of the amendment. As he will remember, although in his modesty he would not so state, he was the first member of the committee to raise the question which culminated in the amendment. He was very cooperative, and I express my gratitude to him for his generous treatment of all of us in the committee.

Mr. ERVIN. Madam President, I thank the Senator from New York for his far too generous remarks concerning myself.

Mr. JOHNSTON. Madam President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. JOHNSTON. I join in the remarks of the Senator from New York concerning the Senator from North Carolina. The Senator from North Carolina devoted a great deal of effort to this particular bill. He probably gave more time to the subject than almost any other member of the committee. At times questions were assigned to him to work out solutions to the problem that we had in hand and bring them to the committee. He has done a distinguished piece of work in putting the proposed legislation in the condition in which it is today. I am proud to tell the public that the Senator from North Carolina ought to be given credit for the work he did.

Mr. ERVIN. I appreciate the generous remarks of my good friend from South Carolina. I am indeed happy that we have apparently reached a solution of a very thorny legal problem in a manner which is fair to the various interests involved.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

Mr. PROXMIRE. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Madam President, what is the pending business?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

Mr. HUMPHREY. Madam President, may I ask what the amendment of the Senator from New York is?

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On line 23, it is proposed to amend subsection (d) to read as follows:

Upon a certification by the Attorney General that the defendant employee was acting within the scope of his employment at the time of the incident out of which the suit arose, any such civil action or proceeding commenced in a State court shall be removed without bond at any time before trial by the Attorney General to the district court of the United States for the district and division embracing the place wherein it is pending and the proceeding deemed a tort action brought against the United States under the provisions of this title and all references thereto. Should a United States district court determine on a hearing on a motion to remand held before a trial on the merits that the case so removed is one in which a remedy by suit within the meaning of subsection (b) of this section is not available against the United States, the case shall be remanded to the State court.

Mr. HUMPHREY. May I ask the chairman of the Committee on Post Office and Civil Service as to his views on the amendment?

Mr. JOHNSTON. We have agreed to the amendment. We feel it will make the bill much more workable, and for that reason we have agreed to it.

Mr. HUMPHREY. The Senator from New York generally has a good amendment.

Mr. KEATING. I am grateful to the Senator for his complimentary reference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 2883) was read the third time and passed.

THE GRANTING OF LAND AND BUILDINGS TO RELIGIOUS-AFFILIATED SCHOOLS UNDER THE SURPLUS PROPERTY ACT OF 1944

Mr. GOLDWATER. Madam President, on July 20 of this year I submitted for the RECORD a partial list of religious-affiliated schools which have been granted land and buildings under the Surplus Property Act of 1944. At that time I stated that I would offer a complete list to the Senate as soon as a tabulation had been made by the Department of Health, Education, and Welfare.

I have now received this information from the Department of Health, Education, and Welfare, and it shows that 488 grants of lands and buildings have been made to religious-affiliated schools under the Surplus Property Act of 1944.

Madam President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a compilation of these schools, together with a tabulation bearing on this subject, prepared by the Department of Health, Education, and Welfare.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

35 religious denominations which have received Federal Government grants for educational facilities under the Surplus Property Act of 1944

	Number of grants
1. Roman Catholic	185
2. Seventh-day Adventist	120
3. Baptist Church	31
4. Methodist Church	26
5. Protestant	19
6. Lutheran	19
7. Christian	15
8. Assembly of God Church	11
9. Church of Christ	8
10. Presbyterian	6
11. Mennonite	5
12. Episcopalian	4
13. Interdenominational Church	4
14. Nondenominational	4
15. Mormon	3
16. Brethren Church	3
17. Berean Mission	2
18. Moravian Church of America	2
19. Congregational Church	2
20. Japanese Holiness Church	2
21. Brethren-in-Christ Church	2
22. Congregational Methodists	2
23. Gospel Mission Church	1
24. Church of the Nazarene	1
25. Fundamental Baptist Church	1
26. Church of the Brethren	1
27. Disciples of Christ Church	1
28. Evangelical Church	1
29. Quaker	1
30. Pilgrim Holiness Church	1
31. Jewish	1
32. Church affiliated (denomination unknown)	1
33. Church affiliated (denomination unknown)	1
34. Church affiliated (denomination unknown)	1
35. Church affiliated (denomination unknown)	1
Total number of grants to sectarian schools	488

Transfers of real properties to denominational-sponsored organizations for health and educational uses through June 30, 1961

LEGEND

1. On site—Land and/or buildings conveyed by deed with restrictions.
2. Off site—Buildings and other facilities transferred for removal and relocation.
Department has no records of transfers made prior to Jan. 1, 1950, by predecessor agency.
3. H—Health transfers.
4. E—Educational transfers.
5. PBA—Public benefit allowances granted of fair value.

State and surplus facility	Transferee	Property transferred		Acquisition cost	Fair value	Use		Percentage PBA	Date of transfer [1]	Sponsoring denomination
		Acres	Buildings			H	E			
ALABAMA										
On site: None.										
Off site: Craig AFB	Assumption of Our Lady		2	$30,243	$1,000		E	95	Nov. 4, 1960	Catholic.
Total			2	30,243	1,000		1			
ALASKA										
On site: None.										
Off site:										
Elmendorf Air Force Base	Copper Valley School	0	3	10,000	150		E	95	Apr. 23, 1956	Do.
Eska Mine	Faith Hospital of Central Alaskan Missions, Inc.	0	2	5,000	600	H		95	June 5, 1956	Mission.
Elmendorf Air Force Base	Alaska Methodist Church School	0	1	3,000	300		E	95	July 6, 1956	Methodist.
Anchorage International Airport	Providence Hospital	0	1	39,620	3,000	H		95	Jan. 14, 1957	Catholic.
Ladd Air Force Base	Catholic Bishop of Northern Alaska	0	1	11,880	750		E	95	June 2, 1958	Do.
Fort Richardson	Northern Pacific Union Conference of SDA (School of Anchorage).	0	2	2,687	1,000		E	95	Nov. 12, 1958	Seventh-day Adventist.
FAA Station, King Salmon	Northern Pacific Union Conf. of SDA (Bristol Bay Mission School).	0	3	6,000	1,500		E	95	Mar. 9, 1959	Do.
U.S. Naval Station, Kodiak	St. Mary's School	0	1	69,300	1,500		E	95	May 20, 1959	Catholic.
Elmendorf Air Force Base	Alaska Mission of SDA	0	1	22,372	700		E	95	Oct. 23, 1959	Seventh-day Adventist.
Fort Richardson M. R.	Alaska Methodist University	0	2	23,160	2,100		E	95	Apr. 6, 1960	Methodist.
Elmendorf Air Force Base	Alaska Mission of SDA	0	1	22,892	500		E	95	Apr. 4, 1960	Seventh-day Adventist.
FAA Station, Bethel	Moravian Childrens' Home & School	0	2	68,400	6,800		E	95	June 16, 1960	Moravian Church of America.
FAA Repeater Station, Kaltag	Catholic Bishop of Northern Alaska (St. Mary's School and Holy Cross School).	0	3	117,000	11,700		E	95	Sept. 16, 1950	Catholic.
Total		0	25	401,311	30,600	2	11			
ARIZONA										
On site: Thunderbird Field No. II	Arizona Conference Corp. of SDA (Thunderbird Academy).	720	31	743,000	258,784		E	80	July 2, 1953	Seventh-day Adventist.
Off site:										
Williams Air Force Base	St. John's Indian School		1	495	110		E	95	Jan. 15, 1951	Catholic.
Do	Cook Christian Training School		1	495	105		E	95	Jan. 17, 1951	Christian.
Do	Arizona Academy of SDA, Phoenix		2	958	200		E	95	Jan. 25, 1951	Seventh-day Adventist.
Do	St. Anne Kindergarten		2	1,000	225		E	95	Jan. 26, 1951	Catholic.
Do	St. Peter's School		1	506	130		E	95	do	Do.
Do	San Solano Missions		5	2,439	450		E	95	do	Do.
Do	Grand Canyon College		5	2,506	450		E	95	Feb. 7, 1951	Baptist.
Do	Cook Christian Training School		1	473	110		E	95	Feb. 16, 1951	Christian.
Coolidge Army Air Field	Navajo Mission School of SDA		1	1,825	132		E	95	Apr. 30, 1951	Seventh-day Adventist.
Poston War RAP	do		7	30,829	2,121		E	95	Nov. 15, 1951	Do.
Navajo Ordnance Depot	do		1	4,500	75		E	95	May 15, 1950	Do.
Williams Air Force Base	St. John's Indian School		2	990	200		E	95	Oct. 21, 1952	Catholic.
Poston War relocation project	Mennonite Mission School		1	525	105		E	95	Mar. 20, 1953	Mennonite.
Williams Air Force Base	Navajo Mission School of SDA		2	1,001	210		E	95	Apr. 9, 1953	Seventh-day Adventist.
Do	St. John's Indian School		1	506	110		E	95	May 1, 1953	Catholic.
Do	do		1	495	115		E	95	June 29, 1953	Do.
White Rock housing project	Navajo Mission School of SDA		3	12,951	7,905		E	95	Aug. 25, 1953	Seventh-day Adventist.
Williams Air Force Base	Grand Canyon College		2	990	180		E	95	do	Baptist.
White Rock housing project	Navajo Mission School of SDA		2	5,000	1,250		E	95	Dec. 14, 1953	Seventh-day Adventist.
Denver Federal Center	Navajo Mission School		1	1,217	1,735		E	95	Mar. 22, 1954	Do.
Poston War Relocation Center	Navajo Mission School of SDA		1	18,994	580		E	95	Aug. 8, 1955	Do.
Vanadium Corp. of America	Navajo Mission School and Clinic		1	8,000	300	H		95	Apr. 16, 1956	Do.
Navajo Ordnance Depot	Mennonite Mission Boarding School		1	16,000	750		E	95	June 7, 1957	Mennonite.
Homojo Government housing project.	Navajo Mission School of SDA		1	2,100	250		E	95	Dec. 3, 1957	Seventh-day Adventist.
Mare Island Naval Shipyard	do		1	4,322	500		E	95	Jan. 23, 1958	Do.
Do	Tucson Intermediate School, SDA		2	8,645	1,000		E	95	do	Do.
Navajo Ordnance Depot	Navajo Mission School of SDA		1	5,242	500		E	95	Jan. 31, 1958	Do.
Luke Air Force Base	Good Shepherd School for Girls		3	9,624	1,700		E	95	June 20, 1958	Catholic.
Gun Site No. 60 (California)	Navajo Mission School of SDA		4	8,832	2,800		E	95	July 29, 1958	Seventh-day Adventist.
Navajo Ordnance Depot	do		2	3,600	1,000		E	95	Feb. 20, 1959	Do.
U.S. Naval Amphibious Base	Thunderbird Academy		2	7,951	2,400		E	95	May 15, 1959	Do.
Mare Island Naval Shipyard	do		2	8,645	1,000		E	95	Mar. 23, 1960	Do.
AA Gun Site No. 60, Calif	Navajo Mission School of SDA		3	5,152	1,700		E	95	Aug. 16, 1960	Do.
Golden Gate AA Site, Calif	do		1	2,208	700		E	95	Sept. 16, 1960	Do.
Tiburon AA Site, Calif	do		1	2,208	700		E	95	Sept. 19, 1960	Do.
Luke Air Force Base	Southwest Indian School		4	17,247	2,000		E	95	Nov. 4, 1960	Gospel Mission.
Mare Island Naval Shipyard	Navajo Mission School of SDA		2	8,645	1,000		E	95	Jan. 4, 1961	Seventh-day Adventist.
Total		720	105	950,116	293,582	1	37			
ARKANSAS										
On site:										
Camp J. T. Robinson, Little Rock	Central Baptist College	335	71	1,989,207	302,025		E	100	Jan. 23, 1950	Baptist.
Walnut Ridge AB	Southern Baptist College	121	110	1,493,552	436,351		E	100	Apr. 29, 1948	Do.

[1] Dates prior to Jan. 1, 1950, indicate cases processed by WAA, our predecessor agency. All others were processed by DHEW, which has the compliance responsibility for all cases.

Transfers of real properties to denominational-sponsored organizations for health and educational uses through June 30, 1961—Continued

State and surplus facility	Transferee	Property transferred		Acquisition cost	Fair value	Use		Percentage PBA	Date of transfer [1]	Sponsoring denomination
		Acres	Buildings			H	E			
ARKANSAS—continued										
Off site:										
Adams Field, Little Rock	St. Peters Parochial School		1	$500	$500		E	95	Dec. 2, 1957	Catholic.
Fort Chaffee	St. Scholastica's Academy		1	11,650	800		E	95	Nov. 21, 1958	Do.
Total		456	183	3,494,909	739,676		4			
CALIFORNIA										
On site:										
Camp McQuade	Monterey Bay Academy, SDA	300.00	237	1,619,888	349,189		E	100	Oct. 7, 1948	Seventh-day Adventist.
Azure Vista housing project	California Western University	4.11		18,530	94,750		E	100	Sept. 25, 1957	Methodist.
Sherman Institute	St. Thomas School	.55		225	2,200		E	60	June 2, 1958	Catholic.
Linda Vista housing project	San Miguel School	46.97		48,980	220,000		E	80	Apr. 7, 1959	Episcopalian.
Linda Vista housing project	University of San Diego, of the Diocese	51.00		53,209	175,000		E	80	May 11, 1959	Catholic.
Air Force Rocket Eng. Facil	St. Joachim School	1.62		810	12,960		E	60	June 10, 1960	Do.
Off site:										
Santa Ana Army Air Base	Southern California Bible College		1	2,205	441		E	95	Feb. 23, 1950	Assembly of God Church.
Sharpe General Depot	Golden Gate Academy		1	2,500	125		E	95	May 17, 1950	Seventh-day Adventist.
Camp Beale	Pacific Union College			56,319	3,510		E	80	July 26, 1950	Do.
March Air Force Base	Ontario Christian School		1	2,360	458		E	95	Nov. 28, 1950	Christian.
Hammer Field	Bakersfield Junior Academy		1	6,101	5,129		E	95	May 2, 1951	Seventh-day Adventist.
Santa Ana Army Air Base	Whittier SDA School		1	12,208	1,000		E	95	May 11, 1951	Do.
Do	do		1	12,208	1,000		E	95	do	Do.
March Air Force Base	Hemet SDA School		1	8,574	600		E	95	Aug. 27, 1951	Do.
Do	Newbury Park Academy		1	12,658	800		E	95	do	Do.
Homoja housing project	University of Santa Clara		1	2,700	300		E	95	Oct. 17 1953	Catholic.
March Air Force Base	Whittier SDA School		2	25,316	1,800		E	95	Sept. 14, 1953	Seventh-day Adventist.
Hammer Field	Immanuel Bible School		1	34,695	4,245		E	95	May 26, 1954	Lutheran.
Naval Advanced Base	St. Joseph's School, Oblates of		1	12,000	600		E	95	Sept. 24, 1954	Catholic.
Hammer Field	Immanuel Bible School		1	34,438	1,850		E	95	Sept. 30, 1954	Lutheran.
Do	Madera SDA School		1	3,049	600		E	95	Nov. 8, 1954	Seventh-day Adventist.
Do	Clovis SDA School		1	2,950	600		E	95	do	Do.
Do	do		1	3,049	600		E	95	Apr. 11, 1955	Do.
Edwards Air Force Base	Lancaster SDA School		1	2,128	1,000		E	95	May 12, 1955	Do.
Camp Kohler	Sacramento Junior Academy		1	47,630	2,556		E	95	Oct. 31, 1955	Do.
Frontier war-housing project	California Western University		3	143,100	3,118		E	95	Nov. 1, 1955	Methodist.
Homoja Government housing project.	Highland Avenue Lutheran Elementary School.		3	12,843	900		E	95	July 26, 1956	Lutheran.
Benicia Arsenal	Holy Redeemer College High School		1	8,500	1,000		E	95	Oct. 23, 1956	Catholic.
Homoja Government housing project.	Immaculate Heart College		1	4,281	300		E	95	Nov. 16, 1956	Do.
Do	St. Alphonsus School		4	12,562	1,100		E	95	Feb. 27, 1957	Do.
Benicia Arsenal	do		1	8,500	1,000		E	95	May 7, 1957	Do.
Azure Vista housing project	California Western University		2	40,570	3,500		E	95	June 7, 1957	Methodist.
Homoja Government housing project.	Holy Redeemer College		1	1,900	250		E	95	Sept. 20, 1957	Catholic.
Mare Island Naval Shipyard	Queen of the Holy Rosary College		4	17,290	2,000		E	95	Dec. 30, 1957	Do.
Do	Feather River Sanitarium and Hospital.		2	8,645	1,000	H		95	do	Seventh-day Adventist.
Do	Chico SDA School		2	8,645	1,000		E	95	Dec. 31, 1957	Do.
Do	Redwood Empire Junior Academy		1	4,322	500		E	95	do	Do.
Do	Miranda SDA School of Redwoods		2	8,645	1,000		E	95	do	Do.
Do	Sacred Heart School		1	4,322	500		E	95	Jan. 3, 1958	Catholic.
Do	St. Pius X Seminary		2	8,645	1,000		E	95	do	Do.
Do	Paradise Junior Academy		2	8,645	1,000		E	95	Jan. 6, 1958	Seventh-day Adventist.
Do	Marin Catholic High School		3	12,967	1,500		E	95	do	Catholic.
Do	St. Anthony School		1	4,322	500		E	95	do	Do.
Do	St. Helena Sanitarium and Hospital		8	34,580	4,000	H		95	do	Seventh-day Adventist.
Do	Monte Vista Christian School, Inc		2	8,645	1,000		E	95	Jan. 9, 1958	Christian.
Do	Doric Elementary School		1	4,322	500		E	95	Jan. 17, 1958	Seventh-day Adventist.
Do	Northern California Conference of Seventh-day Adventist.		10	43,225	5,000		E	95	Jan. 23, 1958	Do.
Do	Dinuba Junior Academy		2	8,645	1,000		E	95	Mar. 19, 1958	Do.
Chabot Terrace housing project	First Assembly of God Church, Inc		1	47,900	1,000		E	95	June 27, 1958	Assembly of God Church.
Gun Site No. 60	La Sierra College Preparatory School		1	2,208	700		E	95	July 29, 1958	Seventh-day Adventist.
Do	Beaumont Elementary School of SDA		1	2,208	700		E	95	July 31, 1958	Do.
Do	Paradise Valley Sanitarium and Hospital.		3	5,152	1,700	H		95	Aug. 11, 1958	Do.
Do	St. Jude Hospital		1	2,208	700	H		95	Aug. 12, 1958	Catholic.
Do	Ontario Christian School		1	2,208	700		E	95	do	Christian.
Do	West Coast Talmudical Seminary		1	2,208	700		E	95	Aug. 13, 1958	Hebrew.
Do	Girls' Town Christian School		1	2,208	700		E	95	do	Christian.
Do	Light and Life Christian Day School		1	2,208	700		E	95	do	Do.
Do	Brethren High School		1	3,680	1,400		E	95	Aug. 15, 1958	Catholic.
Golden Gate AA Site	Convent of the Good Shepherd		1	2,208	700		E	95	Aug. 18, 1958	Do.
Do	Napa Junior Academy		1	2,208	700		E	95	do	Seventh-day Adventist.
March Air Force Base	Beaumont Elementary School, SDA		1	12,433	1,000		E	95	Aug. 20, 1958	Do.
Golden Gate AA Site	Woodside Priory School for Boys		1	2,208	700		E	95	Aug. 29, 1958	Catholic.
Alameda Antiaircraft Site	St. Joseph School		1	2,208	700		E	95	Sept. 3, 1958	Do.
U.S. Naval Air Station, Miramar	Paradise Valley Sanitarium and Hospital.		1	4,500	700	H		95	Oct. 1, 1958	Seventh-day Adventist.
Naval Supply Annex	Rio Lindo Academy		1	7,664	500		E	95	Oct. 3, 1958	Do.
March Air Force Base	Claflin Memorial School		2	61,734	4,700		E	95	do	Do.
Edwards Air Force Base	Mojave SDA School		1	3,000	2,000		E	95	Oct. 9, 1958	Do.
Naval Air Station, Miramar	Calexico Mission School		1	4,500	700		E	95	Oct. 31, 1958	Do.
Lemoore Army Air Field	Armona Union Academy		1	500	500		E	95	Dec. 15, 1958	Do.
Mare Island Naval Shipyard	St. Vincent's School for Boys		1	4,322	500		E	95	Jan. 8, 1959	Catholic.
Do	Sierra View Junior Academy		1	4,322	500		E	95	Feb. 13, 1959	Seventh-day Adventist.

[1] Dates prior to Jan. 1, 1950, indicate cases processed by WAA, our predecessor agency. All others were processed by DHEW, which has the compliance responsibility for all cases.

Transfers of real properties to denominational-sponsored organizations for health and educational uses through June 30, 1961—Continued

State and surplus facility	Transferee	Property transferred: Acres	Property transferred: Buildings	Acquisition cost	Fair value	Use: H	Use: E	Percentage PBA	Date of transfer [1]	Sponsoring denomination
CALIFORNIA—continued										
Off site—Continued										
AA Site No. 60	Girls' Town Christian School		1	$1,472	$600	----	E	95	Mar. 9, 1959	Christian.
USN Amphibious Base	SDA Church School, Ramona		1	3,492	1,400	----	E	95	Apr. 10, 1959	Seventh-day Adventist.
Naval Air Station, Lemoore	Armona Union Academy		1	9,406	2,000	----	E	95	Apr. 22, 1959	Do.
Gun Site No. 60	Calexico Mission School of SDA		3	5,152	1,700	----	E	95	May 22, 1959	Do.
Tiburon AA Site	Redwood Empire Junior Academy		1	2,208	700	----	E	95	Oct. 27, 1959	Do.
San Bruno AA Site	Mary's Help Hospital		1	2,208	700	H	----	95	Jan. 5, 1960	Catholic.
March Air Force Base	Beaumont Elementary School of SDA		1	15,963	2,400	----	E	95	Jan. 19, 1960	Seventh-day Adventist.
Bay Farm AA Site	Convent of the Good Shepherd		1	1,104	350	----	E	95	May 10, 1960	Catholic.
Lindsay Government Camp	Sierra View Junior Academy		1	5,771	2,400	----	E	95	Oct. 19, 1960	Seventh-day Adventist.
Do	Armona Union Academy		2	10,636	4,245	----	E	95	----do----	Do.
Do	Sierra View Junior Academy		1	5,771	2,425	----	E	95	Dec. 13, 1960	Do.
Fort Ord	Monterey Peninsula SDA School		3	9,576	1,100	----	E	95	Dec. 22, 1960	Do.
Do	----do----		1	6,793	1,000	----	E	95	Jan. 12, 1961	Do.
Naval Hospital, Oakland	Holy Redeemer College		1	63,500	6,000	----	E	95	Apr. 10, 1961	Catholic.
Poston War RAP	Pacific Union College [1]		2	12,200	950	----	E	95	Nov. 15, 1951	Seventh-day Adventist.
Total		404.25	363	2,781,798	964,881	6	80	----		
COLORADO										
On site: None.										
Off site:										
Fort Francis E. Warren	Colorado Conference of SDA		4	27,013	2,590	----	E	95	June 27, 1950	Do.
Rocky Mountain Flats	Holy Cross Parish		2	32,000	32,000	----	E	95	Sept. 25, 1957	Catholic.
Lowry AFB	Western Bible Institute		30	85,056	57,000	----	E	95	Oct. 23, 1959	Nondenominational.
Total			36	144,069	91,590	0	3	----		
CONNECTICUT										
On site:										
Elmwood Acres housing project	St. Bridget's Church School	9.07	2	50,536	24,550	----	E	80	Nov. 16, 1956	Catholic.
White Oaks housing project	St. Maurice Roman Catholic Church School.	3.08	1	40,347	28,043	----	E	80	July 22, 1954	Do.
Off site: None.										
Total		12.15	3	90,883	42,593	0	2	----		
DELAWARE										
On site: None.										
Off site: None.										
DISTRICT OF COLUMBIA										
On site: Hahnemann Hospital	Stoddard Baptist Home	1.01	4	186,625	188,887	H	----	100	Aug. 12, 1959	Baptist.
Off site:										
Fort Belvoir	Holy Cross College		2	1,000	150	----	E	95	June 26, 1950	Catholic.
Do	Atonement Seminary of Holy Ghost		2	5,000	840	----	E	95	Mar. 27, 1951	Do.
Do	Holy Cross College		3	15,000	750	----	E	95	May 1, 1953	Do.
Total		1.01	11	207,625	190,627	1	3	----		
FLORIDA										
On site:										
Lodwick Aviation MA	Florida Sanitorium and Benevolent Association.	5.25	2	179,046	75,000	H	----	100	Nov. 23, 1948	Seventh-day Adventist.
Deland Naval Air Station	John B. Stetson University	120.00	6	704,501	218,116	----	E	100	Oct. 23, 1947	Baptist.
Off site: None.										
Total		125.25	8	883,547	293,116	1	1	----		
GEORGIA										
On site:										
Wherry housing, Warner Robbins AFB.	Sacred Heart School	1.22	----	500	8,700	----	E	70	June 1, 1960	Catholic.
Fort Oglethorpe	Redemptionist Fathers	6.36	10	99,876	18,500	----	E	100	Apr. 8, 1948	Do.
Off site: Fort Benning	St. Joseph Preparatory Seminary		1	25,792	325	----	E	95	July 16, 1950	Do.
Total		7.58	11	136,168	27,525	0	3	----		
HAWAII										
On site: USO Recreation Center	Kings Gospel Center	.75	1	108,963	70,200	----	E	80	May 15, 1953	Japanese Holiness Church.
Off site:										
Waianae Kai Military Reservation.	Hawaiian Mission of SDA		3	8,896	620	----	E	95	June 5, 1952	Seventh-day Adventist.
Fort Shafter MR	Hawaiian Mission Academy		2	22,000	1,640	----	E	95	Dec. 15, 1952	Do.
Wheeler Air Force Base	Church College of Hawaii		4	20,437	3,415	----	E	95	Apr. 25, 1955	Mormon.
Sand Island MR	Aloha Kindergarten and Grade School		1	7,800	390	----	E	95	Mar. 15, 1956	Protestant.
Fort Shafter MR	Sunset Christian School		1	4,060	300	----	E	95	Nov. 15, 1956	Christian.
Corps of Engineers	Sunset Beach Church School		1	7,200	500	----	E	95	Mar. 22, 1957	Do.
Department of Navy, Kahului	St. Anthony Boys' School		2	90,400	6,200	----	E	95	Sept. 9, 1957	Catholic.
Schofield Barracks MR	St. Joseph's School		6	39,981	12,000	----	E	95	May 14, 1959	Do.
Do	King's Gospel Center		1	6,636	2,000	----	E	95	----do----	Japanese Holiness Church.
Total		.75	22	316,373	97,265	0	10	----		

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Transfers of real properties to denominational-sponsored organizations for health and educational uses through June 30, 1961—Continued

State and surplus facility	Transferee	Property transferred		Acquisition cost	Fair value	Use		Percentage PBA	Date of transfer [1]	Sponsoring denomination
		Acres	Buildings			H	E			
IDAHO										
On site: None.										
Off site: None.										
ILLINOIS										
On site: None.										
Off site:										
U.S. Naval Air Station	Lewis College of Science and Technology.		2	$8,081	$520		E	95	June 18, 1951	Catholic.
Camp Ellis	Broadview Academy		3	9,918	480		E	95	Feb. 7, 1952	Seventh-day Adventist.
Do	Illinois Conference of SDA		3	10,492	480		E	95	do	Do.
AAA Gun Site No. 80	Quincy College and Seminary		2	4,600	800		E	95	Nov. 24, 1958	Catholic.
Camp Ellis	Illinois Conference of SDA		2	7,186	320		E	95	Feb. 7, 1952	Seventh-day Adventist.
Total			12	40,277	2,600	0	5			
INDIANA										
On site: None.										
Off site:										
Camp Atterbury	Taylor University		44	271,140	20,808		E	95	Aug. 13, 1956	Protestant.
AAA Gun Site No. C-90	St. Joseph's College		4	32,000	1,600		E	95	Oct. 1, 1958	Catholic.
Total			48	303,140	22,408	0	2			
IOWA										
On site: None.										
Off site: None.										
KANSAS										
On site: None.										
Off site:										
Fort Riley	Enterprise Academy		2	19,292	1,300		E	95	Sept. 30, 1959	Seventh-day Adventist.
Do	do		3	73,791	650		E	95	Apr. 3, 1959	Do.
Schilling AFB	Kansas Wesleyan University		1	12,259	500		E	95	June 16, 1959	Methodist.
Total			6	105,342	2,450	0	3			
KENTUCKY										
On site: None.										
Off site:										
PHA war housing, Piketon	Georgetown College		33	142,041	36,000		E	95	June 29, 1955	Baptist.
Do	do		9	37,605	4,788		E	95	July 31, 1956	Do.
Do	Lindsay Wilson College		4	18,956	4,800		E	95	June 29, 1955	Methodist.
Do	Campbellsville College		18	85,397	23,000		E	95	do	Baptist.
Camp Atterbury	Kentucky Wesleyan College		20	81,708	9,784		E	95	Aug. 10, 1956	Methodist.
Fort Knox	St. Catherine's Grade and High School		1	17,245	500		E	95	July 11, 1960	Catholic.
Do	St. Mary of the Woods School		1	17,245	475		E	95	Sept. 14, 1960	Do.
Total			86	400,197	79,347		7			
LOUISIANA										
On site: None.										
Off site:										
Harding Field	St. Joseph's Academy		2	16,901	1,200		E	95	Feb. 2, 1953	Do.
Do	Christ-the-King Mission		3	2,120	106		E	95	Feb. 4, 1953	Do.
Chennault AFB	Immaculate Heart of Mary Church		3	49,535	1,950		E	95	Jan. 24, 1961	Do.
Total			8	68,556	3,256		3			
MAINE										
Off site: None.										
On site: None.										
MARYLAND										
On site: None.										
Off site:										
AAA National Guard Site No. 5	Beltsville Seventh-day Adventist School.		1	5,000	500		E	95	Jan. 29, 1958	Seventh-day Adventist.
AAA National Guard Site No. 8	Holy Redeemer School		1	5,000	500		E	95	Jan. 30, 1958	Catholic.
AAA National Guard Site No. 5	St. Augustine's School		1	5,000	500		E	95	do	Do.
Do	St. Bernard's School		1	5,000	500		E	95	do	Do.
AAA National Guard Site No. 8	H. J. Detwiler School		1	5,000	500		E	95	Jan. 31, 1958	Seventh-day Adventist.
AAA National Guard Site No. 10	Divine Savior Academy		2	10,000	1,000		E	95	do	Catholic.
AAA National Guard Site No. 5	St. Conrad Friary		1	5,000	500		E	95	Feb. 4, 1958	Do.
AAA National Guard Site No. 8	Mount St. Mary's College		2	10,000	1,000		E	95	Feb. 5, 1958	Do.
U.S. Naval Air Station	Ursuline Academy		2	18,776	1,000		E	95	Feb. 11, 1958	Do.
AAA National Guard Site No. 5	Oblates of St. Francis de Sales		1	5,000	500		E	95	Mar. 6, 1958	Do.
Do	do		1	23,868	2,000		E	95	Mar. 25, 1959	Do.
AAA National Guard BA-90-N	Calvary Christian Day School		1	5,000	500		E	95	Mar. 13, 1958	Lutheran.
Do	Levindale Hebrew Home and Infirmary.		1	5,000	500	H		95	do	Jewish.
AAA National Guard BA-71-N	St. Joseph Cupertino Seminary		2	10,000	1,000		E	95	May 22, 1958	Catholic.
U.S. Naval Air Station	Holy Trinity School		3	28,167	1,500		E	95	June 22, 1959	Do.
Do	Little Flower School		2	18,778	1,000		E	95	June 23, 1959	Do.
Do	Woodstock College		1	5,000	475		E	95	Feb. 4, 1959	Do.
North Severn Naval Housing	do		2	16,193	1,000		E	95	Sept. 29, 1960	Do.
U.S. Naval Air Station	Waldorf Seventh-day Adventist School.		1	9,389	500		E	95	July 8, 1959	Seventh-day Adventist.

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Transfers of real properties to denominational-sponsored organizations for health and educational uses through June 30, 1961—Continued

State and surplus facility	Transferee	Property transferred: Acres	Property transferred: Buildings	Acquisition cost	Fair value	Use: H	Use: E	Percentage PBA	Date of transfer [1]	Sponsoring denomination
MARYLAND—continued										
Off site—Continued										
North Severn naval housing	St. Stephens School		2	$18,064	$1,000	----	E	95	Sept. 16, 1959	Catholic
Do	Good Shepherd School		1	8,096	500	----	E	95	Sept. 29, 1960	Do.
AAA Gun Site W-71-N	Ammendale Normal Institute		1	5,000	500	----	E	95	June 2, 1961	Do.
Do	St. Clare's School		1	5,000	500	----	E	95	June 6, 1961	Do.
Total			35	231,331	17,475	1	22	----		
MASSACHUSETTS										
On site: Nitre Depot	Immaculate Conception Church School.	7.03	2	44,000	40,000	----	E	100	Aug. 5, 1948	Do.
Off site: Otis AFB	Congregation of the Sacred Heart		2	16,738	400	----	E	95	Aug. 15, 1960	Do.
Total		7.03	4	60,738	40,400	0	2	----		
MICHIGAN										
On site:										
National Guard training center	St. Francis of Assisi Congregation	11.11	0	694	2,420	----	E	80	Oct. 12, 1951	Do.
USA Reserve center	do	3.79	0	800	33,000	----	E	80	Jan. 19, 1961	Do.
Off site:										
Camp Atterbury	Emmanuel Missionary College		20	48,550	10,212	----	E	95	Aug. 13, 1956	Seventh-day Adventist.
Do	do		1	3,948	425	----	E	95	Nov. 13, 1956	Do.
AAA Gun Site No. 80	Spring Arbor Junior College		6	13,800	2,400	----	E	95	Nov. 24, 1958	Methodist.
Do	Precious Blood Parish		2	4,600	800	----	E	95	do	Catholic.
Total		14.90	29	72,392	49,257	0	6	----		
MINNESOTA										
On site: None.										
Off site: None.										
MISSISSIPPI										
On site: None.										
Off site:										
U.S. Naval Base	St. Joseph School		1	1,095	200	----	E	95	June 8, 1959	Do.
U.S. Naval Base	St. Thomas School		2	2,190	400	----	E	95	Apr. 13, 1959	Do.
Total		0	3	3,285	600	0	2	----		
MISSOURI										
On site:										
O'Reilly VA Hospital	St. Agnes High School	13.70	2	34,001	45,900	----	E	60	Dec. 13, 1954	Do.
Jefferson Barracks	St. Bernadette School	13.00	4	224,066	193,115	----	E	100	Mar. 7, 1951	Do.
P.H.S. Marine Hospital	Sisters of St. Joseph Carondelet	14.00	8	1,335,470	1,989,880	H	----	100	Oct. 3, 1953	Do.
O'Reilly VA Hospital	Evangel College	58.51	69	1,527,587	984,550	----	E	100	Dec. 13, 1954	Assemblies of God.
Do	do	21	----	----	600	----	E	100	Nov. 29, 1955	Do.
Off site:										
O'Reilly VA Hospital	Assumption Monastery		1	7,707	500	----	E	95	Mar. 4, 1935	Do.
Sedalia AFB	do		2	8,474	1,272	----	E	95	Jan. 19, 1954	Do.
O'Reilly VA Hospital	St. Agnes High School		1	46,475	1,250	----	E	95	July 11, 1955	Do.
Do	Burge Hospital		1	14,838	1,064	H	----	95	Sept. 3, 1957	Methodist.
Fort Crowder	do		1	2,340	500	H	----	95	Jan. 5, 1960	Do.
Sedalia AFB	Central College		4	14,211	2,133	----	E	95	Jan. 19, 1954	Do.
O'Reilly VA Hospital	Drury College		2	15,216	14,400	----	E	95	July 6, 1955	Congregational.
Do	do		2	38,548	3,469	----	E	95	Apr. 4, 1955	Do.
Do	Evangel College		3	48,438	4,004	----	E	95	Nov. 22, 1955	Assemblies of God.
Do	do		2	40,784	2,848	----	E	95	June 6, 1955	Do.
Do	Missouri Baptist Hospital		2	32,844	2,132	H	----	95	Apr. 1, 1955	Baptist.
Total		99.42	104	3,390,999	3,247,617	4	12	----		
MONTANA										
On site: None.										
Off site: None.										
NEBRASKA										
On site: Plattsburgh Rifle Range	Immanuel Deaconess Institute	20.30	20	15,000	16,168	----	E	100	July 20, 1948	Lutheran.
Off site:										
Fort Randall	Calvary Life College		1	27,212	300	----	E	95	June 15, 1957	Methodist.
Offutt AFB	Father Flanagan's Boys' School		1	935	200	----	E	95	Feb. 27, 1961	Catholic.
Omaha District Service Base	St. John Vianney Seminary		2	4,000	600	----	E	95	Sept. 12, 1960	Do.
Nebraska Ordnance	do		6	10,728	1,800	----	E	95	June 16, 1961	Do.
Do	St. Mary's School		1	726	300	----	E	95	Dec. 23, 1960	Do.
Do	Antelope Memorial Hospital		2	3,576	600	H	----	95	June 16, 1961	Seventh-day Adventist.
Do	Platte Valley Academy		4	7,152	1,200	----	E	95	June 26, 1961	Do.
Do	do		2	3,576	600	----	E	95	July 20, 1961	Do.
Total		20.30	39	72,905	21,768	1	8	----		
NEVADA										
On site: Basic Magnesium, Inc	Sisters of Third Order of St. Dominic (Rose de Lima Hospital).	12.80	2	464,741	326,500	H	----	100	May 19, 1948	Catholic.
Off site: None.										
Total		12.80	2	464,741	326,500	1	0	----		

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Transfers of real properties to denominational-sponsored organizations for health and educational uses through June 30, 1961—Continued

State and surplus facility	Transferee	Property transferred		Acquisition cost	Fair value	Use		Percentage PBA	Date of transfer [1]	Sponsoring denomination
		Acres	Buildings			H	E			
NEW JERSEY										
On site: Shark River Hotel	Central Jersey Christian Schools	4.6	2	$200,482	$32,000	----	E	80	Aug. 2, 1957	Christian.
Off site:										
AAA Gun Site No. 29	St. Benedict's Preparatory School	----------	4	20,000	2,000	----	E	95	Nov. 20, 1957	Catholic.
Fort Monmouth	Dominican Fathers	----------	3	16,887	1,650	----	E	95	Apr. 4, 1958	Do.
VA Hospital	Don Bosco College	----------	1	400	100	----	E	95	Sept. 4, 1958	Do.
Total		4.6	10	237,769	35,750	0	4	------		
NEW MEXICO										
On site: Bruns General Hospital	St. Michael's College	122	48	1,324,455	330,301	----	E	100	Mar. 15, 1949	Do.
Off site:										
White Rock HP	College of Christian Brothers	----------	2	8,634	4,894	----	E	95	Sept. 8, 1953	Do.
Do	St. Michael's High School	----------	4	11,938	4,920	----	E	95	Oct. 2, 1953	Do.
AEC White Rock	Holy Cross Parochial School	----------	4	10,000	2,290	----	E	95	Jan. 19, 1954	Do.
Do	Brethren-in-Christ Navajo Mission	----------	1	4,317	2,335	----	E	95	Dec. 26, 1954	Brethren-in-Christ Church.
Do	College of Christian Brothers	----------	6	20,570	9,390	----	E	95	----do----	Catholic.
Do	Brethren Navajo Mission Boarding School.	----------	2	7,301	3,515	----	E	95	----do----	Brethren Church.
Sandia Base	C. Warren Jones Indian School	----------	3	15,441	1,200	----	E	95	Feb. 4, 1955	Church of the Nazarene.
AEC HP, Los Alamos	Sacred Heart Academy	----------	2	20,000	4,000	----	E	95	Feb. 7, 1955	Catholic.
Sandia Base	Menaul School	----------	3	8,064	475	----	E	95	Feb. 10, 1955	Presbyterian.
Do	Pilgrim Indian Mission School	----------	1	10,608	764	----	E	95	Aug. 22, 1955	Seventh-day Adventist.
Kirtland AFB	Sandia View Academy	----------	3	34,109	3,600	----	E	95	Oct. 24, 1955	Do.
AEC, Los Alamos	----do----	----------	2	78,948	5,376	----	E	95	Nov. 2, 1955	Do.
Do	St. Michael's High School	----------	1	52,353	1,600	----	E	95	Sept. 24, 1957	Catholic.
Kirtland AFB	All Tribes Indian School	----------	1	11,211	1,500	----	E	95	Apr. 13, 1958	Seventh-day Adventist.
AEC, White Rock	Berean Mission Navajo School	----------	1	12,968	600	----	E	95	Jan. 13, 1958	Berean Mission, Inc.
Do	Brethern-in-Christ Navajo Mission	----------	2	7,319	650	----	E	95	----do----	Brethren-in-Christ Church.
Kirtland AFB, Albuquerque	Brethren Navajo Mission	----------	1	12,528	1,200	----	E	95	Aug. 7, 1958	Brethren Church.
Walker AFB, Roswell	Immaculate Conception School	----------	1	16,607	400	----	E	95	Oct. 31, 1958	Catholic.
Kirtland AFB, Albuquerque	All Tribes Indian Mission School	----------	2	8,000	700	----	E	95	June 30, 1959	Seventh-day Adventist.
Do	Lybrook Navajo Mission	----------	2	8,000	700	----	E	95	----do----	Church of the Brethren.
Do	Berean Mission School	----------	1	8,000	672	----	E	95	----do----	Berean Mission, Inc.
Do	Brethren Navajo Mission School	----------	3	12,000	1,050	----	E	95	----do----	Brethren Church.
Do	Lourdes Vocational School	----------	1	4,000	350	----	E	95	----do----	Catholic.
Naval Ordnance, White Sands	Sandia View Academy	----------	2	14,360	1,500	----	E	95	Nov. 9, 1959	Seventh-day Adventist.
Kirtland AFB, Albuquerque	Bataan Methodist Hospital	----------	1	3,850	1,000	H	----	95	May 22, 1961	Methodist.
Total		122	100	1,725,311	384,982	1	25	------		
NEW YORK										
On site:										
Pine Acres Niagara Falls PHA project.	Bishop Duffy High School, Diocese of Buffalo.	7.58	2	169,076	72,076	----	E	60	Feb. 26, 1948	Catholic.
Lake Ontario Ordnance Works	Buffalo Academy of Sacred Heart	12.0	--------	7,500	----------	----	E	100	July 31, 1948	Do.
Department of Army	New York Protestant Episcopal P.S.	.06	--------	3,000	1,521	----	E	80	May 11, 1955	Episcopal.
Rhoads General Hospital	Roman Catholic Diocese of Syracuse, N.Y.	23.7	--------	23,700	23,700	----	E	70	Dec. 9, 1959	Catholic.
General Electric Co	Syracuse University	20	11	8,088,143	2,231,227	----	E	95	Sept. 3, 1946	Methodist.
Off site:										
U.S. Naval Training Center	St. Germaine's Home	----------	1	1,852	1,200	----	E	95	Mar. 20, 1951	Catholic.
Do	Franciscan Friars	----------	8	12,940	3,360	----	E	95	Mar. 27, 1951	Do.
Do	Marist Preparatory School	----------	2	2,705	840	----	E	95	June 8, 1951	Do.
Do	----do----	----------	2	4,012	480	----	E	95	June 15, 1951	Do.
Veterans' Administration Hospital.	St. Andrews Novitiate	----------	1	8,000	2,000	----	E	95	June 2, 1954	Do.
Do	Lincoln Hall	----------	1	7,500	1,500	----	E	95	----do----	Do.
Schenectady General Depot	Mill Hill Fathers	----------	3	1,966	75	----	E	95	July 1, 1954	Do.
Veterans' Administration Hospital.	HoughtonCollege	----------	1	5,976	500	----	E	95	Dec. 7, 1956	Methodist.
Do	Notre Dame High School	----------	1	5,976	500	----	E	95	Mar. 6, 1957	Catholic.
Do	Our Lady of Mercy High School	----------	1	5,976	500	----	E	95	Mar. 25, 1957	Do.
Do	Robert Wesleyan College	----------	2	11,951	1,000	----	E	95	Sept. 20, 1957	Methodist.
Do	----do----	----------	2	11,951	1,000	----	E	95	Nov. 25, 1957	Do.
AAA Gun Site NF-92	Oblates of St. Frances	----------	2	10,000	1,000	----	E	95	May 5, 1958	Catholic.
Schenectady General Depot	Mill Hill Fathers	----------	3	5,370	1,450	----	E	95	Oct. 1, 1958	Do.
AAA Gun Site NY-45	Jewish Chronic Disease Hospital	----------	3	15,000	1,500	H	----	95	Jan. 19, 1959	Jewish.
Schenectady General Depot	Mill Hill Fathers	----------	2	3,515	1,000	----	E	95	Sept. 15, 1959	Catholic.
Veterans' Administration Hospital.	Good Samaritan Hospital	----------	1	5,000	1,000	H	----	95	Mar. 24, 1960	Do.
Total		63.34	59	8,411,109	2,347,429	2	21	------		
NORTH CAROLINA										
On site: Laurinburg-Maxton AAF	Presbyterian Junior College	273.0	47	440,940	113,406	----	E	100	Aug. 27, 1948	Presbyterian.
Off site: AAA Gun Sites 13 and 20	Atlantic Christian College	----------	1	5,000	475	----	E	95	Apr. 8, 1959	Disciples of Christ.
Total		273.0	48	445,940	113,881	0	2	------		
NORTH DAKOTA										
On site: None.										
Off site:										
Fort Lincoln	Cheyenne River Academy	----------	4	24,300	2,100	----	E	95	Feb. 10, 1956	Seventh-day Adventist.
Do	St. Mary's Grade School	----------	1	11,600	800	----	E	95	June 5, 1956	Catholic.
Total		----------	5	35,900	2,900	----	2	------		

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Transfers of real properties to denominational-sponsored organizations for health and educational uses through June 30, 1961—Continued

State and surplus facility	Transferee	Property transferred		Acquisition cost	Fair value	Use		Percentage PBA	Date of transfer [1]	Sponsoring denomination
		Acres	Buildings			H	E			
OHIO										
On site:										
VA Hospital Site	Ohio Conference of SDA	14.66		$15,075	$11,733		E	70	Nov. 8, 1955	Seventh-day Adventist.
Do	University of Dayton	25.71	1	739,686	406,405		E	100	Mar. 29, 1960	Catholic.
Off site:										
Clinton County AFB	Bluffton College		2	4,621	500		E	95	Aug. 18, 1960	Mennonite.
Wright-Patterson AFB	Cedarville College		2	49,288	500		E	95	May 21, 1957	Baptist.
Department of Agriculture	Pontifical College		1	14,806	300		E	95	June 9, 1960	Catholic.
Clinton County AFB	St. Helen School		2	2,200	500		E	95	Aug. 18, 1960	Do.
Wright-Patterson AFB	St. Mary of the Woods School		2	21,433	320		E	95	Feb. 20, 1958	Do.
Do	Wilberforce University		1	41,000	1,525		E	95	Feb. 6, 1959	Methodist.
VA Hospital Site	Mount St. John Normal School		1	5,000	500		E	95	July 28, 1955	Catholic.
Wright-Patterson AFB	do		2	10,000	860		E	95	Aug. 1, 1955	Do.
Total		40.37	14	903,109	423,143		10			
OKLAHOMA										
On site: None.										
Off site:										
Tinker Field	Central Christian College		1	8,048	622		E	95	Feb. 18, 1955	Church of Christ.
Will Rogers Field	Oklahoma Bible Academy		1	18,505	1,500		E	95	June 16, 1958	Unknown.
Tinker Field	St. Gregory's College		2	22,500	3,000		E	95	May 29, 1958	Catholic.
Old Shawnee Agency	do		2	325	300		E	95	Aug. 28, 1959	Do.
Total		0	6	46,378	4,922		4			
OREGON										
On site:										
Youngs Bay, Oreg	Garden of the King Enterprises, Inc.	16.53	10	129,800	30,700		E	100	Nov. 8, 1956	Protestant.
Riverwood Park project	Garden of the King Enterprises, Inc. (Astoria Girls' School).	15.25	4	126,258	9,000		E	60	May 2, 1958	Do.
Off site:										
Camp Mongold	Western Mennonite School		2	68,366	964		E	95	Apr. 3, 1952	Mennonite.
Detroit Reservoir project	do		1	35,000	1,590		E	95	June 9, 1952	Do.
Do	Western Evangelical Seminary		3	112,904	7,603		E	95	Oct. 6, 1952	Evangelical.
McNary lock and dam	St. Andrew's School		1	3,000	100		E	95	Apr. 18, 1953	Catholic.
The Wallac Dam project	St. Mary's Academy		2	2,360	205		E	95	Mar. 28, 1955	Do.
Camp Hanford	Laurelwood Academy		12	34,900	11,540		E	95	Aug. 27, 1958	Seventh-day Adventist.
Do	Columbia Christian College		4	7,600	3,840		E	95	Sept. 18, 1958	Christian.
Camp Adair	Melody Mountain Ranch School		1	104,447	10,000		E	95	Sept. 24, 1958	Protestant.
Camp Hanford	Lebanon SDA School		3	5,700	2,800		E	95	do	Seventh-day Adventist.
Bonneville Power Administration.	Jesuit High School		1	1,991	800		E	95	Mar. 5, 1959	Catholic.
Big Eddy Substation	Garden of the King Enterprises, Inc. (Astoria Girls' School).		1	1,322	500		E	95	Mar. 19, 1959	Protestant.
John Day lock and dam project	Lebanon SDA School		1	1,200	900		E	95	Dec. 15, 1959	Seventh-day Adventist.
U.S. Naval Station, Tongue Point.	St. Therese School		1	650	500		E	95	Apr. 18, 1960	Catholic.
Do	do		1	2,000	500		E	95	May 9, 1960	Do.
Camp Adair	Laurelwood Academy		1	104,447	10,000		E	95	Dec. 15, 1960	Seventh-day Adventist.
Total		31.78	49	741,945	91,242	0	17			
PENNSYLVANIA										
On site:										
Veterans' Administration Hospital Site.	Diocese of Harrisburg	10.1		26,008	38,129		E	80	Jan. 16, 1957	Catholic.
Lacey Park Housing Project	St. John Bosco School	4.3		8,819	5,000		E	80	Aug. 2, 1957	Do.
Off site:										
HRB Singer's	St. Jude's Parish School		1	6,800	500		E	95	Mar. 4, 1960	Do.
AAA Gun Site No. 60	do		3	11,180	3,500		E	95	Mar. 28, 1960	Do.
AAA Gun Site No. 3	Muhlenberg College		2	10,000	1,000		E	95	May 9, 1958	Lutheran.
AAA Gun Site No. 94	George School		2	10,000	1,000		E	95	May 20, 1958	Quaker.
Do	Moravian Seminary		2	10,000	1,000		E	95	May 26, 1958	Moravian.
AAA Gun Site No. 3	LaSalle College		2	10,000	1,000		E	95	do	Catholic.
AAA Gun Site No. 41	Villa Maria High School		1	5,000	500		E	95	May 23, 1958	Do.
AAA Gun Site No. 9	Eastern Pilgrim College		1	5,000	500		E	95	June 4, 1958	Pilgrim Holiness.
AAA Gun Site No. 3	Blue Mountain Academy		1	5,000	500		E	95	do	Seventh-day Adventist.
AAA Gun Site No. 60	Villa Maria High School		1	5,000	500		E	95	June 10, 1958	Catholic.
AAA Gun Site No. 91	do		1	5,000	500		E	95	June 25, 1958	Do.
AAA Gun Site No. 90	Blessed Sacrament Parochial School		2	5,500	1,000		E	95	Apr. 28, 1960	Do.
Do	Villa Maria College		3	7,250	1,500		E	95	May 10, 1960	Do.
Do	Society of Sisters of St. Benedict		2	5,500	1,000		E	95	May 23, 1960	Do.
AAA Gun Site No. 70	Mercyhurst College		3	7,500	1,500		E	95	May 31, 1960	Do.
Newcumberland General Depot	St. Jude's Parish School		2	38,315	3,000		E	95	Apr. 24, 1961	Do.
Total		14.4	29	181,872	61,629	0	18			
RHODE ISLAND										
On site: None.										
Off site: U.S. Naval Auxiliary Landing Field.	Mount St. Charles Academy		1	188,800	900		E	95	May 27, 1961	Do.
Total		0	1	188,800	900	0	1			

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Transfers of real properties to denominational-sponsored organizations for health and educational uses through June 30, 1961—Continued

State and surplus facility	Transferee	Property transferred		Acquisition cost	Fair value	Use		Percentage PBA	Date of transfer [1]	Sponsoring denomination
		Acres	Buildings			H	E			
SOUTH CAROLINA										
On site: None.										
Off site: Camp Pickett	Bob Jones University		20	$69,320	$20,000		E	95	June 10, 1955	Nondenominational.
Total		0	20	69,320	20,000	0	1			
SOUTH DAKOTA										
On site: None.										
Off site:										
Fort Randall	Dakota Christian High School		1	51,577	500		E	95	Dec. 15, 1955	Presbyterian.
Do	St. Mary's School for Indian Girls		2	55,451	850		E	95	do	Episcopal.
Do	St. Otto's School		2	7,749	700		E	95	do	Catholic.
Do	Wessington Springs College		3	53,102	1,200		E	95	do	Methodist.
Do	Corsica Christian School		1	21,058	300		E	95	do	Unknown.
Ellsworth AFB	Plainview Academy		1	22,218	800		E	95	June 19, 1961	Do.
Total			10	211,156	4,350	0	6			
TENNESSEE										
On site: VA Hospital	Baptist Memorial Hospital	9.54	20	2,206,258	1,794,883	H		100	Oct. 13, 1959	Baptist.
Off site:										
Memphis General Depot	Lambuth College		2	8,455	325		E	95	July 1, 1958	Methodist.
Camp Breckenridge	Nashville Agricultural College		9	36,269	9,600		E	95	July 1, 1955	Seventh-day Adventist.
Do	Tusculum College		9	23,652	9,600		E	95	do	Presbyterian.
Total		9.54	40	2,274,634	1,814,408	1	3			
TEXAS										
On site:										
Ward Island NATTC	University of Corpus Christi	232.83	70	3,930,100	570,000		E	100	Aug. 6, 1951	Baptist.
Camp Bowie	Howard Payne College	211	12	180,716	61,670		E	100	July 6, 1954	Do.
Normoyle Ordnance Depot	Baptist Memorial Hospital	10	3	15,663	19,075	H		100	Dec. 31, 1959	Do.
Do	Missionary Servants of St. Anthony	7.74	3	12,123	20,075		E	100	do	Catholic.
Do	Third Order of St. Francis	16.11		25,233	24,000		E	70	do	Do.
Zuehl AF Auxiliary Field	Texas Lutheran College	230.64		358,600	23,900		E	100	Oct. 21, 1960	Lutheran.
Off site:										
Ben Brook Dam	Southwestern Junior College		4	12,200	1,270		E	95	Nov. 21, 1951	Seventh-day Adventist.
Fort Worth QM Depot	Texas Wesleyan College		1	6,000	525		E	95	Nov. 5, 1951	Methodist.
Grapevine Dam	do		8	1,580	160		E	95	Nov. 21, 1951	Do.
Ben Brook Dam	do		2	2,450	475		E	95	do	Do.
Do	Southwestern Junior College		9	24,075	2,950		E	95	Mar. 7, 1952	Seventh-day Adventist.
Belton Reservoir	Madelyn Halligan Kelly Memorial Hospital.		1	400	100		E	95	May 21, 1953	Catholic.
Board for Texas State Hospital and Special Schools.	Southwestern Junior College		18	10,836	1,085		E	95	Oct. 5, 1951	Seventh-day Adventist.
University of Corpus Christi	Texas-Mexico Industrial Institute		1	1,566	152		E	95	July 2, 1954	Presbyterian.
Brown County Vocational School	Howard Payne College		13	180,716	61,670		E	100	July 26, 1954	Baptist.
Love Field	do		1	8,000	820		E	95	Feb. 1, 1955	Do.
Do	Southwestern Christian College		3	44,400	2,830		E	95	do	Church of Christ.
Kelly AFB	Our Lady of Perpetual Help Society		1	4,503	650		E	95	July 21, 1955	Catholic.
Bergstrom AFB	St. Mary's School		1	13,813	1,500		E	95	Sept. 29, 1955	Do.
Carswell AFB	Southwestern Baptist Theological Seminary.		2	15,515	1,150		E	95	Nov. 1, 1955	Baptist.
Amarillo AFB	St. Joseph's School		1	7,650	800		E	95	Nov. 16, 1955	Catholic.
Camp Bullis	Schreiner Institute		15	2,500	1,200		E	95	Dec. 28, 1955	Presbyterian.
Petersburg Independent School District.	Wayland Baptist College		1	7,200	1,200		E	95	Aug. 15, 1955	Baptist.
Hale Center School District	do		1	7,200	1,200		E	95	Aug. 24, 1955	Do.
Fort Hood MR	Lutheran Elementary School		1	37,440	1,800		E	95	June 18, 1956	Lutheran.
University of Corpus Christi	Perpetual Help School		1	61,425	5,700		E	95	Mar. 15, 1956	Catholic.
State of Texas Mission Medical Center.	Concordia Lutheran School		1	6,880	960		E	95	Apr. 19, 1956	Lutheran.
Fort Hood MR	First American Lutheran Elementary School.		1	8,284	1,100		E	95	July 24, 1956	Do.
Do	St. Joseph's School		2	23,888	2,800		E	95	do	Catholic.
Do	St. Mary's School		1	11,497	1,400		E	95	do	Do.
Bergstrom AFB	Dolores Church School		1	13,105	900		E	95	Oct. 15, 1956	Do.
Laredo AFB	Ursuline Academy		2	15,307	800		E	95	Nov. 30, 1956	Do.
Kelly AFB	San Antonio Catholic School System		3	17,754	1,900		E	95	Jan. 31, 1957	Do.
Reese AFB	Lubbock Christian College		1	85,295	6,000		E	95	Feb. 8, 1957	Church of Christ.
Lake Brownwood Dam	Howard Payne College		1	310	50		E	95	Feb. 15, 1957	Baptist.
Clovis AFB	Lubbock Christian College		4	27,402	3,200		E	95	Apr. 12, 1957	Church of Christ.
Medina AFB	Baptist Memorial Hospital		2	430	170	H		95	Apr. 30, 1957	Baptist.
Harlingen AFB	St. Alban's Day School		1	11,264	500		E	95	May 27, 1957	Episcopalian.
Do	St. Benedict's Parochial School		1	15,545	500		E	95	do	Catholic.
Fort Sam Houston	San Antonio Catholic School System		2	30,182	2,600		E	95	June 26, 1957	Do.
Bergstrom AFB	San Jose Church School		1	6,368	600		E	95	June 29, 1957	Do.
State of Texas Mission Medical Center.	San Antonio Catholic School System		2	27,009	3,200		E	95	Apr. 30, 1957	Do.
Fort Hood MR	Baylor University		6	49,656	5,040		E	95	July 16, 1957	Baptist.
Bergstrom AFB	Dolores Church School		2	20,138	1,900		E	95	Oct. 31, 1957	Catholic.
Fort Hood MR	St. Joseph's Church School		2	16,552	1,680		E	95	Nov. 12, 1957	Do.
Do	Trinity Lutheran Church School		2	16,552	1,680		E	95	do	Lutheran.
Department of State	Rio Grande Bible Institute, Inc		1	18,000	400		E	95	Nov. 22, 1957	Protestant Interdenominational.
Reese AFB	Lubbock Christian		7	61,572	9,800		E	95	Nov. 29, 1957	Church of Christ.
Harlingen AFB	Marydale School		1	6,535	400		E	95	Dec. 3, 1957	Catholic.
Fort Hood MR	Trinity Lutheran School		2	4,124	470		E	95	Dec. 20, 1957	Lutheran.
Harlingen AFB	Rio Grande Bible Institute, Inc		1	7,341	500		E	95	Dec. 18, 1957	Protestant interdenominational.
First American Lutheran Church.	Grace Lutheran Church		1	37,440	1,800		E	100	Sept. 1, 1957	Lutheran.
Do	do		1	8,284	1,100		E	100	do	Do.

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Transfers of real properties to denominational-sponsored organizations for health and educational uses through June 30, 1961—Continued

State and surplus facility	Transferee	Property transferred		Acquisition cost	Fair value	Use		Percentage PBA	Date of transfer [1]	Sponsoring denomination
		Acres	Buildings			H	E			
TEXAS—continued										
Off site—Continued										
Camp Swift Military Reservation.	St. Agnes Parochial School		1	$25,500	$3,000		E	95	Mar. 17, 1958	Catholic.
Carswell AFB	Bible Baptist Seminary		2	76,756	4,400		E	95	Mar. 12, 1958	Fundamental Baptist.
Reese AFB	Lubbock Christian College		1	40,194	4,000		E	95	Apr. 16, 1958	Church of Christ.
San Antonio AF Station	Sacred Hearts School		2	3,234	460		E	95	Apr. 25, 1958	Catholic.
Fort Hood MR	Trinity Lutheran School		1	3,568	300		E	95	May 29, 1958	Lutheran.
Camp Bowie	Howard Payne College		3	21,450	2,500		E	95	Oct. 17, 1958	Baptist.
Bergstrom AFB	Mission of San Jose School		3	14,239	1,500		E	95	Aug. 30, 1958	Catholic.
Brooks AFB	St. James School		2	21,000	1,460		E	95	Nov. 27, 1958	Do.
Bergstrom AFB	St. Louis School		1	4,470	500		E	95	Aug. 30, 1958	Do.
Do	Seventh-day Adventist School		1	4,628	500		E	95	do	Seventh-day Adventist.
Carswell AFB	Southwestern Baptist Theological Seminary.		8	27,957	3,300		E	95	Nov. 14, 1958	Baptist.
Do	do		2	47,985	1,720		E	95	Oct. 31, 1958	Do.
Fort Hood MR	Trinity Lutheran School		1	8,276	840		E	95	Aug. 18, 1958	Lutheran.
Lampasas Reservoir project	Mary Hardin-Baylor College		1	50,621	650		E	95	Feb. 12, 1959	Baptist.
Kelly AFB	International Bible College		1	19,493	900		E	95	Mar. 31, 1959	Nondenominational.
Do	do		2	55,333	1,300		E	95	Feb. 27, 1959	Do.
Laredo AFB	Holding Institute		1	5,193	400		E	95	May 22, 1959	Methodist.
Biggs AFB	El Paso Catholic Diocesan School		3	3,300	1,200		E	95	June 8, 1959	Catholic.
Canyon Reservoir	Grace Lutheran School		1	800	200		E	95	Apr. 24, 1959	Lutheran.
AEC, Los Alamos	Lubbock Christian College		1	499,133	30,000		E	95	June 5, 1959	Church of Christ.
James Connally AFB	Westminster College and Bible Institute.		2	22,160	2,200		E	95	Jan. 7, 1959	Congregational Methodist.
Moore AFB	Rio Grande Bible Institute		3	14,199	850		E	95	Jan. 9, 1959	Protestant interdenominational.
Carswell AFB	Fort Worth Christian School		2	79,895	2,600		E	95	July 20, 1959	Church of Christ.
Camp Bowie	Howard Payne College		2	9,500	600		E	95	do	Baptist.
Randolph AFB	St. Henry's Parochial School		1	13,508	1,000		E	95	Sept. 22, 1959	Catholic.
Carswell AFB	Southwestern Baptist Theological Seminary.		2	34,501	1,600		E	95	July 20, 1959	Baptist.
Do	do		8	113,037	1,800		E	95	July 13, 1959	Do.
Jim Ned Cons. ISD	Howard Payne College		1	5,500	3,000		E	100	Dec. 31, 1959	Do.
Air Force Plant 66	Baylor University		1	2,000	500		E	95	Jan. 20, 1960	Do.
Do	do		1	151,655	6,400		E	95	Jan. 11, 1960	Do.
Laredo AFB	St. Augustine Parochial School		2	42,275	1,260		E	95	Mar. 31, 1960	Catholic.
Fort Sam Houston MR	San Antonio Catholic School		1	17,015	1,300		E	95	Feb. 25, 1960	Do.
Waco Reservoir	Baylor University		17	23,775	2,252		E	95	Dec. 30, 1960	Baptist.
Falcon Village	Rio Grande Bible Institute		1	12,599	1,200		E	95	July 29, 1950	Protestant Interdenominational.
Waco Reservoir	St. Francis School		5	1,600	280		E	95	Dec. 20, 1960	Catholic.
Do	do		2	34,000	2,000		E	95	Nov. 30, 1960	Do.
Brooks AFB	Society of St. Theresa of Jesus		1	16,007	1,100		E	95	Sept. 30, 1960	Do.
Navarro Mills Reservoir project.	Westminster College and Bible Institute.		1	100	20		E	95	do	Congregational Methodist.
Kelly AFB	San Antonio Archdiocesan Catholic School System.		1	32,511	1,200		E	95	Mar. 9, 1961	Catholic.
Do	do		1	6,390	460		E	95	do	Do.
Camp Gary	Grace Lutheran Church School		1	9,729	700		E	95	Mar. 10, 1961	Lutheran.
Falcon Village	Holding Institute		3	22,530	2,300		E	95	Mar. 15, 1961	Methodist.
Kelly AFB	Texas Lutheran College		2	5,593	820		E	95	May 18, 1961	Lutheran.
Camp Bowie	Seventh-Day Adventist School		1	5,714	1,000		E	95	June 30, 1961	Seventh-day Adventist.
Total		708.32	325	7,123,541	952,979	2	95			
UTAH										
On site: None.										
Off site:										
CAA	Milford SDA Elementary School		1	1,510	517		E	95	May 8, 1952	Do.
Fort Douglas	Brigham Young University		1	14,055	1,566		E	95	Apr. 7, 1955	Mormon.
Vanadium Corporation of America.	Navajo Mission and Clinic		1	1,821	300	H		95	Apr. 16, 1956	Seventh-day Adventist.
Tooele Ordnance Depot	Brigham Young University		3	17,480	200		E	95	Oct. 11, 1957	Mormon.
Total			6	34,866	2,583	1	3			
VIRGIN ISLANDS										
On site: None.										
Off site: None.										
VIRGINIA										
On site: None.										
Off site:										
Camp Pickett	St. Emma Industrial and Agricultural Institute.		2	6,932	2,000		E	95	June 20, 1955	Catholic.
USN Amphib	do		3	4,200	1,800		E	95	Apr. 14, 1958	Do.
Do	do		1	1,400	500		E	95	May 16, 1958	Do.
Do	do		4	12,688	2,000		E	95	July 12, 1960	Do.
Camp Pickett	Ferrum Junior College		10	34,660	10,000		E	95	June 20, 1955	Methodist.
U.S.N. Air Station	do		5	29,835	2,500		E	95	Apr. 2, 1959	Do.
Do	Shenandoah Valley Academy		4	23,868	2,000		E	95	Apr. 8, 1959	Seventh-day Adventist.
U.S.N. Amphibious Base	The Blue Ridge School		2	2,800	1,000		E	95	June 21, 1960	Episcopal.
Total			31	116,383	21,500	0	8			

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Transfers of real properties to denominational-sponsored organizations for health and educational uses through June 30, 1961—Continued

State and surplus facility	Transferee	Property transferred		Acquisition cost	Fair value	Use		Percentage PBA	Date of transfer [1]	Sponsoring denomination
		Acres	Buildings			H	E			
VERMONT										
On site: None.										
Off site: None.										
WASHINGTON										
On site:										
Michigan Street Dormitories	Seattle Christian School Association	1.67	1	$92,871	$24,200	----	E	80	Oct. 16, 1951	Christian.
Burton Homes	Garden of the King Enterprises, Inc.	11.48	1	127,443	56,771	----	E	100	Oct. 25, 1955	Protestant.
VA hospital	St. Patrick's School	20.28	3	28,900	9,126	----	E	80	Mar. 7, 1956	Catholic.
Fort Casey	Seattle Pacific School	100.00	13	212,600	36,386	----	E	50	May 18, 1956	Methodist.
Stewart Heights	Western Washington Conference, SDA.	4.62	2	81,147	19,000	----	E	80	July 5, 1956	Seventh-day Adventist.
Stewart Heights housing project	Northwest Bible College, Inc	22.64	1	90,533	41,200	----	E	100	Sept. 24, 1958	Assembly of God Church.
Off site:										
Soil Conservation Service Nursery.	Kings, Inc	----	4	4,198	1,000	----	E	95	Aug. 27, 1951	Protestant.
Blyn Mountain Radar Station	Seattle University	----	1	12,000	513	----	E	95	Sept. 21, 1951	Catholic.
McNary lock and dam	Walla Walla College	----	1	79,100	1,084	----	E	95	Jan. 9, 1953	Seventh-day Adventist.
Fort Lewis Military Reservation.	Seattle Christian School Association	----	1	1,200	100	----	E	95	Jan. 12, 1953	Christian.
McNary lock and dam	St. Andrew's School	----	1	3,000	100	----	E	95	Apr. 18, 1953	Catholic.
Yakima Training Center	Kings, Inc	----	5	4,800	1,180	----	E	95	Feb. 9, 1953	Protestant.
Fort Lawton	Samaritan Hospital	----	3	4,500	450	H	----	95	Oct. 19, 1953	Do.
American Lake Gardens HP	Olympia SDA School	----	2	8,500	1,571	----	E	95	Nov. 20, 1953	Seventh-day Adventist.
Fort Lewis	do	----	4	2,300	460	----	E	95	Nov. 27, 1953	Do.
Yakima Firing Center	Auburn Academy	----	3	12,000	655	----	E	95	Jan. 4, 1954	Do.
Fort Lewis	Olympia SDA School	----	1	14,441	876	----	E	95	Apr. 1, 1954	Do.
Do	Chehalis SDA School	----	1	49,088	1,642	----	E	95	May 5, 1954	Do.
Auburn General Depot	King's Garden, Inc	----	1	5,130	63	----	E	95	June 21, 1954	Protestant.
Fort Lawton	Walla Walla College	----	1	1,500	150	----	E	95	Apr. 25, 1955	Seventh-day Adventist.
VA Administration Hospital Reservation.	do	----	1	3,000	1,000	----	E	95	May 13, 1955	Do.
VA Hospital Site	St. Patrick's School	----	3	28,900	1,659	----	E	95	Dec. 16, 1955	Catholic.
Fairchild Air Force Base	Upper Columbia Academy	----	2	3,482	1,000	----	E	95	Nov. 25, 1957	Seventh-day Adventist.
Vashon AAA Site	Tacoma SDA Junior Academy	----	1	2,430	750	----	E	95	Jan. 20, 1958	Do.
Winslow AAA Site	SDA Church School	----	1	2,430	750	----	E	95	Jan. 27, 1958	Do.
Do	Mountlake Christian School	----	1	2,430	750	----	E	95	Jan. 30, 1958	Christian.
Vashon AAA Site	King's Garden, Inc	----	2	4,860	1,500	----	E	95	Feb. 7, 1958	Protestant.
Edmonds Receiver Site	do	----	1	5,700	600	----	E	95	May 22, 1958	Do.
Camp Hanford	Walla Walla College	----	14	39,600	15,360	----	E	95	Aug. 20, 1958	Seventh-day Adventist.
Do	Upper Columbia Conference of SDA	----	4	15,725	3,905	----	E	95	Aug. 22, 1958	Do.
Do	St. Joseph's Hospital	----	1	1,900	960	H	----	95	Sept. 2, 1958	Catholic.
Do	Upper Columbia Academy	----	4	9,900	3,840	----	E	95	Sept. 9, 1958	Seventh-day Adventist.
Do	Our Lady of Lourdes Hospital	----	1	1,900	960	H	----	95	Sept. 22, 1958	Catholic.
Do	Vancouver Boys' Academy (King's, Inc.).	----	2	3,800	1,920	----	E	95	Sept. 23, 1958	Protestant.
VA hospital (Firland)	Walla Walla College	----	3	28,900	1,659	----	E	95	Oct. 13, 1958	Seventh-day Adventist.
West Park Annex	Mountainlake Christian School	----	1	17,886	2,500	----	E	95	June 9, 1959	Christian.
Camp Hanford	Northwest Bible College	----	2	8,378	1,860	----	E	95	Oct. 23, 1959	Assembly of God Church.
Do	Bethlehem Lutheran Parochial School	----	1	9,711	2,040	----	E	95	Dec. 28, 1959	Lutheran.
Vashon AAA Site	Vancouver Boys' Academy (King's, Inc.).	----	2	4,860	1,500	----	E	95	Feb. 2, 1960	Protestant.
Camp Hanford	do	----	2	8,400	1,920	----	E	95	Mar. 22, 1960	Do.
USN Air Station, Whidbey Island.	St. Joseph's General Hospital	----	1	23,680	1,350	H	----	95	Sept. 1, 1960	Catholic.
Total		160.69	100	1,063,123	244,310	4	37	----		
WEST VIRGINIA										
On site: None.										
Off site: AAA Site No. 11	Don Bosco Agric. School	----	2	10,000	1,000	----	E	95	Jan. 27, 1958	Do.
Total		----	2	10,000	1,000	0	1	----		
WISCONSIN										
On site: None.										
Off site: None.										
WYOMING										
On site: None.										
Off site: None.										
PUERTO RICO										
On site: None.										
Off site:										
Camp Losey	Colegio Bautista de Cardina	----	1	28,229	3,000	----	E	95	Apr. 16, 1958	Baptist.
Do	do	----	2	30,025	6,000	----	E	95	Sept. 16, 1958	Do.
Fort Buchanan	do	----	1	34,500	750	----	E	95	Mar. 2, 1961	Do.
Camp Losey	Catholic University of Puerto Rico	----	1	1,500	1,000	----	E	95	May 16, 1958	Catholic.
Total		----	5	94,254	10,750	0	4	----		
Grand total		3,309.48	2,005	38,566,355	13,124,791	29	488	----		

[1] Dates prior to Jan. 1, 1950, indicate cases processed by WAA, our predecessor agency. All others were processed by DHEW, which has the compliance responsibility for all cases.

LABOR DAY, 1961, MESSAGE BY GEORGE MEANY, PRESIDENT, AFL–CIO

Mr. BEALL. Madam President, I ask to have inserted in the RECORD the Labor Day message of George Meany, president of the AFL–CIO, given on that day.

In placing this message in the RECORD, I wish to express my appreciation of the great contribution which the trade union movement has made to the development of our Nation. In the early colonial days, even before we were a nation the guilds and other associations of craftsmen were giving their moral and material support to the principles which were to become the basis of ideals to be written into our Constitution. That great skilled craftsman—silversmith, coppersmith, woodworker and master of many other trades—Paul Revere, literally carried the message of freedom to his fellow citizens. But it is not only the acts of individual workers like Paul Revere, but also quite as much the leaders of the early trade unions who led men to work with them for significant, broad principles, whom we honor on Labor Day. We honor them for having played so important a part establishing our public schools, for their fight against child labor, for their fight won less than a hundred years ago against imprisonment for debt, for the great printer Peter Zender who by daring to print the truth did much to assure our country a legally protected free press—and for many more great movements in which they have led our America.

History is replete with these accounts. But most histories do not tell the story of the basic philosophy which has guided our indigenous free labor movement. Let it here be told that while American trade unions are like trade unions all over the free world in standing together in a fight to improve living conditions for all who toil, our unions do this because they want all Americans to have the chance to improve their life and the life and opportunities of their children.

Our American trade union movement is not a class conscious movement. We do not revel in class hatreds. In fact, while we have passing and temporary economic gradations, we do not have classes, fixed by law, by tradition, by custom. The so-called American myth or American dream in which pseudo social scientists may delight just simply is no dream, no myth. Abraham Lincoln and Andrew Jackson are not myths. They lived in and by the American ideal. Every man has a legal chance to rise. And today, thanks in a great part to the dedication of the American free trade union movement, we are rapidly removing economic and social barriers which made it hard, and at times almost impossible, for certain men and women to enjoy the rights which a loving God and a free Nation guaranteed them. And for the help our unions have given our Nation to make this possible, we thank them, and we honor them.

And now, I would thank these courageous idealists in our American trade unions for another magnificent role: More than almost any other large and potent force, they have fought communism in our country. They want freedom; they treasure their freedom. They know there can be no freedom under communism. They made the advance of communism impossible in our country. They kept their freedom.

I have voted for many bills, practically all of the social legislation for which they have asked. Why not? It is for the good of all of us. I am glad to have joined them in supporting the improvements signed into law by the President, in the Labor Standards Act; to have shared their pious hope for world peace and to have voted as they asked, for the aid for a suffering world while building our national defenses. On and on I have shared their hopes for a better America, made richer and more beautiful to a large degree by the ideals of our free trade unions.

While I have thus far here paid tribute to the great national organization, the AFL–CIO, I want to pay tribute to the men and women in the Maryland State-District of Columbia Federation of Labor and to the leaders they have elected. Their executive council gives me particular pleasure to honor for it is so firmly, so typically all-American composed of Catholics, Protestants, and Jews, of Caucasians and Negroes, men of various incomes of varied national and social backgrounds, but all loyal, devoted Americans, serving together to make our America—their America, better for each Labor Day to come.

The officers of the Maryland State-District of Columbia Federation of Labor whom I regard as my personal friends are: President, Woodrow F. Strong; secretary-treasurer, Charles Della; first vice president, C. B. Windsor; second vice president, J. C. Turner.

Area vice presidents: Walter Bierwagen, Joseph W. Burke, Benita Canfield, Joseph Curtice, Calib Davis, William K. Edwards, J. Metz Emory, Francis Filbey, Raymond C. Fogarty, Jack Gerson, James Gildea, F. H. McGuigan, Nettie Mehaffey, Josiah E. Mullenax, Charles T. Muntain, Joseph F. Palerico, Donald Parker, Charles C. Robinson, John Schaffer, and Cypriam Tilghman.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

LABOR DAY, 1961, MESSAGE

(By President George Meany, AFL–CIO)

Labor Day is completely different from all other national holidays—unique in origin, in purpose and in spirit. It does not commemorate an historic event or a national hero. Instead it salutes the ordinary workingman. During the rest of the year, very little glamour touches the average American worker. But on Labor Day he and his fellows are given recognition for their collective achievement in building America, making it strong and keeping it free.

In other countries and in other civilizations labor has been looked down upon, frequently enslaved. Here in America, on Labor Day, leaders in public life, from the President down, join in paying tribute to labor's great and undeniable contributions to the Nation's well-being and security.

It is too much to expect that this basic truth should be acknowledged every day, not merely on Labor Day. American workers and the trade unions that represent them do not need to be cajoled and praised to do their part. But it must be said that they deeply resent the constant barrage of criticism and attack, the foul blows that are aimed at them in almost every publication and over the air. American labor wants to be treated with respect and fairness not only on Labor Day, but throughout the year. It deserves nothing less.

Those who deliberately seek to poison the public mind against labor are only hurting themselves. They cannot match the invective hurled at us by Moscow. The Kremlin realizes that the strongest and most effective force against communism in the United States is the free trade union movement. The newspapers, magazines, and broadcasters are merely playing into Moscow's hands when they try to defame and destroy our free trade union movement.

Their efforts are doomed to failure, in any event. The workers of this country have earned the confidence and good will of their fellow Americans. Through the trade union movement, they have helped to raise the American standard of living to the highest level of all time. They have supported every worthwhile liberal cause and have won great benefits for all the people of this country by economic, legislative and political action. America's vitality and progress during the past half century are due in no small part to the unyielding struggles of organized labor in behalf of the common good.

Labor Day is a serious holiday. Most Americans take time out to have fun and recreation of course. But they also pause to reflect on the way we have traveled and on the road stretching into the future. This traditional inventory gives us the opportunity to evaluate our objectives and to survey the problems that must be overcome before we can hope to attain them. For the workers of this country Labor Day represents a day of rededication to the American ideal of freedom and justice.

Just as a plant needs sun and water, our free way of life needs peace and progress in order to grow. The preservation of peace has become the common goal of all freedom-loving people everywhere in the world.

For some years past and to this day, the threat of war comes from one source and one source only—the Communist conspiracy.

Of course, there is a great deal of talk in the so-called neutral and uncommitted countries to the effect that they are caught in the middle of a gigantic power struggle between Soviet Russia and the United States.

This attempt to equate the policy and position of the two nations and to make them equally culpable for the critical international tension that exists today is nothing but undercover Communist propaganda.

It is Soviet Russia, not the United States, which menaces the peace of the world. It is Soviet Russia, not America, which seeks territorial aggrandizement, as the record since World War II proves. It is Soviet Russia, not the United States, which has vetoed every attempt in the United Nations to seek peaceful solutions for international problems.

Yes, it is Soviet Russia, backed up by Red China, which is the aggressor—the only aggressor.

If the United States were bent on an aggressive course, would we tolerate for one moment the insults, the provocations and the property seizures of the bearded dictator in Cuba?

If the United States wanted war, wouldn't we have started it years before, when America had a monopoly on atomic weapons and could have destroyed all the cities and industry of Soviet Russia within a week?

Surely it must be obvious to every unbiased and intelligent person on both sides of the Iron Curtain that America wants peace.

Khrushchev also talks of peace, but it is strictly doubletalk. When he uses the word, it means peace only under subjection to Communist terror. When we refer to peace, we mean peace with freedom.

America has now served notice that we will defend the free way of life in the strategic areas of the world despite any warlike moves the Kremlin may make. If we have to fight, we will fight in support of our treaty obligations and in defense of our allies. Clearly, if were to fail to do this, we would only be hastening the day of our own downfall.

The trade union movement stands 100 percent behind President Kennedy in the firm stand he has taken to resist any further Communist pressure.

I do not pretend to be a military expert, yet I am fully confident that in the event of an ultimate showdown Soviet Russia would lose and the United States would be victorious.

My confidence is based on two factors:

First, the military significance of Russia's achievements in space have been exaggerated far beyond actuality for the twin purpose of boosting Russian morale and intimidating the free world.

Second, experience has shown that free labor can outproduce slave labor and it will take Russia many, many years to match America's industrial capacity.

We proved that in the last war against Hitler. We will prove it again, if necessary, against Khrushchev.

The Kremlin knows this, just as well as we do. That is why it has launched a new 20-year plan to match the American standard of living, and American levels of production.

There has been a great deal of concern in this country about the state of our missile program, and justifiably so. It is not pleasant or encouraging to realize that the Russians have been able to outperform us in space.

When President Kennedy took office in January, he gave a new emphasis and priority to the missile program that were previously lacking. The Air Force followed up by calling in union leaders to the Pentagon for the first time in February to brief them on the urgency of expediting the program. Less than 2 weeks later, the Building and Construction Trades Department of the AFL–CIO adopted a no-strike policy on missile base jobs. Soon afterward all labor gave the Government a no-strike pledge and industry a no-lockout pledge to speed the missile program. On this basis, President Kennedy issued an Executive order establishing machinery for the equitable adjustment of disputes at missile sites. Since then, according to official records, time lost due to work stoppages of any kind has been reduced to the vanishing point.

This is an example of the position of the trade union movement in any national emergency. Traditionally and presently, the trade unions have put the public welfare first.

But other actions must be taken too, if the United States is to pull ahead in the space age. The emphasis the administration is giving to the space program and the prompt action of the Congress in supplying the President with the legislative measures he needed is, in our opinion, a good sign—a sign that America is once again moving ahead.

I wish that I could be as optimistic on other fronts but the truth is that the legislative situation is not generally good. On the domestic economic front there are a multitude of problems—and these problems have a direct bearing on the international situation and on our capacity to meet the Communist threat.

The military buildup which the Communist threat has made necessary and the additional costs of the missile and space program have provided a segment of America with the excuse they wanted for an attack not only on wages and working conditions but on social justice legislation.

The reactionaries in Congress are trying to tell the people of this country that we can't have guns and butter too. What do they mean by butter? They mean decent housing, they mean adequate social security, they mean school lunch programs, Federal aid to education, assistance to widows and orphans, and unemployment compensation.

Yet these are the things that strengthen America, not weaken it. America is not a bank, not a corporation, not an inanimate budget. It is people. Services and programs which help people in the most trying circumstances get back on their feet, which promote better education and health and wider understanding of American ideals are not only worth spending for—they are worth fighting for.

The one thing we have to fear is that our national economy will not keep pace with our growing population. With full production and full employment America will become invincible. But if our economy turns anemic, if it continues to suffer recurring bouts of recession, if mass unemployment becomes truly chronic, then we are in for serious trouble.

And we are in for serious trouble if we do not meet the problem posed by our growing work force. In the last decade, the work force grew at the rate of 820,000 a year—820,000 additional people came into the labor market annually. We were not able to find jobs for them—the unemployment figures prove that.

Starting this year, and for every year of the sixties, the labor force is going to grow at the annual rate of 1,350,000; 1,350,000 more people every year. That's not a guess. That's a vital statistic—a fact of the wartime baby boom.

That means we must find 25,000 new jobs a week, every week for the next 10 years, just to put our new workers into gainful employment. That's a major problem for a democratic society—and it is one we can and must solve.

The Communists say our free economy is doomed, that it cannot provide full employment, that it is bound to collapse. We must prove—and we can prove—they are completely wrong.

We can prove it not by the Government doing less but by its doing more to keep the national economy healthy and steadily moving forward.

Only those with limited vision and small minds want to cut back and retreat. America has not come to the end of the road nor has it reached its last frontier. We can get nowhere if we are obsessed with fear. Labor has confidence in America's destiny. We look to our Government for bold and farsighted leadership that will safeguard peace and begin to build a new era of prosperity in the next decade.

THE BERLIN SITUATION—THE SITUATION IN BRAZIL

Mr. MORSE. Madam President, in my newsletter to Oregon constituents dated September 5, I discussed two matters of national importance, the Berlin situation and that in Brazil.

I ask unanimous consent to have the portions of the newsletter dealing with those subjects printed here in the CONGRESSIONAL RECORD.

There being no objection, the exerpts were ordered to be printed in the RECORD, as follows:

SEPTEMBER 5, 1961.

No. 12

DEAR FRIEND: The announced intention of the United States and Great Britain to discuss the Berlin situation affords at least a chance that a solution can be found that will avoid a nuclear war. Our experience in dealing with Russia over Germany does not give rise to any high hopes that this effort will be successful. But this time, both sides have the awful specter of nuclear war hanging over them more closely than ever before.

As I have said before, the agreements setting up the occupation zones in Germany were meant to be temporary, pending a permanent German peace treaty that would reunify all zones and guarantee free elections. When Russia rejected free elections in its zone, France, the United States, and Great Britain merged their zones and held free elections in 1949.

Russia has tried ever since to make its occupation zone of East Germany a separate, independent nation. As such, it is and has been little more than a Russian vassal, looted by Russia after the war and producing now largely for the Soviet Union rather than for its own people. No free elections have ever been held there.

Russia's moves to make East Germany a separate country have forced the Russians into making the tortured claim that the division of Germany must be considered permanent, while the division of Berlin must still be considered only temporary, even though both are provided for in the same agreement.

Khrushchev intends to sign a separate peace treaty with East Germany, turning over to it Russian occupation rights in Berlin. Thus, he hopes to force the West to deal with East Germany over access into West Berlin and in effect, recognize the East German Government. In my opinion, this treaty will be signed very soon, unless the pending negotiations bring about an entirely new situation.

U.S. PRESSURE FOR NUCLEAR ARMS TREATIES SHOULD BE CONTINUED

Khrushchev has repeatedly stated that he is determined to see East Germany established because he fears a West Germany rearmed with nuclear weapons. However, if true, his case is weak on three grounds.

First, adding East Germany to the Polish buffer between West Germany and Russia is not much of a safety feature in modern war. Khrushchev himself has warned that if Berlin erupts into nuclear war, Russian atomic bombs will rain down on the Greek Acropolis, Italian orange groves, and on Japan, to mention only the more recent rattlings of his nuclear arsenal.

Second, Khrushchev should also be told that the way to deal with possible German resurgence is to negotiate workable and fully inspected treaties banning nuclear testing and controlling both nuclear and conventional arms. We have denied having any plans to give nuclear weapons to Germany. But this is beside the point. We cannot keep West Germany from developing them any more than Russia can keep Red China from becoming a nuclear power within a few years.

France has developed its own nuclear capacity, and Israel is doing the same, without any help from us. If Russia really fears a rearmed Germany—and many other nations do, too—the place to do something about it is at the negotiating table for a nuclear test ban and a general disarmament agreement. We should keep the pressure on Russia to resolve its professed fear of Germany through workable treaty controls governing all nations.

Third, Russia's decision to resume nuclear testing can only have the effect of hastening nuclear development everywhere. In fact, this menacing and irresponsible decision by Russia is a long step toward a world war, whether West Germany has nuclear weapons or not.

The United States must continue to press the test ban and disarmament discussions wherever possible, and renew our interest

in them just as soon as the United Nations meets again in a few days. We should affirm our desire and intention of asking the U.N. to intervene in Berlin, if the negotiations with Russia fail to settle the problem. In fact, I think such negotiations should be under U.N. auspices.

It is always possible to meet force with force, when it becomes necessary. The great trial for American statesmanship is to find a policy which will prevent force from being used at all.

FOREIGN RELATIONS COMMITTEE STUDIES BRAZIL CRISIS

The Senate Foreign Relations Committee received a briefing from State Department officials on the political situation in Brazil, where the sudden resignation of President Quadros has left that country in the lurch of a power struggle between the political left and right.

Senator HICKENLOOPER, of Iowa, and I were unable to attend the recent alliance for progress conference because the Senate did not finish the foreign aid bill until the conference was over. But one misconception about it should be cleared up. The United States did pledge aid up to $20 billion over the next 10 years; but only on the assumption that reforms are undertaken in the recipient countries which will make our aid productive and meaningful. The U.S. position is: No reforms, no money.

This is why the resignation of President Quadros may have a strong bearing on the Alliance for Progress. Brazil has half the population and half the land area of Latin America. What happens in Latin America depends a lot more on the future course of Brazil than upon anything the United States does, even through the Alliance for Progress program.

At the time of his resignation, the Quadros program of land and tax reform was being blocked by determined opposition in Brazil. If Brazil is unwilling or unable to follow constitutional procedures and to live up to the alliance for progress requirements, the program may never get off the ground. Ambassador Gordon has a challenging and difficult time awaiting him in Brasilia.

AGREEMENT WITH GOVERNMENT OF FRANCE ON COOPERATION IN THE USES OF ATOMIC ENERGY—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read and referred to the Joint Committee on Atomic Energy:

To the Congress of the United States:

For some time members of the North Atlantic Treaty Organization have been taking steps toward the introduction of the most modern weapons into NATO forces. Among these measures is the introduction into forces of our NATO allies of weapons capable of delivering nuclear warheads. Such steps have been proceeding for some time following the considered judgment and agreement of the NATO governments. The objective is to achieve the most effective pattern of NATO military defensive strength. In view of the well-known purely defensive purposes of the alliance, the introduction of modern weapons into NATO forces to take account of technological developments is in no way a cause for legitimate concern on the part of other countries.

Article III of the North Atlantic Treaty calls upon the members of the alliance to maintain their capacities to resist armed attack through effective self-help and mutual aid. As part of its contribution to the strength of the alliance, the United States has entered into a number of agreements through which we cooperate with NATO allies in the uses of atomic energy for mutual defense purposes. These agreements have been concluded pursuant to the Atomic Energy Act of 1954, as amended. All of these agreements are designed to implement the NATO objectives for maintaining the most modern weapons and techniques in NATO forces.

We have just concluded an agreement with the Government of France which is essentially the same as agreements previously concluded with a number of other NATO allies for cooperation in the uses of atomic energy for mutual defense purposes. This agreement will make possible effective cooperation with France in NATO mutual defense planning and in the training of French NATO forces. Training of certain French NATO forces which play a significant role in European defense cannot proceed to conclusion until this agreement becomes effective. This agreement should be brought into effect as quickly as possible, in order that we can promptly and fully utilize the potential of French military forces in the development of our NATO defensive strength. In light of the probable time remaining for this session of the Congress and in view of the provisions of section 123d of the Atomic Energy Act of 1954, as amended, it appears that normally it would not be possible to bring this agreement into effect until the next session of the Congress. Accordingly, I would appreciate action by the Congress during the current session which would permit the agreement to come into force promptly.

I understand and respect the importance of mature consideration in the Congress of agreements of this sort, but I believe that in the present case there are compelling reasons for rapid action. The gravity of the international situation, and in particular the Soviet threat to the freedom of West Berlin, have made it a matter of first importance that the unity of the North Atlantic nations should be sustained. The Government of France, in this crisis, has behaved with great firmness, and the stanch and determined position of President de Gaulle, in particular, has reinforced the West. In these circumstances, I deem it of great importance that we should proceed promptly with such a joint undertaking as this one, carefully matured in prolonged negotiation. As has already been explained in informal discussions with interested Members of the Congress, the present agreement provides for a limited release of information to carefully selected personnel. Careful arrangements have been made to insure that all necessary security requirements are met, and the inclusion of France among NATO countries participating in this general undertaking is an important step forward at a moment in which such a step has a wider significance than usual. It is for these reasons that I urge upon the Congress appropriate special actions to permit the agreement to come into force.

In accordance with the Atomic Energy Act of 1954, as amended, I am submitting to each House of the Congress an authoritative copy of the agreement with the Government of France. I am transmitting also a copy of the letter from the Secretary of State which forwarded to me an authoritative copy of the agreement, a copy of the joint letter from the Deputy Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of the agreement, and a copy of my memorandum in reply thereto which contained my approval.

JOHN F. KENNEDY.

THE WHITE HOUSE, *September 7, 1961.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 200. An act to amend the act entitled "An act relative to employment for certain adult Indians on or near Indian reservations," approved August 3, 1956;

S. 902. An act to amend the Small Business Investment Act of 1958, and for other purposes;

S. 1719. An act to amend title 23 of the United States Code with respect to Indian reservation roads;

S. 2051. An act to afford children of certain deceased veterans who were eligible for the benefits of the War Orphans Educational Assistance Act of 1956 but who, because of residence in the Republic of the Philippines, were unable to receive such assistance prior to enactment of Public Law 85-460, additional time to complete their education; and

S. 2241. An act to donate to the Jicarilla Apache Tribe of the Jicarilla Reservation, N. Mex., approximately 391.43 acres of federally owned land.

The message also announced that the House had passed the bill (S. 1768) to provide for the restoration to Indian tribes of unclaimed per capita and other individual payments of tribal trust funds, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 4317) to amend the Internal Revenue Code of 1954 and incorporate therein provisions for the payment of annuities to widows and certain dependents of the judges of the Tax Court of the United States; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MILLS, Mr. KING of California, Mr. O'BRIEN of Illinois, Mr. MASON, and Mr. BYRNES of Wisconsin were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 7391) to promote the conservation of migratory waterfowl by the acquisition of wet lands and other essential waterfowl habitat, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and

that Mr. BONNER, Mr. GEORGE P. MILLER, Mr. DINGELL, Mr. PELLY, and Mr. ELLSWORTH were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 8666. An act to provide for the improvement and strengthening of the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges; and

H.R. 9000. An act to extend for two additional years the expired provisions of Public Laws 815 and 874, 81st Congress, and the National Defense Education Act of 1958, and for other purposes.

HOUSE BILL PLACED ON CALENDAR

The bill (H.R. 9000) to extend for 2 additional years the expired provisions of Public Laws 815 and 874, 81st Congress, and the National Defense Education Act of 1958, and for other purposes, was read twice by its title and placed on the calendar.

MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961

The PRESIDING OFFICER laid before the Senate the bill (H.R. 8666), to provide for the improvement and strengthening of the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges, which was read twice by its title.

Mr. SPARKMAN. Madam President, I move that the Senate proceed to the consideration of the bill.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. SPARKMAN. Madam President, the bill was passed by the House. I move that it be amended by striking out all after the enacting clause and inserting in lieu thereof the text of Senate bill 1154, to provide for the improvement and strengthening of the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. SPARKMAN. Madam President, I move that the Senate insist on its amendment, request a conference thereon with the House of Representatives, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. FULBRIGHT, Mr. SPARKMAN, Mr. HUMPHREY, Mr. WILEY, and Mr. HICKENLOOPER conferees on the part of the Senate.

Mr. DIRKSEN. Madam President, I ask unanimous consent that I may suggest the absence of a quorum without losing the floor.

The PRESIDING OFFICER. Without objection, it is so order. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BOGGS in the chair). Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 2395) to amend the Railroad Retirement Act of 1937 to provide reduced annuities to male employees who have attained age 62, and for other purposes.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 39) to print 3,000 copies of a compilation of the hearings, reports, and committee prints of the Subcommittee on National Policy Machinery.

The message further announced that the House had passed the bill (S. 1807) to authorize the disposition of land no longer needed for the Chilocco Indian Industrial School at Chilocco, Okla., with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had receded from its amendment to the bill (S. 685) to amend the Coast and Geodetic Survey Commissioned Officers Act of 1948, as amended, and for other purposes.

The message further announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H.R. 6309. An act to amend title VI of the Merchant Marine Act, 1936, as amended, in order to increase certain limitations in payments on account of operating differential subsidy under such title;

H.R. 6732. An act to amend the Merchant Marine Act, 1936, as amended, to encourage the construction and maintenance of American-flag vessels built in American shipyards; and

H.R. 6974. An act to amend section 607 (b) of the Merchant Marine Act, 1936, as amended.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H.R. 1777. An act to amend title 18 of the United States Code to prohibit the transportation of fraudulent State tax stamps in interstate and foreign commerce, and for other purposes;

H.R. 7259. An act to waive section 142 of title 28, United States Code, with respect to the U.S. district court for the western district of Louisiana, Lafayette division, holding court at Lafayette, La.;

H.R. 7932. An act to amend the act of July 2, 1948, so as to repeal portions thereof relating to residual rights in certain land on Santa Rosa Island, Fla.;

H.R. 8291. An act to enable the United States to participate in the assistance rendered to certain migrants and refugees;

H.R. 8556. An act to amend the National Science Foundation Act of 1950 to require certain additional information to be filed by an applicant for a scholarship or fellowship, and for other purposes;

H.R. 8558. An act to amend section 303(a) of title 23, United States Code, relating to the organization of the Bureau of Public Roads, and for other purposes;

H.R. 8678. An act to provide for the conveyance of a portion of the Henry G. Shirley Memorial Highway and other highways on the Pentagon road network to the Commonwealth of Virginia, and for other purposes; and

H.J. Res. 459. Joint resolution to provide for the preservation and protection of certain lands in Prince Georges and Charles Counties, Md., and for other purposes.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles, and referred, as indicated:

H.R. 1777. An act to amend title 18 of the United States Code to prohibit the transportation of fraudulent State tax stamps in interstate and foreign commerce, and for other purposes; and

H.R. 7259. An act to waive section 142 of title 28, United States Code, with respect to the U.S. district court for the western districts of Louisiana, Lafayette division, holding court at Lafayette, La.; to the Committee on the Judiciary.

H.R. 7932. An act to amend the act of July 2, 1948, so as to repeal portions thereof relating to residual rights in certain land on Santa Rosa Island, Fla.; to the Committee on Armed Services.

H.R. 8291. An act to enable the United States to participate in the assistance rendered to certain migrants and refugees; to the Committee on Foreign Relations.

H.R. 8556. An act to amend the National Science Foundation Act of 1950 to require certain additional information to be filed by an applicant for a scholarship or fellowship, and for other purposes; to the Committee on Labor and Public Welfare.

H.R. 8558. An act to amend section 303(a) of title 23, United States Code, relating to the organization of the Bureau of Public Roads, and for other purposes; and

H.R. 8678. An act to provide for the conveyance of a portion of the Henry G. Shirley Memorial Highway and other highways on the Pentagon road network to the Commonwealth of Virginia, and for other purposes; to the Committee on Public Works.

H.J. Res. 459. Joint resolution to provide for the preservation and protection of certain lands in Prince Georges and Charles Counties, Md., and for other purposes; to the Committee on Interior and Insular Affairs.

AMENDMENT OF SMALL BUSINESS INVESTMENT ACT OF 1958

Mr. DIRKSEN. Mr. President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to S. 902.

The PRESIDING OFFICER (Mr. BURDICK in the chair) laid before the Senate the amendment of the House of

Representatives to the bill (S. 902) to amend the Small Business Investment Act of 1958, and for other purposes, which was, to strike out all after the enacting clause and insert:

That this Act may be cited as the "Small Business Investment Act Amendments of 1961".

SEC. 2. Section 103 of the Small Business Investment Act of 1958 is amended—

(1) by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) the terms 'small business investment company', 'company', and 'licensee' mean a company approved by the Administration to operate under the provisions of this Act and issued a license as provided in section 301(c);"; and

(2) by striking out "and" at the end of paragraph (5), by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and", and by adding after paragraph (6) the following new paragraph:

"(7) the term 'license' means a license issued by the Administration as provided in section 301(c)."

SEC. 3 (a) Section 302(a) of the Small Business Investment Act of 1958 is amended by striking out the second sentence and inserting in lieu thereof the following: "In order to facilitate the formation and growth of small business investment companies, the Administration is hereby authorized, notwithstanding any other provisions of law (but only to the extent that the necessary funds are not available to the company involved from private sources), to purchase the debentures of any such company in an amount not to exceed the lesser of $500,000 or the amount of the paid-in capital and surplus of the company from other sources; but debentures of a small business investment company may be purchased by the Administration under this subsection only during such period (in no case ending more than three years after the date of the issuance of its license under section 301(c) or the date of the enactment of the Small Business Investment Act Amendments of 1961, whichever is later) as may be fixed by the Administration."

(b) Section 302(b) of such Act is amended by striking out "1 percent of its capital and surplus" and inserting in lieu thereof "2 percent of its capital and surplus".

SEC. 4. (a) The first sentence of section 303(b) of the Small Business Investment Act of 1958 is amended by inserting after "is authorized" the following: "(but only to the extent that the necessary funds are not available to the company involved from private sources)".

(b) The second sentence of section 303(b) of such Act is amended to read as follows: "The total amount of obligations of any one company which may be purchased and outstanding at any one time by the Administration under this subsection (including commitments to purchase such obligations) shall not exceed 50 percent of the paid-in capital and surplus of such company or $5,000,000, whichever is less."

(c) Section 303(b) of such Act is further amended by adding at the end thereof the following new sentence: "All loans made by the Administration under this subsection shall be of such sound value as reasonably to assure repayment."

(d)(1) Section 303 of such Act is further amended by adding at the end thereof the following new subsection:

"(c) The proceeds of loans made by the Administration to small business investment companies under subsection (b) shall not be used by such companies for investments and loans aggregating more than $500,000 in the case of any single enterprise. Accordingly, so long as any portion of a loan made by the Administration to a small business investment company under subsection (b) remains unpaid, such company shall maintain assets consisting of cash, eligible Government obligations, and portfolio investments and loans which do not exceed $500,000 in the case of any single enterprise equal in total face value to no less than the unpaid principal amount of the loan under subsection (b)."

(2) The amendment made by paragraph (1) shall apply only with respect to loans disbursed by the Small Business Administration under section 303(b) of the Small Business Investment Act of 1958 on or after the date of the enactment of this Act; except that such amendment shall not apply with respect to any such loans disbursed pursuant to a commitment or loan authorization issued by the Administration before such date.

SEC. 5. Section 304 of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following new subsection:

"(d) Equity capital provided to incorporated small business concerns under this section may be provided directly or in cooperation with other investors, incorporated or unincorporated, through agreements to participate on an immediate basis."

SEC. 6. Section 305(b) of the Small Business Investment Act of 1958 is amended by striking out "other lending institutions" and inserting in lieu thereof "other lenders, incorporated or unincorporated,".

SEC. 7. Section 308(a) of the Small Business Investment Act of 1958 is amended to read as follows:

"(a) Wherever practicable the operations of a small business investment company, including the generation of business, may be undertaken in cooperation with banks or other investors or lenders, incorporated or unincorporated, and any servicing or initial investigation required for loans or acquisitions of securities by the company under the provisions of this Act may be handled through such banks or other investors or lenders on a fee basis. Any small business investment company may receive fees for services rendered to such banks, and other investors and lenders."

SEC. 8. Title III of the Small Business Investment Act of 1958 is amended by adding after section 308 the following new sections:

"ENFORCEMENT PROCEDURES

"SEC. 309. (a) A license may be revoked by the Administration—

"(1) for false statements knowingly made in any written statement required under this title, or under any regulation issued under this title by the Administration, for the purpose of obtaining the license;

"(2) because of facts coming to the attention of the Administration which existed prior to the time the license was issued and which, if known at that time, would have justified the Administration in refusing to issue the license;

"(3) for willful or repeated violation of, or willful or repeated failure to observe, any provision of this Act;

"(4) for willful or repeated violation of, or willful or repeated failure to observe, any rule or regulation of the Administration authorized by this Act; or

"(5) for violation of, or failure to observe, any cease and desist order issued by the Administration under this section.

"(b) Where a licensee has not complied with any provision of this Act, or of any regulation issued under this Act by the Administration, the Administration may order such licensee to cease and desist from such action or failure to act; and the Administration may further order such licensee to take such action or to refrain from such action as the Administration deems necessary to ensure compliance with the Act and the regulations. The Administration may also suspend the license of such licensee until the licensee has complied with such order.

"(c) Before revoking a license pursuant to subsection (a), or issuing a cease and desist order or suspending a license pursuant to subsection (b), the Administration shall serve upon the licensee involved an order to show cause why an order revoking the license or a cease and desist order or an order suspending the license should not be issued. Any such order to show cause shall contain a statement of the matters of fact and law asserted by the Administration and the legal authority and jurisdiction under which a hearing is to be held, and shall inform the licensee that a hearing will be held before the Administration at a time and place stated in the order. If after hearing, or a waiver thereof, the Administration determines on the record that an order revoking the license or a cease and desist order or an order suspending the license should issue, it shall issue such order, which shall include a statement of the findings of the Administration and the grounds and reasons therefor and specify the effective date of the order, and shall cause the order to be served on the licensee.

"(d) The Administration may require by subpena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to the hearing from any place in the United States. Witnesses summoned before the Administration shall be paid by the party at whose instance they were called the same fees and mileage that are paid witnesses in the courts of the United States. In case of disobedience to a subpena, the Administration, or any party to a proceeding before the Administration, may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of books, papers, and documents.

"(e) An order issued by the Administration under this section shall be final and conclusive unless within thirty days after the service thereof the licensee appeals to the United States court of appeals for the circuit in which such licensee has its principal place of business by filing with the clerk of such court a petition praying that the Administration's order be set aside or modified in the manner stated in the petition. After the expiration of such thirty days, a petition may be filed only by leave of court on a showing of reasonable grounds for failure to file the petition theretofore. The clerk of the court shall immediately cause a copy of the petition to be delivered to the Administration, and the Administration shall thereupon certify and file in the court a transcript of the record upon which the order complained of was entered. If before such record is filed the Administration amends or sets aside its order, in whole or in part, the petitioner may amend the petition within such time as the court may determine, on notice to the Administration. The filing of a petition for review shall not of itself stay or suspend the operation of the order of the Administration, but the court of appeals in its discretion may restrain or suspend, in whole or in part, the operation of the order pending the final hearing and determination of the petition. The proceedings in such cases in the court of appeals shall be made a preferred cause and shall be expedited in every way. The court may affirm, modify, or set aside the order of the Administration. If the court determines that the just and proper disposition of the case requires the taking of additional evidence, the court shall order the Administration to reopen the hearing for the taking of such evidence, in such manner and upon such terms and conditions as the court may deem proper. The Administration may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file

its modified or new findings and the amendments, if any, of its order, with the record of such additional evidence. No objection to an order of the Administration shall be considered by the court unless such objection was urged before the Administration or, if it was not so urged, unless there were reasonable grounds for failure to do so. The judgment and decree of the court affirming, modifying, or setting aside any such order of the Administration shall be subject only to review by the Supreme Court of the United States upon certification or certiorari as provided in section 1254 of title 28, United States Code.

"(f) If any licensee against which an order is issued under this section fails to obey the order, the Administration may apply to the United States court of appeals, within the circuit where the licensee has its principal place of business, for the enforcement of the order, and shall file a transcript of the record upon which the order complained of was entered. Upon the filing of the application the court shall cause notice thereof to be served on the licensee. The evidence to be considered, the procedure to be followed, and the jurisdiction of the court shall be the same as is provided in subsection (e) for applications to set aside or modify orders. The proceedings in such cases shall be made a preferred cause and shall be expedited in every way.

"INVESTIGATIONS

"SEC. 310. The Administration may make such investigations as it deems necessary to determine whether a licensee or any other person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this Act, or of any rule or regulation under this Act, or of any order issued under this Act. The Administration shall permit any person to file with it a statement in writing, under oath or otherwise as the Administration shall determine, as to all the facts and circumstances concerning the matter to be investigated. For the purpose of any investigation, the Administration is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, and documents which are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States. In case of contumacy by, or refusal to obey a subpena issued to, any person, including a licensee, the Administration may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, and documents; and such court may issue an order requiring such person to appear before the Administration, there to produce records, if so ordered, or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found.

"INJUNCTIONS AND OTHER ORDERS

"SEC. 311. (a) Whenever, in the judgment of the Administration, a license or any other person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this Act, or of any rule or regulation under this Act, or of any order issued under this Act, the Administration may make application to the proper district court of the United States or a United States court of any place subject to the jurisdiction of the United States for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, rule, regulation, or order, and such courts shall have jurisdiction of such actions and, upon a showing by the Administration that such licensee or other person has engaged or is about to engage in any such acts or practices, a permanent or temporary injunction, restraining order, or other order, shall be granted without bond. The proceedings in such a case shall be made a preferred cause and shall be expedited in every way.

"(b) In any such proceeding the court as a court of equity may, to such extent as it deems necessary, take exclusive jurisdiction of the licensee or licensees and the assets thereof, wherever located; and the court shall have jurisdiction in any such proceeding to appoint a trustee or receiver to hold or administer under the direction of the court the assets so possessed."

SEC. 9. Section 502 of the Small Business Investment Act of 1958 is amended—

(1) by striking out "$250,000" in paragraph (3) and inserting in lieu thereof "$350,000"; and

(2) by striking out "ten" where it first appears in paragraph (5) and inserting in lieu thereof "twenty-five".

SEC. 10. (a) Section 301(a) of the Small Business Investment Act of 1958 is amended to read as follows:

"(a) A small business investment company shall be an incorporated body, organized and chartered under State law solely for the purpose of performing the functions and conducting the activities contemplated under this title, which has succession for a period of not less than thirty years unless sooner dissolved by its shareholders and possesses the power reasonably necessary to perform such functions and conduct such activities. The area in which the company is to conduct its operations, and the establishment of branch offices or agencies (if authorized by the articles of incorporation), shall be subject to the approval of the Administration."

(b)(1) The second sentence of section 301(c) of such Act is amended by striking out "In determining whether to approve the establishment of such a company and its proposed articles of incorporation" and inserting in lieu thereof "In determining whether to approve such a company's articles of incorporation and permit it to operate under the provisions of this Act".

(2) The last sentence of section 301(c) of such Act is amended to read as follows: "After consideration of all relevant factors, if it approves the company's articles of incorporation, the Administration may in its discretion approve the company to operate under the provisions of this Act and issue the company a license for such operation."

(3) Section 301 of such Act is further amended by striking out subsections (d) and (e).

(c) The second sentence of section 308(b) of such Act is amended by striking out "organized under this Act" and inserting in lieu thereof "operating under the provisions of this Act".

(d) Section 308 of such Act is amended by striking out subsections (d), (e), and (f) and redesignating subsection (g) as subsection (d), and by striking out "organized under this Act" in the subsection so redesignated and inserting in lieu thereof "operating under the provisions of this Act".

(e) Section 309 of such Act (relating to approval of State chartered companies for operations under this Act) is repealed.

(f) Title IV of such Act is repealed.

(g)(1) The table of contents of such Act is amended by striking out

"Sec. 309. Approving State chartered companies for operations under this Act."

and inserting in lieu thereof

"Sec. 309. Enforcement procedures.
"Sec. 310. Investigations.
"Sec. 311. Injunctions and other orders."

(2) The table of contents of such Act is further amended by striking out

"TITLE IV—CONVERSION OF STATE CHARTERED INVESTMENT COMPANIES AND STATE DEVELOPMENT COMPANIES"

(h)(1) Section 202 of such Act is amended by striking out subsection (b).

(2) Section 20 of the Small Business Act is repealed.

(3) The first sentence of section 4(c) of the Small Business Act is amended by inserting after "by law" the following: "(including the payment of administrative expenses)".

SEC. 11. Section 4(c) of the Small Business Act is amended—

(1) by striking out "$1,000,000,000" each place it appears and inserting in lieu thereof "$1,150,000,000"; and

(2) by striking out "$250,000,000" in the eighth sentence and inserting in lieu thereof "$400,000,000".

Mr. DIRKSEN. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ROBERTSON, Mr. SPARKMAN, Mr. DOUGLAS, Mr. PROXMIRE, Mr. LONG of Missouri, Mrs. NEUBERGER, Mr. BEALL, Mr. BENNETT, Mr. JAVITS, and Mr. TOWER conferees on the part of the Senate.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO PAYMENT OF ANNUITIES TO CERTAIN WIDOWS AND DEPENDENTS OF JUDGES OF U.S. TAX COURT

Mr. BYRD of Virginia. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 4317.

The PRESIDING OFFICER (Mr. BURDICK in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 4317) to amend the Internal Revenue Code of 1954 and incorporate therein provisions for the payment of annuities to widows and certain dependents of the judges of the Tax Court of the United States, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BYRD of Virginia. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD of Virginia, Mr. KERR, Mr. LONG of Louisiana, Mr. WILLIAMS of Delaware, and Mr. CARLSON conferees on the part of the Senate.

CONTINUAL EXPANSION OF FEDERAL ACTIVITIES AND CONTINUED GROWTH OF FEDERAL PAYROLL

Mr. BENNETT. Mr. President, in its issue of August 31, 1961, the Iron County

Record, published in Cedar City, Utah, printed an editorial expressing dismay with the continual expansion of Federal activities in the American life, and a continued growth of the Federal payroll.

Because the editorial expresses so aptly the problem which grows out of the natural tendency for bureaucracy to expand, I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DRAW IN THE HAND

Some startling statistics regarding Federal employment were brought out recently in a newsletter of Senator WALLACE F. BENNETT, of Utah. In the letter Senator BENNETT stated that at the end of June the Federal Government had 2,419,681 on the payrolls.

Our Government is growing and it is a constant growth that we in southern Utah cannot help but see and witness.

As Senator BENNETT points out the big buildup in defense is not the only reason for the steady growth. He states: "Today we are in a phase of military expansion. Is this the reason for this fantastic increase in Federal personnel? Can we blame it on defense?"

In answer to his own question he pointed out that "of the 31,519 (Federal employees) added to the Government payroll in June, for example, only 1,874 were in the Department of Defense. The remaining 29,645 were in other agencies of the Government."

Utah, it has been pointed out in the past, has the largest ratio of Federal employees of any of the 50 States; Cedar City, it is safe in stating, has the largest ratio of Federal employees in the southern Utah area.

Just look around you and see the growth of our governmental offices in Cedar City alone and none of these offices are connected with the military and defense increase of the Government.

At one time the Federal building, or post office building, was sufficient to house the Federal agencies of the U.S. Government in Cedar City. At the present time the Federal building is so completely inadequate that at least three separate office buildings are housing Federal agencies.

The Forest Service has expanded its offices to a location on Harding Avenue and at the present time is looking for additional office space. Additional needs as reported to the Cedar City Chamber of Commerce is 4,000 square feet.

Last year the Selective Service office, once located in the Federal building was forced out and offices were relocated above Mullett Jewelry on Main Street. This office requires one employee and of course an extensive filing system, but it nevertheless overflowed the Federal building.

Other governmental agencies include the Bureau of Land Management which has taken over a sizable area of the second floor of the Parks Office Building just this last year.

On the State level the growth in Cedar City has been as great as or greater than the Federal agencies. Not too many years ago the employment security offices were built in Cedar City to house that operation. The State road department and the State highway patrol have expanded their facilities on North Main Street and the fish and game department has taken over several offices in the Parks Office Building when the regional office, one of four in the State, was opened in Cedar City. Plans are now being formulated for the construction of a new building to house the fish and game regional offices.

In addition the State engineer has opened up an office in Cedar City, also located in the Parks Office Building.

Then there are other agencies such as the division of vocational rehabilitation, located in the Parks Office Building—a State agency; the Iron County Committee on Agricultural Stabilization and Conservation, a Federal assistance program located in the Parry Building at 170 North Main in Cedar City; the Soil Conservation Service, a federally controlled program that was previously located in the Parry Building but which now has taken offices in the Bulloch Building along with the ASC offices and an office of the Bureau of Internal Revenue is slated to open, also in the Bulloch Building.

Federal Aviation Agency is located at the Cedar City Municipal Airport and construction work is now being performed on a powerline and radar unit to be installed on Cedar Mountain which will be operated on a year-round, 24-hour-a-day basis, it is understood.

The Farmers Home Administration is also located in the Federal Building as are the offices of the Iron County extension agent and the home demonstration agent, a part of the Federal land grant system and connected with the State and county organizations as well.

If you want to list all of the groups it would also be necessary to point out that the National Guard Armory and unit are financed by the Federal and State governments. There is also a Utah State Tax Commission office located in the First Security Bank Building, a separate office in itself.

Then there are some county offices including the department of Public Welfare located at 66 North Main, above the Cowley Drug, the Iron County Hospital, the county officers of the assessor and surveyor and the Iron County sheriff's offices located in the city and county building, in addition to the new county road yards north of Cedar City, and the department of health offices located at 224 South 200 West, next to the hospital.

There are also the facilities of our city government including the offices at the city and county building, the city and jail facilities there plus the road department sheds north on Highway 91.

And last but not least the county offices and courthouse located in Parowan in addition to the county and city facilities located in other communities and towns of the county.

It is a creeping thing, this expansion of agencies from the city to the Federal Government level.

We are not saying that the agencies in themselves are not justified in their expansion program. In most cases the increase in personnel, the increase in facilities and increase in jurisdiction and control is directly based on needs that our citizenry have demanded.

The individual demands of the citizens on our various levels of government—that includes the city right along with the rest—have resulted in the necessary growth of these various agencies.

Only when citizens take upon themselves the responsibility to say no, only when individual citizens draw back the "give me" hand, only when we as individual citizens take it upon ourselves to provide services, to provide wants and needs will this growth stop.

After all our Government agencies are doing for us only what we ask them to do, only what we demand of them and until citizens stop making demands the growth is going to continue.

It isn't our city government, nor our county, State or Federal Government, it is the citizens who are responsible for the growth and it is the citizens, as individuals, who will determine when that growth, and the demand for services, is to stop.

It is up to you citizens of Cedar City, citizens of Iron County, citizens of Utah, and citizens of the United States of America.

UKRAINIAN INDEPENDENCE

Mr. HRUSKA. Mr. President, two decades ago, on June 30, 1961, Ukrainian nationalism expressed itself courageously in the proclamation of the Ukrainian State. The spirit of an oppressed people, which produced this brave act, gains renewed fervor in our commemoration this year of Ukrainian Independence Day.

Among the captive nations Ukrainian holds special claims on world opinion. It is the largest of those nations forcibly assimilated by the Soviet Union, its individual character and distinctive culture systematically suppressed. The people of the Ukraine met terror and brutality in their struggle to be free. The famine of the early thirties in which millions perished, the mass murders of the citizens of Vinnitisia in 1937, and the sweeping purges that came later under the personal direction of Khrushchev are only the well known repressions suffered by them.

The proclamation of independence in 1941 represented the Ukrainian defiance of two oppressors—the recent German occupation forces and the Soviet regime itself forced upon it since 1920.

That courageous stand for Ukrainian freedom was held fast and honored at the 10th mass rally of the Ukrainian American Youth Association conducted jointly in Elbenville, N.Y., and Chicago, Ill., on September 3 of this year. This country and liberty-loving people everywhere join these youths who demonstrate so vividly, by the loss of their native land, the Communist design for world domination.

The United States, long protector of the principle that government must guarantee the inalienable rights of man and protect the inviolability of sovereign nations, will never be reconciled to the subjugation of the Ukrainian people.

On this 20th anniversary of the Ukrainian proclamation of independence, the Ukrainian American Youth Association does not stand alone. The duty to preserve its national sovereignty belongs to all free democracies. Its message of Soviet tyranny is heard by all free people. To spread this truth and to restore that freedom is the task which lies ahead.

THE DOUBLE STANDARD OF MORALITY OF THE NEUTRAL NATIONS

Mr. BENNETT. Mr. President, now that the meeting of the so-called uncommitted nations in Belgrade has ended, I think it is appropriate to express the disappointment which the people of the United States and, I think, most of the citizens of the so-called neutral nations have felt as a result of this conference.

In the first place, I think it is unfortunate that at this critical point of the world's history there should be any unalined countries. The countries who call themselves neutrals picture the world as an arena in which two powerful countries—the United States and the Soviet Union—are battling each other for the selfish goal of greater power and inuflence. They see themselves as mere

bystanders whose duty it is to refrain from getting involved in a battle which does not directly concern them. And they believe that, like the bystanders in any street fight, they have a duty to remain neutral and to do everything possible to break up the fight and make both contenders listen to reason.

Unfortunately, this analogy has no relationship to the realities of the world we live in. The United States and its allies are not pursuing purely selfish ends; they are working for a world in which all mankind will have both freedom and security. They are not working to prevent the people of the Soviet Union from having any sort of government they prefer; they oppose communism only because communism has sworn to destroy the existing institutions in every non-Communist country.

In light of these facts, it is incredible that the neutral nations, nearly all of whom profess to be independent of the Soviet Union, should permit themselves to be used by the Soviet Union to further its own ends. Yet to a large extent that is what is happening. At the Bandung Conference 6 years ago, the neutrals adopted resolutions generally critical of the West and generally in support of Soviet claims. And now at the Belgrade Conference, held just as the Soviet Union has threatened civilization with extinction, by brandishing the threat of the thermonuclear bomb, the neutral nations have passed up an excellent opportunity to demonstrate that they are truly neutral, instead of being neutral against the United States. Instead of passing a firm resolution censuring the Soviet Union for its disregard of human welfare, the 25 nations came forth with nothing more than an expression of regret and a decision to urge the United States and the Soviet Union to resume negotiations. Clearly, the neutrals have a double standard of morality—one set of standards to be applied to the United States, and another to the Soviet Union.

The implication of this resolution is, of course, that the United States must share the blame for the disarmament deadlock. No one who has studied the record of the disarmament talks, as I have, could fail to appreciate what a gross distortion of truth that is. In session after session the Soviet Union has continued to take an obdurate attitude toward the inspection proposals; and it is incredible that the so-called neutral nations, who should be aware of what has happened in the Geneva talks, should give any credence to the Soviet arguments.

Particularly disappointing is the attitude of the Conference toward the problem of Berlin. Although Archbishop Makarios, President of Cyprus, and Premier Adoula of the Congo urged that the principle of self-determination be applied in the case of Berlin, the Conference refused to accept this recommendation.

In the words of the Washington Post:

> The Conference was primarily one of eloquent silences. The Soviet Union's breach of the voluntary ban on atmospheric testing of thermonuclear devices brought no rebuke from the delegates. The harsh treatment of the hapless citizens of East Berlin by the new imperialists of the modern world escaped the notice of victims of the last century's imperialism. No one at Belgrade pined for the freedom of Hungarians or other Eastern Europeans. Nor was the invasion of Tibet denounced. These seem remarkable defects of vision, odd examples of astigmatism, in view of the ability of the delegates to see colonial exploitation in the existence of a base at Guantanamo.

It has been suggested by some that the actions taken by the neutral nations at Belgrade reflected, not so much their own real views, as their fear of the Soviet Union. These nations realize that however much they may protest against the colonialism of the Western Powers, they do not need to fear aggression from the West. On the other hand, they know that the Soviet Union has no scruples against expanding its dominion, and that it will use any means, however ruthless, to attain its goals. It is suggested, therefore, that the course of the neutral nations is determined more by the fear of the Soviet Union than by their respect for the United States.

If this is true, it is a shortsighted attitude, and is a betrayal of the principles in which the neutral nations profess to believe. If the Soviet Union finds that fear is the easiest way to influence the neutral nations, those nations can look forward to a long period of increasing pressure from Moscow.

The United States and its allies are devoting their efforts and wealth toward creation of a world in which the neutral nations and all nations of the world will have the right of self-determination, a world in which the greatest degree of justice will prevail. The greatest obstacle to that kind of world is international communism, and international communism is the chief beneficiary of the present attitude of the neutral nations. The sooner the neutral nations realize this simple fact, the better it will be for all of us.

WAGES, PRODUCTIVITY, AND PRICES IN THE STEEL INDUSTRY

Mr. DIRKSEN. Mr. President, pursuant to notice which I gave last week, and in consonance with an agreement with the majority leaders, we felt that it was necessary to make some response to the discussion which was had recently on the whole question of steel and steel prices, and an alleged impending increase in the cost of steel and the price of steel, as of October 1, 1961.

On many occasions, I have observed that George Bernard Shaw once said that fear is the only universal passion. I think anybody, if he takes a little time, can spell that out to his own satisfaction, because almost from the age of consciousness until the shadow of the grave is upon an individual, he is constantly beset by the fears which are like shadows abounding in life. One wonders whether fear will become a secret weapon, and he also wonders when it will end, or where it will end, or if it will end in a control of the American economy.

I refer particularly to what I call a campaign to thwart any increase in steel prices without a chance for industry to be heard. I emphasize that idea because I do not categorically say, one way or the other, whether there should be an increase in the price of steel. I do say, though, with respect to an industry of such dimensions, having an abiding interest in the future of the country, having such a large capital investment, and directed by people who are thinking of the steel industry not in terms of a year or 5 years or 10 years, but perhaps in terms of 100 years, because of what it must contribute—not what it may, but what it must contribute—to the security, the survival, and the growth of the country, it seems strange, indeed, that there should be a threat to make it appear that there will be developed ultimately what I would call psychological price control. That is a matter of concern for us. It is a question of method. It is a question of whether an industry—any industry—shall have its day in court, because if psychological pressures can be used, if threats can be used, upon one industry, they can be used upon another. If successful in the first instance or in the second instance, who shall say that the same weapon, fear, will not be employed on other occasions?

The campaign seems to have started with a press briefing; and later a briefing occurred in the old Supreme Court chamber. That was referred to in the New York Herald Tribune of August 27.

I think I am correct also in stating that on August 22 at least 10 Senators on the majority side of the aisle engaged in an all-afternoon discussion of steel prices. Strangely enough, about the same time, the Secretary of Agriculture was writing to the American Bakers Association and was saying to them that an increase in the price of bread might "have possible public reaction."

This appears, so far as I know, to be the first attempt at psychological price control by using threats, and by using persuasion, as weapons and as appeals to a kind of fear instinct.

In the long discussion which took place on the Senate floor, in the matter of steel prices, and so forth, the following points were made, substantially: First, that a Federal deficit threatens the revival of inflationary forces. I do not quarrel with the fact of a Federal deficit. I think one of the astounding things is that after the last Eisenhower budget was submitted, in which it was estimated and hoped that there would be a $70 million surplus from fiscal 1961, and a $1.5 billion surplus for 1962, when the books were balanced, the line was drawn, and the totals were cast, we found ourselves confronted with a deficit of $3.9 billion in 1961, and an estimated $5.3 billion in fiscal 1962. So in 7 months there was a modification aggregating $10,700 million; and that is the record of the New Frontier, and I give it in all its nakedness, and let the figures speak for themselves.

But the first point made the other day was that the Federal deficit threatens the revival of inflationary forces.

The second point which was made was that rapid recovery from the recession threatens instability. That may or may

not be. I presume that it is a matter of opinion. I do not quarrel with it one way or the other.

The third point was that a scare buying psychology might be developed and might have an impact on the consumers of the country and might in addition contribute to inflationary fever.

The fourth point made in a long discussion was that an increase in steel prices would affect the entire economy. That may or may not be, but I am inclined to feel that too often we overexaggerate what that impact might be.

The fifth point was that there was no justification for a steel price increase, and that the cost developed as a result of the 3-year program could be absorbed by the industry without a price increase.

The sixth point was that such an increase would affect international trade and international gold balances.

The seventh point was that steel profits are up.

The eighth point was that wage increases can be absorbed.

And then we came to the threats.

The first threat—and I try to use my words very carefully, because I would not do injustice to any Member of this body—but the first threat, as I understand and interpret it, came from the Senator from Tennessee [Mr. KEFAUVER], and was stated as follows in the formal statement he made on the floor of the Senate—and I now quote from what he said:

> The proposition which I wish to advance is that if the steel companies do raise their prices in a manner similar to their advances of recent years, and if there exists at the time a substantial volume of unused capacity, such action under the circumstances which I shall describe would raise the serious question of whether there had been a violation of the consent order entered into in 1951 by the steel industry under section 5 of the Federal Trade Commission Act.

What the distinguished Senator from Tennessee was saying was, in effect, that "If you raise your prices on October 1, we will make sure that with every force and agency at our command we will comb through the statutes and through the consent decree which was entered into 10 years ago, and maybe we can find a violation of the consent decree; and then, by implication, if we do, you, the steel industry, are in for it." Mr. President, if that is not a threat, then I do not know what the English language means.

Mr. KEFAUVER. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I prefer not to yield at the moment. I did not intrude before in the presentation, and I should like at least to continue with this statement. Then I shall be glad to yield.

The second series of threats came from the other distinguished Senator from Tennessee [Mr. GORE], and they were stated as follows—I shall not state them in their entirety, but all of them are in the RECORD, in case anyone wishes to read the full context, and I am quite sure that I do no violence to the whole context when I state them in this form:

First, the President of the United States is possessed of great powers, both legal and moral, if he will but use them.

In effect, that is saying to the steel industry, "If you raise your prices on the first day of October, we admonish you now that the President of the United States is possessed of great legal and moral powers; and, if he will but use them, then of course you may be called to account."

I think that can be called something of a threat, because the action is still inchoate; it has not been consummated; it is still 3 weeks or more away. All this was said in ample time so it would sink in to those who give direction to the steel industry, and it came as something of a threat.

Then the distinguished junior Senator from Tennessee said:

> Second, the Federal Trade Commission, with a vigorous new chairman, could move to police the steel industry according to the mandate laid down for it by the Congress.

First, I must say that the new chairman of the Federal Trade Commission is a vigorous chairman and an aggressive chairman. He was the chief of staff of the Subcommittee on Antitrust and Monopoly, of the Judiciary Committee, of which the distinguished senior Senator from Tennessee is the chairman. That gentleman's name is Rand Dixon, and he is a fine and a good person. I disagree with him violently in respect to many of his theses and much of his philosophy, but I admit that he is vigorous and I admit that he is aggressive. But it was then stated as follows:

> The Federal Trade Commission, with a vigorous new Chairman, could move to police the steel industry according to the mandate laid down for it by the Congress.

What is that mandate? It is a whole series of mandates—the Federal Trade Commission Act, the Clayton Act, the Sherman Act of 1890, the Robinson-Patman Act, and all the amendments thereto, and all the authority which now is on the statute books which can be invoked by the Federal Trade Commission. "So, Mr. Steel Industry, you had better watch out, if you are going to raise your prices on the 1st of October."

And there was no question as to whether it would be necessary, because they had not had their day in court, except in 1958, when, before the Antitrust and Monopoly Subcommittee, they went into the whole question of administered prices. I heard virtually all the testimony. A 200-page report was filed, and some 62 pages of it are the individual views of the minority leader of the Senate, in violent disagreement with what the majority reported. Now, after all that, it is said, "If you raise your prices on the first of October, you might be called to account by the Federal Trade Commission, under a vigorous new Chairman, with the mandates that exist in the law today."

The steel industry is not asked to appear before an appropriate body and be heard and justify whatever it wishes to do. No, Mr. President; that was a psychological threat and a warning to the steel industry not to take that step. But the steel industry has not been invited to appear before an appropriate body of the national legislature.

Third, the junior Senator from Tennessee said that the antitrust division of the Department of Justice can get busy or be activated by presidential direction.

Yes, the Department of Justice is clothed with broad powers in the whole field of antitrust enforcement. So if steel prices are raised, is it a violation of any act? Is there some way they can be touched? Perhaps not, but, Mr. Steel Industry, watch out.

First, we have the President who can get busy, and, second, we have the Federal Trade Commission under a vigorous chairman. And third, Mr. Steel Industry, we have the antitrust division of the Department of Justice, and they can get busy when they are activated by presidential direction.

If that is not a psychological threat to prevent the industry from raising prices, no matter what the equities and the facts may be, then I have never seen one.

It is no wonder that U.S. News and World Report, in its edition of September 4, should have a very considerable article on the subject, under the caption, "A New Move to Control Prices"—psychological price control, Mr. President, by referring to all the enforcement powers that are in Government, all of which are alluded to, all of which have been alluded to, weeks and weeks before this price increase, under a 3-year program, is imminent.

Then the fourth threat came. What is it? It came from the junior Senator from Tennessee, for this is what he said in his statement:

> Lastly, if all else fails, steel prices can be brought under utility type regulations, much as various Government agencies now regulate prices in other fields characterized by monopoly controlled, such as railroads, air, truck, bus transportation, pipelines, and many other fields.

"So, Mr. Steel Industry, beware. If you raise your prices on the 1st of October, we may convert you, by legislation, into a public utility, and then we will set your prices for you." If that is not a threat, I have never seen it, coming as it does roughly 5 weeks or more before the alleged price increase is supposed to take place.

I now comment on an editorial in the New York Times under the caption "Price Fixing in Congress," and I ask unanimous consent that the editorial be made a part of my remarks in the RECORD. Mr. President, I shall not read it. I will place it in the RECORD, but the caption of the editorial speaks for itself and discloses fully what the editorial is about—price fixing in Congress. It goes on to say that this looks like some endeavor, by resort to certain instincts, impulses, and attributes of humankind to frighten them a little bit and then to exercise price control powers on the floor of the Senate.

The distinguished Senator from Tennessee has answered that editorial, and his answer went forth and was published on, I think, the 27th day of August. So, in all fairness to him, I think his answer should be incorporated in the RECORD, also, immediately following and in con-

nection with the editorial from the New York Times, and I ask unanimous consent that they be printed accordingly.

There being no objection, the editorial and reply were ordered to be printed in the RECORD, as follows:

PRICE FIXING IN CONGRESS

Fundamental issues are raised by the campaign against a steel price increase that has been started by Senator GORE and some of his senatorial colleagues. These Senators are determined to prevent the steel industry from raising its prices after October 1 although the industry is committed to giving its unionized workers a significant wage increase then.

The scheduled wage increase results from a steel labor settlement imposed by the Eisenhower administration, acting through Vice President Nixon. Nevertheless, Senator GORE is threatening the steel industry with a deliberate Government campaign to break its large units up into small rival companies, or with imposition of public utility type Government price fixing if it raises prices.

If the price of steel is to be determined by speeches and threats on the Senate floor, then a precedent has been set whose final consequence could be a great change in our economic system. The private-enterprise system operates on the assumption that prices should be set in the marketplace, and reflect the force of competition among buyers and sellers. The Senate floor is not the marketplace.

However, it must be recognized that the sentiments Senator GORE and his supporters are voicing can ultimately be traced back in part at least to a conviction or suspicion that price setting in too much of American industry today reflects little or no real competition. While that sort of thinking has been around for many years, it received a strong acceleration from the shocking disclosures several months ago resulting from the Government's case against the electrical equipment industry. The collusion in price setting and division of markets there revealed was not only a betrayal of the elementary ethics the community expects of businessmen, but was a damaging blow to respect for the private-enterprise system.

Yet despite the electrical equipment case and other examples of formal or informal collusion in setting prices, competition is probably a much more real force in the American economy than Senator GORE believes.

In the case of steel, for example, there is not only the elementary competition of different producers and sellers, but also the competition to steel from other metals and plastics, and the significant competition given domestic steel by imports of foreign steel. The steel company executives, wondering whether to raise prices to compensate for the next wage increase, have, we suspect, a much more complex problem before them than Senator GORE suggests.

SENATOR GORE'S LETTER

To the EDITOR OF THE NEW YORK TIMES:

Perhaps you will be willing for me to express some views on the Times editorial of August 24 regarding recent Senate speeches by me and others on the subject of the threatened price increase of steel.

Steel being so basic to our industrial economy, the raising or lowering of steel prices in itself not only triggers percentage price markups that compound and pyramid all the way to the retail outlets, but it creates a psychological climate which carries over into the price-making process in many other industries.

The influence of steel on all other prices has been demonstrated many, many times. One of the most recent studies was conducted by the joint economic committee in 1959 under the staff direction of Dr. Otto Eckstein, associate professor of economics at Harvard University. This study proved beyond reasonable doubt that administered prices played the key role in the inflation of recent years.

Forty percent of the rise in the wholesale price index during the period 1947 to 1959, competent studies have shown, was due to the fact that steel prices were pushed up faster and further than the average of all other commodity prices

EFFECT ON WAGE STRUCTURE

Too, the wage of steelworkers is a bellwether in the wage structure throughout our economy. Should wages in the steel industry bound above reasonable and comparable levels, then a determined drive of others to catch up would ensue.

Now all of this has an important bearing on our whole domestic economic structure. But this is not all. It has played and will play an important part in our foreign trade and in our balance of payments difficulties.

From 1953 to 1958, U.S. iron and steel export prices rose 20 percent more than the export prices of our foreign competitors. During the same period, our share of world exports of steel fell from 18 percent to 12 percent.

Many people may wonder why they now find in hardware stores so many imported metal items. Perhaps one reason for this is that the export price of Belgian steel decreased 3 percent during the period 1953 to 1959, while the export price of United States-made steel was increasing 36 percent.

The public interest is involved then, in the threatened increase in steel prices. Such an increase in steel prices, and the consequent unusually favorable profit position of the steel industry, would almost automatically call for an increase in steel wages next July. This increase in wages would, in turn, be used as justification for another round of price increases.

Since this is so obvious, the subject-matter which I and my colleague debated for several hours appeared to me to be appropriate for discussion on the floor of the U.S. Senate.

Moreover, I thought the quality of the discussion was commendable. Where is there a more appropriate place for the discussion of a problem which so vitally affects the public interest, the cost of living for all Americans?

Your editorial states, "the private enterprise system operates on the assumption that prices should be set in the marketplace and reflect the force of competition among buyers and sellers. The Senate floor is not the marketplace."

LACK OF COMPETITION

It is agreed that the Senate floor is not "the marketplace" for steel, but from whence comes the assumption that steel prices are fixed in "the marketplace." The record is replete with evidence to the contrary. Indeed, there is a remarkable lack of price competition in the steel industry.

As is so well known, all the steel companies have practically identical prices. Price rises have traditionally been put into effect by all the companies almost simultaneously. In 1958, for instance, there was a good deal of sparring back and forth as to which company would be the "price leader" in boosting the price of steel.

The sparring over, Armco increased prices on July 29. By July 31 United States Steel and all the other steel companies had announced similar price increases.

Now it is true that this price increase was not fixed on "the Senate floor." It is equally true that it was not "set in the marketplace."

All of these facts and a myriad of others were involved in the Senate debate. Perhaps I will be pardoned, since I was a participant, but I thought that it was a worthy debate and in the public interest. Many others have also expressed their view that this was a meaningful debate and that the public interest was well served.

You refer to my suggestions of possible courses of action by the Government to protect the public interest as "threats" to the steel industry. Although I did not intend to make threats, I do respectfully suggest that unless big industry and big labor, particularly in monopoly controlled but basic industries, are able to exercise self-restraint, then action by the Government, regulatory or otherwise, within the framework of the free-enterprise system will be necessary in order to safeguard the public interest.

ALBERT GORE.

Mr. DIRKSEN. Mr. President, next I refer to the American Metal Market for August 25, 1961, under the title "How Gore Predicted Steel's Profits." That article is somewhere on my desk. Perhaps I ought to allude to it in a little more detail, if I can put my hand upon it in this welter of material that one collects under circumstances like these. It will come to light directly.

Meanwhile I refer to one other item I want to put in the RECORD, from the Post-Gazette and Sun-Telegraph of Pittsburgh of August 24, 1961. The title of the editorial is "One-Sided View of Steel."

That is the point I make. That is my thesis.

I do not for a moment contend one way or another what the price of steel ought to be, but I do say one has no business trying, through the powers of Government and through threats, to tell the producers what the price shall be unless they have had an opportunity to present their case, because that is an ex parte action, if I have ever seen one.

I would not do that to the humblest person in the land, because his rights are fully guaranteed by the Constitution of the United States. He will have his day in court. And so long as American industry has its day in court, it will have nothing to worry about, because, as we have gone through the investigations of the oil industry, the steel industry, the motors industry, the bread industry, the milk industry, the drug industry, year after year and year after year, and have given them a chance to state their case, they lay the facts on the line. That is all they have ever asked.

But I think it might be well to read the editorial into the RECORD. The editorial is captioned, "One-Sided View of Steel," and it reads:

Democratic Senators who have been denouncing the steel industry for an anticipated price increase this fall take a very one-sided view of the national economy. While they put the blast on the steel industry, they wholly ignore cost factors, principally wages, that influence prices.

Senators GORE and KEFAUVER, of Tennessee, for example, can see the gravest dangers in higher steel prices while pointedly ignoring automobile contract negotiations in Detroit. Don't they know that if the union monopoly in the auto industry gets a fat new contract that the higher employment costs will be reflected in higher automobile prices? Why aren't they screaming their heads off about that?

Similarly, we can't recall that the Democrats now filling the Senate with angry protests raised their voices at all (except to agitate for a settlement favorable to the

union) when the union monopoly shut the steel industry down for 116 days in 1959–60. When the Government finally forced a settlement, it cost the steel industry an estimated billion dollars plus. And Roger Blough, chairman of the United States Steel Corp., said then that the settlement could hardly be considered noninflationary.

Under the terms of that settlement, the steelworkers will get another raise in wages averaging 7.9 cents an hour on October 1. That will add hundreds of millions of dollars to operating costs. Unless there has been a fully compensatory increase in productivity, where is the industry to offset the added costs except in the price of its product? The Senators are hardly realistic in arguing that the increased costs can be absorbed from profits.

Now this is not intended as an apologia for the steel industry. We would like very much to see the industry hold the line on prices. In fact, we would like to see that done generally, including the automobile industry. We have a very real fear that American industry is in serious danger of pricing itself out of world markets in the face of steadily growing industrial competition. That would be done with the direst consequences to the national economy. Those consequences must certainly include widespread unemployment, of which the Pittsburgh district has suffered a particularly bitter dose.

If Senators GORE, KEFAUVER, et al., can rise above purely political considerations and look at the economy whole, they will appreciate the elementary necessity of thinking about wages and prices in the same context. Then they might be as quick to try to head off inflationary labor contracts as they are to lambast price increases once the cost damage has been done. But that sort of statesmanship probably is much too much to expect.

It is a fact that in the entire discussion I heard very little about wages and their possible impact upon steel prices.

I know that after weeks and weeks and weeks of hearings in 1958 I filed individual views. I said, among other things, with respect to prices, as point 1 in my individual views, set down on page 153 of the report on administered prices for the steel industry:

After careful analysis of the testimony adduced at the hearings, the minority finds that the position in the majority's report that the steel industry has made unjustified price increases is erroneous and unfounded.

There follows, Mr. President, a good deal of reference to the testimony which was taken over a long period of time on exactly that point.

I referred a moment ago to the American Metals Market, a daily newspaper of the metal industries, under the title "How GORE Predicted Steel's Profits."

The subhead is "Data From White House Aid Who Feared 'Hazards.'"

I do not know Mr. Freeman Bishop, who wrote the article. It was written under a Washington dateline. It refers to the data used, so I ask unanimous consent that the article be printed in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW GORE PREDICTED STEEL'S PROFITS—DATA FROM WHITE HOUSE AID WHO FEARED "HAZARDS"

(By Freeman Bishop)

WASHINGTON.—On what data did Senator ALBERT GORE base his prediction that the steel industry's rate of return in the fourth quarter this year would average 10.5 percent after taxes?

This is a question which has intrigued steel producers since Tuesday, the day the Tennessee Democrat took to the Senate floor to warn steelmakers of dire consequences if they lifted prices this fall.

Ostensibly these price boosts would be to compensate for the third round of wage increases under the existing contract with the United Steelworkers.

Mr. GORE, Metal Market has learned, made his prediction on the basis of a letter from James Tobin, acting chairman of the White House Council of Economic Advisers.

And Mr. Tobin did not project the same assurance which Mr. GORE displayed on the Senate floor that his forecast was correct.

Estimating future earnings, Mr. Tobin said, is "a most hazardous undertaking." Further, he continued, "Such projections are, of course, subject to error from a number of sources in this case most prominently from the lack of detailed information on first quarter costs, from necessarily arbitrary allocations of costs and revenues by quarter on the part of the industry's accountants, and from the difficulty of projecting seasonal changes in the composition of output and hence revenue per ton."

Whether one realizes it or not, the preceding represents only one sentence and perhaps Mr. GORE became lost between the subject and the predicate. This, maybe, is why he was so positive on the Senate floor.

The communication from Mr. Tobin, of course, contains statistical data on which the Senator based predictions of high profits in this fourth quarter.

"It is of some interest," Mr. Tobin wrote the Senator, "to try to project * * * into the fourth quarter of this year * * * to provide background for the discussion about the possibility of a price increase at this time.

"It should be noted," the communication continues, "that the profit rate in quarters subsequent to the fourth quarter of 1961 should be higher for any given level of operation, since productivity can be expected to continue to advance at about 3 percent per year, while employment costs per hour should remain fairly constant through mid-1962."

The letter from Mr. Tobin predicted that at a 70 percent rate of "capacity utilization, profits after taxes as a percent of equity" would be between 7 and 9 percent—at 80 percent, between 10 and 12 percent.

The method used to project these fourth quarter "magnitudes" was qualified by Mr. Tobin in this way:

"Productivity was projected by means of an equation which explains output per man-hour as dependent on the rate of operation of the industry, an underlying trend, and seasonal variations. The equation was obtained by the technique of multiple regression.

"It is of interest that productivity reaches its seasonal low in the fourth quarter. The projections for the fourth quarter reflect this fact. Projections for the first quarter of 1962 would show a 4.5 jump in each of the indexes due to seasonal factors, and a 1-point rise due to the trend.

"Profit rates were projected by using financial and production information published by the AISI (American Iron and Steel Institute) and projecting changes to the fourth quarter in revenues, Federal and other taxes, depreciation, interest, materials cost, employment costs, and stockholders equity for each assumed level of output, using the first quarter as a benchmark.

Still unsettled, however, is whether Mr. Tobin wrote the letter to Senator GORE on his own volition, whether the Senator asked Mr. Tobin to write such a letter, or whether it was White House inspired.

Mr. DIRKSEN. Mr. President, I refer to what appeared in the U.S. News & World Report of September 4, 1961. I think the article was particularly well written. I refresh the Senate again on the caption, which is "A New Move to 'Control' Prices."

In the box which sets out a heading for the article the language appears:

A campaign—of threats and persuasion—is being pressed by the Government to head off price increases. First to be warned: the steel industry and the bakers.

Look for more warnings on prices. This article tells the full story.

It pretty well does, so at this point in my remarks I ask unanimous consent to have it printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A NEW MOVE TO CONTROL PRICES

(A campaign—of threats and persuasion—is being pressed by the Government to head off price increases. First to be warned: the steel industry and the bakers.

(Look for more warnings on prices. This article tells the full story.)

The Kennedy administration, with the aid of Democrats in Congress, is now beaming this warning at key American industries:

Don't raise prices. If you do, you may be sued under the antitrust laws. At the very least, you will be subjected to public censure by high officials, possibly even by the President himself.

A campaign to get industry to hold prices down, even in the face of rising costs, moved into high gear on August 22 with these two moves:

First, 10 Democratic Senators, with blessings from officials of the Kennedy administration, warned the steel industry not to raise prices this autumn. The industry's contract with the United Steelworkers calls for a wage boost of about 8.5 cents an hour on October 1, and some company executives have suggested that prices ought to be raised.

PRICE WARNING

The Democrats claimed that profits in the steel industry will be "normal," in spite of the wage boost. Senator ALBERT GORE, Democrat, of Tennessee, said that, if prices are raised, the Federal Trade Commission and the Antitrust Division of the Justice Department should look for violations of the antitrust laws. He also threatened that the industry might be subjected to "utility-type regulations" of prices.

Second, on the same day, Secretary of Agriculture Orville L. Freeman published a letter to the head of the American Bakers Association attacking plans to increase the price of bread. Mr. Freeman warned of possible public reaction.

At the White House, an official who was asked if these attacks on possible price increases were approved said, "I certainly hope they succeed."

Estimates used by the Senators in their speeches on steel prices were supplied, in part, by the President's Council of Economic Advisers and reflected the Council's views.

PRICE CONTROLS COMING?

This campaign against price boosts raises these questions in the minds of many businessmen:

Does the Government have any legal power to prevent prices from being raised? Is the administration getting ready to seek such power from Congress? Are all price increases to be called into question? Just what is the official policy on wages as well as prices?

What's up, really, is an effort to control prices by threat and persuasion.

The Government has no legal authority to forbid a price increase. It can act only when it can be shown that the markup results from a conspiracy or monopoly situation.

In such cases, companies can be prosecuted under the antitrust laws.

This is part of the threat now being held over the heads of the companies moving to raise prices. It is the position of some administration officials that a uniform rise in steel prices would be evidence of conspiracy or monopoly. Senator GORE even talked of breaking up the large steel companies under orders of the Federal courts.

At the same time, you hear talk of reviving direct controls over wages and prices. The administration has no such plans now, but officials do not rule out the possibility of asking such powers later if an inflationary spiral should develop.

The broad policy, as now disclosed, is to induce business to offset wage increases through savings from more efficient operations and new equipment. Federal economists argue that business should rely on expanding markets, rather than higher prices, to maintain and increase profits. They add that, if business takes this approach, the unions will have less reason to enforce excessive wage demands.

The first tests of this policy are coming in the steel and baking industries.

WHAT FIGURES SHOW

The Senate was told that steel prices have risen too far already, and that any further rise will be inflationary here at home and make it more difficult for U.S. industry to meet the competition from abroad.

Government figures were cited in the debate to show that steel prices have gone up by more than 100 percent since 1947, while industrial prices generally have risen only 35 percent.

If allowance is made for increases in efficiency and output per man-hour, the cost of union labor in the steel mills has risen less than prices, according to the estimates of some congressional economists.

On that basis, the Senators argued, the companies, not the unions, have been to blame for inflation.

Senator GORE drew on information from the Council of Economic Advisers to show that increasing efficiency, due to higher output, will cover just about all of the cost of the October 1 wage boost and that the industry's profits will be at normal levels without a price boost.

COUNCIL'S MATHEMATICS

The Council believes the steel mills, now operating at about 68 percent of capacity, will be going at a rate of 70 to 80 percent in the fourth quarter of this year and at 80 percent or higher in 1962.

The Council estimates also that, after the pay raise takes effect and without any boost in prices, the industry will be able to earn from 7 to 9 percent, after taxes, on its investment when operating at 70 percent of capacity; and from 10 to 12 percent when operating at 80 percent. The average rate of return, after taxes, was 11.5 percent in the 1947–60 period, Government figures indicate.

Is the Government going to try to hold down prices but not wages? Officials deny their attitude toward increases is one sided. They point to speeches by Economic Adviser Walter W. Heller, Treasury Secretary Douglas Dillon, and others that warn against the danger of inflation in wages as well as prices.

If industry holds prices down and takes only reasonable profits, officials argue, the unions will be more restrained. "I hope we can break into the price spiral and that this will have an effect on wage negotiations in the steel industry next year," a White House aide explains.

HOW INDUSTRY FEELS

The steel producers, on the other hand, say they have not raised prices generally since August 1958. Since then, their figures indicate, wages and other costs have gone up, profits have gone down.

The industry's records show a rise of about $11.55 a ton in steelmaking costs since 1958, even after allowing for improvements in plants and processes. The October 1 pay raise, company economists believe, will add an additional $3.40 a ton to costs, after it has been fully reflected in fringe benefits, salaries, and the prices of purchased services and materials.

Thus, the companies contend, costs will be up nearly $15 a ton without any price boost to cover them.

The industry's profits on a dollar of sales was about 11 cents in 1958 and about 6 cents in the first quarter of 1961. Total profits after taxes were a little over a billion dollars in 1959, in spite of the longest strike in the industry's history. Profits dropped to 945 million in 1960 and were running at a rate of less than 700 million in the first half of 1961.

No one in industry is suggesting a price boost to cover all the estimated rise in costs since 1958. Officials talk of a boost of $4 to $5 a ton, and it was this talk that touched off the attack on the Senate on August 23.

Foreign competition puts a limit on U.S. prices for steel, the producers say. Exports were at an unusually low level in June, while imports were the highest in more than a year.

Steel users in the United States already are balking at high prices. Prices on a number of steel products were recently reduced. On August 22, the Youngstown Sheet & Tube Co. reinstated a 5-percent discount from prices of rigid steel conduit after trying to sell at list prices since June 30.

Now the industry finds itself operating under a new pressure, in the form of a Government campaign to keep prices down.

BATTLE OVER BREAD

The campaign is also being aimed at a possible increase in the price of bread.

On August 15, E. E. Kelley, Jr., president of the American Bakers Association, said, "It will be a little short of a miracle if bread prices are not increased in the near future." He pointed to the fact that the Government support price for wheat harvested in 1962 will be $2 a bushel—a 21-cent increase over this year's figure of $1.79. Mr. Kelley also pointed to higher prices of other materials, labor costs and some scarcity of high-protein wheat flour.

Wheat is now selling in Chicago for about $2.02 a bushel, up from $1.93 a year ago. Flour costs about $6.55 a hundred pounds in New York, up from $6.25 a year ago.

Secretary Freeman's letter accused the industry of raising prices at "every opportunity" and said it was strange to propose a price boost now, on the ground of a "small increase" next year in the farmers' price for wheat.

The increased support, Mr. Freeman said, will add only one-fourth of a cent to the cost of a loaf of bread. A minimum increase in price, of 1 cent, would be four times this much.

"I hope you and your organization will give thoughtful consideration to the proposed action you have announced, especially in view of the possible public reaction to an increase in price which will not benefit the farmer," Mr. Freeman concluded.

Thus, the campaign against price increases got under way with attacks on two industries. Other businessmen were wondering if the campaign would hit them, too, and how effective it would be in preventing price increases.

BACKGROUND OF THE ARGUMENT: HERE ARE THE HARD FACTS ON STEEL

Steel wages: $3.19 an hour average. Factory wages, average for all lines: $2.35.

Wage rise in steel: Up from $1.44 in 1947, a gain of $1.75, or 122 percent. Gain for all factory workers: $1.10, or 90 percent.

Coming raise in steel wages: 8½ cents an hour, average, on October 1.

Labor cost: $68.76 per ton of steel, against $32.47 in 1947. Increase: 112 percent.

Steel prices: According to "Iron Age," $124 average per ton of finished steel, compared with $60.30 in 1947. Increase. 106 percent.

Steel profits: $945 million, after taxes, in 1960. By comparison: Profits were $651 million in 1947, and $1.34 billion at the high in 1956. Annual rate, first half of 1961: $692 million.

Profit per ton: $9.80, before taxes, in first quarter of 1961, compared with $16.68 last year, $20.23 in 1956, and $8.73 in 1947.

Basic data: U.S. Department of Labor, American Iron & Steel Institute, other trade sources.

Mr. DIRKSEN. Mr. President, I do not wish to take too much time, and I shall not go into great detail. I recur to the thesis on which I began. When there is a threat to industry and industry is not given its day in court, then we shall have departed from the American concept as I understand it.

All this is capped off by the telegram which the President of the United States has sent to the leaders of the larger segments of the whole steel industry, which was released as of today. I hope we can have the entire statement in complete context, so that it can be included in the RECORD at this point in my remarks.

The report from the ticker reads as follows:

WASHINGTON.—President Kennedy warned the steel industry today—

I repeat:

warned the steel industry today that "restrictive monetary and fiscal measures" may be necessary if steel prices go up this fall.

What is a restrictive monetary measure or a restrictive fiscal measure if it is not control? We are in peacetime, not wartime. This is a threat to an industry. Shall it be done on an ex parte, one-sided basis, instead of permitting the industry to tell its story before a proper tribunal or a proper forum, before which the onus would be upon the industry to justify a price increase?

If that is not the American concept, then I fear my indoctrination in the history and in the law of this country has been sadly neglected.

A natural question arises in connection with this effort to use the fear technique to control prices. What would prevent the Federal Government from using it in labor disputes? If it can be done with respect to industry, certainly it can be done with respect to labor. What will prevent the Federal Government from using a similar technique against the farmers or against the merchant seamen or against any other group in the country? In proportion, their demands may have an impact upon the economy of the country and may have an inflationary effect or, on the other hand, they may not. If that can be done with respect to one, it can be done with respect to another.

Have we finally reached the point in the peacetime of our country that the threat of the Federal Government invoking the powers which reside in the enforcement agencies is to be used well in advance, to say to any economic group, "Don't do it, for if you do the long arm of the Antitrust Division, the long arm of the Federal Trade Commission, and the longer arm of the President of the United States and all the powers inherent in that office, and a good many other things, will be brought to bear."

This is an amazing thing, Mr. President. Are we on the threshold of government by fear and, finally, the loud knock on the door, when someone will say, "Open up. We are agents of the Government. We have come to warn you not to raise your prices and not to take a certain course of action, because there is a great array of enforcing agencies, with the Federal Treasury behind them and unlimited power under the laws upon the statute books today, which will discipline you in good time if you do."

Does the Government propose now, on the basis of ex parte representation—I add, by a Harvard economist, who certainly honestly takes that view—to tell industry what it must do, and to threaten the use of every enforcement power within the realm of the Government if it fails to do so?

If this is the new technique of the New Frontier, we have gone pretty far down the authoritarian road. This can well be called psychological price control with the Government holding all the weapons.

Mr. President, I now ask unanimous consent that I may yield to the distinguished Senator from New York [Mr. JAVITS] without losing my right to the floor.

The PRESIDING OFFICER (Mr. BOGGS in the chair). Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, before stating my views on the steel price increase debate, which has been touched off by the very able presentation made by the Senators from Tennessee [Mr. KEFAUVER and Mr. GORE] and other Senators on the other side of the aisle, I wish to state, because I think it gives a proper frame of reference, the political philosophy which animated me to urge my side to debate this issue. I think it is important that we understand the issue in the context of this philosophy.

Mr. President, it is rather a primitive idea politically today to assume that the Democrats represent labor and that the Republicans represent business, yet I think that is an idea popularly held in this country. The reason why I think it is primitive is that the definitions of "labor" and "business" are so obscure in the minds of too many people. By "labor," we should include not only 16 million people, in round figures, who are unionized but all the 67 million Americans who work, a figure far and away beyond the 16 million who are unionized.

Yet, when a person speaks of labor, generally he means unionized labor. When a person speaks of business, most often he still thinks in 19th-century terms of either barons who sit in seats of power in Chicago, New York, or some other essential place, or he thinks of stock manipulators in the old tradition of the Fisks and others who manipulated securities up and down pretty much at will.

Today business includes not only the owners of business, who now constitute approximatley 12 to 14 million Americans with all their stockholdings and bondholdings, but also approximately 3 million to 5 million people who are small owners of business. Today business includes between 2½ million and 5 million farmers depending on how we define the size of the family-owned farm. Business today includes all consumers. I think that is a perfectly fair definition. Business includes also approximately 80 million Americans who have either life insurance policies or deposits in savings banks which are absolutely dependent for their viability and worth upon securities which, in turn, those institutions hold in all American business.

Under those circumstances, I come now to what motivated me in urging that the debate take place. It seems to me that the subject now involves a totally new concept for both the Republican and Democratic Parties, in which both can take great pride, and in which both can serve very effectively, and that the debate can give us a frame of reference, a clue to that kind of service, for it comes down to this point.

If it is a fact that labor generally has confidence in our Democratic colleagues, then a duty is imposed upon our Democratic friends, because we are a national body. We do not represent labor exclusively any more than we represent only capital or business interests. A duty is imposed to lead labor in the path of the public interest.

So, too, on this side of the aisle the debate represents an opportunity for us, for business generally, and for people who have a stake in ownership, no matter how big or small. There are those who have confidence in us. The philosophy on the Republican side is something they like and admire. We are given a great opportunity to use that confidence and lead those people in the path of the public interest.

We now have a debate in which both sides can admirably serve that purpose. But unless the issue is joined, it may be written off as a piece of special pleading by certain Senators for the trade unions, whether it be the steel union or all unions. I have felt, too, that on our side the debate might be written off as a defense of management.

Therefore, unless we can raise the debate constructively and effectively above that level, we shall serve no purpose except to confirm old and outworn prejudices and fears which I believe no longer have a fundamental grounding in the future of our country.

I have uttered those words, which may sound academic to many, only because I think it is important when we have an opportunity—and this is an opportunity—to elevate ourselves to a new plateau.

We are really in a grim struggle for the survival of freedom. If we believe, as I am sure 100 Senators believe, that the system of private economy is the basis of our freedom, the thing that enables us not to be Government slaves but to have an opportunity to live out our lives in the sunlight of freedom, then we must make our system work. In order to make it work, I am convinced that somehow or other it must be directed toward serving the national interest, and that mere struggle, the rule of tooth and claw, as it was conceived in 19th-century terms, will bring us to ruin and destruction.

The Russians have solved that problem by centralized control and authoritarianism, which is completely abhorrent to us. We would prefer the danger of atomic war, which we are now facing, to enduring the kind of society that exists in Russia. But if we are to endure, we must find some way within the framework of our institutions to make the public interest paramount. If this debate contributes in the smallest way to putting us upon that path, I think it will have served a most effective and constructive purpose.

Coming to the basic issues of the question of a steel price rise, the issue is fundamental to the private economic system of the United States.

In the Senate we are asked to lend our weight and influence to advising the steel industry to refrain from raising its prices after October 1, when the industry is committed by contract to give its workers a wage increase. I do not wish to see steel prices raised at this time. I want to see a general price rise avoided. I agree that a rise in steel prices may set off a new spiraling general increase in prices. But I believe that to stabilize steel prices, management self-restraint, which is so fall all we have gotten in terms of a proposal, is an inadequate basis upon which to rely. I think we must also call, in this free debate, for greater responsibility by labor union leadership, and for Federal Government cooperation.

I should like to lay out in detail before I am through precisely how I implement and define both those ideas.

I saw in the recent Democratic campaign and in the campaign which originated on the other side of the aisle against the steel price increase a tendency to make a whipping boy of steel company management without adequate recognition of the roles of labor and Government in the economic situation which gives us the danger of an increase. There is a tendency to overlook the right of investors in the steel companies to a fair return, a tendency to gloss over the responsibility of trade unions, a tendency to encourage the Federal Government to play a punitive role of imposing antitrust sanctions if its pricing dictates are disregarded. That is the point made by the Senator from Illinois [Mr. DIRKSEN]. There is a tendency to seek to regulate the U.S. economy by speeches on the floor of the Senate. I am all for debate on the floor of the Senate, but I do not think it can be unilateral and at the same time be salutary to our eco-

nomic and social system. That is not the way to bring about price stability and to counter inflationary price rises in steel.

The distinguished Senator from Tennessee [Mr. GORE] said that if the steel industry raises prices, it may be threatened with a Federal Government campaign to break up its larger units into smaller competitive companies, or with the imposition of a Government public-utility-type price regulation.

Economics by fiat would destroy the basic concept of economic freedom on which this Nation was founded—a concept that because of its success, has become the hope of the entire free world.

As I said a moment ago, the vast capital invested in the steel industry comes directly or indirectly from the savings of our people, workers included, who were willing to put these savings at risk in the hope of a profit, and it is only profitable operation that can pay adequate wages and give proper conditions to men at work.

We all know that broken down, beaten up industries which do not operate properly generally have the worst conditions.

While we are on the subject of profits, I think it is interesting to note that the biggest profiteers are the Communists. All the statistical analyses of the Russians' figures we have had in the Joint Economic Committee show that the Russian leaders take far more out of their own people in terms of profit than we dream of in terms of what is a reasonable rate of profit, because of their practice of practically forced savings in order to achieve very high rates of reinvestment.

When we discuss the basis on which steel profits are determined, we must remember that there exists in the industry not only the element of competition of different producers and sellers of steel, but also the competition to the steel industry from producers of other metals and plastics—and, very importantly now—and that is evidenced organically from the figures our colleagues have produced—from competition by foreign steel producers.

So the steel executives have a far more complex problem in determining their pricing policies than Senators suggest.

Mr. President, the dangers of an increase in the price of steel cited by the Democratic Senators are real, and were brought out well in their discussion on the floor of the Senate. At this point I should like to pay tribute to the amount of documentation with which they brought out these facts and figures under discussion on the floor of the Senate. Indeed, I believe that the document entitled "Steel Facts Brought up to Date," issued under the auspices of Senator KEFAUVER, is an admirable document. I have some supplemental figures to submit, but on the whole the argument can still proceed on the basis of the figures which have been supplied, with the addition of some points which I will make. Essentially these figures contribute greatly to the debate between the two parties.

Of special significance is the relationship of such a price rise to the position of the United States as economic leader of the free world. The implication of a revival of inflationary pressures in the United States, touch on our ability to compete with foreign products abroad and at home and thus affect our balance-of-payments position, affect the continuation of our liberal trade policies which give free world nations a stake in our markets, affect the acceptance of our products by nations with which we must tighten and strengthen our bonds of trade, affect the discharge of our economic and military aid responsibilities throughout the world, and, in the broadest sense, affect the basis of the free world economic structure which rests on the strength of the dollar.

It must be made clear, however, that the responsibility for the existence of these dangers involves responsibilities not only of management but also of labor. In an economy where prices, even those of steel, are determined by the market to an extent much larger than admitted in the presentation made by our colleagues in the Senate on the other side of the aisle, the effect of wage costs on prices cannot be ignored.

Using even the controversial base year and limited average hourly earnings data of Senator Kefauver's presentation, to which I have already referred, we find that wages increased more rapidly than steel prices between 1947 and 1959. We also find that profits, both as a percentage of net worth and as a percentage of sales, have decreased over much of this period, especially during the last 3 years.

In our economic system, whether it expresses itself in terms of oligopoly or full free market competition, whether it resorts to the practice of price leadership or competitive pricing, success depends on meeting demand. It is therefore unrealistic to ascribe decreasing profits to any management refusal to produce and sell as much as demand will accept.

With these preliminary remarks, Mr. President, I should like to state that as representatives of all the people of the United States, it is not our job to follow the complex calculations by which the businessman and labor leader attempt to gain the most for the interests each represents. That is the job of the businessman and labor leader. Our job is to look at the national effect of these calculations.

When we are told, as we were in the colloquy between our very gracious and distinguished colleagues, Senator NEUBERGER and Senator Moss, that a $3 per ton increase in the price of steel supposedly costs $97 to the purchaser of a tractor, we must consider that nearly 40 percent of the price of steel is determined by employment costs, while profits in 1961 for the steel industry were estimated at 4.5 percent of sales, or one-tenth of the labor cost, and that this year, while a 3-percent increase in the price of steel is being talked about, a 3-percent rise of employment costs is actually stipulated by the terms of the contract.

Mr. President, I want to see labor well paid. That is the American way. I am one Senator who is able to say that that is the way I have voted in all of the last 16 years which I have spent either in the Senate or in the House, with the exception of the 2 years which I spent in Albany.

In considering the leverage respecting the price of steel, it is important to understand that labor costs mean about 10 times more to the price of steel than profits.

The time has come to serve notice that Congress and the President of the United States represent the national interest. That goes for the President too. It is time to serve notice that this national interest must be served by the policies of labor as well as by management in the steel industry.

It is always an enviable position to be able to speak when one finds in respect of a certain area one's whole record to be favorable to that particular economic group. I believe I can say without any reasonable ground for challenge that my own record and my advocacy record have been constantly in favor of labor. Therefore I believe I have a right to speak to that issue in a very frank and open way. I may say that I never hesitate to do that in the many addresses that I make to trade union groups themselves.

Here is what I think is the basis for a real set of actions in the national interest with respect to this present discussion of the subject of steel prices:

First, an agreement from labor that, if the industry holds the price line during the coming 10 months, labor will switch from demands for increased wages in the 1962 wage negotiations to a policy of profit sharing and stockownership in the business, with suitable cost of living adjustments. This is a major decision on the part of trade union leadership. The experience now being gained in the auto industry contract with American Motors and in the negotiations with General Motors may well provide valuable guidelines to this approach.

This is a real, a positive, an affirmative contribution which could be made by every union leadership, right now, to the whole fundamental idea of maintaining the stability of the price structure.

Second, and as a corollary, an agreement from management to refrain from an immediate steel price rise and to be receptive to profit sharing and stockownership on the part of labor, without yielding any of management's responsibility for operations.

I point out, for example, that we are informed currently that General Motors Corp. finds itself unwilling to agree to any profit-sharing idea in the new labor contract. I hope that is not their final view. I hope they will change that view. I say that because I cannot see management contributing to the spiraling set of costs and further price increases. If management can find a common road with labor, as is indicated by the American Motors agreement, under which agreement and in connection with which effort labor can get, to use Samuel Gompers' word, "more," then a step forward will have been taken in an economic

sense to the maintenance of price stability.

Third, support from labor, industry and government for a measure giving statutory basis to the President's Labor-Management Committee to enable it to function as a Peace Production Board, with authority to make recommendations to the President regarding legislation for price, wage, commodity and materials controls and allocations. Such a Board would also encourage and assist in the organization of labor-management-public committees designed to increase productivity, reduce labor management tensions and absenteeism, and smooth the transition to greater automation and technological advance. Essentially a Peace Production Board would be able to promote the voluntary allocation of national resources, material and human, to gear up this Government and our people to meet the great crisis of the Communist challenge. I have introduced legislation, S. 2204, the Peace Production Act, for this purpose.

Finally, a labor-management agreement to endeavor to increase productivity by eliminating make-work practices in labor or management, to encourage automation, provided security is given to those employees affected, to seek better means to avoid work stoppages and to afford equal opportunity to all workers without regard to race, creed, or color.

That would complete what I consider to be necessary action in the public interest on the part of these economic groups.

Now I should like to state why it is so very dangerous for us to try to substitute ourselves for the operation of the economic processes rather than to concentrate our activities on fundamental considerations of basic policy within the framework of which operational decisions may be made.

I shall deal with some of the statements which appear in the document entitled "Steel Facts," issued by the subcommittee of which the Senator from Tennessee [Mr. KEFAUVER] is the chairman, and which were essentially the basis for the findings and arguments made by our Democratic colleagues in first bringing this case before the Senate. I shall consider these statements as they pertain to my argument, as it is affected by the level of steel wages, trends in unit labor cost and price of steel, and the cost of the wage increase called for under contract on October 1, 1961. Such an analysis should put into perspective the broad range of fact upon which we must base our appeal to labor and management in the steel industry.

According to Bureau of Labor Statistics data—the only source from which interindustry comparisons are available—less than 2 percent of the wage earners in manufacturing industries have average hourly earnings higher than the steelworker. This is a major improvement in the steelworker's position over prior periods such as 1940 when 15 percent of such workers had higher average hourly earnings. As recently as February 1954 the comparable figure was 9 percent. There are material layoffs in the steel industry, yet the annual wage of steelworkers remains among the highest in industry.

The "Steel Facts" sheet released by Senator KEFAUVER indicates that between 1947 and 1959 average hourly earnings in the steel industry rose by 113 percent, that the increase in "man-hour productivity" was 42 percent in this period, and that the resulting increases in unit labor costs was "slightly more than 50 percent."

In using these statistics, we should note, however, the testimony presented by Mr. Robert C. Tyson, chairman of the finance committee, United States Steel Corp., before the Antitrust and Monopoly Subcommittee of the Senate in 1957. He stated that—

> During the war period, preceding 1947, his company's employment costs and wholesale prices in general rose rapidly, both increasing by over 50 percent from 1940 to 1946. On the other hand, steel prices under regulation during the war were not permitted to rise at all until 1945, and in 1946 were only 12 percent greater than in 1940. Profits were squeezed down to a low in 1944 of less than 3 percent of sales despite a 95-percent operating rate. In no prewar year had United States Steel ever operated at 90 percent or more and experienced an income percentage of less than 14 percent. Owing to this wartime factor, steel product prices in 1946 and 1947 relative to wholesale prices in general were more out of line on the downside than they have been within the past half century for which we have records. A postwar readjustment was absolutely required if the steel industry was to escape gradual disintegration.

Besides the controversial 1947 base period, Senator KEFAUVER's comparison used earnings for wage employees only instead of for all employees. Using data only for wage employees ignores the substantial and growing contributions made by research scientists, engineers, accountants, mathematicians, and the myriad of other management jobs so essential in achieving gains in output. Secretary of Labor Mitchell in reporting on "Statistics Bearing on the Steel Dispute," during the 1959 steel strike indicated that the number of production workers has fluctuated considerably in the postwar period with little net change. The Secretary indicated that the number of administrative, professional and clerical workers, on the other hand, has risen substantially in the postwar period and that between the first half of 1947 and the first half of 1959 these employees in the steel industry increased by 34,000 or by nearly 50 percent. Thus, to attempt to compare a period such as 1947 versus 1959, while ignoring the effect of the increase in the number of salaried employees and their corresponding man-hours needed to achieve steel output, results in misleading conclusions.

The reference to "man-hour productivity" and then simply to "productivity," and the attempt to relate unit labor cost to prices can also be misleading. Dr. Solomon Fabricant, Director of Research of the National Bureau of Economic Research, stated in the February 1961 issue of Challenge magazine:

> Productivity statistics should take account not only of the input of labor in the form of man-hours; they should also take account of the input of other resources, such as tangible capital equipment.

To ignore cost substitution factors which may have taken place renders comparison of component costs, such as the cost of labor, in a vacuum and leads to unwarranted cost-price comparisons. The Bureau of Labor Statistics has been quite clear in cautioning all that the figures which they issue represent output per man-hour and do not represent total productivity.

Steel production facilities require vast investments and a considerable amount of time to build. They are created by the savings of millions of shareowners. These facilities cannot be created overnight to meet increased demand, nor abandoned when demand falls off. Yet the steel industry is one of the most cyclical of all industries—during a business cycle the demand for steel falls and rises twice as fast as the average of all manufacturers.

The facts are that the industry increased its capacity from 81.6 to 91.9 million tons during the war period of 1940–46, and from 91.2 to 148.6 million tons in the succeeding period of 1947 to 1960. Obviously, the economy of the country requires that peak capacity be considerably higher than average demand. We do have such a capacity, principally because the industry has invested huge sums to keep its facilities in pace with or ahead of the economy as a whole.

Let us note that, if the steel industry could not operate at a reasonable profit at less than capacity operations, the investment funds would not have been and would not be available to maintain a growing industry sufficient to take care of the needs of a growing economy.

I strongly favor operation by the steel industry at a level of capacity which will meet growing needs. I believe that policies at home and abroad commensurate with the responsibility we must assume in the development of the less developed countries, the facilitation of trade which will come with the wise application of common market and free trade area principles in the Atlantic Community and other parts of the world and the reform of the free world's credit mechanisms to utilize the full potential of the free world's use of credit would serve together to materially increase this rate of steel operations.

These are all Government policies, not policies dependent on the steel industry at all.

Our Government and people cannot accept in any industry operation at less than the maximum possible capacity according to the going demand. I cannot see why the industry would not be willing to impose the self-restraint of no price increase upon itself if, through the commitments to be undertaken by labor and management as I have described them above, the industry's feet may be put upon the road of expanding utilization of capacity. As the issue of profits is raised, however, to justify a theory that the industry can refrain from raising prices without regard to the wage increase now and the general policy of labor as to its compensation, it is fair to make some observation about the

profits analysis as it appears in "Steel Facts."

The concluding statement in "Steel Facts" on profits states, "The rise in the profit rate in relation to the operating rate can only mean that prices have risen more than costs."

But it is claimed that profits expressed as a rate of return on net worth are not a meaningful measurement in an industry heavily invested in long-lived facilities, such as steel, because profits are recorded in current-day dollars and net worth is based on dollars invested in facilities many years ago before much of the inflation in the last two decades took place.

It could hardly be expected that industry would not, of itself, just as labor would not, of itself, deal with its own problems of survival in advance of correlative action on the part of other factors concerned: the labor factor and the factor of government.

A simple illustration will show why and how much the use of net worth as a basis can overstate profit rates. Suppose 20 years ago a steel company had a million dollar investment or net worth and sold a million dollars of steel and made a profit of $50,000. That profit was equal to a 5-percent return on investment and 5-percent return on sales. Then inflation pushed costs and prices up 100 percent. Now they do the same business but their sales are $2 million and if they still earn 5 percent on sales they have a profit of 100,000 inflated dollars. But their investment, which turns over very slowly, is still valued on their books at not much more than the original, historical $1 million. Thus it appears that their rate of return on net worth is almost 10 percent—the illusion of inflation. For example, to build a new fully integrated steel mill would require an investment equal to almost $400 per ton of finished steel product of such a mill. The product might sell for $150 per ton and earn a 6-percent profit or $9 per ton. That $9 is equal to a 2.25-percent return on their investment—not 10 percent or more.

Expression of profits as a percent of sales, it is claimed, avoids the inflation distortion because both facts are recorded mostly in current dollars. I call attention to a table which I ask unanimous consent to insert in the RECORD at this point showing the relationship between net worth sales and profits.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Steel: Relationships between production and profits

Year	Steel industry				United States Steel			
	Ingot production (thousand net tons)	Operating rate	Rates of return on—		Ingot production (thousand net tons)	Operating rate	Rates of return on—	
			Net worth	Sales			Net worth	Sales
1920	46,183	76.7	12.1		21,501	86.2	11.5	8.5
1921	21,639	34.9	2.2		12,282	48.3	4.3	5.0
1922	38,945	61.7	3.8		18,012	70.9	4.6	4.9
1923	49,017	77.3	9.4		22,770	89.1	10.9	9.9
1924	41,446	64.6	6.5		18,456	72.2	8.4	9.2
1925	49,705	75.4	7.6		21,167	81.7	8.6	8.9
1926	52,902	84.1	9.3		22,743	89.1	10.1	10.8
1927	49,273	75.4	6.6		20,705	79.8	7.4	9.2
1928	56,623	84.6	8.4		22,518	84.6	9.0	11.4
1929	61,742	88.7	12.1		24,493	90.4	12.6	18.0
1930	44,591	62.8	5.1		18,762	67.2	5.8	12.6
1931	28,607	38.0	−.3		11,292	37.5	.7	2.4
1932	15,124	19.7	−4.5		5,521	17.7	−4.1	−24.7
1933	25,725	33.5	−2.2		9,013	29.4	−2.2	−9.7
1934	29,182	37.4	−.7		9,700	31.7	−1.3	−5.1
1935	38,184	48.7	1.4		12,467	40.7	.1	.2
1936	53,500	68.4	4.8		18,937	63.4	3.8	6.4
1937	56,637	72.5	7.2		20,756	71.9	7.0	9.2
1938	31,752	39.6	.3		10,525	36.4	−.6	−1.3
1939	52,799	64.5	4.2		17,626	61.0	3.1	4.9
1940	66,983	82.1	8.2	8.0	22,934	82.5	7.5	9.5
1947	84,894	93.0	11.8	6.1	28,570	96.7	10.0	6.0
1948	88,640	94.1	14.4	6.7	29,292	93.8	10.6	5.2
1949	77,978	81.1	11.8	7.1	25,807	82.5	9.6	7.2
1950	96,836	96.9	15.3	8.0	31,457	98.2	12.3	7.3
1953	111,610	94.9	11.2	5.6	35,827	98.4	9.9	5.8
1954	88,312	71.0	9.4	6.0	28,355	73.2	8.3	6.0
1955	117,036	93.0	14.7	7.8	35,309	90.8	14.8	9.0
1956	115,216	89.8	13.2	7.3	33,402	85.2	12.8	8.2
1957	112,715	84.5	12.4	7.3	33,738	85.2	14.3	9.5
1958	85,255	60.6	8.1	6.3	23,819	59.2	9.7	8.7
1959	93,446	63.3	8.1	5.8	24,445	58.3	8.0	7.0
1960	99,282	66.8	7.8	5.7	27,281	65.1	9.2	8.2
1961 (6 months)	44,859	(1)	(1)	4.5	11,539	(1)	(1)	5.8

[1] Not available.

Sources: Ingot production, operating rate and rate of return on sales, AISI and United States Steel annual reports, return on net worth, "Steel Facts."

Mr. JAVITS. Mr. President, probably it is best to consult both percentages to determine fair profit margins: net worth and sales.

This tabulation shows how profits, when compared to sales in the same kind of dollars, show no significant trend while it appears that the return on net worth figures results in overstating earnings, because of their book value basis. It should be noted that when all of the years since 1939 are compared on the basis of return on sales, it turns out that in no year have steel industry profits exceeded the rate of return earned in 1940. The conclusion elsewhere that the steel industry can absorb another wage increase and still earn the same rate on profit on net worth is not as meaningful as "Steel Facts" would contend because this rate of profit is a percentage of the dollar value invested at a time of much lower investment costs.

Mr. President, I shall not take the time of the Senate to discuss more details of costs and other factors. In closing my remarks, I would like to emphasize that we are all workers and want good wages. We are all consumers and want quality products at low prices. But we cannot forget that both of these objectives require in our private enterprise economy that the businesses and industries of the Nation make sufficient profits to stay in business and pay the shareholders a reasonable return on their invested capital.

An editorial published in the New York Times, which the Senator from Illinois placed in the RECORD, makes essentially the same point.

So, too, an editorial entitled "A Challenge to Labor," published in the Washington Post of September 4, has essentially the concept which I have expressed in this speech.

Mr. President, I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A CHALLENGE TO LABOR

Labor's spokesmen have been in the vanguard of the movement for faster economic growth. In this they have performed a national service; the Nation needs to grow rapidly if it is to meet its international and domestic challenges. But there is a real question how far labor's customary attitudes are compatible with faster growth. Samuel Gompers formulated the traditional demand: "More." Labor has always pressed for a larger share in the national income, and it has made good progress in that direction. Compensation of employees has

risen from 65 percent of national income to 70 percent over the last decade. But labor income goes mostly into consumption. It takes saving and investment, along with good consumer demand, to produce growth.

This simple truth is brought home by the experience of the countries that today are growing faster—Japan, Italy, France, Germany, and others. In these countries, investment in plant, equipment, housing, and the public sector has been high—as much as 25 percent of gross national product, in contrast to about 17 percent in the United States. In terms of net investment, after depreciation, the comparison is even more adverse, because close to half of American investment is needed simply for replacement. High investment in the other countries has been made possible by labor's willingness to accept a smaller share in the pie. Because the pie has grown so much more rapidly, the absolute size of labor's slice has grown rapidly too.

In a growth-oriented economy, it is unhappily true that labor, through no fault of its own, finds its immediate advantage at odds with longer term benefits. Business, through no merit on its part, finds its immediate interests in accord with the needs of growth. American labor refers to this as the "trickle down" theory. In its place, labor has argued that faster growth can best be achieved by increasing consumer demand. The best way to do that is to raise wages. In this way the traditional demand for more has been brought into an illusive harmony with the dictates of growth.

The harmony is illusive because the prescription works only in recessions. When there is large unemployment, rising consumer demand can stimulate both consumption and investment. But most of the time, the economy confronts the Nation with the hard choice between consumption on one side and saving and investment on the other, just as his personal finances do any individual. A choice for increasing the share of consumption is a choice to reduce investment and growth.

These facts of economic life are recognized by economists of all persuasions. They found expression in the administration's proposal for an investment tax credit. By rejecting them, labor is in danger not only of impeding more rapid growth, but also of locking itself into an intellectual isolation where it is bound to be uncomfortable.

Some compromises that allow investment to be raised without first raising profits may be available. Investment can be expanded in the public sector, but in our economy that is bound to be a relatively small part of the total. Some extra savings can be generated by means of a budget surplus, which can be made available for private investment. Profit sharing of the kind introduced in the American Motors settlement of the UAW can aid saving and investment, if the proceeds are left to accumulate and to provide funds for expansion. But in each instance, some consumption must be forgone in favor of investment. The sooner labor can rally the economic statesmanship to accept this, the more growth we can have.

Mr. JAVITS. Mr. President, the same point is made in an interesting letter written by a group of economists from five of our leading institutions of higher education, and published in the New York Times of September 3, 1961. The letter is headed "Wage-Price Issue." The writers of the letter come pretty much to the same conclusion, namely, that the relation of wages to prices is a chain reaction proposition. If there is an increase in wages, it is bound to have correlative application in prices; and, if restraint and discipline are desired, together with service to the national interest in the form of prices, it must be obtained through wages, including steel wages.

I ask unanimous consent that the letter from the group of economists may be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WAGE-PRICE ISSUE—ECONOMISTS ADVOCATE HOLDING LINE IN AUTO AND STEEL INDUSTRIES

(The writers of the following letter are members of the faculty of the University of California (Berkeley), University of North Carolina, Cornell, Princeton, and Swarthmore, respectively.)

To the EDITOR OF THE NEW YORK TIMES:

A critical element in any period of business expansion such as the economy is now experiencing is the way in which wages and prices respond to an improvement in business conditions.

During the past 3 years wholesale and consumer prices have remained relatively stable. Over the next 12 months, however, the price line may be breached by a series of wage and price increases in the automobile and steel industries.

It is difficult to speak with much assurance about the justification for adjustments in particular industries. But the national interest clearly demands that the price line be held in these two fields if at all possible. Consequently, the burden of proof will fall squarely on the parties involved if this is not done.

The first test will come early this fall in the negotiations between the automobile workers and the major automobile manufacturers. If the union limits its demands for improvements in existing contracts to the most urgent aspects of job security, the pressure on the companies to raise prices on new models should not be excessive.

RISE IN PROFITS

Profits of automobile companies are already up sharply and, with increasing sales in prospect, are due to go higher. A sustained expansion in sales volume, which is almost sure to yield more jobs and higher profits, can best be assured if car prices are maintained or even reduced.

There is, therefore, reason to hope that neither group will find any serious conflict between its own objectives and the country's welfare.

The second critical test will come in the steel industry when the 8½ cents per hour increase provided under the 1960 labor contract goes into effect October 1. As in the case of automobiles, steel output has recently been on the rise and is expected to go higher. With fuller utilization of capacity, important cost advantages are already beginning to be realized. Technological improvements are also yielding significant cost savings. As a consequence, profits are starting to improve and almost surely will increase further.

In view of the competitive position of steel both in domestic and international markets, it can at least be argued that the industry's own interests would not be served by a price increase at this time. This suggests that the industry would not sacrifice much, if anything, if it kept its policies within a framework dictated by national requirements.

The third and perhaps most critical test will come in mid-1962 when the Steel Workers Union and the steel manufacturers enter negotiations for another contract. It is, of course, impossible to anticipate all the developments that may intervene to affect the outcome of these negotiations, but it is not too early to review possible approaches now.

JOB SECURITY AND EXPANSION

As in the case of the automobile industry, the principal problems lie in the area of job security and job expansion. With the increase to be put into effect October 1, average earnings in basic steel will be about $3.25 an hour, and earnings plus benefits will be well above $4 an hour.

The question that will confront the union next year is whether a further substantial rise would contribute to the welfare of the bulk of its members. By concentrating on job expansion and employment security, the union might well do more for the workers in this industry than by pushing wages and related costs still higher. If this were done any direct conflict between the union's interest and the national interest could be avoided.

These three sets of decisions are closely related. Failure to hold the line on prices in automobiles and steel this fall will lay the basis for exorbitant wage demands by the steel union next year. A substantial rise in wages in steel at that time will lead to a further rise in the price of steel and to additional increases in wages and prices in other industries.

This sequence of events, especially in light of mounting tensions abroad, could well result in the imposition of direct controls by the Federal Government. This latter eventuality is almost a certainty if the major union and employer groups cannot find ways of reconciling their own needs with those of the country as a whole.

The time to stop this chain of events is before it gets under way. We think that time is now.

ROBERT A. GORDON.
PAUL N. GUTHRIE.
GEORGE H. HILDEBRAND.
FRITZ MACHLUP.
FRANK C. PIERSON.
CLAIR WILCOX.

Mr. JAVITS. Mr. President, the pattern of profit sharing in the auto industry is bound to extend itself to the steel industry and to other industries. I ask unanimous consent to have printed at this point in the RECORD an article entitled "Profit-Sharing Spread to Steel Thought Likely," published in the Washington Post of September 3, 1961.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PROFIT-SHARING SPREAD TO STEEL THOUGHT LIKELY

(By Robert M. Lewin)

CHICAGO, September 2.—The breakthrough of a profit-sharing plan in the auto industry is likely to spread to the basic steel industry, with Kaiser Steel Corp. the spearhead.

Joseph B. Meier, administrative vice president and secretary, Council of Profit Sharing Industries, said today that Kaiser has obtained data from the council on profit-sharing and employee stockownership plans.

Kaiser representatives also have been at meetings of the council on such plans, added Meier.

"Kaiser is seriously studying them," he said.

American Motors Corp. and the AFL–CIO United Auto Workers a few days ago negotiated the first profit-sharing plan in the auto industry and also in a major mass-production industry.

American Motors, the Nation's fourth largest auto producer, employs 25,000 UAW members. They will be eligible to participate in the combined profit-sharing and stockownership plan.

TWO MILLION UNDER PLANS

The council, headquartered here, is a nonprofit association of nearly 1,000 employers with a total of 2 million workers, that cooperates in the establishment and development of such plans.

Kaiser, the Nation's 12th largest basic (raw) steel producer, employs some 10,500 AFL–CIO United Steelworkers of America.

Contracts in the basic steel industry, with about 500,000 workers, expire June 30, 1962.

Some steel companies now have plans under which their workers may buy a specified amount of stock at a price below market value, a sort of profit-sharing plan.

But the American Motors-UAW plan, and most others, are much broader.

Profit-sharing plans are nothing new. In the United States alone, more than 34,000 companies have them, according to Meier. He estimated that $850 million in profits was shared by their 2 million workers in 1960.

That averages $425 apiece, but hundreds collected several times that amount.

In the last year, Meier said, the Treasury Department approved 5,000 "deferred payment" profit-sharing plans—the money to be paid on retirement or death.

SEARS IS LARGEST

The Sears, Roebuck & Co. plan, started in 1916, is ranked as the Nation's largest. Some 150,005 of the far-flung merchandising organization's more than 200,000 employees share in the plan. A year's employment is required for eligibility to participate.

Sears employees have invested $368 million in the plan, mostly through deductions from their paychecks, which mainly goes for purchase of Sears stock.

They have withdrawn $838 million, including payments to retirees. And $1,429,262,038 still was left in the savings and profit-sharing fund December 31, 1960.

A veteran truckdriver not long ago retired with more than $200,000 from the fund.

But Sears said the average value of the profit-sharing account of employees with 10 to 15 years of service is $11,238; 15 to 20 years, $22,950; 20 to 25 years, $51,825, and 25 to 30 years, $84,643.

BEGAN IN FRANCE IN 1742

Historians trace profit-sharing plans back to 1742 in France.

Swiss-born Albert Gallatin started the first American profit-sharing plan in 1794 for the handful of employees in his glass works in New Geneva, Pa.

Procter & Gamble Manufacturing Co., soap firm, with more than 30,000 employees, mostly unionized, has had a profit-sharing plan since 1887—longest continuous plan in the United States.

Roger H. Cushman, profit-sharing fund trustee of Chicago's Signode Steel Strapping Co., said he recently reviewed the 5-year record of 23 companies with profit-sharing plans that are listed on the New York Stock Exchange.

Cushman added that, in a 4-year period, "the average appreciation of the profit-sharing company stock was 129 percent—compared with a 44-percent rise in the 30 Dow-Jones industrial stocks."

Meier called the American Motors-UAW combined profit-sharing and stockownership plan an important breakthrough in a highly unionized, mass-production industry.

"Whether the plan is successful can be demonstrated within a year by the reaction of the employees," said Meier. "It will depend upon the attitude of the employees, the quality of their work, their efficiency, their elimination of waste.

"Management's job still belongs to management. If employees just look at the plan as a handout it may not last long."

Mr. JAVITS. Mr. President, what all these things teach us is the following: That he is blind who cannot see that it will take labor, management, and Government to do the job which Senators on the other side of the aisle, and I think Senators on this side, also, commonly want done. We know that Congress has a real opportunity to use its influence on labor, management, and Government policies, in terms of the national interest.

As I view the situation, the national interest relates to three factors:

First, the need to have some more effective mechanism than we have today to utilize and allocate the material and human resources in the United States to meet the common and deadly Communist challenge we face today, which I think is very heavily in the economic field.

Second, to have a new road opened by the negotiations between labor and management—a road similar to that which I think has been blazed so auspiciously by the American Motors Corp.-UAW negotiations, a road to profit sharing and better cooperation between labor and management. I pointed out that there is much to be desired in that respect by both, for now we see that General Motors Corp. finds the American Motors Corp.-UAW pattern of settlement unsatisfactory to it.

Finally, Mr. President, by some correlation in an organizational sense, as we did during World War II, by means of a combination of labor and management efforts in the national interest, to deal with the problems of so-called featherbedding and automation and the very real efforts which must be made in order to see to it that the workers are not deprived of security and retraining opportunities and, if they are displaced by automation, that they have new opportunities, and to seek better means to avoid national strikes and work stoppages, as compared with the means available to us today, and to afford all our workers equal opportunities, without regard to race, creed, or color.

Mr. President, that is a national program, as I see it, and a framework within the dynamism of economic interest and responsibilities which should be exercised; and in my opinion it will result in the very restrained action in the public interest to which I believe all Senators have deep devotion.

I thank the Senator for yielding to me.

Mr. DIRKSEN. Mr. President, I yield now to the distinguished Senator from Connecticut [Mr. BUSH].

Mr. BUSH. Mr. President, I wish to congratulate the able Senator from New York on his usual classic presentation. I believe he has made an excellent contribution to our thoughts on a broad and important subject affecting the Nation quite seriously today.

I am happy again to congratulate the distinguished minority leader [Mr. DIRKSEN] on the presentation he made this afternoon on the subject of the steel industry.

Mr. President, I agree with the Senator from New York; I do not wish to see a price rise in the steel industry. I do not think any Senator wishes to see a price rise in that industry. What we want is, first, to have the workers in the steel industry, as well as those in other industries, gain all the advantages they can from their jobs. But if excess pressures result in wage increases upon wage increases, we shall place ourselves in a dangerous position. We shall weaken ourselves as a nation if we allow such increases to affect our costs to such an extent that we price ourselves out of both world markets and domestic markets. We are interested in more jobs, not less jobs. But if we follow policies which create less jobs, the result will be exactly what we do not want it to be.

If in this national emergency we are not able to exercise discipline, and if management and labor cannot together exercise self-discipline and restraint in regard to increases in wages in excess of increases in productivity, we shall be faced with a very dangerous situation.

So, as I have stated, we are interested in more jobs, not less jobs.

The incumbent President of the United States has called upon the country this year to exercise restraint in the matter of wage increases. He has called upon both management and labor to exercise restraint in connection with the renewal of contracts, and he has pointed out that our position as a competitive nation is involved at a very important critical time in our history.

Of course everyone wants to see the workers get more money if they can do so and still have our industries remain on a competitive basis. But this matter involves general levels and the question of whether the expiration of a contract automatically makes a wage increase essential, and we are discussing controlling general wage increases, so as to keep them in line with increases in productivity.

The 1960 Republican Party's platform states, in a section which I helped write, that, as President Kennedy has said:

> We favor relating wage and other payments in production to productivity—except when necessary to correct inequities—in order to help us stay competitive at home and abroad.

This is the big issue. This affects one of the most serious problems today facing the Nation—the problem of our so-called balance of payments. If we do not improve the trend in connection with our balance-of-payments deficit, we shall be in very serious trouble. But if we continue to take action which will increase our costs, and which therefore no doubt will be reflected in increased prices, we shall make it more and more difficult for us to increase our exports and we shall make it more and more likely that our imports will increase. So, instead of widening the gap between imports and our exports, which is one of the most essential things we have to do in connection with the balance of payments, we shall by that kind of action be going in the other direction, and shall be causing the gap to narrow.

So this is the serious situation. It is essential that we keep our industries and our products competitive, so that we can actually widen the gap in our favor, improve our chances of doing business abroad in competition with other nations, and also make it more difficult for

increased imports to enter our country, because such increased imports may well result in the loss of jobs for a growing population.

The Senator from New York has raised the question: Who constitutes business in this country? I am glad he made that point, because business in this country is almost everyone in the United States. In addition to what the Senator from New York said on that subject, I would say that, generally speaking, business management represents the investments of 100 million American people who own life insurance policies and the more than 90 million American people who have savings accounts in savings banks, mutual savings funds, building and loan associations, and the like. Those funds are invested in the enterprises we are discussing, such as the steel industry.

So this is not a time to harass business. Instead, it is a time to offer some encouragement to business and to take a sympathetic attitude toward its problems, realizing that in doing so we are not only acting in the interest of the 100 million American people who have an interest, by means of investments, in American busines, but we are also acting in the interest of the American workers in these industries.

Mr. President, I believe that those of us who are speaking this afternoon have the deepest sympathy with these working men and women. They are the backbone of our country. But I believe it is up to Senators to protect them by means of the actions we take when their security and their jobs are threatened by policies suggested by those across the aisle.

The question of inflation is involved here, Mr. President. If we keep on pushing up prices, through increased costs, in violation of what President Kennedy has called on us to do, of course, we shall play into the hands of inflation, and it will result not only in further inflation, but also in further instability of the currency of the United States.

Mr. President, upon that currency, upon the American dollar, depends the security not only of our country, but of the whole free world. We must take care, in these critical times, not only to keep down the flames of inflation, but check an increase in the inflation which, unfortunately, one sees beginning to creep out from hiding.

The damage that inflation can do to our country, the damage that debasing our currency can do to this country, cannot be overestimated.

I have said before that living in a country with an unstable currency is like living in a place where nobody tells the truth. Our subject today involves directly the fight against inflation, the fight for a stable currency, in order that the savings of the 100 million people we have been talking about this afternoon may be preserved for the purposes for which those savings were created.

While I agree with the hope that the steel industry may find it possible to avoid an increase at this time, I am glad to have had this opportunity to express my views about the whole general situation as related to the issue raised by the Senator from Tennessee [Mr. GORE], and other Senators across the aisle. This is a time when President Kennedy is right in calling upon this country to relate wage increases to increased productivity. If that is not done, we are going to find ourselves at an even further disadvantage, and at an increasing rate, than we have faced in recent years, when the recovery of our friends overseas has begun to make them very strong nations in international trade, and whose competition we have begun to feel very seriously.

So I again congratulate the Senator from New York and the minority leader and thank them for giving me the opportunity to discuss the subject this afternoon.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, first I wish to join with those Senators who have complimented the Senator from New York for his part in engaging in this debate, in the interest of Senators on this side of the aisle. I think we Republicans too often allow our friends on the other side of the aisle to speak without proper rebuttal. I think the Senator from New York has performed a great service in this body for the American people in urging us to air the differences which exist between the two sides of the aisle in this important economic field.

Likewise, I wish to congratulate the distinguished minority leader for his part in "kicking off" the subject this afternoon. I think all three of the contributions so far this afternoon have been noteworthy and will rebut successfully the major points made by the opposition.

I was particularly impressed with the repetition by the Senator from Connecticut [Mr. BUSH] of the point made by the Senator from New York [Mr. JAVITS], namely, in pointing out that when we speak of workers and management, we are not speaking of two different classes. All of us are workers. All of us earn wages. We all work for wages. The attempts that were made over the past 30 years to divide the American people have proved to be fruitless, because the emerging capitalist is the one earning wages, either the union or nonunion worker, the man who is working with his hands or his brains for a living. It is these particular individuals who are interested in taxes and deficits.

All persons, therefore, are concerned with activities that promoted this debate. They are all concerned because they sense an approach to another period of Government controls. I do not know that I can quite classify myself as being fortunate for having done so, but I lived through a period, as a businessman, when we saw the Government's first efforts, seeking, in an earnest and sincere way, to control the economy to the end that this country might emerge from the depression. John Kenneth Galbraith, now in India, but late of Harvard, was responsible for this remark. It does not come out of my mind. He stated, in 1952 or 1953, that had it not been for World War II, the United States would not have come out of the depression in 1939. We were, in fact, the only major country in the world that was still in a depression in 1939, and the war brought us out of that condition. As a businessman, I feel we would have come out of it earlier if the Government had played a less active part in the daily lives of all of us. We do not like the idea of the Government's again getting into activities in the whole area of the economic field. We do not like the idea of the Government's having control, either by actual statements or implied fear.

To illustrate that this fear is taking hold, I read from a ticker tape I just tore off, timed 3:04 this afternoon at New York:

> A Presidential warning against steel price boosts put damper on the stock market today, sharply reducing big early gains session of heavy trading.
>
> Popular market indicators, which hit record highs early in the session, went into reverse following the Kennedy statement that a steel price increase would force restrictive Government measures on the economy.
>
> Steel shares and electronics were among the first to feel the reaction, the former losing all their early gain and the latter tumbling sharply.

Mr. President, this is an indication of fear. It cannot be called anything else. When a man has a stock that he believes is good, and good for future gain, he is not going to sell it. But when he feels that the steel industry may be affected by governmental action, or that the electronics industry may be affected by governmental action, his natural reaction is to get rid of that stock at the price it is worth on that particular day. I am afraid the tone of the statements made by our colleagues on the other side of the aisle and the President is going to bring about this kind of reaction across America.

Preparatory to getting into the details of some of the rebuttal, I should like to make this preliminary statement:

On Tuesday, August 22, Senator GORE—together with Senators HUMPHREY, KEFAUVER, DOUGLAS, CLARK, SYMINGTON, and others—made comprehensive statements before the Senate concerning the probability of inflation. They attributed its basic causes to a price-wage spiral largely induced by a monopolistic steel industry having the economic power to administer prices.

In reality, their speeches are prima facie evidence that they believe the current administration is heading inevitably for inflation and that an investigation of the steel industry will distract the public from the true causal factors behind the inflationary buildup taking place.

The Senators have sufficient access to economists to know that the administration is pursuing a premeditated policy of induced inflation, regardless of its fiscal-monetary consequences. It appears certain, therefore, that the country will be faced with sharply rising prices, inelasticity in the labor market, Government-supported wage settlements shoving prices even higher, increased

Government expenditures, and pyramiding national debt—all of which will signal for these Senators the need for comprehensive price controls.

By starting the fire now, they hope to place themselves in a favorable position before the public. They can warn the public of impending price rises in steel, and then "hit the industry over the head" with a psychological club when and if some steel prices are actually raised. If prices are not raised appreciably, they can accept credit for preventing a much higher increase.

In either case, they are laying the groundwork for controls.

They must, however, explain why they have not taken vigorous anti-inflation action on unnecessary Government spending, or have not exerted equal pressure on current wage demands which, in the past, have proved to be the most contributory factor behind "cost-push" inflation.

One of the most potent—and unanswerable—arguments is that all prices should be set in the marketplace by the competition of buyers and sellers. This is the heart of a free enterprise and capitalistic system. The Senate, a political body, is not the place to set steel prices, or for that matter, any price at all. In the past, Congress has all too frequently provided the governmental apparatus for setting prices in virtually all important areas of our economy through Government contracts, farm subsidies, public power projects, transportation, and interest rates.

The New York Times, in its editorial of August 24—previously referred to in the debate and already inserted in the RECORD—had this to say, in part:

Fundamental issues are raised by the campaign against a steel price increase that has been started by Senator GORE and some of his senatorial colleagues. These Senators are determined to prevent the steel industry from raising its prices after October 1 although the industry is committed to giving its unionized workers a significant wage increase then.

If the price of steel is to be determined by speeches and threats on the Senate floor, then a precedent has been set whose final consequence could be a great change in our economic system. The private enterprise system operates on the assumption that prices should be set in the marketplace, and reflect the force of competition among buyers and sellers. The Senate floor is not the marketplace.

In the case of steel, for example, there is not only the elementary competition of different producers and sellers, but also the competition of steel from other metals and plastics, and the significant competition given domestic steel by imports of foreign steel. The steel company executives wondering whether to raise prices to compensate for the next wage increase, have, we suspect, a much more complex problem before them than Senator GORE suggests.

The fundamental question is whether these Senators are sympathetic with or antagonistic to a free enterprise economy which, together with our political freedoms, makes up our American way of life.

American industry is the last economic area relatively free from Government price fixing and regulation. It is imperative, therefore, that the Senate look upon this political threat as a fight for economic freedom and survival rather than as a side-skirmish involving the steel industry.

Sometimes it is good to get the opinion of an outsider about what is happening to our free enterprise economy as a result of increasing Government control. Edward Hallett Carr, who is a confirmed Socialist, states the case in his book "The New Society":

After the Second World War American policy was still committed to the defense of private enterprise and apparently oblivious of the immense inroads that had been made into it in the United States. A highly artificial attitude came to prevail. The defense of private enterprise became a required article of faith of an established church. Many professed, with varying degrees of sincerity, to believe in something they no longer really believed in; others sincerely believed in what they no longer practiced; most repeated the creed without asking what it meant.

The performance of these rites does not alter the fact that private laissez-faire capitalism, dead everywhere outside the United States for 20 years, has there too been mortally stricken.

Today, laissez-faire is no more accepted in the United States than in any other Western country as an adequate guide to economic policy.

The principle of state intervention and control is tacitly admitted; the only difference is in the greater or less efficiency of the intervention and in the greater or less frankness with which the role of the state is admitted. * * * The major issues of American economic policy were price fixing and wage fixing; and controversy turned only on the question where to fix them, not whether to fix them. The principle was no longer contested.

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. GOLDWATER. I am happy to yield.

Mr. BUSH. In connection with the steel industry, I wonder if the Senator would agree that one of the difficulties faced, for a long time, results from inadequate depreciation authority. The industry has not been able to acquire the necessary depreciation reserves to meet the problems of natural growth and the increased demand upon the industry for production, so the industry has had to create earnings which would sustain very large debt, and has had to go to the marketplace to borrow hundreds of millions of dollars to finance an expansion which had to take place in the interest of the country. The result of this, of course, has been that in order to make profits which would sustain the debt, the industry from time to time has had to raise prices as costs of everything else have gone up.

I ask the Senator from Arizona if it would not be in line with what we are trying to do, in the interest of stability, to give the companies greater freedom as to the setting of depreciation policies, so that the pressure upon them to make large enough profits to sustain very heavy debt would not be so great?

Mr. GOLDWATER. The Senator, in my opinion, has hit upon one of the weak points of our present economy. He has hit upon a point of great importance. If President Kennedy would follow the suggestion made, President Kennedy would soon see the economy really get into high gear. In my opinion, we would witness a manpower shortage in this country within a few months, rather than unemployment.

It is interesting to notice in the economic indicators for August that in the third quarter, which is the last quarter reporting, expenditures for new plant and equipment in this country were running at the rate of $34.6 billion. This is a rate behind the third quarter of 1960, behind the total for 1960, behind 1957 and behind 1956. The only reason why the new capital expenditure is lagging is that the American businessman, the investor, does not feel he has an adequate depreciation allowance.

To back up the argument made by the Senator, of the eight leading economies in the world, seven are growing at a faster rate than ours. I am not too concerned about the rate of growth, which so engrossed the opposition in the campaign last year, but I feel the economy could grow at a faster rate than at present—not twice as fast or anything like that, but at a faster rate—if we would copy the seven other countries which have policies which range from a complete choice of depreciation period down to a series of limitations none of which approach the very tight boundaries around ours, which in effect say to the American investor, "Do not invest, because when you get ready to buy again it will cost two or three times as much, and you will have to borrow the money."

I sincerely hope, I say in the most nonpartisan way, that the Democratic Party will urge the President to release the restrictions now upon investments in this country. The money is certainly available for investment. Savings are at an alltime high. While earnings are low, the earnings are low to a large extent because of the necessity to make investments out of earnings rather than out of depreciation funds. The Senator has made a very good point.

Mr. BUSH. I thank the Senator.

Mr. THURMOND. Mr. President, will the distinguished Senator yield?

Mr. GOLDWATER. I am happy to yield.

Mr. THURMOND. Knowing the philosophy of the able and distinguished Senator from Arizona, I wonder if he would be in accord with three points I have in mind with respect to our economy.

We continually hear about the Government going into this phase of activity or this facet of life, when, under the Constitution, the Government does not have the right to do so and, furthermore, does not have the financial ability to do so.

First, would private enterprise be better off if we allowed a reasonable or a practical depreciation on machinery, which we are not now doing? Does the Senator think that would be correct?

Mr. GOLDWATER. I have indicated in my answer to the Senator from Connecticut that I am in wholehearted agreement. I quote one figure which comes to my mind from a study made by McGraw-Hill, which indicates that

there is about $95 billion worth of obsolete equipment in this country. This is not merely old equipment, but is obsolete equipment. I know of one wire-pulling plant in the South whose machinery was installed in the 1890's, yet this equipment is supposed to compete with the highly mechanized and automated machinery produced in Belgium and Germany.

Mr. THURMOND. A second point is that we should limit imports to a reasonable quantity.

I know that imports of textiles have come in in unreasonable quantities. Textile mills by the hundreds have been closed. I understand that the same impact is now being felt in other industries. While our own industries are closing and people are losing their jobs, imports continue to come in in excessive amounts.

Does the Senator feel that that problem is one which deserves greater consideration?

Mr. GOLDWATER. I certainly think it deserves consideration. I am not ready at this point to say how broad import duties should be. I have never believed that we should protect American industries that cannot make it on their own in the face of outside competition. We have in this country today several industries that, in spite of protection, face a preference by consumers for an imported item.

One specific thing I have in mind that the Government could do which might help textile producers would be to stop selling to Japan our surplus cotton at 2½ cents below the price. I believe 2½ cents is the figure. Am I correct?

Mr. THURMOND. I inform the Senator that the figure is 6 to 8 cents.

Mr. GOLDWATER. The Senator is correct. There was an increase in the difference of 2½ cents during the past year, and now surplus cotton is being sold to Japan at 8½ cents below the price. I thank the Senator.

Mr. THURMOND. Is it the Senator's opinion that wages in industry which are obtained through collective bargaining should be based upon an increase in production? In other words, there must be some basis for increasing wages; otherwise the economic situation would be thrown out of kilter and industries would be caused to close down.

Mr. GOLDWATER. The Senator is eminently correct.

I shall reach that phase of the question in a moment. Unearned wage increases which result in unearned price increases are really the source of our problem in the country today relative to the cost of living. If we add to that problem deficit spending and high taxes, we virtually have the whole problem wrapped up in one sheet. But wage increases that are not earned should not be sought. When they are earned, they should be sought.

Mr. THURMOND. When such unearned increases are granted when there has not been an increase in production, is not inflation increased?

Mr. GOLDWATER. Any unearned increase in price which has been occasioned by an unearned increase in wages is bound to have an inflationary effect.

Mr. THURMOND. The Senator from South Carolina does not want to see the price of steel or other goods to the consumer in this country rise. However, the Senator from South Carolina has felt that the more Government is injected into the process and the more we try to threaten industry—those who are providing jobs to the millions of people in our country—the more we shall get into trouble.

Mr. GOLDWATER. The Senator need only look at the field of agriculture to find out how correct he is. Regulations cover about 30 percent of American agriculture. That 30 percent is in trouble. It is getting into increased trouble. If we do not get it out, we can very well destroy markets such as the cotton market. I do not think tobacco will be affected too much. But we may destroy some of our major sources of agricultural income today if we do not get the Government out of the legal practice of meddling with the law of supply and demand, which regulates prices, and therefore should in turn regulate the supply.

Mr. THURMOND. Does the Senator from Arizona feel that today the Government has taken such an important part in business that business people now must consider not only the capital and employee elements of the business, but must also take in a third partner—the Government? Is it not true that the Government now plays such a vital part in the regulation and control of industry that, in effect, it controls the life and death of industry?

Mr. GOLDWATER. The Senator again is correct. I might add to his observations that we are also tax collectors for the Government. I say "we." A businessman is a tax collector for the Federal Government, and he is not paid for that service. I have been looking into the proposal whereby the businessman might be paid for collecting taxes through the withholding clause.

The average businessman of any size today, from the smallest to the biggest, is saddled by Government regulations, Government bureaucrats, and Government agents prying into his business. I could discuss this point all afternoon, from my personal experience in a business of a rather limited size, in which I believe we now employ a total of five people to do nothing but keep up with Government reports.

Mr. THURMOND. I commend the able Senator from Arizona for the statement he has made.

Mr. GOLDWATER. I thank my friend from South Carolina.

It is ironic that, at the very time when we are asked to defend freedom and liberty abroad, the Senate should be used as a forum for threatening private industry because it operates on the very principles of a free society in whose name we are asked to commit so much of our resources and manpower.

In the last analysis, the Senators are really saying that free enterprise—the competitive marketplace—is not the proper place to set prices. They are also saying that American business is not public-interest minded, but is avaricious to the point where it must be broken into little pieces or completely regulated by a political body.

This, by any other name, is socialism. It puts America where England was when the Labor Party came to power.

With these points in mind, let us examine their statements regarding "Inflation: Who Causes What"; "Competition and Prices"; "Prices, Costs, and Profits."

INFLATION: WHO CAUSES WHAT

To discuss the subject of inflation is a rather difficult undertaking for anyone because there are so many factors involved in it. Fundamentally, inflation means that the value of money is decreasing because the level of all prices is rising.

However, not every price rise is inflationary. Indeed, some price increases are necessary if a company is to perform its functions efficiently and at quality levels demanded by the market. At a given time, some companies and industries will experience rising prices while others will experience falling or stable prices.

New growth companies—though small and lacking monopolistic power—are often able to command the greatest price premium for their products. The competitive market determines what these companies can charge since the consumer is free to decide at what level he is willing to buy.

A competitive market cannot function without some changes in price. Higher prices for some companies are as important to the economic system as lower prices for the consumer. Competitive prices signal a need—and if we kill the signal, we cripple the economy. We no longer know for sure what the consumer wants, or where our productive resources should be allocated.

Inflation is a complex subject, so it is impossible to determine with certainty the effect of one industry's price movements on the economy as a whole. When widespread inflation does prevail, however, we can generally find broad influences at work, which go far beyond the confines of a single company or industry.

Today, these pervasive influences take three basic forms:

First. Deficit spending by all levels of government: The Federal Government's budget for the next fiscal year is set at about $89 billion—with tax receipts estimated at $82 billion—leaving a $7 billion deficit. When this Federal spending is added to the increased spending of our local and State governments, the volume of money in circulation will rise rapidly during the next 12 months.

This government spending is the strongest, single economic force that will affect prices during the coming year.

Arthur F. Burns, in his address before the American Iron & Steel Institute on May 25, 1961, pointed out that continued spending and deficits, including those in our international accounts, are the real long-term grounds for the American dollar losing its status as a hard currency.

Second. Cost-push inflation: Employment costs have risen beyond any rea-

sonable calculation of our increase in national productivity.

Although the average company's direct employment costs may be less than half its total costs, the other half is comprised largely of the employment costs of its suppliers of goods and services. Thus, employment costs ultimately constitute more than three-quarters of our national income.

The impact of employment costs on prices is quite apparent. If a company is going to survive, its prices must cover the direct employment costs of its own employees and the indirect employment costs passed on by its suppliers of goods and services.

When the increases in employment costs exceed the gains in productivity, prices must rise or profits will fall, or completely disappear. Price increases are required to bridge, in part, the gap between fast rising costs and more slowly rising output.

Third. Better business conditions: The third main cause of the inflationary buildup is the reemployment of production resources which have been idle for the past year and a half.

Higher production costs and increased government spending would already have been reflected in higher prices, except for the fact that American industry had adequate capacity and was faced with severe domestic and foreign competition.

The combination of excess capacity and severe competition kept prices at an unusually low level in relation to costs.

Today, better business conditions and delayed buying to replace depleted inventories are increasing the output of the steel industry and might cause the steel companies, for the first time in almost 2½ years, to seek price adjustments which could well have gone into effect long ago. It is estimated, for example, that the wage increase in October will cost the steel industry over $100 million during the next year.

If a company cannot raise its prices for sound economic reasons in a competitive market, when can it do so? It certainly cannot raise prices when market factors are unfavorable; for at that time, it has to be content with keeping its customers, covering its costs, and little else.

We can say, then, that the steel industry is in an economic-political dilemma. On the one hand, economic conditions during bad market periods prevent it from raising prices, even though its costs continue to rise. On the other hand, if an attempt is made to regain lost ground when market conditions improve, Government action tries to prevent an adjustment to a better price-cost relationship.

These three broad influences—deficit financing, cost-push inflation, and better business conditions—require the Senators' attention if they are to combat inflation.

They should give more attention to the Government's role in inflation, and use the power and prestige of their office to reduce Government spending in nonessential areas.

Mr. President, I may say that in this particular area the President and his party could make the greatest single contribution to the American economy and to the domestic scene today if they would only call back some of the high-spending schemes they are adding to the total deficit. No one is going to object to higher military costs, even though some of them are hard to justify. The safety of our country comes first. However, there is just as much danger from economic ruin as there is from Communist triumph. In fact, I recall reading in my literature that the Communists have often referred to their attempts to destroy our economy.

These Senators should address themselves, with equal vigor, to the whole question of inflationary wage settlements and the Government's pressure role in these negotiations. For as a result, the cost floor has been raised beneath all American-made products, making it difficult to compete at home and abroad.

COMPETITION AND PRICES

The second main area centers on the charge that the steel industry is not competitive and has succeeded by monopolistic power and administered prices in making profits at rates of operation as low as 30 percent.

To clarify the situation, we must remember that price competition is just one phase of many forms of competition—like improvements in quality, extras, freight absorption, and all the rest.

Competition makes it impossible for the quality of steel product produced by one mill to be appreciably different from that produced by other mills. As a result, one company cannot charge more than its competitors. The industry is so competitive that a company will lose customers if it raises its prices above the industry level.

During recent years, the steel industry has felt intense price competition in a growing number of products—like reinforcing bars, line pipe, nails, fence, and stainless steel. These indicate anything but monopoly behavior.

At the end of World War II, for example, a group of small nonintegrated and partially integrated rolling mills scattered over the United States made a precarious living producing reinforcing bars. They had a steelmaking capacity of about 700,000 tons a year.

There comes to my mind an interesting development in relating these facts. There is a process now available for medium priced electricity to make steel out of the slag dumps from the western copper mines. One of my friends who is engaged in this work told me that he can produce 500 tons of structural bars by this method. That is indicative of the high competition that is taking place in this industry.

By the end of 1960, their capacity had grown to 2½ million tons, and they had captured a very large portion of the reinforcing bar business. They did this by holding costs down, performing extra services, and selling their products at lower prices. They were so successful that there is, within the steel industry, an all-out price war in the traditional economic sense.

Another area of substantial price competition is line pipe, which is used to convey gas and oil. Recently, price cuts of up to $17 per ton were common in this market.

Pipeline builders found that, by protecting the outside of a steel pipe against corrosion and using stronger steels, thinner pipe could be used. Some steel producers put in new equipment capable of making this thin-wall pipe, and they captured a substantial share of the market. This forced other producers to follow suit. The end result was another price war, with consumers getting a better as well as a cheaper product.

There are other situations like these, which illustrate that, in the steel industry as in most American industries, rewards go to the producer of a better and cheaper product.

When a producer finds a better or cheaper method of producing, his success is reflected in higher profits, which inevitably attract other manufacturers into his product area. The ultimate result is a better product, increased competition, and lower prices.

The Senators also stated in their presentation, that steel prices have increased more rapidly than those of other commodities. By use of elaborate statistics, they try to prove that steel prices are more rigid and do not reflect changes in supply and demand.

Several comments are in order at this point. First, the Senators used statistics which favored the argument they were advancing. They selected nontypical base years and price series.

They said nothing about the extremely low prices that prevailed in the thirties, which in turn were frozen by price controls in the forties, and then released after the war in a world demanding all shapes, sizes, and qualities of steel.

The point they miss completely is that the price rises show the postwar period assured the additional investments which ultimately added 50 million tons of new steel capacity.

Another point to remember is that the Bureau of Labor Statistics indexes of steel prices tend to overstate the actual prices prevailing in the market.

The BLS indexes are made up of one size and quality for each of the common forms of steel products—like cold rolled sheet. This serves as an indicator of the price movement for all grades, sizes, and qualities of each product.

The Bureau of Labor Statistics admits that its procedures do not reflect the true movement of steel prices. They do not measure increases or decreases in freight absorption. They do not show all the extras being added by a steel company. And they do not take into account changes in the quality of the product. As a matter of fact, the Bureau men who construct the steel price index are concerned because it reflects higher prices than the average prices actually realized by the steel companies.

To be accurate, a price index must measure precisely the same product over a given span of time. It is not a true measure if the product increases or decreases in quality or composition.

When you talk to the men who actually use steel, you soon discover that there has been a tremendous change in the quality of steel products from just a few years ago.

Every sizable steel consumer buys steel from two or more suppliers. If a given supplier does not furnish a quality product, the buyer can decrease that supplier's share of the business and thus penalize him quite effectively.

As a result, there is an item-by-item competition among steel producers to maintain and to improve their share of a consumer's business. These countless competitive battles determine the total share which each producer is able to secure of the available steel business. From the consumer's standpoint, this competition is more valuable to him than small changes in the published price of steel mill products.

Why is this? Well, take the case of cold rolled sheets—the product from which auto bodies and refrigerators are made. Every user of steel sheets is constantly searching for a way to reduce fabricating costs. These costs are substantially reduced when his machines are operated at optimum speed. Accordingly, most stamping plants have abandoned the purchase of single, cold rolled sheets and now demand coils of steel which can be fed continuously into their presses. This, in turn, increases the productivity of their equipment.

The larger the coil, the longer the presses can operate without being shut down. Thus, the steel producer who furnishes the largest coil has a distinct competitive advantage, and gets a bigger share of the business.

Each steel producer, therefore, is striving to improve his equipment to produce larger coils. But this is a costly process, and it requires tremendous investments in capital. In some cases, it forces a steel company to install completely new rolling equipment.

Here is another example. A refrigerator manufacturer wants steel sheets flatter than normal so that the outside of the box will have a pleasing appearance to the housewife. Accordingly, he plays one steel producer against another until he gets a sheet that is table flat.

This, too, is costly for the steel producer. He secures the additional flatness by installing high-priced leveling equipment, by rejecting steel that is not flat enough, by cutting down his yields and increasing his cost. Ultimately, this can lead to scrapping equipment which was adequate not too long ago and replacing it with the latest and most modern mills.

Costly capital investments are required to turn out new products to retain a market where older products cannot compete. Whenever this kind of investment is required, the company ends up with duplicate facilities—some obsolete or marginal and the new ones demanded by the current market.

Today's rolling mills are capable of making a product that is closer to tolerance, smoother, and flatter. Each mill of this kind sets new competitive standards of quality, forcing all other producers to take extra care, perform additional operations, and incur higher costs to bring their products up to this new competitive standard.

This is real competition—competition of the most rugged type. Failure to meet it is a death warrant for most producers.

The important point is that the BLS Steel Price Index does not measure this type of competition. No statistics can dig this deeply into the true competitive situation. As a matter of fact, an excellent case can be made for saying that steel prices have actually dropped in the face of rising costs.

All in all, then, the steel industry has had to contend with many competitive situations during the past 3 years: rising production costs, increased foreign and domestic competition, design changes, leading to a reduced use of steel per unit and higher quality levels, lower prices in effect for some of its products, competition from substitute materials, high quality levels and specifications.

To be able to meet these problems, and to do so without a price increase in the last 2½ years, is itself nothing short of phenomenal. Rather than being criticized for the possibility that steel prices might go up, the industry should be commended for having done so efficient a job during the most difficult period in its history.

If it had had the power to do so, the industry could have solved its problems by simply raising prices. The fact is the industry has only the power over prices that a competitive market justifies.

This explains why it had to take the hard road to meager profits—improve facilities, cut operating costs, raise efficiency—the very features that make our productive market economy what it is today.

Finally, when discussing competition, the Senators said that our foreign trade balance was adversely affected because of our inability to compete abroad. The impression was left that the steel industry was largely responsible. But the figures do not justify this conclusion.

It is true that the steel industry's export-import ratio has changed dramatically since 1955. Exports exceeded imports by about 4 million tons a year from 1946 to 1950. During the last 5 years, exports exceeded imports by a little over 1 million tons.

This trend, however, is paralleled by virtually every American industry. In 1950, we exported $3.63 of finished manufactured goods for every $1 of manufactured imports. This fell progressively from $3.51 in 1952 to $3.39 in 1954, to $2.89 in 1956, to $2.40 in 1958, and to $1.99 in 1960.

The trend is similar for foodstuffs and capital equipment.

The Senators give the impression that only steel is affected, and largely because of higher steel prices. They have not emphasized the wide gap in wages between the United States and foreign countries in all areas of production. They overlooked, as well, the complete industrial rehabilitation of Japan and Western Europe.

When World War II ended, these countries had to be rebuilt from the ground up. They could not compete under any circumstances because they lacked the necessary capital equipment. They did have—and continue to have—cheap labor. This labor, together with American foreign aid in excess of $100 billion, made these countries strong competitors in the world's markets. As a result, extreme foreign competition is common in such diverse items as sewing machines, toys, foreign cars, musical instruments, typewriters, optical lenses, electronic and electrical equipment, and even earthmoving machinery.

Today, there is a comparatively minor difference in the efficiency of American productive equipment and that of the Europeans or the Japanese. The big difference is employment cost, which favors all foreign producers. In most cases their employment costs are only one-third or one-fourth of ours. And even when these figures are adjusted for worker productivity, the gap in net employment cost is considerable. At the same time, productivity is rising faster abroad than it is at home.

These factors explain why so many American companies are being forced overseas with their production facilities. Even to compete in our own domestic markets, as well as abroad, they must take advantage of the lower production costs in foreign countries. At the last count, over 1,100 American plants, employing more than 1 million workers were stationed abroad. They represented a net investment of more than $32 billion.

Again, the Senators are involved in a dilemma. They are worried about the steel industry's ability to compete with foreign producers, but they refuse to direct their attention to the prime cause behind that inability to compete—employment costs that have risen faster than the productivity level of the work force. On top of that, the American investor is not being paid for the productivity increases resulting from the more and better capital equipment which his savings make possible.

To compete and produce, American industry needs the best of equipment which only private investors can provide. We must, therefore, keep alive the profit incentive if we want to meet our obligations at home and abroad.

PROFITS, COSTS, AND PRICES

The crux of the entire argument is this: If the steel industry, because of administered prices brought on by monopolistic power, was able to charge whatever it wanted, its exorbitant prices should be reflected in the one figure important to any industrial company—rate of profits on sales and rate of return on investment.

The steel industry's profit figures, filed with the Securities and Exchange Commission, show beyond a doubt that the industry has not been anywhere near as profitable as other industries.

If the steel companies charged too much, they must have made too much money. Yet, every investment yardstick shows just the opposite—steel is a victim of lean profits brought on by lower operations, increased competition, and weaker prices.

Here are just two ratios to consider:

	Year 1959	Year 1960	1st half 1961 (estimated)
Profit as a percent of sales	5.9	5.7	4.5
Profit as a percent of investment	5.3	5.1	4.2

When all the detailed arguments in the CONGRESSIONAL RECORD are examined, and the confusing mass of figures dissected, you still come up with the irrefutable fact that the steel industry has not been able to raise its profit position in spite of the tremendous power which the Senators contend it has.

If it has that kind of power—and ended up with that kind of result—it is the most public spirited private enterprise in the history of this country. Certainly, no amount of public control and regulation could do as well.

It is a mistake to think that the steel industry wants to see its prices go up, or that it is not sensitive to the problems of inflation. As an industry, it has a large amount of long-lasting capital equipment. Its replacement costs and competitive position are more hurt than helped by inflation. That is why the industry's 1959 wage negotiation was centered on the dangers that inflation held for American companies, workers, and consumers.

The Senators contend that, because of its monopoly power and without economic justification—the steel industry has rapidly increased the prices of steel mill products. It is also alleged that these price increases were used by steel consumers as an excuse to secure additional profit by passing on the full price increase plus an additional amount for their own profit.

They refer to the increase in the price of a farm tractor following the steel price increases of 1958. They contend that the half-ton of steel used in the tractor represented an increase in cost to the tractor manufacturers of $3. But this $3, when passed through the economy to the farmer, resulted in a $97 increase. Accordingly, everyone from the tractor producer to the salesman who sold the tractor enhanced his profit position in the process.

What the Senators forgot to mention was that the tractor manufacturer, like all manufacturers, was subjected to the same cost squeeze that motivated the steel industry to raise its prices. These increases were not caused by avaricious producers trying to seize unwarranted profits, but were required by cost increases which had become unbearable.

There are several other fallacies in this argument.

No one knows what other factors raised the price of this particular tractor. It might have gone up without a wage increase. As a matter of fact, many tractors in that year went to a higher power and more expensive design.

We do know this: If everyone, particularly the steel manufacturer, made windfall profits as a result of his price increase, these profits should show up in the U.S. Department of Commerce's data on corporate profits. Yet, an examination of this data proves conclusively that corporations did not make any windfall profits. As a matter of fact, since 1950, the profits of all industrial corporations did not increase—and if a reasonable allowance is made for inflation, corporate profits have actually declined.

On top of that, the steel industry's return on net assets has been consistently lower than the average of all manufacturing industries in 17 of the 20 years since 1940. In no year has it ranked higher than 14th among the industries—and in many years, it has ranked at or near the bottom of the list. Out of 41 manufacturing industries in 1960, there were 32 industries in which the return on net assets was greater than that for the steel industry. The steel industry was also near the bottom of the list in 1959. In the last 3 years the rate of return averaged only 8.1 percent.

Actually, the rate of return on sales is a better measure of the trend of profitability for the steel industry. Other measures, like return on investment, compare "old dollars" of fixed cost against current dollars of income. The percent of profit on sales is much more up-to-date from this point of view. Also, it measures how much an industry or company is earning from its customers.

The average profit per dollar of sales for the steel industry in 1940, as indicated in the table below, was 8 percent. At no time during the last two decades has it exceeded this amount—and in only 1 year, 1950, has this rate been equaled. The rate of return has not been increasing—even without adjusting the profit figures for the impact of inflation on stated depreciation.

Steel industry profits per dollar of sales

	Percent
1940	8.0
1941	6.0
1942	3.4
1943	2.8
1944	2.7
1945	3.1
1946	5.5
1947	6.1
1948	6.7
1949	7.1
1950	8.0
1951	5.8
1952	5.0
1953	5.6
1954	6.0
1955	7.8
1956	7.3
1957	7.3
1958	6.3
1959	5.7
1960	5.8

Source: Annual statistical reports, American Iron & Steel Institute.

Since 1940, hourly employment costs have increased 322 percent and total costs per man-hour have risen 282 percent. During this period finished steel mill product prices have risen only 174 percent, even using the overstated BLS index.

Profits, as a percent of the sales dollar, reached the 8-percent level in only 1 year since 1940. It has declined steadily to a level of 5.7 percent in 1960.

In the last 5 years, total corporate profits, as a share of the national income, have been well below the 14-year postwar average of 6.9 percent.

If the steel industry—and all American industry—is gouging the consumer and making windfall profits, where did the profits go? The answer is: There were not any windfall profits. And there was no gouging.

In the 2 years since the last wage negotiations, steel companies—to stay alive—have had to raise their quality levels and lower their cost position by investing hundreds of millions of dollars in new equipment—not to add capacity but to improve competitive position with regard to substitute materials, intense domestic competition, and foreign producers. At the same time, the steel companies have absorbed higher employment and material costs. In spite of these pressures, however, there has been no general increase in prices for 2½ years, thanks largely to the introduction of efficient new facilities and intensive cost reductions.

This new capital equipment must be paid for and the required investment must be reasonably profitable to the owners of the business. If it is not, the industry cannot adequately replace its rapidly growing obsolete equipment, nor can it compete or provide the job opportunities for the future.

When profit margins shrink, and costs continue to rise, price increases are needed to maintain a sound and virile industry. No one worries about the competitive price increases in other industries. Why, after 3 years of stable prices, rising costs, and lower profits, do these Senators concentrate so earnestly on the steel industry?

CONCLUSION

Since 1959, the steel industry has absorbed two pay increases without a general increase in steel prices. For this the steel industry deserves great credit.

Now, Members of the Senate are demanding that steel companies absorb a third major pay increase without additional price compensation. Such a demand endangers the country's welfare and national security.

Our economic welfare is endangered because, if steel companies bow to the threats of Senate Members, their profits will be seriously jeopardized.

These profits are invested in modern equipment designed to produce new products, raise production, and increase overall efficiency. Their capital investments are the best insurance of an expanding industry with an increased ability to compete with lower cost foreign producers.

Steel workers would be the first to suffer were the industry to follow the unrealistic program urged by these Senators.

The most serious consequence of their program affects our long-term national security. The steel industry is vital to our national defense. Is it not national suicide to take punitive measures which interfere with the orderly expansion of the steel industry?

Remember, without an essential cost-covering price increase, the steel industry could not have provided the fifty million tons of new capacity we now have on hand to meet the developing emergencies of the cold war.

Finally, I sense in this attempt to throw fear into the steel companies the beginning of the setting of a situation whereby, by Christmas, the country will be operating under a national emergency again. I have sensed this for several months. It is becoming increasingly evident to me that the administration may loosen some of the inflationary forces, so that it may appear, at the next yearly tax collection period beginning in April 1962, that we have increased the economy to the point where we are able to cover much of the deficit.

This is the type of economic chicanery which we cannot allow to take place. It does not involve only the steel companies and the users of steel—the ultimate consumer; it also involves the stability of the dollar, upon which most of the currencies of the world rest for their credit.

If we wish to hasten the day of our destruction, then the way to do it is by throwing fear into the hearts of the American businessmen by setting up a situation whereby the President can say, "Well, it is necessary for manufacturers to raise prices anyway, so we shall have to control wages and prices. Let us get the Government back into the active control of the economy as it was during World War II and immediately thereafter."

Mr. President, during that time occurred the greatest increase in inflation we have ever had.

I thank the distinguished Senator from Illinois for yielding to me for the purpose of adding my few remarks to this rebuttal. I think it was necessary that this be completely done.

Mr. SALTONSTALL. Mr. President, many of us are concerned about price increases in the steel industry. Of course, no one wants price increases, whether in steel or in any other commodity. We all hope that the prices of things which consumers need can be kept down to a minimum.

But the question before the country today, as the steel industry faces a new wage increase, is not so easy as some would make it appear.

Some persons in Washington seem to feel they can achieve the economic miracle of uncontrolled wages, but controlled prices. Lacking any congressional sanction for a return to the hated price controls of wartime, some officials seem bent on achieving price controls by public statements.

I do not believe that a majority of the Members of this body favor the regimentation of this or any other domestic industry. And I do not believe we can produce a healthy domestic economy by Government interference with the delicate balances of a free enterprise system.

I am advised that there have been three wage increases in the steel industry since the end of the 1959 strike—one in January 1960, one in December 1960, and the third which is scheduled for October 1, 1961. And about 43 percent of the total price of steel is paid out in wages. Yet there has been no increase in steel prices since 1958.

Over the 3-year term of the present contract, wages will be increased slightly more than 10 percent. Yet there has been a deterioration in profits in recent years. Net income was lower in 1960 than in 1959, even though 1959 was especially low because of the prolonged strike. Net income for 1960 was 28 percent lower than for 1957.

Net income as a percent of sales also declined from 9.6 percent in 1957 to 8.3 percent in 1960.

The industry has increased its long-term debt in the past 3 years by $1.1 billion, pouring huge sums into new machinery, new techniques, and new types of steel so necessary for survival and progress of the industry.

Steelmaking costs have gone up $11.55 a ton since 1958, and the October 1, 1961, pay increase will boost them an additional $3.40 a ton, according to industry records. So, the steel companies are being asked to assume $15 per ton in increased costs, without additional price boosts. How is this miracle to be achieved?

We propound for ourselves a serious economic question: Do we want a free economy or do we want a controlled economy? This question was answered once and for all when we wiped out price and wage controls after the end of World War II, to the joy and relief of business and labor and the consumer as well.

Price controls under the law were repugnant to the American people then. I am convinced that price controls by Government threat are even more repugnant to the American people now.

The free-enterprise system is capable of dealing with the steel pricing problem with its own built-in price controls. If the price of steel is pegged too high by the industry, then steel will suffer from increased foreign competition, and it will suffer from a gradual shift by steel users to aluminum, concrete, plastics, and to other substitute materials.

Steel imports increased sharply during the 1959 strike, and they were the highest in more than a year during June of 1961. Domestic steel must be produced efficiently and economically to meet this competition.

Plastics and aluminum are taking a steadily larger share of the boat and automobile market. Concrete is making inroads on the heavy use of steel in large buildings. Steel must be priced fairly to compete.

To meet this stiff competition, both foreign and domestic, the steel industry must remain a healthy industry, capable of paying high wages and high taxes, and at the same time capable of making a fair and reasonable profit. We all favor the industry paying the best possible wages. But it must be capable also of continuing to make substantial investments in new plant and equipment, and to pay for them out of dependable earnings. Only by keeping pace with scientific progress in steelmaking can we hope to compete with the rapidly developing nations of the world, which will soon be as ready and willing as we are to supply foreign markets.

We can all hope that good wages can be paid without price increases. But I do urge that the way to accomplish this desired result is through healthy competition and healthy modernization of steelmaking facilities, not through repressive measures of the Federal Government, whether by acts of Congress or words of warning issued by the executive departments.

The free-enterprise system has worked pretty well. The inexorable laws of supply and demand are even more immutable than those we enact here. I suggest that we should permit these laws to operate in the steel industry, as elsewhere.

The results can only be beneficial—to the industry, to labor, and to the country.

Mr. BENNETT. Mr. President, I am fearful that the attack on the steel industry which took place on the Senate floor on August 22 will create in the minds of many Americans confusion concerning some basic and simple economic facts of life. I am even more disturbed over the philosophical and political dangers represented by this attack.

I agree wholeheartedly with the New York Times, which in its editorial of August 24, in commenting on this display, said:

> If the price of steel is to be determined by speeches and threats on the Senate floor, then a precedent has been set whose final consequence could be a great change in our economic system. The private-enterprise system operates on the assumption that prices should be set in the marketplace, and reflect the force of competition among buyers and sellers. The Senate floor is not the marketplace.

I am sure the steel industry is not anxious to increase prices; and no one in the Senate can say whether the steel industry plans to raise them or not. But irrespective of speeches or threats, there are certain facts which cannot be brushed aside in a situation such as this. My purpose is to examine some of these facts. I hope this examination will help to illustrate that any action taken should be taken on the basis of economic considerations, measured against the public interest.

USE OF 1947 AS BASE PERIOD IS UNJUST AND FALLACIOUS

In the August 22 display, the junior Senator from Minnesota [Mr. McCARTHY] inserted in the RECORD, at page 16695, a table illustrating two trends in productivity indexes for steel, dating back to 1947. I shall not quarrel with those figures; I am sure they are accurate. But I do quarrel with that particular selection of dates for measurement purposes. The use of 1947 as a base period has the effect of ignoring the substantial pressures on steel costs, which were not accompanied by a corresponding adjustment in steel prices, in the preceding war years and the early postwar years. Changes in steel prices since that date represent necessary ad-

justments to an intolerable situation. I shall illustrate what I mean.

A comparison of the increase in finished steel prices and wholesale prices and industrial prices, over the period 1939 to 1947, reveals a decided lag in finished steel prices through the war years and the immediate postwar years. Finished steel prices increased 31 percent during that interval, while industrial prices increased 64 percent—more than twice as much. The general wholesale price index grew by 92.4 percent over that period—or three times as much as the increase in finished steel prices. Similarly, important ingredients of steel costs also increased in price much more than did steel prices. By 1947, steel scrap prices had more than doubled, construction costs had risen 77 percent, and employment costs per manhour had risen 67 percent. Mr. President, I ask unanimous consent to have printed in the RECORD a table showing these figures.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—*Increases in wholesale price index, industrial price index, selected steel costs, and finished steel prices, 1939–47*

	1939	1947	Percent increase
Finished steel prices (1947–49=100)	68.0	89.1	31.0
Wholesale price index (1947–49=100)	50.1	96.4	92.4
Nonfarm, nonfood index (industrial prices) (1947–49=100)	58.1	95.3	64.0
Steel costs:			
Steel scrap	$16.39	$36.36	121.8
Employment costs	$0.89	$1.49	67.4
Construction costs (ENR) (1947–49=100)	52.1	92.2	77.0

Mr. BENNETT. Mr. President, the rapid price movements which followed 1947 largely represented a catchingup process, not a pace-setting influence for the economy. By emphasizing the changes which have taken place since 1947, the antagonists ignore the fact that the increases since that date reflect in part a catchingup of steel prices with the inflation which had developed on a significant scale in virtually all the rest of the economy during and immediately after World War II. Moreover, in terms of any significant economic criteria, there are good reasons why the year 1947 should not be used as a base period. The postwar inflation was still in effect; the readjustments from the war economy were still taking place; there were the growing pressures of our early postwar aid programs to Europe; many goods were still in scarce supply; and the economy was still in its first postwar phase of expansion, reflecting in part the deferred demand of the war years. That combination of factors, as well as other pressures which were at work, indicates that the year 1947 has many limitations or defects as a basis for determining the significance of subsequent price increases and their relationships.

THE LONGRUN PICTURE

The interaction of wages, prices, and productivity is a complex economic problem which has received increasing attention from economists, and deserves even greater attention. The late Prof. Sumner Slichter, of Harvard University, and A. D. H. Kaplan, of the Brookings Institute, referred to any spread between wage and productivity increases as an "inflationary gap." Barring other economic forces, this gap can only express itself in increased prices. Let us examine what has happened in the steel industry.

Using figures dating back to 1940, we observe the creation of an inflationary gap through sharp increases in employment costs alongside of only moderate productivity increases.

Mr. President, at this point I ask consent to have printed in the RECORD, a table listing indexes of output per manhour, employment costs—including such fringe benefits as social security, pensions, insurance, and supplemental unemployment benefits—and finished steel product prices, over the two decades, 1940 to 1960.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II.—*Indexes of employment costs, output per man-hour and finished steel mill product prices, 1940–60 (1940=100)*

	Employment costs per hour worked [1]	Output per man-hour	Finished steel mill product prices
1940	100.0	100.0	100.0
1947	172.7	115.1	130.8
1948	185.5	115.4	148.8
1949	193.7	115.4	161.1
1950	210.8	126.9	169.2
1951	233.6	125.2	182.8
1952	255.8	122.0	186.8
1953	269.6	127.1	201.0
1954	277.6	120.5	209.7
1955	300.8	140.5	219.5
1956	326.4	140.7	238.0
1957	355.4	139.2	260.6
1958	388.2	130.1	269.8
1959	419.7	147.5	274.3
1960	422.1	139.6	273.9

[1] Wage employees engaged in the production and sale of iron and steel products.

Mr. BENNETT. Mr. President, in examining the total period, and using 1940 as the base 100, we find that the employment cost index stood at 422.1 in 1960; the index of output per man-hour stood at 139.6 in the same year; and the finished steel price index was 273.9. Employment costs, therefore, increased 322 percent between 1940 and 1960, while output per man-hour increased only 40 percent. This represents an inflationary gap of 282 percentage points. Prices were bound to increase under such pressures. And this they did, to the extent of 174 percent.

The Democratic Senators attempt to put the entire blame for past inflation and the whole burden of preventing future inflation on steel producers. Although their own statistics show that wage cost increases have far surpassed any productivity gains, this fact is passed over without any condemnation of the labor leaders who have had the power, by virtue of a legally constituted monopoly, to force these cost increases, and without any demand that the Steelworkers cease their incessant demands for ever-higher wages and costly benefits. Although these Senators point out that the increase in steel prices is multiplied by the users of steel, in increasing their own prices, and that other manufacturers use a steel price increase as an excuse for raising their prices, it is argued that somehow the fault is entirely that of the steel producers themselves.

THE SHORT RUN

Let us examine the short-run effects of the wage settlement of last year. In so doing, I wish to set forth a warning that 1-year or 2-year comparisons are dangerous, inasmuch as annual fluctuations vary greatly. But let us examine the figures used by the Democratic Senators. The junior Senator from Minnesota [Mr. MCCARTHY] pointed out, on page 16694 of the RECORD, that the total cost effect, including fringe benefits, of the increase that took effect last year and the increase which will go into effect on October 1 is about 20 cents for the 2-year period. The Senator says that the average annual increase in productivity since 1947 has been 3 percent per year. Inasmuch as steel wages are approximately $3 per hour, this would allow for a 9-cent-per-year wage increase, or 18 cents for the 2 years. Thus, the wage advance of 20 cents in the 2-year period is only slightly more than the productivity increase for those years. However, there are three things wrong with this analysis.

In the first place, it is highly doubtful that we can count on a 3-percent productivity increase every year. In fact, the historical average is well below this figure. The following table shows the compound rates of increase in output per man-hour over the two decades, 1940–60. The average over the period is 1.7 percent.

Compound annual rate of increase in output per man-hour in steel

1940–60	1.7
1940–50	2.4
1950–60	1.0

My second concern is with the figures for employment costs. The figures cited by the Senator from Minnesota were for basic wage rates. The American Iron & Steel Institute puts the total employment costs before the strike at $3.70 per hour, and for the first 6 months of 1961 at $3.98. This is an increase of 28 cents, or 3.7 percent, over the 2-year period; and this is prior to the increase which is to go into effect next month.

The third error in this analysis, and the one that concerns me the most, rests on other grounds. And, for purposes of discussion, let us assume that the figures cited by the Democratic Senators are proper and accurate.

If prosperity rests on constantly increasing productivity and if measures showing both the money values we produce and the rate at which we increase them are sound and dependable, we still face the problem of making an equitable distribution of the rewards and benefits of productivity.

Before we can consider the relative shares to which each of the segments of

the economy might be entitled, let us set down for reference the different forms in which these rewards come to the various participants:

Those who work for wages or salaries receive their share through increases in their salary scales, and in the fringe benefits they receive. Those who supply capital to buy the new and more productive machines, which provide the greatest increase in productivity, also receive increases in income through profits and dividends. All producers then benefit through increases in income.

But the consumer's share, represented ultimately by the wife and homemaker, is recorded and measured solely in terms of prices of the goods and services she buys. If she is to receive any share of the benefits, it will have to come in the form of lower prices. But pressures at the bargaining table seem to always squeeze out the consumer.

A statement by Theodore O. Yntema before the Senate Finance Committee during hearings conducted in 1958 is very significant on this point:

> We would like to see the productivity advances in the economy distributed more in lower prices and less in higher money wages of reduced purchasing power.
>
> * * * * *
>
> Certainly we should not tolerate attempts by any power group to grab such benefits for themselves.
>
> * * * * *
>
> The productivity of society is reflected in the physical volume of output per man-hour worked. This output per man-hour is usually called the productivity of labor. The term, however, is a misnomer because laborers are not responsible for much of the increase in productivity. The increases in productivity come mainly from management's utilizing capital and putting into operation the improvements discovered by scientists, engineers, and others. It is somewhat ironical that productivity should be expressed as output per man-hour, and it is most unfortunate that the term "productivity of labor" should be misinterpreted as productivity attributable to labor.

Certainly, labor should have its fair share. I will always defend labor's right to that. But I wonder if it should have more than its share. I think it is obvious to both management and labor that, if the steel industry had attempted to absorb all the cost increases which have taken place since World War II, there would be no steel industry today. And it is sad to observe that the forgotten party in all of our bargaining is the consumer. In recent years the American consumer has received an ally in the competition from imports. Perhaps this will add strength to the consumer's position.

Referring again to table II, inserted earlier, observe that the steel industry has been locked in and has been unable to lower prices due to the huge gap between increases in employment costs and increases in output per man-hour. The following quotation from an editorial in the Wall Street Journal of September 6 bears consideration:

> How odd it is that the Federal Government really becomes alarmed about a possible inflationary reaction only when business thinks about boosting prices. When the labor leaders clamor for higher labor prices, rarely is a cautionary note sounded in Washington.

In my State of Utah just now we are having a very tragic and dramatic demonstration of the truth of these words. The great Kennecott Copper Co. has been strikebound for 3 weeks. Five thousand men are out of work because 188 men belonging to a small union have refused to settle on the same terms that other employees have accepted. If the strike goes on for another week, an additional 1,000 men will lose their jobs, because the stocks of copper on hand that can be refined are fast being used up. Yet nothing is being done by the Federal Government; there are no telegrams from the White House saying to these 188 men, "You are creating a tremendous problem for your fellow employees. You are building up the unemployment statistics."

This is the sort of economic myopia that disturbs many Senators.

Apparently some persons would argue that, in spite of general inflation in the economy and rising costs in the steel industry, there is never a time when an increase in steel prices is warranted.

This problem is not a singleheaded coin. I have merely tried to present facts bearing on the case to offset some of the fallacious and dangerous reasoning which appeared on the Senate floor on August 22, and which reviewed only one side of the coin. Again, I remind my colleagues that the Senate floor is not the marketplace; nor is it the force behind the economic relationships between wages, productivity, and prices.

We cannot, from our vantage point, flatly say that the steel industry will or will not raise its prices; but, based on an examination of the facts, some of which I have presented here, it can be certain that such a step will not be taken unless the companies see that they have no alternative.

Mr. DIRKSEN. Mr. President, I yield to the Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART. Mr. President, the controversy over steel prices can be solved and the present debate and future debates can be stopped by adopting a socialistic or communistic system in the United States, under which the Government would control all prices and wages and operate all businesses. That is one way to do it. That is the simple way to do it.

In my opinion, if we do not quit harassing and strangling and throwing roadblocks in the way of the free enterprise system in America, this is exactly what will happen.

I do not know that it is the business of the Senate or of any individual Senator whether any individual company in the United States or any group of companies increases prices.

I do not believe it is any of our business. I do not believe we should talk about it or even discuss tampering with such action, but certain Senators brought up the subject on the floor some days ago.

There are those in the Senate and in our Government who adopt the same tactics the Communists use in this respect. The Communists and Mr. Khrushchev constantly needle the United States and the free world. They do everything in the world to hamper our operations. Khrushchev has forced us to spend many billions and billions and billions of dollars for national defense. He has forced us to do many other things.

For reasons I simply cannot understand, some have adopted the same sort of tactics with respect to the private enterprise system in America. They harass and throw roadblocks in its way. They never say a kind word about it. Apparently, they think they know how to operate business.

Actually, we should encourage and assist the private enterprise system, because only the private enterprise system, other than the Government, provides jobs in the United States.

The stronger we make the private enterprise system the more jobs there will be and the higher wages there will be for our workers. Despite this, some constantly seek to pass legislation, make speeches and statements, and do every other conceivable act to embarrass and strangle the private enterprise system.

Someday we shall have to make up our minds as to whether we believe in private enterprise. I believe 100 percent that we ought to prosecute any little man or any big man, any little business or any big business, which violates the law. That is not what we are talking about. That is not what we do here.

It is said that the steel industry should not increase prices. I do not know.

Not a single one of the other 99 Senators knows whether the industry should or should not increase prices.

I do not have the costs of the industry. I do not know how many hundreds of millions of dollars the industry feels will have to be spent to expand its productive capacity to create more jobs in the next year, 2 years, 3 years, 4 years, or 5 years. Nor does any other Senator know whether prices should be increased.

I personally do not know whether prices are too high or too low. One can gather a mass of statistics purporting to show that the steel industry is making too much profit, but when that is done it unquestionably is necessary to take into consideration the money needed to build new facilities to expand the business.

We do not know. We have no way of knowing. I do not know that it is any of our business, under our kind of government, our kind of life, and our kind of society, so long as the steel industry does not violate any law.

I have always thought that the purpose of the U.S. Congress and of the Government of the United States is to make laws, not to harass, not to try to punish, not to try to do things to interfere with business.

Either we shall have to stop, or we shall create a climate in the United

States which will not promote private enterprise, but will ruin it.

Senators talk about the steel industry and steel prices. What are the costs which enter into the manufacture of steel?

First, there is a labor cost. That is the biggest cost.

Second is the transportation cost, in and out, of the raw materials and the finished products.

Third is taxes. Those are breaking the backs of both big and little business in the United States. There are all kinds of taxes. The number is almost inconceivable. Senators should try to operate a business today and sign checks for the dozens of different kinds of taxes to see what they amount to. Senators would be amazed.

Another item which goes into the manufacture of steel is power, electricity.

There are also raw materials. The raw materials are coke, coal, and iron ore.

The labor rates are the same in all the factories. The labor rates are set by the Steelworkers Union. The union has been given a monopoly by the laws of the United States. Therefore, the steel companies have no choice other than to pay the labor rate demanded.

The transportation costs are set by governments, by the States, and by the Interstate Commerce Commission. The costs are set for railroad freight rates and truck rates. There is nothing any company can do about such costs, which are set by governmental agencies.

They also all pay the same tax rates. All companies have the same labor rates, the same transportation rates, and the same tax rates.

All companies pay the same rates for power, because some governmental agency establishes the price of electric power.

Companies are now permitted to bargain as to prices they will pay for raw materials such as iron ore and coke and coal, but that is the only cost under their control. They do not control the transportation cost of the raw materials into the plant. That cost is set by a Government agency.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. CAPEHART. If the Senator will permit me to finish, then I shall yield.

The company does not set those rates. Those rates are set by the Government agencies.

There is not much which goes into the cost of steel as to which some governmental agency does not either directly or indirectly set the cost.

As I said a moment ago, what we should do is quit kicking business around. If we do not, we shall ruin the private enterprise system of America. Then we shall have a Government-controlled enterprise system. It will not be private enterprise any longer, but it will be enterprise controlled by the Government.

What right have we in the U.S. Senate to do that? Under what law or what constitutional right can we continually harass the steel companies or any other portion of our industry? What legal right have we to do that? We are crippling industry. We are hurting business.

We hear talk to the effect that the steel companies should not increase their prices. I do not know whether they should or should not. I am not arguing that point. I hope it will not be necessary for them to do so. I do not have their costs; therefore I do not know.

The Congress has 100 percent jurisdiction and 100 percent control over taxes. We control expenditures. We have something to say about deficits.

The things which are causing inflation in the United States are huge governmental expenditures and high taxes.

It has been said this afternoon that the President says we should all get together, economize, and not do those things which will be inflationary. Yet, he is the biggest offender, and the Congress of the United States is going along with him, because we are spending money regardless of whether there will be income to pay expenses or not.

I do not know what Senators are thinking about when they try to control prices in the United States. Do they likewise have enough courage to try to control wages? Will they complain as loudly when some group insists upon a wage increase?

Wage earners have a right to do that. They may deserve a wage increase. I do not think it is any of the business of Members of the U.S. Senate, or of the Senate itself, to be talking about it.

Let us get out of American business. Let us get out of labor. Let us permit labor, management, and ownership to operate their own business. Let us create a climate that will encourage them to do so. Let us start to eliminate some of the controls we now have. Let us eliminate some of the taxes and other measures which are strangling business.

We have heard it said that measures must be taken in order to stop communism and Khrushchev. Yet we turn around in many instances and adopt socialistic or communistic methods toward business, as for example, with respect to the foreign aid bill.

Do we want to ruin the private enterprise system? Do we want to ruin the kind of system that made America the greatest industrial nation in the world?

To those who put roadblocks in the way of private industry, discourage and embarrass them, I say, "You are not the friends of the laboring man. You are the enemies of the laboring man." I talk from experience as one who has met a great number of payrolls. I wish some Senators would sit behind a desk and try to operate a business today and try to make both ends meet.

Business is very simple. Many people have an idea that business is a complicated affair. It is not. It is this simple. One must figure his costs and then figure what he can sell his product for. The difference between the two figures is either a profit or a loss. That is how simple the problem is.

Every business in the United States is different. No two of them are exactly alike. No two of them, except in the large industries, such as the steel industry, have exactly the same costs. Their costs are practically the same. We talk about the steel industry not being competitive. I do not know anything more competitive, because any businessman may pick up a telephone and call any one of 25 steel companies in order to buy steel. When he has called all 25 manufacturers, he can place his order with the company which has the lowest price. That is why, as a rule, steel prices are all the same.

The same is true with respect to coal and many other commodities. One company manufactures a product, for the purpose for which a consumer wants it, which is just as good as the product of another company. So the businessman buys 100 percent on the basis of price and price alone.

I have pointed out to the Senate how the Government, directly or indirectly, sets the price in the steel industry.

I do not know what we are talking about. I see the able Senator from Tennessee [Mr. GORE] smiling. He has said that steel prices are too high. I do not know how he knows it. I do not know whether or not he was ever in the steel business. I do not know how he can arrive at his conclusion. I cannot arrive at it. I have no facts or figures with which to arrive at such a conclusion. I can read the statements of the companies. They show a profit. Thank God that they do, because the steel companies are literally owned by thousands of people in the United States, many of whom are wage earners.

Most businesses are owned by stockholders. As has been said before today, approximately 90 million people have an interest in the life insurance companies in the United States.

All the income of the life insurance companies, except premiums received from the insured, comes from earnings through investments which the life insurance companies make in businesses in the United States. The life insurance companies buy mortgages, bonds, and stocks, from which they receive income. If they did not, we could not have the great life insurance system that operates in the United States.

I repeat the question. Where do we get the idea that we in the U.S. Senate have the right to harass industry? Upon the basis of what information or knowledge, or under what law, are we entitled to harass the steel industry, for example? Tomorrow it may be some other industry, and the next day it may be still another industry. Where have we gotten that idea? Where do we think we are going?

What will substitute for the great private enterprise system we have in the United States if we destroy it?

The answer is that we shall go socialistic or communistic. We will nationalize our industries. The Government will take them over and operate them, because people must have jobs, eat, and buy the necessary things for their living. If we cripple the private industrial system, our people cannot do those

things. Then the Government will have to do it. Is that what we want? Is that what we are looking for? Is that the intention? Is that the idea of the Senate as to the most effective way to meet communism?

Should we educate our American youth to believe that we must adopt this sort of scheme, patterned after socialism and communism? Is that what Senators want to do? Or should we educate the youth of our country to believe that our private enterprise system is better?

I repeat that I am in favor of prosecuting anyone, big or little, who violates the laws. That statement goes for the steel companies or any other company.

Beyond that, have we any authority under our system of government? Have we any responsibility beyond that under our system of government? Why do we not let business conduct its own affairs? Why do we not let labor organizations conduct their own affairs? Why do we interfere with collective bargaining? Where do we think we shall end? When will we stop doing this sort of thing?

Why do Senators feel that we can defeat communism if we constantly harass the system opposite to communism, which is the private enterprise system?

How shall we teach nations throughout the world that we have the best system when we are constantly beating its brains out?

How can we expect the youth of America to believe in our system if Members of the U.S. Congress are constantly beating its brains out? How do Senators expect us to teach the other nations of the world to adopt our free enterprise system, our kind of life, if we constantly talk about it, condemn it, and throw roadblocks in its way? Where do we think we are going?

I am a private enterpriser. Does the Senate know why? Because it is the best system in the world. I make no apologies for being a private enterpriser in every sense of the word. It is private industry that furnishes jobs. We should pass laws to protect labor, management, and ownership. We must guard one as jealously as we guard the other. We ought not constantly to take sides, taking the part of one against the other.

I have been a Member of this body for 17 years, and I have continually observed the process. Too many people take sides.

I learned as a young salesman that I was never able to sell a man who did not have any money or who did not have a job. If he had a job or if he had money I was able to sell him. But if he did not have a job I could not sell him anything. How can we operate the private enterprise system without providing jobs in private industry? Of course, one can work for the Government. Our Government costs are going up and up.

We should be ashamed of ourselves for talking about private industry raising prices and raising costs, when constantly the cost of Government is going up every day. New schemes for spending money and new schemes for competing with private enterprise are always being brought forward. All these schemes require taxes to pay for them.

We should stop putting roadblocks in the way of the great American free enterprise system. I am not now in any sense defending a violation of laws. I am not in any way defending monopolies. I am saying that if we can talk about the steel industry and talk about controlling its prices, we can do it with respect to every other industry in America.

My closing plea is, Let us stop it. We either believe in our system and our kind of life and our economy, or we do not. The time has come when the American people should make up their minds whether they believe Congress and the Government should promote the private enterprise system, the free competitive system, as we have it in America, or whether they want us to become a socialistic or communistic nation—by whatever name we wish to describe it—with the Government constantly getting into the ownership, management, and operation of businesses.

Mr. DIRKSEN. Mr. President, I yield to the distinguished Senator from Pennsylvania.

Mr. SCOTT. Mr. President, I commend my colleagues who have spoken on this subject today for their splendid presentation of facts and figures, which so clearly speak for themselves.

There are just a few points I would like to make in this connection.

A great deal has been said about wages and employment costs in the steel industry, and much of this has been misleading. I hope to help set the record straight.

Now, the distinguished Senator from Tennessee [Mr. KEFAUVER], apparently using Bureau of Labor Statistics figures, said average hourly earnings in the steel industry "run slightly more than $3 an hour," and the October 1 wage increase represents "a basic rise of slightly over 8 cents per hour." He noted that the union estimates the addition of fringe benefits would bring the "total cost effect per man-hour" to 10.5 cents.

These figures greatly understate the steel industry's employment costs for two principal reasons. One, the BLS statistics do not take into account the truly significant number of hours paid for, but not worked. This omission results in a wholly unrealistic picture.

The only really accurate way to determine employment costs is to include this payment for hours not worked. The American Iron & Steel Institute, recognizing the reality of this payment, came up with an hourly earnings figure of $3.35, which reflects honestly the cost per hour worked.

The considerable difference between this sum and the "slightly more than $3 an hour" cited by the Senator from Tennessee is all too apparent.

The second reason the figures quoted by the Senator from Tennessee represent an understatement is that they do not include the cost of such benefits as pensions, insurance, State unemployment benefits and social security. Last year, the cost per hour worked of these benefits totaled 47 cents, again according to the American Iron & Steel Institute. This, added to the payroll cost, gives a total hourly employment cost of $3.82.

And this is the only sum that actually shows how much the steel industry pays on the average for an hour's work.

Now, I would like to point out also that employment cost data for 1960 do not reflect fully the cost effect of the first 2 years of the labor agreements. This is because the 1960 wage increase did not take effect until December 1, 1960. Current costs of the agreement are reflected in an American Iron & Steel Institute estimate for the first 6 months of this year of $3.98 per hour, an increase of 28 cents over the first 6 months of 1959, which were prior to the steel strike.

Another fact too often overlooked in discussions of steel industry wages is that the American steelworker is one of the highest paid industrial workers in this country or anywhere else on earth. According to the Labor Department, which is the only suitable source for interindustry comparisons, fewer than 2 percent of all wage earners in all U.S. manufacturing industries draw more pay per hour than the American steelworker. I might point out that this position of supremacy has not always been held. Steelworkers were topped in pay by 15 percent of other wage earners back in 1940, and their earnings gain since then serves as a graphic illustration of the fact that the steel industry has paid out wages at a rate much greater than that of many industries.

Also highly illustrative of this trend is an article in the September 4 issue of U.S. News & World Report. In stating the "hard facts on steel," the magazine places steel wages at $3.19 an hour and the average factory wage at $2.35 an hour. It also points out that steel wages rose from $1.44 in 1947, a tremendous gain of 122 percent, while all factory workers gained an average of 90 percent. And whereas labor costs increased 112 percent—from $32.47 per ton in 1947 to $68.76 per ton—steel prices rose a lower 106 percent over the same span.

As U.S. News & World Report so bluntly stated, these are the hard facts on steel. But even these hard facts do not tell the whole story of what the steel industry faces in meeting ever-mounting employment costs today. I certainly am not qualified to tell the whole story. But I think perhaps I can draw upon experience to present a small but significant part of that story in a few more minutes here today.

Not long ago I learned that one of our enterprising steel companies completed its planning for major capital improvement. The blueprints were all ready, and the money to pay for their fulfillment was earmarked. The money was to come from two sources: Borrowing and retained earnings. The borrowing presented no great problem. That part

of the total was readily forthcoming. But not the retained earnings portion. Here the company hesitated. With the October 1 employment cost increase looming on the horizon, there was a question whether there would be enough retained earnings available.

The result at this moment is that the company is holding up its planned and needed improvements.

It should be said at this point that industry statisticians estimate that the October 1 increase will cost about $145 million a year from now on. So you can appreciate this one company's hesitation in proceeding with a large outlay at the same time it must assume its share of this staggering burden.

What makes this lone company's situation ironically significant is its relation to the administration's stated wish for modernization of American industry. On the one hand, this business is asked to go ahead and spend heavily for improvement, but on the other it is asked in effect to refrain from earning enough money to do so.

The entire steel industry is urged to make vast outlays for new plant and equipment, and at the same time it is required to absorb a monumental loss of $145 million a year through added employment costs. And it is expected to do both, yet stay as economically healthy as it is today.

This in truth is unfair and unjust to the hopes of those whose jobs depend upon continued and expanding prosperity in the steel industry, to shareholders whose taxes—before and after their returns from their investment—help support their Government and to an industry which is under pressure to absorb added costs. The Government gets added taxes to cover extra appropriations to cover increased costs. Would the Government apply to its business the standards it proposes be applied by private industry?

I thank the distinguished Senator from Illinois for yielding to me.

Mr. DIRKSEN. Mr. President, I yield to the distinguished Senator from California [Mr. KUCHEL].

Mr. KUCHEL. Mr. President, I recall that in the early months of my tenure in the Senate the Korean war had come to its conclusion, and emergency legislation which had prevailed when this country was committed to conflict was expiring.

One of the laws which was ready to expire was the law providing for compulsory Federal wage and price control. I remember that a group of Senators from the other side of the aisle, in good faith viewing the situation as they viewed it, said that the time had come in the development of America when wage controls and price controls should be a permanent part of America's economy. We disagreed. We on this side of the aisle, and many Senators on the other side of the aisle, as well, conceded that in an emergency this country would voluntarily submit itself and its economic system to such restrictions as were necessary to gear the Nation to success in overcoming the emergencies which it faced; but that under no circumstances would we permanently shackle ourselves and place a manacle on the unique free competitive economic system of America, by which 180 million people have grown strong and mutually prospered.

Today, I have listened with great interest to Senators who have discussed the economics and policies of the steel industry. These comments were prompted by the round-robin discussion held on August 22, by some of our Democratic friends. In reflecting on this discussion, I remembered some of the language which was used by Dr. Otto Eckstein when, as Technical Director of the Report on Employment, Growth and Price Levels issued by the Joint Economic Committee, on December 24, 1959, he commented with respect to the general problem of wage and price legislation. I quote from page 437 of that document. Said Dr. Eckstein:

> We turn, finally, to the whole spectrum of potential courses of action which involve a greater or lesser degree of Government participation in the price-wage setting process. Before proceeding with this, however, the point must be emphasized that, as a general rule, there should be a strong presumption against any type of Government interference or control unless the circumstances are such as to make it essential. There is always the danger that the Government participation in the determination of wages and prices will interfere with the proper allocation of resources among industries, will have an adverse effect on the incentive of labor and capital in the industry, and will, particularly in the long run, create more serious problems than it solves.

To his credit, Dr. Eckstein, who believes in and who thereafter discussed the occasional necessity for Federal action in this field, aptly called attention to the hazards of government intervention in our industrial life.

The U.S. Senate is a parliamentary body. It performs a highly essential legislative function. It sits in judgment, together with the executive branch, on matters of the most urgent international and domestic concern.

The U.S. Senate is also a forum. Any Senator speaking in this Chamber, or in the country, speaks with some authority by reason of the title of the office which he temporarily holds. When a Member of Congress speaks, he speaks in a somewhat different manner, and presumably with an even higher sense of responsibility than he did before he came here or after he returns to private life. Thus, when a number of Senators spoke in this Chamber and pointed the finger at the steel industry and said that there should be no increase in the price of steel after the previously agreed-upon wage increase goes into effect in October, and when some "threats," to use the word which the New York Times used, were made in this Chamber, it was somewhat different and far more important than if a group of citizens who were not public servants had made such statements and had suggested such specific courses of action.

For example, one able Senator said that if this increase takes place, perhaps the way to solve the problem would be to make the steel industry of the United States a public utility.

I come from the West—from the State of California, which continues to pioneer. I come from a State which also has a burgeoning steel industry. In the future this relatively new industry will inevitably develop even further in order to meet the growing needs of our people and our economy in the great, farflung reaches of the Pacific coast. I am interested in the future of steel, the well-being of its workers, its stockholders, and all Americans who benefit from a responsible, and progressive industry. I am also interested in the economy of our country, exactly and precisely as you are, Mr. President.

I abhor inflation which eats into the pocketbooks and living standards of every person, young or old, who maintains his life and his livelihood on a fixed income. The American people are vitally concerned with the threat and scourge of inflation. I am hopeful, as I know all of us are, that there will not be an ever-upward spiral of inflation in our country.

But I believe the responsibility for inflation and the problems of the steel industry are not as simple as was suggested the other day by our colleagues. Let us explore for a moment the editorial published in the New York Times on August 24, which reads in part:

> In the case of steel, for example, there is not only the elementary competition of different producers and sellers, but also the competition to steel from other metals and plastics, and the significant competition given domestic steel by imports of foreign steel. The steel company executives, wondering whether to raise prices to compensate for the next wage increase, have, we suspect, a much more complex problem before them than Senator GORE suggests.

I agree. We are discussing far more than the simple question of what decision the management of one industry in the United States will or will not make. We are discussing the industrial practices and the economic future, at home and abroad, of not only the steel industry, but of those industries which are competitive and related to it. But the effect of our action is broader than this.

Mr. President, I listened with keen attention to the remarks made by the able minority leader, the Senator from Illinois [Mr. DIRKSEN]. Certainly it is true that if, by threats and intimidation, speeches made on the floor of the Senate can affect the setting of prices in our country, then those speeches and those threats will have performed a disservice to the system of free, competitive enterprise in the United States of America. Such conditioning is a two-edged sword. If we condition prices today, we must inevitably condition wages tomorrow. To do either is to violate the spirit of decisions voluntarily arrived at by free collective bargaining and the interplay of a free economy. To do either, without a compelling and overriding grave

national emergency, is to sell short the sense of public responsibility of both management and labor. The New York Times editorial also noted:

Fundamental issues are raised by the campaign against a steel price increase that has been started by Senator GORE and some of his senatorial colleagues. These Senators are determined to prevent the steel industry from raising its prices after October 1 although the industry is committed to giving its unionized workers a significant wage increase then.

The scheduled wage increase results from a steel labor settlement imposed by the Eisenhower administration, acting through Vice President Nixon. Nevertheless, Senator GORE is threatening the steel industry with a deliberate Government campaign to break its large units up into small rival companies, or with imposition of public utility type Government price fixing if it raises prices.

If the price of steel is to be determined by speeches and threats on the Senate floor, then a precedent has been set whose final consequence could be a great change in our economic system. The private-enterprise system operates on the assumption that prices should be set in the marketplace, and reflect the force of competition among buyers and sellers. The Senate floor is not the marketplace.

Mr. President, I ask unanimous consent that the entire text of the editorial be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 24, 1961]

PRICE FIXING IN CONGRESS

Fundamental issues are raised by the campaign against a steel price increase that has been started by Senator GORE and some of his senatorial colleagues. These Senators are determined to prevent the steel industry from raising its prices after October 1 although the industry is committed to giving its unionized workers a significant wage increase then.

The scheduled wage increase results from a steel labor settlement imposed by the Eisenhower administration, acting through Vice President Nixon. Nevertheless, Senator GORE is threatening the steel industry with a deliberate Government campaign to break its large units up into small rival companies, or with imposition of public utility type Government price fixing if it raises prices.

If the price of steel is to be determined by speeches and threats on the Senate floor, then a precedent has been set whose final consequence could be a great change in our economic system. The private-enterprise system operates on the assumption that prices should be set in the marketplace, and reflect the force of competition among buyers and sellers. The Senate floor is not the marketplace.

However, it must be recognized that the sentiments Senator GORE and his supporters are voicing can ultimately be traced back in part at least to a conviction or suspicion that price setting in too much of American industry today reflects little or no real competition. While that sort of thinking has been around for many years, it received a strong acceleration from the shocking disclosures several months ago resulting from the Government's case against the electrical equipment industry. The collusion in price setting and division of markets there revealed was not only a betrayal of the elementary ethics the community expects of businessmen, but was a damaging blow to respect for the private-enterprise system.

Yet despite the electrical equipment case and other examples of formal or informal collusion in setting prices, competition is probably a much more real force in the American economy than Senator GORE believes.

In the case of steel, for example, there is not only the elementary competition of different producers and sellers, but also the competition to steel from other metals and plastics, and the significant competition given domestic steel by imports of foreign steel. The steel company executives, wondering whether to raise prices to compensate for the next wage increase, have, we suspect, a much more complex problem before them than Senator GORE suggests.

Mr. KUCHEL. Mr. President, I do not pose as an economist. I am a consumer, as you are, Mr. President, and as are all the rest of the people of the United States. We do not want inflation to occur in our country.

Mr. President, you and I, as U.S. Senators, have voted—as we would vote again—for increased appropriations from the Public Treasury for the defense of our country. With inadequate revenues such increased expenditures can have serious effects insofar as inflation is concerned.

Mr. President, as I close, I suggest that the Government might well set an example and take the lead in getting its own house in order. This determined action would be a marked and major contribution to the control of the unhappy and unfortunate inflationary spiral in present-day America. Such an example of fiscal responsibility and fiscal integrity would have the gratitude of us all.

Mr. HRUSKA. Mr. President——

Mr. DIRKSEN. Mr. President, I yield to the distinguished Senator from Nebraska.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). The Senator from Nebraska is recognized.

Mr. HRUSKA. Mr. President, the steel price discussion which began here in the Senate on August 22, presented in a political setting a complicated subject in economics.

The political part of the debate is understandable in this body. In fact, it is a routine situation; and it is well that such a forum as this exists. Every day of the year, one brand of politics or another is exhibited on the floor of the Senate, as well as in its committee rooms and elsewhere in the vicinity.

As to economics, however, it should be recognized that any attempt at control by parliamentary debate just will not work. This will not be achieved even by formally enacted statutes.

Insofar as such debate engages in threats, intimidation, and attempted coercion, it is not in order. In fact, it is harmful. The same holds true as to threats which emanate from the executive branch.

We can all be in agreement that a steel price rise is not to be desired. It can have harmful impact in many ways.

But there should also be common agreement that the Senate floor is no place to decide whether a price increase should or should not be made. The factors bearing on that subject were made elsewhere. So will the decision.

PRICE FLEXIBILITY AND COMPETITION IN STEEL

The broadside manner in which the discussion against a steel price rise occurred apparently left only one thing to be desired in the minds of many who engaged in it—namely, the determination of Congress by talk or by law, to forbid the prices of certain products to increase, and preferably to reduce them.

If only oratory were able to hold in abeyance the operation of certain economic factors and principles, the result of preventing price increases of steel would be assured.

If only oratory could selectively emphasize certain desirable phases of the problem, and could ignore or destroy factors, some of which are ugly, but inescapable, the mission of the orators would be easy of achievement.

Fortunately, however, the price of steel, as well as the prices of other commodities, will be determined in the marketplace, not on the floor of the Senate. Not only is that inevitable, it is desirable. The subject is far too complex and dependent on too many matters to permit of any readymade legislative decision.

This complexity is quite easy to appreciate when we consider a relatively simple proposition of whether the price of steel should advance or retreat when demand for it exceeds the supply.

Two conflicting views on this subject by Members of this body were recently expressed.

One of these views is held by the distinguished senior Senator from Tennessee, who has spent a great deal of time and effort in his study of competition with particular reference to the problems of the steel industry. As chairman of the Senate Antitrust and Monopoly Subcommittee, he had an opportunity to review the price policies of that industry during its study of administered prices.

In the spring of 1958, he formulated the concept that prices should decline when demand falls off. During the course of extended discussion of the steel industry on the Senate floor on August 22 of this year, he made some additional observations which are found in the CONGRESSIONAL RECORD, and I shall quote directly from his remarks:

When demand is in excess of supply, it is of course anticipated under competitive conditions that prices will rise. Moreover, if there exists a price leader in the industry, a plausible argument can be made that the other producers will not charge more than the leader, and, since they can sell all of their output at the higher price, none will charge less. But this rationale ceases to have validity when there exists a substantial volume of excess capacity. During a buyer's market, producers in an industry such as steel would have a strong incentive to try to get additional orders, thereby increasing their volume of production, and thus their profit rate. Nonetheless, the price of steel has been increased during each

of the three postwar recession years, 1948, 1954, and 1958.

The conclusion drawn by the Senator from Tennessee [Mr. KEFAUVER] is that during a buyer's market, prices should decline.

Mr. President, the other of the two schools of thought on how prices should vary over the course of a business cycle was stated by the distinguished senior Senator from Missouri [Mr. SYMINGTON], who has spent many years of his life in the conduct of successful manufacturing enterprises, and who made some interesting observations during the course of the same debate. I shall once again quote from the RECORD:

My point is that, inasmuch as we know we are entering a recovery and we know, therefore, that any theoretical estimate of fixed overhead per unit of production, as volume increases, will be reduced: therefore, an amount of the estimated overhead will actually turn into profit.

I am sure that my distinguished and experienced friend from Illinois would agree, with his vast knowledge of the subject of economics.

The point I want to make is that, whereas there might be some justification, if business were sliding off in any serious fashion, for raising prices, there is no justification to raise prices when there is assurance of at least as much, if not more, future volume.

The conclusion drawn by the Senator from Missouri [Mr. SYMINGTON] is that during a period of greater production and demand, prices should decline.

Mr. President, it is difficult to reconcile the views of two of my esteemed colleagues. Is there any time that prices should rise? Evidently, the colleagues whom I have just quoted think not. Apparently, in spite of a general inflation in the economy and rising costs in the steel industry, there is never a time when an increase in steel prices is warranted.

If demand is below capacity—and peak capacity must be in excess of demand most of the time if it is to be sufficient to meet the peak demands of the economy—some Senators say that it is against the laws of economics for prices to go up, and accuse the industry of monopoly practices. If demand pushes the capacity of the industry, the Senators say the steel producers make so much profit that they do not need price increases and should restrain themselves.

The law of supply and demand is a two-way street, except in the view of some Senators, who seem to believe that it should operate always to force prices down and keep them down. If the law did operate in this fashion, any business, whether a steel company, a hardware store, or a drugstore faced with constantly increasing costs would sooner or later become bankrupt.

Irrespective of our personal views, however, we must recognize that, in our competitive system, prices of steel are not determined on the Senate floor, but in the marketplace.

IS THERE COMPETITION?

The question we should be directing ourselves is: Do we have competition in the steel industry today? Evidently the Senator from Tennessee [Mr. KEFAUVER] thinks not, for a good portion of his remarks made on the Senate floor on August 22 suggest that the steel industry is in violation of a consent order entered into between the steel industry and the Federal Trade Commission in 1951, which prohibited, and I quote from Senator KEFAUVER, "any planned common course of action, understanding, or agreement to adopt, establish, fix, or maintain prices." He alleges that "the steel price increases can be explained only as a result of such prohibited conduct."

His obvious conclusion: We do not have competition in the steel industry, and the price increases prove it.

I submit that the facts show differently. There are many forces of competition at large in the steel world. Several have already been referred to. I shall mention a few.

COMPETITION OF FOREIGN IMPORTS

First, let us look at the competition from foreign imports. On August 14 of this year Mr. R. Conrad Cooper, executive vice president of United States Steel Corp., testified before the Subcommittee of the Impact of Imports and Exports on American Employment of the House Committee on Education and Labor. He stated that domestic steel companies have many more world competitors than ever before. I read:

Since 1950 steel ingot production in the rest of the world has been increasing rapidly—much more so than in the United States—with the result that the U.S. share of total world steel ingot production has declined by nearly one-half, from 46 percent to 26 percent. Paralleling this development, the tonnage of steel exports from the United States declined from 15 percent of world steel trade in 1950 to only 7 percent in 1960, while steel imports into the United States increased from 1½ percent of domestic supply in 1950 to almost 5 percent in 1960.

On September 4 the Washington Post carried a story on the proposed steel price increase and quoted from the Steel Magazine to the effect that imports of steel products jumped to 227,000 tons in June—the highest level in 14 months—while exports slipped to 146,000 tons.

My distinguished colleague from Tennessee has recognized this type of competition from foreign steel producers, and the steel industry is well aware of its existence. There is no doubt that the problem is one of growing intensity—a problem that steel companies are determined to meet and are facing up to with competitive vigor.

DECLINING PROFITS SHOW COMPETITION

Second, let us look at profits. Do profit figures indicate a lack of competition?

The concluding statement in Steel Facts on profits states:

The rise in the profit rate in relation to the operating rate can only mean that prices have risen more than costs.

In reality, if one would examine the facts that have been made available to the subcommittee and which appear in the record of the subcommittee, one could only conclude that the facts are "upside down." If the facts indicate any trend, they indicate that costs have risen more than prices.

PROFITS BASED ON NET WORTH ARE MEANINGLESS

There has been a considerable amount of discussion to the effect that profits should be based on net worth. That is an idea we have encountered from time to time in the Antitrust and Monopoly Subcommittee. I want to say, as I have said repeatedly, that the calculation of profits based on net worth is meaningless. It is misleading.

It is alleged that since 1955 the steel industry profit rate of return on net worth has risen above the historical relationship. The only thing historical about such a trend relationship is the dollars of net worth on which the whole spurious calculation is based—and this historical basis of net worth is precisely what discredits the measurement. This was pointed out by the steel companies to the Senator from Tennessee [Mr. KEFAUVER] in great detail as far back as 1957, but somehow these misleading data keep turning up.

Profits expressed as a rate of return on net worth are a meaningless measurement in an industry heavily invested in long-lived facilities, such as steel, because profits are recorded in current-day dollars and net worth is based on dollars invested in facilities many years ago before much of the inflation in the last two decades took place.

A simple illustration will show why and how much this basis can overstate profits rates. Suppose 20 years ago a steel company had a million dollar investment or net worth, and sold a million dollars of steel and made a profit of $50,000. That profit was equal to a 5 percent return on investment and 5 percent return on sales. Then inflation pushed costs and prices up 100 percent. Now they do the same business, but their sales are $2 million, and if they still earn 5 percent on sales, they have a profit of 100,000 inflated dollars. But their investment, which turns over very slowly, is still valued on their books at not much more than the original, historical $1 million. Thus it appears that their rate of return on net worth is almost 10 percent—the illusion of inflation.

Such a calculation of return on investment is known in statistical circles as a "horses and apples" comparison. To see how unrealistic a 10-percent return on investment in the steel business is today, let us set up a hypothetical business. To build a new fully integrated steel mill would require an investment equal to almost $400 per ton of finished steel product of such a mill. The product might sell for $150 per ton and earn a 6-percent profit or $9 per ton. That $9 is equal to a 2.25-percent return on the investment—not 10 percent or more, as the "Steel Facts" figures indicate.

Even on the basis of such distorted expressions of profit rates, however, steel industry profits compare unfavorably with other industries. For many years the First National City Bank of New York has compiled return on assets data which show those of the steel industry to be consistently lower than average in 17

of the last 20 years, and significantly lower in 1959 and 1960.

Another way to see how overstated is the return on net worth figures is to compare that trend with the trend of return on sales. Expression of profits as a percent of sales avoids the inflation distortion because both factors are recorded mostly in current dollars. Here are some return-on-sales figures to compare with the return on net worth figures provided by Senator KEFAUVER's staff:

Steel industry profits

Year	Percent of sales (AISI)[1]	Percent of net worth (Steel Facts)
1940	8.0	8.2
1950	8.0	15.3
1955	7.8	14.7
1957	7.2	12.4
1960	5.7	7.8

[1] American Iron & Steel Institute.

This tabulation shows how profits, when compared to sales in the same kind of dollars, indicate little trend while the return on net worth figures have been overstated because of their book value basis. The complete tabulation of return on net worth appearing in Steel Facts follows, supplemented by return on sales and production data which provide a less distorted basis of judging steel profit rates on the basis of official AISI data.

As a matter of fact, when all of the years since 1939 are compared on the basis of return on sales, it turns out that in no year have steel industry profits exceeded the rate of return earned in 1940, despite a manifold increase in volume since that time.

The conclusion in Steel Facts that prices have risen more than costs is thus unwarranted. Moreover, the conclusion elsewhere that the steel industry can absorb another wage increase and still earn the same rate of profit turns out to have no meaning at all because the same rate of profit is not based on the same kinds of dollars of investments or profits.

It would seem, therefore, that profit figures, objectively viewed, indicate the presence of intense competition rather than the lack of it.

COSTS OF DOING BUSINESS

Of course, many factors influence the "competitive price" most important of which are labor costs and material costs. An increase of one or more of these factors will, in many instances, affect the price paid in the marketplace.

PRICES INCREASED BY MATERIAL COSTS

Let us examine material costs.

Steel Facts erroneously states:

To the extent that it has exceeded the increased labor costs, the increase in steel prices does not appear to be due, except in small part, to increase in material costs. Most of the materials consumed in the making of steel are produced by the steel companies themselves.

This is a highly misleading statement and does not reflect the actual facts. The bill for purchased products and services in the steel industry ranged between $6 and $7 billion during each of the past 5 years and represented between 42 and 45 percent of the sales dollars. It is the largest element of cost in the steel industry. By comparison, employment costs as a percent of sales dollars have ranged between 35 and 39 percent during the past 5 years.

Over the long term, substantial increases have been experienced in both of these major cost elements.

Prices of a large number of purchased items have increased significantly over the past several years, for example:

April 1961—Percent increases[1] over December 1956

Coke	9.02
Electric power	8.70
Lubricating oils	12.17
Explosives	13.53
Ferrosilicon	8.21
Power handtools	11.68
Small cutting tools	16.12
Precision measuring tools	12.42
Electrical instruments	21.10
Pumps	12.75

[1] Computed from BLS indexes of wholesale prices.

The continually rising trend of prices of such major items of cost to the steel industry as fuels and rail transportation is of course well known to all of us.

My distinguished colleague, Senator GORE, stated in his remarks on the Senate floor August 22:

Competent studies have shown that during the period 1947 to 1958, 40 percent of the rise in the wholesale price index was due to the fact that steel prices were pushed up faster and further than the average of all other commodity prices.

This seems to be an impressive statement—but it does not tell the whole story. It is true that steel prices have increased more than average from 1940 to date but why have they increased? Not because of increased profits for profits have declined.

Let me quote from Professor Livernash, of Harvard, who prepared a report for the Department of Labor and published by then Secretary Mitchell in January 1961. This is what he said on page 177:

Increases in steel prices have been caused primarily by cost increases. The size of steel price increases differs from those of many other industries because of the fact that steel has had substantial increases in material costs. * * * Obviously, while price policy can be debated in the short run, in the long run all cost increases must be met. Steel has done no more than this. But to cover its cost increases in the postwar years it was necessary for steel to increase its profit margins if its rate of return on capital were to be comparable with the return on American capital generally.

LABOR COSTS

What about labor costs? There has been much discussion about labor costs during the course of this afternoon's discussion.

Steel Facts states that the impending wage increase in the steel industry represents a basic rise of slightly over 8 cents per man-hour, and when fringe benefits are considered, the total cost effect, according to an estimate of the union, will be 10.5 cents per man-hour.

When the labor contract was signed in January 1960 the total cost of the three increases to become effective under its provisions was estimated at 39 to 41 cents per man-hour worked, or an average of between 13 and 14 cents per increase. It should be noted that the 41-cent estimate was adopted by the union representatives, including Mr. McDonald and Mr. Goldberg.

Steel Facts further states that the increase that went into effect last year makes a total for the 2 years of around 20 cents. This completely ignores the fact that there was a significant increase in employment costs in January 1960 as well as to the increases in wage and other costs effective December 1, 1960, and October 1, 1961. Employment costs were substantially increased in January 1960 as a result of the contract provisions with respect to pensions, insurance, and supplemental unemployment benefits.

The American Iron & Steel Institute estimates total employment cost per hour for the first 6 months of 1961 at $3.98. This is an increase of 28 cents over the $3.70 per hour reported for the first 6 months of 1959, prior to the steel strike, which of course substantially exceeds the 20 cents contained in Steel Facts.

In addition, Steel Facts by using 3 percent per year as an estimate of increases in productivity, implies that the total of the cost increases under the contract is almost entirely offset due to this factor. However, the "productivity"—more accurately "output per man-hour"—increase of 3 percent a year is greatly overstated. Over the period 1940 to 1960 steel industry shipments per man-hour increased at the compound annual rate of less than 2 percent, which is substantially less than the claimed 3 percent and less than half of the 3.7 percent annual increase in employment costs under the present labor contract cited in the Basic Steel Industry issued by former Secretary of Labor Mitchell.

SUMMARY

Mr. President, I submit that with foreign competition, with increased costs in both labor and materials, resulting in lower profits, there is strong evidence of intense competition in the steel industry—and as long as competition exists, we as legislators have no business substituting our judgment for the judgment of those in the industry as to what the price of steel should be. The price is determined in the marketplace. Of course, none of us likes to see a rise in prices. But as one steel executive put it, rising prices are merely the measure of inflation, not the cause of it, "rising prices cause inflation like wet streets cause rain."

The Senator from Tennessee [Mr. KEFAUVER], in his argument on August 22, stated there must be a violation of the Federal Trade Commission consent decree by the steel industry:

It should be stressed that the evidence which I shall present concerns price increases, and does not relate to other types of identical price actions. When one firm lowers its prices, it is often necessary for its

competitors to lower theirs, in order to meet competition. With a fine disregard for logic, the same rationale is used for price increases; prices must be raised, it is contended, in order to meet competition—a type of action referred to by former Senator O'Mahoney as "upside-down competition."

Later in his remarks, the Senator from Tennessee [Mr. KEFAUVER] alluded to the testimony of Mr. Homer, president of Bethlehem Steel Corp. as the source of the "upside-down competition" principle. During the hearings which the subcommittee conducted on steel, former Senator O'Mahoney asked Mr. Homer:

I have often heard persons who represent management speak of the necessity of following the price up in order to maintain competition. That seems to me to be a peculiar definition of competition.

The answer given by Mr. Homer, from the hearings was this:

On your first point, regarding putting prices up to meet another price, our situation today, as I have explained it, is that we have a competitive price level. And even putting a price up to that level on account of increases in costs does not by any means give us the equivalent of the increases in costs. And the price level also is below an average rate of return for manufacturing industry, so that we do not have today in the steel industry the situation that one might suppose from your comments to exist, which is that we have a high profit level and that everybody comes up to that high profit level. We do not have that.

We are forced by costs, or else we get into difficulties as I have explained in my opening statement to come up to the level that exists today.

Now, I am quite in accord with what you say about inflation. We are just as much concerned with inflation as anyone. We are very seriously affected by inflation.

Senator O'MAHONEY. But if the average rate of profit for all industry should happen to be an excessive rate, then the action of a particular unit in the industry to strive to get to that high excessive rate of profit would not be in the public interest, nor would it be in the interest of that unit, assuming, of course, that the unit was already making some profit.

Mr. HOMER. Well, I think, Senator, you have a good point there. If your average profit is in line with the average, then you are in a position to do the many things that you have to do in connection with your financing, your stockholder situation, you are on a comparable basis.

Senator O'MAHONEY. I was told——

Mr. HOMER. If you go above that, Senator, if you go above that, then maybe there is not justification for it and someone will come along and just say, "Well, I am going to go out and take business at a lower price than what you are."

What do you do then? You come down to that established competitive figure, and somewhere it seeks its level. And our level today, in my opinion, it is not high enough. I do not think we are up to where we ought to be. * * *

It is obvious that when a company can recover its costs competitively it must increase its price—but it must be reasonable—or his competitor will undersell him. To suggest that this type of activity is noncompetitive is sheer folly. It is because of competition that it exists.

Earlier today, Mr. President, commendations were given by my colleagues to the senior Senator from New York [Mr. JAVITS] for his reply and refutation of the discussion which occurred a few weeks ago on the other side of the aisle. I wish to add my commendations to those of my colleagues.

In particular, what impressed me in the thoughts expressed so ably by the Senator was his reference to and his description of what really constitutes business. Along the same lines, Mr. President, I might observe that there is "business" and there is "funny business."

I recall the hearings held by the Subcommittee on Antitrust and Monopoly earlier this year. Witnesses testified regarding conspiracies and agreements to fix prices in violation of the antitrust laws of this country. Great was the exhilaration of certain members of the committee when it was announced in the newspapers that current prices were to be reduced on various classifications of electrical equipment or particular pieces of equipment. It was felt by everyone that the policy of the administration was to help reduce prices—certainly not to increase them. That is, at least, the contention of our colleagues on the other side of the aisle.

It did not take very long for that exuberance to become somewhat diminished, however, as it came to our attention, both individually and officially, that another department of the administration was taking a totally different tack. The Antitrust Division of the Department of Justice, in dealing with the same electrical companies which had sent witnesses to our committee, insisted that the companies include in the consent decrees which followed the prosecutions of last year a provision that they would not sell at unreasonably low prices. The Government did not undertake to and did not volunteer to include any definition of what was unreasonably low, nor were there furnished any guide lines, any standards, or any indication as to what that would be.

Within the same organization, on the one side were people saying, "We want to reduce prices," and on another side, "You must not sell too cheaply."

There is business to be considered, and also funny business.

I think that incident demonstrates the complexity of the entire subject and our inability, certainly by parliamentary debate, to establish prices or to restrict an increase of prices.

The Senator from New York [Mr. JAVITS] was correct when he expressed himself on the subject of business. He was correct when he said that labor is not only the 17 million or 18 million members of the labor unions. That is the common concept of labor, but actually labor includes some 60 million or 65 million jobholders in the Nation.

When we consider business, what is it? What is meant when it is said that a party or an individual is antibusiness or probusiness? Frequently we have heard the majority party accused in recent months of being antibusiness. If it is, or if the charge is leveled against anyone, what is it that is being talked about? Is it an opposition or a hostility toward investors, toward a person who manages a business, toward an owner or a stockholder or a coupon clipper?

How narrow a concept. Business includes many others besides such people and those interests. It includes the jobs which business creates and maintains, the articles which it manufactures and makes available for the use and enjoyment of the greatest number of consumers possible, the service it renders for those same people, and the expansion of plant and many other things which go into the concept of business.

In that sense I certainly wish to be known and to be classed as probusiness. Everyone should.

I return to my original thesis, Mr. President. If there is to be any steel price increase, that is a subject which ought to be decided elsewhere than on the floor of the Senate. The factors which relate to price increase or which enable a price reduction are not made here. They are not within the control of this body. Therefore, the question of price should likewise be left to the marketplace and to the other areas where all the factors arise or are created or maintained.

Mr. President, I thank the Senator from Illinois for yielding to me.

Mr. DIRKSEN. Mr. President, I yield to the distinguished Senator from Colorado [Mr. ALLOTT].

Mr. ALLOTT. Mr. President, my remarks on this subject will be brief. In general, I wish to associate myself with the remarks of my colleagues. At this stage in our economy I think we would make a very serious mistake to adopt the philosophy which our friends on the other side of the aisle apparently have adopted. Being only a plain country lawyer, I find it impossible to go through the mental gyrations or adopt the so-called intellectual acrobatics by which they and the administration have arrived at their position. I do not pretend to know, and I do not believe that any other Senator, including those who spoke either on August 22 or today knows, whether or not a price in steel is justified. Only the companies who have control of their own affairs, accounts, and records, are able to say whether or not a price is truly in fact justified.

What I am concerned about is the apparent trend in this country to influence the price of steel by means of political pressure, and even by means of threats of prosecution. To me it is unthinkable that in this country we should come to the stage that anyone would threaten an antitrust suit, with its almost inevitable resultant criminal prosecutions under the antitrust laws, in order to fix the limits within which anyone may charge a price for his products.

I have before me numerous editorials. I wish to quote an editorial by Freeman Bishop of the 28th day of August, in which he stated very clearly:

These discussions on the floor of the Senate showed little understanding of business principles.

I could not agree with him more, because I do not know how we can possibly

start to fix the prices that people charge for their products without eventually fixing wages. I do not believe that the Federal Government should engage in fixing wages. Neither do I believe that the Federal Government should engage in fixing the prices of products. Of course, there is justification for this when we find ourselves in a war or in an acute national emergency. But there is no justification for it under the present circumstances.

As I recall my figures, two times steelworkers have been granted a wage raise without an increase in the price of steel following such an increase in wages. Somewhere along the way, if we are to justify the wage raises, and if we are to accept the principle of free enterprise—and let no mistake be made; I believe in the principle of free enterprise—there will come a rise in the price of the resultant product.

Earlier today Senator after Senator pointed out that the greater portion of the cost of production is the expense of wages. I have no quarrel with that argument, but I believe that the Government's function, and its only function, in the field of labor relations with respect to negotiations between labor and management is to provide the laws and the climate in which both labor and management can negotiate in a pari manu fashion, with their hands on the table where everybody can see them.

When the Government goes beyond that point in attempting to exert pressure on either one of the other, I think it exceeds its rightful authority. I did not agree with the intervention of the Government in the steel strike of 2 years ago, although I realize also that the repercussions of that upon the national economy were very great. In my own State we have one steel company—the Colorado Fuel & Iron Co. That company accounts directly for the support of at least 45,000 people in the city of my birth—Pueblo, Colo. I cannot fail to be impressed and concerned by policies which affect the welfare of those people.

As I have said, two wage increases, with another coming up in the steel industry, have occurred recently without a raise in the price of steel.

I do not contend that we know, and I do not contend that I know what the price should be. I should like to quote from an editorial published in the Washington Post, which, we certainly know, can hardly be classified as a free-enterprise newspaper or as one which is anti-labor. The editorial which appeared on August 30, 1960, stated in the last paragraph:

> Since the coming wage increase is fixed by contract, the next move is up to the companies. Hence public suasion must necessarily be directed at them. But, in the longer run, policymakers cannot disregard the fact that profits are a small part and wages a large part of the price of steel and everything else. Arguing with the tail helps little if the dog will not also listen. Public suasion can help to keep prices in line only if it is directed at labor as well as management.

In this morning's issue of the Wall Street Journal, an article appeared which has caused me to become alarmed at the policy which the President and the Secretary of Labor of our country are pursuing, a policy which Members of the opposite party have recently pursued on the floor of the Senate. In the article by Frederick Taylor, of Detroit, published in this morning's issue of the Wall Street Journal, appears the following:

> DETROIT.—General Motors Corp. bowed to Government pressure and a stubborn United Auto Workers Union and granted the union its chief demands.
>
> This was becoming increasingly clear as details became known of the significant progress made at the bargaining table which led to an extension of GM's labor contract with the UAW until next Monday at 10 a.m. The extension makes it highly unlikely that there will be a national strike in the auto industry this year, although local walkouts involving a fraction of GM's 310,000 workers started yesterday.

A little later in the same article the author stated:

> But a broad walkout at GM plants proved unnecessary for the union to win its key demands. The two sides negotiated continuously for more than 18 hours, starting Tuesday morning. While in these talks, they were hit by telegrams and statements from the White House and the Labor Department which implied, to the auto companies at least, that the Government was ready to step into the negotiations if a national GM strike started.

A little later in the article it is stated:

> The Government has played a prominent role throughout the negotiations, starting with a speech by Secretary of Labor Goldberg in Detroit just before bargaining started June 28. He warned that a strike would be "intolerable" and ending with President Kennedy sending telegrams to both the union and the company Tuesday. Mr. Kennedy appealed for a "just settlement" before the deadline yesterday morning. In between William Simkin, director of the Federal Mediation and Conciliation Service, requested the contracts be extended from August 31 to yesterday morning, and Mr. Goldberg made several speeches warning of the danger to the economy an auto strike would cause.
>
> Company officials, though denying that the latest contract extension was ordered by the Government, are known to have feared that if a walkout did occur the Government would move in with a factfinding committee or take some other action to settle the dispute. They believed GM would be better off to settle without the Government sitting at the bargaining table.

This is another example of what I believe to be a clear abuse of the Federal Government's participation in these affairs. It is not understandable to me, unless we are actually abandoning or have abandoned the free enterprise system. I am not willing to abandon it, and I am not going to stand by for one minute to see it cast aside. The Government would wage this force and would use these pressures in order to force one side of these two great elements in our economy to give in to the other.

It has been suggested that this arrangement is in the form of a trust. With that I heartily disagree. If there are Members of the Senate who believe that the steel industry is not a competitive industry, I ask them to join me in talking with officials of the Colorado Fuel & Iron Co. in Pueblo, Colo., which, as I said a moment ago, supports roughly 45,000 or 50,000 people in that city, and find out just how competitive the steel industry is. But these people are governed by all of the negotiations of big steel and all the things that happen to big steel, whether it be with respect to a labor contract or whether it be with respect to prices.

I want to make my position in this matter crystal clear. I believe that the position of the Federal Government with respect to management and labor relations is solely to provide the laws and the climate within which people can bargain in a fair hands-off-the-table attitude. When the Government and members of the opposite party assume an attitude that one or the other must assume all the burden for the constant rise in costs, we have exceeded our authority. This is not a question that should be settled on the floor of the Senate. There is competition. Again, I invite those who think not to join me in consultations with the Colorado Fuel & Iron Co., this comparatively small, although significantly large-for-the-West, company which is trying so hard to keep its head above the water and to provide a decent and adequate living for the people of my State, to further the economy of the State, of the West, and of the Nation.

The real issue is whether we are to use threats and coercion on the floor of the Senate, and/or whether we are to use threats and coercion from the executive branch of the Government. In my opinion it is highly improper and completely repugnant to the concept of free enterprise.

Moreover, it is morally unjustified. If we yield to it and allow it to happen now we can only go the long step down the road to surrender many of the rights which we consider sacred and which in the long run would keep the economy of this country prosperous, vital, and forging ahead.

Mr. DIRKSEN. Mr. President, I yield to the distinguished Senator from New York [Mr. KEATING].

Mr. KEATING. Mr. President, I read with interest the arguments a few days ago of my distinguished colleagues who are concerned about a possible increase in the price of steel and basic steel products.

I want to say categorically that I agree 100 percent on the fundamental need to study and evaluate potential inflationary forces in our economy.

I wish to depart slightly from the general approach which has been made today to this steel problem. I, too, am worried about inflationary forces in our economy that have been poking their ugly heads up lately, including the possibility of steel price increases; but also including even more serious forces, such as the projected $8 to $10 billion deficit in the Federal budget for fiscal 1962 and the subtle weakening of our international balance of payments.

I wish some of the Members who have taken such a vital and personal interest in steel prices would take an equal interest in the overall condition of our Federal budget. I think it is extremely dangerous for our country to ignore the need

for a balanced budget and for sound and responsible fiscal policies.

Facts about a possible steel price rise should be on the record. Much useful information has been provided, but there are other factors too. We must not lose sight of the forest because we have concentrated an overriding interest on one particular tree.

It should be noted that on page 16712 of the RECORD of August 22, I raised a question with my colleague Senator HUMPHREY on the subject of a possible steel price increase. The distinguished Senators discussing this subject had pointed out the profit rates of the steel industry at various operating levels. Information was provided for operations at 90 percent of capacity, 80 percent, 70 percent, and, I believe, 60 percent of capacity. The discussion stopped here. Thereupon, I asked the distinguished senior Senator from Minnesota, who had the floor, about the rate of profit in the steel industry at 50 percent of capacity. It is my recollection that during the recent months the industry, or a large segment of it, has operated at this level or below.

The Senator from Minnesota did not have this information available and said he would provide it for me. As I am very much interested in this subject, I addressed a letter to the Senator in which I reminded him of this query. I stressed my desire to work with him in curbing other potential inflationary forces that could affect our economy. I shall be happy to cooperate with the Senator in keeping a vigilant eye on the steel industry. I urge him to work with me, and others of our colleagues, in keeping the other eye on the Federal budget, a truly significant inflationary force that also bears watching.

I wish to make one point on steel price policies. While we in Congress can and should be concerned about broad Federal fiscal policy decisions which affect the price level, individual prices within our economy cannot be set, directly or indirectly, by the Senate of the United States. I call attention to a comment in an editorial on this subject which appeared in the New York Times. The entire editorial has already been printed in the RECORD, but I stress again that the Senate Chamber is not the marketplace.

I quote from the editorial:

> If the price of steel is to be determined by speeches and threats on the Senate floor, then a precedent has been set whose final consequences could be a great change in our economic system. The private-enterprise system operates on the assumption that prices should be set in the marketplace, and reflect the force of competition among buyers and sellers. The Senate floor is not the marketplace.

The role of the Government in our economy is clear and well recognized. As far as the steel industry is concerned, it does not include price setting, price fixing, or any such function. The Senators who spoke the other day on this issue, of course, know this, but their comments and the main thrust of their arguments do not adequately reflect it.

There are some economists—and I disagree with them—who believe that inflation is just one of those things. They say it comes and it goes. Like a mosquito bite, there is not much we can do about it. This is a dangerous line of reasoning. Inflation tends to feed upon itself. It places a heavy burden upon the income of wage earners and pensioners whose earnings and pensions are relatively steady. It helps those who can speculate on the success of our economy, to make unwarranted gains at everyone's expense. If permitted to continue unchecked, it can bring about the gravest consequences.

It is for that reason that I am compelled to oppose Senators who spoke the other day and, very properly, called attention to the inflationary problem involved in a rise in the price of steel, which affects so many commodities. I appeal to them to join those of us who also have an eye on the problem, to attempt to achieve a balanced budget, to keep outgo within income in the structure of the Government, which today is a vastly greater and graver inflationary problem than would be even a rise in the price of steel.

Mr. MILLER. Mr. President, fundamental issues are raised by the campaign against a steel price increase that has been started by this administration, which is determined to prevent the steel industry from raising its prices after October 1, although the industry is committed to giving its unionized workers a significant wage increase then.

The scheduled wage increase results from a steel labor settlement during the Eisenhower administration, acting through Vice President Nixon. Nevertheless, the administration is threatening the steel industry with a deliberate Government campaign to break its large units up into small rival companies, or with imposition of public-utility-type Government price fixing if it raises prices.

If the price of steel is to be determined by speeches and threats on the Senate floor and by press releases from the White House, then a precedent has been set, the final consequence of which could be a fundamental change in our economic system. The private-enterprise system operates on the assumption that prices should be set in the marketplace and reflect the force of competition among buyers and sellers. The Senate floor and the White House are not the marketplace.

However, it must be recognized that the sentiments being expressed by some administration spokesmen can ultimately be traced back in part at least to a conviction or suspicion that price setting in too much of American industry today reflects little or no real competition. While that sort of thinking has been around for many years, it received a strong acceleration from the shocking disclosures several months ago resulting from the Government's case against the electrical equipment industry. The collusion in price setting and division of markets there revealed was not only a betrayal of the elementary ethics the community expects of businessmen, but was a damaging blow to respect for the private-enterprise system.

Yet despite the electrical equipment case and other examples of formal or informal collusion in setting prices, competition is a much more real force in the American economy than these spokesmen believe.

In the case of steel, for example, there is not only the competition of different producers and sellers, but also the competition to steel from other metals and plastics, and the significant competition given domestic steel by imports of foreign steel. The steel company executives, wondering whether to raise prices to compensate for the next wage increase, have a much more complex problem before them than most people realize.

Steel production facilities require vast investments and a considerable amount of time to build. They cannot be created overnight to meet increased demand, nor abandoned when demand falls off. Yet the steel industry is one of the most cyclical of all industries—during a business cycle the demand for steel falls and rises twice as fast as the average of all manufacturers. Since the demand for steel is relatively inelastic, no price changes could have any appreciable effect upon cyclical variations in demand. These are facts and circumstances which are not within the control of steel producers; yet they are constantly used by critics to condemn the industry at both ends of the cycle. The facts are that the industry increased its capacity from 81.6 to 91.9 million tons during the war period of 1940–46, and from 91.2 to 148.6 million tons in the succeding period of 1947–60. Several times during the past 20 years, the industry has been roundly condemned in hearings before congressional committees for deliberately refraining from increasing capacity and threats have been made that the Federal Government would enter the steel business. Obviously, the economy of the country requires that peak capacity be considerably higher than average demand, and this is the situation—only because the industry has invested huge sums to keep its facilities in pace with or ahead of the economy as a whole. As a consequence, when demand is not at the highest levels, the industry is condemned for overcapacity and accused of monopoly, conspiracy, and lack of public spirit if prices do not fall to unprofitable levels. If the steel industry could not operate at a reasonable profit at considerably less than capacity operations, the investment funds would not have been and would not be available to maintain a growing industry sufficient to take care of the needs of a growing economy.

AGRICULTURE AND INFLATION—FARM MACHINERY

Some would attempt to put the entire blame for past inflation and the whole burden of preventing future inflation on steel producers. Although their own statistics show that wage cost increases have surpassed productivity gains, this fact is passed over without any condemnation of the labor leaders who have had the power by virtue of a legally constituted monopoly to force these cost increases, and without any demand that the steelworkers cease their incessant

demands for ever-higher wages and costly benefits. Although these same people point out that the increase in steel prices is multiplied by the users of steel in increasing their own prices, and that other manufacturers use a steel price increase as an excuse to raise their prices, somehow it is entirely the fault of the steel producers.

Apparently, in spite of a general inflation in the economy and rising costs in the steel industry, there is never a time when an increase in steel prices is warranted. If demand is below capacity—and peak capacity must be in excess of demand most of the time if it is to be sufficient to meet the peak demands of the economy—some would say that it is against the laws of economics for prices to go up and would accuse the industry of monopoly practices. If demand pushes the capacity of the industry, some would say that the steel producers make so much profit that they do not need price increases and should restrain themselves. The law of supply and demand is a two-way street, except in the view of some who seem to believe that this law should operate always to force prices down and keep them down, but never to force prices up. If the law did operate in this fashion, any business, whether a steel company, a hardware store or a drugstore faced with constantly increasing costs would sooner or later become bankrupt.

Mr. President, I come from an agricultural State. Increases in steel prices will almost certainly be reflected in increased costs of farm machinery. I am deeply concerned about the impact of inflation upon our farmers because, as I stated earlier today, when inflation strikes, the group which feels it worst is the farmers. We have seen the devastation that has been worked on the small farmers, and how they have virtually been driven out of business by the price rises since 1940, with the result that today they have scarcely enough net income to be able to remain in business.

I must say that I look with misgivings on the prospect that this squeeze may be aggravated. But although I am concerned about inflation, this concern does not blind me to certain facts. One of those is that the steel companies are not the ones who are responsible for the inflation; furthermore, neither are the steelworkers, with their insistent demands for wage increases—demands which need not always be acquiesced in—responsible for the inflation. I have always felt that the onus for inflation falls squarely on the shoulders of the Members of Congress, and perhaps to a lesser degree on the occupant of the White House. But the Members of Congress are the ones who pass the appropriation bills and spend the Federal funds and spend our way into ever-increasing deficits. Deficit spending does not result from actions taken by the steel companies or from actions taken by the steelworkers. Deficit spending comes about because of actions taken by the Members of Congress who do not have enough political and moral courage—to use the words of the distinguished Senator from North Carolina [Mr. ERVIN]—to vote the taxes which will bring in sufficient revenue to match the Federal expenditures. It is the failure to do this down through the years which has caused the shrinkage in value of the U.S. dollar—with the result that today it is worth only about 46 cents, compared to the value it had when President Truman followed President Roosevelt in office.

Mr. President, I see no way out of this situation unless Congress and the White House—both of which are in control of the same party—will stop knuckling under and will begin to act in accordance with the fine words used by the President of the United States when, in his address to the Nation, he called for fiscal integrity and asked that Federal expenditures which may be desirable, but are not absolutely necessary, be deferred.

But I must say that I am still waiting—and I have been waiting all session, particularly since the night when the President spoke about Berlin—to see some indication that some of these programs are to be cut back or are going to be eliminated altogether. However, I have not seen even one of them cut back. Yet all of us know that some of these Federal spending domestic programs which are not necessarily tied in with the national defense have been voted by this body in amounts in excess of those requested by the President himself.

Mr. President, the net result of this deficit spending will be further shrinkage in the value of the U.S. dollar. Earlier today I pointed out that during June the value of the U.S. dollar shrank by one-half of 1 cent.

Mr. President, if the U.S. dollar becomes debased, neither the steelworkers nor any other workers who request wage increases in order to make up for the difference can be blamed. But Congress can be asked to stop taking action which will result in inflation.

Mr. President, another point should be made: I believe that perhaps too much criticism is made by both sides to this controversy. I think perhaps the steel companies have a tendency to blame the steelworkers too much, and I am sure that the steelworkers have a tendency to blame the steel companies too much.

But when the chips are down, both sides should look to Washington, particularly to the Members of Congress who are voting these expenditures, and to the leadership in the White House, which is in control of the Congress, for deeds, not just words, with respect to fiscal integrity.

Mr. President, it has been stated:

> To the extent that it has exceeded the increase in labor costs, the increase in steel prices does not appear to be due, except in small part, to increases in material costs. Most of the materials consumed in the making of steel are produced by the steel companies themselves.

Mr. President, I believe that what the American people have been led to believe with respect to the perennial problem in regard to steel price increases is that the steel companies have reacted to the demands of the steelworkers for wage increases by increasing the price of steel—not increasing it just enough to make up for the wage increases, but increasing the price of steel more than that. That sounds like a rather severe indictment. But this indictment fails to take into account the fact—and this is where the American people have been misled—that there is more to it than that. The steel companies—as is true of any other business—are affected by more than wage increases. They are also affected by increases in the overall cost of doing business—including increases in the cost of materials.

The bill of the steel industry for products and services purchased ranged between $6 billion and $7 billion during each of the past 5 years, and represented between 42 percent and 45 percent of its sales dollar. That bill is the largest element in the cost of making steel. By comparison, labor costs, as a percentage of the sales dollar, have ranged between 33 and 39 percent during the past 5 years.

So, Mr. President, we see that when—because of inflationary results—the costs of materials to the steel industry have increased, we are not fair if we say to the steel companies, "Increase the price you charge for the steel you make only in an amount sufficient to meet the wage increase." In order to be fair, the steel companies must be able to increase the price of steel sufficiently to offset the increases which have occurred in their other costs of production.

Mr. KEFAUVER. Mr. President, will the Senator from Iowa yield?

Mr. MILLER. I am happy to yield to the Senator from Tennessee.

Mr. KEFAUVER. I agree with the Senator's statement that other costs must be taken into consideration. But one of the main ingredients of steel is scrap; and it will be found that in 1958 scrap was selling for between $55 and $58 a ton, whereas today scrap is selling for between $35 and $36 a ton. In fact, the price of scrap today is the lowest it has been for some time.

So, in the case of this very substantial ingredient of steel, the price of scrap is today only a little more than half what it was 2½ years ago.

Mr. MILLER. In reply, let me say that I fully recognize that the price of scrap has not risen very much, if any.

However, granted the validity of the statement which the Senator from Tennessee has just made, it does not persuade me that the costs of materials, all taken into account, have not gone up. Over the long term, substantial increases have been experienced in both major cost elements, labor, and materials. In "Collective Bargaining in the Steel Industry," released by former Secretary of Labor Mitchell, employment costs per ton of product shipped are shown to have increased nearly threefold from 1940 to 1959, while materials and service costs per ton in 1959 were more than three times as much as they were in 1940.

Many other materials enter into this picture besides scrap. For example, I have in my hand a table, which I ask unanimous consent to have printed at this point in my remarks, listing some other major items of material, including, for example, coke.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

April 1961 percent increases [1] over December 1955

Coke	9.02
Electric power	8.70
Lubricating oils	12.17
Explosives	13.53
Ferro silicon	8.21
Power hand tools	11.68
Small cutting tools	16.12
Precision measuring tools	12.42
Electrical instruments	21.10
Pumps	12.75

[1] Computed from BLS indexes of wholesale prices.

Mr. MILLER. The percent increase in April 1961 over December 1956 on coke was over 9 percent. For electric power it was almost 9 percent. For lubricating oils, it was 12 percent. For explosives it was 13 percent. For power hand tools, 11 percent. For small cutting tools, 16 percent. Those increases were over a 5-year period.

So I point out to the Senator from Tennessee that, granted that scrap is a substantial material used in the production of steel, and granted that its price has not increased substantially over this period, there are many other items which enter into the cost, and the statistics which I am about to ask unanimous consent to have printed in the RECORD will bear that statement out.

Mr. President, I have in my hand some tables. One is known as exhibit 1, showing sales, costs, and income in the steel industry for the period 1940 and 1947 through 1960. A second table shows employment costs and steel prices; also steel revenue and production costs for a similar period. Another exhibit shows costs related to revenues. Finally, I have a table showing wholesale price indexes.

I ask unanimous consent to have those tables printed in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

EXHIBIT 1

Sales, costs, and income, steel industry,[1] 1940, 1947–60

BILLIONS OF DOLLARS

	1940	1947	1948	1949 [2]	1950	1951	1952 [2]	1953	1954	1955	1956 [2]	1957	1958	1959 [2]	1960
Products and services sold [3]	3.3	6.7	8.1	7.4	9.5	11.8	10.8	13.2	10.6	14.0	15.3	15.6	12.6	14.2	14.1
Costs:															
Employment costs	1.2	2.5	2.9	2.6	3.2	3.8	3.8	4.5	3.9	4.7	5.1	5.5	4.8	5.1	5.5
Products and services bought	1.4	3.2	3.9	3.5	4.3	5.5	5.4	6.1	4.6	6.1	7.0	6.7	5.2	6.4	6.0
Wear and exhaustion of facilities	.2	.2	.3	.3	.3	.4	.5	.6	.7	.7	.7	.8	.7	.7	.7
Interest and other costs on debt	(4)	(4)	(4)	(4)	(4)	(4)	(4)	.1	.1	.1	.1	.1	.1	.1	.1
Income and other taxes	.2	.4	.5	.5	.9	1.4	.6	1.2	.7	1.3	1.3	1.4	1.0	1.1	1.0
Total	3.0	6.3	7.6	6.9	8.7	11.1	10.3	12.5	10.0	12.9	14.2	14.5	11.8	13.4	13.3
Income	.3	.4	.5	.5	.8	.7	.5	.7	.6	1.1	1.1	1.1	.8	.8	.8

PERCENT OF SALES [5]

Product and services sold [3]	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Costs:															
Employment costs	35.9	36.7	34.9	35.0	33.1	32.3	34.9	34.0	36.7	33.5	33.3	35.5	38.2	36.1	38.9
Products and services bought	44.4	47.7	48.4	47.3	45.7	46.3	49.8	46.3	43.2	43.6	45.8	43.2	41.8	45.2	42.3
Wear and exhaustion of facilities	5.4	3.6	3.7	3.7	3.4	3.2	4.1	4.7	6.3	5.2	4.9	4.9	5.3	4.7	4.9
Interest and other costs on debt	1.2	.3	.2	.3	.3	.2	.4	.4	.5	.4	.4	.4	.6	.7	.7
Income and other taxes	5.1	5.6	6.1	6.6	9.5	12.2	5.8	9.0	7.3	9.5	8.3	8.7	7.8	7.5	7.5
Total	92.0	93.9	93.3	92.9	92.0	94.2	95.0	94.4	94.0	92.2	92.7	92.7	93.7	94.2	94.3
Income	8.0	6.1	6.7	7.1	8.0	5.8	5.0	5.6	6.0	7.8	7.3	7.3	6.3	5.8	5.7

MEMORANDUM

Steel products shipped (millions of tons)	46.0	63.1	66.0	58.1	72.2	78.9	68.0	80.2	63.2	84.7	83.3	79.9	59.9	69.4	71.1
Operating rate (percent)	82.1	93.0	94.1	81.1	96.9	100.9	85.8	94.9	71.0	93.0	89.8	84.5	60.6	63.3	66.8

[1] Financial data are as reported by companies representing approximately 95 percent of the steel industry's production of steel ingots, as reported to American Iron & Steel Institute.
[2] Strike year.
[3] Includes interest, dividends, and other income.
[4] Less than $50,000,000.
[5] Percent of sales calculated before rounding.
Source: Annual Statistical Reports, American Iron & Steel Institute.

EXHIBIT 2

TABLE 1.—*Employment costs, basic steel prices, average realized price per ton, and percent of capacity utilized (steel operations only), 1940 and 1947–59*

Year	BLS index of basic steel prices	Average realized price per ton [1]		Employment cost [2]				Operating rate (percent)
				All employees [3]		Wage employees		
		Dollars	Index	Dollars	Index	Dollars	Index	
1940	100.0	58	100.0	21.81	100.0	17.78	100.0	82.1
1947	131.4	88	151.7	32.05	146.9	25.69	144.4	93.0
1948	150.0	101	174.1	34.57	158.5	27.56	155.0	94.1
1949	162.6	107	184.4	36.69	168.2	28.09	157.9	81.1
1950	171.2	114	196.5	35.98	164.9	28.44	159.9	96.9
1951	184.6	125	215.5	40.21	184.3	31.93	179.5	100.9
1952	188.6	129	222.4	45.48	208.5	34.78	195.6	85.8
1953	203.6	135	232.7	46.14	211.5	35.87	201.7	94.9
1954	212.7	139	239.6	51.06	234.1	37.71	212.0	71.0
1955	222.9	142	244.8	47.13	216.0	35.93	202.0	93.0
1956	241.4	155	267.2	50.92	233.4	38.36	215.7	89.9
1957	264.6	165	284.4	56.17	257.5	41.80	235.0	84.5
1958	273.8	173	298.2	64.92	297.6	46.68	262.5	60.8
1959	[4] 278.4	178	306.8	[4] 58.93	[4] 270.1	[4] 43.64	[4] 245.4	63.0

[1] The average realized prices per ton for the years 1947 and 1949 through 1959 were derived from census data with adjustments for the years 1947, 1949, 1950, and 1954 to reflect the estimated amount of wire products made in the steel industry during these years so that the data would be comparable with other years. Prices for the years 1940 and 1948 were estimated with the estimates based on movements of the BLS wholesale price indexes for steel mill products.
[2] From "Background Statistics Bearing on Steel Dispute"—Bulletin No. S-1 U.S. Department of Labor—Source of data: Bureau of Labor Statistics estimates based on Iron & Steel Institute data.
[3] Assumes supplementary contributions per man-hour for all employees in steel operations same as for all employees covering all operations of steel companies.
[4] 1st half 1959.

Since the ratio of employment costs to average realized price has been roughly 35 percent, the increase in employment costs from 1940 through 1959 would explain something like one-third of the 178-percent rise in steel prices over this period.

TABLE 2.—*Steel revenue and production costs, 1940 and 1947–59*

Year	Revenue (in millions)	Revenue per ton	Cost per ton shipped		
			Total	Employment (all employees)	Materials and services
1940	$3,235	$73	$58.92	$27.19	$31.73
1947	6,674	113	95.75	42.02	53.73
1948	8,080	130	108.41	45.69	62.72
1949	7,391	135	111.87	47.93	63.94
1950	9,485	139	110.10	46.46	63.64
1951	11,782	154	121.84	50.32	71.52
1952	10,803	164	139.46	57.67	81.79
1953	13,091	166	134.29	57.26	77.03
1954	10,532	170	136.82	63.15	73.67
1955	13,900	170	132.07	57.66	74.41
1956	15,160	189	150.62	63.56	87.06
1957	15,468	199	158.22	71.39	86.83
1958	12,442	210	170.12	81.67	88.45
1959	14,088	212	174.15	77.28	96.87
	Indexes (1940=100)				
1940	100	100	100	100	100
1947	206	155	163	155	169
1948	250	178	184	168	198
1949	228	185	190	176	202
1950	293	190	187	171	201
1951	364	211	207	185	225
1952	334	225	237	212	258
1953	405	227	228	211	243
1954	325	233	232	232	232
1955	431	233	224	212	235
1956	469	259	256	234	274
1957	478	273	269	263	274
1958	385	288	289	300	279
1959	435	290	296	284	305

Source: 1959 AISI Statistical Report.

EXHIBIT 3

COSTS RELATED TO REVENUES: CONSOLIDATED ACTIVITIES

An analysis of employment costs not confined solely to steelmaking operations shows a fairly close relationship to the trends observed when considering steelmaking activities only. Employment cost (all employees) per ton shipped when considered in this context rose 184 percent from 1940 to 1959 (see table 2).

Since it is evident from this that only a small part of the steel price increase since 1940 can be attributed to increases in employment costs, consideration is now given to the part that increases in costs of materials and services may have played in such increases. The relation between increases in employment costs and material and service costs will also be considered briefly.

Purchased materials and services, including transportation, accounted for between 43 and 47 percent of total revenues during the 1940–59 period. Although varying from year to year, this category as a whole represented the largest single element of cost.

As shown by table 2, material and service costs per ton of steel shipped increased 205 percent from 1940 through 1959. Material costs accounted for 44 percent of total revenues in 1940, but the percentage has been higher in most postwar years with a range of about 44 to 47 percent. The lowest percentages were attained in the recession years 1954 (43 percent) and 1958 (42 percent); the percentage that material costs are of total revenues usually declines during recessions whereas that for employment costs increases.

If we accept 45 percent as roughly the approximate proportion that material costs are of total revenues, it follows that material cost increases accounted for roughly one-half of the rise in steel prices from 1940 through 1959.

Combining the effects of the increased costs of employment and materials it appears that they absorb something like 80 to 85 percent of the steel price increase that has taken place from 1940 through 1959.

MATERIAL COSTS RELATED TO STEEL EMPLOYMENT COSTS

In view of the fact that, as a trend over the years, material costs appear to rise slightly more than employment costs, consideration was given to the question of whether there is any causal relationship between the two. We were unable to prove or disprove any such relationship.

In most of the postwar years material costs per unit of steel shipped increased more than steel employment costs on the 1940 base. However, there were substantial differences in timing and in amount from one year to the next. Material costs went up more than steel employment costs in some years and less in others; in still other years the two moved in opposite directions. A study of the behavior of the two indicates:

1. In contracting years, when steel employment costs rise sharply, with some exceptions, material costs tend to rise weakly, or less than their percentage increase during years of peak or plateau.

2. Material costs have dropped in 3 of the 4 years of expansion following a decline. Hardly a typical year, 1959 was the exception.

3. Material costs have shown a pronounced tendency to rise during peak or plateau years, except for 1957. But, although they rise most in such years, steel employment costs rise most in contracting years. But both classes of cost show a tendency, different in degree, to rise when business conditions approach the end of a boom.

4. Although steel employment and material cost are both influenced by the business cycle, each variable appears to react to its own particular pattern rather than to a common pattern. The relationships between them appear to be erratic and variable, floating rather than fixed. No determinate connection between them is apparent.

(Source: "Collective Bargaining in the Basic Steel Industry," by Prof. E. Robert Livernash, U.S. Department of Labor, 1961, pp. 162–163.)

EXHIBIT 4.—*Wholesale price indexes*

Code		April 1961	December 1956	April 1961 percent increases over December 1956[1]
052	Coke	170.4	156.3	9.02
054	Electric power	102.5	94.3	8.70
0555	Lubricating oils	103.2	92.0	12.17
0672	Explosives	151.9	133.8	13.53
1016–12	Ferro silicon	151.6	140.1	8.21
1134	Power handtools	147.2	131.8	11.68
1136	Small cutting tools	175.8	151.4	16.12
1137	Precision measuring tools	152.1	135.3	12.42
1172	Electrical instruments	171.0	141.2	21.10
1141	Pumps	181.3	160.8	12.75

[1] Computed from BLS indexes of wholesale prices.

Source: Bureau of Labor Statistics.

Mr. KEFAUVER. Mr. President, if the Senator will yield, what was the increase in the cost of materials from 1956 to 1960? I did not understand.

Mr. MILLER. I will repeat a statement I attributed to former Secretary of Labor Mitchell in his release entitled "Collective Bargaining in the Steel Industry." Mr. Mitchell stated that the cost per ton of product shipped increased nearly threefold from 1940 to 1959. Materials and services costs per ton in 1959 were more than three times as much as they were in 1940.

Mr. KEFAUVER. I was interested, in the comparison with 1956, in the costs of lubricating oils and some other items the Senator mentioned.

Mr. MILLER. I am sorry if I did not follow the Senator's question. Lubricating oils are shown to have had an increase of 12.17 percent. These are percentage increases computed from the Bureau of Labor Statistics indexes of wholesale prices as of April 1961 over December 1956.

Mr. KEFAUVER. What was the increase in the case of coke?

Mr. MILLER. Nine and two one-hundredths percent.

Mr. KEFAUVER. I point out that from 1956 to 1959 the increase in the price of steel was 15 percent, which is a greater percentage increase than the cost of the items the Senator has been talking about. In 1956, for instance, the wholesale price index of steel was 181.9, using 1947 as the base. In 1959 it was 209.7, which is a 15-percent increase. The figures do not run into 1960.

Mr. MILLER. In response to the Senator from Tennessee, I do not have statistics readily available to indicate whether the price rise in steel has been proportionate to the increase of other costs of materials. That was not the purpose of introducing the figures into the RECORD. The purpose was to show that, notwithstanding the fact that the price of scrap has not risen materially, there are many other types of materials the cost of which has risen substantially, and, further, to make it clear that when we look at the overall costs of steel production, the costs of materials, certainly in the long run, are in excess of the costs of wages.

I wish to mention another point with respect to costs. This may possibly tie in with what the Senator from Tennessee was driving at a moment ago. Even if profits have gone up over, say, the last 5 years, if we are to have any hope of replacing capital investment in plant and heavy machinery, it will be necessary to have more profits in order to do so, because plant costs have gone up.

There is not a Senator who has not experienced the result of increased costs in connection with the purchase of an automobile. Today one has to pay $3,500 for an automobile that he could have purchased for $3,000 only 3 or 4 years ago. It does not do any good to say, "We want you to keep your profits at the same level each year, and you will come out all right," because profits must be increased in order to maintain the plant, as a result of the inflation we have been speaking about. I think this factor has been overlooked in the discussions about profits. There must be more profits in the bank in order to invest in an equal amount of capital plant today. This fact is particularly noticeable on the farm today. A tractor that formerly cost $2,000 costs $3,000 today. A farmer has to have more profit in order to keep

his head above water. That is the reason why so many have not been able to remain on the farm.

One last point, Mr. President. If the spokesmen for the administration would spend half as much energy in trying to seek an incentive form of Federal taxation for business as they do in trying to curb business, I do not think we would have any problems. Business is literally crying out to expand, but they do not have the incentive to expand. It is true that such tax reform has been talked about. It is very regrettable that nothing has been done in this session about it. We have reached the point where businessmen are not optimistic in looking forward to tax reforms which will give them an incentive to expand. They are looking forward to getting nicked with higher taxes in the years ahead.

Because of these factors, businessmen are not planning to expand and are not carrying out plans for expansion to any noticeable degree. That is the reason why there is so much unemployment. It does no good to talk about unemployment unless there is industrial expansion which will absorb the unemployed.

The continued talk we have heard lately about wage and price controls and higher taxes and deficits and ever-increasing Federal expenditures for nonessential, nondefense measures does not give rise to the type of atmosphere that encourages private business to grow.

There are two ways we can proceed. We can either encourage private enterprise to grow and to absorb this unfortunate unemployment which has presented such a problem to the present administration or we can go into a regimented, federally controlled economy such as we observed in England. I suppose, if we are to start that, the place to start is with the steel industry, because that is one of the industries with which Britain started. We do not observe that practice today, because after a while the British people threw out the program.

We can save ourselves much time and agony such as our friends across the ocean in Great Britain went through if we will follow their experience and learn from it and if we will guide our policy along the traditional line of encouraging business by stopping deficits.

Let us not talk about balancing the budget tomorrow, next year, or the year after. Let us talk about balancing the budget today. More important, let us do something about it.

Businessmen learned from the 1930's that one does not improve business by deficit spending. Businessmen remember history. They observe today's deficits, the $3 billion deficit for the fiscal year just ended and the $7 to $10 billion for the fiscal year now passing. Private business will not expand under those circumstances.

I conclude by saying I hope the administration and its spokesmen will not try to use the Federal Government as a means for controlling prices.

In today's Wall Street Journal was published an editorial entitled "The President's Busybodies," which points out that certain members of the administration are making an effort to put the onus for any inflation on private industry, whereas the onus should be placed here on the Members of Congress and on the Government itself. I ask unanimous consent that the editorial be printed in the RECORD.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Is there objection to the request of the Senator from Iowa?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE PRESIDENT'S BUSYBODIES

The usefulness of the President's Council of Economic Advisers has always been open to some question. But, whatever its ostensible functions, it seems unlikely Congress intended it to be a political meddler in the affairs of private industry.

That is nonetheless what it is degenerating into at the moment. In an effort to whip up public opinion against any possible steel price increase that might result from automatic wage increases on October 1, the Council has come up with a bunch of statistical projections. These purport to prove that the industry can absorb the wage boost and still earn after-tax profits of 7 percent to 15 percent on the asset value of its outstanding stock in this year's fourth quarter.

We certainly don't know whether the steelmakers can absorb the wage boost without a price increase, at these or any other profit levels. Various industry officials privately say the projections are way off base.

Whatever methods the Council used to arrive at its conclusions, however, it is hardly in a position to foresee all the ramified practical market forces which will determine whether there are or are not price increases in various steel products. Even the Council, in a fleeting bit of candor that should have guided it away from this forecasting, confesses that "any effort to estimate the future earnings of an industry is a most hazardous undertaking."

And that kind of undertaking is none of the Council's business. It represents Government pressure to achieve a species of price fixing. (No complaint, of course, is made against the union-extorted wage boosts which would cause any price rises.)

Moreover, it is an attempt to put the onus for a new inflation on private industry. The best that can be said for that effort is that it is a dishonest exercise. If there is a new inflation, neither industry nor labor will cause it; it will be caused by the Government's own reckless fiscal and monetary policies.

Perhaps the administration thinks turning the Council of Economic Advisers into a group of busybodies is smart politics. We think it is a disservice to the Council and, more importantly, to the public.

Mr. DIRKSEN. Mr. President, perhaps I should take a minute or two to supply an epilog to the discussion which has taken place today.

In my earlier remarks I mentioned that every person, every entity, under our concept of government is entitled to his day in court. When I used that expression I used it in the symbolic sense. I did not wish it to be misinterpreted, because I remember that in the steel hearings in 1958 proposals were before us even at that time to provide some administrative agency with legislative authority to prevent any price increase in the case of major industries unless the industry first served notice to a Federal agency and then came to Washington and here defended what was proposed to be done. Along with it the industry would have been subject to testimony, and cross-examination by those whom the industry supplied, the consumers, and everybody else who had any interest whatsoever in the matter.

I do not have that in mind when I talk about having a day in court. That is the last thing I would wish to see in this free competitive country.

I only make the point with which I started this afternoon, if an industry is guilty of misfeasance, let it be charged under the law. There should not be any attempt to frighten and there should not be any attempt to threaten, as has been done in the observations which were made on this floor on the 22d day of August. That is a sound American concept. When we depart from it, woe unto us, for then the confidence and trust of the American citizen, of the American business enterprise in government, will begin to go downhill. It will be an intolerable day indeed when that happens in this blessed country.

We conclude the discussion at that point, Mr. President. I express my grateful thanks to the majority leader for his kindness in letting us have ample time to discuss this matter from our point of view.

Mr. President, in connection with remarks I made earlier today, I would like to have appended the material that appears on pages 153, 154, 155, 156, and 157 of the report on administered prices in the steel industry as a result of long hearings conducted by the Subcommittee on Antitrust and Monopoly of the Judiciary Committee in 1957, all of which is set out under "Minority Analysis of Majority's Charges."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

III. MINORITY ANALYSIS OF MAJORITY'S CHARGES

The minority has reviewed the record and the majority's report carefully. The majority's report largely adopts the unwarranted charges of the staff members; its conclusions are not justified; they are not based on the facts developed in the hearings and they demonstrate a complete lack of understanding of the practical operation of our competitive economy.

The minority has prepared its analysis of the principal charges made or inferred by the majority. The minority believes that these charges are erroneous and unfounded. A detailed discussion of each of these charges follows:

POINT I

After careful analysis of the testimony adduced at the hearings, the minority finds that the position in the majority's report that the steel industry has made unjustified price increases is erroneous and unfounded.

The majority's report charges that the July 1 price increase was not justified by the cost increase. It first attempts to determine the actual cost increase represented by the wage increase under the contract between the union and the companies. The majority's analysis is based on an unwarranted assumption stated as follows:

"For the purpose of trying to ascertain how much of the price increase has in fact been due to the wage increase required under the contract, it should be obvious that the starting point for discussion should be

19.4 cents and that this figure, itself, appears to be excessive." [1]

It then attempts to estimate the changes in other costs. It said:

"It appears that changes in costs of the major products purchased by United States Steel for its steelmaking operations do not support the company's statement that 'other costs' rise at the same time as, and in an amount equal to, any increase in employment costs." [2]

And, finally, it attempts to relate these costs to the price increase announced by the United States Steel Corp. on July 1. It said: "* * * In short, the evidence presented by United States Steel fails to provide any indication that the margin between increased labor costs per ton of steel and the $6 per ton price rise since July 1, will be absorbed by increases in 'other costs.'" [3]

The minority notes that the testimony received by the subcommittee indicated that in no instance was the July 1 steel price increase adequate in terms of the companies' cost positions at that time. It can find no justification for the majority's attempt indirectly to impose its pricing formulas over large segments of American economy.

It would do well at this point to analyze and refer briefly to the record. The majority report, itself, refers to a statement made by Jones & Laughlin, fourth largest producer in the steel industry, as follows:

"The announced price increase (July 1) is grossly inadequate insofar as covering our total anticipated cost increases is concerned." [4]

The inadequacy of the price increase was reflected by the testimony of various steel company officials who testified. Mr. Roger M. Blough, chairman of the board, United States Steel Co., stated:

"In other words, to put it in figures that you can understand perhaps a little more clearly, dollarwise a price increase which would have been, let us say, entirely justified based upon what we have just been through for 17 years, would have been in the area of $9 or $10. Now, that is the figure to compare with the $6." [5]

Mr. A. B. Homer, president, Bethlehem Steel Corp., stated that although Bethlehem Steel prices rose on an average of $5.20 per ton, the average costs were expected to rise to $8 per ton, thereby forcing Bethlehem Steel to absorb the loss of $2.80 per ton or a total of $35 million. [6]

Mr. George M. Humphrey, chairman of the board, National Steel Corp., stated that the total effect by reason of increases in the cost of purchased materials and services would be 2.5 to 2.75 times the increase in employment cost. [7]

The chairman, Senator ESTES KEFAUVER, in examining Mr. Humphrey at this point came to the conclusion that the increased cost per ton as a result of wage increases was $3.15 which he stated he found to be in line with United States Steel and with Bethlehem Steel. This $3.15 increased cost per ton as a result of wage increases, was lower than the approximately $4 per ton increase due to wage costs found by the steel companies.

It should be further noted at this point that the record adequately shows that for each dollar of increased employment costs, there is an additional dollar increase in material and service costs.

Mr. Robert C. Tyson, chairman, finance committee, United States Steel Corp., said:

"For each dollar that our employment costs increase, our total costs increase over $2. Economic arithmetic tells us that the new cost-push inflation can never be terminated until inflation in the biggest and most basic cost, employment cost, is terminated." [8]

Also, Jules Backman, professor of economics, New York University, writes:

"It is evident that over the years, the steel industry has had good reason to anticipate that an increase of $1 in employment costs would soon be accompanied by at least a similar rise in the costs of products and services bought." [9]

Summarizing this analysis of the testimony, the minority finds that the conclusion is inescapable that the average price increase of steel announced on July 1 ranged from $5.20 to $6 per ton.

Also, using Chairman KEFAUVER's $3.15 per ton increase in wage costs as a basis, the Tyson-Backman formula would give the steel companies total cost increases of $6.30 per ton which would more than justify the $5.20 to $6 per ton price increase.

If one uses the steel companies' view of approximately $4 per ton increase in wage costs and again using the Tyson-Backman formula, the total cost increase would be approximately $8 per ton and the steel price increase was not only justified, but that the steel corporations would have to absorb a loss of over $2 per ton of steel.

If Mr. Humphrey's formula of relationship of employment costs to material and service costs were used, the steel companies' loss due to total increased costs in relation to the price increase would be even larger.

Unless the majority believes that we should abandon our competitive philosophy and substitute Government controls, it has no basis for judging the "reasonableness" of the prices charged by any industry. The utter futility of such a procedure is demonstrated by the statements in the majority's report. It attempts to substitute its judgment of "reasonableness" arrived at without possessing the intimate knowledge and experience of the industry upon which the responsible decisions of management are based.

The steel companies consider their detailed cost data as confidential information which they should not be required to divulge to the subcommittee. The minority is in complete accord with this position. If such data had been available to the subcommittee, the staff would have had no knowledge or experience with which to relate it to the varying operating problems of the respective steel companies. In fact, the costs for any steel producer are affected by levels of operations, product mix, and many other factors not revealed by a study of statistical data relating to a limited time period.

The Subcommittee on Antitrust and Monopoly might have some interest in the subject of prices if they could be related to the question of competition within an industry. The majority's report, however, seems more concerned with relating the price increase to the direct cost increases resulting from the contract between the major steel producers and the United Steelworkers of America. The minority does not believe that the subcommittee should be concerned with the increases granted to other employees concurrent with the increases granted to members of the steelworkers union, and whether such increases were in a "just relationship" to those provided in that agreement.

The United States Steel Corp.'s witnesses testified that the employment cost increase on July 1, 1957, was 21 cents per hour. As previously indicated the majority states that the starting point should be 19.4 cents and that even this figure is excessive. This statement is based on the reasoning that increases to nonunion employees should not be taken into account, or, if at all, only on the same cents-per-hour basis as union members. The majority's report said: "* * * The union estimated that other employees would receive the same cents-per-hour adjustments as union members. Instead, nonmembers of the union received increases which averaged 37 percent more than the increases called for under the union contract. This may be excellent personnel policy, but there is some question as to the propriety of charging the cost of such a policy to the union agreement." [10]

The minority reiterates that this subcommittee should not be concerned with such a problem. However, it cannot help but point out that if such a philosophy were adopted, in time all differentials for added skill and responsibility would be eliminated. In fact, it would eliminate the very differentials presently recognized within the structure of the union wage agreements, themselves.

The majority also accepts the union's estimate of cents-per-hour increases under the labor agreement, branding the companies' estimates as excessive, although the companies are obviously better able to compute their cost increases. And, finally, in order to minimize labor-cost increases the majority attempts to invalidate industry testimony as to labor hours per ton of steel. It is obvious to the minority that the steel companies must take into account their total employment-cost increases and that they are in the best position to determine what these amount to.

With respect to changes in other costs the majority, by using very selected and unrepresentative items, has attempted to minimize the effect thereof. The majority's report completely ignores the testimony by responsible officials of the steel companies who had shown that over a long period of years other costs have risen at a higher rate than direct labor costs. Instead, the staff attempted to estimate cost changes by examining short-term price movements for a few selected items available to it during the period immediately preceding and following the July 1 price increase. The minority again stresses the utter futility of making short-term comparisons for a few selected items. This is obvious, since the effect on total costs of such items varies not only between the different steel companies but within the companies themselves at their several locations. It is affected by the level of operations, the extent of integration, and the product mix.

The minority notes the testimony by Mr. Humphrey, chairman of the board of National Steel Corp., who clearly showed the impossibility of developing meaningful cost estimates through the procedure adopted by the staff. He said:

"I cannot tell you, Senator, about the industry. I can tell you about our own situa-

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[1] P. 40.
[2] P. 44.
[3] P. 45.
[4] P. 12.
[5] "Administered Prices," hearings before the Subcommittee on Antitrust and Monopoly, pt. 2, p. 305.
[6] "Administered Prices," hearings before the Subcommittee on Antitrust and Monopoly, pt. 2, p. 647.
[7] "Administered Prices," hearings before the Subcommittee on Antitrust and Monopoly, pt. 3, p. 805.
[8] "Administered Prices," hearings before the Subcommittee on Antitrust and Monopoly, pt. 2, p. 244.
[9] Jules Backman, professor of economics, New York University, "Steel Prices, Profits, Productivity and Wages," p. 17.
[10] P. 39.

tion. The effect that a change in the price of scrap has is a very complicated computation because it would depend very largely upon the amount of scrap that you use in making a ton of steel.

"You can vary the amount of the scrap that is used in the making of a ton of steel by a very considerable amount, and if you are using a large amount of scrap it will be one thing; if you are using a small amount of scrap it would be another.

"If scrap goes down and you increase the amount of scrap, that, in turn, affects the operation of your blast furnaces and your coke ovens and ore mines, and you have a lot of increased costs or idle expense to bear in the other branches of your business, which would suffer in volume if you increased the scrap.

"So I do not think that any calculation that does not take into account the change in practice of the various things that are effected is of any account." [11]

The minority believes that the only basis by which the public can appraise the pricing policies of any industry is to examine the long-term results of such a policy. Throughout the postwar period, the pricing policies of the steel industry have been subject to continuous congressional review. During earlier hearings, the inference was often made that wage increases could have been granted by reducing profits and without increasing prices.

The history and the testimony submitted show that if such a procedure had been followed (even allowing steel prices to rise enough to cover the additional direct-labor costs incurred) the steel industry would have been operating at a loss even during the years when the economy as a whole was enjoying its greatest prosperity. The minority notes this statement by Dr. Jules Backman from the record:

"Clearly, any claim that wage increases could have been paid out of profits without an increase in prices is without foundation in fact.

"If, since 1945, steel prices had risen only enough to cover the additional direct-labor costs incurred in producing finished steel, the steel industry would have experienced a loss in excess of $2 billion in 1955." [12]

In the light of these facts, the minority cannot accept the majority's judgment of reasonableness as a substitute for the responsible decisions of management. The subcommittee is not accountable to the stockholders for losses incurred or to customers who may find steel unavailable if its economic theories prove unworkable. Industry officials are responsible to their stockholders and customers for the decisions they make. Competition has proven itself the most effective method to limit price increases to the amount necessary to maintain the health of our producing industries.

Mr. MANSFIELD and Mr. KEFAUVER addressed the Chair.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). The Senator from Montana is recognized.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. KEFAUVER. The remarks of the Senator from Illinois, the minority leader, indicated he did not expect any further discussion about steel tonight. I assume the Senator was talking about his side of the aisle. I wish to give notice that some of us would have a few remarks to make about the steel industry, after the speeches made this afternoon.

Mr. DIRKSEN. Will that be in the nature of rebuttal?

Mr. KEFAUVER. It will be in the nature of clarification.

Mr. DIRKSEN. In the art of debate one speaks of rebuttal and surrebuttal, of rejoinder and surrejoinder. After the Senator has had his inning, I presume we must come along with surrebuttal, and if the Senator makes rejoinder, we must come along with surrejoinder, so that the whole story will be known.

Mr. KEFAUVER. I think that would be very much in the public interest.

Mr. President, I feel that the discussion today has been useful. While we may, of course, disagree on some points, I wish to compliment Senators on the other side of the aisle who have made speeches on the steel issue. Some have recognized the great public interest in this subject and the importance of public consideration. In fact, I think we all recognize the fact that what happens to the price of steel is very important to our entire economy. It is the bellwether and the underpinning of our economy. If we have a substantial price increase in the price of steel, everything else will go up. Following that we will have a demand for substantial increases in wages. Then the inflation circuit will go on and on.

The President of the United States regards it as a matter of great importance to the economy and indeed to the cost of government itself. In his letter, which was released today and which I know that my colleagues will read, he pointed out that Secretary McNamara has advised him that a $4 or $5 increase in the price of steel would ultimately mean an increase of about $500 million in the defense effort.

Of course, private industry and individuals would all have to pay more. It is the responsibility of the President—and he has fulfilled that responsibility—to do what he can in a persuasive way in trying to avoid the harm that would come to this country and to our people through an increase in the price of steel.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I am happy to yield to my colleague.

Mr. GORE. In the course of the address I delivered to the Senate several days ago on this subject I made references to the moral and political leadership of the President. I believe that the letter he has written is a proper and vigorous example of the kind of leadership I had hoped the President would render in this cause. I wonder if the Senator would be willing to have the President's letter inserted in the RECORD at this point?

Mr. KEFAUVER. I should be very happy to have that done.

Mr. GORE. I ask unanimous consent that the President's letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR ———: I am taking this means of communicating to you, and to the chief executive officers of 11 other steel companies, my concern for stability of steel prices.

In the years preceding 1958, sharply rising steel prices and steel wages provided much of the impetus to a damaging inflation in the American economy. From the beginning of 1947 to the end of 1958, while industrial prices as a whole were rising 39 percent, steel mill product prices rose 120 percent. Steel wage rates also rose rapidly, causing employment costs per ton of steel to rise by about 85 percent. The international competitive position of American producers was impaired, and our balance of payments was weakened. Our iron and steel export prices from 1953 to 1958 rose 20 percent more than the export prices of our principal foreign competitors, and our share of world exports of iron and steel fell from 19 to 14 percent.

Since 1958, our price performance has substantially improved. Steel prices have been stable since 1958, as has the wholesale price index. Industrial prices have not risen since 1959. The rise in consumer prices has been held within tolerable limits.

This record of price stability was purchased, however, at the cost of persistent unemployment and underutilized productive capacity. In the steel industry itself, the rate of utilization of capacity for the last 3 years has averaged under 65 percent. In consequence of our recent price experience, many persons have come to the conclusion that the United States can achieve price stability only by maintaining a substantial margin of unemployment and excess capacity and by accepting a slow rate of economic growth. This is a counsel of despair which we cannot accept.

For the last 3 years, we have not had to face the test of price behavior in a high-employment economy. This is the test which now lies ahead.

Under the collective bargaining contract signed in January 1960, steel industry wages and other employment costs will increase at the end of this month. The amount of the increase in employment costs per man-hour is difficult to measure in advance with precision. But it appears almost certain to be outweighed by the advance in productivity resulting from a combination of two factors—the steady long-term growth of output per man-hour, and the increasing rate of operations foreseen for the steel industry in the months ahead.

The Council of Economic Advisers has supplied me with estimates of steel industry profits after October 1, calculated on an assumption that prices are not increased. These estimates indicate that the steel industry will be earning 7 to 9 percent on net worth after taxes if the rate of operations is around 70 percent; 10 to 12 percent if the operating rate is at 80 percent; and 13 to 15 percent if the operating rate is at 90 percent. The steel industry, in short, can look forward to good profits without an increase in prices.

The owners of the iron and steel companies have fared well in recent years. Since 1947, iron and steel common stock prices have risen 393 percent; this is a much better performance than common stock prices in general. Likewise, dividends on iron and steel securities have risen from $235 million in 1947 to $648 million in the recession year of 1960, an increase of 176 percent.

A steel price increase in the months ahead could shatter the price stability which the country has now enjoyed for some time. In a letter to me on the impact of steel prices on defense costs, Secretary of Defense

[11] "Administered Prices,' hearings before the Subcommittee on Antitrust and Monopoly, pt. 3, p. 810.

[12] "Administered Prices," hearings before the Subcommittee on Antitrust and Monopoly, pt. 4, p. 1428.

McNamara states: "A steel price increase of the order of $4 to $5 a ton, once its effects fanned out through the economy, would probably raise military procurement costs by $500 million per year or more."

Steel is a bellwether, as well as a major element in industrial costs. A rise in steel prices would force price increases in many industries and invite price increases in others. The consequences of such a development might be so grave—particularly on our balance-of-payments position—as to require the adoption of restrictive monetary and fiscal measures which would retard recovery, hold unemployment at intolerable levels, and hamper growth. The depressing effect of such measures on the steel industry's rate of operations might in the long run more than offset the profit-raising effect of a price increase.

In emphasizing the vital importance of steel prices to the strength of our economy, I do not wish to minimize the urgency of preventing inflationary movements in steel wages. I recognize, too, that the steel industry, by absorbing increases in employment costs since 1958, has demonstrated a will to halt the price-wage spiral in steel. If the industry were now to forego a price increase, it would enter collective bargaining negotiations next spring with a record of 3½ years of price stability. It would clearly then be the turn of the labor representatives to limit wage demands to a level consistent with continued price stability. The moral position of the steel industry next spring—and its claim to the support of public opinion—will be strengthened by the exercise of price restraint now.

I have written you at length because I believe that price stability in steel is essential if we are to maintain the economic vitality necessary to face confidently the trials and crises of our perilous world. Our economy has flourished in freedom; let us now demonstrate again that the responsible exercise of economic freedom serves the national welfare.

I am sure that the owners and managers of our Nation's major steel companies share my conviction that the clear call of national interest must be heeded.

Sincerely,

JOHN F. KENNEDY.

LIST OF STEEL COMPANIES RECEIVING THE LETTER FROM THE PRESIDENT, DATED SEPTEMBER 6, 1961

Mr. Logan T. Johnston, president, Armco Steel Corp., Middletown, Ohio.

Mr. Arthur B. Homer, chairman of the board, the Bethlehem Steel Corp., New York 4, N.Y.

Mr. Alwin F. Franz, president, the Colorado Fuel & Iron Corp., Denver, Colo.

Mr. Joseph L. Block, chairman of the board, Inland Steel Co., Chicago 3, Ill.

Mr. Avery C. Adams, chairman of the board, Jones & Laughlin Steel Corp., Pittsburgh 30, Pa.

Mr. J. L. Ashby, president, Kaiser Steel Corp., Oakland, Calif.

Mr. Merlin A. Cudlip, president, McLouth Steel Corp., Detroit 17, Mich.

Mr. Thomas E. Millsop, chairman of the board, National Steel Corp., Pittsburgh 19, Pa.

Mr. Thomas F. Patton, president, Republic Steel Corp., Cleveland 1, Ohio.

Mr. Roger M. Blough, chairman of the board, United States Steel Corp., New York 6, N.Y.

Mr. William A. Steele, chairman of the board, Wheeling Steel Corp., Wheeling, W. Va.

Mr. J. L. Mauthe, chairman of the board, Youngstown Sheet & Tube Co., Youngstown, Ohio.

Mr. KEFAUVER. I thank my colleague for presenting the letter which I agree should go in the RECORD at this point. The Senator from Illinois, the minority leader [Mr. DIRKSEN], criticized these efforts on the grounds that they constituted an attempt to prevent a price rise by issuing threats. I do not think he is correct in that statement. If he will examine history, he will find that other Presidents, being aware of the injurious effects of a substantial steel price increase have tried to use persuasion, both on the steel companies not to raise prices, and also on labor union or unions not to ask for a wage increase which would necessitate a price increase.

I recall quite well that President Eisenhower called upon both the steel industry and labor not to ask for a wage increase that would not be offset by the productivity increase.

I recall also that former Vice President Nixon, the Republican candidate for President, and Secretary of Labor Mitchell tried to use the force of public opinion in bringing about a settlement of the 1959 steel strike on terms which would not necessitate a price increase. Indeed, Secretary Mitchell, in a lengthy report entitled "Collective Bargaining in the Basic Steel Industry," at page 202, points out that over a long period of time Presidents of the United States, either acting on their own, as President Kennedy has acted in the present instance, through factfinding boards, or through other officials of Government, have sought by persuasion to prevent price increases in the industry and wage increases of such magnitude as would require a price increase.

In view of the minority leader's criticism, it may be interesting for Senators to read what Mr. Mitchell had to say about the historic role played by Presidents and their subordinates in matters dealing with steel and steel prices.

I therefore ask unanimous consent that the section entitled "Factfinding," found at page 202 and page 203 of the book be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The device of factfinding boards has often been adopted in response to a public demand that something be done about a given industrial dispute. The factfinding process itself can be used in various ways and for various purposes. In some cases it is used largely for the purpose of effecting delay of a strike. It may be a substitute for mediation, or, more often, a supplement to mediation. Factfinding may represent the final effort of Government to settle a dispute or may simply set the stage for even more vigorous intervention. It has been used in all of these ways in basic steel disputes.

During the Little Steel strike in 1937, Secretary of Labor Frances Perkins appointed a board that was to have the dual purpose of factfinding and mediation. When the company representatives refused to meet with the union, with or without the services of the board, the mediation function was doomed. The board then fell back on factfinding and as a result of its findings recommended that the companies make a written agreement with the SWOC. The companies rejected the proposal and attacked the board as biased, after which the board gave up its efforts.

Although factfinding as a process played an important part in the deliberations of the War Labor Board, the next use of factfinding in steel as a device for ending disputes occurred prior to the strike of 1946. The board, appointed by President Truman, was one of a series of 11 that were created during 1945 and 1946 in an effort to do something about the wave of disputes and strikes that occurred shortly after the war. The steel board, in actual fact, never held hearings in the dispute because the parties expressed a preference for further joint bargaining. The settlement which followed the strike was based upon a slight modification by the President of a factfinding recommendation made by another board appointed in the General Motors dispute.

Factfinding was again used in the 1949 steel dispute and became a source of major controversy. By this time the machinery of the Taft-Hartley Act for dealing with emergency disputes had been enacted. This machinery called for factfinding without power of recommendation as a part of the procedure. President Truman, however, decided to bypass these statutory provisions and appoint an ad hoc factfinding board that would have the power to make recommendations. Initially the industry balked at acceptance of a non-Taft-Hartley board, and even after it agreed to the procedure continued to protest the appointment before the board itself. The board's report was attacked by the industry on the basis that it recommend noncontributory pensions and insurance. It is generally conceded, however, that the industry's willingness to take the strike which followed was due not only to its objection to the recommendations themselves, but also in part to the feeling that the administration had favored the union in the timing and type of board that was appointed.

In the steel dispute of 1952 the factfinding role was undertaken by the Wage Stabilization Board established during the Korean war. A special panel of the Board took 2 months to hear the positions of the parties and to submit its findings as to the issues in dispute. The Board itself then made recommendations in a procedure similar to that employed by the War Labor Board. In this case, the industry refused to accept the recommendaitons of the Board, and a strike later occurred. It should be noted that the WSB had power only to make "recommendations" while the WLB had issued "orders," that there was no "no-strike" pledge by labor during the Korean war, and that the public acceptance of controls was much weaker during that period than during World War II.

Two different kinds of factfinding were used during the 1959 strike. Shortly after the strike began, Secretary Mitchell announced that the Department of Labor was preparing background statistics bearing on the economic questions surrounding the dispute. The report was issued in August 1959, and was intended primarily to inform the public. It dealt with such areas as wages, productivity, prices, and profits, but did not draw conclusions.

Later in the 1959 dispute the national emergency provisions of the Taft-Hartley Act were applied to a steel strike for the first time. Factfinding is a part of these procedures, but the law prohibits the board of inquiry from making recommendations. After the strike had been in progress for nearly 90 days President Eisenhower appointed a board of inquiry, the first step of the statutory procedure. The board not only held hearings to determine the issues in dispute but mediated as well. These efforts were unsuccessful, and the board's initial report summarized and attempted some evaluation of the major areas in dispute between the parties. The board's final report, issued 60 days later, was made public just as the settlement was being announced, and played no part in it.

Mr. KEFAUVER. Mr. President, I invite attention to the fact that one of the great predecessors of the minority leader, the majority leader in the 80th Congress, Senator Taft, was also chairman of the Joint Economic Committee. During that Congress he called in the leaders in the steel industry, and criticized them for the price increase which they had instituted. He was thus using the force of his position as chairman of an important congressional committee against an inflationary increase in the price of steel.

It has been suggested here that we have been critical only of the steel companies, and have not called upon labor to assume its responsibility for preventing inflation.

I invite the attention of Senators to the fact that in February 1959 when an increase in the price of steel was threatened, and when the union and the steel industry were in negotiations, I, as chairman of the Antitrust and Monopoly Subcommittee, called upon labor to limit its demands to a wage increase that would be offset by the increase in productivity, on the condition that the steel companies agree not to increase prices.

In response to my proposal Mr. McDonald, the president of the United Steel Workers, said that he wished I would keep my nose out of his business. My reply was that this was the public's business, not just the exclusive business of either the industry or the union.

I ask unanimous consent to have the documents referred to printed in the RECORD at this point.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

SENATOR KEFAUVER, OF TENNESSEE, OUTLINES NEW PROPOSAL TO PREVENT A FURTHER PRICE INCREASE IN THE STEEL INDUSTRY

Senator ESTES KEFAUVER, Democrat, of Tennessee, outlined a new proposal today to prevent a further price increase in the steel industry which he termed the bellwether of the economy. The Senator urged consideration of this proposal by Mr. Roger Blough, chairman of the board of the United States Steel Corp. and Mr. David McDonald, president of the United Steel Workers of America.

The proposal is that the union offer to limit its demand for a wage increase to an amount equal to the average increase in productivity in the steel industry. The rate of productivity increase could be determined by an impartial board. But this offer would be conditioned on the premise that the steel companies would not raise their prices.

The Senator pointed out that if the union were to so restrict its demands, there would be no increase in the cost of steel per ton and thus no justification for a price increase. If, however, despite this limited demand by the union, management were then to raise its prices, the restriction upon the union would end, and it could properly seek from management its fair proportional share of the price increase. The Senator urged Mr. McDonald to make such a proposal and Mr. Blough to accept it, pointing out that if it were offered and then rejected, the entire country would know on whose shoulders rests the responsibility for any further contribution to the inflationary movement.

The Senator called attention to the fact that the President in his Economic Report had urged that wage increases not exceed increases in productivity. "But," said the Senator, "This position by the President only goes part of the way, since it ignores the existence of the demonstrated power of large companies in concentrated industries to make price increases substantially greater than the increases in cost resulting from wage advances."

The Senator concluded by stating that the country simply cannot afford another increase in the price of steel which would result in reduced consumption and employment, further curtail our ability to compete in world markets, add further hardship to the unorganized workers and on all persons on fixed incomes, such as retired individuals and salaried workers.

Senator ESTES KEFAUVER, Democrat, of Tennessee, made the following announcement today:

"According to press reports, Mr. David J. McDonald, president of the United Steelworkers of America, was asked for his reaction to my proposal that the steelworkers limit their wage demands to the average increase in productivity in the steel industry, provided that the steel companies refrain from raising their prices, but that if the companies do raise their prices the steelworkers should be free to try to secure their fair share of the price increase.

"Mr. McDonald was quoted by the press as stating that he wished Senator KEFAUVER would 'keep his nose out of my business.' Mr. McDonald's language dramatizes my position exactly. The price of steel is not just Mr. McDonald's business. It is not just the business of Mr. Roger Blough, chairman of the board of the United States Steel Corp. It is the business of the people. The people of this country can ill afford the further impetus to inflation which would result from another increase in the price of steel.

"I hope that McDonald, for whom I have the highest admiration, will give my proposal more serious consideration. As Mr. McDonald must realize, inflation is just as hard on the members of his union as it is on people everywhere."

Mr. KEFAUVER. I point out also that the President of the United States, in his very excellent letter, which has been placed in the RECORD, calls attention to the responsibility of labor.

He points out quite correctly that if there is no increase in the price at this time, it would clearly then be the responsibility of labor to limit its wage demands next year to an amount consistent with continued price stability.

The President has acted in the tradition of other Presidents and in the best interests of the United States and the rest of the free world.

I feel that the Senators, of whom my colleague from Tennessee [Mr. GORE] has been the leader, have been performing a similar important act of public service.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. GORE. I thank my distinguished colleague from Tennessee for his generous references. Since both he and his junior colleague have been cited as examples of those unwilling to suggest restraint on the part of labor, I call his attention to a statement I made on the floor of the Senate in debating this subject on August 22, which is as follows:

Steel wages are a bellwether, too, and should not bound above proper and reasonable comparable levels. By refraining from raising prices of steel in October, the steel companies would improve their bargaining position when wage negotiations are again undertaken in 1962. This type of hold-the-line attitude will also be felt in other industry wage negotiations, particularly those pertaining to the automobile manufacturing industry.

If my colleague will further yield, I wish to cite also a statement I made on the same date, at page 16682 of the RECORD, in which I referred to the possibility of utility-type regulation of the steel industry. I said:

Few would want to do this, but it may be necessary. The public and Government must not stand idly by and be victimized by either big business or big labor, or both.

In the RECORD of August 29, on page 17325, is the text of a letter from me to the editor of the New York Times, in which I said this:

The public interest is involved, then, in the threatened increase in steel prices. Such an increase in steel prices, and the consequent unusually favorable profit position of the steel industry, would almost automatically call for an increase in steel wages next July. This increase in wages would, in turn, be used as justification for another round of price increases.

Later in the letter I said:

You refer to my suggestions of possible courses of action by the Government to protect the public interest as threats to the steel industry. Although I did not intend to make threats, I do respectfully suggest that unless big industry and big labor, particularly in monopoly controlled but basic industries, are able to exercise self-restraint, then action by the Government, regulatory or otherwise, within the framework of the free enterprise system, will be necessary in order to safeguard the public interest.

I ask my distinguished colleague from Tennessee if he thinks that statement constitutes a complete ignoring of the necessity for wage increases to be held in restraint in this basic industry?

Mr. KEFAUVER. My colleague has again indicated that the responsibility rests on the shoulders of both industry and labor. My colleague has made it very clear that this is a two-horse team, in which labor and industry must both cooperate.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. KEFAUVER. I yield.

Mr. GORE. It seems to me that one important point of President Kennedy's letter is that in this basic industry, in which the wages of workers are favorable compared with the wages of workers generally in the United States, wage increases and additional benefits should be negotiated and obtained, if obtained, within the structure of price stability. This I believe to be a courageous position for the President to take, but, I think, in the circumstances, a necessary position and a necessary condition to be obtained.

Mr. KEFAUVER. There is no doubt about it. The distinguished minority leader had much to say about so-called threats. I am certain that no Senator on this side of the aisle intended to make any threats. A discussion of the economics of the steel industry and of the consequences of a steel price increase can hardly be called a threat.

The minority leader, on page 2 of his address, said:

The first threat came from Senator KEFAUVER and was stated as follows: "The proposition which I wish to advance is that if the steel companies do raise their prices in a manner similar to their advances of recent years and if there exists at the time a substantial volume of unused capacity, such action under the circumstances which I shall describe would raise the serious question of whether there has been a violation of the consent order entered into in 1951 by the steel industry under section 5 of the Federal Trade Commission Act."

I proceeded to describe specific circumstances, which, if they exist, might, in my opinion, raise a serious question as to whether that decree had been violated. It is the duty of a Member of the Senate to discuss circumstances which might indicate a violation of a decree of an antitrust agency. I feel, particularly, that as chairman of the Subcommittee on Antitrust and Monopoly I have a responsibility for so doing. I do not consider carrying out that responsibility to be a threat.

Mr. GORE. Mr. President, will my colleague yield?

Mr. KEFAUVER. I am happy to yield again to my colleague.

Mr. GORE. Since the distinguished Senator has referred to the consent decree, I believe it would be appropriate—if I may have the Senator's permission to do so—to have the decree printed in the RECORD, for public information.

Mr. KEFAUVER. Yes. The Senator has it available, and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the decree was ordered to be printed in the RECORD, as follows:

UNITED STATES OF AMERICA BEFORE FEDERAL TRADE COMMISSION—DOCKET NO. 5508

(Commissioners: James M. Mead, Chairman; William A. Ayres; Lowell B. Mason; John Carson; Stephen J. Spingarn.)

(In the matter of American Iron & Steel Institute, an incorporated trade association, its directors and officers; and United States Steel Corp. and the following of its subsidiaries, American Bridge Co., the American Steel & Wire Co. of New Jersey, Carnegie-Illinois Steel Corp., Columbia Steel Co., Geneva Steel Co., National Tube Co., Tennessee Coal, Iron & Railroad Co., and Virginia Bridge Co.; Bethlehem Steel Corp. and the following of its subsidiaries, Bethlehem Pacific Coast Steel Corp., Bethlehem Steel Co.; Republic Steel Corp., and its controlled company, Truscon Steel Co.; the American Rolling Mill Co. and its subsidiary, Sheffield Steel Corp. of Ohio; National Steel Corp., and the following of its subsidiaries, Weirton Steel Co. and Great Lakes Steel Co.; Inland Steel Co., and its subsidiary, Milcor Steel Co.; the Youngstown Sheet & Tube Co.; Jones & Laughlin Steel Corp.; Wheeling Steel Corp.; Colorado Fuel & Iron Corp.; Crucible Steel Co. of America; Pittsburgh Steel Co.; Sharon Steel Corp.; Alan Wood Steel Co.

(Acme Steel Co.; Agaloy Tubing Co.; Allegheny Ludlum Steel Corp.; American Chain & Cable Co., Inc.; Atlantic Steel Co.; the Atlantic Wire Co.; the Babcock & Wilcox Tube Co.; Bliss & Laughlin, Inc.; Continental-United Industries Co., Inc.; Buffalo Bolt Co.; Bundy Tubing Co.; A. M. Byers Co.; the Carpenter Steel Co.; Central Iron & Steel Co.; Chicago Steel & Wire Co.; Columbia Steel & Shafting Co.; Columbia Tool Steel Co.; Compressd Steel Shafting Co.; Connors Steel Co.; Continental Steel Corp.; Copperweld Steel Co.; the Cuyahoga Steel & Wire Co.; Detroit Steel Corp.; Henry Disston & Sons, Inc.; Eastern Stainless Steel Corp.; Edgewater Steel Co.; Empire Steel Corp.; Firth Sterling Steel & Carbide Corp.; Follansbee Steel Corp.; Fretz-Moon Tube Co., Inc.; Granite City Steel Co.; Griffin Manufacturing Co.; Harrisburg Steel Corp.; International Detrola Corp.; Joslyn Manufacturing & Supply Co.; Judson Steel Corp.; Keystone Drawn Steel Co.; Keystone Steel & Wire Co.

(Laclede Steel Co.; Latrobe Electric Steel Co.; Lukens Steel Co.; the Mahoning Valley Steel Co.; the Medart Co.; Mercer Tube & Manufacturing Co.; the Midvale Co.; Moltrup Steel Products Co.; National Standard Co.; the National Supply Co.; Northwestern Steel & Wire Co.; Pacific States Steel Corp.; the Phoenix Iron Co.; Pittsburgh Tool Steel Wire Co.; Pittsburgh Tube Co.; the Pollak Steel Co.; Reeves Steel & Manufacturing Co.; John A. Roebling's Sons Co.; Rotary Electric Steel Co.; the Standard Tube Co.; Superior Steel Corp.; Sweet's Steel Co.; the Thomas Steel Co.; the Timken Roller Bearing Co.; Universal Cyclops Steel Corp.; Vanadium-Alloys Steel Co. and its subsidiary, Anchor Drawn Steel Co.; Vulcan Crucible Steel Co.; Washington Steel Corp.; Western Automatic Machine Screw Co.; Wheatland Tube Co.; Wisconsin Steel Co.; Worth Steel Co.; and Wyckoff Steel Co.)

FINDINGS AS TO THE FACTS AND CONCLUSIONS

Pursuant to the provisions of the Federal Trade Commission Act the Federal Trade Commission, on November 13, 1947, issued and subsequently served its amended complaint upon the respondents named in the caption hereof, charging them with the use of unfair methods of competition and unfair and deceptive acts and practices in commerce, in violation of the provisions of that Act. After the filing of respondents' answers to said complaint, testimony and other evidence in support of the allegations of the complaint were introduced before a trial examiner of the Commission theretofore duly designated by it, and such testimony and other evidence were duly recorded and filed in the office of the Commission. After counsel supporting the complaint rested their case, a proposal for the settlement of this proceeding was submitted by all of the respondents herein except those as to whom the Commission has determined the complaint should be dismissed, said proposal for settlement having been accepted and recommended by the Director, Bureau of Antimonopoly, and the Assistant Director of that Bureau and Chief of the Division of Investigation and Litigation, of the Commission. The Commission, being of the opinion that said proposal for settlement provided for an adequate and appropriate disposition of this proceeding, and that it would be in the public interest to accept same, on June 15, 1951, entered an order "tentatively accepting proposal for settlement; rejecting previously submitted proposal for settlement; providing for the issuance of a tentative decision and affording interested parties an opportunity to file memoranda or briefs with respect thereto; denying motion for leave to adduce additional evidence; withdrawing case from trial examiner and closing the record for the reception of evidence; and dismissing the complaint as to certain respondents" and issued its tentative decision consisting of findings as to the facts, conclusion and order to cease and desist in the form submitted with said proposal for settlement. No reasons having been presented, within the time provided therefor, as to why said tentative decision should not be entered as the Commission's final decision herein, and the aforesaid tentative order becoming by its terms an order of the Commission upon the issuance by the Commission of said tentative decision as its final decision herein, this matter came on for final hearing before the Commission upon the amended complaint, answers thereto, testimony and other evidence in support of the allegations of the complaint, and the proposal for settlement, which by agreement of the parties was amended to give effect to a change in the corporate name of one of the respondents and to correct an error as to the State of incorporation of another of the corporate respondents; and the Commission, having duly considered the matter and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes this its findings as to the facts and its conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

Paragraph 1: The States of incorporation and locations of an office or principal place of business of the following-named corporate respondents are, respectively, as follows:

American Iron and Steel Institute, New York, 350 Fifth Avenue, New York, N.Y.

United States Steel Corp., New Jersey, 71 Broadway, New York, N.Y.

The American Steel & Wire Co. of New Jersey, New Jersey, Rockefeller Building, Cleveland, Ohio.

United States Steel Co. (designated in the complaint as Carnegie-Illinois Steel Corp., but which corporate name was changed on December 30, 1950, to that of United States Steel Co.), New Jersey, Carnegie Building, Pittsburgh, Pa.

Columbia Steel Co., Delaware, Russ Building, San Francisco, Calif.

Geneva Steel Co., Delaware, Geneva, Utah.

National Tube Co., New Jersey, Frick Building, Pittsburgh, Pa.

Tennessee Coal, Iron & Railroad Co., Alabama, Brown-Marx Building, Birmingham, Ala.

Bethlehem Steel Corp., Delaware, Wilmington, Del.

Bethlehem Pacific Coast Steel Corp., Delaware, 20th and Illinois Streets, San Francisco, Calif.

Bethlehem Steel Co., Pennsylvania, Bethlehem, Pa.

Republic Steel Corp., New Jersey, Republic Building, Cleveland, Ohio.

Truscon Steel Co., Michigan, Republic Building, Cleveland, Ohio.

The Youngstown Sheet & Tube Co., Ohio, Stambaugh Building, Youngstown, Ohio.

Jones & Laughlin Steel Corp., Pennsylvania, Jones & Laughlin Building, Pittsburgh, Pa.

Armco Steel Corp. (name formerly the American Rolling Mill Co.), Ohio, 703 Curtis Street, Middletown, Ohio.

Sheffield Steel Corp. of Ohio, Ohio, Sheffield Station, Kansas City, Mo.

National Steel Corp., Delaware, Grant Building, Pittsburgh, Pa.

Weirton Steel Co., West Virginia, Weirton, W. Va.

Great Lakes Steel Corp., Delaware, Detroit, Mich.

Inland Steel Co., Delaware, 38 South Dearborn Street, Chicago, Ill.

Inland Steel Products Co. (name formerly Milcor Steel Co.), Delaware, 38th and Burnham Streets, Milwaukee, Wis.

Wheeling Steel Corp., Delaware, Wheeling, W. Va.

The Colorado Fuel & Iron Corp., Colorado, Continental Oil Building, Denver, Colo.

Claymont Steel Corp. (name formerly Worth Steel Co.), Delaware, Claymont, Del.

Crucible Steel Co. of America, New Jersey, New York, N.Y.

Pittsburgh Steel Co., Pennsylvania, Pittsburgh, Pa.

Sharon Steel Corp., Pennsylvania, Sharon, Pa.

Alan Wood Steel Corp., Pennsylvania, Conshohocken, Pa.

Acme Steel Co., Illinois, 2840 Archer Avenue, Chicago, Ill.

Allegheny Ludlum Steel Corp., Pennsylvania, Brackenridge, Pa.

American Chain & Cable Co., Inc., New York, 230 Park Avenue, New York, N.Y.

Atlantic Steel Co., Delaware, Fulton County, Ga.

The Babcock & Wilcox Tube Co., Pennsylvania, Beaver Falls, Pa.

Bliss & Laughlin, Inc., Delaware, Harvey, Ill.

Continent..l Copper & Steel Industries, Inc. (name formerly Continental-United Industries Co., Inc.), Delaware, 345 Madison Avenue, New York, N.Y.

Buffalo Eclipse Corp. (name formerly Buffalo Bolt Co.), New York, North Tonawanda, N.Y.

A. M. Byers Co., Pennsylvania, Clark Building, Pittsburgh, Pa.

The Carpenter Steel Co., New Jersey, 101 West Bern Street, Reading, Pa.

Central Iron & Steel Co., Pennsylvania, Harrisburg, Pa.

Columbia Steel & Shafting Co., Pennsylvania, East Carnegie, Pa.

Columbia Tool Steel Co., Illinois, Lincoln Highway and State Street, Chicago Heights, Ill.

Compressed Steel Shafting Co., Massachusetts, 1587 Hyde Park Avenue, Readville, Mass.

Connors Steel Co., Delaware, Birmingham, Ala.

Continental Steel Corp., Indiana, Kokomo, Ind.

Copperweld Steel Co., Pennsylvania, Warren, Ohio.

The Cayahoga Steel & Wire Co., Ohio, Longwood Avenue, Maple Heights, Cleveland, Ohio.

Detroit Steel Corp., Michigan, 1025 South Oakwood Avenue, Detroit, Mich.

Henry Disston & Sons, Inc., Pennsylvania, Tacony, Philadelphia, Pa.

Edgewater Steel Co., Pennsylvania, Borough of Oakmont, Allegheny County, Pa.

Firth Sterling Steel & Carbide Corp., Pennsylvania, McKeesport, Pa.

Follansbee Steel Corp., Delaware, Third and Liberty Avenues, Pittsburgh, Pa.

Fretz-Moon Tube Co., Inc., Pennsylvania, Borough of East Butler, Pa.

Granite City Steel Co., Delaware, 20th and Madison Avenues, Granite City, Ill.

Griffin Manufacturing Co., Pennsylvania, Cherry and Union Streets, Erie, Pa.

Newport Steel Corp. (name formerly International Detrola Corp.), Indiana, Beard Avenue at Chatfield, Detroit Mich.

Joslyn Manufacturing & Supply Co., Illinois, 20 North Wacker Drive, Chicago, Ill.

Judson Steel Corp., California, 4200 Eastshore Highway, Emeryville, Calif.

Keystone Drawn Steel Co., Pennsylvania, Spring City, Pa.

Keystone Steel & Wire Co., Illinois, Peoria, Ill.

Laclede Steel Co., Missouri, Arcade Building, St. Louis, Mo.

Latrobe Electric Steel Co., Pennsylvania, Latrobe, Pa.

Lukens Steel Co., Pennsylvania, Coatesville, Pa.

Mahoning Valley Steel Co., Ohio, Niles, Ohio.

The Medart Co., Missouri, 100 Potomac Street, St. Louis, Mo.

Mercer Tube & Manufacturing Co., Delaware, 200 Clark Avenue, Sharon, Pa.

The Midvale Co., Delaware, 4320 Wissahickon Avenue, Nicetown, Philadelphia, Pa.

Moltrup Steel Products Co., Pennsylvania, Beaver Falls, Pa.

National-Standard Co., Michigan, Niles, Mich.

The National Supply Co., Pennsylvania, 330 Grant Street, Pittsburgh, Pa.

Northwestern Steel & Wire Co., Illinois, Sterling, Ill.

Pacific States Steel Corp., California, Niles, Calif.

Pittsburgh Tool Steel Wire Co., Pennsylvania, Monaca, Pa.

Pittsburgh Tube Co., Delaware, 323 Fourth Avenue, Pittsburgh, Pa.

The Pollak Steel Co., Ohio, 820 Temple Bar Building, Cincinnati, Ohio.

Reeves Steel and Manufacturing Co., Ohio, Dover, Ohio.

John A. Roebling's Sons Co., New Jersey, 640 South Broad Street, Trenton, N.J.

Rotary Electric Steel Co., Delaware, 21400 Mound Road, Warren Township, Mich.

The Standard Tube Co., Michigan, 14600 Woodward Ave., Highland Park, Mich.

Superior Steel Corp., Virginia, Pittsburgh, Pa.

Sweet's Steel Co., Pennsylvania, Williamsport, Pa.

The Thomas Steel Co., Ohio, Warren, Ohio.

The Timken Roller Bearing Co., Ohio, 1835 Deuber Avenue, SW., Canton, Ohio.

Universal-Cyclops Steel Corp., Pennsylvania, Bridgeville, Pa.

Vanadium-Alloys Steel Co., Pennsylvania, Latrobe, Pa.

Anchor Drawn Steel Co., Pennsylvania, Latrobe, Pa.

Vulcan-Crucible Steel Co., Pennsylvania, Aliquippa, Pa.

The Western Automatic Machine Screw Co., Connecticut, 900 Foster Avenue, Elyria, Ohio.

Wheatland Tube Co., Pennsylvania, Philadelphia, Pa.

Wisconsin Steel Co., Illinois, 180 North Michigan Avenue, Chicago, Ill.

Wyckoff Steel Co., Pennsylvania, Pittsburgh, Pa.

The above-listed corporations are hereinafter referred to as the respondents.

The Commission has dismissed this proceeding as to the respondent, the Phoenix Iron Co., a Pennsylvania corporation with its office and principal place of business at 121 Bridge Street, Phoenixville, Pa., which, on September 30, 1947, sold all of its steel producing facilities and withdrew permanently from the business of producing and selling steel products.

The Commission has also dismissed this proceeding as to respondent E. S. Liquidating Co. (formerly Empire Steel Corp.), an Ohio corporation with its office and principal place of business in Mansfield, Ohio, which is in the process of dissolution.

The record does not show that the following-named respondent companies have participated in the practices hereinafter found, and they are not included hereinafter in the term, respondents:

Agaloy Tubing Co., Inc., New Jersey, Wheel Street, Springfield, Ohio.

American Bridge Co., New Jersey, Frick Building, Pittsburgh, Pa.

Atlantic Wire Co., Connecticut, No. 1 Church Street, Branford, Conn.

Bundy Tubing Co., Michigan, Hern at Springfield, Detroit, Mich.

Chicago Steel & Wire Co., Illinois, 10257 Torrence Avenue, Chicago, Ill.

Eastern Stainless Steel Corp., Maryland, Baltimore, Md.

Harrisburg Steel Corp., Pennsylvania, Harrisburg, Pa.

Virginia Bridge Co., New Jersey, Roanoke, Va.

Washington Steel Corp., Pennsylvania, Washington, Pa.

Paragraph 2: With the exception of the American Iron & Steel Institute, the respondents, or one or more of their respective subsidiaries named in paragraph 1, are engaged in the production, sale and distribution of one or more of the steel products listed below, and, in the course of the sale and distribution thereof, each of them competes with others of said respondents, except to the extent that competion may have been restrained, lessened or destroyed by the acts, practices, methods, policies and other matters hereinafter described, and each of them in the regular course and conduct of its business sells and delivers one or more of such steel products or causes them to be sold and delivered or transports them or causes them to be transported from the State in which such steel products are produced to purchasers thereof at locations outside the State in which such steel products are produced and each of them regularly has maintained and now maintains a constant course of trade and commerce in one or more steel products in and among various States of the United States and is engaged in interstate commerce within the meaning and intent of Section 5 of the Federal Trade Commission Act.

The following steel products (not including stainless steel products) are involved in this proceeding:

Alloy Steel: Ingots, billets, blooms, slabs, bar shapes, hot-rolled strip, cold-rolled strip, hot-rolled bars, cold-finished bars, plates, standard structural shapes, seamless mechanical tubing, seamless pressure tubing.

Bars, carbon: hot-rolled and small shapes, reinforcing (new billet), reinforcing (rail steel), cold-finished, merchant (rail steel).

Clad Steel: Nickel, Inconel, Monel, carbon plates.

High-strength low alloy: Hot-rolled sheets, cold-rolled sheets, galvanized sheets, hot-rolled strip, cold-rolled strip, bars and small shapes, plates, standard structural shapes, wide flange beams.

Pipe and tubing: Pipe, including oil country, seamless mechanical tubing, seamless pressure tubing, mechanical electric-weld tubing.

Plates, structural, carbon: Plates, floor plates, standard structural shapes, wide flange beams, sheet piling, bearing piles.

Rails and railroad accessories: Light (new billet), light (rail steel), track spikes.

Semifinished, carbon: Ingots (forging), billets, blooms, slabs (rerolling quality), billets, blooms, slabs (forging quality), skelp, tube rounds, wire rods.

Sheets, carbon: Hot-rolled, 18 gage and heavier, hot-rolled annealed, 19 gage and lighter, cold-rolled, galvanized, enameling, long ternes, electrical.

Strip carbon: Hot-rolled, cold-rolled, electrical, coils, tin, terne and black plate.

Tool steel.

Wire and related products: Manufacturers bright (low carbon), spring (high carbon), nails and staples, merchant quality wire, barbed wire, woven fence, bale ties, fence posts, flat wire.

The term "steel products" as hereinafter used shall be deemed to mean some or all of such steel products.

Paragraph 3: Each respondent, through its direct membership or through the membership of a wholly owned subsidiary or its parent corporation, or a wholly owned subsidiary of its parent corporation, as of July 1, 1947, actively participated in or supported, in cooperation with other respondents, the respondent institute and its plans, programs and activities.

The steel industry is one of the basic industries of the Nation. At the time that the amended complaint was filed, the producer respondents in the aggregate produced and sold more than 85 percent of the steel products that were produced and sold in the United States. Such producer respondents include substantially all of the corporate members of the respondent institute which own, control or operate steel producing facilities in the United States. Steel products which they produce and sell are regularly used in the production of automobiles, agricultural implements, tools and machinery,

hardware, plumbing supplies, metal cans and containers, railroad equipment, homes, buildings, public buildings, bridges, dams, and other products and things, and are of great importance to the public generally. The Federal, State and municipal governments of the Nation purchase large quantities of steel products annually.

Paragraph 4: Respondents, from the close of NRA in May 1935 (or, if organized thereafter, from the respective dates of their organization), to the issuance of the amended complaint in this matter on November 13, 1947, in connection with the interstate sale of steel products, have engaged in the acts and practices as set out in the following paragraphs, paragraph 5 through paragraph 21. In making the following findings, the Commission recognizes that some of the respondents may not have engaged in all the separate acts, practices, methods and policies hereinafter described.

Paragraph 5: Steel products are, and for many years have been, manufactured and sold in many thousands of different combinations of size, gage, chemical composition, finish, quality, and other characteristics. The respondent institute, some of the producer respondents, and also various public and private agencies—among them the National Bureau of Standards, the Army Bureau of Ordnance, the Society of Automotive Engineers, the American Society for Testing Materials, and the American Society for Metals—have for many years studied the various qualities, grades, and uses of steel and steel products and have classified and described and published information concerning the various steel products and their nature and characteristics. In large part, the information so published consists of analytical statements of matters which have been developed and established over the years through usage, custom, and practice among steel producers and users. Technical committee of the respondent institute have also developed and published information concerning many new steels which has been made available to the consuming public.

Paragraph 6: Steel products are commonly classified into product groups related to the size and shape of the product, such as bars, structural shapes, plates, and sheets. Product groups are generally subdivided between carbon steel products and alloy steel products. Each steel product group has a common name which is generally understood and used not only by steel producers, but also by steel consumers. Similarly, there are common names and commonly accepted standards for all significant variations in steel product classifications. The names and standards thus used by steel producers and steel consumers have been developed, improved, and made more precise and useful by technical committees of the respondent institute and by other public and private agencies such as those named or referred to above in paragraph 5. In selling their respective steel products, steel producers, including the producer respondents, have long made use of such common names and standards.

Paragraph 7: Generally speaking, the announced price of any particular steel product is made up of two principal elements. The first is the "base price" or "price base," which is the announced price of a defined classification of products. The other element consists of the "extras" and "deduction" announced as additions to or deductions from the base price in respect of certain variations of the steel product.

Paragraph 8: Respondents, through committees of respondent institute and otherwise, defined and described the limits of steel product groups. The respondents used and followed those definitions and descriptions in the pricing of the products sold by them, respectively.

Paragraph 9: Respondents, through committees of respondent institute, defined and described the ranges of steel products within product groups. The respondents used and followed those definitions and descriptions in determining what products would be sold by them, respectively, at base prices without any extra charge or deduction.

Paragraph 10: Respondents, through committees of respondent institute, classified ranges of products, quantities and services. The respondent used and followed such classifications in their respective price announcements as the definitions and descriptions of products and services for which extra charges or deductions would be made.

Paragraph 11: The "base prices" and the "extras" and "deductions" announced by a respondent as applicable to any particular product at any particular place and time (as distinguished from the prices at which steel products were actually sold) were nearly always the same as those announced as applicable to steel products of the same classification at the same time and place by other respondents.

Paragraph 12: Prior to 1940, respondents jointly compiled with respect to various steel products average industrywide costs of performing the operations necessary to produce products not within the range of products sold at base prices, the costs of performing services other than those included in the production and handling of products sold at base prices, and averaged industrywide costs of producing and handling steel products in quantities different from those sold at base prices. The actual costs of performing these different functions varied from mill to mill depending upon the efficiency of the mill and varied from time to time depending upon the size of the particular product run and other cost factors.

Paragraph 13: The "extras" or "deductions" factors as announced by respondents were nearly always the same during any given period of time for any service, characteristic or quantity. Whenever the aforesaid averaged industrywide cost factors relating to different services or differences in material, necessary to produce different services, quantities or characteristics, were compiled, they have been used by respondents as a basis for determining and announcing their extra charges to be added to or deductions to be made from their "base" or "base prices."

Paragraph 14: Each respondent in its announcements of base prices has specified, not only an amount in terms of dollars and cents for a specified steel product, but has also specified that such amount was applicable to such product at a specified geographical point. Such geographical point or points were commonly referred to and used as "basing points." Each respondent did not necessarily announce prices at each of the points, but each did announce prices at or announce a willingness to equalize its prices with prices announced at certain of these points. Furthermore, in numerous instances, some respondents did not in their price announcements specify that their "base" or "base prices" had application at one or more geographical points at which they produced for sale and from which they shipped steel products.

Paragraph 15: Respondents quoted their prices of steel products on a basis of what they would cost the purchasers thereof at delivery points. These delivered quotations were, with exceptions, calculated by adding to the base price plus extras or minus deductions, a freight factor to the place of delivery from the basing point nearest freightwise to the place of delivery.

Paragraph 16: Respondents, through the respondent institute, collected and compiled lists of freight rate factors, which included freight rate factors from certain of the basing points to many of the consuming points for steel products. These lists of freight rate factors were printed in the form of books designated freight rate books which were sold to the respondents and others by the respondent institute for use in calculating the amount to be added to the base price plus extras or minus deductions to determine the delivered quotation. The freight rate tariffs published by the common carriers are complex. Due to these complexities, including alternate routes, switching charges, etc., experts in the field will often arrive at different rates for the same shipment. Respondents, by the use of these books, could quote, and generally did quote, identical amounts for the delivery cost factor of their delivered quotations.

Paragraph 17: Beginning during the period of the NRA steel code and continuing until the time of the complaint herein, respondent sellers have imposed a charge equal to 35 percent of the applicable all rail freight rate to the railroad freight station nearest to the point of use of purchasers desiring to use truck facilities for the transportation of steel products when delivery was taken at the plant.

Paragraph 18: Beginning during the period of the NRA Steel Code and continuing until the time of the complaint herein producer respondents have used arbitrary identical switching charges on purchases of steel products for delivery at basing points. These charges were made in lieu of actual switching charges and in some instances were more than, and in other instances less than, the actual switching charges. In most cases, such actual switching charges were practically impossible to determine in advance.

Paragraph 19: Respondents, through the traffic committee of the respondent institute, attempted to restrict the extension by the Interstate Commerce Commission of the fabrication in transit privileges available to purchasers of steel products.

Paragraph 20: Producer respondents which bid for governmental business in many instances have made identical delivered quotations for steel products to governmental agencies, State and Federal. These identical quotations have been made in sealed bids submitted to State and Federal agencies, each bidder representing, expressly or impliedly, that its sealed bid was made on the basis of independent action without knowledge of the price, terms, and conditions of sale which other bidders would submit, except knowledge of the previous prices and terms, methods and practices of selling of other potential bidders. Such identity has prevailed in the submission of bids, with respect to any given delivery point, although the place of production of the steel products, proposed for delivery to such point, varied widely among the respondent bidders. Use of the acts, practices, methods, and policies hereinbefore found and described promoted and otherwise contributed to such identity. The calculation of these quotations involved the use of identical base prices, extra charges, terms and conditions of sale, basing points and delivery charges.

Paragraph 21: On June 6, 1935, the members of the iron and steel industry adopted a formal resolution pursuant to the terms of which they ratified a similar resolution adopted by the board of directors of respondent institute on June 3, 1935, to the effect that each of said members declared its intention of maintaining as stated therein the standards of fair competition which had been described in the NRA Steel Code. The standards of fair competition thus referred to provided for and included the practices which are hereinbefore described in paragraphs 5 through 20.

The resolution of June 3, 1935, referred to above is quoted as follows:

"Whereas the chairman of the National Industrial Recovery Board has issued a statement with regard to the decision of the U.S. Supreme Court in the Schechter Poultry Corporation case in which he expressed the hope 'that all employers heretofore operating under approved codes and all their employees will cooperate in maintaining those standards of fair competition in commercial and labor relations which have been written into the codes with practically universal sanction, and which represent a united effort to eliminate dishonest, fraudulent trade practices and unfair competition in overworking and underpaying labor'; therefore be it

"*Resolved*, That it is hereby declared to be the sentiment of the board of directors of the American Iron and Steel Institute that the individual members of the iron and steel industry, acting voluntarily, during the present uncertainty, maintain the present rates of pay and maximum hours of labor and the standards of fair competition which are set forth in the steel code, and that the members of the industry continue to protect the employees' rights of collective bargaining."

The resolution of June 6, 1935, referred to above is quoted as follows:

"*Resolved*, That the members of the iron and steel industry in general meeting assembled this 6th day of June 1935, hereby unanimously ratify the resolution of the board of directors of American Iron and Steel Institute, adopted June 3, 1935, and each of us hereby declares that the company which he represents is in favor of supporting the position taken by such resolution and that it is the intention of such company, acting individually and voluntarily, insofar as it may do so, during the present uncertainty to maintain the present rates of pay and maximum hours of labor and the standards of fair competition which are described in the steel code, and that such company will continue to protect the employees' rights of collective bargaining."

At said meeting held on June 6, 1935, among those present were officers of the respondent institute and an officer or representative of each of the following of its members: Alan Wood Steel Co., Armco Steel Corp., Atlantic Steel Co., Bethlehem Steel Co., A. M. Byers Co., Columbia Steel & Shafting Co., Edgewater Steel Co., Firth Sterling Steel & Carbide Corp., Granite City Steel Co., Inland Steel Co., Jones & Laughlin Steel Corp., Keystone Steel & Wire Co., Laclede Steel Co., the Midvale Co., Moltrup Steel Products Co., National Steel Corp., Pittsburgh Tube Co., Republic Steel Corp., The Timken Roller Bearing Co., United States Steel Corp., Vulcan-Crucible Steel Co., Wheeling Steel Corp., Wyckoff Steel Co., the Youngstown Sheet & Tube Co.

In addition to those named above, there were also present at said meeting an officer or representative of each of the following respondents which were not members of the respondent institute on June 6, 1935: The American Steel & Wire Co. of New Jersey, Bethlehem Steel Corp., United States Steel Co. (designated in the complaint as Carnegie-Illinois Steel Corp., but which corporate name was changed on December 30, 1950, to that of United States Steel Co.), Columbia Steel Co., Great Lakes Steel Co., Lukens Steel Co., Mahoning Valley Steel Co., National Tube Co., Northwestern Steel & Wire Co., Sheffield Steel Corp. of Ohio, Tennessee Coal, Iron & Railroad Co., Truscon Steel Co., and Wierton Steel Co.

Paragraph 22: The acts and practices hereinbefore described and found, taken together and under the circumstances stated, have tended to lessen competition, are oppressive to the public interest and unfair within the intent and meaning of the Federal Trade Commission Act.

CONCLUSION

The acts and practices hereinbefore described and found, if not checked, would unduly suppress competition. Therefore, the public interest and the provisions of the Federal Trade Commission Act require that the respondents should be restrained as provided in the annexed order.

By the Commission.

[SEAL] JAS. M. MEAD, *Chairman.*

Issued August 10, 1951.

Attest:

D. C. DANIEL, *Secretary.*

UNITED STATES OF AMERICA, BEFORE FEDERAL TRADE COMMISSION—DOCKET NO. 5508, ORDER TO CEASE AND DESIST

(Commissioners: James M. Mead, Chairman, William A. Ayres, Lowell B. Mason, John Carson, Stephen J. Spingarn.)

(In the matter of American Iron & Steel Institute, an incorporated trade association, its directors and officers; and United States Steel Corp. and the following of its subsidiaries, American Bridge Co., the American Steel & Wire Co. of New Jersey, Carnegie-Illinois Steel Corp., Columbia Steel Co., Geneva Steel Co., National Tube Co., Tennessee Coal, Iron & Railroad Co., and Virginia Bridge Co.; Bethlehem Steel Corp. and the following of its subsidiaries, Bethlehem Pacific Coast Steel Corp., Bethlehem Steel Co., Republic Steel Corp. and its controlled company, Truscon Steel Co.; the American Rolling Mill Co. and its subsidiary, Sheffield Steel Corp. of Ohio; National Steel Corp. and the following of its subsidiaries, Weirton Steel Co. and Great Lakes Steel Co.; Inland Steel Co. and its subsidiary, Milcor Steel Co.; the Youngstown Sheet & Tube Co.; Jones & Laughlin Steel Corp.; Wheeling Steel Corp.; Colorado Fuel & Iron Corp.; Crucible Steel Co. of America; Pittsburgh Steel Co.; Sharon Steel Corp.; Alan Wood Steel Co.

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(Laclede Steel Co.; Latrobe Electric Steel Co.; Lukens Steel Co.; the Mahoning Valley Steel Co.; The Medart Co.; Mercer Tube & Manufacturing Co.; the Midvale Co.; Moltrup Steel Products Co.; National Standard Co.; the National Supply Co.; Northwestern Steel & Wire Co.; Pacific States Steel Corp.; the Phoenix Iron Co.; Pittsburgh Tool Steel Wire Co.; Pittsburgh Tube Co.; the Pollak Steel Co.; Reeves Steel & Manufacturing Co.; John A. Roebling's Sons Co.; Rotary Electric Steel Co.; the Standard Tube Co.; Superior Steel Corp.; Sweet's Steel Co.; the Thomas Steel Co.; The Timken Roller Bearing Co.; Universal Cyclops Steel Corp.; Vanadium-Alloys Steel Co. and its subsidiary, Anchor Drawn Steel Co.; Vulcan Crucible Steel Co.; Washington Steel Corp.; Western Automatic Machine Screw Co.; Wheatland Tube Co.; Wisconsin Steel Co.; Worth Steel Co.; and Wyckoff Steel Co.

This proceeding having been heard by the Federal Trade Commission upon the amended complaint of the Commission, the answers thereto of the respondents, and upon testimony and other evidence to support the allegations of said complaint taken before an examiner of the Commission theretofore duly designated; and, the Commission having made its findings as to the facts and its conclusion and being of the opinion that it is in the public interest that it issue its order under the Federal Trade Commission Act, the Commission hereby does so, as follows:

I. It is ordered that respondents American Iron & Steel Institute, a membership corporation organized under the laws of the State of New York, and its directors, its officers, and United States Steel Corp., a corporation, the American Steel & Wire Co. of New Jersey, a corporation, United States Steel Co. (designated in the complaint as Carnegie-Illinois Steel Corp., but which corporate name was changed on December 30, 1950, to that of United States Steel Co.), a corporation, Columbia Steel Co., a corporation, Geneva Steel Co., a corporation, National Tube Co., a corporation, Tennessee Coal, Iron & Railroad Co., a corporation, Bethlehem Steel Corp., a corporation, Bethlehem Pacific Coast Steel Corp., a corporation, Bethlehem Steel Co., a corporation, Republic Steel Corp., a corporation, Truscon Steel Co., a corporation, the Youngstown Sheet & Tube Co., a corporation, Jones & Laughlin Steel Corp., a corporation, Armco Steel Corp. (name formerly the American Rolling Mill Co.), a corporation, Sheffield Steel Corp. of Ohio, a corporation, National Steel Corp., a corporation, Weirton Steel Co., a corporation, Great Lakes Steel Corp., a corporation, Inland Steel Co., a corporation, Inland Steel Products Co. (name formerly Milcor Steel Co.), a corporation, Wheeling Steel Corp., a corporation, the Colorado Fuel & Iron Corp., a corporation, Claymont Steel Corp. (name formerly Worth Steel Co.), a corporation, Crucible Steel Co. of America, a corporation, Pittsburgh Steel Co., a corporation.

Also Sharon Steel Corp., a corporation, Alan Wood Steel Co., a corporation, Acme Steel Co., a corporation, Allegheny Ludlum Steel Corp., a corporation, American Chain & Cable Co., Inc., a corporation, Atlantic Steel Co., a corporation, the Babcock & Wilcox Tube Co., a corporation, Bliss & Laughlin, Inc., a corporation, Continental Cooper & Steel Industries, Inc. (name formerly Continental-United Industries Co., Inc.), a corporation, Buffalo Eclipse Corp. (name formerly Buffalo Bolt Co.), a corporation, A. M. Byers Co., a corporation, the Carpenter Steel Co., a corporation, Central Iron & Steel Co., a corporation, Columbia Steel & Shafting Co., a corporation, Columbia Tool Steel Co., a corporation, Compressed Steel Shafting Co., a corporation, Connors Steel Co., a corporation, Continental Steel Corp., a corporation, Copperweld Steel Co., a corporation, the Cuyahoga Steel & Wire Co., a corporation, Detroit Steel Corp., a corporation, Henry Disston & Sons, Inc., a corporation, Edgewater Steel Co., a corporation, Firth Sterling Steel & Carbide Corp., a corporation, Follansbee Steel Corp., a corporation, Fretz-Moon Tube Co., Inc., a corporation, Granite City Steel Co., a corporation, Griffin Manufacturing Co., a corporation, Newport Steel Corp. (name formerly International Detrola Corp.), a corporation, Joslyn Manufacturing & Supply Co., a corporation, Judson Steel Corp., a corporation, Keystone Drawn Steel Co., a corporation, Keystone Steel & Wire Co., a corporation, Laclede Steel Co., a corporation, Latrobe Electric Steel Co., a corporation, Lukens Steel Co., a corporation.

Also, Mahoning Valley Steel Co., a corporation, the Medart Co., a corporation, Mercer Tube & Manufacturing Co., a corporation, The Midvale Co., a corporation, Moltrup Steel Products Co., a corporation, National-Standard Co., a corporation, the National Supply Co., a corporation, Northwestern Steel & Wire Co., a corporation, Pacific States Steel Corp., a corporation, Pittsburgh Tool Steel Wire Co., a corporation, Pittsburgh Tube Co., a corporation, The Pollak Steel Co., a corporation, Reeves Steel & Manufacturing Co., a corporation, John A. Roebling's Sons Co., a corporation, Rotary Electric Steel Co., a corporation, the Standard Tube Co., a corporation, Superior Steel Corp., a corporation, Sweet's Steel Co., a corporation, the Thomas Steel Co., a corporation, the Timken Roller Bearing Co., a corporation, Universal-Cyclops Steel Corp., a corporation, Vandium-Alloys Steel Co., a corporation, Anchor Drawn Steel Co., a corporation, Vulcan-Crucible Steel Co., a corporation, the Western Automatic Machine Screw Co., a corporation, Wheatland Tube Co., a corporation, Wisconsin Steel Co., a corporation, and Wyckoff Steel Co., a corporation, and their respective officers, agents, representatives and employees, in, or in connection with, the offering for sale, sale and distribution in interstate commerce of the steel products involved in this proceeding (hereinafter called steel products) do forthwith cease and desist from entering into any planned common course of action, understanding or agreement between any two or more of said respondents, or between any one or more of said respondents and others not parties hereto, and from cooperating in, carrying out or continuing any such planned common course of action, understanding or agreement, to do or perform any of the following things:

1. Adopting, establishing, fixing, or maintaining prices or any element thereof at which steel products shall be quoted or sold, including but not limited to base prices, the extras which shall be added to, or the deductions which shall be made from, any base price for any specified characteristic, or loading charge or delivery charge or terms of discount, credit, or other conditions of sale.

2. Collecting, compiling, circulating, or exchanging between or among respondents, or any of them, a list or lists of base prices or of prices by any other designation, or extra charges thereto or deductions therefrom for any specified characteristic or quantity of steel products or services connected therewith used or to be used in computing prices or price quotations of steel products; or using, directly or indirectly, as a factor in computing price quotations or in making, quoting, or charging prices any such list or lists so collected, compiled, circulated, or exchanged.

3. Collecting, compiling, circulating, or exchanging between or among respondents, or any of them, a list or lists of freight rate factors, transportation charges or other charges relating to transportation or loading or other services connected therewith, used or to be used in computing prices or price quotations of steel products, or using, directly or indirectly, as a factor in computing price quotations any such list or lists so collected, compiled, circulated, or exchanged.

4. Formulating, devising, adopting, establishing, fixing or maintaining methods or practices of quoting and selling steel products to railroads or other particular classes of customers.

5. Quoting or selling steel products at prices calculated or determined pursuant to, or in accordance with, any system of formula which produces identical price quotations or prices or delivered costs, or which establishes a fixed relationship among price quotations or prices or delivered costs, or which prevents purchasers from securing any advantage in price in dealing with one or more of the respondents as against any of the other respondents.

6. Failing to quote or to sell and deliver any steel products f.o.b. at the plant of manufacture thereof.

7. Causing to be done any of the things described in the preceding subparagraphs (1) through (6) through action of respondent American Iron and Steel Institute or any subdivision or committee of said institute or any individual, or other corporation or organization.

II. It is further ordered that each of the respondents do forthwith cease and desist from acting, individually or otherwise, so as knowingly to contribute to the maintenance or operation of any planned common course of action, understanding or agreement between and among any two or more of the respondents or between any one or more of them and others not parties hereto through the commission of any of the acts, practices or things prohibited by subparagraphs (1) through (6) of paragraph I of this order.

III. *Provided, however,* That, in interpreting and construing the foregoing provisions of this order, it is understood that:

1. The Federal Trade Commission is not considering evidence of uniformity of prices or any element thereof of two or more sellers at any destination or destinations alone and without more as showing a violation of law.

2. The Federal Trade Commission construes the phrase "planned common course of action" and the word "continuing" contained in this order as interpreted by the Supreme Court in *F.T.C.* v. *Cement Institute,* 333 U.S. 683, at page 728, and by the Court in *American Chain & Cable Co.* v. *F.T.C.* (CA 4th 1944), 139 F. 2d 622.

3. The Federal Trade Commission is not acting to prohibit or interfere with delivered pricing or freight absorption as such when innocently and independently pursued, regularly or otherwise, with the result of promoting competition.

4. The findings and the conclusion which the Federal Trade Commission has made in this case have been expressly set forth in the Findings as to the Facts and Conclusion that precede this order and are complete.

5. Nothing contained in this order or the understandings in connection herewith shall be construed to affect (a) the duty, authority or power of the Federal Trade Commission under the provision of section 5(b) of the Federal Trade Commission Act to reopen this proceeding and alter, modify or set aside in whole or in part any provision of this order whenever in the opinion of the Federal Trade Commission conditions of fact or of law have so changed as to require such action or if the public interest shall so require, nor to prevent representatives of either the Federal Trade Commission or of the respondents or any of them from moving to so alter, modify or set aside in whole or in part any provision of this order; or (b) any such right as the respondents, or any of them, may have under the law to question or contest any such action by the Commission in so reopening this proceeding or in so altering, modifying or setting aside this order, either before the Commission or upon review or otherwise in any competent court.

IV. It is further ordered that the respondents shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with this order.

By the Commission.

[SEAL] D. C. DANIEL,
Secretary.

Issued August 10, 1951.

Mr. KEFAUVER. Mr. President, an understanding of what is in the consent decree is vital in connection with the consideration of this matter.

In 1948 the Federal Trade Commission issued a complaint against virtually all members of the steel industry, charging that there had been a conspiracy to fix prices, in violation of section 5 of the Federal Trade Commission Act. It was a major antitrust case. There were 1,237 exhibits and 5,458 pages of testimony. Finally, on June 15, 1951, the steel companies voluntarily entered into a consent decree which they, themselves, had proposed to the Commission. The most pertinent part is as follows: The steel companies are prohibited from jointly "adopting, establishing, fixing, or maintaining prices, or any element thereof, at which steel products shall be quoted or sold, including, but not limited to, base prices." And, as I pointed out earlier, certain provisions in the order do not apply to base prices which are the prices customarily changed when the industry raises prices.

Mr. President, I listened to the Senator from Utah [Mr. BENNETT] and the Senator from Arizona [Mr. GOLDWATER] expanding at considerable length on the proposition that steel is a very competitive industry, with its prices determined by the free play of market forces. But, Mr. President, nothing could be further from the truth. Over a period of many, many years the prices charged by the steel companies have been substantially the same. In some way they all happen to find the same level.

In sealed bids to the Government, the steel companies quote identical prices to the thousandths of a cent. We have put such data into the record of our hearings. There are simultaneous or practically simultaneous price increases. One, usually United States Steel, will act as a leader, and the others will immediately follow. Even in times of recession, such as in 1949, 1954, and 1958, the steel companies have raised their prices at the same time, to the same level, and have made the increases stick.

There is thus a solid basis for raising the question, in the light of these and similar circumstances of whether the steel companies are violating the decree into which they voluntarily entered in 1951.

It should be pointed out that Judge Hansen, the former Assistant Attorney General in charge of the Antitrust Division under the past administration, expressed grave concern about antitrust implications of previous steel price increases.

Mr. GORE. Mr. President, will my colleague yield?

Mr. KEFAUVER. I am happy to yield to my colleague.

Mr. GORE. The Senator has referred to the consent order which, as he has stated, was proposed by the steel companies themselves, and was adopted as an order of the Federal Trade Commission. But because the senior Senator from Tennessee and the junior Senator from Tennessee have referred to that order by the Federal Trade Commission and have called upon the Chairman of the Federal Trade Commission to enforce its terms, which were arrived at after hearing and investigation, and we pointed out that the decree was pro-

posed by the steel companies themselves, we are accused of threatening the steel industry. Why should not this order be enforced? The steel companies proposed it and consented to it, and the order was entered by an agency of the U.S. Government.

Mr. KEFAUVER. Certainly, the regulatory commissions should constantly examine the facts and determine whether their orders are being followed or are being violated. It is clearly the duty of the Members of Congress and of the appropriate committees of Congress—and certainly the duty of the Judiciary Committee and its Antitrust Subcommittee, which have a particular interest in this matter—to raise the question of whether such orders are being enforced. I do not think any Member of the Senate, on either side of the aisle, approves the violation of orders of a Government agency, particularly where the order has been proposed by the companies themselves.

In discussing whether or not the steel industry is competitive, pricewise, I wish to ask the Senator from Arizona [Mr. GOLDWATER], who had much to say about its competitive behavior, whether he knows of any other industry in which the companies can break even when they are operating at only 30 percent of capacity. That is the break-even point of the United States Steel Corp., and the break-even point of the industry as a whole is only slightly higher.

No, Mr. President, we are not here dealing with a competitive industry. As a matter of fact, Mr. Roger Blough testified before our committee that in 1957 he and three other officials of the United States Steel Corp. decided to raise the price of steel by $6 a ton, and of course, when United States Steel Corp. raised the price, all the other steel companies followed suit to the same level. Mr. President, when three or four men have the power to bring about a general price increase in a basic industry, I do not think it can correctly be called a competitive industry in any true sense of the word.

Furthermore, in 1958 the steel companies raised the price of steel $4 a ton, at a time when the industry was operating at less than 60 percent of capacity. Ordinarily one would think that when an industry was operating at such a low rate, it might lower its price in order to obtain more orders. But that does not happen in this industry.

Mr. HUMPHREY. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I am glad to yield.

Mr. HUMPHREY. I wish to join in the expression made by the junior Senator from Tennessee [Mr. GORE], in regard to the Federal Trade Commission orders. It is inconceivable to me that two responsible U.S. Senators would be accused of threatening an industry, when the established regulatory body of the U.S. Government has before it an order, in the form of a consent decree, to which the industry itself has agreed.

Mr. GORE. And the industry itself proposed it in the first place.

Mr. HUMPHREY. Yes, as the junior Senator from Tennessee [Mr. GORE] suggests, the industry itself proposed it in the first place. So I cannot understand why two Senators who have suggested to the Chairman of the Commission that the order be enforced should be confronted with a charge that they are threatening the industry.

The failure to enforce the order is a threat to the public. The prime and essential duty of these regulatory bodies is that of regulation. Those regulatory agencies were established in the public interest. They were established for the purpose of protecting the public welfare. The senior Senator from Tennessee, as well as his junior colleague, knows full well that one of the first attacks made by special interests, vested interests, powerful economic interests is upon a regulatory body, either by seeking to infiltrate it, or wear it down through a long process of legal attrition, or dilute the law under which these commissions operate, or make them ineffective in some way or another.

I have all too often felt that the argument between the so-called liberals and conservatives, when boiled down, amounted to something that was less important than the necessity for pointing to the attacks made upon the regulatory bodies established by the representatives of the people in Congress, and that it was their job to protect the public interest in the economic and social spheres.

The Federal Trade Commission is the guardian of the free enterprise system. The Federal Trade Commission was established back in the administration of Woodrow Wilson, literally under a Magna Carta for independence. When the Federal Trade Commission refuses or fails or in any way does not enforce the regulations or laws it is supposed to enforce, or fails to put into effect the decrees or judgments for which it is responsible, then it violates its purpose.

I have been interested in the enforcement of the Robinson-Patman Act, for instance, which comes under the jurisdiction of the Federal Trade Commission. I have reason to believe that many times there is a failure to adequately enforce the price discrimination provisions. We have tried to strengthen the Clayton Act and the Robinson-Patman Act and the antitrust laws. I see the Assistant Attorney General in charge of the Antitrust Division has been before the Senator's committee, making recommendations for strengthening the antitrust laws.

I compliment the two Senators from Tennessee—not them alone, because others have joined with them, but to compliment them particularly—for leading the fight to make this a truly free economic system. This is what we mean by truly free enterprise.

What disturbs me is that some of the self-appointed champions of free enterprise are the first to rush in and defend administered prices, and to defend, if not monopoly, oligopoly, or to defend at least a type of economic structure in which the preponderance of power is not in free enterprise.

Mr. GORE. They generally refer to it as private enterprise, not free enterprise.

Mr. HUMPHREY. Sometimes it does not become very private; it becomes very corporate.

The comments that took place a few days ago——

Mr. KEFAUVER. August 22.

Mr. HUMPHREY. Yes, August 22. I refer to the series of discussions in the Senate which were triggered by the two Senators from Tennessee. The junior Senator from Tennessee [Mr. GORE] led off on this fight. Those speeches have served a public purpose. I felt it was one of the few times when we did what we should do more often in the U.S. Senate by debate. By the way, there was full debate. There was no controlled time in effect, in which one can hardly "get inside" for a good, old-fashioned American argument such as we are witnessing today. That debate, first of all, precipitated a reply from the President of the United States. I gather that letter has been entered into the RECORD.

Mr. KEFAUVER. It has been.

Mr. HUMPHREY. It was the best answer that could be given to the argument made on the other side of the aisle. The letter was devastating in terms of a reply to the arguments that have been raised in contradiction to the speeches which were made in the Senate on August 22. I repeat, more discussions like this in the Senate will serve the public interest. If we had more debates on the subject of administered prices, controlled markets, taxation, fiscal and monetary policies, if we had more intelligent, well prepared, well thought-out discussions of this kind, I know the American people would be better informed and we would have a more viable and vigorous democracy.

The Senators from Tennessee have—in the tradition of Andrew Jackson, the great Tennessean, the greatest of them all, a giant—stood up for the people. Andy Jackson earned his reputation, in part, by his fight against the so-called Bank of the United States, which thought it owned the United States. He broke the back of the bank. They thought they were going to break the back of Andy Jackson, but they did not. Some powerful forces thought they could break the back of the senior Senator from Tennessee [Mr. KEFAUVER]. They failed. Others thought they could break the back of the junior Senator from Tennessee [Mr. GORE], but they failed. I do not know what kind of stock they have in Tennessee, but the men the people of Tennessee have sent to the Senate are certainly fine examples.

Mr. KEFAUVER. The Senator from Minnesota is very generous, but I remind him that we take trips to Minnesota.

Mr. GORE. The qualities may be a little rough.

Mr. HUMPHREY. Thank goodness. Some of these refined products become a little fragile.

Mr. KEFAUVER. Mr. President, it is gratifying to receive the kind of encouragement which has been given us by the Senator from Minnesota [Mr. HUMPHREY], because the criticism of corporations seldom brings encouragement or support. But we must maintain competition, and to do this we must enforce

the antitrust laws, we must give encouragement to the Federal Trade Commission, whose job is not regulatory in the sense of fixing rates or prices but in the sense of maintaining competition as the automatic regulator of prices.

It is these agencies, and the backing that they receive from the administration, from Congress, and from the people, which make the economy of the United States distinctive from that of any other in the world. Instead of constantly being subject to criticism, these agencies should receive our praise. Unhappily, they are usually the recipients of criticism and abuse. Yet, without them our free, competitive enterprise system would surely disappear.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. HUMPHREY. I think we ought to make the record, and if anyone reads the RECORD with any degree of objectivity, it ought to be clear that no Senator is advocating Government control of industry, or Government ownership of industry. We are not recommending that. We are not saying that any industry, or the steel industry, is not to make a profit. With the vast investments in those companies, it is imperative that they make a profit.

Mr. KEFAUVER. And a reasonable profit.

Mr. HUMPHREY. And the stockholders are entitled to make a profit. We do not criticize the juicy and generous pension plans, even though some of the officers of companies will criticize a $75 a month social security payment for grandma.

If they end up with $750 a month, there is no complaint. This is something worked out in the channels of their private negotiations in the company.

I think it should be clear that the spokesmen on this side of the aisle are advocating a competitive economy. We are advocating a private economy. We are advocating a profit economy. We are advocating an economy of abundance. We happen to believe that the United States of America will not stay strong in terms of competition with the steel industry operating at 60 percent of capacity, or 40 or 50 or 70 percent of capacity.

I should like to see the steel industry operate at full capacity. I should like to see the steel industry, when it operates at full capacity, enjoy the advantage of generous tax laws, which provide for depreciation and allowances and profits, but I also wish to be sure that there is not what is called rigging of the market or fixed prices. I wish to make sure that productivity is honored by a lowering of prices to the consumer or at least a sharing of the fruits of the industry with the workers, with the consuming public, and with the stockholders, through dividends, through wages, and through price adjustments.

This is what we are talking about. We have to make it clear.

I saw an article from Barron's Weekly. From such articles one might be led to believe that anybody who spoke up on this subject intended to do something evil to the industry.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I am happy to yield to my colleague.

Mr. GORE. A number of articles have been placed in the RECORD. Since the senior Senator from Minnesota has referred to the editorial in Barron's magazine, I should like to read a portion, as follows:

> Steel prices, in short, are the proper concern not of Congress but of those who own and operate steel mills. Pittsburgh alone must decide in October whether competitive conditions, current and prospective, warrant a higher price.

This statement assumes that the public interest is not involved in regard to steel prices, yet we are told that a $6 per ton increase in the price of steel will result in a $97 increase in the price of a tractor to a farmer, though there is less than a ton of steel involved.

If my senior colleague will yield for the purpose, I should like to inquire the views of the senior Senator from Minnesota on this concept that Congress should not be concerned with the public welfare, with the cost of living, with the general price level, with inflation, but that steel, the bellwether in our economy—the greatest and largest bellwether in our economy—should be the concern of Pittsburgh alone.

Mr. HUMPHREY. There are two mandates to the Congress in the Constitution of the United States. Other things are permissive. There are two mandates to the Congress.

The first mandate is to provide for the common defense. I am sure we wish to do that, and that we are doing it.

The second is to promote the general welfare. Under the head of promoting the general welfare the state of the economy is the concern of this Congress, or of any other Congress.

I hear speeches in the Congress about the threat of inflation. One of the biggest areas of inflation is the steel industry. I gather those on both sides of the aisle are concerned about the threat of inflation. I hear remarks on this side of the aisle and on the other side of the aisle.

One cannot be concerned about inflation without getting down to specifics. We are not concerned about inflated prices of seagulls. Very few people eat seagulls these days. We are concerned about inflated prices of transportation, of steel, of a host of manufactured and processed products.

When there is an increase in the price of steel of $3 a ton it is like an atomic shock to the entire economy. It affects everything from the can opener one uses for a can of beans or a can of tomatoes to a B–52 airplane, to an atomic reactor, to an automobile, to a washing machine, to a sewing machine, to a tractor or to a binder. Everything is affected.

No other industry in America so affects the total price structure of this country as the steel industry.

This is why on this floor we have said, not merely to management but also to labor, that there is a great public responsibility. That is what the President said. That is what the Secretary of Labor said. That is what the economists have said. That is what Dr. Heller, the Chairman of the Council of Economic Advisers, said.

Surely the Congress has an interest in the problem. This is why at times the Congress, under a state of national emergency, has established price controls.

I am not advocating price controls. One has to be careful of what one says. Somebody will say, "I heard Senator so-and-so say he wished to have price controls."

Let us get the record clear. We are not advocating price controls by Government or by industry. If I have a choice as between price controls, I should like to have the one imposed upon me as to which I have a vote. When there is an administered price, that is a price control. It is the price control for the benefit of a private group. A public price control is at least allegedly for the purpose of the public interest.

I wish to make it clear that this is merely an analogy, and that no one is recommending price control. In fact, I think all the Senators are recommending is that there be a little competition. I would not object if there were a little competition in October in Pittsburgh, but I do not think there will be.

The fact of the matter is that when the United States Steel Co. says, "This is the price of steel," that is it. That is the way it is.

Do Senators know what is done in Minnesota? There is a day when the people come to Minnesota to decide on the price of iron ore. They establish it on the day they take the first shipment of ore out of the docks at Duluth, when the ice breaks. That is it. They put a price on it.

Does Mr. Farmer have that kind of a deal when the price of eggs goes up or down like a child's fever or, shall I say, up or down like the desires of a hen? Who knows? One week eggs are selling for 25 cents a dozen. Then, if the roosters and the hens are not cooperating, the next week the price of eggs is down to 14 cents a dozen; or, if they are overcooperating, the price of eggs is down to 14 cents a dozen.

There is a price fluctuation in the grain market. There is a price fluctuation in the grocery store. There is a price fluctuation in the hardware store, and in the clothing store.

I will tell Senators what happens at the iron range of Minnesota. We know what the price of iron ore will be. Those people come in and take the first shipload out, and on that shipload they establish the price. The call it Erie, plus. In that way we determine how much tax the State will receive. The State receives a percentage, what some people might call a severance tax. That is based on the value of the ore.

Who establishes the value of the ore? It is established by the biggest company. When they pull it out, that is it. From that day on the price of iron ore remains rather stable. It does not make much difference whether the factories or the

furnaces are operating at 40 percent of capacity or at 80 percent of capacity; the price of iron ore is static.

But the price received by poor Mr. Farmer, if he raises a little more corn than he can sell, goes "kerplunk," down to the bottom of the barrel. If he raises a little less wheat or a little less rice than the market will take, then the price goes up.

If there happens to be a little extra iron ore, there is no effect. There is iron ore stacked up in piles in northern Minnesota, in what we call the reserves, which would equal 10 of these Capitol buildings in dimension. There are tons of the ore waiting to be taken away. Does the price go down? Not a bit.

If the farmer had the same amount of corn piled up, the price would go down. The price of iron ore does not.

Do Senators wish to know why that is? The answer is very simple. There are not quite as many immediate processors of iron ore as there are of wheat or of corn. There are 180 million people in the United States who have something to do with the food supply.

There are perhaps 12 or fewer large companies—what we could call major steel companies—that make the determination.

Mr. GORE. What I would like to know is whether the Erie-plus price which is fixed and prevails throughout the year until their port is frozen over again represents free enterprise, private enterprise, or is it something of a different nature?

Mr. HUMPHREY. It is a kind of deep-freeze enterprise. One is frozen in until he is frozen out. May I say that we have had quite a few frozen out.

Mr. KEFAUVER. I assume it is called industry price control.

Mr. HUMPHREY. The Senator's description is very apt.

Mr. KEFAUVER. Mr. President, I wish to hurry on, because the hour is very late.

The Senator from Utah [Mr. BENNETT] had a good deal to say about how low profits are in the steel industry. I wish again to point out, as was done in the subcommittee's Report on Administered Prices in Steel, at page 38, that profits per ton of steel in recent years have been at an alltime high. The profit per ton of finished steel for the United States Steel Corp. in 1960 was $16.27, in 1959, $17.73; in 1958, $17.71.

All of these figures are higher than ever before in the history of United States Steel. Even in the war year of 1916 before we had price control the profit per ton of steel was $15.87. In the 1920's it dropped to around $6 or $7 a ton, except in 1929 when it rose to $11.75. Then up to 1954 it did not rise as high as $10 per ton. But in 1955 it made a big jump to $14.51, and in recent years it has been in the area of $16 to $18 a ton.

Obviously, it would not be possible for the profit per ton of steel now to be as great as it is, and to have risen as it has, unless the price of steel had risen more than its costs. There are many other interesting points on steel profits which were made in the speeches of August 22.

I ask unanimous consent that a table showing the profit of the United States Steel Corp. per ton of steel over a long period of years be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE V.—*United States Steel Corp., net income (after taxes) per ton of steel products shipped, 1915–60*

1915	$5.92
1916	15.87
1917	13.25
1918	8.04
1919	5.70
1920	7.06
1921	4.18
1922	3.02
1923	6.85
1924	6.70
1925	6.14
1926	7.40
1927	6.14
1928	7.41
1929	11.75
1930	8.16
1931	1.55
1932	—16.47
1933	—5.74
1934	—3.34
1935	.14
1936	4.24
1937	6.73
1938	—1.05
1939	3.51
1940	6.81
1941	5.69
1947	6.28
1948	6.27
1949	9.11
1950	9.52
1951	7.48
1952	6.80
1953	8.85
1954	9.15
1955	14.51
1956	14.56
1957	17.91
1958	17.73
1959	14.07
1960	16.27

Mr. KEFAUVER. The Senator from New York [Mr. JAVITS] and the Senator from Utah [Mr. BENNETT] conceded that taking 1947 as a starting point, the price increase in steel has been greater than the increase in unit labor costs. I ask unanimous consent that a table on this matter be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Steel

[1947=100]

	Wholesale price index	Unit labor cost	Productivity (hours paid)	Average hourly earnings
1947	100.0	100.0	100.0	100.0
1948	113.7	109.3	100.4	109.7
1949	123.1	111.4	102.8	114.6
1950	129.3	104.9	111.9	117.4
1951	139.7	116.1	113.0	131.2
1952	142.8	117.5	117.6	138.2
1953	153.6	126.3	118.8	150.0
1954	160.3	131.8	115.9	152.8
1955	167.8	127.2	129.4	164.6
1956	181.9	134.2	130.4	175.0
1957	199.2	144.4	128.9	186.1
1958	206.2	158.0	126.6	200.0
1959	209.7	150.8	141.8	213.9

Source: Bureau of Labor Statistics; unit labor cost derived from productivity and average hourly earnings

Mr. KEFAUVER. The table shows that with 1947 as the base of 100, the wholesale price index of steel had risen by 1959 to 209.7. With 1947 also as the base the unit labor cost had risen by 1959 to 150.8. So obviously the wholesale price increase exceeded the unit labor costs, using 1947 as a base.

The Senator from New York [Mr. JAVITS] and also the Senator from Utah [Mr. BENNETT] objected to the use of 1947 as a base. But if we take some other year, such as 1953, as the base we come out with the same general conclusion. With 1953 as the base the increase to 1959 in the wholesale price of steel is 36 percent, and the increase in unit labor costs only 19 percent. Much the same result would be obtained if 1954 were taken as the base year. The conclusion that the increase in price has been greater than the increase in unit labor costs thus does not rest upon the use of 1947 as the base year.

One other point on which there has been some discussion today and which I would like to clarify is the close relationship that exists in the steel industry between the profit rate and the operating rate, that is, production as a percent of capacity. With the pickup in the economy resulting from the increased defense effort, the steel operating rate has recently risen to around 75 percent of capacity, and it is expected to go higher. Operating at 80 percent of capacity, the steel industry can expect to make a rate of return on net worth, after taxes, of around 11 percent; at 90 percent of capacity around 14 percent after taxes. Any industry should be satisfied with such high profit rates.

One other point that I would like to clear up is whether the increases in the price of steel have been in line with the price increases of other products. The price increase of finished steel has been greater than that of any of the BLS wholesale commodity groups from 1947 to 1960. It is also true that between 1947 and 1960 the increase in the price of finished steel was more than four times the increase shown in the all-commodity index. The increase in the price of finished steel was 105.5 percent. The increase in the all-commodity index was 24.1 percent. It was more than three times the rise in manufactured products other than food, which was 34.6 percent. If we leave out the metals and the machinery groups, whose prices are pushed up by the increases in steel prices, we find that the price rise in steel was more than twice as great as the advance in any other product group.

Since wage increases occurred not only in steel but also in other groups, a very interesting question is raised as to whether there can be any possible justification for a price advance in steel which exceeds by so much the increase in other industries.

We ought to ask ourselves the question: Why should the price of steel rise by more than 100 percent while the price of farm products and of textiles actually declines, the former by 11.2 percent and

the latter by 4 percent? The reason is, of course, that the latter two are competitive pricewise, and steel is not.

Mr. President, I ask unanimous consent to place in the RECORD a table showing price increases in major commodity groups and in finished steel.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Major commodity groups and finished steel: Percent changes in wholesale prices to 1960

Group	Percent increase to 1960 from—				
	1929	1947	1953	1956	1958
Finished steel	+170.6	+105.5	+37.1	+15.7	+2.2
All commodities	+93.2	+24.1	+8.6	+4.6	+.3
Farm products	+51.5	−11.2	−8.5	+.4	−6.4
Processed foods	+84.1	+9.7	+3.0	+5.9	−2.9
All commodities other than farm and foods	+95.9	+34.6	+12.5	+5.0	+1.8
Textile products and apparel	+49.7	−4.0	−1.2	+.8	+2.8
Hides, skins, leather, and leather products	+86.0	+9.2	+12.0	+11.1	+9.6
Fuel, power, and lighting materials	+62.1	+25.2	+3.9	+2.3	+1.0
Chemicals and allied products		+8.7	+4.3	+2.8	−.2
Rubber and rubber products	+73.3	+46.2	+15.8	−.8	−.2
Lumber and wood products	+280.3	+29.4	+.9	−3.3	+3.1
Pulp, paper, and allied products		+35.1	+14.7	+4.7	+1.7
Metals and metal products	+129.6	+68.4	+21.2	+3.6	+2.3
Machinery and motive products		+65.8	+24.7	+11.3	+2.4
Furniture and other household durables	+77.6	+28.8	+7.8	+3.4	−.1
Nonmetallic minerals, structural	+90.1	+47.0	+16.8	+6.4	+1.4
Tobacco manufactures and bottled beverages	+52.2	+35.6	+13.9	+7.8	+2.8
Miscellaneous products		−8.6	−5.8	+1.2	−2.2

Source: Finished steel: Joint Economic Committee, "Productivity, Prices, and Incomes," materials prepared for the Joint Economic Committee by the committee staff, 85th Cong., 1st sess., 1957, p. 222; Iron Age, Jan. 5, 1961. Other groups: Bureau of Labor Statistics.

Mr. GORE. Mr. President, I congratulate my able senior colleague on his very fine address. A number of tables and lists and statistical data have been inserted in the CONGRESSIONAL RECORD today by consent. Some of these I have had an opportunity to examine, and some I have not had an opportunity to do so.

At an early date it will be my intention to further reply to the statements made on the floor of the Senate today and to the data submitted for the RECORD.

Suffice it for the moment to say that the public interest is involved in the price level of our basic industries, the most basic of all of which in our industrialized economy is steel. As President Kennedy has said in his letter of today, steel is a bellwether. It is a bellwether in the price structure and it is a bellwether in the wage structure. It is also a bellwether in the psychology of our economic free enterprise system.

Therefore, few questions could be debated on the floor of the Senate which more directly affect our individual citizens, the cost of doing business, the cost of the products of business, the cost of living, than the steel prices.

I welcome the debates that have occurred here today, and shall look forward to making further reply.

VETERANS' ADMINISTRATION REVOLVING SUPPLY FUND

Mr. MANSFIELD. Mr. President, I move that the action of the Senate in passing H.R. 8414, a bill to amend section 5011 of title 38, United States Code, to clarify the authority of the Veterans' Administration to use its revolving supply fund for the repair and reclamation of personal property, be reconsidered, and I move that the House be requested to return the bill to the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana that the House be requested to return the bill to the Senate.

The motion was agreed to.

REPEAL OF SECTIONS 1176 AND 1177, REVISED STATUTES OF THE UNITED STATES, RELATING TO THE DISTRICT OF COLUMBIA

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 848, H.R. 7622.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 7622) to repeal sections 1176 and 1177 of the Revised Statutes of the United States relating to the District of Columbia.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. DIRKSEN. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. I think this would be an appropriate time to ask the majority leader concerning proposed action on the bill.

Mr. MANSFIELD. Mr. President, this is the trading-stamp bill. I hope it will be possible to pass the bill before the Senate adjourns tonight. It is my understanding that there is no disposition to have a yea-and-nay vote on amendments or on the passage of the bill. If there is, then, with the concurrence of the distinguished minority leader, we shall seek to have the bill go over until tomorrow.

LEGISLATIVE PROGRAM—ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. DIRKSEN. Mr. President, I ask the majority leader, further, what his pleasure is with respect to the hour for convening the Senate tomorrow, and what the first order of business will be following the morning hour.

Mr. MANSFIELD. If the distinguished minority leader will agree, I ask unanimous consent that when the Senate completes its business tonight, it adjourn until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCOTT. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. I yield.

Mr. SCOTT. With respect to the trading stamp bill, on behalf of my wife I propose that she give up the habit of obtaining trading stamps for herself and go on record in favor of the majority leader, if he will only get us out of here.

Mr. MANSFIELD. Not having had anything to do with trading stamps, I will do my best to get all of us out of here for nothing.

Mr. SCOTT. If the Senator from Montana will do that, he will earn the undying gratitude of the Members of this body and their families.

Mr. MANSFIELD. And my own.

Mr. SCOTT. And the country and the taxpayers, if I may so amend my statement. Nothing serious will happen to the country if only Congress will go home.

Mr. KEATING. Mr. President, will the distinguished majority leader apprise us of the business for tomorrow?

Mr. MANSFIELD. It is anticipated that when the trading stamp bill has been disposed of, it will be followed by the disarmament bill, Calendar No. 864, S. 2180, which will be made the unfinished business.

That bill will be followed by the Mexican labor bill.

It is also hoped to have the Senate act on such bills as Calendar No. 734, S. 1563, to authorize the conveyance of certain lands within the Clark Hill Reservoir, Savannah River, Ga.-S.C., to the Georgia-Carolina Council, Inc., Boy Scouts of America, for recreation and camping purposes; Calendar No. 764, S. 923, to authorize the Secretary of the Interior to replace lateral pipelines and line discharge pipelines, and to do other work he determines to be required for the Avondale, Dalton Gardens, and Hayden Lake Irrigation Districts in the State of Idaho; Calendar No. 752, H.R. 7447, to amend the Strategic and Critical Materials Stock Piling Act to provide for the immediate disposition of certain waterfowl feathers and down; and other bills of that nature, including the District of Columbia election bill, if possible.

REPEAL OF SECTIONS 1176 AND 1177, REVISED STATUTES OF UNITED STATES, RELATING TO THE DISTRICT OF COLUMBIA

The Senate resumed the consideration of the bill (H.R. 7622) to repeal sections 1176 and 1177 of the Revised Statutes of the United States relating to the District of Columbia.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. H.R. 7622.

Mr. MANSFIELD. Mr. President, the distinguished Senator from Maryland [Mr. BEALL] has been very interested in the proposed legislation. The distinguished Senator from Tennessee [Mr. GORE] and the distinguished Senator from Iowa [Mr. MILLER] are likewise interested in the proposal.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. BEALL. Mr. President, the purpose of this bill is to repeal in its entirety the District's present gift enterprise law.

For many years retailers in the District of Columbia have been operating under a ban on some of the most commonly used merchandising techniques in use today. The practice of stimulating trade through the offering of free goods, premiums, manufacturers' coupons, or trading stamps is forbidden to District merchants by an old statute, enacted in the 1870's, which makes it a criminal offense to engage in any gift enterprise in the District. With the upsurge in retailing volume, and the growth of retail competition throughout the Nation, the consumers and merchants of the District have been put at a disadvantage by this obsolete restriction.

This bill proposes to lift this handicap on the retail business of the District.

The District gift enterprise law was adopted by the District Legislature in 1871, and later incorporated by the Congress in the District Code. It is clear that the merchandising situation in 1871 was very different from today's. At that time there were no antitrust laws, no restraints on monopolistic or unfair competition, no Federal Trade Commission, no regulations protecting the consumer—in short, none of the laws which today preserve competition and protect the interest of the public. What may have been, 6 years after the conclusion of the Civil War, a beneficial regulation of commerce in the District has now become senselessly irritating and burdensome to manufacturers selling in a national market, driving trade out of the District. It should be done away with—not piecemeal, and not in an effort to favor one kind of trading inducement over another—but in its entirety.

Examples of promotional activity which are apparently illegal under the present law are as follows: cigarette coupons, free sport schedules and informational pamphlets and blades given with the sale of razors, cereal box tops and package coupons redeemable for tableware and toys, grapefruit spoons given with sale of citrus fruit, trading stamps, and redeemable cash register tapes.

These examples of widespread merchandising practices which involve the offer or gift of some free service or item of merchandise in connection with the purchase of a service or an item of merchandise, are all prohibited by the existing law of the District of Columbia. It is the only jurisdiction in the United States which prohibits all of these practices. One other State, Kansas, forbids the use of trading stamps. The situation constitutes a burden on the merchants of the District, and a possible loss of revenue to the District, by reason of the fact that merchandise prepared for distribution on a national basis, and in connection with which there is a gift or the offer of a gift of some sort, must, upon its receipt by a merchant in the District, be repackaged, be returned to the supplier, or be transshipped to an outlet in Maryland or Virginia.

H.R. 7266 will end this intolerable situation for the retail merchants of the District of Columbia.

At the hearing on the bill before the Business and Commerce Subcommittee there was no opposition to any of the promotional giveaways which the bill would allow, except the use of trading stamps.

There seemed to be two arguments advanced against the use of trading stamps. The first argument was to the effect that trading stamps are an added cost for the retailer which must be passed on to the consumer. It was the feeling of the committee that this charge, if true, would have equal application to all of the other promotional devices and that there was no valid distinction on the ground between the use of trading stamps and any other so-called giveaway, whether cigarette coupons redeemable for merchandise or cereal box tops redeemable for toys.

The second objection to trading stamps was that the practice of trading stamp companies of granting exclusive franchises to a limited number of retailers constitutes an unfair business practice since it deprives some retailers of an opportunity to use the trading stamps of a particular company or companies.

The exclusive franchise system is completely legal and is not unique to the trading stamp industry. As a system of distribution it is commonly used by automobile manufacturers, farm equipment manufacturers, clothing companies, and small and large appliance manufacturers, to name but a few of the many industries employing the system.

There are numerous trading stamp companies operating in the United States. In a report issued in December 1958, the Department of Agriculture stated that there were at that time about 200 trading stamp companies operating throughout the country, and that 10 of these companies were doing business in more than 10 States.

With so many trading stamp companies in the market, a retailer in the District of Columbia who desires a trading stamp plan, should be able to obtain one. The fact that the exclusive franchise system of a company might prevent a retailer from obtaining a particular stamp plan, is no reason to single out this sales promotion activity for special legislative treatment.

Discrimination against trading stamps is without justification in fact or law. Trading stamps have long been recognized as a legitimate merchandising device, benefiting both merchant and consumer. Trading stamps are saved by millions of families in the United States and are in wide use in virtually every State of the Union, including Maryland and Virginia.

While the District merchants should indeed be liberated from restrictions that prevent them from engaging in modern practices of competitive merchandising, they should be free to adopt any of these practices they may choose, without arbitrary limitations.

Trading stamp companies are no fly-by-night economic phenomenon, but a long-established and growing business, an outstanding example of modern competitive practices in retailing. The total volume of trading stamp business will be approximately $700 million in 1961. Authoritative legal and economic studies, including those conducted by the Federal Trade Commission and the U.S. Department of Agriculture in cooperation with the Bureau of Labor Statistics, show that the issuance of trading stamps is a legitimate trade device, and offers no possible basis in public policy for a law discriminating against their issuance in the District of Columbia.

In closing, Mr. President, let me make it clear that if this 1870 gift enterprise law is not repealed, as provided in this bill, foreseeably the Washington business community faces real chaos. The majority of national manufacturers offer merchandise on the shelves of every store in this city, every day, prohibited by this law. As the law exists today, it places the Corporation Counsel of the District of Columbia in an impossible situation. He must choose between carrying out his sworn duty to enforce the law which Congress has enacted, or, throwing the merchandising business community of the District of Columbia into real turmoil.

Mr. GORE. Mr. President, I shall not detain the Senate for a long discussion, nor shall I ask for a vote, regrettable as I consider the passage of the bill to be for the people of the District of Columbia.

Mr. President, among the purposes and effects of the bill now before the Senate is that of legalizing trading stamps in the District of Columbia. This type of merchandizing promotion, as well as related practices, has been prohibited in the Nation's Capital for almost a century.

It is suggested that the use of trading stamps in the District should be permitted in order to remove a competitive disadvantage now suffered by merchants in the District who must compete with merchants in adjacent jurisdictions who use stamps. So far as I am aware, there is no clamor on the part of the District merchants to permit them to exercise this somewhat dubious privilege. Perhaps some of the supposed retailer beneficiaries of this legislation recognize that the alleged relief would inure largely to the benefit of the trading stamp companies rather than to the merchants who use stamps, their customers, or the general public.

The practice of issuing so-called trading stamps at the retail level has mushroomed tremendously in recent years. A study prepared by the Department of Agriculture in 1958 referred to the significant growth of this activity during

the years 1954 to 1956. During that period, the volume of business done by trading stamp companies more than doubled to about $375 million per year. Since 1956 the trading stamp business has increased more than 100 percent again and now approaches a total annual take of some $750 million to $1 billion each year.

Defenders of trading stamps allege that this is a somewhat utopian activity that benefits everyone—the merchant, the customer, and the general economy—and costs no one anything. My study of this operation leads me to an entirely contrary conclusion. Trading stamp operations are a burden on the economy. There is no appreciable benefit to the customer who saves stamps—and their use constitutes an unconscionable burden and expense to the merchant.

I hardly feel it necessary, Mr. President, to dwell upon the popular, though fallacious, theory that through savings stamps the retail customer gets something for nothing. Yet this is unquestionably the impression sought by subtle promotional efforts to be implanted in the minds of the public. In truth, the customer pays for the stamps because the cost thereof is included in the price of the groceries or other merchandise he buys.

It is argued that surveys and studies reflect only a minimal increase in prices charged by merchants using stamps. The Department of Agriculture study stated that prices charged by stamp-using merchants averaged six-tenths of 1 percent higher than those of nonstamp merchants. The value of the stamps was said to be estimated at about three times this amount, theoretically leaving the customer a profit in the form of premiums received for redeemed stamps. But, the fact is inescapable that the cost of the stamps, including not only the value of premiums but the expenses and a handsome profit for the stamp company, is included in the price of merchandise sold by a merchant issuing stamps. To the extent this extra cost does not result in increased prices it is reflected in lower profits than otherwise would be available to the merchant. There can be no other answer to the question of "who pays"? However the cost is allocated, an industry of newly expanding proportions is riding on the back of this country's retailers and their customers with the full cost being borne by the consumer.

But, Mr. President, the argument over allocation of the cost burden does not raise the most serious of the objections to the trading stamp operation. Once one of the companies succeeds in selling a grocery merchant, for example, on the alleged promotional value of its stamps, that merchant is more or less chained to the practice of forking over some 2 to 3 percent of his gross receipts for so long as he stays in business.

Moreover, competitors of groceryman A feel a compulsion to engage the services of a competing stamp company and they likewise are placed in the vice of paying tribute to the stamp merchants who, unless restrained, will gain an unbreakable stranglehold on the retailing industry in this country.

I have talked with small merchants, Mr. President, and they have expressed to me the dilemma in which they find themselves. The small grocery store, as everyone knows, is finding it increasingly difficult to remain in business in face of the competition from the chains. Use of trading stamps by the chainstores adds one more brick to an already overbearing load.

In brief, many a small merchant finds he cannot stay in business unless he joins the stamp racket, yet he cannot afford to pay the price demanded by stamp companies. In desperation he frequently signs up and we have the anomaly of a trading stamp company occupying a parasitic role making more money from the sale of groceries than does the owner of the store.

It is further suggested that trading stamps represent nothing more nor less than an ordinary promotion gimmick and that the cost of the stamps falls in the same category as does advertising. But it is not, Mr. President. For example, we do not permit newspapers or radio stations to pick out a single merchant in a given area and then state that only his advertising will be accpted. Yet this is common practice of most of the trading stamp companies who operate through an exclusive franchise device under which the company undertakes to assure a using merchant that none of his competitors will be permitted to distribute the stamps of that company. No such assurance can be given, of course, with reference to the stamps of other companies. Hence the development of a rash of stamp companies which seek what, for them, is the ultimate solution—every retailer dispensing some kind of stamp, with the profits which used to belong to the retailer winding up in the pockets of the stamp merchants; and with those merchants who ordinarily would sell the prizes offered for stamps out of business altogether.

In my opinion legalization of trading stamps within the Nation's Capital is undesirable and I oppose passage of the bill.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. MILLER. Mr. President, I offer the amendment I have at the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 1, after line 6, it is proposed to, insert the following new section:

SEC. 2. (a) No person, firm or corporation engaged within the District of Columbia in the business of issuing or selling trading stamps, tickets or coupons redeemable in cash, wares or merchandise, shall discriminate against any retailer, merchant or other dealer by refusing to sell such trading stamps, tickets or coupons to such retailer, merchant or other dealer solely because of the existence of any prior contract or agreement made with, or franchise issued to, any other retailer, merchant or dealer doing business in the District of Columbia.

(b) Any person, firm or corporation violating subsection (a) hereof shall be guilty of a misdemeanor and shall be punished by a fine not to exceed $1,000 or imprisonment for not more than one year, or both.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa.

Mr. MILLER. Mr. President, my amendment places a very simple question before the Senate. As the Senate knows, we do not have trading stamps in the District of Columbia. The Congress has the power to permit trading stamps or not to permit trading stamps in the District of Columbia. For the past several years permission has not been granted. Under the bill permission would be granted.

All my amendment would do would be to provide that where trading stamps are allowed in the District of Columbia, they must be available to all. There can be no exclusive franchises granted.

I recognize that the granting of exclusive franchises is entirely legal. Exclusive franchises exist in many States. I am not suggesting that there is anything illegal about it at all. That is not the point. The point is whether or not it is desirable. In the States of Maryland and Virginia we have competitors to District of Columbia businessmen. It is for this reason, I think, that to permit our District businessmen to compete with Maryland and Virginia businessmen, they should be permitted to have trading stamps. That does not necessarily mean that they should be permitted to have a situation in which one trading stamp company can go to one chain or one group of stores and give them an exclusive franchise and his competitor in the District of Columbia cannot do so.

It does not answer the problem to say that a man can get another line of trading stamps, because we all know that in a particular area there may be only three or four types of trading stamps that have the consumer appeal which permits competition. I feel very strongly about monopolies. I feel very strongly particularly about monopolies in the District of Columbia. I believe that by opening this up and letting any merchant who wishes a particular type of trading stamp, we will open up competition in the District of Columbia, and at the same time we will enable our District merchants to compete with their neighbors in Maryland and Virginia, who are now permitted to have trading stamps.

The question is that simple. At this late hour in the evening I certainly do not propose to keep the Senate any longer, but I believe the amendment should be offered and should be voted up or down.

Mr. BEALL. Mr. President, the exclusive franchise system is completely legal and is not unique to the trading stamp industry. As a system of distribution it is commonly used by automobile manufacturers, farm equipment manufacturers, clothing companies, and small and large appliance manufacturers, to name but a few of the many industries employing the system.

There are numerous trading stamp companies operating in the United States. In a report issued in December 1958, the Department of Agriculture stated that there were at that time about 200 trading stamp companies operating throughout the country, and that 10 of these companies were doing business in more than 10 States.

With so many trading stamp companies in the market, a retailer in the District of Columbia who desires a trading stamp plan, should be able to obtain one. The fact that the exclusive franchise system of a company might prevent a retailer from obtaining a particular stamp plan, is no reason to single out this sales promotion activity for special legislative treatment.

I ask that the amendment be rejected.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Iowa.

The amendment was rejected.

Mr. PASTORE. Mr. President, I rise in support of H.R. 7622. I feel that restrictions written into the law almost a century ago to protect the consumer of the District of Columbia against the evil practices of those days should be retired in the light of the safeguards we have placed about the consumer today.

It is high time that the consumers of the District of Columbia be granted the same advantages enjoyed by Rhode Island and all the other States but one.

For instance, in the matter of trading stamps, 170,000 families in Rhode Island save them. Rhode Island industry supplies its share of trading stamp merchandise. Community groups in my State pool their trading stamps to make a group presentation for their church, their school, their pet charity.

I find that the cooperative movements are a praiseworthy activity in every State with trading stamps as the motif. I have made inquiries along this line.

Here are just a few of the successful projects which have been completed:

The Jaycees of Wappinger Falls, N.Y., with 300 families involved, saved trading stamps together. They used them to finance a large Christmas party for underprivileged children.

The Cerebral Palsy Auxiliary of Miami, Fla., enlisted certain savers to acquire needed purchases from fund raising.

One thousand five hundred families took part in charitable trading stamp collecting for the New York Lighthouse for the Blind, redeeming stamps for a station wagon.

Very briefly, here are some others: Three school buses to St. Francis Parish School in Provo, Utah; an organ to St. Luke's Catholic Church in Hohokus, N.J.; an oxygen tent to the Good Samaritan Hospital in Suffern, N.Y.; a pump to the Volunteer Fire Department of North Lawrence, Ohio; and a complete library of books to a school in Millburn, N.Y. And this is just a sample.

More and more of these programs are started every day. PTA groups, women's clubs, and church auxiliaries are now using stamps to finance everything from sidewalks to swimming pools to concert pianos to airplanes.

Right here in Washington we have a number of these projects. For example, the Washington Chapter of the National Association for Retarded Children has used stamps. The Anacostia Little League now has a stamp drive. It hopes to equip a new baseball stadium through the collection and redemption of stamps. Even the Government participates. Federal agencies have been advised by the General Services Administration to turn over the stamps acquired through purchases to the nearest Federal hospital or similar institution. Since the VA has the largest hospital system, it receives many of these stamps.

The point I am trying to make is this: Right now, there are untold thousands of groups in the country saving stamps to acquire major items which will be of benefit to their community.

We all know saving trading stamps is a painless way for the housewife to acquire a table lamp or whatever. We should also know that trading stamps offer a painless way to give, and that many people throughout the country and in Washington, D.C., are doing just that this very minute.

Behind each of these group saving efforts, there is a story about people. Here are two little stories that involve more than 600 children.

Probably the most dramatic group savings project took place in Provo, Utah. The project got started after a busload of children were marooned during the winter months when a front wheel of one of the school's ancient vehicles collapsed. Children come to this Catholic school from as far away as 60 miles, and without buses there just wouldn't be any school for them. During the stamp-collecting drive, the mothers of the schoolchildren mailed more than 90,000 letters, but they were soon to learn that their stamp-licking had just begun. Before the stamp drive was over, the mothers had collected 7,708,800. Right now, three shiny school buses are busily transporting some 350 grateful kids to school and back each day.

In Fairville, Tenn., we have another story. The Church of God's home for 260 orphan children appealed in its denominational publications for S. & H. green stamps to help obtain a station wagon. The wagon was presented to the orphanage just before Christmas. I think we can all agree that this is a fine thing.

But I think the significant, the interesting thing about this orphanage's stamp saving habits is that this was not the first time the orphanage has acquired merchandise with stamps. Other items have included bedspreads, dishes, desk lamps, major appliances, and sporting goods.

I, for one, should not like to take away this right from either the people who donate the stamps or the groups who get these stamps and redeem them for such worthwhile projects.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 7622) was read the third time, and passed.

Mr. BEALL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DIRKSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

U.S. DISARMAMENT AGENCY FOR WORLD PEACE AND SECURITY

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 864, Senate bill 2180, and that it be made the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2180) to establish a U.S. Disarmament Agency for World Peace and Security.

The PRESIDING OFFICER. The question is on the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with amendments.

EISENHOWER'S BERLIN STAND

Mr. DIRKSEN. Mr. President, a very interesting article appeared in the Washington Star today under the caption "Eisenhower's Berlin Stand." The article is under the byline of Henry R. Luce, and is so current and is of such interest that I think it merits insertion in the CONGRESSIONAL RECORD. Therefore, I ask unanimous consent that it be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, Sept. 7, 1961]

EISENHOWER'S BERLIN STAND

(By Henry R. Luce)

(The one American who, for 16 years, was most intimately concerned with Berlin is Dwight D. Eisenhower. Last week Henry R. Luce, editor in chief of Life magazine, met with him in the modest office where Mr. Eisenhower works as a private resident of Gettysburg, Pa. Sometimes with a kind of half-rueful humor, sometimes with righteous anger, always with profound earnestness, Dwight Eisenhower talked. Here Mr. Luce passes on the substance of what he heard. It is reprinted by the Star by courtesy of Life magazine from its current issue.)

To the man who engineered the defeat of Nazi Germany and then dealt with the grinding problems of its occupation for 8 years as President of the United States, the issue now in crisis in Berlin goes far beyond cold legalisms.

On the surface, the clash may be simply a juridical question of who has a right to be there upon what terms. But to Eisenhower the question is first moral and spiritual, and only secondarily legalistic. The real issue, epitomized by Berlin, is man's definition of what man is.

Dwight Eisenhower sees in Berlin, on the two sides of the barbed wire and masonry

wall raised by the Communists, two powerful philosophies which hold precise but opposite conceptions of man. On the East stands a complete philosophy of materialism which defines man as a mere machine, soulless, and therefore fit only to be used as a slave for the glorification of the state. On the West stands the belief that man is a creature of the spirit, possessing an individual soul, born free and in the image of his Creator.

To Eisenhower it is natural that the East, which denies liberty, should proclaim its intention to dominate the entire world. Sharply to the contrary, the idea of world domination by any power is totally repugnant to the West. For the West, believing in freedom, holds that men are and ought to be free to develop in their own different ways, individually and socially.

Thus the struggle which centers in Berlin is seen by Eisenhower as a struggle between the spiritual and the materialistic interpretations of man and his destiny.

When the war in Europe was coming to an end in total victory over Hitler, no man could foresee the depth and breadth of the struggle which today dominates the life of the world. Eisenhower, meeting the Red army in German territory, began to have some premonitions, but failed to discern the full extent of Russian hostility to the West. Last week, still vigorous in the peaceful surroundings of the present, blue eyes alert in his sun-ruddy face, Eisenhower let his memory roam. He thought back over his 20 years in a hard school that taught him the nature of the enemy.

The course began in the hectic first weeks after the United States was plunged into the war in 1941, and Eisenhower was assigned to the Services of Supply. It was one of his jobs to deal with the requisitions of lend-lease to the Allies. Even then, he recalled, though Hitler had Russia almost on her knees and thought Soviet survival depended on United States aid, the Russian officers he dealt with were not only suspicious but truculent and bullying Later, as Supreme Commander in Europe, he found the Communists no easier to deal with. As the war drew toward its end, and the Western and Soviet armies rushed toward one another across crumbling Germany, the task of constant liaison to prevent clashes between Allies became vital. But, Ike recalled with remembered irritation, no cooperation could be got from the Russians. Instead he got active belligerence and angry suspicion while the German armies, anxious to stay out of Russian hands, tried to surrender only to the West. Still later, in Berlin after it was all over, he grew accustomed to the Soviets' demonstrating fits of pique by suddenly refusing to show up at inter-Allied social functions.

Even before the war ended, he recalled, he had become pretty thoroughly disillusioned about Soviet good faith. And, though it could not come entirely clear under the day-by-day pressures of fighting a war, he began to get a glimpse of what the future held.

In 1944, the European Advisory Commission was working out a plan for Allied occupation zones in Germany. Although Eisenhower's responsibilities were military instead of political, the scheme shaping up disturbed him. In the light of Soviet intransigence he saw the potentiality of trouble.

Eisenhower flew to Washington where he found President Roosevelt in bed with influenza.

"This is my pet," he told the President. "Let's not have separate occupation zones in Germany. Instead, let's have joint Allied administration of the whole country."

"Impossible," Roosevelt replied. "I'm already committed."

Eisenhower then urged that, if it was politically necessary to allow the Soviets a separate zone, it would at least be advisable to establish joint Western control of the remainder of Germany. Roosevelt again refused.

Again in 1945, when Churchill and Roosevelt were en route to the Yalta Conference, Eisenhower sent his Chief of Staff, Gen. Walter Bedell Smith, to intercept them at Malta and urge that the Soviet zone be restricted and that Soviet promises should not be fully trusted. As he later wrote in his book, "Crusade in Europe," Eisenhower "felt that the Western Allies could probably have secured an agreement to occupy more of Germany than we actually did. I believe that if our political heads had been as convinced as we were at SHAEF of the certainty of early victory in the West they would have insisted, at Yalta, upon the line of the Elbe, as the natural geographic line dividing the eastern and western occupation areas."

Berlin itself was in ruins and, not considering it a primary military target, he did not foresee the paramount political importance it would later have. Seven years after the war, when he came to the Presidency, he found that the question of occupied Germany, with isolated Berlin as its prickly danger point, had become one of his most persistent and troublesome concerns.

A realist could well say that Berlin, 110 miles inside Red territory, was not militarily tenable. But much more than military expediency was now involved. Berlin had become a symbol of freedom and the West was determined to keep it so.

Many contests had been lost to communism in the years since the war, China the greatest. Others were still to be lost or nibbled away by Soviet "salami" slicing. But on Berlin there would be no Western retreat from principle or moral right.

In Eisenhower's second term, the Soviets made their big attempt to "bull through" their own final solution of the issue. It began with Khrushchev's ultimatum of November 27, 1958, declaring that he would sign a separate treaty with East Germany and that the West had 6 months to leave Berlin.

It culminated at Camp David on September 25–27, 1959, when Eisenhower and the Soviet boss sat face to face.

Khrushchev began by fencing. He suggested that the President might want to talk about Red China. Eisenhower quickly disposed of that gambit, saying that if they talked about all the issues involving Red China they would never get around to more immediately useful matters. Briefly, Eisenhower told Khrushchev that the United States could take care of itself in the area of Red China. And that was that.

The two heads of state then went at the subject of Germany. Khrushchev reiterated the Soviet intention to sign a separate treaty with East Germany. Eisenhower replied that he could not prevent Khrushchev from making any treaty he wished with the East Germans even though, personally, he supposed any treaty between Russia and a satellite was likely to be a one-sided affair.

"Only this," he said to Khrushchev. "Don't try to interfere with our rights in Berlin."

Khrushchev, affecting surprise, protested that there would be no Western rights after the proposed treaty.

"We won't accept that," Eisenhower told him flatly. He added that if Khrushchev persisted in his ultimatum the then-proposed summit meeting would never take place. But, more importantly, both Eisenhower and Khrushchev understood that the line had been drawn. Invasion of Western rights in Berlin then meant war. Khrushchev then withdrew what had been an ultimatum and touted "peaceful coexistence" in the "spirit of Camp David."

The so-called spirit of Camp David, Eisenhower recalled, was an optimistic illusion which he, personally, never shared.

Today, as Khrushchev brandishes his bombs and his ultimatums more savagely than ever, Berlin continues to be the focal point of a worldwide struggle.

Eisenhower believes the basic American attitude toward Berlin continues clear and firm. The American determination to defend Berlin was first made manifest in 1948, when the airlift maintained Berlin's access to the free world, and it grew stronger during the eight Eisenhower years.

The reasons for the Eisenhower and the American stand on Berlin go deep. They are obviously deeper than a quarrel over legalistic terms. Legal rights are on our side, and these legal rights are menaced. But essentially Berlin embodies a moral issue and this is what President Eisenhower emphasizes and spells out. It is morally wrong for the Communists, in dividing Berlin, to separate families. It is morally wrong to attempt to choke the life out of more than 2 million West Berliners. And what is most of all morally wrong is to imprison the people of East Germany. These are moral issues and these should be emphasized.

In the same way, we for our part have a moral obligation to the people of Berlin. History, Eisenhower points out, is not static, and so Berlin today has become quite a different matter than it was at war's end. Years have passed; there has been no general peace treaty covering all of Germany and meanwhile West Berlin has grown, by its efforts and spirit, into a great commercial and industrial city. Berliners have a right to the life which they have built and, as we have affirmed on many occasions, we intend that their rights to a free and prosperous life shall be maintained.

In these very concrete terms Eisenhower sums up the West's obligation: We must oppose what is morally wrong in Communist actions and we must be faithful to our own moral obligations.

In the former President's judgment, President Kennedy has handled well the recent phases of the Berlin crisis. He did well to send Vice President JOHNSON and 1,500 troops into Berlin as assurance to all the inhabitants of that harassed city.

Eisenhower, the soldier, knows of course that in a showdown these 1,500 additional troops would make no practical difference in defending West Berlin. Actually, if the Allies had an army of 500,000 men in Berlin, they would first have to fight their way out of Berlin and back to their base of supply before they could turn and fight their way back in.

Eisenhower does not think the United States should seek negotiations with Khrushchev. After all we, are not doing anything to disturb the situation there; Khrushchev is. Therefore, it is Khrushchev who should seek negotiations if he has anything constructive to propose.

However, with his ingrained sense of propriety, Eisenhower has no desire to interfere with President Kennedy's handling of the crisis. The burden of responsibility rests with Kennedy; the American people must be energetically united in facing this crisis; they can find unity only in loyal support of the President.

Now, as never before, Ike says with mounting emphasis, we must learn to put first things first. That means we must do everything which the President asks to meet the crisis, including, if he finds it necessary, bigger military expenditures. But, for exactly that reason, Eisenhower would like every American to understand that he is utterly opposed to increased Government expenditures on unessentials. First things first.

And so at home, viewing the Kennedy domestic program, Eisenhower feels no compulsion to treat his successor gently.

Eisenhower took from his desk a long list of new Government expenditures, actual and proposed, covering four or five pages. He ran his eye down the list. One item he came

to was water pollution. His administration had been spending $50 million a year to attack this problem. The Kennedy administration proposed to double the outlay. Water pollution, said the ex-President, is a bad thing. But with the essentials of our freedom at stake, we must guard against increasing too much those expenditures which do not directly protect that freedom.

For another example, it is clearly not essential that we should hurry to the moon. To embark just now on a moon program which might ultimately cost $40 billion seems to Eisenhower wholly inappropriate. What worries Eisenhower is that massive Government spending in all directions will undermine the American economy and thereby serve the purpose and hope of our enemy. The American people are surely serious in their determination on Berlin. The way to show that they really mean it is by practicing self-restraint and self-discipline in their domestic economy. Among the visitors who come calling on him in Gettysburg are many driven by compelling anxieties. The questions most often asked him, he said, are: "Are we going to war?" and "Are we going to go broke?"

One thing is certain: Dwight D. Eisenhower will never give a defeatist answer. The kind of faith animating him refuses any thought of inevitable doom in any quarter. Freeman exists to cope with circumstances, not to be overwhelmed by them.

So, as to the American economy, while he feels the Kennedy administration advocates insupportable spending programs, he would never despair. An aroused public opinion and vigorous political opposition in and out of Congress can halt excessive spending. And a responsible people, aware of how they are challenged on the world scene, will manage their own affairs with prudence and good sense. They will realize that the health of the American economy must be maintained, not only for our own enjoyment, but as the main physical base of the struggle for freedom and justice throughout the world.

And as to war? No President ever devoted himself more passionately to the cause of peace than did Dwight Eisenhower. He believes that peace can be maintained. The present struggle—the struggle which he sees as turning on "man's definition of man"—is likely to go on for many years. In that long struggle we must honor our commitments, we must be willing to take risks, we must show ourselves both prudent and unafraid. This is the prescription, not merely for avoiding war, but for achieving ultimate victory for our cause in the years ahead.

REPORTS ON AVIATION ACCIDENTS

Mr. MONRONEY. Mr. President, a number of Senators who are interested in aviation accidents have been considerably disturbed about the extremely long delay in receiving findings from the Civil Aeronautics Board, the legal governmental entity charged with the investigation of accidents and finding their probable cause.

An interesting editorial entitled "Give Facts Quickly on Air Accidents" was published in the Denver Post of recent date. I think the article is of great importance. While I cannot quite agree that it would be possible to ascertain and give findings within 30 days of an accident, certainly something could be done to speed up the process. Sometimes a year or 2 years elapse before we have some word from the Civil Aeronautics Board as to its findings of fact.

I ask unanimous consent that the editorial may be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GIVE FACTS QUICKLY ON AIR ACCIDENTS

The airline passenger business in this country is in trouble, due, in part, we believe, to loss of confidence in the system for keeping the public informed regarding accidents and safety problems.

Jets that are replacing conventional aircraft in the fleets of the commercial air carriers are providing more passenger capacity. But in too many instances the newly available seats are remaining empty.

Symptomatic of the trouble airlines are experiencing is the fact that, during a year in which there has been only one accident fatal to passengers, people are talking and worrying about air safety more than at any other time during our experience.

There is a widespread feeling that the Government and airlines have not been frank to tell, promptly, what they know about such things as hydraulic failures, dangerous air congestion around major cities and the inadequacies of airports.

Laws passed by Congress give lipservice to the idea that the public is entitled to be informed regarding accidents and air safety but they also contain provisions giving bureaucrats broad discretion to withhold information or delay its release.

The delays, as exposed in a series of special articles by Leverett Chapin in this newspaper last week, have reached scandalous proportions.

The Civil Aeronautics Board, the agency responsible for reporting the probable cause of accidents, has built up such cumbersome investigative and hearing procedures that it normally takes a year to issue formal findings after an accident has occurred.

The CAB is sitting on a backlog of unreported cases, two of which relate to crashes now more than 18 months old.

The law merely requires CAB to give its opinion on the "probable cause" of each accident. To emphasize that it did not want CAB findings to be regarded as infallible, Congress provided that the findings could not be used as evidence in damage suits.

However, CAB acts with a deliberation which would be suitable only if its decisions were to be considered as final and unalterable as the law of the Medes and the Persians.

CAB says it must move carefully so as not to hurt anyone by placing blame in the wrong place. That sounds fine, considerate, and responsible, but it is completely fallacious.

In this fast-moving age, a report on an accident that occurred a year or more ago can have nothing more than historic interest. It is worthless as a means of keeping the public informed on the current status of air safety.

When an "information" system moves slowly it becomes a system for concealment. It encourages public suspicion that potential hazards are being covered up. The entire air industry is hurt as a result.

The damage from delays far outweighs any possible damage from quick judgments. The airwise public of today is not so gullible as to believe that skilled experts could not fix the cause of most accidents within a few days if they wanted to do so.

Unfortunately, airlines, air transport pilots, and other groups encourage the CAB in its snailpace procedures. They have not yet outgrown their traditional attitude of "Let's be as secretive as we can about accidents."

We are sure public opinion eventually will force the Government to adopt quick but accurate accident-reporting methods.

However, bureaucracy has a way of responding to public opinion only reluctantly.

The best solution, we believe, would be the enactment of legislation to require CAB to report, within 30 days after an accident, the probable cause as it appears to be at that time, with provisions that probable cause reports could be amended later on the basis of any new evidence that might come to light.

There are a great many things that are "right" about air safety in this country.

A principal "wrong"—the policy of keeping the public in the dark about air crashes for months on end—should be corrected before it does more damage.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESSS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL BILLS INTRODUCED

The following additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred, as indicated:

By Mr. ERVIN (for himself and Mr. JORDAN):

S. 2513. A bill to authorize the Secretary of the Interior to participate in financing the construction of a bridge at Cape Hatteras National Seashore, in the State of North Carolina, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MANSFIELD (for Mr. CHAVEZ):

S. 2514. A bill for the relief of Wai Cheong Yan; and

S. 2515. A bill for the relief of Natha Singh, his wife, Harnam Kour, and their three daughters, Dalbire Kour, Nishatar Kour, and Raghbir Kour; to the Committee on the Judiciary.

By Mr. MOSS (for himself and Mr. MORSE):

S. 2516. A bill to authorize and direct that the national land reserve and certain other lands exclusively administered by the Secretary of the Interior be managed under principles of multiple use and to produce a sustained yield of products and services, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. Moss when he introduced the above bill, which appear under a separate heading.)

By Mr. CLARK (for himself, Mr. PROXMIRE, Mr. RANDOLPH, Mr. PELL, and Mrs. NEUBERGER):

S. 2517. A bill to amend the Employment Act of 1946 to provide more effective means for bringing to bear an informed public opinion upon price and wage increases which threaten economic stability; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. CLARK when he introduced the above bill, which appear under a separate heading.)

ADDITIONAL CONCURRENT RESOLUTION

PRINTING OF CERTAIN HEARINGS BEFORE INTERNAL SECURITY SUBCOMMITTEE OF THE JUDICIARY COMMITTEE IN SPANISH, FRENCH, AND ITALIAN LANGUAGES

Mr. KEATING, from the Committee on the Judiciary, reported an original concurrent resolution (S. Con. Res. 44);

which was referred to the Committee on Rules and Administration, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on the Judiciary two thousand copies each of translations into the Spanish, French, and Italian languages of a hearing of the Internal Security Subcommittee on June 2, 1961, containing the testimony of Richard Helms, Assistant Director, Central Intelligence Agency, on the subject of Communist forgeries.

MULTIPLE USE AND SUSTAINED YIELD OF CERTAIN LANDS

Mr. MOSS. Mr. President, I today am introducing on behalf of myself and the Senator from Oregon [Mr. MORSE], so that it may receive careful study and evaluation, a bill to set forth the policy of multiple use and sustained yield on the lands in the Department of the Interior which are under the exclusive jurisdiction of the Bureau of Land Management.

I understand a bill, comparable in purpose is being introduced today in the House.

This proposed legislation, if enacted, would affect about 500 million acres of Federal land.

The bill is almost identical in scope and purpose with the Multiple-Use Act of 1960, Public Law 86–517, which applies solely to the national forests.

It differs in two respects. First, it lists minerals as one of the specific purposes for which the lands may be administered. Second, it does not specifically state that "the establishment and maintenance of areas of wilderness are consistent with the purposes of this act" as does the Multiple-Use Act applicable to the national forests. This is not necessary inasmuch as the wilderness bill S. 174, if enacted, will require an affirmative act of Congress to create new wilderness areas, and as far as I know there are no specific wilderness areas in the usual sense on the Bureau of Land Management holdings.

I ask unanimous consent that there be printed in the RECORD at the close of my remarks a series of statements by various trade associations and conservation groups favoring the policy of multiple use.

I wish to emphasize that my purpose in introducing the bill is to place it before our committee for study, consideration and modification to the extent necessary to help achieve the best possible conservation management on the best holdings of the Bureau of Land Management.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statements will be printed in the RECORD.

The bill (S. 2516) to authorize and direct that the national land reserve and certain other lands exclusively administered by the Secretary of the Interior be managed under principles of multiple use and to produce a sustained yield of products and services, and for other purposes, introduced by Mr. Moss (for himself and Mr. MORSE), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The statements presented by Mr. Moss are as follows:

WESTERN INTERSTATE COMMITTEE ON PUBLIC LANDS, JULY 18, 1961, HOTEL SIR FRANCIS DRAKE, SAN FRANCISCO, CALIF.

Whereas national legislation and regulation which establish wilderness preservation areas are contrary to the multiple-use principle in the management of Federal lands; and

Whereas enactment of special interest legislation and regulation would seriously handicap multiple-use management of Federal lands; and

Whereas wholesale withdrawals of public land would be detrimental to the general tax structure and would limit and reduce the normal operation and development of the following industries: mining, timbering, reclamation, recreation, grazing, oil and gas and dependent service industries in the Western States: Now, therefore, be it

Resolved by the Western Interstate Committee on Public Lands, That the Congress of the United States is hereby memorialized to oppose the wilderness preservation system as proposed in the Wilderness Act as an infringement on the administrative flexibility of the present system and because the announcement of such a proposal would subordinate policy decisions to a small council of nonrepresentative users; and be it further

Resolved, That the Congress of the United States is hereby memorialized to oppose all of the legislation and regulation not in accord with the multiple-use principle in the management of public lands; and be it further

Resolved, That a certified copy of this resolution be prepared and transmitted forthwith by the western office of the Council of State Governments to the Vice President of the United States, the Speaker of the House of Representatives, and each Member of the congressional delegations from the Western States.

STATEMENT OF THE AMERICAN NATIONAL CATTLEMEN'S ASSOCIATION

We want to express our approval of such bills as H.R. 10572. These measures would direct that the national forests to be managed under the principle of multiple use, and their further purpose is to promote a sustained yield of products and services in the national forests.

Multiple use, as we who use the forests for grazing have always thought of it, also provides for other uses—usually right on the same land—such as recreation, wildlife, mining, water development, wilderness, and timbering.

We feel that multiple use has furthered true conservation which we believe means getting the greatest value from the various areas of the public lands without impairing, but in many instances improving, their ability to keep on giving these values.

Multiple use of the national forests, which belong to the public, gives all manner of users an equal right—as equal as circumstances can make it. This is entirely in keeping with our way of life. Because of the fairness of this kind of management and the practicality of it, the people should be assured that it will continue. Otherwise, it is possible that some untried or novel means of management of the public land might be proposed and adopted that would make a mockery of the term "public" land.

STATEMENT OF THE AMERICAN PETROLEUM INSTITUTE

The institute promulgates a policy of multiple use of all public lands under which two or more functions may be carried on compatibly.

The institute believes that multiple use of public lands, where such uses are compatible, produces the highest conservation and economic value. Without multiple use, large reserves of economic resources necessary to support the Nation's future growth may not be developed. Therefore, the industry feels it should be permitted to explore for oil and gas on public lands where natural resources values will not be damaged.

The institute recognizes that some few species of wildlife require specific environmental conditions to exist. Habitats set aside for such creatures must be protected.

Wherever administrative withdrawals providing for multiple use are made, the institute supports and recommends the procedure used by the Secretary of the Interior for the Caliente National Cooperative Land and Wildlife Management Area.

STATEMENT OF THE AMERICAN SOCIETY OF RANGE MANAGEMENT

Our society has not yet adopted any policy nor passed any resolutions concerning multiple use. Our membership is interested in the proper use of grazing lands everywhere regardless of whether they are grazed by domestic livestock or game animals. Undoubtedly a poll of the membership would favor the multiple-land-use principle.

STATEMENT OF THE CHAMBER OF COMMERCE OF THE UNITED STATES

Certain lands owned by the Federal Government are now devoted to, or available for, watershed protection, forestry and forest products, agriculture and grazing, mining, wildlife, and recreation. These lands should be so administered as to further their highest total use. Where agricultural and grazing or timber production uses are the predominant value of such lands, the ultimate objective, as has been the case with agricultural and mineral lands in the past, should be to make them available for private ownership or use unless it is clear that such ownership or use is not in the public interest.

STATEMENT OF THE IZAAK WALTON LEAGUE OF AMERICA

To us, and I believe to most conservationists, multiple use is not irrationally to superimpose one on the other a whole series of different, and perhaps quite incompatible uses. Rather, multiple use is a result of a sound management plan developed from and based on precise knowledge of the capacity of an area, large or small, to produce an optimum sustained and balanced yield of resource values to meet the multiple needs of the public. Multiple use recognizes that these capacities vary from area to area, just as do the needs of people from time to time. Multiple use recognizes that several uses to be carried on in conjunction with each other must have compatibility. It recognizes that compatibility is a matter of what, where, when, how, and degree to which any area may serve a variety of uses in conjunction with the area's highest use value. It recognizes as well, that in a multiple-use pattern no one use can be maximized, no matter how large the area.

It seems ironic that legislation, which seeks to strengthen long-range planning and administration of comprehensive resource programs for the public good, must concede that mineral resources, needed or not, shall continue to take precedence over all else.

STATEMENT OF THE AMERICAN FOREST PRODUCTS INDUSTRIES

Growing continuous crops of trees is the primary objective of tree farm management. Other benefits, including the maintenance

of desirable wildlife populations, the protection of watersheds and recreational opportunities are the natural results of well-managed industrial forest lands. Multiple use, including public recreation, is encouraged on industrial forest lands consistent with the primary objectives of forest management.

STATEMENT OF THE NATIONAL WILDLIFE FEDERATION

Now that multiple use is an official policy of the Government of the United States as relating to national forests, it is essential that the same principle be applied to public domain lands administered by the Department of the Interior and to public waters. Public domain lands should be managed equitably for outdoor recreation (including public access), range, timber, watershed protection and fish and wildlife, as well as the development of mineral resources, without domination by any or several user interests. Public waters should be managed for fish and wildlife and recreation as well as for domestic, municipal, stock water, irrigation, mining or industrial purposes. It is recognized that all lands and waters are not suitable for all purposes; therefore, application of the multiple-use principle in a broad sense entails determination of optimum, or best, use in the public interest of specific areas.

STATEMENT OF THE WESTERN FORESTRY AND CONSERVATION ASSOCIATION

Forest lands will contribute the most benefits to the economy and to society if administered under the multiple-use concept of land management. The association feels that the assignment of some areas to special or exclusive use is justifiable within the framework of the multiple-use concept. The association is concerned with the large aggregate acreage of forest land in Western North America already reserved for special uses. The association urges that no further dedication of lands for such uses be approved unless careful study has determined that the social and economic benefits derived therefrom clearly exceed those possible in an unreserved multiple-use status.

AMENDMENT OF EMPLOYMENT ACT OF 1946

Mr. CLARK. Mr. President, on behalf of the Senator from Wisconsin [Mr. PROXMIRE], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Rhode Island [Mr. PELL], the Senator from Oregon [Mrs. NEUBERGER], and myself, I introduce, for appropriate reference, a bill to amend the Employment Act of 1946, a bill which has a bearing on the subject which the distinguished minority leader and other Senators have been discussing today; namely, price increases which threaten the stability of the economy.

I ask unanimous consent that the bill may remain at the desk for the remainder of the week for additional cosponsors.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk as requested by the Senator from Pennsylvania.

The bill (S. 2517) to amend the Employment Act of 1946 to provide more effective means for bringing to bear an informed public opinion upon price and wage increases which threaten economic stability, introduced by Mr. CLARK (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. CLARK. Mr. President, the bill is a very simple one. It consists of one paragraph, which I shall read:

The President, directly or through any Federal agency he designates, shall hold public hearings concerning (a) price increases, prospective or actual, which in his judgment appear to threaten national economic stability, and (b) increases in labor costs, prospective or actual, and the relationship of the price increases thereto, which the firm involved declares to be a cause of the price increases specified in clause (a) of this section. He shall issue factual summaries of such hearings, and, where he deems it advisable, issue advisory statements.

This paragraph was contained in a somewhat longer bill which Representative HENRY REUSS of Wisconsin and I introduced in the last Congress. Congressman REUSS is introducing this bill again today in the House of Representatives.

We all have been reading reports that an increase in the price of steel is just around the corner. It will probably be put into effect, we hear, right after Congress goes home.

There will be great argument as to who is responsible for this increase, if it takes place. The industry and its sympathizers will say that labor is responsible, and that the price increase is necessary because of wage increases. The steel union and its sympathizers will reply that nothing of the sort is true—that the wage increases can be absorbed by increased productivity—and that the price increase is not necessary.

All of us have heard these arguments before, year after year. Many of them have been reiterated on the floor of the Senate today.

Both sides of the argument support their position with elaborate statistics. It is impossible for the general public to winnow its way through the complex figures and arguments and reach a sound conclusion as to where the responsibility lies.

But one thing the public does know, and that is that they are the losers. Repeated and substantial price increases, whether they are necessitated by wage increases or whether they are not, come out of the consumer. They are injurious to the public, and they are damaging to the entire structure of our economy.

What our bill proposes is to give the Government the opportunity to represent the public, so to speak, in these price-wage matters. This bill does not clothe the Government with any power, other than the power of publicity. It attempts to do what Senators have been attempting to do, 2 weeks ago and today, and that is to shed light on this question. It proposes that the facts about price increases be laid on the table, either before or after they have taken place, and that some expert and neutral body to be designated or created by the President be given authority to prepare factual summaries so that the public may draw intelligent conclusions. If he deems it advisable, the President could issue advisory statements.

Mr. President, during hearings held on the Clark-Reuss bill last year, some witnesses objected that even this gentle form of governmental intervention was an improper interference with the free functioning of the economy. I admit that it might interfere with the way the economy now functions. Indeed, I hope so. If anything is clear from our experience since the war in many industries—not exclusively but perhaps most conspicuously the steel industry—it is that the free functioning of the economy must be interfered with in this respect.

Continuous rounds of price increases, with their inflationary consequences throughout the economy, simply cannot be tolerated. The relation between price increases and increases in labor costs must be explored, as dispassionately as possible. Methods of restraining unjustified increases must be found and enacted.

I agree there are problems involved. That is the reason this bill has been drafted in such a way as to give the President the maximum latitude to designate the agency involved, to select the cases, to design the hearings, and to determine the nature of the advisory report to be issued.

The stakes in controlling inflation are too high to permit the strong and powerful industries involved to say that all this is none of the public's business. The public is entitled to know whether administered price increases which threaten the stability of the economy are justified or not.

Mr. President, this bill will not of itself authorize the Government to revoke or prevent any price or wage increase. Public hearings would undoubtedly be held only in exceptional cases. But, if it were on the statute books, the mere possibility that companies which exert enormous influence on the economy might be called upon to publicly explain and justify their price increases—and the corresponding possibility that labor unions might be called upon to justify their wage increases if the price increases were attributed to increased labor costs—would exercise a restraining influence upon collective bargaining and upon the private decisions of management and labor—all in the public interest.

I would hope that the power of public opinion would be sufficient, and that no further types of restraints would ever have to be considered. But I believe that we have an obligation to at least experiment with the possibilities of restraint through public opinion. I cannot believe that the proper answer is for Congress to stand by and do nothing if another round of administered price inflation is about to begin.

In this connection I ask unanimous consent that a news article published in this morning's issue of the Wall Street Journal, bearing on the profits made by the steel industry, be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STEEL MEN CRITICIZE FEDERAL PRICE PRESSURE

Steel industry executives yesterday were wishing the administration in Washington hadn't brought its weight to bear against a

boost in steel prices this fall. But they were not disposed to quarrel with the industry's profit figures issued by the Government.

The figures were issued by the President's Council of Economic Advisers in an effort to show the industry could make substantial earnings without increasing prices. The council said the industry in the fourth quarter this year could hold the price line and still earn at the rate of 7 to 15 percent a year after taxes on the net asset value of its outstanding stock. A spokesman for the council defined such asset value as book value, or original investment plus retained earnings, less depreciation.

The projected variation between 7 and 15 percent for the fourth quarter, the council said, would depend on whether the industry produced and sold steel in the quarter at rates ranging from 70 to 90 percent of capacity. Such annual profit rates would compare with an average of just under 11 percent in the 1947–60 postwar period. In the second quarter of this year the annual profit rate was 7.2 percent. In the five previous quarters, during which steel production varied between almost 100 percent of capacity and about 50 percent of capacity, the annual profit rates varied from 13.9 percent in the best quarter to 3.1 percent in the worst.

Questioned whether some other standard than book value should have been used in calculating profit rates, steel officials agreed that book assets were an acceptable and commonly used standard. However, one executive said the profit percentages would not be as high if they had been calculated on the basis of sales or on replacement values at today's increased costs. But he added that trying to compute on the basis of replacement value would be impractical because no one can agree on what replacement values total.

Another executive said the industry's basic problem, which he felt the council's figures failed to bring out is "the tremendous modernization we must continuously undertake to replace existing assets with new and high-cost equipment that will enable us to remain competitive."

In Washington, officials of the council denied that the administration has prepared any inflexible yardstick for gaging "proper" profit levels for the steel industry or for American industry in general.

"All we have done," one official said, "is to compare the steel companies' profit expectations with what they have actually been earning since the war and to suggest that those profits will compare pretty favorably with their past experience even without any price increase. We certainly have not formulated and do not intend to formulate any hard and fast criteria for what a proper rate of profits might be or what might be excessive profits."

REPEAL OF SECTIONS 1176 AND 1177 OF REVISED STATUTES, RELATING TO DISTRICT OF COLUMBIA—AMENDMENT

Mr. MILLER submitted an amendment, intended to be proposed by him, to the bill (H.R. 7622) to repeal sections 1176 and 1177 of the Revised Statutes of the United States relating to the District of Columbia, which was ordered to lie on the table and to be printed.

AMENDMENT OF ACT RELATING TO ELECTIONS IN DISTRICT OF COLUMBIA—AMENDMENT

Mr. MILLER submitted an amendment, intended to be proposed by him, to the bill (H.R. 8444) to amend the act of August 12, 1955, relating to elections in the District of Columbia, which was ordered to lie on the table and to be printed.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. GORE. Mr. President, I move that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to; and (at 8 o'clock and 45 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Friday, September 8, 1961, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate September 7, 1961:

U.S. ATTORNEY

Alton A. Lessard, of Maine, to be U.S. attorney for the district of Maine for the term of 4 years, vice Peter Mills.

DIPLOMATIC AND FOREIGN SERVICE

Charles W. Cole, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Chile, vice Robert F. Woodward.

DISTRICT OF COLUMBIA PUBLIC UTILITIES COMMISSION

James A. Washington, Jr., of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia for a term of 3 years expiring June 30, 1964.

DEPARTMENT OF COMMERCE

William Ruder, of New York, to be an Assistant Secretary of Commerce, vice George T. Moore, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 7, 1961:

POSTMASTERS

ALABAMA

James T. Yerby, Berry.
Julia G. Oliver, Panola.

ALASKA

Lillian E. Ingram, Dillingham.

CALIFORNIA

Michael J. FitzGerald, Benicia.
Merle G. Andrew, Calimesa.
Dudley B. Dismuke, Encinitas.
Alfonso S. Mendichi, Feather Falls.
Rudolph J. Banuelos, Greenfield.
Lulu Ellen Spradlin, Homeland.
Virginia M. Benedict, La Honda.
Janet L. Oliar, McArthur.
Marie C. Mize, Mountain Center.
James D. A. Vance, Pacific Palisades.
Dallas P. Murphy, Shingle Springs.
Barney L. Bryan, Suisun City.
Barry D. Duncan, Summerland.
Gaddis D. Maddox, West Covina.

COLORADO

Otto A. Walter, Allenspark.
Frances A. Walters, Sugar City.

FLORIDA

Ralph B. Miller, Edgewater.
Sweet B. Powell, Eglin Air Force Base.
David L. Hilldale, Oak Hill.
Edna R. Myers, Odessa.
Richard F. Weinmann, Sorrento.

GEORGIA

Ulysses E. Sampson, Young Harris.

IOWA

Gilbert G. Cory, Ankeny.

MICHIGAN

Kenneth G. Jones, Charlotte.
Kenneth Van Heukelum, Hudsonville.
Ervigal A. Peacock, Onaway.

MINNESOTA

William G. Murry, Delavan.
Harold O. Turbenson, Silver Bay.

MISSISSIPPI

Ray H. Courtney, Bassfield.
James P. Allen, Fayette.
Fracus G. Wiygul, Fulton.
William C. Sharbrough, Jr., Holly Bluff.
Floy P. Humphreys, Lorman.
William A. Smith, Saucier.

MISSOURI

William F. E. Strothmann, Berger.
Robert E. Audsley, Chilhowee.
J. Wayne Atterbury, Madison.
John W. Hunt, Monett.
Clarence G. Brown, Spickard.
Kenneth E. Fry, Wyaconda.

NEBRASKA

Donald K. Rowe, Ralston.
James L. Chiles, Sterling.

NORTH CAROLINA

Harveleigh M. White, Method.

OHIO

Charles H. Davis, Bethesda.
Alfred H. Fankhauser, Clarington.
Joseph M. Brumby, Kipton.

OKLAHOMA

Leo A. Koetter, Elgin.
Willie O. Dodson, Hammon.
Julian R. Conn, Poteau.
Emory J. Davidson, Vinson.

OREGON

Norman W. Whitlatch, Veneta.

PENNSYLVANIA

Frank J. Dougherty, Bala-Cynwyd.
George M. Brunner, Cranesville.
Leonard W. Gray, Dayton.
Harold Dickison, Dingmans Ferry.
Jay C. Miller, Manheim.
Anthony I. Lambert, Philadelphia.
Edward G. Coll, Pittsburgh.
Robert H. Becker, Rheems.
Elwood T. Conrad, Sassamansville.

PUERTO RICO

Herminio L. Cabello, Cidra.
Benjamin Acosta Ponce, Fajardo.
Jose Manso Pizarro, Loiza.

RHODE ISLAND

Walter I. Burroughs, North Kingstown.

SOUTH CAROLINA

Geraldine J. Spiers, Bonneau.
Mary K. Robertson, Enoree.
Jack C. Lee, Hamer.

TENNESSEE

Earl W. Ogle, Gatlinburg.
John W. Jones, Prospect.

UTAH

Kenneth J. Hoyt, Levan.

VERMONT

Theodore R. Kimball, North Ferrisburg.
Lyndell C. Wood, South Royalton.

WASHINGTON

John P. McMonagle, Tacoma.
Robert N. Prante, Satsop.
Robert E. Clemans, Tieton.

WEST VIRGINIA

Mary H. Puskar, Gary.
Glenn W. Evans, Moorefield.
Macie L. Hardy, Squire.
Dillard R. Walker, Stanaford.

HOUSE OF REPRESENTATIVES

THURSDAY, SEPTEMBER 7, 1961

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. MCCORMACK.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Deuteronomy 33: 27: *The eternal God is thy refuge, and underneath are the everlasting arms.*

Almighty God, grant that at this noon hour we may lay hold upon Thee with greater confidence, yielding ourselves unreservedly to Thy mind which is infinitely wiser than our own and beseeching Thee to evoke within us that peace which the world cannot give or ever take away.

Deliver us from all cold and cynical moods of heart lest we become too despondent to hope and too depressed to believe that a better day is dawning when men and nations everywhere shall pursue the ways of brotherhood.

May we be comrades and crusaders in the great enterprise of building in our tangled civilization a social order wherein righteousness and justice shall reign and love shall be gloriously triumphant over hatred and enmity.

Hear us in the name of the Christ, our blessed Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 2877. An act to authorize the Director, Office of Civil and Defense Mobilization, to approve a financial contribution for civil defense purposes to the State of Oklahoma;

H.R. 6969. An act to amend title 38, United States Code, to increase dependency and indemnity compensation in certain cases;

H.R. 7043. An act to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes;

H.R. 8406. An act to further amend Reorganization Plan No. 1 of 1958, as amended, in order to change the name of the office established under such plan, and for other purposes;

H.R. 8414. An act to amend section 5011 of title 38, United States Code, to clarify the authority of the Veterans' Administration to use its revolving supply fund for the repair and reclamation of personal property; and

H.R. 8466. An act to authorize the construction of a railroad siding in the vicinity of Taylor Street NE., District of Columbia.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 174. An act to establish a National Wilderness Preservation System for the permanent good of the whole people, and for other purposes.

ROLLCALL VOTES

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that any rollcall votes on final passage, motions to recommit or amendments in order on Monday and Tuesday of next week may be put over until Wednesday next.

Mr. GROSS. Mr. Speaker, reserving the right to object, has the gentleman from New York removed his objection?

Mr. ALBERT. I was not aware of that. This is an entirely different motion, I would advise the gentleman from Iowa. The motion yesterday was that rollcall votes today might be put over until Wednesday next. This unanimous-consent request goes to the matter of putting over votes in order on Monday and Tuesday next.

Mr. GROSS. Further reserving the right to object, Mr. Speaker, is there to be a session tomorrow, can the gentleman from Oklahoma say?

Mr. ALBERT. Well, I would prefer, if the gentleman will bear with me, to look at the legislative situation at the end of the day before we make a decision on that matter.

Mr. GROSS. Of course, any votes on business today would go over until tomorrow because of the New York City election, and that would automatically mean if there was no session tomorrow that any vote carried over from today would go over until Wednesday next. This would mean in effect the same request as was made last night.

Mr. ALBERT. The gentleman is correct, except that is not the issue in this request. A separate request will have to be made, I say to the gentleman, if votes in order tomorrow are to go over until next week.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Speaker, I just wanted to say that the acting majority leader spoke to me about this arrangement. In view of the situation that we know exists on Monday and Tuesday of next week I see no reason why the unanimous consent requested should not be agreed to. In my opinion it will mean nothing as against an early sine die adjournment of the Congress.

Mr. GROSS. Mr. Speaker, in view of the fact that the gentleman from New York [Mr. TABER], who objected last night, is not on the floor I would hope the gentleman from Oklahoma would withdraw his request. If he does not withdraw his request, I will be constrained to object until the gentleman who made the objection last night is present on the floor or is contacted as to his present position. I intend to protect the gentleman from New York [Mr. TABER] in his objection.

Mr. ALBERT. Mr. Speaker, in view of the gentleman's position, I withdraw my request.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. MURRAY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service have until midnight to file a report on the bill H.R. 7927, to adjust postal rates and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service have until midnight to file a report on the bill H.R. 7377.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

REPORT OF THE BOARD OF VISITORS TO THE U.S. COAST GUARD ACADEMY

Mr. BONNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BONNER. Mr. Speaker, I was elected chairman of the Board of Visitors to the U.S. Coast Guard Academy this year, and I ask unanimous consent to extend the report of that Board's visit at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

(The matter referred to follows:)

The President of the Senate,
The Speaker of the House of Representatives.

GENTLEMEN: Pursuant to section 194 of title 14 of the United States Code, the following Senators and Members of the House of Representatives were designated to constitute the 1961 Board of Visitors to the U.S. Coast Guard Academy.

By the President of the Senate: Senator Benjamin A. Smith II, Democrat, of Massachusetts.

By the chairman of the Senate Committee on Commerce: Senator E. L. (BOB) BARTLETT, Democrat, of Alaska; Senator ANDREW F. SCHOEPPEL, Republican, of Kansas.

By the Speaker of the House of Representatives: Representative EMILIO Q. DADDARIO, Democrat, of Connecticut; Representative CHARLES E. CHAMBERLAIN, Republican, of Michigan.

By the chairman, House Committee on Merchant Marine and Fisheries: Representative GEORGE P. MILLER, Democrat, of California; Representative ALTON LENNON, Democrat, of North Carolina; Representative WILLIAM S. MAILLIARD, Republican, of California.

Exofficio members: Senator WARREN G. MAGNUSON, Democrat, of Washington (chairman, Senate Committee on Commerce); Representative HERBERT C. BONNER,

Democrat, of North Carolina (chairman, House Committee on Merchant Marine and Fisheries).

MEETING

A meeting of the Board of Visitors was held at the Academy on May 5, 1961. The following members of the Board were present: Senator SMITH of Massachusetts; Representative BONNER, of North Carolina; Representative DADDARIO, of Connecticut; Representative CHAMBERLAIN, of Michigan; Representative MILLER, of California; Representative LENNON, of North Carolina; Representative MAILLIARD, of California.

The following officials of the U.S. Coast Guard were also present. From headquarters: Vice Adm. James A. Hirshfield, Acting Commandant; Rear Adm. Henry J. Wuensch, Chief, Office of Personnel; Capt. George R. Boyce, Jr., Chief, Personnel Training and Procurement Division; Capt. Mark A. Whalen, Liaison Officer. From the Academy: Rear Adm. Stephen H. Evans, Superintendent; Capt. James A. Alger, Jr., Assistant Superintendent; Capt. Albert A. Lawrence, Dean of Academic Instruction; Capt. William B. Ellis, Commandant of Cadets; Capt. Thorburn S. McGowan, USPHS, Chief, Medical Division; Capt. Henry S. Kniskern, Chief, Comptroller Division; Comdr. James W. Moreau, Chief, Plant and Personnel Division; and other members of the Academy staff.

INSPECTION OF BUILDINGS AND GROUNDS

Upon arrival at the Academy, the Board, accompanied by the Coast Guard officers, inspected the buildings and grounds, particularly the completed addition to Chase Hall, the cadet barracks, and the new construction in the academic buildings, Satterlee and McAllister Halls. The Board also toured the land in Riverside Park which the Academy is acquiring from the city of New London. The Board then had lunch with the corps of cadets in the new cadet wardroom.

BOARD SESSION

After lunch the Board members were joined by the Coast Guard officers in formal session. Representative HERBERT C. BONNER was unanimously elected chairman of the 1961 Board of Visitors.

SYNOPSIS OF THE MINUTES OF THE BOARD SESSION

1. The Chairman expressed his deep feeling of pride and honor at the successful flight of the first U.S. astronaut that morning.

At his suggestion all in the Board room rose in a moment of silent prayer.

2. The superintendent made a brief summary, outlined herein, of his formal report submitted to the Board primarily by reading the Superintendent's statement from the report and answering questions of Board members.

3. The Superintendent stated that in the past year the Academy had continued to upgrade its curriculum to keep abreast of modern currents and to insure that its graduates are able immediately to assume their professional duties as ensigns in field units of the service, and to go on to postgraduate training as the needs of the service may require. The Board was informed of the purchase and installation, by the beginning of the next academic year, of a subcritical nuclear reactor and simulator to provide for continued development of the Academy's engineering instruction.

4. The Superintendent spoke of the coordinating committee which he had established for the departments of mathematics, science, and engineering and of the salutary effects produced by several joint meetings of the three departments. He told the Board that when a curriculum review is finished by the academic council about September 15, 1961, a copy of such report will be furnished each member.

5. A general discussion on the enrichment program and the elective courses ensued. The Board was informed in some detail by the department heads concerned of the enrichment programs in mathematics, humanities, and engineering. Questions by Board members elicited information that the enrichment and elective programs were voluntary on the part of the cadets. It was brought out that about 40 percent of each second class participated in the elective programs in French, advanced mathematics, and nuclear physics. One of the Board members indicated his opinion that serious consideration should be given to the reintroduction of required foreign language instruction in the curriculum.

6. The Superintendent then spoke of the plans for improvement of the Academy faculty. After the enactment of Public Law 86–474, the Academy recommended to the Commandant that the faculty in 1960–61 of 67, including 52 officers on 4-year assignments, be increased by annual increments so that by 1963 it would include 44 officers on 4-year assignments and 31 military and civilian instructors on permanent assignments, for a total of 75. This increase in civilian instructors in certain disciplines will give more continuity in those courses. The Superintendent indicated that the Academy was in the process of screening applicants for the first five or six of these new civilian instructors.

7. A short discussion ensued of the method by which the officers assigned as instructors for 4-year tours were selected. It was developed that good cooperation exists between the Academy, which nominates these officers, and headquarters, which makes the actual assignments.

8. A Board member suggested that a new bill going through Congress would put the Coast Guard in the oceanography business. He suggested that the Academy's development along these phases would be watched with great interest.

9. After some discussion of the building program at the Academy, the chairman indicated his feeling that the long-range program should be the subject of an authorization law. This idea was strongly backed by other members of the Board with specific reference to the authorization bills for construction at West Point and Annapolis. Other discussion brought out the desirability of getting the temporary wooden buildings razed as soon as possible.

10. In discussing cadet matters, the Superintendent reported that:

(a) As of April 26 there were 532 cadets in residence (class of 1961—124; class of 1962—125; class of 1963—114; class of 1964—169). Ninty-five of the cadets were on the honors list as a result of the fall term's work.

(b) The first and third classes will embark on the *Eagle*, *Castle Rock*, and *Rockaway* for a cruise to Europe, encompassing 53 days at sea and 15 days ashore in France, Portugal, Spain, and the Canary Islands. The second class will participate in a summer program at Quantico, Elizabeth City, and the Academy. After a 5-week indoctrination course at the Academy, the new fourth class will embark on the above ships with the second class for a short coastwise cruise.

11. A general discussion followed on the attrition at the Coast Guard Academy and the other Federal academies. There was general agreement that the attrition rate had dropped at the Academy over the past several years but that it could be further improved. The Superintendent indicated his conviction that it was largely a matter of motivation and that he and the entire Academy staff were struggling with the problem of better motivation. It was felt that a more meaningful answer to the whole problem could be developed if comparable statistics could be made available from all the services as to rate of retention after graduation and commissioning.

12. In reply to a specific question about the taxability of cadet income, the Superintendent replied that prior to the Armed Forces Compensation Act of 1949 cadets did not pay an income tax. Their pay was looked on as being not a pay for services rendered, but as an emolument to be used to buy their books and uniforms, pay their mess bills while they were cadets, and provide a small sum at their graduation to outfit them with uniforms to launch them on their service career. Since the above-mentioned act of 1949, their pay has been called pay and about $10 a month has been withheld.

13. General discussion on this problem of the cadets' income tax payments developed the fact that some District Directors of Internal Revenue had ruled that cadet pay was not actually pay and had allowed complete refunds of the withheld funds; other Directors had ruled that the pay was in fact pay and had disallowed refunds on this basis. It was the consensus of the Board that this disagreement among Directors was having a disquieting effect on the morale of the cadets. It was recommended that the Chairman get in touch with the Chairmen of the Boards of Visitors of the other Academies and that a joint letter from these Chairmen be addressed to the Treasury to urge the exemption of the pay of cadets from the income tax. A motion was unanimously passed that the Board go on record, as the Naval Academy Board of Visitors has done, that the Board consider the pay given cadets not a pay for services rendered, but as an allowance made to them in their support—in their preparation in the services to be rendered to their country—and that the Board ask that the Treasury make such a ruling.

14. Members of the Board then commented most favorably on the improvements in the Academy hospital over the year, on the 10 additional hospital corpsmen provided for nursing duties, on the overall efficiency of the operation of the hospital, and the senior medical officer was commended.

15. The Chairman inquired about entertainment and recreation for the cadets. The Superintendent discussed the availability of movies in the auditorium, the work of the social director in helping cadets with their formal and informal dances and in imparting to them some of the necessary social graces of an officer, the Academy-wide lecture series, and the widespread entertainment of cadets in the homes of officers and other residents of New London and vicinity. The Superintendent also spoke of his concern for the recreation of enlisted men and of his encouragement of the establishment of a White Hat Club and a Chief's Club both in the present and to-be-constructed enlisted men's barracks.

16. The head of the physical education department, in response to a question, explained the physical education courses, the intramural sports program, and the varsity sports program. In connection with the latter he indicated that about one-third of the Cadet Corps participated in each of the three seasons—fall, winter, and spring. He stressed the smallness of the Academy gymnasium for the 600 cadets and indicated the real need for more playing fields.

17. A general discussion ensued on the continuing improvements in the library, both with respect to personnel and book acquisition. The increased use of the library by cadets in the evening, the improved cataloging for research purposes, and the assignment of more research papers by the various departments demonstrate the cooperation and dedication of the present library staff. The Superintendent commented that the Board and headquarters had helped greatly through the establishment of two new civilian positions in the library.

18. The Board then recessed until after the review of the corps of cadets.

REVIEW OF CORPS OF CADETS AND MEETING WITH CLASS REPRESENTATIVES

The corps of cadets honored the Board of Visitors with a formal review. Immediately following the review, the Board met with representatives of each cadet class and the regimental staff.

RECOMMENDATIONS

The Board of Visitors to the U.S. Coast Guard Academy unanimously approved the following recommendations:

1. The Board heartily approves the construction program carried out at the Academy between fiscal years 1959 and 1961. The Board is in accord with the construction program planned for fiscal year 1962 through fiscal year 1968.

However, the Board considers it mandatory that the remaining wooden structures be replaced and that physical education facilities be expanded and improved with least practicable delay. Accordingly, the Board is recommending to the Secretary of the Treasury and hereby earnestly recommends to all Members of the Senate and the House of Representatives that this program be speeded up so as to provide for its complete accomplishment (except for extension of the cadet messhall and construction of one additional cadet barracks) by the end of fiscal year 1965; the excepted items (cadet messhall and barracks) are to be completed, as soon after fiscal year 1965 as necessary.

2. The Board strongly supports the program of increasing and improving the faculty as outlined by the Superintendent.

3. The Board considers that the pay and perquisites given to a cadet are not pay for service rendered, but are an allowance made to him for his support in his preparation for service to be rendered after graduation; accordingly the Board is recommending to the Secretary of the Treasury that such pay and perquisites be exempted from income tax.

CONCLUSION

The Board of Visitors wishes officially to take note of the outstanding record of accomplishment achieved by the Superintendent, Rear Adm. Stephen H. Evans, in little more than a year in his present position. It is obvious to the Board that his leadership has produced improvements in the curriculum, staff, facilities, and the morale of the cadets. The Board also wishes to commend the dedicated staff for their efforts in maintaining the high standards of this institution and the excellent caliber of the cadet corps. The Board wishes to extend its thanks to Vice Adm. J. A. Hirshfield, Acting Commandant; Rear Adm. H. J. Wuensch, Chief, Office of Personnel; Capt. G. R. Boyce, Jr., Chief of the Training and Procurement Division; and Capt. Mark A. Whalen, liaison officer, for the assistance rendered to them. The Chairman and members of the Board wish to express their appreciation to the regimental officers and other members of the cadet corps for their very helpful assistance to the Board in expressing their view on the functioning of the Academy. The Board earnestly recommends to all Members of the Senate and the House of Representatives that they assist in every way possible in bringing the Coast Guard Academy to the attention of eligible candidates, and urging their constituents to participate in the nationwide examination to be held on 19 and 20 February 1962.

HERBERT C. BONNER, *Chairman,*
BENJAMIN A. SMITH II,
CHARLES E. CHAMBERLAIN,
EMILIO Q. DADDARIO
ALTON LENNON
WILLIAM S. MAILLIARD
GEORGE P. MILLER

DANGEROUS TRENDS OF OUR TIMES

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, I am deeply indebted to the people of my district and my State, who have been mighty good to me through the years. First elected to public office when I was 21 years old, I am now completing my 20th year in the Congress. I have served longer in Congress than any Mississippi Member, including our Senators, other than my colleague, Hon. BILL COLMER.

Mr. Speaker, most of my service here has been on the Appropriations Committee, where each year, as a part of our duty on the overall Appropriations Committee, we review in detail defense and military construction operations. Each year we have heard the testimony of the Secretary of Defense and other top military witnesses, including the Director of Central Intelligence.

In this position I have tried to be constructive. I have sponsored investigations of procurement practices and policies, bringing about changes which have saved many billions of dollars. We have forced the use of many existing bases instead of building new ones, and so forth.

Despite our best efforts the needless waste is appalling. All too frequently expenditures are made which are not really for defense; in fact, they weaken real defense. See CONGRESSIONAL RECORD, volume 106, part 7, pages 9266–9273, and 9637.

FOREIGN AID

We are underwriting the incumbent government in countries all over this world, willy-nilly. Human nature is the same the world over. As soon as the incumbent government fails and they stop receiving our aid, they are against us.

As to the South American countries. We know their history. Just as soon as American business grows up there, fully guaranteed against loss, under this bill, it is an open invitation for revolution and for some unfriendly dictator to take over—and like Cuba; I suppose we will sit and take it.

The only question is how soon will it happen.

Oh, I have heard my friends here make speeches that we ought to do something about Cuba. I am not going to give away any of the secrets I hear as a member of the Committee on Defense Appropriations and in other sensitive places.

Remember this, if you think about it, you will be bound to conclude that the reason we have not protected ourselves against Cuba, right off our own coast, is that our commitments are spread out all over the world to the extent there would be retaliation somewhere else. We have made commitments in Asia, Africa, Europe, and every other place, and in the process we have left ourselves vulnerable on our very doorstep. Russia is in Cuba, military construction is going on today in Cuba. Ships from Russia are coming into Cuban ports. Russian planes are in Cuba. Are they building missile pads? Every indication is that they are, and we sit by, afraid that if we protest the threat against us on our own doorstep, we will be hit on a hundred farflung fronts.

CENTRAL AND SOUTH AMERICA

If there is any group of nations which looks to some strong man at home and respects strength abroad, it is the Central and South American countries. To them, with our rush offer of $600 million after Castro's actions in Cuba, now skyrocketed in one speech to $20 billion, we must appear scared to death. Certainly, they cannot believe this is the same nation which announced the Monroe Doctrine and made it stick.

WE PAY PROFITS, PAY TRIBUTE, AND MAKE ENEMIES

We have insisted on granting funds to other countries for buying new material, when many times those nations had usable supplies on hand. By granting such governments dollars for new purchases the ruling powers in some of these countries get a cut, a rakeoff, a handout, and American interests make a profit. In the process we are inflaming many people against us and defeating the very purpose we seek.

Look at what happened in Korea, in Laos, in Vietnam. We see what happened in Japan, and in Cuba. We have granted more than $2 billion to Yugoslavia. For what?

Today we aid Poland, let U.S. industry trade with Cuba and Russia, assist Egypt. However good our intentions, in the eyes of the world we are, in effect, paying tribute. Paying blackmail has never worked, throughout history. It will never work.

It is difficult to get Americans to look at this program objectively. Too many Americans are reaping profits. American and foreign companies have been organized and have gotten rich doing this business for us, frequently without any real investment on their part. We have made competitors out of customers, competitors whose output is now doing real damage to American agriculture and industry and to American workers, thus weakening our overall economy on which our safety depends.

WE MUST REVERSE OUR COURSE

Mr. Speaker, I repeat, through foreign aid we have gotten ourselves deeply and dangerously involved in the internal affairs of every nation which accepts our aid—and we have spent $100 billion doing it. Because of it we have been afraid to protect ourselves against Cuba, just off our shores. We must change our course, show our courage and determination, and demonstrate to the world that we will not continue to pay tribute or attempt to buy friendship. We must regain our ability to defend ourselves from the dangers close by—as it is through foreign aid we show our weakness, and invite disaster.

WE MUST DEVELOP OUR OWN COUNTRY

Recognizing that the greater our debt, the more our problems, and the more imperative it is that we protect our

country, I have used my position as chairman of the Appropriations Subcommittee for Agriculture to provide for the protection of our watersheds, our streams, our land, and the natural resources of our Nation, on the basis that we must at least protect our natural resources, on which everything else depends.

In the field of domestic public works, I made the motion which resulted in overriding President Eisenhower's veto of the domestic public works appropriation, thereby protecting the program for the development of our rivers and harbors for flood control. See CONGRESSIONAL RECORD, volume 105, part 14, pages 18597 and 18603–18604.

Today, Mr. Speaker, I mention the length of my service and the experience I have had that you may know my belief that we are losing too many beliefs upon which our Government was founded, both as individuals and as a nation, beliefs which have carried our Nation through the many trials that have beset us in the past, is based on long service and experience with many subjects.

We appear to be on the road where to spend more dollars, with everyone trying to get his share, seems to be the order of the day. These are matters which I have discussed in great detail before the Congress, in dealing with specific programs. If the Nation is to stand—if we believe history—we must reverse our course.

In this connection, Mr. Speaker, under leave to extend my remarks, I would like to quote from a speech which I made on the occasion of Jefferson Davis' birthday, in which I pointed out—in what I trust was a temperate, moderate, and judicious manner—what the use of armed power to force conformity in 1861 has led us to in 1961. Truly, there is such a dangerous similarity between conditions existing in the United States in 1861 and today as to be appalling.

I hope these thoughts and views may have the prayerful study of my colleagues from all sections.

I quote:

Jefferson Davis was born June 3, 1808, a man destined to lead a lost cause with courage and honor. Long before the outbreak of the Civil War, however, Jeff Davis had served his country well as a U.S. Representative, as Senator, and as Secretary of War. With all his ties to the Union, when the States of the South called him to support their cause, to protect the right of local self-government, he did not hesitate. His service as President of the Confederacy during the tragic war was such as to make us all proud.

Jefferson Davis possessed the highest principles of integrity, honor and duty. He faced his problems with determination and energy.

THE CIVIL WAR OR THE WAR BETWEEN THE STATES

One hundred years ago, in 1861, the Civil War, or War Between the States began. This centennial year is being marked by ceremonies, memorials, holidays, and reenactments throughout the South, which, except for commemorating the valor of our forefathers, I personally believe could well be used to point out how very similar our situation today is to that tragic situation of 100 years ago. Present conditions are so similar we should pause to remember that heartbreaking conflict, which pitted brother against brother and father against son.

As we look back upon those troubled times we can see that sound leaders of both sides deplored any effort to settle the issue by armed conflict. Unfortunately, the radicals of that day prevented a peaceful solution. Then, as now, they were not satisfied to run their own local affairs, but insisted that all other sections conform to their pattern.

In the period leading up to the Civil War, any objective study of history would clearly show that slavery in the South was on its way out. A further study, however, will show that the North, which had contributed greatly to importing the institution of slavery into the United States for economic reasons, had gotten rid of its slaves by 1850, so those who wished could look at the matter in the abstract, without any fear of economic effect in their own area.

However bad the institution of slavery was, it did provide supervision and care which were essential to the welfare of the Negroes of that day and time. With the end of the war these untrained and uneducated people were turned loose without any type of control, aid, or assistance. The terrible days of reconstruction were very similar to those we see in the Congo now, where all experienced leadership has been forced out, just as happened in the South.

SEGREGATION NOT LIMITED TO THE SOUTH

Thus, today, it is very easy for people in other sections of the country to agitate and feel that they are morally right in insisting on forcing integration in the Southern States and the destruction of local laws. Many people adopt a holier than thou attitude, taking the view that they do not have segregation in their own area. However, living here in Washington and having visited most of the major cities of the United States, it is apparent that minority groups live almost entirely among themselves in all areas of the country. Integration is a token matter. Through the practice of economic segregation those who wish to force integration on the South can live in sections where they do not meet the problem. Thus, again, it is easy for them to strike at the matter in the abstract.

I am sure most of the people of the United States would agree with us who live in the South if they had the same situation and knew all the facts. Unfortunately, the radio and press often write what their readers wish to believe, and the full facts are not presented to the public.

It is impossible however for those who support integration to fully ignore what is happening in their own areas. Appearing this week in the Christian Science Monitor was the following article:

NEGRO AND THE TEEN CRIME

The hidden Negro problem of the North is seen as packing an explosive force more hostile to the stability and welfare of the Nation than the recent race eruptions in the South.

SOCIAL DYNAMITE

In practically every instance, it is the teenage Negro who is involved. Police forces have been increased and supplied with trained dogs, but the crime wave continues.

And this report appeared in a Los Angeles paper:

"LOS ANGELES MOB QUELLED

"LOS ANGELES, May 31.—An angry throng hurled rocks, bottles, cans, sticks, and baseball bats at police when a riot broke out * * * started when officers tried to arrest two youths—part of a group of youthful Negroes * * * soon a mob of 200 was advancing on the officers. Of the 75 police called out 5 were injured."

Instead of forcing integration upon the Southern States, truly it would be well for the rest of the country to learn from the States of the South that the way for peace and harmony is to provide for separate but equal facilities and protect each race in the enjoyment of its own way of life.

THE SUPREME COURT

We have a Supreme Court from whose decisions there is no appeal, which has taken unto itself the right to change the Constitution without constitutional amendment. In effect, the Court has said that even though, for the moment, certain other statutes are constitutional, it reserves the right to declare them unconstitutional at a later time, unless they are carried out as the Court desires.

In the history of the world, those governments have stood which had something solid around which the tides of public opinion could ebb and flow. In our country it was the Constitution, the interpretations of which had become a part of it, had made it fixed and stable, a steadfast rock, around which statutes could be passed and decisions rendered. But when the Court sets aside all prior decisions as to what the Constitution meant, decisions on which the States of the South had relied, it means that from week to week you don't know what the law is. A short time ago, we saw France call General de Gaulle back into power, to a position approaching dictatorship. Why? Because the French constitution was being subjected to the day-to-day whims of the legislative body, which meant that the nation had no stability in law.

What does the Supreme Court's recent line of decisions mean? My friends, by way of homely illustration, the accuracy and soundness of the description of the land on which this Capitol is placed depends on the permanency of the marker from which the first survey started. The Supreme Court has moved the constitutional marker from its place. As a result everything which was tied to such post or marker has lost its meaning; and, further, the Court has reserved the right to keep wiggling such marker around to serve the whims of a majority of its members.

OUR GOVERNMENT'S TACTICS

You may well ask why the Supreme Court took such action. My friends, I have many reasons and much evidence to support the belief that the threat of a Russian victory was used to bring about the unanimous decision by the Supreme Court in the Brown integration case. It was probably argued that if we don't bring about integration with the colored people in the United States, we will lose the contest with Russia throughout the world; and if we don't do this, Russia will eventually conquer the world. It was said by the press, "If Russia takes over here, the first thing they will do is set up a dictatorship. If Russia takes over," they charged, "they will do away with the right to trial by jury." "Yes," they said, "if we do not integrate, Russia will force on us a system similar to Hitler's in Germany or Stalin's in Russia."

What did they do in Germany and Russia? What was the source of their absolute control of those nations? Why, they had the courts issue decrees, then they used troops and government officers to enforce the decrees.

Haven't we done that here? We have seen the Supreme Court, unwilling to wait for constitutional amendment in the regular process, change the Constitution by decree. We have seen the President send troops and Federal officials to enforce such decrees. We have seen the President recommend, and the Congress pass, legislation doing away with the right to trial by jury. Our Government, itself, has done much of what we feared Russia might do.

We are told we have to integrate all the races of the United States or we can't hold

the friendship of the people of India, China, Japan, Africa, and all the rest. If that be true, why have China and Japan been at daggers point throughout history? Talk about India—in spite of what you read, we know in many areas people of the same color cannot even touch each other.

No, the agitation is right here at home, promoted perhaps by the Communist Party, whose purposes it serves. People are using the threat of Russia here in the United States to accomplish their personal desires and actually to impose the Russian system of required conformity upon us. My friends, if this were the real "McCoy," if the proponents of this destruction of our American way of life and the pride in our race were sincere, they would look at certain nations around us and wonder why those countries with the same great natural resources as we have, nevertheless, have such a low economic level. They would wonder why elections in those countries are often determined by violent revolutions. If John Marshall had held the same views as the present Chief Justice, and if Thomas Jefferson had been of the same opinion as our recent President, and had brought about integration in their day, perhaps by this time we would be on the same low economic level as some of our neighbors for whom Congress has provided hundreds of millions of dollars—without even a plan—all in the hope it might help our cause.

My friends, history clearly shows an individual must have pride or he makes no real progress. A family must have pride or it goes down the scale. So it is with countries. So it is with race. Any race, whatever it may be, which feels it must be intermixed with another acknowledges its own lack. Such a race will not serve itself well, nor that with which it wishes to intermix.

Don't believe my statement simply because I say it. Read history. It is replete with proof. In all history there is no exception.

Integration, where it has taken place, has only led to great turmoil. We all know that if you go into some sections of almost any northern city where there is a sizable Negro population, you take your life in your hands.

Rape, murder and robbery are commonplace in some areas of Washington.

THE FREEDOM "BUSTERS"

In recent weeks we have seen agitators deliberately go into areas of the South for the admitted purpose of violating laws of the States, which have never been held to be beyond the power of such States, but rather have been held to be within the power; and then we have seen the Federal Government move its force in to protect such individuals in their avowed purpose of "testing" existing laws.

What if it were the law against murder they wished to test, or rape or robbery? Is there one rule in the Federal Government for laws the executive or the judiciary likes and another for the laws they don't like?

These so-called "freedom riders," who might better be called "freedom busters" could do what they wish in their own areas. They are out really to "bust" the laws which others have found best for themselves. Here we find them, with the support of Federal officers, attempting to force their views on people, black and white, who have different views and, therefore, different rules and laws for getting along peaceably and with mutual respect—and they do it on the basis of fighting intolerance. Could anything be more intolerant than to push their views on others?

Ladies and gentlemen, there are those who say if integration were forced into public places, the present controversy would end. Of course, it would not. Each step leads to the next one. Don't the people know that if every family were integrated, if every family were amalgamated, then there would be still a distinction based upon shades of color, upon purity of race? If you want proof, merely look at those countries where the white and black races have amalgamated.

My friends, power breeds desire for power. No dictator ever stopped short of taking it all. This concentration of supreme power in our Supreme Court, backed up by the Executive, will not stop with school and public facility integration, nor with race. Once seized this power will be used to control industry, to control agriculture, yes, and eventually even labor.

In Russia everyone is supposed to own everything. However, for all practical purposes everything may as well belong to the Communist leaders, who control according to their own desires. In our country, if the present trend continues, it won't simply be the Chief Justice, the President, or even the Attorney General who issues orders, it will be every little Tom, Dick, and Harry who speaks in the big chief's name. So it has been in history and so it will continue to be, for the basic traits of human nature do not change.

OUR FOREIGN POLICY SHOWS THE SAME WEAKNESS

I was at the opening session of the United Nations last fall. I saw Khrushchev as he virtually ran the length of the floor to embrace Castro, though they had been together all morning. Yes, and I saw the representatives of African nations, such as the African Congo, each with a vote, though many of them represented virtually only a small tribe, recognized and seated there at our instance, another group for whose vote we must bid, not once and for all but on every issue as it arises.

Today, a hundred years after the Civil War, the United States moved into the local affairs of almost every country which would let us. We have granted funds and goods to foreign governments, which in turn sold such goods to their own people for what the traffic would bear. We extend this foreign aid primarily on the promise, but many times merely in the hope, that incumbent governments would support our wishes. Through this means we have made a few persons rich here and abroad. In many of these nations we have forced them to take on our ways, to the point many countries are virtually defenseless, both from revolution within or from enemy attack from without.

In many of these nations we have lined ourselves up with the 3 or 4 percent which have almost all the wealth, and left ripe for the picking by Russia the other 96 or 97 percent. Not only does our Government seem unwilling to permit the people of any State of the United States to run their local affairs as suits them, but it has spent more than $60 billion in foreign countries, largely in an effort to keep "our crowd" in, whether the people of the area want that particular "crowd" or not. We have made competitors of customers and now wonder why our gold reserves are depleted and our cash markets reduced.

In view of our foreign entanglements, I flinch each year when Washington's farewell address, warning of the dangers of foreign entanglements, is read in the House of Representatives. I feel it is almost sacrilege.

My friends, my speech here today is not meant to be an attack upon any individual nor upon any political party. Both parties and many leaders have contributed to our situation, including some in our own Southland.

We wish for our President the greatest success, not only on his present trip but throughout his tenure of office, for as he goes so goes the country. We are all in this boat. We had hoped, however, for a reassessment of all these matters which I have mentioned to you and, therefore, have been disappointed to see the request for more forced integration, not less, for more foreign aid, not less.

COURAGE IS REQUIRED TODAY

We do well to honor that great American, Jefferson Davis; we do well to remember the character and courage shown by him and the hundreds of thousands who stood by him 100 years ago today. I pray we may have the same courage today, not merely to save the South, but the Nation.

In this centennial year of the beginning of the Civil War, the American people would do well to review and recognize the great similarity between conditions which prevailed on June 3, 1861, and those which prevail today, June 3, 1961. They are so similar as to be frightening. Sometimes we, too, wish we could resolve the issue in some simple, clear-cut way. Such a course is not possible. Any solution will require helpful understanding on the part of many people. We must do our part.

Not since the Civil War have our people faced a more trying time. Our problems today call for the best within us. The attack on the Constitution and on our way of life is insidious. It comes under the guise of government. It is offered with an appeal to the natural tendency of Americans to be law abiding. It appeals to religion, is presented in the name of world peace, but creates strife, dissension, and disturbance. It is said to be necessary to protect the rights of individuals, but is itself based on usurpation of power. We are told it is necessary in order to maintain our form of government; yet its starting point is the destruction by judicial decree of the rights of the States, of the Congress, and of the people. Yes, it begins with destruction of the Constitution itself. It can only lead to complete ruin.

History books are written one way for use in the Southern States, another way for the other States. However, one fact is inescapable. Might, for all practical purposes, has the same effect as if it were right.

It has taken us a hundred years to see just how far such a situation can go—today it is the Supreme Court and the executive department which apply the force. Once again we see what might can do.

WE MUST CHANGE OUR COURSE

I sincerely hope that our Supreme Court, our President, and those who would control our newspapers, our radio and our television, will recognize, before it is too late, what the present course leads to. It was not merely the South which lost the Civil War, it was the Nation. It has taken a hundred years for us to fully see that might, when taken to be right, can destroy a nation.

We must review our domestic and foreign policy and reverse our course. We must realize that any nation such as ours must permit local difference, reflected in local self-government.

We must realize that the people of other nations are not going to give up their right to change their government as they see fit. We must realize that friendship purchased with cash will fail when the cash is gone—not only that, but we must realize that in most countries those now out of control will, in the course of events, get into control; and then, the United States will be the subject of the greatest hatred. Thus it is that we are in such a precarious situation throughout much of the world.

In conclusion, may I say, we must permit local self-government in our own Nation to reflect local views and meet local needs. We must return to a foreign policy which permits the peoples of other nations to run their own affairs. If we don't approve such a course in foreign fields, the peoples of foreign countries are going to do it anyway, and we will continue to be the loser.

If we do not return to such a commonsense course in our own Nation, dictatorship will be followed by dictatorship, and all we hold dear will be gone, for no dictator can force the American people into a common denominator, Russian style, each of an exact shade of brown, each conforming to the dictates of an allpowerful Federal Government. Our people are too independent for that. We must allow for differences. If not, differences will destroy us.

INVESTIGATION OF CHARITABLE FOUNDATIONS

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I have asked for this time to explain what my special order will be today. Other Members of the House have expressed interest in this. I called the gentleman from Texas [Mr. PATMAN] about it. It is in regard to a letter that the gentleman from Texas [Mr. PATMAN] has sent to many of the charitable foundations in regard to what is, I suppose, an investigation he is conducting. There are certain House procedures and committee procedures involved. I have taken 30 minutes special order, in order to discuss these matters. I talked with the gentleman from Texas this morning so that he would know that was the subject for discussion under my special order.

FREE DELIVERY BY POST OFFICE DEPARTMENT OF COMMUNIST PROPAGANDA

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, this morning the House Committee on Post Office and Civil Service reported out a bill to increase postage rates. As a member of the committee I am not happy with the bill as finally passed. More than three-fourths of the increase will fall on the users of first-class mail.

However, Mr. Speaker, I am happy to state that the committee adopted my amendment to the bill which has the effect of prohibiting the delivery of Communist political propaganda by the U.S. postal system.

Mr. Speaker, my amendment reads as follows: In furtherance of this authority to counteract adverse usage of the mails and to reduce the domestic postal deficit, no international mail handling arrangement under which any postal rate, whether or not reciprocal, is established, shall permit the receipt, handling, transport, or delivery by the U.S. Post Office Department of mail matter determined by the Attorney General to be Communist political propaganda. Section 2 of the amendment states that no U.S. postal rate established in the bill shall be available for the receipt, handling, transportation, or delivery of mail matter determined by the Attorney General of the United States to be Communist political propaganda financed or sponsored directly or indirectly by any Communist controlled government.

I hope that Members of the House, Members of the other body, and the administration will give their full support to this amendment because the present free delivery by the Post Office of Communist propaganda which seeks to destroy us is scandalous.

ELECTION TO COMMITTEES

Mr. HALLECK. Mr. Speaker, I offer a privileged resolution (H. Res. 452) and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That the following-named Members be, and they are hereby, elected members of the following standing committees of the House of Representatives:

Committee on Post Office and Civil Service: ROBERT F. ELLSWORTH, Kansas.

Committee on Science and Astronautics: THOMAS M. PELLY, Washington.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONSERVATION OF MIGRATORY WATERFOWL

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7391) to promote the conservation of migratory waterfowl by the acquisition of wetlands and other essential waterfowl habitat, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina? The Chair hears none, and appoints the following conferees: Messrs. BONNER, GEORGE P. MILLER, DINGELL, PELLY, and ELLSWORTH.

IDENTIFYING NUMBERS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8876) to amend the Internal Revenue Code of 1954 to permit the use of identifying numbers, unanimously reported by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

(a) IDENTIFYING NUMBERS.—Subchapter B of chapter 61 of the Internal Revenue Code of 1954 (miscellaneous provisions relating to information and returns) is amended by renumbering section 6109 as section 6110 and inserting after section 6108 the following new section:

"SEC. 6109. IDENTIFYING NUMBERS.

"(a) SUPPLYING OF IDENTIFYING NUMBERS.—When required by regulations prescribed by the Secretary or his delegate:

"(1) INCLUSION IN RETURNS.—Any person required under the authority of this title to make a return, statement, or other document shall include in such return, statement, or other document such identifying number as may be prescribed for securing proper identification of such person.

"(2) FURNISHING NUMBER TO OTHER PERSONS.—Any person with respect to whom a return, statement, or other document is required under the authority of this title to be made by another person shall furnish to such other person such identifying number as may be prescribed for securing his proper identification.

"(3) FURNISHING NUMBER OF ANOTHER PERSON.—Any person required under the authority of this title to make a return, statement, or other document with respect to another person shall request from such other person, and shall include in any such return, statement, or other document, such identifying number as may be prescribed for securing proper identification of such other person.

"(b) LIMITATION.—

"(1) Except as provided in paragraph (2), a return of any person with respect to his liability for tax, or any statement or other document in support thereof, shall not be considered for purposes of paragraphs (2) and (3) of subsection (a) as a return, statement, or other document with respect to another person.

"(2) For purposes of paragraphs (2) and (3) of subsection (a), a return of an estate or trust with respect to its liability for tax, and any statement or other documents in support thereof, shall be considered as a return, statement, or other document with respect to each beneficiary of such estate or trust.

"(c) REQUIREMENT OF INFORMATION.—For purposes of this section, the Secretary or his delegate is authorized to require such information as may be necessary to assign an identifying number to any person."

(b) PENALTY FOR FAILURE TO SUPPLY IDENTIFYING NUMBER.—Subchapter B of chapter 68 of such Code (relating to assessable penalties) is amended by adding at the end thereof the following new section:

"SEC. 6676. FAILURE TO SUPPLY IDENTIFYING NUMBERS.

"(a) CIVIL PENALTY.—If any person who is required by regulations prescribed under section 6109—

"(1) to include his identifying number in any return, statement, or other document,

"(2) to furnish his identifying number to another person, or

"(3) to include in any return, statement, or other document made with respect to another person the identifying number of such other person,

fails to comply with such requirement at the time prescribed by such regulations, such person shall pay a penalty of $5 for each such failure, unless it is shown that such failure is due to reasonable cause.

"(d) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, and gift taxes) shall not apply in respect of the assessment or collection of any penalty imposed by subsection (a)."

(c) TECHNICAL AMENDMENTS.—

(1) The table of sections for subchapter B of chapter 61 of such Code is amended by striking out the last line and inserting in lieu thereof the following:

"Sec. 6109. Identifying numbers.

"Sec. 6110. Cross references."

(2) The table of sections for subchapter B of chapter 68 of such Code is amended by adding at the end thereof the following:

"Sec. 6676. Failure to supply identifying numbers."

(d) EFFECTIVE DATE.—Paragraph (1) of section 6109(a) of the Internal Revenue Code of 1954, as added by subsection (a) of this section, shall apply only in respect of returns, statements, and other documents relating to periods commencing after December 31, 1961. Paragraphs (2) and (3) of such section 6109(a) shall apply only in respect of returns, statements, or other documents relating to periods commencing after December 31, 1962.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. MASON] and I be permitted to extend our remarks immediately following the passage of this bill and another bill to be considered in order to explain the bills.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, the bill, H.R. 8876, is designed to improve enforcement and collection of internal revenue taxes by facilitating the expanded use of automatic data processing equipment by the Internal Revenue Service and by enabling the Service to match information returns now filed with tax returns. It provides specific statutory authority for the Secretary of the Treasury or his delegate to require taxpayers to obtain and use identifying account numbers in their transactions with the Internal Revenue Service. Where other persons are required to file various tax documents, such as information returns, and include therein the account numbers of taxpayers, the bill provides that such other persons shall request these numbers from the taxpayers concerned and that the taxpayers shall furnish their numbers to them.

Mr. Speaker, the Members of the House will recall that legislation to authorize the use of taxpayer account numbers was recommended by the President in his tax message to the Congress earlier this year. Under present law, the use of such numbers is already required with respect to taxpayers who are subject to social security taxes and to income tax withholding on wages. This means that the vast majority of taxpayers already have account numbers since between 85 and 90 percent of all individual tax returns presently filed show a social security number. However, this new authorization extends to all returns made for the purpose of disclosing the amount of tax for which a taxpayer is liable—regardless of the type of tax involved—and also to all information returns, statements, and other documents.

Mr. Speaker, in testifying in support of this legislation, the Secretary of the Treasury stated as follows:

The assignment of an account number to each taxpayer is indispensable to the effective operation of the system of automatic data processing which the Internal Revenue Service is now establishing. It is generally recognized that such a system utilizing modern mechanical methods of collecting and processing tax data is essential to a continued effective collection and enforcement program. A pilot processing installation located in Atlanta, Ga., encompassing the seven Southeastern States, is scheduled to begin operation in January of 1962. The need for identifying numbers is therefore apparent.

The Internal Revenue Service has indicated that it intends to use social security numbers as the account numbers in order to minimize the number of persons having to be assigned new numbers. Also, to the maximum extent possible, applications for account numbers will be mailed to those who do not presently have such numbers in order to minimize the burden imposed on taxpayers.

Mr. Speaker, the bill, H.R. 8876, would require taxpayers to furnish their own account numbers on any returns or other tax documents that relate to periods after December 31, 1961. In the case of individual taxpayers, therefore, the first time the use of such numbers would generally be required would be on their declarations of estimated tax for the first quarter of 1962 which must be filed on April 15 of that year. These individual taxpayers would not be required to obtain and use such numbers with respect to their 1961 Federal income tax returns but they would be required to use these numbers on their 1962 returns when they are filed in 1963.

The effective date of the provisions relating to the requesting of taxpayers' numbers by other persons and the requirement imposed on taxpayers to furnish their numbers to other persons would apply to periods commencing after December 31, 1962. Your committee considered that the establishment of these future effective dates will provide ample time for taxpayers and other persons to become apprised of the requirements imposed by this bill.

In order to insure effective compliance with the provisions of this bill, it imposes a civil penalty of $5 for each failure of a person to comply with any requirement of furnishing or including a taxpayer's identifying number on a tax document unless it can be shown that such failure to furnish or include is due to a reasonable cause. However, the penalty provisions do not apply for the failure of a person to request an account number from a taxpayer but only apply to such a person for his failure to include it on a required tax document without reasonable cause.

The Treasury Department has recommended this bill and it has been reported unanimously by your committee.

Mr. MASON. Mr. Speaker, the legislation which has just been approved by the House, H.R. 8876, would amend the Internal Revenue Code to provide that persons in filing their tax returns may be required to record an identifying number on such returns. This requirement would also apply to individuals required to file information returns so that account numbers would be furnished with respect to the individuals referred to in the information return.

This proposal is expected to have a current benefit of facilitating the manual sorting and matching of information returns with taxpayer returns. In the long range the proposed taxpayer account number system is expected to be an integral part of the automatic data processing procedures being instituted by the Internal Revenue Service.

The basic objective of this legislation is very simple and needs no long explanation. The Committee on Ways and Means has been informed by officials of the Treasury Department that the adoption of the account number system will improve and strengthen the processing procedures involved in the handling of the millions of tax forms received by the internal revenue system every year. It is asserted that this procedure, once instituted, will lead to greater efficiency in the handling of tax returns. It is likely that this proposed system will require less activity by Internal Revenue personnel in the performance of clerical functions and will thereby permit greater emphasis on the collection of payable taxes that are inadvertently or otherwise not reported.

Mr. Speaker, I think that the adoption of a system of identifying numbers for tax administration purposes is a proper aid to efficient enforcement of our tax laws and the collection of tax liabilities. I support the action of the House in approving H.R. 8876.

MARKING OF NEW PACKAGES FOR IMPORTED ARTICLES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 7692) to amend the Tariff Act of 1930 to require certain new packages of imported articles to be marked to indicate the country of origin, and for other purposes, which was reported unanimously by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

Mr. GROSS. Mr. Speaker, reserving the right to object, may we have a brief explanation of this bill?

Mr. MILLS. Mr. Speaker, this bill passed the House, as I recall, in practically this form by unanimous consent last year. The bill was introduced by our colleague, the gentleman from Florida [Mr. HERLONG]. It amends section 304 of the Tariff Act to provide that, when articles which are imported in containers that are now required to be marked to show in English the name of the country of origin of such articles, are repackaged in the United States and offered for sale, the new packages shall be marked to show the country from which the materials originally came.

Mr. GROSS. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

Mr. BAILEY. Mr. Speaker, reserving the right to object and, of course, I shall not object. I commend the Committee on Ways and Means for bringing this

legislation before the Congress. I regret very much that this matter was not taken care of last year. I think it is worthwhile legislation and will help to clarify and remedy some of the difficulties in the administration of our present trade agreements.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of subsection (a) of section 304 of the Tariff Act of 1930, as amended (19 U.S.C. 1304), is amended by striking out "subsection (b)" and inserting in lieu thereof "subsection (b) or (e)".

(b) Subsection (b) of such section 304 is amended by striking out the first sentence and inserting in lieu thereof the following: "Whenever an article is excepted under subdivision (3) of subsection (a) of this section from the requirements of marking, the immediate container (if any) of such article, or such other container or containers of such article as may be prescribed by the Secretary of the Treasury, shall be marked in such manner as to indicate—

"(1) to an ultimate purchaser in the United States the English name of the country of origin of such article, and

"(2) to any person who repackages such article, that subject to penalties of law the new package must be marked as described in subdivision (1).

subject to all provisions of this section, including the same exceptions as are applicable to articles under subdivision (3) of subsection (a) of this section. The Secretary of the Treasury may by regulations authorize the exception of any article from the requirements of subdivision (2) of the preceding sentence if such article is not usually repackaged before delivery to an ultimate purchaser."

(c) Such section 304 is further amended by relettering subsection (e) as subsection (f), and by inserting after subsection (d) the following new subsection:

"(e) MARKING OF NEW PACKAGES.—When any imported article the container of which is required to be marked under the provisions of subsection (b) is removed from such container by the importer, or by a jobber, distributor, dealer, retailer, or other persons, repackaged, and offered for sale in the new package, such new package shall be marked by the person repackaging such article in such manner as to indicate to the ultimate purchaser in the United States the English name of the country of origin of such article. This subsection shall not apply in cases where the Secretary of the Treasury finds that compliance with the marking requirements of this subsection would necessitate such substantial changes in customary trade practices as to cause undue hardship and that repackaging of the article in question is otherwise than for the purpose of concealing the origin of such article. Subsection (d) of this section shall not apply in respect of the marking requirements of this subsection unless the articles are repackaged before release from customs custody."

(d) Subsection (f) (as relettered by subsection (c) of this section) of such section 304 is amended by adding at the end thereof the following new sentences: "Any person who violates subsection (e) shall, upon conviction, be fined not more than $5,000 or imprisoned not more than one year, or both. Any article offered for sale [by the person repackaging such article] in violation of subsection (e) shall be subject to seizure and forfeiture under the customs laws except that the duties with respect to seizures and forfeitures under this subsection shall be performed by such officers, agents, or other persons as may be authorized or designated for that purpose by the Secretary of the Treasury."

SEC. 2. The amendments made by the first section of this Act shall apply only with respect to articles entered for consumption or withdrawn from warehouse for consumption on or after the sixtieth day following the date of the enactment of this Act.

With the following committee amendments:

Page 2, line 1, strike out "immedate" and insert: "immediate".

Page 3, line 1, strike out "persons," and insert: "person,".

Page 3, line 21, strike out "[by" and insert: "by".

Page 3, line 22, strike out "article]" and insert: "article".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsier was laid on the table.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 7692, which was introduced by our colleague on the Committee on Ways and Means, the Honorable A. S. HERLONG, JR., is to amend section 304 of the Tariff Act of 1930, as amended (19 U.S.C. 1304), first to provide that when articles, imported in containers required to be marked to show the English name of the country of origin of such articles, are repackaged in the United States and offered for sale, the new packages shall be marked to show the country of origin of their contents, and second, to require that such containers shall be marked, in addition to the country-of-origin marking, to indicate to any person who repackages such articles, that subject to penalties of law the new packages must be marked to indicate to an ultimate purchaser the English name of the country of origin of their contents. The bill prescribes a specific penalty for violation of one of its provisions—that requiring marking on the new packages—and also authorizes the Secretary to make exceptions from the marking requirements under certain circumstances and upon certain conditions.

Section 304 of the Tariff Act of 1930, as amended, requires that articles of foreign origin imported into the United States be marked in such a way as to indicate to an ultimate purchaser in the United States the English name of the country of origin of the articles. Section 304(a)(3) authorizes the Secretary of the Treasury to except from this general marking requirement articles which for any one or more of various reasons cannot, or need not, be marked. Eleven categories of exceptions are identified in section 304(a)(3). However, section 304(b) requires that, with respect to such excepted articles, the containers in which such articles are packaged shall be marked to show the country of origin of their contents.

The Committee on Ways and Means has been increasingly concerned about the practice of repackaging imported articles and failing to note on the new packages the country of origin of the contents or the fact that the same are of foreign origin. Understandably, this practice has created confusion in the minds of certain purchasers as to the origin of the articles inside the new package. In some cases, the absence on the package of any indication of foreign origin has caused purchasers to assume that the contents were of American origin. Thus, one of the purposes of our marking laws, namely, to give a purchaser all of the information which he may desire before deciding on a purchase, is thwarted in the case of the repackaged imported article, which does not show on the new package the origin of the contents.

H.R. 7692 would make three substantive amendments to section 304 of the Tariff Act, which, in the opinion of the Committee on Ways and Means, will serve to complement existing marking requirements and more nearly insure the accomplishment of the purposes of our marking laws than does the present statute. A new subsection (e) would be added providing that, if an imported article whose container must be marked to show the country of origin of such article is removed from that container, repackaged, and offered for sale in the new package by an importer, jobber, distributor, dealer, retailer, or other person, such new package shall be marked to show the country of origin of its contents. This subsection would not apply in cases where the Secretary of the Treasury finds that first, compliance with the marking requirements of this subsection would necessitate such substantial changes in customary trade practices as to cause undue hardship, and second, repackaging of the article in question is otherwise than for the purpose of concealing the origin of such article.

Subsection (b) of section 304, as amended by the bill, would continue without change the existing requirement that the immediate container, if any, or such other container or containers as may be prescribed by the Secretary of the Treasury, of any article excepted from the marking requirements by subsection (3) of section 304(a), be marked in such a manner as to indicate to an ultimate purchaser in the United States the English name of the country of origin of such article. The bill would add a requirement that any such container or containers shall also be marked in such manner as to indicate to any person who repackages such article, that subject to penalties of law, the new package must be marked to indicate to an ultimate purchaser the English name of the country of origin of its contents. The marking requirements of subsection (b) as amended by the bill, are subject to all of the provisions of section 304, including the same exceptions as are applicable to articles under section 304(a)(3). With respect to the requirement that the containers of certain imported articles must be marked to indicate to any person who repackages such articles that the new package must be marked to show the English name of the country of origin of its contents, the bill authorizes the Secretary of the Treasury to except any article from this requirement if such article is not usually repackaged before delivery to an ultimate purchaser.

Under subdivisions (1) and (2) of section 304(a) of the Tariff Act of 1930, which will apply to the new marking requirements under the amendments made by subsections (b) and (c) of the bill, the Secretary of the Treasury may by regulations, first, determine the character of words and phrases or abbreviations thereof which shall be acceptable as indicating the country of origin, second, prescribe any reasonable method of marking, third, prescribe a conspicuous place on the package where the marking shall appear, and fourth, require the addition of any other words or symbols which may be appropriate to prevent deception or mistake as to the origin of the imported article or as to any other article with which such imported article is usually combined subsequent to importation but before delivery to an ultimate purchaser.

Failure to mark new packages as required by the bill is punishable by a fine of not more than $5,000 or imprisonment for not more than 1 year, or both. In addition, any article offered for sale by the person repackaging the same, in violation of subsection (e) of section 304, as amended by the bill, is subject to seizure and forfeiture under the customs laws. Since the marking requirements provided for by the bill are part of the customs laws of the United States, and since they relate to imported merchandise the customs laws—including those provisions of the Tariff Act of 1930 which relate to enforcement—apply in respect of violations—or alleged violations—of such marking requirements. Thus, for example, the provisions of title IV of the Tariff Act of 1930 relating to reporting of seizures—section 602—prosecution—section 604—judicial condemnation—section 608—summary forfeiture and sale—sections 609 and 612—disposition of proceeds—section 613—remission or mitigation of penalties—section 618—and compensation to informers—section 619—apply in respect of seizures and forfeitures under the bill.

The Committee on Ways and Means feels that the amendments to the existing marking statute contained in H.R. 7692 will serve to assist greatly in fulfilling the intent behind requiring imported articles or their containers to be marked to show the country of origin of the articles. Section 304, as amended by the bill, will provide a comprehensive plan for insuring, in appropriate cases, that purchasers are notified of the origin of imported merchandise.

In the course of considering this bill, the committee had occasion to review correspondence between the author of H.R. 7692 the Honorable A. S. HERLONG, JR., and the Federal Trade Commission concerning the scope of the Federal Trade Commission's jurisdiction in this field. The Federal Trade Commission was asked whether it has accepted jurisdiction in all cases where imported products, required to be marked with the country of origin, are repackaged and the new package is not so marked.

The Federal Trade Commission replied in pertinent part:

> The Commission's approach to such cases has not been on a per se basis. It has issued orders only where it has been affirmatively established that American consumers have a preference for domestic articles of the type involved.

It was apparent to the committee, therefore, that this approach to the problem would be short of accomplishing the purposes of H.R. 7692.

Your committee is unanimous in recommending the enactment of H.R. 7692.

Mr. MASON. Mr. Speaker, the legislation which has just been approved by the House, H.R. 7692, would amend the customs provision of the Tariff Act of 1930 so as to protect the American public by requiring more adequate marking of repackaged imported articles.

Information has been presented to the membership of the Committee on Ways and Means that articles imported into the United States and repackaged often are not designated as "imported" on the new package. The repackaging process results in the deletion of the designation of the country of origin. The failure to include the country of origin on a package often results in the conclusion that the contents therein are of American origin. The failure to reveal the source of an article brings about the failure of a potential American purchaser to be fully informed prior to the time he makes a purchase.

H.R. 7692 would make three substantive changes in existing law to correct this problem. First, it would be required that articles removed from a container be marked to show the country of origin on the repackaging. Second, containers for articles for export to the United States must be marked to indicate that in the event of repackaging, such repackaging must contain the designation of the country of origin. Third, there is a penalty provision for failure to comply with these marking requirements applicable in the case of repackaging.

It was the view of the committee in unanimously approving this legislation that the amendments contained in H.R. 7692 would serve to protect the American public by informing the public as to the source of articles they may purchase. This bill would aid in the fulfillment of the basic purpose of existing marking requirements as presently contained in the law.

AMENDING INTERNAL REVENUE CODE OF 1954 FOR PAYMENT OF ANNUITIES TO WIDOWS AND CERTAIN DEPENDENTS OF JUDGES OF TAX COURT OF THE UNITED STATES

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4317) to amend the Internal Revenue Code of 1954 and incorporate therein provisions for the payment of annuities to widows and certain dependents of the judges of the Tax Court of the United States, together with amendments of the Senate thereto, disagree to the Senate amendments and request a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

The Chair hears none and appoints the following conferees: Messrs. MILLS, KING of California, O'BRIEN of Illinois, MASON, and BYRNES of Wisconsin.

FILING CONFERENCE REPORT ON APPROPRIATIONS FOR DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES, 1962

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill, H.R. 7035.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

CANNON'S PROCEDURE IN THE HOUSE OF REPRESENTATIVES

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up the joint resolution (H.J. Res. 558) providing for printing copies of "Cannon's Procedure in the House of Representatives" and ask unanimous consent for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be printed and bound for the use of the House one thousand five hundred copies of "Cannon's Procedure in the House of Representatives", by Clarence Cannon, to be printed under the supervision of the author and to be distributed to the Members by the Speaker.

SEC. 2. That, notwithstanding any provision of the copyright laws and regulations with respect to publications in the public domain, "Cannon's Procedure in the House of Representatives" shall be subject to copyright by the author thereof.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRINTING ADDITIONAL COPIES OF HOUSE DOCUMENT 412, 85TH CONGRESS

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up the concurrent resolution (H. Con. Res. 12) authorizing the printing of additional copies of House Document 412, 85th Congress, and ask for its immediate consideration.

The Clerk read the concurrent resolution as follows:

Resolved by the House of Representatives (the Senate concurring), That there shall be printed for the use of the House of Representatives five hundred thousand additional

copies of House Document Numbered 412, Eighty-fifth Congress, second session, with emendations.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

"WORLD COMMUNIST MOVEMENT—SELECTIVE CHRONOLOGY 1818–1957, VOLUME 1"

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up the concurrent resolution (H. Con. Res. 364) to print as a House document the publication "World Communist Movement—Selective Chronology 1818–1957, Volume 1," and to provide for the printing of additional copies, and ask for its immediate consideration.

The Clerk read the concurrent resolution as follows:

Resolved by the House of Representatives (the Senate concurring), That the publication entitled "World Communist Movement—Selective Chronology 1818–1957, Volume 1," released by the Committee on Un-American Activities, House of Representatives, Eighty-sixth Congress, second session, be printed as a House document; and that there be printed for the use of said committee fifteen thousand additional copies of said document.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF HOUSE REPORT NO. 2228

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 397 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That there be printed for the use of the Committee on Un-American Activities, thirty-six thousand additional copies of a report numbered 2228, Eighty-sixth Congress, second session, prepared and released by said committee entitled "The Communist-Led Riots Against the House Committee on Un-American Activities in San Francisco, California, May 12–14, 1960".

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF HOUSE REPORT NO. 2237

Mr. HAYS. Mr. Speaker, by direction by the Committee on House Administration, I call up House Resolution 398 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That there be printed for the use of the Committee on Un-American Activities six thousand additional copies of the report numbered 2237, Eighty-sixth Congress, second session, prepared by said committee and entitled "Annual Report for the Year 1960".

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF HOUSE REPORT NO. 851

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 408 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That there be printed for the use of the Committee on Foreign Affairs four thousand additional copies of House Report Numbered 851, on H.R. 8400, a bill to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF MANUSCRIPT ENTITLED "HISTORY OF THE HOUSE OF REPRESENTATIVES"

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 385 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved by the House of Representatives (the Senate concurring), That the manuscript entitled "History of the House of Representatives," by George B. Galloway, be printed under the supervision of the Committee on House Administration as a House document, and that there be printed two thousand additional copies for the use of the House of Representatives.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SUBCOMMITTEE ON NATIONAL POLICY MACHINERY

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 39 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on Government Operations three thousand copies each of volumes 1, 2, and 3 of a compilation of the hearings, reports, and committee prints of its Subcommittee on National Policy Machinery issued during the Eighty-sixth and Eighty-seventh Congresses.

The resolution was concurred in.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF "COMMUNIST TARGET—YOUTH—COMMUNIST INFILTRATION AND AGITATION TACTICS"

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 384 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Un-American Activities one hundred thousand addition copies of the report "Communist Target—Youth—Communist Infiltration and Agitation Tactics," Eighty-sixth Congress, second session.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING EXPENSES OF INVESTIGATION BY THE COMMITTEE ON PUBLIC WORKS

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 433 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That the further expenses of the investigation and study authorized by H. Res. 23 of the Eighty-seventh Congress incurred by the Committee on Public Works acting as a whole or by subcommittee, not to exceed $150,000, including expenditures for the employment of experts, and clerical, stenographic, and other assistance, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof and approved by the Committee on House Administration.

SEC. 2. The official stenographers to committees may be used at all meetings held in the District of Columbia unless otherwise officially engaged.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING EXPENSES OF INVESTIGATION BY THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 439 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That the expenses of the investigation and study to be conducted pursuant to H. Res. 420, by the Committee on Interstate and Foreign Commerce, acting as a whole or by subcommittee, not to exceed $150,000, including expenditures for the employment of investigators, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FRIEDEL. I yield to the gentleman from Iowa.

Mr. GROSS. What committee is this?

Mr. FRIEDEL. The Committee on Interstate and Foreign Commerce.

Mr. GROSS. I thank the gentleman.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SELECT COMMITTEE TO INVESTIGATE AND STUDY ADMINISTRATION OF EXPORT CONTROL ACT OF 1949

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 403, creating a select committee to conduct an investigation and study of the administration, operation, and enforcement of the Export Control Act of 1949, and related acts, and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That there is hereby created a select committee to be composed of five Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner in which the original appointment was made.

The committee is authorized and directed to conduct a full and complete investigation and study of the administration, operation, and enforcement of the Export Control Act of 1949 (63 Stat. 7), as amended, with a view to assessing the accomplishments under that Act, determining whether improvements can be made in the administration, operation, or enforcement thereof, and improving congressional oversight and guidance over the formation of United States policies involved in such Act. In carrying out such investigation and study, the committee shall give particular attention to the following matters:

(1) The problems involved in the control of trade between the United States and foreign countries, particularly the foreign countries comprising the Sino-Soviet bloc.

(2) Present methods and procedures in the formulation of policy with respect to the determination of which articles, materials, supplies, and technical data shall be controlled under such Act, and the extent of such control.

(3) Procedures followed under such Act in obtaining information, advice, and opinions with respect to determinations of which articles, materials, supplies, and technical data shall be controlled under such Act, from departments and agencies of the United States which are concerned with aspects of our domestic or foreign policies and operations which have a bearing on exports.

(4) The extent to which decisions heretofore made under such Act concerning the control of exports have adversely affected the security of the United States.

(5) Whether or not such Act is being administered by the appropriate department of the Federal Government.

(6) The interrelationship between such Act and related Acts (such as the Mutual Defense Assistance Control Act of 1951, and the Trading With the Enemy Act) and other discussions or agreements entered into by the United States (such as the coordinating committee (COCOM) discussions and agreements) which affect or relate to the control of trade between the United States and foreign countries.

For the purpose of carrying out this resolution the committee or subcommittee is authorized to sit and act during the present Congress at such times and places within the United States, including any territory, Commonwealth, or possession thereof, or elsewhere, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents, as it deems necessary; except that neither the committee nor any subcommittee thereof may sit while the House is meeting unless special leave to sit shall have been obtained from the House. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

The committee shall report to the House as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations as it deems advisable. Any such report which is made when the House is not in session shall be filed with the Clerk of the House.

Mr. COLMER. Mr. Speaker, I yield the usual 30 minutes to the gentleman from Ohio [Mr. BROWN] on the resolution, and pending that, Mr. Speaker, I yield myself such time as I may consume.

The SPEAKER pro tempore. The gentleman from Mississippi will proceed.

Mr. COLMER. Mr. Speaker, if I may have the attention of the House for a few moments, I would like to point out what this resolution is about.

Mr. Speaker, we are engaged in a cold war with Russia and its satellites, a cold war that has been going on now for more than 15 years. We are told that it may become a hot war at any moment. Whether it does or not so far as this resolution is concerned is not really important, because the question involved and which this resolution would attempt to solve is whether we are going to aid our common and potential enemy, Russia and its satellites, either in a cold or a hot war.

The resolution provides for the setting up of a select committee of five Members of the House to make a study of the propriety of trading with the enemy. The resolution is sponsored by the gentleman from North Carolina [Mr. KITCHIN], one of the ablest Members of the Congress, and who enjoys the respect of all of his colleagues. There are many others who have been interested in this matter, some of whom testified before the Committee on Rules, which has original jurisdiction in this matter. Prominent among those members was the gentleman from California, [Mr. LIPSCOMB], on the minority side, who has been very diligent in this matter for a number of years.

Mr. Speaker, the question is—and it is just that simple—are we going to make a study of the situation of dealing with the enemy and come up with some possible recommendations as to how to stop it or are we just going to ignore the whole matter, and proceed on a basis "of business as usual"?

This resolution, if adopted, is not going to stop the policy of permitting the shipment of strategic materials to the enemy, but it is going to let the Congress and the country know what is going on. And then an aroused public opinion can force the administration to stop it.

I spoke of those who are interested in this, and I hope you will pardon me if I point to the fact that for 15 years, or 16 years to be exact, I have been interested in this matter.

In 1947 I introduced a resolution to screen, and possibly stop, the shipment of strategic materials to Russia and its satellites. One of the things that was spelled out in that resolution was to stop the shipment of the technical know-how to the U.S.S.R. While that resolution did not prevail—it really never was reported out of the committee—later on the Battle Act was passed which did in part what that resolution would have done.

I digress to point out that the resolution also called for a firm policy, among other things, in dealing with Russia.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Pennsylvania.

Mr. WALTER. I certainly endorse the resolution the gentleman is presenting today so ably. It seems to me that there is something else of greater import than the ascertainment of trading with the enemy and how it should be curtailed; namely, the attitude of certain of our leaders with respect to this whole war.

It is perfectly appalling to me to see on all sides the attitude of educators and clergymen toward communism. I sincerely hope that when these studies are made there will be brought to the American people a greater appreciation of the fact that we are indeed engaged in a war.

Mr. COLMER. I thank the able gentleman from Pennsylvania, one of the outstanding and best-known foes of communism in this country; a man who has done and is doing a great job. I think the gentleman's contribution is very worthwhile here.

Mr. Speaker, if I may go back for a moment, what are we doing? We are dealing with the enemy just as if there were no cold war, just as if there was no potentiality of a hot war. Let me illustrate that. I do not have time to go into all of the details here, but we are shipping not only materials but the know-how itself to our enemy. Here we are shipping—and I hope you will hear this—machine tools, not to a Russian satellite, but to Russia itself. We have recently licensed V–8 engines for shipments to the Soviet Republic. When did we do that? We did that a few months ago. The gentleman to whom I referred a moment ago, the gentleman from Michigan [Mr. LIPSCOMB], who has been diligent in this matter and who has done a good job on this matter——

Mr. LAIRD. The gentleman from California.

Mr. COLMER. Yes, the gentleman from California.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. We are willing to take the gentleman from California [Mr. LIPSCOMB].

Mr. COLMER. The gentleman from California [Mr. LIPSCOMB] has had some correspondence with the Department of

Commerce on this question of shipping these machines. I wish I had the time to read that correspondence, which he has very kindly let me have, and has given me permission to use. But on February 12, 1960, a request was made for these V–8 engines to be shipped to Russia. On June 1, 1960, a license was granted in the amount of $3.4 million for the V–8 engines; $1.9 million on multistation machines for machining V–8 cylinder engines, and a number of other items that I might mention.

But, protest was made. The license was revoked. And, again, subsequently—and I do not seem to find the date here—but subsequent to July 22, 1961, the license was reinstated. Can anyone think of anything—well, I do not want to use the word "stupid," but can anyone think of anything that could possibly be worse in building up your enemy than in shipping that type of machinery? This was all brought out in the hearings before the Rules Committee.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Speaker, the gentleman referred to the gentleman from California as being from Michigan. Truly he is from Michigan. He was born in Michigan. He left when he was 5 years old. When he left Michigan it was Michigan's loss and California's gain.

Mr. COLMER. I shall not argue with the gentleman about that. Regardless of his geographic past or present location I commend him for his industry in this matter.

Mr. DORN. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from South Carolina.

Mr. DORN. Mr. Speaker, of course, this resolution is most worthy of the attention of the House and should be passed. I compliment and commend the author of the resolution, my distinguished and patriotic colleague, the gentleman from North Carolina [Mr. KITCHIN]. This has been going on for too long a time. I remember, in the 80th Congress, when I was a member of the Committee on Government Operations, a man came before my committee and testified that he was paying $250 for brandnew Cyclone engines in the United States, the kind used in C–47's, and he was selling them to Russia for $5,000 each. He had paid $250 for them brand new, as surplus U.S. property. So this has been going on a long time, and should be investigated now without further delay.

Mr. COLMER. The gentleman is absolutely correct. It has been going on ever since the cold war has been going on. I do not know of anything that will stop it except some congressional action, or else a dropping of the bombs and the declared of a hot war.

Mr. Speaker, what are we doing? Are we carrying on business as usual? Is that what we are interested in? Are we interested in preserving this country or are we interested in engaging in business? I daresay that when the truth is known, a lot of so-called big business people are behind this, pushing for business as usual, and it ought to be stopped. The argument is always made, and will be made here today, that this ought to be stopped but the timing is not right. The timing is never right so far as the departments downtown are concerned.

Mr. Speaker, I was a member of the Committee on Rules of the House just prior to the beginning of war against us by Japan and Germany. Then we had a resolution before that committee somewhat similar to this that would have stopped the shipment of petroleum products and scrap iron to Japan. But the State Department came up here on the Hill, and we heard them before the committee. As usual, they were so persuasive that the committee took no action upon that resolution. You know what happened. As we pointed out to them then, that scrap iron and petroleum were used against our boys in the Pacific Ocean.

I think it is time that we became a bit realistic about this. Certainly the least we can do, regardless of the attitude of the State Department or anybody else, is to make a study of this matter and let the people of the country know what is going on; we ought to see if we cannot put a stop to it or at least curb some of this dealing with the enemy. Congress has its responsibility in this matter.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from West Virginia.

Mr. BAILEY. The resolution itself, paragraph 2 on page 1, appears to be clear in its objectives, in that they are an investigation and study of the Export Control Act of 1949. If the gentleman will refer to the bottom of page 2 of the resolution he will find somewhat of a conflict there.

> The interrelationship between such act and related acts (such as the Mutual Defense Assistance Control Act of 1951, and the Trading With the Enemy Act) and other discussions or agreements entered into by the United States.

You could just as well have written in there the Reciprocal Trade Agreements Act. Will the gentleman be able to tell me whether this investigation would go into that angle of it?

Mr. COLMER. I am very much interested, as the gentleman knows, in the subject to which he is referring. I will not be a member of the committee. I assume the sponsor of the resolution, the gentleman from North Carolina [Mr. KITCHIN], will be the chairman of that committee. I hope he will direct his inquiry to the gentleman from North Carolina.

Mr. BAILEY. May I suggest the hope that the gentleman from North Carolina will go into that matter very carefully.

Mr. BROWN. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, my colleague on the Committee on Rules, the gentleman from Mississippi [Mr. COLMER] has explained this resolution and its purpose very ably and well, because, as I recall very vividly, he was one of the leaders, many years ago, in an early attempt, at that time, to bring an end to the practice, which has been growing and which has lasted entirely too long, of the U.S. Government's permitting the shipment of various strategic materials, goods and supplies to the very nations, governments and peoples who would destroy us if they get the opportunity to do so, and who now threaten our security and the peace of the world.

I feel very strongly that this resolution to establish this special committee should have the unanimous support of the House of Representatives.

I wish to pay tribute to the gentleman from North Carolina [Mr. KITCHIN], the author of the resolution, to the gentleman from California [Mr. LIPSCOMB], who has worked for a long period of time, years in fact, on this very problem, the gentleman from Ohio [Mr. LATTA] who has sponsored corrective legislation, as you know, to attempt to restrict the shipment and subsidizing of wheat and other foodstuffs to Russia and other Communist countries, and also the gentleman from Washington [Mr. PELLY], and all the others who have attempted for so long, to get this legislation before you.

The fact of the matter is, and I am speaking very frankly, for different reasons, very obvious reasons, it was difficult to get this matter out of the Rules Committee, so I am very happy it is on the floor.

That which has been going on in regard to the shipment of these strategic materials, the licensing of these exports by our own Government, by its departments and agencies, of these strategic materials and goods and supplies which would help the Communist world make war against the free world, is a damnable outrage, and the Congress of the United States should, if it can, immediately put a stop to it.

If this committee is created, as I hope it will be by the adoption of this resolution, then certainly the investigation this committee will hold, will turn the spotlight of pitiless publicity on what has been going on, not only now but over the years and what is still going on, as you know, so an outraged public opinion in America will do that which we in Congress have been almost helpless to do, compel the agencies and departments of the Government to correct this situation, and to stop this thing, which is actually damaging and injuring this country and its people, and may even lead to our complete destruction in case of war, because our Government has been by these actions strengthening our enemies, foolishly, and unwisely, of course.

It is impossible to understand why any responsible official of the Government in the executive department would think of doing such a thing. It is time the Congress exerts its will and lets the country know what we are trying and attempting to do, according, in my opinion, to the Constitution which provides the Congress shall legislate and act in behalf of the people. Remember, the Congress itself is really the governing body of this

country, and not some bureaucratic agency downtown.

Mr. HARSHA. Mr. Speaker, will the gentleman yield.

Mr. BROWN. I yield to the gentleman from Ohio.

Mr. HARSHA. I commend the gentleman on his remarks and wish to associate myself with him. As the gentleman knows, I have introduced legislation to prevent the sale of our surplus subsidized farm commodities to Russia and to other Communist countries. I have also repeatedly called upon the Secretary of Commerce to refrain from issuing export licenses to such countries. I certainly do not think the American taxpayers want to subsidize the Communist economy in any way, shape, or form.

Mr. BROWN. I appreciate the comments of my colleague.

Mr. KNOX. Mr. Speaker, will the gentleman yield?

Mr. BROWN. I yield to the gentleman from Michigan.

Mr. KNOX. Mr. Speaker, I want to associate myself with the gentleman from Ohio [Mr. BROWN]. It has come to my attention in the past 2 weeks that the Department of Commerce has issued licenses for the exportation of strategic materials such as synthetic rubber, ball bearings, automobile parts, and so on to countries behind the Iron Curtain. I think this legislation is long overdue and should be enacted.

Mr. BROWN. I thank the gentleman very much.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. BROWN. I yield to the gentleman from West Virginia.

Mr. BAILEY. Does not the distinguished gentleman from Ohio agree that we have some exporters in this country who work on the assumption that any kind of business is good business for them?

Mr. BROWN. We have a great many people in America who are more interested in profits than anything else.

Mr. Speaker, I yield 8 minutes to the gentleman from California [Mr. LIPSCOMB].

Mr. LIPSCOMB. Mr. Speaker, the purpose of House Resolution 403 is to authorize the creation of a select committee to conduct a complete study of our export trade control program with particular reference to controls on trade with the Soviet bloc.

There are many complex, far-reaching factors and considerations involved in the subject of trade and trade control.

I believe at this time we should discuss in detail our trade control program as to what it is, how it operates, and what some of its effects have been. I shall point out what in my opinion are serious shortcomings in our present export control operations and why it is urgent that this resolution be adopted by the House at this time. In my view the problem to which this resolution is directed is a matter of great importance and concern to the security and welfare of our Nation.

The announcement August 30 that the U.S.S.R. would conduct nuclear testing has displayed to the world once again the ruthless and reckless nature of the Soviet quest for world domination. This latest episode in the continuing Communist campaign to extend its influence over the free world only serves to emphasize more strongly the great importance of the trade study to be conducted by the select committee.

Can there be any doubt that we must avoid in every way possible helping the Soviets and the Soviet bloc to strengthen itself economically and militarily through trade with the West?

Knowing full well what Communist goals are, knowing full well their method of operations which calls for brutal, out-and-out manipulation of every resource at their command to glorify and advance communism, should the free world through trade cooperate in helping the Soviets achieve such goals? I believe the answer is an emphatic "No."

Yet this can be a result of allowing the Soviet bloc to purchase strategic goods and materials from the United States and of their purchase of strategic items from other free world countries.

To the Soviets and their puppets, trading is a primary means through which they are attempting to obtain the machines and know-how to round out their industries which in numerous areas are far behind Western industries and industrial know-how.

A major reason they continue to lag behind in many areas of course is because they have devoted a large amount of their resources to such areas as the space field and missilery in a brazen effort to score a propaganda victory over the West. They seek to correct many of their industrial shortcomings through trading for selected strategic items.

The following is from an item in the May 18, 1961, Wall Street Journal in regard to the nature of the trade campaign of the Soviets. That report, in commenting on the fact that trade by Western countries with the Soviets is increasing sizably, had this to say:

> Russia, in its purchases from the West, is focusing attention on technology and industrial know-how, seeking to pick the best Western industrial brains in its economic struggle with the West, according to American and European trade sources. Sometimes complete plants down to the last nut and bolt are purchased for assembly in Russia. Only advanced equipment and technology are wanted; the Reds scorn offers of anything less.

The article also states:

> "Communists are encouraging some Western nations to help Russia forge ahead in fields where it has been lagging. In effect, these Western nations are helping Russia to catch up with the West," complains one American Government official in Paris. Some Americans make the additional point that the Russians often will buy one shipment of advanced equipment and then produce copies without regard for the foreign company's patent rights. This eliminates any chance for repeat business and may bring Russia into world markets as a direct competitor of the firm that originally supplied the equipment.

In commenting on the Soviet trade drive Victor Riesel, a recent visitor to Europe, has reported:

> Khrushchev is playing the moon out of strength to cover his industrial weakness. Want facts to bolster this charge? Our Central Intelligence Agency has them. The French SDEC, counterpart of the CIA, has them. Documents I've seen have not been made public. Why?
>
> Picking from these diverse reports at random, it is absolutely accurate to report that Soviet railroads, surgery, anaesthesia, hospitals, airports, commercial aviation, precision tools, spare parts plants and the automobile industry, for example, belong back in the early thirties and mid-forties at the most—once you get out of the four or five showplace cities.

Along a somewhat similar view, Dr. L. A. Du Bridge, famed president of the California Institute of Technology, spoke earlier this year on Science in the U.S.S.R. in a commencement address he delivered at Union College, Schenectady, N.Y. He said, in part:

> The Russians have admittedly assigned their best scientists and engineers to work on rocket and space technology. Their achievements in this field have been brilliant. But they have paid a heavy price in the neglecting of research in many key areas of basic science. Not all basic research has been stopped, of course, but the scale, breadth, and depth of their scientific work is grossly inferior to ours—or to that of the British. Count the awards of Nobel Prizes in physics, chemistry, and medicine: 61 American scientists have received Nobel Awards, and only 5 Russians.
>
> Witness also the fanfare with which the Russians hurriedly built a 10-billion-electron-volt nuclear accelerator, at very great cost, in order to advertise, for a time, that they had the most powerful nuclear machine in the world. The machine was indeed built—but it has never worked properly and is now almost inactive.

To overcome their weaknesses, the Soviets are shopping for such items as chemical industry equipment, power plants, complete factories in various types of industries, scientific, and optical equipment, equipment to manufacture synthetic fibers, and so forth. Major attention and effort is being devoted to acquiring technology, industrial know-how, and advanced equipment.

The Quarterly Export Control Reports issued by the Department of Commerce continue to indicate Soviet attempts to buy from the United States technical data and scientific know-how concerning industrial equipment, process plant technology in such fields as petrochemicals, chemicals, textiles, and rolling mills.

It will be obvious to anyone who stops to reflect that the Soviets have great ambitions to engage in trading to acquire certain items vital to the U.S.S.R. In practically every major contact with the West, a pitch for increased trade emerges as the Soviet's real purpose. Such a pitch was made by Khrushchev when he was here in 1959. Trade was the purpose of Mikoyan's trip to the United States earlier in that same year. Mikoyan's recent trip to Japan was to sell them on the advantages of trading with the U.S.S.R.

In view of the Berlin situation which has laid bare to the world the ruthless nature of the Kremlin, would not one expect a lessening of exports from the United States to the Soviet bloc at this time?

As a matter of fact, according to a recent AP report, export licenses granted

by the Department of Commerce for shipment of goods to the Soviet bloc increased sharply during the 3 weeks after the President's Berlin speech over the previous 3 weeks. Included have been licenses to sell railway equipment, synthetic rubber, industrial instruments, pipe valves, and chemical products.

This indicates the urgency of the situation and why it is so vital for the House to look into the matter as provided by House Resolution 403. It is necessary to wage a full-fledged study of all aspects of the trade problem to enable the Congress to be fully advised of what is going on and to determine what trade control legislation revision or modification is necessary for our security.

There is need, I believe, to determine what actions are necessary immediately to counteract the brutal Communist campaign in Berlin. Even more important is the need for a comprehensive, long-range study of our export trade program as to how it has been administered and how our trade policies have been formulated. Crises may come and go, but the menace of international communism continues. Our trade control efforts must be properly geared and directed to help meet the challenge this international conspiracy poses to the cause of freedom.

I have been concerned for a number of years, as I know many other Members of Congress and others have been, over the operation of our export control program and with regard to the closely related trade control program of the free world which is designed to control the flow of strategic goods to the U.S.S.R. and its satellites.

My concern stems not only from policies adopted, but, in instances, from the lack of policies, and the vacillation and indecision that has been all too evident in the administration of the program.

I would like to relate to the membership of the House in more detail some of the things that have been happening in the export control laws which point to the need for the comprehensive congressional review as provided for by House Resolution 403.

As one example, the Department of Commerce in 1960 granted a license authorizing sale to the Soviet Union of a $3.4 million transfer machine to manufacture V–8 cylinder blocks and a $1.9 million transfer machine to manufacture the V–8 engine heads.

These machines are of a type essential to mass production of automobiles and trucks. They can also be used in the mass production of all metal manufacturing such as refrigerators, tractors, electrical motors, and so forth.

The Soviets are placing heavy emphasis on the production of transfer machines at the current time for they are vital in solving production problems of complex and highly specialized equipment.

On February 23, 1961, the Department of Defense advised me that the technology contained in these transfer machines is the most advanced in the world and that the products of these transfer type machine tools are clearly of military value. The Department of Defense said that receipt of this equipment by the U.S.S.R. would contribute to Soviet military and economic potential.

I contacted both the President and the Secretary of Commerce requesting that the licenses be canceled. This was done on March 9 when the licenses were permanently revoked.

In May, less than 3 months after the Department of Defense took the position against the export of transfer machine tools, I received a letter from Deputy Secretary of Defense, Roswell L. Gilpatric, advising that the prior objections of the Department of the export of this type machine tools had been withdrawn. The letter was completely unsolicited. It came as a surprise. In view of its message, it also came as a shock.

I immediately questioned the Department of Defense as to what additional information it had secured on which its reversal of policy was based and as to what consideration was given to such matters as the fact that faster deliveries of such machines are possible from U.S. sources. The reply presented absolutely nothing to indicate that this was anything but a policy decision. Certainly it was not based on any new or additional facts.

Significantly, though the reply indicated that opinion generally is that earlier delivery would be possible from U.S. sources for such machines, no weight was given this fact. In a race for time against the Soviets, is not any time advantage important, whether it is a matter of a few weeks or months, a year, or whatever length of time it may be?

What actually caused the change in the position of the Department of Defense I do not know. Its significance, however, is that it could mean giving the green light to a type of export which only a few months ago the Defense Department itself stated would be contrary to our national security.

To my knowledge no export licenses have subsequently been issued as a result of this withdrawal of objections by the Department of Defense but I am also given to understand that various license applications to ship such machine tools are at present pending before the Department of Commerce. A machine tool trade journal recently predicted that a license for such export would be granted. Other speculations have been that renewed efforts would be made to secure approval of this license, and others, after the adjournment of Congress.

In 1958, after an initial rejection, the Department of Commerce granted an export license authorizing the sale of tiremaking know-how which was to be used by a British combine to build a large tire-producing factory in the U.S.S.R. At that time the largest tire factory in the U.S.S.R. was a former U.S. plant that had been shipped lock, stock, and barrel to the U.S.S.R. under the lend-lease program. I discussed this matter in a statement to the House which appeared in the CONGRESSIONAL RECORD June 16, 1958, in connection with legislation to extend the Export Control Act.

As it turned out, the American technical data were not used. Because of the delays encountered, the British combine engaged a British firm for this purpose. Interestingly enough, however, the export license to the American firm was granted well after the contract for the technical know-how had been let to the British firm. About the only conclusion that could be drawn from this license approval under those circumstances was that the firm wishing to sell the information, knowing full well that the contract had already been let, nevertheless pressed for a decision in the hope of setting a precedent for future sales. Of course it is important to remember that the actual decision was made by the Department of Commerce.

Efforts of this nature—toward opening the door, establishing precedents—for increased trade in technical items with the Soviets seems to have been the pattern over the years.

Another example of a recent licensing action of concern was the license issued by the Department of Commerce for the shipment to the U.S.S.R. of 45 precision ball bearing manufacturing grinding machines. The license for these machines had been granted in 1960, suspended early in January and was revalidated in February of this year.

The precision grinding machines, the most advanced in the world, are used in the manufacture of missile guidance systems, aircraft gyros, and so forth. The license was validated over the objection of the Department of Defense which objected on the grounds that the equipment could have only military use. Only after urgent congressional and public demands were these licenses canceled early in March.

Recently, in June, the Department of Commerce announced the easing of its ban concerning the Department's export licensing policy with respect to exports to the U.S.S.R. and European Soviet bloc countries of subsidized surplus agricultural commodities.

Under this policy revision such commodities as feed grains, wheat and wheat flour, cotton and cotton textiles, rice, and nonfat dry milk are to be allowed to be exported to Soviet bloc countries subsidized in part by the U.S. taxpayers.

This action came at a time when there were widespread reports of food shortages in the Soviet Union and its satellite countries. A day before Premier Khrushchev indicated that because of food shortages horsemeat had become a near-staple food. The House recently included an expression against such surplus sales in the omnibus farm bill.

Export licenses have been granted in recent weeks authorizing shipment of large amounts of scrap metal to Yugoslavia. On one recent date, July 12, licenses were granted for the shipment of $639,000 in iron and steel scrap, $417,620 in steel scrap, and $77,019 in electrolytic copper to Yugoslavia.

Ironically, on the very next day a joint communique was issued in Moscow, following discussions between spokesmen for the U.S.S.R. and Yugoslavia express-

ing satisfaction that relations between the two countries "are developing normally and that positions are similar or coincide on the major international questions."

On August 4, another $639,000 shipment of scrap metal to Yugoslavia was authorized by a license granted by the Department of Commerce.

On August 16, a license was approved authorizing the shipment of $254,412 in copper scrap to Yugoslavia.

On August 28, a license was approved authorizing shipment of $732,000 in iron and steel scrap to Yugoslavia.

On August 7, an export license was granted authorizing shipment of $2.5 million in railroad equipment to Bulgaria. In response to my request for the comment of the Department of Defense concerning whether such shipment would contribute to the economic and military potential of Bulgaria as a Soviet bloc country, the Department said, in part:

> Undoubtedly in the long range this modernization would improve the movement of men and material and to this extent would add to military mobility. However, it cannot be said at this time that such would present a significant security risk to the United States.

I do not see how such an export could help but contribute to the Soviet bloc military and economic potential. The decision in my view is another example of fuzzy-minded indecisiveness which has characterized so much of the trade control program.

In order to evaluate the nature of the problem involved in trade control, and to emphasize the pressing need for a special committee to investigate the many complex problems that must be taken into account concerning trade, it is necessary to look at our export control laws and consider how the trade control program operates.

Our present domestic export control program was established by the Export Control Act of 1949 which is administered by the Department of Commerce. There are basically two types of control. One is for short supply items and the other for security control items.

Our security controls contain an embargo on exports to Red China, North Vietnam, North Korea, and broad controls to the U.S.S.R. and Soviet bloc countries. Controls to free world countries involve controls over selected items, and are aimed mainly at preventing transshipment to Soviet bloc countries and to prevent frustration of our controls on shipments to the bloc.

Under the act, all commercial exports from the United States, its territories and possessions, except for Canada, are prohibited unless the Department has issued a validated license or has established a general license permitting shipments.

A general license is a broad authorization permitting exports of certain commodities without requiring the filing of an application by the exporter.

A validated license is a document issued by the Department to an exporter authorizing the export of commodities within the limitations of the document. It is issued pursuant to application submitted by the exporter.

The positive list of controlled commodities is a list of those items controlled for security or short supply reasons. All positive list commodities and most nonpositive list goods require a validated license for shipment to the U.S.S.R. and other Sino-Soviet bloc destinations.

Our export control program is in turn closely related to the international effort to control trade with the Soviet-Sino bloc.

Over the course of 1948, 1949, and 1950 negotiations were held for the purpose of formulating a multilateral approach to the problem of controlling, for security reasons, the flow of goods to the Sino-Soviet bloc. These negotiations resulted in the forming of what is known as the consultative group, which includes all NATO nations except Iceland. Its membership includes Belgium, Canada, Denmark, West Germany, France, Greece, Italy, Japan, Luxembourg, the Netherlands, Norway, Portugal, Turkey, United Kingdom, and the United States. The major working committee under the Consultative Group is known as the Coordinating Committee, or COCOM, which began functioning in January 1950.

The basic purpose for creating the Consultative Group was to coordinate the strategic trade control of its 15 members and provide a forum for discussions and negotiations relating to this matter.

International lists of strategic commodities have been drawn up on the basis of the COCOM discussions and contain items to be controlled in trade with the bloc.

The international lists were created to establish minimum controls which each participating nation agreed to impose. The actual trade controls are imposed by the individual nations themselves. Basically the controls on exports from the United States are embodied in our Export Control Act.

Significantly, the international lists have undergone several extensive revisions, in 1954 and in 1958–59, which have had the effect of easing considerably the earlier more stringent controls on trade with the Communists in strategic goods.

There is another important factor to consider in regard to international control of trade. Shortly after the formulation of COCOM, Congress enacted the Mutual Defense Assistance Control Act of 1951, the so-called Battle Act, under which it is declared to be the policy of the United States to place an embargo on the shipment to any nation threatening the security of the United States, including the U.S.S.R. and all countries under its domination, of arms, ammunition, implements of war, atomic energy materials, petroleum, transportation materials of strategic value and items of primary strategic significance used in the production of arms, ammunition, and implements of war. It was further declared to be the policy that no military, economic, or financial assistance would be supplied by the United States to any nation unless it applies such an embargo.

The Battle Act provides that upon the recommendation of the administrator of the act, all military, economic and financial assistance to any nation shall be terminated if it knowingly permits shipment to any nation or combination of nations threatening the security of the United States of arms, ammunition, implements of war, atomic energy materials, petroleum, transportation materials of strategic value and items of primary strategic significance used in the production of arms, ammunition and implements of war.

The act, however, provides that in the case of a country which permits shipments of items of primary strategic significance other than arms, ammunition, implements of war, and atomic energy materials, the President may direct the continuance of assistance to such a country when, as provided by the Battle Act, unusual circumstances indicate ceasing aid would be detrimental to our security. Presidential determinations waiving the requirement that aid be ceased have been made on numerous occasions.

The Battle Act also declares it to be the policy of the United States to regulate the export of other strategic materials not specifically referred to in the act to countries threatening the security of the United States and provides that the United States undertake to negotiate with countries receiving U.S. military, economic, or financial assistance. The act stipulates that such assistance shall be terminated if the recipient country is not cooperating with the United States in controlling such other exports.

Pursuant to the Battle Act, the United States has drawn up and has maintained the so-called Battle Act lists.

The foregoing are the laws and programs which provide the basic framework for the formulation of our trade policies.

In actual practice, U.S. trade policies appear to be arrived at approximately as follows: Basic discussions on trade control take place in COCOM, the working committee of the consultative group. U.S. participation in the COCOM discussions is under the general direction of the Department of State. After the decisions are made there, the international trade control lists are drawn up to establish the minimum restrictions member nations are to impose on trade with the Soviet bloc. Then our own Battle Act lists are revised to conform basically with the COCOM international lists. Then the export control policies under our Export Control Act are formulated, or revised, to conform generally with the Battle Act lists.

To a considerable degree, therefore, as our laws bearing on export control are administered, our domestic export control policies are based not on what we ourselves may consider to be advisable or inadvisable trade, but hinge to a large degree on what sort of general agreements can be reached in conjunction with the various nations in the COCOM discussions.

The information I have presented gives only the briefest of facts concerning the complex trade control machinery that exists and the methods employed in formulating trade policies. However, even such a brief discussion of

the matter immediately brings to mind many things that require looking into by the select committee.

Many of you have heard arguments presented that it would not result in a net loss to the Soviets if a U.S. firm is denied a license to ship, for example, precision machinery to the Soviets since the Soviets would only acquire similar equipment from European sources.

With regard to that type of claim, initially one of the items the select committee would take a sharp look into would be the methods employed by our Government in obtaining information as to the availability of strategic materials and goods from other Western nations. Certainly we cannot proceed under hazy, fragmented information and facts as to what goods may be available for export from other countries and how such goods compare with U.S. products, not only as to the quality and design of the products, but also such factors as delivery schedules, and so on. Decisions along these lines must be based on complete, accurate facts and I am not convinced this has always been the case.

There is another important matter to consider in regard to any claim that items may be available from Europe and therefore it would do no good to deny export licenses to American firms. Even assuming that some particular items are available from Europe, in many cases the fact that they are not prohibited from shipment to the Soviet bloc—in other words, why certain goods may not be under embargo to the Soviet bloc—stems directly from the fact that a general relaxation of restrictions has been agreed to in the COCOM discussions in which the United States has participated.

In my view it is imperative that we at the highest levels possible in our trade discussions with other Western nations strive to achieve meaningful recognition of the nature of the Communist menace and the dangers inherent in, through trade, helping to build up its military and economic potential.

The situation confronting us today with regard to the Soviet trade drive is, I believe, aptly described in Mr. George F. Kennan's recent book, "Russia and the West."

In discussing the things the Soviets sought from the West, he said:

> If we were to attempt to combine in one formula the various elements of this demand, putting them, that is, together into a single imaginary statement of the Soviet leaders to the Western governments, it would run something like this. The Soviet leaders would say:
>
> "We despise you. We consider that you should be swept from the earth as governments and physically destroyed as individuals. We reserve the right, in our private if not in our official capacities, to do what we can to bring this about: to revile you publicly, to do everything within our power to detach your own people from their loyalty to you and their confidence in you, to subvert your Armed Forces, and to work for your downfall in favor of a Communist dictatorship. But since we are not strong enough to destroy you today—since an interval must unfortunately elapse before we can give you the coup de grace—we want you during this interval to trade with us; we want you to finance us; we want you to give us the advantages of full-fledged diplomatic recognition, just as you accord these advantages to one another.
>
> "An outrageous demand? Perhaps. But you will accept it nevertheless. You will accept it because you are not free agents, because you are slaves to your own capitalistic appetites, because when profit is involved, you have no pride, no principles, no honor. In the blindness that characterizes declining and perishing classes, you will wink at our efforts to destroy you, you will compete with one another for our favor. Driven by this competition, which you cannot escape, you will do what we want you to do until such time as we are ready to make an end of you. It is, in fact, you who will, through your own cupidity, give us the means wherewith to destroy you."

Do you know what time of history Mr. Kennan was referring to in presenting his views as to the essence of Soviet requests and their significance? The year was 1921, and it was a description of Lenin's approach to the Western countries.

How little things have changed. Take out a topical reference or so, such as the reference to diplomatic recognition, and the statement would, I believe, completely fit the situation today.

How do we go about convincing other Western nations concerning the dangers of such trade? There obviously should be various avenues. Significantly enough, one means at our disposal at the present time appears not to have been used to the fullest extent possible.

It will be recalled that the Battle Act establishes a policy of embargo on armament and strategic goods going to the U.S.S.R. and its satellites and requires the United States to cease giving aid to other countries who do not abide by such a policy. It seems likely, however, that this act is not being administered in such a manner as to realize for the United States its full potential toward controlling strategic trade with the U.S.S.R. and satellite nations.

Actually, the Battle Act lists are not drawn up on the basis of an ability to establish firm trade control policies which one would believe the provisions of the Battle Act should allow us to do. They are drawn up instead really on the basis of the results reached in the COCOM discussions.

The significance of all this is that the international trade control policies are established pursuant to what is said to be the efforts of a voluntary group—COCOM. And the argument is that since, after all, COCOM is just a voluntary group, we can expect no more than can be achieved on the basis of mutual agreement. But at the same time, we have unused in our hip pocket, so to speak, the Battle Act which contains teeth and which could be employed to formulate firmer international trade control policies.

Besides this, it appears that our ability to achieve meaningful COCOM trade controls has on occasion been weakened on the basis of questionable administrative decisions and policies. As an example, the 1956 report on East-West trade by the Senate Permanent Subcommittee on Investigations, Senate Report 2621, 84th Congress, 2d session, states that prior to the time we entered into active COCOM negotiations in 1954, downgrading and decontrol of approximately 150 items were recommended by personnel in our own Government agencies. This action was taken contrary to the advice of the experts and technicians of the Defense Department and in cases against the advice of experts in their own agencies. And, of course, after that the COCOM discussions themselves resulted in additional significant liberalizations of the COCOM lists.

The select committee must also assess in the best way possible the status and capabilities of all segments of Soviet and Soviet bloc industry and in so doing look into the means presently employed to make such assessments. There appears to be much conflicting information and scare talk about their industrial potential. Many, apparently basing their conclusions on questionable data as to Soviet production or on the basis of a quick visit to several Soviet showplace factories, seem to feel that they are producing in abundance and there is no reason to withhold exports from them.

This comment, and my previous remarks on this subject, are not to downgrade Soviet potential or to minimize the danger that can be brought about to the free world by the military-economic-political entity represented by the U.S.S.R. and its satellite puppets. But it seems clear that we must base our trade policies on accurate assessments of Soviet weaknesses and strength. To overestimate their abilities and accomplishments could be as potentially dangerous as to underestimate their potential.

As a related matter, the select committee must take a serious look at the implications of Soviet economic warfare for this also poses a serious threat. Trade to the Soviets is a far different thing than an exchange of goods as we know it. The end goal of their trade is its benefits to the Communist state.

Obviously if prices can be rigged at any level, such as is possible in a Government-regulated economy in Communist nations, much economic chaos in markets can be created. Soviet dumping of oil at present is creating a serious problem. Reports are that Soviet satellites are being forced to pay more for oil to enable the U.S.S.R. to dump oil at low prices elsewhere.

In recent years the Soviets have dumped such items as aluminum, tin, zinc, platinum, and other metals at below cost to depress prices and disrupt markets. Two years ago, in 1959, we witnessed a brazen propaganda attempt by the Soviets by dumping school laboratory equipment on our market at one-fifth of the prevailing prices for comparable U.S.-made items. The Soviet Union has attempted on occasion to buy up, for example, Iceland's fish and Sudan cotton at uneconomical prices for political objectives.

Transshipment is another matter that needs to be looked into thoroughly by the select committee, to determine whether we have adequate transshipment controls, and whether they are being properly administered. Various expressions of concern have come to my attention that large amounts of strategic

goods and materials are being transshipped to the Soviet bloc contrary to the interest of our laws and policies with only token effort on our part to enforce transshipment prohibitions.

Are our export control programs and activities adequately and properly staffed? This is highly significant, for obviously staff work is very important in matters such as trade control which involves technical and policy considerations.

Major attention must be centered on our export trade control laws. We must determine whether these laws establish a workable trade control policy, which is adequate for the protection of our security. We must determine what revisions or modifications of our trade control laws are necessary.

The foregoing are some of the many pressing problems presented in connection with our export control efforts. In my view it is imperative that these and related matters be looked into by Congress as proposed by House Resolution 403, and I urge the House to approve this resolution.

Mr. BROWN. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Speaker, this resolution, in my opinion, should be adopted unanimously by the House today. Certainly we should not let this matter go over until next Wednesday. I think that this problem is so urgent that it should be taken up forthwith.

It seems perfectly ridiculous in this cold war period that we should be trading with Communist nations whose announced purpose is to bury us. To point up what I mean and to show how ridiculous we must seem to the people of the free world, I have before me a copy of the Evening Star of June 24 last, which carries these headlines: "Khrushchev Promises Red Boom." Let me point out a paragraph found in this article quoting Mr. Khrushchev:

> The massive developments, he said, would be outlined in drafts of a new program and new rules of the Soviet Communist Party to be published soon wherein horsemeat and American corn might figure in new food production plans.

In the very next sentence Khrushchev emphasized Russia's rapid economic development which was to his thinking Russia's most formidable weapon for winning capitalist countries over to communism. The question in everyone's mind is, Shall we help him obtain his objective?

Certainly we should not be trading with the Soviet Union or East Germany, Bulgaria, Czechoslovakia, or these other Communist countries under present conditions.

After this House adopted my amendment to the farm bill and it was signed into law, we find the Commerce Department granting licenses to export farm products to East Germany, Hungary, and Czechoslovakia in the amount of $1,193,427. As soon as I heard that such licenses had been issued I called the Secretary of Commerce and asked for an explanation. The explanation I received after he had checked into the matter was that these commodities were not subsidized. This clearly indicates that the bureaucrat downtown charged with the responsibility of granting these export licenses did not read all of the amendment that was written into the bill by this Congress.

Had he taken the time to have read this amendment he would have found that it is our policy to expand our agricultural trade with "friendly nations." Certainly East Germany, Hungary, and Czechoslovakia are not friendly nations.

On August 18, if you please, we sent to Cuba $205,000 worth of small red beans, which is a lot of beans. I checked into the reason they wanted so many red beans, and I found out that red beans is a main dish in the Cuban diet. Seven days later, on August 25, $184,000 worth of red beans were sent to Cuba. Certainly, we cannot consider Cuba a friendly nation.

Mr. Speaker, I realize that the Secretary of Commerce cannot keep his finger on what goes on day after day in his Department, but this Congress must find out what is going on with respect to the issuance of these licenses. We cannot permit this trading with the enemy to continue. I urge the adoption of this resolution.

Mr. BROWN. Mr. Speaker, I yield 3 minutes to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Speaker, I am in strong support of House Resolution 403 which as has been explained would establish a select committee of the House to investigate the Export Control Act of 1949.

I have felt for quite some time that the Members of Congress and the American people should have full information as to the U.S. policy covering exports to countries under the Communist form of government. In the interests of national security, I personally have favored cutting off all trade with enemy nations and to that end introduced H.R. 8547. However, as a first step, I believe it desirable and indeed necessary to determine the facts as provided in this resolution.

I cannot understand why, for example, on June 22, 1961, the Department of Commerce authorized American firms to apply for and receive export licenses to sell and ship surplus Government subsidized farm products to Soviet Russia and the Communist satellite nations of Eastern Europe.

It is all right to say Congress can trust the President, and leave export policy to him as he is responsible for foreign policy. Of course the answer to that is that a President must delegate, and it appears the policy covering exports to Communist nations is not a matter of top-level decision. Somewhere in the State Department and other departments there are those who support active trading with the very nations whose leaders are bent on our destruction. This cannot be left to the President. Congress has a responsibility.

Every day export licenses are being issued for items which seem to be of military significance. I think Congress should investigate. It seems that if a machine or commodity is available and could be purchased by the Communists in any other free world country, then under our policy permission is given for its export.

I have protested that this policy is wrong. Mr. Khrushchev says he will bury us. From looking over the list of items on which export licenses are granted, I would say the United States is proceeding to help him bury us. For example, we cannot defeat the international Communist conspiracy by sending scrap iron to Czechoslovakia. And I am curious also as to the details concerning the technical data which I notice is frequently allowed to be shipped behind the Iron Curtain. Congress must look into this. Passage of House Resolution 403 would open the way for obtaining the facts.

Mr. Speaker, on a number of occasions, I have spoken in the well of this House with regard to shipments of strategic materials to the Communists. As a result, mail from all over the country has come to me, and I can say the American people overwhelmingly oppose trade and aid to the Communists. I can tell you the American people are indignant. They are against business as usual and want to know about our policy. I think they are entitled to full information, and I urge passage of this resolution to provide the answers. Moreover, I hope we can have a record vote, for our constituents are entitled to know how their Representatives stand on this matter so vital to the preservation and security of our country.

Mr. BROWN. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. KYL].

Mr. KYL. Mr. Speaker, I ask unanimous consent to proceed out of order, to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. KYL. Mr. Speaker, I take this time to read excerpts from a speech made by the President of the United States to the graduating class of the U.S. Naval Academy on June 7 of this year. This was a fine speech, and I concur with the sentiments expressed. I say this sincerely, and absolutely without irony.

The excerpts are read with reference to statements made before a committee of the other body yesterday on the subject of political activity of military personnel. The entire speech will be a matter of record.

These are the President's words to the midshipmen:

TEXT OF THE PRESIDENT'S REMARKS TO THE GRADUATING CLASS AT THE U.S. NAVAL ACADEMY, ANNAPOLIS, MD., JUNE 7, 1961

Admiral, Mr. Secretary, members of the Joint Chiefs of Staff, members of the faculty, members of the graduating classes and their families: I am proud as a citizen of the United States to come to this institution and this room where there is concentrated so many men who have committed themselves to the defense of the United States. I am honored to be here.

In the past I have had some slight contact with this service, although I never did reach the state of professional and physical perfection where I could hope that anyone would ever mistake me for an Annapolis graduate. I know that you are constantly warned during your days here not to mix, in your naval career, in politics. I should point out, however, on the other side, that my rather rapid rise from a Reserve lieutenant, of uncertain standing, to Commander in Chief, has been because I did not follow that very good advice.

I trust, however, that those of you who are Regulars will, for a moment, grant a retired civilian officer some measure of fellowship.

Nearly a half century ago, President Woodrow Wilson came here to Annapolis on a similar mission, and addressed the class of 1914. On that day, the graduating class numbered 154 men. There has been, since that time, a revolution in the size of our Military Establishment, and that revolution has been reflected in the revolution in the world around us.

When Wilson addressed the class in 1914, the Victorian structure of power was still intact, the world was dominated by Europe, and Europe itself was the scene of an uneasy balance of power between dominating figures and America was a spectator on a remote sideline.

The autumn after Wilson came to Annapolis, the Victorian world began to fall to pieces, and our world one-half a century later is vastly different. Today we are witnesses to the most extraordinary revolution, nearly, in the history of the world, as the emerging nations of Latin America, Africa, and Asia awaken from long centuries of paupery and impatience.

Today the Victorian certitudes which were taken to be so much a part of man's natural existence are under siege by a faith committed to the destruction of liberal civilization, and today the United States is no longer the spectator, but the leader.

That half-century, therefore, has not only revolutionized the size of our military establishment, it has brought about also a more striking revolution in the things that the Nation expects from the men in our service.

Fifty years ago the graduates of the Naval Academy were expected to be seamen and leaders of men. They were reminded of the saying of John Paul Jones, "Give me a fair ship that I might go into harm's way."

When Captain Mahan began to write in the 1890's on the general issues of war and peace and naval strategy, the Navy quickly shipped him to sea duty. Today we expect all of you—in fact, you must, of necessity—to be prepared not only to handle a ship in a storm or a landing party on a beach, but to make great determinations which affect the survival of this country.

The revolution in the technology of war makes it necessary in order that you, when you hold positions of command, may make an educated judgment between various techniques, that you also be a scientist and an engineer and a physicist, and your responsibilities go far beyond the classic problems of tactics and strategy.

In years to come, some of you will serve as your commandant did last year, as an adviser to foreign governments; some will negotiate as Admiral Burke did, in Korea, with other governments on behalf of the United States; some will go to the far reaches of space and some will go to the bottom of the ocean. Many of you from one time or another, in the positions of command, or as members of staff, will participate in great decisions which go far beyond the narrow reaches of professional competence.

You gentlemen, therefore, have a most important responsibility, to recognize that your education is just beginning, and to be prepared, in the most difficult period in the life of our country, to play the role that the country hopes and needs and expects from you. You must understand not only this country but other countries. You must know something about strategy and tactics and logistics, but also economics and politics and diplomacy and history. You must know everything you can know about military power, and you must also understand the limits of military power. You must understand that few of the important problems of our time have, in the final analysis, been finally solved by military power alone. When I say that officers today must go far beyond the official curriculum, I say it not because I do not believe in the traditional relationship between the civilian and the military, but you must be more than the servants of national policy. You must be prepared to play a constructive role in the development of national policy, a policy which protects our interests and our security and the peace of the world. Woodrow Wilson reminded your predecessors that you were not serving a government or an administration, but a people. In serving the American people, you represent the American people and the best of the ideals of this free society. Your posture and your performance will provide many people far beyond our shores, who know very little of our country, the only evidence they will ever see as to whether America is truly dedicated to the cause of justice and freedom.

In my inaugural address, I said that each citizen should be concerned not with what his country can do for him, but what he can do for his country. What you have chosen to do for your country, by devoting your life to the service of our country, is the greatest contribution that any man could make. It is easy for you, in a moment of exhilaration today, to say that you freely and gladly dedicate your life to the United States. But the life of service is a contest of your will.

It will be hard at times to face the personal sacrifice and the family inconvenience, to maintain this high resolve, to place the needs of your country above all else. When there is a visible enemy to fight, the tide of patriotism in this country runs strong. But when there is a long, slow struggle, with no immediate visible foe, when you watch your contemporaries indulging the urge for material gain and comfort and personal advancement, your choice will seem hard, and you will recall, I am sure, the lines found in an old sentry box at Gibraltar, "God and the soldier all men adore in time of trouble and no more, for when war is over, and all things righted, God is neglected and the old soldier slighted."

Never forget, however, that the battle for freedom takes many forms. To those who through vigilance and firmness and devotion are the great servants of this country, and let us have no doubt that the United States needs your devoted assistance today.

The answer to those who challenge us so severely in so many parts of the globe lies in our willingness to freely commit ourselves to the maintenance of our country and the things for which it stands.

This ceremony today represents the kind of commitment which you are willing to make. For that reason, I am proud to be here. This Nation salutes you as you commence your service to our country in the hazardous days ahead. And on behalf of all of them, I congratulate you and thank you.

Mr. BROWN. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I ask unanimous consent to proceed out of order and revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, I wholeheartedly support this resolution pending before the House.

Mr. Speaker, how often are we told by foreign governments not to meddle in their affairs?

"Just give us your money," we are told, "but don't tell us how to spend it."

However, these same foreign nations never hesitate to tell us how to conduct our own affairs. A case in point is the declaration of 25 or 30 so-called nonalined nations, issued in Communist-controlled Belgrade, Yugoslavia, about the same time this House was approving more billions of dollars for the foreign giveaway extravaganza.

Among other things, the declaration stated that the U.S. Navy base at Guantanamo Bay, Cuba, "affects the sovereignty and integrity of Cuba." In other words, what these supposedly neutral nations are telling us is to get out.

I have no doubt that many of these same nations, Communist, neutral or what have you, will be standing in line at the foreign handout window once Congress gives final approval to this year's foreign giveaway appropriation bill.

And with our cash in hand, I have no doubt that they will rush out to issue more declarations denouncing the United States while carefully avoiding any criticism of the Soviet Union.

Are these the uncommitted nations we are counting on to be on the "side of the free," as the gentleman from Massachusetts [Mr. CONTE] claims they will be when the chips are down?

Mr. BROWN. Mr. Speaker, I yield the balance of my time to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Speaker, I ask unanimous consent to speak out of order, to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. LAIRD. Mr. Speaker, I rise in support of the Kitchin-Lipscomb resolution, and hope that it will be enacted today.

Mr. Speaker, within the past week the State Department has circulated a pamphlet, entitled "Background Berlin—1961," throughout the United States. This pamphlet contains deliberate misrepresentation of the background on the Berlin situation.

The most glaring example of complete fabrication of the facts is contained on page 5 of the pamphlet and I quote:

> The Western armies could have captured Berlin or at least joined in capturing it. But the supreme allied commander, General Eisenhower, believed that they could be more usefully employed against the major German forces elsewhere. As a result the Soviets captured Berlin, but when Germany surrendered, the Western armies held much more, and the Soviets much less, than the areas assigned to them by the four-power occupation agreement of September 1944.

Mr. Speaker, the records existing in the State Department and in the Department of Defense completely disprove this statement. The decision on not sending American forces into Berlin was made at the highest level and not by the commander in the field. All the State Department has to do is to consult its own records and the records in the Department of Defense. I deplore the attempt of the State Department to play politics over the Berlin situation. I realize that it is most difficult for the State Department to explain how we ever got into the present kind of arrangement with the British, French, and Russians on Berlin immediately after World War II. If it is the desire of the State Department to open up this question to public debate, I am sure that Secretary Rusk and his political party will come out second best. I hope that the Secretary of State does not wish to open up such a public debate at this time. This debate, although it would help my political party, would not be helpful to the country. In order to avoid a public debate on this issue, I have requested the Secretary of State to withdraw this pamphlet from circulation immediately so that the fabrication concerning former President Eisenhower can be immediately corrected.

Mr. Speaker, I have sent the following wire to Dean Rusk today:

Hon. DEAN RUSK,
Secretary of State,
Department of State,
Washington, D.C.

In your recently issued brochure, entitled "Background Berlin—1961," I direct your attention to the first three sentences on page 5 under the heading, "Early Communist Maneuvers." This statement, placing the responsibility on General Eisenhower for not employing U.S. forces in capturing Berlin, is a complete and deliberate misrepresentation of the facts. Material presently available to you and the State Department and also in the Department of Defense completely disproves this statement. A public debate over this issue at this time will not serve the best interests of our country. I respectfully request that your pamphlet, "Background Berlin—1961," be immediately withdrawn from circulation until this flagrant fabrication has been corrected.

Sincerely,

MELVIN R. LAIRD,
Member of Congress.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. LAIRD. I am glad to yield to the gentleman from Ohio, the ranking member of the State Department Appropriation Subcommittee.

Mr. BOW. Mr. Speaker, I am amazed at what the gentleman has brought to the attention of the House today. I might say to him that we are going to conference on the State, Justice, and judiciary appropriation bill on Monday. Prior to that time it is my intention to find out how much money has been spent by the Department of State in the printing and circulation of the material to which the gentleman has referred.

Mr. LAIRD. I thank the gentleman from Ohio.

Mr. DEROUNIAN. Mr. Speaker, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from New York.

Mr. DEROUNIAN. Mr. Speaker, I want to compliment the gentleman on his astuteness and alertness in bringing these facts to the American people. We have heard a lot of derision of Madison Avenue in the previous administration. Here they are out-Madison Avenueing Madison Avenue. It is about time the truth were told. Would not the gentleman agree that in our history, whenever we have had a military debacle it is because the field commanders have been told what to do by people higher up? That is what happened in Korea and that is what happened in Berlin.

Mr. LAIRD. Mr. Speaker, I do feel that it is in the best interest of our Nation for the Department of State not to open up this matter at this time for public debate. I hope they will immediately admit their error and withdraw this pamphlet so the misstatement of fact appearing on page 5 can be immediately corrected.

Mr. DEROUNIAN. Mr. Speaker, I commend the gentleman for his great contribution to the American people.

Mr. BROWN. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. DEVINE].

Mr. DEVINE. Mr. Speaker, I should like to speak for a few moments in support of this resolution pending before the House. There has not been much explanation of the resolution; however, I understand the gentleman from North Carolina will explain it more in detail.

I was one of five or six Members from Ohio that introduced similar resolutions, and my bill, H.R. 8262, has the same thing in mind. The people of Ohio are concerned with what they call trading with the enemy. Why should we be sending food or anything else to Communist countries when we know they are sworn enemies dedicated to the overthrow of this country by force and violence?

About 20 Members from both sides of the aisle had a bipartisan meeting with the Secretary of Commerce and the Secretary of State just outside the House Chamber, about 2 weeks ago. We questioned them in detail on why these export licenses were granted. I must say the explanations offered were wholly unsatisfactory.

I would urge the House to adopt unanimously the resolution before the House.

Mr. COLMER. Mr. Speaker, I yield the remainder of the time to the distinguished gentleman from North Carolina [Mr. KITCHIN], one of the able Members of the House and the author of this resolution.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. KITCHIN. I yield to the gentleman from Florida.

Mr. HALEY. I want to thank the gentleman for bringing this resolution to the attention of the House. I think he has done a fine job. I believe this is a resolution that is long overdue. I support it wholeheartedly, and hope it passes the House by a unanimous vote.

Mr. KITCHIN. I thank the gentleman.

Mr. Speaker, the resolution we have before us has been explained in detail, except that there were certain inquiries by the gentleman from West Virginia in regard to the content of the resolution. I should like to clarify, if the gentleman from West Virginia would restate his question. I might say to the gentleman that if I have anything to do with the committee to be appointed under the resolution, there will be no inquiries with reference to the Trade Agreements Act.

Mr. BAILEY. I want the gentleman to clarify, and I am sure he will be able to do so, whether there is going to be any conflict with a subcommittee set up in the Committee on Education and Labor which is presently studying the effect on employment in this country of exports and imports under our international trade agreements. In other words, can the gentleman tell us whether this is aimed at something altogether different from what that subcommittee is doing?

Mr. KITCHIN. I can answer the gentleman categorically "No, it will not conflict with that subcommittee." The purpose of this committee, if I have anything to do with it, will be to deal only with the security of the United States of America. We do not intend to get into the economic and social aspects of the trade agreements or trade between nation and nation, either with this country or nations we are dealing with in their trade with other countries, except as it pertains to the security of the United States of America. That is what this investigation is pointed directly at and will be confined to.

Mr. BAILEY. That would in a way affect the question of strategic exports and imports.

Mr. KITCHIN. If it got to the strategic imports into the United States I do not know how that would affect it, but if it did affect the security of the United States it would be studied and embraced in the report filed after the study is made.

Mr. BAILEY. I thank the gentleman.

Mr. KITCHIN. I might also add that there is a reference on page 3 of the resolution, and I quote: "and other discussions or agreements entered into by the United States—such as the coordinating committee (COCOM) discussions and agreements—which affect or relate to the control of trade between the United States and foreign countries."

There again the inquiry will be confined to administrative matters affecting security, the interpretation as to what is a strategic material, how closely related with war materials that particular element might be. It will have nothing to do with going into economics or stepping on the toes of any other committee inquiring into trade agreements or the extension of tariff agreements or anything of that nature.

Mr. BAILEY. Again I thank the gentleman from North Carolina.

Mr. KITCHIN. Much has been said with reference to the necessity for the passage of House Resolution 403. I take no sole ownership in the authorship of this resolution. I have been in collaboration with my good friends on both

sides of the aisle in an effort to get together a committee study for the purpose of having someway to clarify a misinterpretation or possibly an inaccurate representation as to what is going on about allowing licenses to exporters in this country to deal with Communist countries in the so-called unfree world. Illustrations have been cited here and very ably so as to what has been transpiring in the past with reference to some of the things we certainly do not understand.

I want to make reference to the so-called Battle Act, if I may be allowed a moment to do so to point out the provisions of the Battle Act for those who are not too familiar with it.

The first paragraph of the Battle Act, after going into the sense of the Congress, says it declares it to be "the purpose of the United States to apply an embargo on shipment of arms, ammunition and implements of war, atomic energy materials, petroleum, transportation materials of strategic value * * *" and that goes right straight to the point the gentleman made who preceded me with reference to the shipping of locomotives to Bulgaria and the subsequent answer from the Department of Defense that in the long run that would certainly enhance the war effort of Bulgaria. But to continue, the Battle Act says, "and items of primary strategic significant use in the production of arms, ammunition, and implements of war to any nation or combination of nations threatening the security of the United States including the Union of Soviet Socialist Republics and all countries under its domination." Nothing could be clearer than the statement contained in the Battle Act with reference to what constitutes that type of material.

Yet, we have heard pointed out on the floor today that we are shipping ball bearings and ball bearing machinery to the Soviet Union and shipping synthetic rubber to the extent of millions of dollars worth to the Soviet Union. No one can be so naive as to think that ball bearings and machine tools that bore automatically many cylinders to put in V–8 engines to be used in automotive equipment and synthetic rubber are not going to enhance the war effort of the Soviet Union. We are allowing to be shipped aircraft ground and maintenance equipment and electronic equipment to Czechoslovakia. We had two boatloads of scrap iron departing from New Orleans and Houston last week carrying several hundred thousand dollars worth of scrap iron to Yugoslavia.

If I had the time, I would make references to the fact that some exporters in this country have been denied licenses because it was found that shipments of materials that had been licensed had been transshipped after receipt by the countries such as Yugoslavia and Czechoslovakia into other countries definitely in the bowels of the Sino-Soviet bloc. These things happen frequently. The trading with the enemy on items that had been mentioned here today does not make sense to those of us who want to make a study of this and come up with recommendations to this Congress. Such recommendations may be a complete embargo or legislation to implement the enforcement of the Export Control Act and specifically the technical aspects of the Battle Act. We will also inquire into the interpretation of what constitutes strategic material and who, and at what departmental level policy and decisions are made.

Mr. WHITENER. Mr. Speaker, will the gentleman yield?

Mr. KITCHIN. I yield to the gentleman from North Carolina.

Mr. WHITENER. I would like at the outset to thank the gentleman, my colleague from North Carolina, for his outstanding work in bringing this resolution to the front for the consideration of the House of Representatives. I think that is characteristic of the diligence of the gentleman in preserving our Nation and in preserving those things we know to be worthy of preservation.

I am wondering, however, on reading the resolution, getting into the practical operation of the committee, where we find language on page 3 to the effect that the select committee proposed to be formed would have the right to subpena and to require the production of books, correspondence, memorandums, and so forth. What would be the source or resting place of such items that would be subpenaed? Would they be from private business organizations, the Government or what?

Mr. KITCHIN. I can only answer the gentleman by saying that this language from line 7 down through the end of the resolution is the regular form of select committee resolutions. And, if there are necessary documents, papers, books, and records to come before the committee from even private exporters under these licensing provisions, I think we would want that authority if it should become necessary.

Mr. WHITENER. I raise this question in order to express my own hope that if and when the select committee commences its deliberations, it would not be found that the executive department would use the executive privilege to prevent the committee having full access to any records on these important matters which may be now resting in the various executive departments.

Mr. KITCHIN. I will answer that by saying that the Secretary of Commerce told me personally that the records of the Department of Commerce and the Export Division of the Department of Commerce are open and available. I do not anticipate any difficulty there.

Mr. WHITENER. I am sure that those of us who know our distinguished Secretary of Commerce know that that would be typical of his reaction where the security of our Nation or any other worthwhile purpose was involved.

Mr. KITCHIN. Before I yield any more, I would like to clarify an impression that probably has been gained by some who have been thinking about this particular resolution as we have been proceeding here today.

The purpose of this resolution has been explained. I anticipate that if I have anything to do with the committee, the determination of policy in the future will be the sole concern, much more so than elaborating upon the mistakes that have been made in the past. The mistakes that have been made in the past have brought into focus this particular necessity. It cannot be overlooked. The people of this country have been told many stories, editorially and otherwise, throughout the entire breadth and width of the United States. The correction of those impressions, whether they have been erroneous or not, should be another function of this committee, to bring to the attention of the American people what is being done now, how it is anticipated that they will be corrected, and try to assist in every way we possibly can this administration and those having the awesome duty of trying to make these international decisions; in trying to come up with something that is at least rational and understandable to the people of this country of ours, and which may serve the best interest of our Nation and the security of the United States.

Mr. LIPSCOMB. Mr. Speaker, will the gentleman yield?

Mr. KITCHIN. I yield to the gentleman from California.

Mr. LIPSCOMB. I want to commend the gentleman for introducing this legislation. I feel confident, as he has stated during this debate, that if he has anything to do with the procedures which are to be followed, we are going to have a meaningful investigation of this act and that there will be recommendations to the Congress that will allow us to get legislation on the books that will be of great value for the welfare and the security of our Nation and the free world. I commend the gentleman for following through with this resolution.

Mr. KITCHIN. I thank the gentleman very much.

Mr. FLYNT. Mr. Speaker, will the gentleman yield?

Mr. KITCHIN. I yield to the gentleman from Georgia.

Mr. FLYNT. I would like to commend the gentleman from North Carolina for his diligence in bringing this resolution to the floor of the House. I would like to associate myself with the remarks that he has just made. I feel that the investigation which this resolution envisions is one which is long overdue.

The result of this investigation which will be carried on by the committee, authorized by its adoption and passage, is one that could very well determine the security of the United States of America. Again I commend the gentleman for his action in bringing this resolution to the floor of the House.

Mr. KITCHIN. I thank the gentleman very much.

Mr. DORN. Mr. Speaker, will the gentleman yield?

Mr. KITCHIN. I yield to the gentleman from South Carolina.

Mr. DORN. Mr. Speaker, I, too, would like to commend the distinguished and able gentleman from North Carolina for bringing this timely resolution to the floor of the House. I hope there will not be a single vote against it. It should be adopted.

Mr. KITCHIN. I thank the gentleman very much.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. KITCHIN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I would like to join my colleagues in commending the able gentleman from North Carolina [Mr. KITCHIN] for the authorship of H. Res. 403. I think that this is a most worthwhile undertaking, and certainly I hope that the committee will go into the entire subject matter covered by this resolution thoroughly. I think that you have some points in here on which congressional attention has long been neglected, and I think the gentleman has performed a real public service in making possible the consideration of this resolution.

Mr. KITCHIN. I thank the gentleman.

Mr. MATHIAS. Mr. Speaker, on August 30, 1961, I said in a letter to the Acting Secretary of Commerce—CONGRESSIONAL RECORD August 30, 1961, page 17633—that there seemed to be no foreign policy on the subject of the exports to Communist countries. To date I have received no reply contradicting that conclusion.

An extensive correspondence with the Department of Commerce relative to the sale of subsidized agricultural products to Russia has revealed no consistent export policy, no basic principles nor any evidence of thinking in depth which might lead to such policy or principles. Under the circumstances, I think that the study proposed by this resolution is necessary and I support it as essential in this phase of our struggle with the international Communist conspiracy.

Mr. BYRNES of Wisconsin. Mr. Speaker, it is imperative that this House pass House Resolution 403 and authorize an investigation by a committee of this House of the trade currently being carried on with Communist countries. The investigation of this matter is long overdue. As far as I am concerned, a change in policy is also long overdue, and it is my hope that an investigation of this nature will produce a change in policy. It is preposterous that our Government should continue to permit the shipment of goods and information into Communist countries which cannot help but strengthen the Communist economy and be of material aid to their military might.

I would like to compliment my colleague from California [Mr. LIPSCOMB] for the great amount of work that he has done on this subject and for his persistence in pursuing the objectives of this resolution. He deserves great credit for the fact that this resolution is before us today.

When I say that action to investigate this matter is long overdue, I call your attention to the fact that on July 18 in a formal statement of policy the House Republican policy committee called for enactment of House Resolution 170 introduced by the gentleman from California [Mr. LIPSCOMB] which resolution is similar to the resolution now before us. As part of my remarks, I include the statement of policy adopted by the House Republican policy committee on July 18.

STATEMENT OF POLICY

The House Republican Policy Committee views with extreme concern the lowering of bars on trade with Soviet Russia and other Iron Curtain countries, and urge enactment of House Resolution 170, now pending before the House Rules Committee, which would direct and authorize a full and complete study of the administration and enforcement of the Export Control Act of 1949 and its relationship to the Battle Act, and the Trading with the Enemy Act.

1. The Commerce Department earlier this year reissued an export license authorizing shipment of precision ball bearing manufacturing grinding machines to the Soviet Union. This action was reversed only after the exertion of the strongest congressional and public protest.

2. In late June the Commerce Department lowered the bars on agricultural trade with Russia and its satellite nations by authorizing sales of U.S. Government-owned farm surpluses and commodities subsidized for export. The next day, Soviet Premier Khrushchev admitted that food shortages were sweeping Russia to an extent that horse meat had become a near-staple food.

3. The Department of Defense recently reversed its firm position on sales of strategic American precision tools and automatic machinery to the Soviet Union only 90 days after the Pentagon went on record with a statement to the effect that this over $6 million worth of equipment might help the Soviets wage war.

4. Recent shipments of scrap metal from Michigan alone to Yugoslavia reached a volume of 6,250 tons in 1 week, thus helping Tito's military and economic warfare capabilities.

5. A need exists for determining which articles, supplies and technical data shall be controlled, particularly to the foreign countries comprising the Sino-Soviet bloc. It is a disturbing prospect when our administration weakens rather than strengthens the will of Congress and the security of the American people and the free world by such rash actions.

6. In this time of tension and reappraisal of our defense posture, accompanied by enormous expense to meet the Soviet threat, we must exercise extreme care to avoid helping to contribute to Soviet war capabilities. Economic gain such as might accrue from the sale of machines and agricultural commodities is of little significance when weighed against our national security. Congress must look into this matter thoroughly so that we will not aid the Soviets to achieve their goal of world domination.

Mr. RIEHLMAN. Mr. Speaker, in view of the transactions which have come to light in recent weeks revealing some startling aspects of our trade relationships with the Communist countries, I think the very least we can do is subject these relationships to a hard and serious evaluation by the Congress. I therefore urge passage of House Resolution 403.

A number of interesting transactions have been brought to light today. All bear repeating. Here are but a few:

During April, May, and June of this year American exporters obtained licenses to ship ball bearings, synthetic rubber, vehicles, and vehicle parts to Czechoslovakia; cold-rolled carbon steel sheets to East Germany; ball bearings, electric motors, vehicles and parts, tires, and power transmission devices to Rumania; and carbon black, synthetic rubber, radiation equipment, ball and roller bearings, compressors, construction equipment, electric motors, vehicle parts, piston engines, tires, trucks, electronics equipment, and carbon steel condenser tubing to the Soviet Union.

On August 3 and 4 we licensed for export to the Soviet Union machine cutting tools and parts, pipe valves, power transmission systems, ball bearings, automotive replacement parts, and electrical machinery parts; on August 7, railway transportation equipment to Bulgaria; August 8, iron and steel products to the Soviet Union; August 9, synthetic rubber to Hungary, Czechoslovakia, Rumania, Poland, and the Soviet Union. The list goes on and on.

Although exports to Communist countries have tapered off in recent days, cause for concern is still present. I feel that too much is at stake to continue to allow the present degree of flexibility in the administration of this sensitive area in our export laws. There is certainly ample room to take strong issue with the administrators of our export laws over the strategic value of most of the items that I have mentioned. The Congress needs to establish more stringent and effective guidelines for the application of security export controls. I think this resolution will do much by way of providing the necessary guidance.

Of particular importance in this resolution is the directive that the committee shall study the interrelationship between the Export Control Act, the Battle Act and the Trading With the Enemy Act. A definitive study of this interrelationship is long overdue.

As I have stated, I think it is our duty to establish this committee and go into the subject of our trade relationships with the Communist countries thoroughly. Events of recent weeks have given rise to much concern over our trade policies. The committee established by this resolution will do a great deal to alleviate that concern.

Mr. BROOMFIELD. Mr. Speaker, I rise in support of House Resolution 403 to authorize an investigation into the administration, operation, and enforcement of the Export Control Act of 1949 with special emphasis on our trade policies with the Communist bloc.

I am happy to have sponsored a similar resolution, as I am convinced that a close, careful, thorough look at the exports we have been sending behind the Iron Curtain is of great importance to us at this time.

The crux of communism might very well be termed economics. We in Congress have economic weapons short of war we can use against Khrushchev if we will but use them.

We have import and export controls, for instance. We have trade sanctions. We can persuade our friends around the world to invoke economic sanctions through our own example.

We can demonstrate firmly, decisively, and convincingly that our brave words are not just words; that our words have substance, scope, and resolution behind them. We can translate these words into policies which will hurt Russia and her satellites, just as Russia is attempting to hurt us through its barbed wire and brick blockades, its sealing off of East Berlin behind the deadly curtain

of monotony and futility, and its suicidal policy of nuclear blackmail.

So far, our Federal Government has shown a marked reluctance to employ economic sanctions, the weapons of deeds as well as words, against the threats of Khrushchev. We have moved extra troops into West Berlin, to be sure. We have sent strongly worded diplomatic notes to the Kremlin.

But if we are to convince Khrushchev of our resolution, we must speak louder than with words. We must speak with actions which will leave no doubt in the minds of anyone that the people of the United States are fed up with being pushed around, disgusted with the lies, the threats, the complete disregard for human beings which has been demonstrated to the world by the leaders of the Kremlin.

How can we demonstrate our determination and our resolution, short of an armed conflict? We can do it with economic sanctions, with boycotts and with actions on the economic front which will touch a tender spot in every Communist heart.

We have had far too many indications from the various departments in this administration that quite often the right hand does not know what the left hand is doing as far as this economic warfare is concerned.

At the height of our crisis over Berlin, at a time when our President was asking the citizens of our Nation to stand firm, to be ready to sacrifice during the dangerous days ahead, at a time when Khrushchev was indulging in his great blustering campaign, we find the Commerce Department issuing an order to permit the sale of subsidized farm goods to the Soviet Union, to Czechoslovakia, to Rumania, to Hungary. The American taxpayer was asked to pay some 65 cents for every bushel of wheat sent to Russia.

The reason for this Commerce Department directive was because someone, somewhere, in one of the various departments of our Federal Government, decided that food is not of strategic importance to the Russians, that Napoleon's sage advice that an army travels on its stomach was somehow outdated by a new supersoldier who never gets hungry.

If the officials of our State Department, our Commerce Department, and our Agriculture Department had only thought for 1 minute of the implications of this order, they would never have issued it.

Let us suppose that the ultimate had happened. Let us suppose that the Russians decided to attack us with nuclear weapons. Do you suppose for 1 minute that they would launch an attack without at least a year's supply of food on hand for their survivors from our own retaliatory forces?

We know that fallout and radiation would affect almost every kernel of standing grain in the Soviet Union, just as it would our own. We know that fallout would kill cattle, sheep and fowl, or make them inedible.

So what does Russia need to launch a war? She needs missiles. She needs atomic and hydrogen bombs. And she needs food, preferably grains and other foods which can be stored for long periods underground or in covered silos where they will not be affected seriously by fallout.

As far as we have been able to determine, Russia is not wanting in missiles or hydrogen warheads. But Russia is lacking in adequate stores of food because the great failure of the Communist system has been the failure to produce enough to feed its people. In a touch of generosity which perhaps knows no precedent since the sale of our scrap iron to the Japanese so that bullets and bombs could be made to blast us at Pearl Harbor, our Federal Government wants the American taxpayer to foot part of the bill for sending food behind the Iron Curtain.

Congress, in its wisdom, amended the farm bill to express its displeasure over this turn of events. But so far, the Commerce Department has not rescinded its directive, although our Secretary of Commerce has taken what has been called a "somewhat harder" line in the approval of export licenses.

Further, our Secretary of Commerce took issue with what he labeled a "misleading statement" which said that export licensing for Iron Curtain countries jumped 800 percent in the 3 weeks following President Kennedy's nationwide speech warning of the dangers we face from Soviet aggression in Berlin. He said that 800 percent was not the correct figure. The increase was only 400 percent, which I am sure most Members of Congress will agree is about 400 percent too high.

It seems to me that we have completely turned around the words of our former great President, Theodore Roosevelt. Instead of speaking softly and carrying a big stick, we are now speaking loudly and handing out palliatives to our enemies from the pockets of our taxpayers. We need complete diplomacy, backed up by action. This is no parlor game. It is for keeps.

Adoption of this resolution can well give us this action. It can lead to the economic weapons we need to keep the Kremlin off balance, to regain some of the offensive we have lost in recent months. If communism preaches the doctrine that the all-powerful forces of economics are on their side, let us meet this challenge and defeat it. Let us drown the Communists in their own economic pattern which is strangling the freedom and growth of its own people. Let us show Khrushchev that Congress, at least, is aware of the extent of his challenge and knows how to meet it.

Let us modernize and streamline our economic weapons so that they can better help our friends and punish our enemies who are dedicated to our destruction.

Congress has the power under this resolution to plan this offensive, to make the recommendations necessary to our survival, and then to act on them.

So far, the war being waged against us has been one of few bullets and bombs, and many words, coupled with economic actions designed to embarrass us and knock us off balance.

Let us stop sending ball bearings, machinery, cutting tools, and aircraft equipment behind the Iron Curtain. Let us realize that food is a weapon as important as guns or bombs. Let us face up to the battle before us and win it.

Mr. COLMER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken, and on a division (demanded by Mr. GROSS) there were—ayes 90, noes 1.

So the resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. COLMER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on this resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On September 1, 1961:

H.R. 7809. An act to improve the active duty promotion opportunity of Air Force officers from the grade of major to the grade of lieutenant colonel.

On September 5, 1961:

H.R. 8922. An act to amend the Small Business Act to increase by $20 million the amount available for regular business loans thereunder; and

H.J. Res. 438. Joint resolution to amend the Securities Exchange Act of 1934 so as to authorize and direct the Securities and Exchange Commission to conduct a study and investigation of the adequacy, for the protection of investors, of the rules of national securities exchanges and national securities associations.

On September 6, 1961:

H.R. 29. An act to amend section 216(b) of the Merchant Marine Act, 1936, as amended, to permit the appointment of U.S. nationals to the Merchant Marine Academy;

H.R. 44. An act to authorize the appropriation of $150,000 for use toward the construction of a U.S. Pacific War Memorial;

H.R. 1022. An act to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments;

H.R. 1794. An act to provide for the conveyance of certain real property of the United States situated in Hawaii to the State of Hawaii;

H.R. 2898. An act to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in lands located in the State of Florida to the record owners of the surface thereof;

H.R. 3526. An act to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in lands located in the State of Florida to the record owners of the surface thereof;

H.R. 3596. An act to direct the Secretary of the Interior to convey certain lands to Purvis C. Vickers, Robert I. Vickers, and Joseph M. Vickers, a copartnership doing business as Vickers Bros.;

H.R. 5179. An act for the relief of the U.S. Display Corp.;

H.R. 5235. An act to authorize the Confederated Tribes of the Warm Springs Reservation of Oregon to acquire land within the boundaries of their reservation;

H.R. 5964. An act to authorize the use of funds arising from a judgment in favor of the Potawatomi Nation of Indians, and for other purposes;

H.R. 6102. An act to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in lands located in Highlands County in the State of Florida to the record owners of the surface thereof;

H.R. 6244. An act for the relief of certain members and former members of the uniformed services erroneously in receipt of family separation allowances;

H.R. 6453. An act for the relief of Earl Gupton; and

H.R. 8599. An act to amend various sections of the Atomic Energy Act of 1954, as amended, and the Euratom Cooperation Act of 1958, and for other purposes.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 8762. An act to amend the Small Business Act to increase the amount available for regular business loans thereunder.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ROBERTSON, Mr. SPARKMAN, Mr. DOUGLAS, Mr. PROXMIRE, Mr. LONG of Missouri, Mrs. NEUBERGER, Mr. BEALL, Mr. BENNETT, Mr. JAVITS, and Mr. TOWER to be the conferees on the part of the Senate.

RESIGNATION OF THE HONORABLE THADDEUS M. MACHROWICZ AS A MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication which was read by the Clerk:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., September 6, 1961.

Hon. SAM RAYBURN,
Speaker of the House,
House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: I beg leave to inform you that I have this day transmitted to the Governor of the State of Michigan my resignation as a Representative in the Congress of the United States from the First District of Michigan, effective September 18, 1961.

Yours respectfully,
THADDEUS M. MACHROWICZ,
Member of Congress.

AMENDING COAST AND GEODETIC SURVEY COMMISSIONED OFFICERS ACT OF 1948

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 685) to amend the Coast and Geodetic Survey Commissioned Officers Act of 1948, as amended, and for other purposes, with House amendments thereto, and that the House recede from its amendments.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

A motion to reconsider was laid on the table.

AMENDMENTS TO MERCHANT MARINE ACT OF 1936

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6309) to amend title VI of the Merchant Marine Act, 1936, as amended, in order to increase certain limitations in payments on account of operating-differential subsidy under such title, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Strike out all after the enacting clause and insert "That the third sentence in the first paragraph of section 603(c) of such Act, as amended (46 U.S.C. 1173), is amended to read as follows: 'Effective on and after July 1, 1962, such payments on account shall in no case exceed 90 per centum of the amount estimated to have accrued on account of such subsidy, except that, with respect to that part of the subsidy relating to any particular voyage, an additional 5 per centum may be paid to the contractor after such contractor's audit of the voyage account for such voyage has been completed and the Secretary of Commerce has verified the correctness of the same.'"

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

AMENDMENTS TO SECTION 607(b) OF THE MERCHANT MARINE ACT, 1936

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6974) to amend section 607(b) of the Merchant Marine Act, 1936, as amended, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Strike out all after the enacting clause and insert: "That the last sentence of section 607(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1177(b)) is amended by inserting before the period at the end thereof a comma and the following: 'and may also pay from such fund, with such consent and upon terms and conditions which the Secretary of Commerce shall by regulation prescribe to give priority to the foregoing purposes of the fund (and with respect to any transfer of funds from the special reserve fund, to give priority to the purposes of that fund) and to carry out the purposes of this Act, (A) amounts contributed toward research, development, and design expenses incident to new and advanced ship design machinery and equipment', and

"'(B) Amounts (1) for the purchase of cargo containers, delivered after June 30, 1959, of a type approved by the Administrator for use in connection with any of the contractor's subsidized vessels, (2) for the payment of the principal of any indebtedness incurred for such containers, or (3) to reimburse the contractor's general funds for expenditures for such purchases or payments. Such cargo containers to the extent paid for out of the capital reserve fund shall be treated as vessels for the purpose of deposits and withdrawals from the capital reserve fund under this section 607, and the regulations and closing agreements relating thereto, except that the depreciation on such cargo containers shall be based upon the life expectancy used for such containers in the determination of "net earnings" under paragraph (d)(1) of this section 607.'"

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CONSTRUCTION AND MAINTENANCE OF AMERICAN-FLAG VESSELS BUILT IN AMERICAN SHIPYARDS

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 6732) an act to amend the Merchant Marine Act, 1936, as amended, to encourage the construction and maintenance of American-flag vessels built in American shipyards, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: "That section 901(b) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1241), is hereby amended by inserting at the end thereof the following: 'For purposes of this section, the term "privately owned United States-flag commercial vessels" shall not be deemed to include any vessel which, subsequent to the date of enactment of this amendment, shall have been either (a) built outside the United States, (b) rebuilt outside the United States, or (c) documented under any foreign registry, until such vessel shall have been documented under the laws of the United States for a period of three years: *Provided, however,* That the provisions of this amendment shall not apply where, (1) prior to the enactment of this amendment, the owner of a vessel, or contractor for the purchase of a vessel, originally constructed in the United States and rebuilt abroad or contracted to be rebuilt abroad, has notified the Maritime Administration in writing of its intent to document such vessel under United States registration, and such vessel is so documented on its first arrival at a United States port not later than one year subsequent to the date of the enactment of this amendment, or (2) where, prior to the enactment of this amendment, the owner of a vessel under United States registry has made a contract for the rebuilding abroad of such vessel and has notified the Maritime Administration of such contract, and such rebuilding is completed and such vessel is thereafter documented under United States registry on its first arrival at a United States port not later than one year subsequent to the date of the enactment of this amendment.'"

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ROLLCALL VOTES

Mr. ALBERT. Mr. Speaker, I renew my request that any rollcall votes on final passage, motions to recommit or amendments in order on Monday and Tuesday next may be put over until Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SUBPENA AND INVESTIGATIVE AUTHORITY FOR THE COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 399, by direction of the Committee on Rules, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That the Committee on the District of Columbia, acting as a whole or by subcommittee, is authorized and directed to conduct a full and complete investigation and study of the following:

(1) The organization, management, operation, and administration of any department or agency of the government of the District of Columbia; and

(2) The organization, management, operation, and administration of any independent agency or instrumentality of government operating solely in the District of Columbia.

For the purpose of carrying out this resolution the committee or subcommittee is authorized to sit and act during the present Congress at such times and places within the United States, including any Commonwealth or possession thereof, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents, as it deems necessary; except that neither the committee nor any subcommittee thereof may sit while the House is meeting unless special leave to sit shall have been obtained from the House. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

The committee shall report to the House as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations as it deems advisable. Any such report which is made when the House is not in session shall be filed with the Clerk of the House.

Mr. SMITH of Virginia. Mr. Speaker, this is the usual resolution authorizing the Committee on the District of Columbia to conduct investigations and to subpena witnesses.

Mr. SMITH of California. Mr. Speaker, we on this side agree with the resolution.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MILITARY CONSTRUCTION APPROPRIATION BILL, 1962

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent that the conferees on the bill, H.R. 8302, the Military Construction Appropriation Act of 1962, may have until midnight tonight to file a conference report.

The SPEAKER pro tempore (Mr. ABERNETHY). Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL ANNOUNCEMENT

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHEPPARD. Mr. Speaker, on rollcall No. 188 having to do with H.R. 9000 under date of September 6, I was engaged on official business in a conference. Had I been present I would have voted "yea."

PEACE CORPS

Mr. DORN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN. Mr. Speaker, in my 13 years in the Congress, no proposal coming before this body is wrought with more potential danger to the prestige of the United States and freedom around the world than the establishment of a Peace Corps as provided for in H.R. 7500. The same applies to the Peace Corps as presently being established by Executive order. This proposal would send novices and amateurs to perform the most delicate human relationship known to man. A Peace Corps man sent to perform any task in a so-called undeveloped country must be thoroughly familiar with the traditions, superstitions, religion, history, language, culture, philosophy, politics, and psychology of the people.

Likewise, the Peace Corps man should be a thorough student of the history; Constitution; culture; politics; government, local, State, and National; economics; and so forth, of the United States. He not only should be familiar with U.S. history and representative government, but must be able to explain effectively our system as compared to others. In this age of salesmanship and public relations, he should be an expert in this field and must have a thorough understanding of human nature. This is a job for professionals with a minimum, at least, of 5 years of preparation and study, then a period of apprenticeship under the watchful guidance of an experienced professional.

Before our extension service representatives go out into the field in a highly developed country like our own, they have years of thorough training and then work years under experienced extension leaders. Likewise, our missionaries have years of thorough training and indoctrination.

Mr. Speaker, we have too many organizations now operating in foreign nations. To make our present program effective, we need to consolidate and coordinate our efforts rather than create new organizations.

Mr. Speaker, our people going into the Peace Corps are to be commended for their patriotism, enthusiasm, and idealism. However, the cold war is a ruthless death struggle with a highly skilled professional enemy. We cannot jeopardize the prestige of the United States with inadequately trained and inadequately indoctrinated personnel. The times require professionals rather than idealistic novices. The stakes are too high.

Mr. Speaker, we must reject this legislation entirely as duplication of existing effort and a feeble, ill-conceived attempt of novices to halt the onward march of professional Communist agitators.

Mr. Speaker, if this bill passes, the Peace Corps will expand into a gigantic, international bureaucracy bleeding the U.S. taxpayers of hundreds of millions of dollars annually. It will destroy our remaining prestige abroad and accelerate the onward march of socialism throughout the world.

EXTENSION OF MULTIPLE USE PRINCIPLES ON PUBLIC LANDS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ASPINALL. Mr. Speaker, along with three of my colleagues today I have introduced proposed legislation that will extend to the public lands under the jurisdiction of the Secretary of the Interior, through the Bureau of Land Management, the principles of multiple use and sustained yield management established by Congress as the policy for the administration of national forest lands under the act of June 12, 1960 (74 Stat. 215).

Members will recall that last year I expressed some apprehension that the adoption of a multiple use principle concerning national forest lands might infer that other Federal lands should be managed under a policy of "single use." Shortly after the present administration took office the President in his February

23, 1961, message on natural resources, made it clear that it was the Executive's program to manage the vacant, unappropriated or unreserved public domain lands under a system referred to as "balanced usage."

Those of us who seek to resolve conflicting interests have been advocating a balanced or a multiple-use policy. I think that Congress should adopt such a policy and assure that new administrators will not introduce new restrictions without congressional sanction.

The proposed legislation that we have introduced would express the congressional policy of applying the multiple-use and sustained-yield management principles adopted in connection with the national forests to be extended to public lands under the jurisdiction of the Bureau of Land Management. The bill for the first time also gives recognition to these lands as a "national land reserve." This terminology has come into use since the President's message on natural resources wherein he referred to the 477 million acres of vacant, unappropriated and unreserved public domain lands as "a vital national reserve that should be devoted to productive use now and maintained for future generations."

I hope, Mr. Speaker, that we will obtain views and comments of interested agencies and parties on this proposed legislation before Congress reconvenes in January and that we will be able to act on this legislation early in the 2d session of the 87th Congress.

A VIEW OF U.S. POLICY IN AFRICA

Mr. REUSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, Dr. Arnold Rivkin, of the Centre for International Studies, Massachusetts Institute of Technology, recently gave an address at the University of London on "U.S. Policy in Africa."

Dr. Rivkin is research associate in political economy and director of the African economic and political development project at the Centre for International Studies. He has acted as consultant to the International Cooperation Administration, the National Academy of Sciences, the Ford Foundation, and the President's Committee To Study the U.S. Military Assistance Program. Before joining the Massachusetts Institute of Technology, Dr. Rivkin was associated with ICA, and as assistant general counsel of the European headquarters of the Marshall plan in Paris was responsible for the legal aspects of U.S. aid flowing to Africa. Over the past 10 years, Dr. Rivkin has visited most African countries.

Because Dr. Rivkin's address is one of the clearest delineations of our African policy, I wish to include it:

In order to put into proper perspective the developing policies of the United States toward Africa, it is necessary to consider the nature of the national interest underlying all U.S. policy toward new states and the underdeveloped world generally. Once this is done the nature, the interrelationship, and the likely direction of evolving U.S. policies in Africa becomes discernible.

However, before proceeding to a statement of what I conceive to be the U.S. national interest, I think it might be useful to offer one general observation by way of introduction. The U.S. interest in facilitating the orderly achievement by dependent territories of political independence and self-sustaining economic growth derives from two strands which are and have long been intertwined in American thinking. The first strand, the concept of the U.S. national interest with respect to the large galaxy of new states and the underdeveloped world generally, coincides in broad outline with the national interests of these new states and the underdeveloped countries of the world. It is discussed at length below. The second strand is philosophical, deriving from American ethical values of the rights of man and the comity of nations which first found expression in the Declaration of Independence in 1776 and time and again thereafter in American state papers. In this century they have found expression in Woodrow Wilson's 14 points, in Franklin Roosevelt's four freedoms, in Harry Truman's Marshall plan and point 4 program, and again in President Kennedy's inaugural address: "To those people in the huts and villages of half the globe struggling to break the bonds of mass misery, we pledge our best efforts to help them help themselves for whatever period is required—not because the Communists may be doing it, not because we seek their votes, but because it is right."

Even more recently, in supporting the resolution before the Security Council calling for a U.N. investigation of conditions in Angola, the American representative, Adlai Stevenson, quoted with quiet eloquence the memorable words of Thomas Jefferson:

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights."

The Liberian delegate to the Security Council said Ambassador Stevenson's words would reverberate throughout Africa and through the world. In fact, the words and the ideas they convey have been reverberating throughout the world since their birth in the American Revolution of 1776. Ambassador Stevenson speaking for the new American administration has given notice to the world in the debate on the Angola resolution that the United States intends to adhere to its philosophical heritage with renewed vigor in international affairs as well as at home.

I

The U.S. national interest in the underdeveloped areas of the world is viewed as tripartite and triangular.

First, it is clearly in the U.S. national interest to facilitate the peaceful evolution of independent states with the capacity for orderly political, economic, and social growth without recourse to violence and with a potential for developing viable economics and free institutions. Every independent state that emerges in this image or tends to approximate this image strengthens the kind of world environment in which open and democratic societies can flourish. This concept of the U.S. national interest naturally centers attention on Africa and on the policies which the United States has been evolving with regard to the development of new states in Africa.

Second, it is clearly in the U.S. national interest to facilitate orderly, peaceful and rational accommodation of the developing interests and aspirations of the underdeveloped areas of the world with the changing interests and aspirations of the relevant European metropolitan countries (e.g., the transformation of the British and French Empires respectively into the Commonwealth and Community) and with the developing interests and aspirations of the free world generally. Such orderly and rational accommodation would serve several purposes. It would prevent strife and violence in areas still evolving toward self-government and independence (e.g., the Federation of Rhodesia and Nyasaland) where conflict could endanger the peace and stability of other large areas. It would minimize the aftermath of colonialism and its attendant bitterness and recrimination in areas which achieve or have achieved independence in the postwar period (e.g., Indonesia, Morocco, and Guinea). In situations where change, too long frustrated, threatens to break all barriers in an uncontrolled rush (e.g., the situation building up in Angola and Mozambique), it would prevent the recurrence of Congo-type crises. It would preserve and stimulate existing economic relationships which are beneficial to the underdeveloped areas as well as to the former metropoles and which could be increasingly so in conjunction with the development of new complementary relationships with other world states.

Third, there is a long established U.S. national interest in a politically independent and economically expanding Western Europe (as the third side to the United States, Western Europe, and underdeveloped world triangle). This interest requires that every effort be made to prevent Algeria-type situations which not only impose a great economic drain on the metropole but also deflect its energies and resources from important internal political and economic tasks and other free world responsibilities, e.g., the provision of increasing economic and technical assistance to the underdeveloped areas. It embraces the need not only to preserve such existing economic relations as are mutually beneficial to Western Europe and the underdeveloped world but also to create and expand trade and investment opportunities of mutual value. The United States, Western Europe, and the underdeveloped world all stand to benefit from mutually satisfactory economic relations between Europe and the new countries. As the three sides of a series of trade, aid, investment, and other triangular relationships, all three will benefit directly from the peaceful political and economic development of large parts of the globe.

II

What then does this view of the U.S. national interest underlying U.S. policy toward underdeveloped areas mean in specific terms of U.S. policy toward Africa?

(1) The emergence of independent states: The United States has welcomed the increasing accession of African territories to political independence; but until quite recently it has viewed the political and economic development of the African territories as primarily a matter for the European metropoles and the territories, or in trust areas for the United Nations and the territories. I believe that now and in the future the United States will attach greater priority and sense of urgency to the achievement of rational accommodation between metropoles and territories in order to insure orderly accession of colonial areas to independence. In practice this may mean for the first time intercession by the United States with the metropoles in an attempt to resolve outstanding colonial relationships in a harmonious and peaceful way within a broad multilateral context of free world interest in Africa instead of relying on solutions achieved largely on a bilateral basis between the metropole and the territory. In fact, the United States has already taken a major step in this direction in supporting the resolution

in the Security Council, already alluded to, calling for an inquiry into conditions prevailing in Portuguese Angola. By way of explanation of the vote an official State Department statement declared:

"It was now imperative for Portugal to plan for the political, economic, and social advancement of the people of Angola. The United States was convinced it was the duty of a close and long friend of Portugal honestly to express the belief that such action was necessary."

If the practice envisaged develops, it will imply a coordinated free world approach to the economic and social development of the nascent African States, to the political stability and military defense of Africa, and to triangular economic relationships among Africa, Western Europe, and the United States.

(2) Preparation of dependent territories for independence: The United States has provided a limited amount of technical and economic assistance to dependent territories within the limits set by the colonial context and the accompanying U.S. view that the political and economic development of the territories were primarily the responsibility of the metropoles and the territories. Such aid has been thought of as a contribution to economic growth which would cushion some of the shocks of the passage to self-government and independence. Given a heightened sense of the priority and urgency of change in Africa, we can look, I believe, to an accompanying expansion of U.S. assistance in the preindependence transition period.

(3) Economic and social development of the new states: There has been a steady expansion in the volume, diversity, and techniques of U.S. development assistance flowing to independent African states. President Kennedy's concept that the 1960's are the "decade of development," expounded in his recent special message to Congress on U.S. foreign aid, suggests that his administration will continue this trend. I think that American assistance will not only be enlarged but also will be increasingly coordinated with other free world assistance flowing to Africa. There is likely to be a search for new multilateral aid channels and techniques for development assistance for Africa—both in the free world and within the existing framework of the United Nations and its affiliated agencies. The United States has already taken two initiatives with respect to free world assistance to underdeveloped countries. It has placed aid to the underdeveloped countries as a priority item on the agenda of the new Organization for Economic Cooperation and Development even before it has officially come into being, and it has initiated a series of bilateral talks with principal Western European countries, particularly with the West German Republic, with a view to inducing a considerable expansion of Western European aid flowing to the new states, particularly those in Africa. The recent support given to the U.N. operation in the Congo by both the Eisenhower and Kennedy administrations has carried the suggestion of the overall expansion of U.S. assistance to underdeveloped areas, particularly those in Africa, channeled through the United Nations and affiliated agencies. This suggestion became explicit in the American proposal, "Africa: U.N. Program for Independence and Development," introduced a few weeks ago by Ambassador Stevenson in the political committee of the U.N. General Assembly.

(4) Neutralism: Irrespective of what U.S. policy may have been elsewhere in the world at an earlier date down through the near present, from the onset of the African independence revolution the United States has not sought the membership in or adhesion to Western military alliances of independent African states. The United States has been loath to provide military assistance to any African state and has as a consequence been criticized by President Bourguiba for not wanting to provide arms to Tunisia and by President Sékou Touré for not providing arms to Guinea. Bourguiba has threatened to go "elsewhere" if the United States refused, and Sékou Touré has gone "elsewhere." The United States has sought persistently to keep the cold war out of the crisis in the Congo Republic. It turned aside the request of Prime Minister Lumumba's government in July 1960 for U.S. military intervention and referred it to the United Nations. The United States has agreed to evacuate by the end of 1963 the air bases it obtained in Morocco during the French protectorate and prior to Moroccan independence. The only other American bases in Africa are an air base in Libya and a communication base in Ethiopia, both freely negotiated with governments of independent states. It is quite likely that in any serious negotiation with the Communist bloc to achieve a truly neutral status for Africa, the United States would be willing to agree to withdraw from these bases as part of a larger agreement to neutralize Africa, guarantee its political independence and territorial integrity from external attack or externally supported subversion, and embargo all arms shipments to Africa outside of the minimum required for maintenance of internal law and order.

There can be no question of American respect for the right of every African state to its own foreign policy. The United States has no intention to urge newly independent African states into military alliances or blocs. It is content to take its chances that politically independent African states, acting in their own best self-interest on critical issues, will more often than not come down on the same side as the United States—for both have common interests in the community of free states. On tactics, specific issues, and even in particular cases on fundamental policies, the oldest of friends may differ at times, and so too may individual African states differ among themselves, and with the United States. But the national interest of the newly independent African states—political independence, economic growth and improved standards of living for their people, nation building, and the accession to independence of the remaining colonial territories on the continent by peaceful and orderly processes—coincides in basic terms with that of the United States.

If the application made by independent African States of their national interest to their foreign policy leads some to closer relations with the United States and the West generally than with the Communist bloc, certainly relations with those states will be welcomed. The opposite development will of course be accepted; but it is obvious that U.S. relationships with the various African States will reflect the orientation of these states to the same degree as it might be reflected in relationships elsewhere in the world.

As for the protestations of some African States that they are neutral, neutralist, positive neutrals, nonalined neutrals, uncommitted neutrals, et cetera, the United States is likely to test the protestations in each case in the real world of behavior and action. It seems appropriate to inquire of self-proclaimed neutrals, "Neutral for whom?" and "Neutral against whom?" If the answer to both questions is "Nobody" then neutralism would seem to be an appropriate description of the foreign policy of those states.

The recent foreign-policy posture, however, of all the self-declared African neutrals in the Congo crisis cannot be meaningfully covered by any acceptable definition of neutrality. They are certainly not neutral toward one another nor toward the various factions in the Congo; and they are not neutral toward the West and the Communist bloc. Given the calculated Soviet introduction of the cold war into the Congo crisis, recognition of and assistance to the Stanleyville regime by African states constitutes at a minimum de facto, if not deliberate, alinement with the Communist bloc on the Congo crisis and, sadly, on the Soviet intrusion of the cold war and its anti-United Nations campaign into the Congo crisis. Recognition of and assistance to the Leopoldville regime also constitutes at a minimum de facto, if not deliberate, alinement with the West on the Congo crisis and, happily, on the West's resistance to the intrusion of the cold war and the Soviet's anti-United Nations campaign into the Congo crisis. Either way, pro-Stanleyville or pro-Leopoldville, neutrality or nonalinement for most, if not all, of the self-proclaimed neutralist states is fiction insofar as the major foreign policy issue in Africa of 1960 and 1961 is concerned. And it is apparently the more transparent fiction for those who have been in the neutralist vanguard than for other self-declared neutralist African states. The Casablanca bloc—the United Arab Republic, Morocco, Mali, Guinea, and Ghana—which has been most vocal in its neutralist protestations, has also been most interventionist in the Congo on the side of the Stanleyville regime.

For practical purposes, then, states which erect a facade of neutrality instead of a structure of neutrality cannot expect to carry the weight they seek to carry in world affairs by reason of being neutrals. United States relations with such states will be based not on their neutralist posture but, as with any other independent African State, on their actions.

As a Senator, President Kennedy said:

"The desire to be independent and free carries with it the desire not to become engaged as a satellite of the Soviet Union or too closely allied to the United States. We have to live with that, and if neutrality is the result of a concentration on internal problems, raising the standard of living of the people and so on, particularly in the underdeveloped countries, I would accept that. It's part of our own history for over a hundred years."

Mr. Kennedy pointed out the true criterion of neutralism—the motivation of a state in adopting a neutralist position in world affairs. When it is to achieve economic development and improved standards of living and national cohesion then such neutralism is fully understandable. When, however, the purpose is to make use of the privileged sanctuary of neutralism to manipulate or interfere in the affairs of other states, or to masquerade a partisan position, it is another matter.

(5) Associations or groupings of states: The United States has an historic interest and longstanding sympathy with attempts of independent states to form associations of states. Our own history is one of the federation of 13 newly independent colonies into one country and over a 175-year period the accession of 37 more dependent territories to voluntary membership in the Federal system of the United States of America. The United States has since the end of World War II encouraged all Western European initiatives toward integration, starting with the Schuman plan. More recently, the United States has welcomed the formation of the Central American Common Market.

The United States also stands ready to welcome and cooperate with new associations of African states whether they be economic unions of the type established by the former French West African territories—the Conseil de l'Entente—or loose political associations of the type advocated by Liberia, or tighter political unions of the type tried by the ill-fated Federation of Mali. One proviso

and one caution should be added. First, the proviso refers to the method of achieving integration. Voluntary associations, well conceived, are likely to endure. Imposed associations, no matter how well conceived, are not likely to endure for long. This would seem to be so irrespective of whether the political integration is imposed by a colonial power or by one African state on another. Second, the caution, which derives in part from the Mali experience, relates to ill-conceived political unions. They are detrimental to all concerned, they absorb the time and energy of the leadership of the constituent parts, they deflect attention and interest from fundamental internal problems of nation building and development of the constituent parts, and they create a whole range of new problems at the center with respect to the conflicting national interests and aspirations of the constituent parts.

In many instances nation building and economic growth within individual states would seem to be a sound precondition to political integration. Then the integration of two or more such states would show a net increment of strength for the whole and for the parts. Alternatively, premature integration or union could mean more problems of building a cohesive society and state from disparate elements, and more problems of growth resulting from spreading limited skilled human and material resources too far afield.

In other instances early integration or union would seem to be the wisest course. A case in point is the voluntary adhesion of the northern Cameroons to the Federation of Nigeria in the recent U.N.-conducted plebiscite. The historic development of the northern Cameroons and its obvious lack of viability—political and economic—suggested the desirability of its affiliation with one of its neighbors. The populations voluntarily opted for union with the Federation of Nigeria. Another possibility of early union might be the affiliation of Gambia with Senegal, but as President Senghor of Senegal has said, only if Gambia voluntarily votes for such a union.

(6) Democratic political practices and institutions: Obviously the United States would prefer that the new African States develop democratic political systems and institutions. This would make for an identity of interests in world affairs and for easier and probably closer relationships than would otherwise be the case. This does not mean, as so often has been contended, that the West expects to transfer its political institutions, and framework en bloc to the new states. This contention is a straw man.

The United States recognizes that there are many variants of democratic institutions and frameworks in the West; that there is no reason why, for instance, the Westminster model should be the rule in former British territories, or the French and Belgian parliamentary models in their former territories, or the American model in others because some of the new African States have found elements of the American presidential system to their liking. (For example, the new constitution of the Republic of Togo is reported to be modeled on the American Constitution.) The important point is not the structure or mechanism per se, but rather the underlying concepts of majority rule subject to the rule of law, recognition of the role of the opposition, the toleration of minorities and minority opinion, and the broad-based sharing of the decisionmaking power throughout society. In the American view, states with political systems incorporating these fundamental concepts are most likely to achieve the type of open and democratic societies which will benefit their citizens in spiritual as well as material terms and at the same time contribute to a peaceful and prosperous world environment which will benefit all people.

The United States takes account of the trend in some African States toward authoritarian and even totalitarian political regimes and economic growth models. This is a matter of concern. The danger is that so-called transitory authoritarian or totalitarian practices and institutions will become permanent. Once permanent, authoritarianism and totalitarianism, including so-called popular democratic versions of them, mean that another corner of the world is closed off from normal contact with the rest and is earmarked for political violence sooner or later.

To dignify authoritarian regimes or practices by denying the reality of their existence, or by rationalizing them as inevitable, necessary, or even desirable, is a disservice to the free world. It is a tragic concession in the critical struggle between the free world and the Communist bloc now being waged throughout the underdeveloped world. In this context, it is worth reflecting on the fact that the two states in Africa with Preventive Detention Acts are Southern Rhodesia and Ghana. Is the best prospect for an independent Southern Rhodesia with an African majority, or for that matter for any other newly independent African State, to be a Preventive Detention Act administered by a ruling African group which has replaced a former European ruling oligarchy? This may occur but it is hardly to be welcomed or rationalized. It surely is enough to recognize one-party systems when they appear and to treat effectively with them without sacrificing the hope and the belief that there is something better in the world, and without snuffing out the potential for the evolution of democratic and free institutions. This would certainly seem to me to be the message of the Law of Lagos which issued from the Rule of Law Conference held in Lagos in January of this year. The Conference sponsored by the International Commission of Jurists was attended, inter alia, by delegations from 25 African States. It is therefore significant that the Conference censured the use of Preventive Detention Acts in time of peace and approved the principle that fundamental human rights should not be abridged by law or the state except in a time of grave emergency. The chairman of the Conference, Sir Adetokunbo Ademola, Chief Justice of Nigeria, captured the spirit of the Conference when he declared, in rejecting out of hand the view that African conditions might require a departure from these general principles, that:

"The rule of law is not a Western idea, nor is it linked with any economic or social system."

The rule of law belongs to freemen, in Africa and elsewhere.

It should be emphasized that political unity imposed by coercion and force and at the expense of cultural and social diversity and democratic rights, and economic development achieved at the expense of individual initiative, do not fit the picture of independence envisaged and painted by the African nationalist leaders for the people of their countries. There are new African States earnestly engaged in trying to make democratic systems work for them. There are African leaders sincerely determined to try to create democratic systems in their countries. It would indeed be ironic if with independence, liberty and freedom must go.

It is in the free world interest and it is in the U.S. national interest to encourage in such states every potential for the development of democratic practices and institutions. Sometimes a period of economic growth and political stability relieves some of the pressures underlying authoritarian trends; sometimes the growth of friendly relations with free nations minimizes xenophobic and authoritarian tendencies; sometimes the total world environment removes some of the anxieties which lead to authoritarian solutions; sometimes trade and aid as well as the interest they exemplify cushion and counteract fears, suspicions, and compulsions which favor authoritarian practices. In short, the trend is not necessarily irreversible. There is nothing inevitable about the growth of authoritarianism in Africa.

In conclusion, it seems only right in this address to the Nigeria Union of Great Britain and Ireland, that I depart briefly from this abstract discussion of U.S. policy in Africa to say a word directly about the U.S. attitude toward Nigeria. You will have already inferred from the general statements of U.S. policy toward Africa, that we in the United States hold the Federation of Nigeria in considerable esteem. We have admiration for a new state which at one and the same time seeks to build its country and develop its economy, on the one hand, and respects and protects the cultural and social diversity of its people, and entrenches the civil rights of its citizens, on the other. To our mind, the Federation of Nigeria is such a state. We wish you well, we extend the hand of friendship, and we hope to be able to help you to help yourselves.

GOVERNMENT TRIES TO AVOID COMPLIANCE WITH ITS OWN LAWS

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, I am concerned when people try to circumvent the laws of government by devious and questionable methods. I am thoroughly shocked when the Government itself tries to avoid or circumvent its own laws by such means. And that is exactly what our own Government through one of its departments is trying to do.

Last week I informed the House that the Department of Defense had indicated that it would obtain 440,000 tons of coal in this country for use at its military installations in Europe. The Department further indicated that the coal would be shipped exclusively on foreign ships.

Such shipment would be in direct violation of two Federal laws. One is the Cargo Preference Act—83–664—which provides that at least 50 percent of Government-sponsored cargoes shall be shipped on U.S.-flag vessels. The other law, title 10, section 2631, United States Code, provides that all supplies for our military situated abroad shall be shipped exclusively by U.S.-flag vessels.

I have called these laws to the attention of the Department of Defense. Yet one of its spokesmen yesterday told the press that these laws were inapplicable because the coal would be purchased in this country by a German supplier who would control the shipping.

This is a deliberate device on the part of the Department of Defense to circumvent the laws of our Nation. The coal is a military supply within the meaning of title 10. It is also Government sponsored and Government financed within the meaning of the Cargo Preference Act.

Why does the Department of Defense use a German supplier? Simply to try to get around the law. The Department is attempting to do indirectly what it cannot do directly. If the Department purchased the coal in this country, it would clearly come under the law, in its own opinion. Therefore it uses a foreign supplier to avoid compliance with the law. I deplore this questionable device and urge the General Accounting Office to advise Defense officials that their proposal is illegal.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from North Carolina.

Mr. BONNER. I agree with what the gentleman from Washington says, and I agree with his asking the Comptroller General to look into this matter of dealing unfairly with American-flag ships.

Mr. TOLLEFSON. I thank the gentleman.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. ASHBROOK] is recognized for 60 minutes.

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent that the special order entered into on behalf of the gentleman from Pennsylvania [Mr. SAYLOR], take precedence over the special orders heretofore entered into on behalf of the gentleman from Ohio, and the gentleman from Indiana [Mr. BRUCE].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

UPPER COLORADO RIVER STORAGE PROJECT

The SPEAKER pro tempore. Under previous order of the House the gentleman from Pennsylvania [Mr. SAYLOR] is recognized for 60 minutes.

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to insert extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, we will soon be faced with a decision of whether to support construction of an all-Federal transmission system for the upper Colorado River storage project, or deny the Government the right to build such lines and let the Bureau of Reclamation enter into contracts with electric companies serving that area to wheel the Government power to the Government's customers.

I was a member of the Interior Committee when this project was before it. I have a long record of supporting conservation and worthwhile reclamation projects. I was against this project in committee and on the floor of the House. In floor debate on March 1, 1956, I said this was not a reclamation project. It was a public power project with some incidental benefits. There has been nothing since that time to change my opinion. In fact, this transmission line controversy verifies what I said back in 1956.

The electric companies of the area appeared before our committee in support of the project and at that time expressed a desire to be as helpful as possible in distributing the electric power generated by the facilities of the project. Our committee report expressed a desire on the part of the committee that the Bureau of Reclamation work with the electric companies in an effort to market the power to best advantage. I am sure that it was the desire of the committee in reporting the bill and of the House in authorizing the project that every effort be exerted on the part of the Bureau of Reclamation to work out an arrangement for marketing the power with minimum expenditure on the part of the Government. It is my recollection that at the time, and I am sure that recollection is supported by legislative history, that the Bureau of Reclamation led us to believe it would make an honest effort to work with electric companies and other distributors to market the power at least cost to the Government. But, as on most other occasions, the Bureau of Reclamation, after promising anything to get an authorization, completely disregards such promises once it gets a project authorized.

The electric companies who serve the area covered by the project started work even before the project was authorized to see how transmission of Federal power generated by the Government could be worked into their systems for delivery to the Government's customers. Their study has been intense and of long duration. They made a network analyzer study covering the entire Western States—the largest calculating board study that has ever made in this country. The companies used data furnished to them by the Bureau of Reclamation as to amounts of power and delivery points. As a result of this extensive and thorough study the companies made offers to the Government for the transmission of Government power to the Government's customers.

The Bureau set up a phantom government system which they called the yardstick system with which to compare government construction against the company offers. By their own admission the final Bureau plan has not as yet been decided upon. Besides that, requirements for deliveries by the companies are not the same as deliveries planned by the Bureau. How can any just or fair comparison be made with that kind of engineering shenanigans? It is like trying to compare apples with oranges. After making this phony comparison, the Bureau came up with an answer. The answer, of course, was the one they planned to come up with all along; that is, the Government should build the transmission system.

I am satisfied that irrespective of what offer the companies made, the Bureau would still have tried to find an answer supporting government construction. The Bureau wants to construct these Colorado River lines as an integral part of its plan toward a national power grid. For this reason economics is not a primary consideration.

When the electric companies questioned the Bureau's findings, the Bureau called in two consulting engineers to make an independent analysis of the Bureau's findings. The Bureau then said they had obtained an independent engineer's analysis and the engineers agreed with the Bureau findings. That did not sound exactly right to me, so I contacted these engineers. I wrote them a letter on April 18, 1961 in which I asked several questions. I have the engineers' answers and they are very enlightening. I will just highlight the answers at this time, but under unanimous consent I include letters from Mr. Ben C. Russell and Mr. Jack D. Stevens, the consulting engineers in the RECORD at this point:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 18, 1961.

Mr. B. C. RUSSELL,
Boise, Idaho.
Mr. JACK D. STEVENS,
Seattle, Wash.

DEAR SIRS: I have had the report of the Bureau of Reclamation of October 1960, entitled "Analysis of Proposal of Private Utilities To Wheel Power to Preference Customers—Colorado River Storage Project," criteria to the so-called yardstick system of such report, dated November 12, 1960.

It is quite apparent that there has been a failure by the Bureau to apply the same criteria to the so-called yardstick system of Federal transmission as was applied to the private utilities "wheeling" proposal. Your review report gives some indication of the fact that the Bureau's "yardstick" system will not provide the same measure of service as required of the private "wheeling" proposal. Your report does not, however, indicate what the effect would be on the economic comparison of the Federal "yardstick" system with the "wheeling" system if the necessary revisions were made on the "yardstick" system so as to provide for the same service requirement.

There have been indications in the press and by the Interior Department spokesmen that your review report fully supported and recommended the construction of an all Federal transmission system for the Colorado River storage project. I fail to find such a firm conclusion in your review report.

Your review report also indicates that you were not allowed sufficient time to make a complete and proper analysis of the various facets of the Bureau's report and in some instances were told to accept certain Bureau figures and methods at face value.

I am sure that you would like to have the record made clear on this matter, so that there will be no question of your professional ability and integrity. In order that I may be able to have the real facts, will you at your earliest convenience send me your answers to the following questions:

1. Were you given sufficient time to make a proper and complete review of the Bureau's October 1960 report on the Colorado River storage project transmission line analysis? How much time was finally given?

2. Were you required to accept certain Bureau figures methods of analysis, without question?

3. Would the Bureau's proposed "yardstick" system, without interconnection and coordination with the private utilities systems, be able to deliver the same amount of power to the same preference customers as is required to be delivered under the "wheeling" system proposal?

4. Would the Bureau's proposed "yardstick" system, without interconnection and

support from the private utility systems, provide the same degree of reliability of service to such preference customers?

5. Is it not true that the cost of the necessary additions to the Bureau's proposed "yardstick" system, in order to make it comparable to the "wheeling" system, would greatly increase the total cost of the Federal "yardstick" system?

6. Were the operation, maintenance, and replacement charges made by the Bureau against the "wheeling" system in line with those they made for the Federal "yardstick" system, so that both systems would be on a proper and comparable cost basis?

7. Is it not true that the cost figures in the Bureau's report could not be used to make a proper economic comparison between the Federal "yardstick" system and the "wheeling" systems because the Federal system as proposed would not provide for comparable power delivery and reliability and service, and different and more favorable criteria were used on some of the "fixed charges" items of the "yardstick" system?

8. Are the Bureau of Reclamation's estimates of the cost of constructing transmission lines, as used in their report, realistic and reasonable? (Press notices indicated recently opened bids to the Bureau on Glen Canyon transmission lines are 55 percent above Bureau estimates.)

I hope you can furnish me with complete and concise answers as soon as possible.

Sincerely,

JOHN P. SAYLOR,
Member of Congress.

STEVENS & CONKLING,
Seattle, Wash., April 26, 1961.

Hon. JOHN P. SAYLOR,
Member of Congress,
House Office Building,
Washington, D.C.

DEAR SIR: I have your letter of April 18, 1961, in which you ask a number of questions regarding the analysis Mr. B. C. Russell and I made of the Bureau of Reclamation report "Analysis of Proposal of Private Utilities to Wheel Power to Preference Customers—Colorado River Storage Project."

I am grateful to you for this opportunity to put the record straight on a number of misinterpretations that have apparently been applied to our review. It will require some time to prepare the answers to your questions but this will be done as promptly as possible.

I shall be glad to appear before your committee if an appearance would be helpful, and if an appearance can be fitted into my rather tight work schedule.

Very truly yours,

JACK D. STEVENS,
Consulting Engineer.

STEVENS & CONKLING,
Seattle, Wash., May 10, 1961.

Hon. JOHN P. SAYLOR,
Member of Congress,
House Office Building,
Washington, D.C.

DEAR SIR: By your letter of April 18, 1961, you ask certain questions regarding the report prepared by B. C. Russell and Jack D. Stevens as consultants to the Bureau of Reclamation, such report being a review of the Bureau of Reclamation analysis of "Proposal by Private Utilities To Wheel Power to Preference Customers, Colorado River Storage Project, October 1960."

The consultants were retained to review the above report and 5 days were allowed for the review. After considering the consultants report, dated October 17, 1960, the Bureau decided to revise its analysis and the consultants were retained to review the revised document. Again a 5-day period was allowed and the second review was handed to the Bureau on November 12, 1960.

I am quoting below the numbered questions in your letter along with my answers.

1. Question: "Were you given sufficient time to make a proper and complete review of the Bureau's October 1960 report on the Colorado River storage project transmission line analysis? How much time was finally given?"

Answer: The consultants had very limited time to review a report that took a large staff many months to prepare. We were allowed 5 days for each of the two reviews.

2. Question: "Were you required to accept certain Bureau figures methods of analysis, without question?"

Answer: The consultants were instructed to accept the Bureau's generation and load data and also to accept the Bureau's method of determining the average power rate to accomplish repayment. Loadings on the Bureau's transmission network were provided by the Bureau. There was, of course, no opportunity to check the validity of these data.

3. Question: "Would the Bureau's proposed 'yardstick' system, without interconnection and coordination with the private utilities systems, be able to deliver the same amount of power to the same preference customers as is required to be delivered under the 'wheeling' system proposal?"

Answer: The Bureau system is inadequate in some instances and it is lacking in reserve capacity. Deliveries to preference customers could not be made on a dependable basis without support from the non-Federal systems. The utility systems would have ample reserve capacity to assure dependable service.

4. Question: "Would the Bureau's proposed 'yardstick' system, without interconnection and support from the private utility system, provide the same degree of reliability of service to such preference customers?"

Answer: The Bureau's yardstick system would not have the same degree of reliability as the private utility systems.

5. Question: "Is it not true that the cost of the necessary additions to the Bureau's proposed 'yardstick' system, in order to make it comparable to the 'wheeling' system, would greatly increase the total cost of the Federal 'yardstick' system."

Answer: The Bureau's system is not dependable as an independent network. Dependability on this basis would call for increased facilities and correspondingly higher costs.

6. Question: "Were the operation, maintenance, and replacement charges made by the Bureau against the 'wheeling' system in line with those they made for the Federal 'yardstick' system, so that both systems would be on a proper and comparable cost basis?"

Answer: The consultants took exception to all of the O.M. & R. costs used by the Bureau. This applies both to the Federal lines in the yardstick system and the Federal lines in the utility proposal. The application of these costs was not the same for both systems.

7. Question: "Is it not true that the cost figures in the Bureau's report could not be used to make a proper economic comparison between the Federal 'yardstick' system and the 'wheeling' systems because the Federal system as proposed would not provide for comparable power delivery and reliability and service, and different and more favorable criteria were used on some of the fixed charges items of the 'yardstick' system?"

Answer: It was not possible in the time allowed to make a thorough assessment of the cost criteria used by the Bureau in determining the relative merits of the yardstick and private utility proposals. Certainly the low Federal interest rate and nonpayment of taxes made a difference in basic costs. The Bureau interest rate of 2⅞ percent is probably lower than the actual cost of money. An important offsetting feature is the Federal and local taxes forgone under the Federal program. If the Government chose in this instance to reduce its capital investment by a very large amount, this could be accomplished by adopting the utility wheeling proposal.

8. Question: "Are the Bureau of Reclamation's estimates of the cost of constructing transmission lines, as used in their report, realistic and reasonable? (Press notices indicated recently opened bids to the Bureau on Glen Canyon transmission lines are 55 percent above Bureau estimates.)"

Answer: The consultants considered the Bureau's estimates on transmission line costs to be too low. The consultants did not have an opportunity to examine the territory over which the lines would be constructed nor did they have an opportunity to thoroughly investigate the Bureau's cost estimates. A complete study including all details of investigation normally associated with determining transmission costs might prove the Bureau's figures to be reasonably correct but on the other hand, such an investigation also might prove the Bureau's costs to be much too high. The consultants, of course, had no opportunity to go into these matters except in a superficial way.

I believe the foregoing answers the questions asked in your letter of April 18. I regret that I have been unable to reply at an earlier date.

Very truly yours,

JACK D. STEVENS,
Consulting Engineer.

Boise, Idaho, April 22, 1961.

Subject: Your letter of April 18; Colorado River storage project power transmission—Engineering study of J. D. Stevens and B. C. Russell of U.S.B.R. report.

Hon. JOHN P. SAYLOR,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: This acknowledges receipt of your letter of April 18 with reference to the above subject in which you request answers to a number of questions you have presented.

Before attempting to reply to your questions I should review this matter to refresh my mind on the Bureau's report and our engineering study. I have given this subject no thought since last November.

I am, at the moment, preparing to leave early tomorrow morning to meet an appointment over on the Oregon coast and I do not expect to be back to Boise before May 1 or 2. On returning I shall formulate my answers to your questions as quickly as possible and get them off to you by airmail.

I hope this delay will not inconvenience you.

Sincerely,

B. C. RUSSELL.

BOISE, IDAHO, *May 12, 1961.*

Subject: Your letter of April 18, Colorado River storage project; Bureau's analysis of private utilities wheeling proposal study by J. D. Stevens and B. C. Russell

Hon. JOHN P. SAYLOR,
Member of Congress, House Office Building, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN: In your letter of April 18, relative to the above subject, you asked several specific questions. I shall give my answers to these in the order asked, as follows:

1. "Were you given sufficient time to make a proper and complete review of the Bureau's October 1960 report on the Colorado River storage project transmission line analysis? How much time was finally given?"

When we were first asked to review and report on the Bureau's study we were allotted a maximum of 5 days for our report. As it turned out, one of these 5 days was

devoted to a study of the benefits that could be assigned to, and the feasibility of, a proposed private utility interconnection between Utah Power & Light Co. and Arizona Public Service Co. This was an additional assignment by the Bureau, and required approximately 1 day. It, of course, cut the time allowed for our original assignment to 4 days. We were to review the Bureau's report which had taken a sizable crew many months to prepare.

Starting from scratch to familiarize ourselves with the subject matter, we did feel that the time allotted us was rather short, perhaps too short for the job at hand. We proceeded as diligently as we could, both day and late into the evening, to familiarize ourselves with the problem and with the report of the Bureau, and we managed to get our study out in the time allotted.

After the Bureau had studied our report, it decided to make certain revisions and clarifications in its report and asked the consultants to review its revised report. We were allowed 5 days time for the further review. We again reviewed the Bureau's study, in the light of the changes, and made our revised report, dated November 12, 1960.

As stated in the next to the last paragraph of our report, we both, Mr. Stevens and I, felt that the entire time we had been allotted was insufficient for a complete assessment of all the facets of the problem. We had devoted approximately 9 days total time to the subject at hand.

2. "Were you required to accept certain Bureau figures methods of analysis, without question?"

In the Bureau's original letter of assignment to us of the date September 30, 1960, the following instructions were given:

"In the performance of this work the consultants shall use data made available by the Bureau in considering the above matters. The consultants shall accept the generation and load data tabulated in the Bureau report as basic data not needing review or comment. The consultants shall also accept the method of determining the average rate to accomplish repayment because it follows basic Bureau policy and is consistent with the authorizing act. The consultants shall not concern themselves with determinations of policy or matters other than those directly related to the utilities' wheeling proposal."

(The above matters referred to were those items listed as a, b, c, d, e, and f in our report.)

3. "Would the Bureau's proposed yardstick system, without interconnection and coordination with the private utilities systems, be able to deliver the same amount of power to the same preference customers as is required to be delivered under the wheeling system proposal?"

The Bureau's yardstick system was not designed to carry the same magnitude of loads south into Arizona as was required of the private utilities over the wheeling system. Table 6, page 26 of the Bureau's report shows 591,800 kilowatts to be delivered into Arizona by the wheeling system but the yardstick system has a top limit of capacity of only about 435,000 kilowatts to this area.

4. "Would the Bureau's proposed yardstick system, without interconnection and support from the private utility systems, provide the same degree of reliability of service to such preference customers?"

The interconnection of systems almost invariably improves the reliability of service as well as the economics of operation.

In the case in question, it is a reasonable assumption that an interconnection of the Bureau's power production plants and trunk transmission lines with the systems of the five private utilities would provide much more reliable service to the entire area, including the preference customers.

5. "Is it not true that the cost of the necessary additions to the Bureau's proposed yardstick system, in order to make it comparable to the wheeling system, would greatly increase the total cost of the Federal yardstick system?"

Inherent in the wheeling system are service values in standby service and increased capacities not to be found in the yardstick system.

To attempt to build up the service values and capacities of the yardsick system to equal those of the wheeling system, will require additional sums of money. The Bureau infers that the service values of the isolated yardstick system are adequtae for its preference customers but I am not in a position to pass judgment on this matter.

6. "Were the operation, maintenance, and replacement charges made by the Bureau against the wheeling system in line with those made for the Federal yardstick system, so that both systems would be on a proper and comparable cost basis?"

As stated on page 4 of our report, we found the operation and maintenance costs unreasonably high for the transmission facilities that would be constructed by the Federal Government with the wheeling system, and suggested that it be reexamined, but we as consultants did not attempt to place a value on the discrepancy for economic comparisons.

7. "Is it not true that the cost figures in the Bureau's report could not be used to make a proper economic comparison between the Federal yardstick system and the wheeling systems because the Federal system as proposed would not provide for comparable power delivery and reliability and service, and different and more favorable criteria were used on some of the fixed charges items of the yardstick system?"

Since, as outlined above, the so-called yardstick system cannot provide the same class of service that the interconnected system (wheeling system) can provide, a true comparison from a service value cannot be shown. I would not feel I should attempt to be critical of the class of service the Bureau feels its preference customers merit. From my own experience in the utility business, I know that the demands for improved service are an ever increasing problem of all power systems.

8. "Are the Bureau of Reclamation's estimates of the cost of constructing transmission lines, as used in their report, realistic and reasonable?" (Press notices indicated recently opened bids to the Bureau on Glen Canyon transmission lines are 55 percent above Bureau estimates.)

As stated above under question No. 1, our time for study was limited. We did not see the terrain on which the proposed Federal transmission lines would be constructed, so our estimates of line and substation costs were our best guess based on a knowledge of the cost of lines and substations we thought might be comparable. Our opinion of the Bureau's estimates of such costs is stated in paragraph 2 of item (c) of our report. It is my opinion that the remoteness of the general area and the terrain over which all of the lines must be constructed, as I understand it to be, are such that the costs would probably be equal to or greater than any similar lines yet constructed in this country. Certainly, the country has few roads, is very rough, and is mainly unsettled.

In conclusion, I do not want you or anyone to consider that our report to the Bureau gave our recommendation for an all-Federal transmission system. In the very short time at our disposal, we examined the Bureau's report and we expressed ourselves frankly relative to the procedure of the Bureau in working out its details. Nowhere in our report have we made a recommendation favoring the construction of the all-Federal system.

I hope the answers given above to your questions will be of assistance to you.

Sincerely,

BEN C. RUSSELL.

Mr. Speaker, I asked if the engineers were given sufficient time to make a proper and complete review of the Bureau's analysis.

The answer was "No."

I asked if they were required to accept certain Bureau figures and methods of analysis.

The answer was "Yes." There was no opportunity to check the validity of these data.

I asked if the Bureau's proposed "yardstick" system, without interconnection and coordination with the private utilities systems, would be able to deliver the same amount of power to the same preference customers as is required to be delivered under the "wheeling" system proposal.

The answer was "No." Deliveries to preference customers could not be made on a dependable basis without support from the non-Federal systems.

I asked if the Bureau's yardstick system, without interconnection and support from the private utility systems, would provide the same degree of reliability of service to such preference customers.

The answer was "No."

I asked if it was not true that the cost of the necessary additions to the Bureau's proposed yardstick system, in order to make it comparable to the wheeling, would greatly increase the total cost of the Federal yardstick system.

The answer was that the Bureau's system is not dependable as an independent network. To make it so would require increased spending.

I asked if the operation, maintenance, and replacement charges made by the Bureau against the wheeling system were in line with those they made for the Federal yardstick system so that both systems would be on a proper and comparable cost basis.

The answer was "No." The application of these costs was not the same for both systems. Furthermore, the engineers took exception to the Bureau's estimate of O.M. & R. costs. They thought they were too low.

I asked if it was not true that the cost figures in the Bureau's report could not be used to make a proper economic comparison between the Federal "yardstick" system and the "wheeling" system because the Federal system as proposed would not provide for comparable power delivery and reliability of service and if different and more favorable criteria were used on some of the "fixed charges" items of the "yardstick" system.

The engineers had not had time to make this analysis.

I asked if the Bureau's estimates of cost of constructing transmission lines, as used in their report, were realistic and reasonable.

The engineers did not have time or sufficient information to make this determination. But they considered the Bureau's estimates on transmission line costs to be too low.

Now, Mr. Speaker, what I have just cited clearly refutes the idea that these independent engineers approved the Bureau's analysis. From the answers to my questions I would say that these engineers disapproved the Bureau's analysis or at least critically questioned it.

From what I have been able to find out I am satisfied that the Bureau's analysis of the two propositions did not represent a fair and honest comparison. The electric companies' engineers completely disagree with the Bureau's findings. The electric companies' engineers are at least as good as any the Bureau has. From what I have been running into for the last few years I would be inclined to take their findings over those of the Bureau. The fact that an engineer works for the Government does not give him a corner on either ability or integrity. As a matter of fact, from my contacts with and observations of the Bureau's engineers, I am inclined to believe that their engineering analysis of projects is based on ideology and political expediency rather than on the true science of engineering and economics.

In a few days we are going to vote on whether or not to appropriate millions and millions of tax dollars to permit the Bureau to construct an extensive transmission line network in the Rocky Mountain States. When the upper Colorado storage project was authorized it was estimated to cost $760 million. Now the estimates of cost are well over a billion dollars. It would seem to me that fiscal responsibility would dictate that every effort should be made to hold down the cost of this project by eliminating unnecessary expenditures. At the rate we are going, before we get through with the project, it may cost over $1½ billion. Do those people think the Federal Treasury is an endless fountain. Are people no longer willing to do anything for themselves? Do they expect the Federal Government to do everything for them?

Of course, the nontaxpaying public power groups are supporting all-Federal construction of the transmission line system and I am going to have more to say about their activities later. Their efforts are just a repetition of what they do in other areas. The Government makes some electric power available on a preferential basis to these nontaxpaying public power distributors, but they are never satisfied. They want the Government to supply more and more of it and transmit it to them even though it could be transmitted to them better by other means.

The five electric companies serving the area have made an offer to the Bureau to wheel the power from the project to the Government's customers. I am not going into the details on the companies' offer because I am sure it will be thoroughly discussed in committee and later on the floor, but I do want to emphasize a few things at this point.

The companies have made the Government a firm offer to wheel the power at a fixed price.

The companies' offer would save the taxpayers from spending at least $136 million at this time.

According to the companies' calculations, power could be sold to the preference customers at the same price under either system.

The companies calculate the payout period of the total project would be 7 years less under the companies' proposal.

Under the company proposal 48,000 kilowatts would be saved in line losses which would have a value of over $80 million during the payout period.

Under the companies' proposal the preference customers would have more power available to them and the supply would be a great deal more dependable.

As a result of the companies' proposal they figure that they would pay $100 million in Federal income taxes during the payout period.

The companies would pay about $184 million in State and local taxes.

The above are the companies' findings as a result of years of study by competent people—people competent enough to successfully finance and operate $1.5 billion of utility properties serving 1,148,000 electric customers in five States.

I do not feel that these facts can be disregarded.

Now, Mr. Speaker, I want to discuss some of the activities of Bureau employees and the preference customers. I know that many of us are being deluged with mail and propaganda in connection with these lines.

Let us take the Bureau and Interior Department employees first. On May 8, 1961, the Bureau put out what they called a fact sheet. It was unsigned, but I understand that Mr. Dominy, Commissioner of Reclamation, took all the credit or discredit for this document. I also understand that this so-called fact sheet was sent out to all representatives in the House and Senate from the Western States with a note from Mr. Dominy that there were plenty of copies for distribution. I also understand that Mr. Dominy said he was willing to make copies available to anyone who wanted them. Now I am not going to take the time of Members of the House to dissect this so-called fact sheet, but I think you should read it. It is not a Government report—it is a propaganda sheet for promotion of Federal construction.

This same Mr. Dominy made a speech at the dedication of the Fremont Canyon Powerplant near Casper, Wyo., on April 28, 1961. In that speech Mr. Dominy discussed the Burns Creek project and the Colorado River storage project transmission lines. He referred to Burns Creek as a badly needed reregulating reservoir when it is nothing in the world but a Federal power dam. I know that from 4 years of the project being before the Interior and Insular Affairs Committee on which I have the honor to serve.

Now, Mr. Speaker, Mr. Dominy referred to those who oppose these two projects as obstructionists, misguided obstructionists, and so forth, and also said something about a fraudulent bill of particulars being put together against these Bureau projects. I resent such statements by the Commissioner of Reclamation. As stated before I have supported reclamation when it was reclamation, even though it has no direct advantage to my State. Just because, after listening to all of the arguments on the subject, many of us happen to disagree with what the Commissioner chooses to tell us, gives him no license to refer to those who disagree as "obstructionists." Mr. Dominy used the words "obstructionism," or "obstructionists" seven times in his speech referring to those who disagree with his Bureau objectives. He also referred to them as purveyors of gloom and doom.

We have reached a rather startling situation in this country if its citizens cannot disagree with the plans and schemes of some entrenched empire building bureaucrats without having one of the chief bureaucrats refer to them as obstructionists or purveyors of gloom and doom. To me this smacks entirely too much of totalitarian thinking. Our Government agencies should present fairly and squarely the facts—facts based on sound engineering and economics—and let the people decide what they want to spend their money for. Furthermore, I have seen many instances of Federal employees actually lobbying on the Hill, both personally and through others, for Federal appropriations in which they were interested. If Federal agency employees are being permitted to lobby, then they should be required to register and a record should be kept of their lobbying activities.

I want to go back just a minute to another statement in Mr. Dominy's speech. In referring to the findings of the Bureau in connection with the upper Colorado River project transmission lines, the Commissioner says:

> In face of this affirmation of our findings by an independent engineering board—

I think that statement would lead anyone to believe that the Bureau findings had been adequately reviewed by an independent board of engineers and that this engineering board was in complete agreement with the Bureau's findings.

At the beginning of this speech I told you what I had found out by direct correspondence with these independent engineers to whom Mr. Dominy referred. I am not going to repeat what I said, except that these engineers' review was entirely inadequate because of the time limitation and the fact they were required to accept, without investigation, certain Bureau data and that their cursory review raised many questions as to the adequacy of the Bureau findings.

Now, Mr. Speaker, we find the Commissioner of Reclamation making a public speech in which he engages in name calling, in berating citizens who disagree with him, and making statements which he should have known are untrue in his effort to deceive the public. A man who would do such things, in my opinion, is not fit to hold public office of high trust. I hope he is not indoctrinating the Bureau with this scurrilous type of thinking.

A few years back, under outstanding leadership, the Bureau of Reclamation made great contributions in the field of engineering and in development of our

Western States. There was a time when the Bureau's engineering and economic findings were accepted without question because they were honest—they were based on engineering and economics and not on ideology. But now, I regret to say, as a member of the House Committee on Interior and Insular Affairs, I cannot accept without question anything the Bureau representatives tell us. When passing on authorizations for the Bureau it is disturbing to know that we have to look behind each log and, by almost prosecuting attorney methods, try to ferret out the true facts. I think it has become to the disadvantage of our Western States that the Bureau of Reclamation now seems to weigh projects on the scales of ideology rather than on engineering and economics. We of the East, the South, and Midwest have always been very sympathetic toward reclamation and I think very generous in furnishing the tax funds to finance reclamation projects, but when we are no longer sure whether these projects are for reclamation or an attempt on the part of the Bureau to extend their Federal electric power operations, we intend to take a much closer look at them.

Mr. Speaker, I am sure most Members of Congress have been receiving a great deal of mail on the subject of the Colorado River transmission lines. I noticed in one article that the Government power proponents were complaining about the electric companies contacting the Congress on the subject. I have never seen the time that mail from the companies could compare with what is evidently an organized deluge of mail we receive from the proponents of government power on practically every power issue that comes before the Congress. The Colorado River lines is no exception.

I want to call your attention to some things the Government power proponents are putting out, and to the man who is evidently back of most of this.

I have here an advertisement which appeared in the Salt Lake Tribune on May 16, 1961, which was paid for by the Colorado River Basin Consumers Power, Inc. It is a cartoon headed in big letters "You Will Pay More for Electricity." That was made as a categorical statement although there is excellent engineering findings to the contrary.

Just below the headline but still in large print is the statement, "If private power utilities erect toll lines between you and your source of Colorado River storage project power." Now that leaves the impression that the electric companies are going to exact a toll for letting the people have their power, when in reality the companies would only be making their facilities available, at a reasonable service charge, at no more cost and on a more reliable basis than if the Government built the lines.

Then the cartoon shows a man labeled "private utilities" running toward the Bureau lines saying "Stop—let me build that last little part of the project so I can collect a toll charge."

That last little part of the project would only save the taxpayers $136 million and probably a lot more. That may sound like a little bit to those preference customers who have become accustomed to receiving huge Government handouts, but it is still a lot of money to the taxpayers. My constituents in Pennsylvania do not look at it as a little bit.

What the ad does not say is that the electric companies would be making available 13,397 miles of their transmission lines for wheeling this Federal power to preference customers, while at the same time backing it up with their own steam powerplants. The electric company plans would take power to preference customers that the Federal lines would not touch.

Here is another release by the Colorado River Basin Consumers Power, Inc.: It starts off with a cartoon showing a man labeled "big private utilities" using a rope labeled "$100 million private utility investment" being used to tie up a bag labeled "$900 million taxpayer investment."

Mr. Speaker, I want to discuss some of the statements made in this release. It is the boldest, most flagrant use of fraudulent information I have ever seen and shows the extent to which some people will go in an effort to deceive the public in their attempts to raid the Treasury.

There is a paragraph headed "Taxpayer Made Original Investment." It says:

> In almost all cases, it has been necessary throughout history for the Government to construct major hydro and storage dams since their original cost is so great that private utilities and private capital cannot, or will not, finance them. Since the duly elected representatives of the people have already appropriated the funds for a major part of this tremendous investment, it is important that everything possible be done to insure that all of the returns from this investment go to the taxpayer and the users of the power from Glen Canyon Dam, not to a group of private utilities.

I could make a speech on that paragraph alone. It has been demonstrated that electric companies will build, with private capital, economically feasible hydroelectric projects irrespective of cost. But it has also been demonstrated that they have to fight the Federal power proponents every inch of the way to get the required Federal license that permits them to build such developments. It took a long, hard fight before the Idaho Power Co. was permitted to build Hells Canyon. The New York companies lost a long hard fight in their effort to build the Niagara development. The Pacific Northwest companies for several years have been attempting to get a license to build High Mountain Sheep Dam on the Snake River. These are all major hydrodevelopments costing hundreds of millions of dollars. I could name many more, but I think this is enough to discredit the assertion that the companies cannot or will not build such developments. Of course, if they are not sound economical developments, the companies are not going to rush in and build them. It seems that only the Government wants to do that.

Now the statement that everything possible be done to see that the returns from this investment go to the taxpayers would astound anyone who knows anything about the investment, if it can be dignified by such a term. This investment in the upper Colorado River storage project is going to cost the taxpayers hundreds of millions of dollars out of pocket, regardless of who transmits the power. They are going to carry the interest on the investment that goes into irrigation irrespective of how the power is sold. If the electric companies can save the taxpayers some investment in the overall expenditures on the project, that is all to the interest of the taxpayers.

The next caption of this release is headed "Federal Transmission System Only Answer." Under this heading is the following statement:

> With a Government investment from taxpayers' money of over $900 million in dams, powerplants, and related facilities, it should be obvious that it would be wrong to allow a combination of private organizations to invest only about $100 million to build the final link which carries the power from these facilities to the ultimate consumer, and by this means gain a stranglehold over the whole billion-dollar investment.

Mr. Speaker, how ridiculous can we get? The electric companies have offered to wheel Government power to the Government's customers at a fixed cost. The companies will not run the dams. They will only take the power into their systems and deliver it to the Government's customers in the amounts and at the times that the Government instructs them to do so, and they will perform this service under contract and at a fixed price. How does that give them any stranglehold over this Government project? Such a contention is ridiculous.

Another heading is: "Electricity Will Cost More Money if Utilities Build Lines." Under this heading the following statements are made:

> Regardless of which calculation is accepted, the combination system would result in the cost of electricity being 10 to 15 percent higher. * * * These added costs would have to be passed on the homeowners, shopkeepers, and ultimate consumers using electricity.
>
> Wheeling charges, if the utilities were allowed to build these lines, would add $492 million to the cost of electricity over a 100-year period of amortization. This added cost would have to be collected from the people who use the power in the five States where it is to be sold.
>
> If these toll charges are not passed on to the people who use the electricity, then the Government Treasury cannot be paid back its loans on the 50-year basis required by the law which authorized the project.

All I want to say about such statements is that the people who get the electricity should be required to pay the cost of getting it to them, regardless of whether they are homeowner, shopkeepers, or industrial establishments—that is something which these preference customers hate to accept—they want the Government to give them something for nothing.

The electric companies, after exhaustive study, say that power would cost preference customers the same whether delivered over the combination system or an all-Federal system. I doubt that conclusion; not that I question the elec-

tric companies' engineers, but they assumed that the Bureau of Reclamation can or will build this or any other project within its original cost estimate. The companies have offered a firm contract for wheeling the power, so under their proposal the cost of transmitting power would be fixed. But the Bureau does not know what it is going to cost to build their system, so their costs might be higher. Besides that, the Bureau plan does not take power to all of the delivery points of preference customers that the company plan does. So, either the Bureau would have to build additional lines not now contemplated, the preference customers would have to get additional Federal funds to build to the Bureau delivery points, or the electric companies would still have to transmit power from the Bureau system to the preference customers, any one of which methods would cost the preference customers more money than it would under the company proposal.

Whether the Government is paid back its loan on the 50-year basis required by law depends on whether the Bureau lives within its cost estimates, which would be unusual, and not upon the companies wheeling power on a fixed contract price.

Another heading in this release is "No Ceiling on Utilities Wheeling Charges." It says:

> No only will the proposal, as it stands, cost these power consumers more money than the proposed Federal system, but there is no guarantee that the cost of transmitting this power over the privately owned lines will remain at this level.
>
> A study made by the Bureau of Reclamation, and a study made by two private consultants indicate that the private utilities could not make a normal profit on their present proposal to carry this power over their lines at the same cost to the customer as would be charged under the Federal system.
>
> Once these lines are built, it would only be necessary for the utilities to prove they were not making a normal profit in order to gain a rate increase. There is no way of determining at the present time how much this increase would cost the power users in the five-State area.

Now to answer a part of these assertions let me say once again that the electric companies have offered the Government a firm, fixed price contract.

You do not make a firm contract and run in later and say, "I am not making any money so I have to increase the price." Furthermore, there is no place on record that I know of where any State utility commission has told an electric company it had to abrogate its contract with the Federal Government. So I would say there is much less likelihood of rates being raised to consumers because the companies had put too low a cost on wheeling, than raised by the Government because the Bureau had underestimated its costs.

I see this release drags the consultants into the picture again. They were supposed to have found along with the Bureau that the electric company proposal would not permit them to earn a normal return. Well, from my correspondence with the consultants I seriously doubt that they even considered this phase of the problem. If they did, they certainly did not consult with the companies.

Admittedly someone who was not fully conversant with the problem could, with a degree of justification, assume that the companies could not build a system solely for the purpose of wheeling Federal power to Government customers and make a normal profit at the rate which the companies have offered the Government. But the thing that seems to have been forgotten is that the companies are now serving the area over which the Government power is to be distributed. They have lines now and are going to have to build additional lines to take care of the future requirements of their own customers. There is a lot of difference in cost between advancing construction by a few years and using normal excess capacity in transmission lines to carry some power for others, and in having to build a complete new system to do the job. That is the position the companies are in. By 1980 they calculate that 94 percent of the power consumed in the area will be served by them and only 6 percent by the Government.

Another caption reads "No Savings to Taxpayers Either." Under this heading the following statement is made:

> Any money spent by an agency of the Federal Government is a budget expense and must be derived from the Federal budget. In this case money for the payment of the utility wheeling charges must therefore be appropriated from the funds.

Mr. Speaker, what do you think of that? Do these people think they are talking to a bunch of imbeciles? These people should read the act. No appropriation has to be made to pay wheeling charges; these costs are paid from the basin fund and if the Bureau does what it is supposed to do, the cost of wheeling will be included in the selling price of the power and returned to the fund. It is a bookkeeping transaction only and no cost to the taxpayer.

By the above statement these people would have us believe that the taxpayer was footing the bill for wheeling. You seldom encounter such a deliberate attempt to deceive.

The taxpayers certainly do save something. They save having to spend $136 million or more which would further unbalance an already heavily unbalanced budget.

The last caption on this release reads: "Delay Gives Utilities Control." Then it says:

> The private utilities are interested because by building a part of the transmission system, they will be able to control the sale of the electricity to be generated by the CRSP with a relatively small investment.

Mr. Speaker, by what sort of added thinking could anyone make such a statement as that? The Government would generate the electricity, it would price it, it would say to whom it was distributed, how much and at what time and it would collect for it. The companies would act merely as a transmission agent of the Government. How would that give them any control over the sale of the electricity?

The final caption of this release says: "Your Congressional Representatives Would Appreciate Your Views." "Write Now." At the bottom of the page is this statement:

> For more information, write Harvey F. McPhail, executive director, Colorado River Basin Consumers Power, Inc., 343 South State Street, Salt Lake City, Utah.

I have another release here, Mr. Speaker, printed in the Lamar Daily News of Lamar, Colo., on May 23, 1961. It is headed "Are Holding Company Monopolies Being Revived?"

I am not going to dissect this release as I did the one just previously, but I do want to make two or three observations.

It drags out the skeletons of Insull and Electric Bond and Share of the holding company days and starts rattling those bones again and insinuates that is what we may be building up to if we do not spend the taxpayers' money to build these Colorado River lines. I thought that body had been buried long ago. Does the Bureau's and this Colorado River Basin Consumers Power, Inc. contentions smell so bad they have to go back to the grave and dig out skeletons to try to frighten us?

This release was prepared by the Colorado River Basin Consumers Power, Inc., the organization for which Mr. McPhail is executive director, so I assume it was prepared under his direction.

The release has a notice in the lower righthand corner which reads:

> This Lamar Daily News editorial raises a question of concern to every homeowner and power customer. If you are concerned about this trend back to the evils of Insull and the holding companies, write your opinion below and mail this entire reprint to a congressional representative. (If more space is needed, use the reverse side.)

Then there is space for people to write to Members of Congress. I am sure many of us have received this reprint with some organized write-in on it.

I have more of these releases which I am not going to take the time to discuss in this speech, but what I have just brought to your attention will give you a good idea of the type of campaign the Bureau of Reclamation and preference customers are carrying on in their efforts to pressure to Congress to appropriate tax funds for this all-Federal transmission system.

Mr. Speaker, these releases are the most disgraceful attempts at propaganda I have ever seen put out. They are an insult to the people and a reflection on the intelligence of Members of Congress to whom they are sent. This Mr. McPhail who seems to be heading up these activities is an ex-Assistant Commissioner of Reclamation for Power. I wonder if he got his training in writing false and deceitful propaganda during his many years of service as an employee of the Bureau of Reclamation? I also wonder how many more of his stripe are still employed by the Bureau? If his is the philosophy prevailing in the Bureau, it is no wonder that we on the Interior Committee have such a difficult time getting honest answers when examining Bureau proposals for authorizations.

Another thing, Mr. Speaker, Mr. McPhail, who I assume is a paid employee of this Colorado River Basin Consumers' Power, Inc., has been running through the Halls of Congress buttonholing Congressmen in behalf of these Federal lines. That is lobbying in my book. I am going to have to check up and see if Mr. McPhail is registered. The fact that he is an ex-Federal employee representing some preference customer gives him no right to violate the lobby laws.

Mr. Speaker, this whole mess makes me sick at heart when I realize what our executive agencies and our legislative processes are degenerating into. If there was ever a Federal agency that should be exerting a forthright and honest attempt to develop our water resources for the benefit of our arid western lands, it is the Bureau of Reclamation. But, instead of that, we find it is a Federal agency crusading for the development of subsidized, tax-exempt Federal power for the benefit of a small minority of electric consumers. A crusading agency which seems to join with other Federal power proponents in the philosophy that the end justifies the means—a philosophy that disregards engineering and economic facts—a philosophy that resorts to misleading and actually false statements in order to gain an objective. This, Mr. Speaker, this is not the American way. I think the philosophy and methods being employed by these Federal power proponents, including the Bureau, are going to do irreparable damage to the development of our Western States, and as a matter of fact to the very moral fiber of our Nation.

A great many of us from the South, East, and Midwest have stood squarely behind reclamation for many years. We have continually supported the reclamation of arid lands throughout the 17 Western reclamation States. We have voted to spend hundreds of millions of our constituents' tax dollars to build these reclamation projects. We have freely and willingly authorized these projects for the development of arid lands. But, Mr. Speaker, we are not going to continue to authorize projects and appropriate funds for the Bureau of Reclamation to construct a Federal electric power empire in the reclamation States. The Burns Creek development and these upper Colorado River project transmission lines are not reclamation at all. They are simply a part of the Bureau plan for a Federal power system covering the reclamation States. I would advise you gentlemen interested in irrigation in the reclamation States to look over the vote on authorization of the upper Colorado River storage project. Yu will see many names in the "yea" column that would never have voted for the project if they had thought it was a power development. I voted against it because, after close examination in committee, I thought electric power was the predominating feature. Now that the Bureau insists upon spending over $136 million unnecessarily for transmission lines that local capital is ready, willing, and able to provide, I am more convinced than ever that my analysis was right.

You reclamation State people are asking quite a lot when you ask the rest of the country to invest tax dollars in developing land to grow crops when we already have an oversupply of food and fiber in this country. You are asking a lot when you ask the rest of the country to finance reclamation of arid land at a cost of several hundred or up to thousands of dollars per acre when the land is not worth more than $200 or $300 per acre after it has water on it. You are asking a lot when you ask the rest of the country to finance reclamation of any land in the arid West when just as productive land is laying out of cultivation in other areas—in fact, when landowners are being paid by the Government to take land out of cultivation.

Yes, you have been asking quite a lot from other sections of the country, and you have been getting it. Although you have only 23 percent of the votes and pay only 24 percent of the Federal taxes, you have been getting your reclamation projects financed out of tax funds. You have had appropriated over $4½ billion for reclamation. The rest of the country has been going along, because we know that you must develop your water and irrigate your lands if your States are going to prosper, and we want you to prosper.

You tell us that the money will all be paid back, but let us not be deluded by that statement. No interest is paid on money invested in the irrigation features, and interest paid on the money invested in power facilities is below the rate paid by the Treasury. So, even though the borrowers pay back the money loaned them by the Government, the taxpayers will lose in interest far more than the original investment cost.

As I said before, we have been helping you willingly, but if this Bureau of Reclamation is going to turn into a Bureau of Power you are going to lose our help. We know you need some help on your irrigation, but power is something else. Your people are perfectly capable of taking care of their own power supply, and I for one expect them to do it. These Colorado River project lines are just another example of people coming to Washington for help that they do not need. My Pennsylvania constituents are getting sick and tired of seeing their tax dollars doled for unnecessary Federal expenditures, and I am sure people in other sections of the country are also.

I have been a member of the Interior and Insular Affairs Committee for a good many years. I have traveled over the West and personally inspected many of your water developments. I know what these developments mean to you and I know that development and prosperity in our Western States is good for the country. For that reason, I have gone along and supported many of your water developments when I knew in my heart they were marginal at best from a financial standpoint. I will continue to support true reclamation projects without using the jaundiced eye of a banker when examining their economic feasibility. But I will tell my friends from the reclamation States right now, and I am sure that I speak the sentiments of a great many of my colleagues from other sections of the country on both sides of the aisle, that I am not going to agree to spending tax funds to assist the Bureau of Reclamation in its scheme of building a Federal power empire in the reclamation States. And I will tell you another thing, if you want to get future reclamation projects approved you had better use your influence to break up this unholy alliance between the fanatical public power zealots and the Bureau of Reclamation who are using the reclamation program for the promotion of subsidized Government power.

OPERATION SURVIVAL

The SPEAKER pro tempore. Under previous order of the House the gentleman from Ohio [Mr. ASHBROOK] is recognized for 60 minutes.

Mr. ASHBROOK. Mr. Speaker, I yield to the gentleman from Indiana [Mr. BRUCE].

Mr. BRUCE. Mr. Speaker, before a group of us begin with a piece of work that has taken a great deal of time, I certainly would like to acknowledge the cooperation and the helpfulness of the minority leader, the gentleman from Indiana [Mr. HALLECK], who has certainly won the gratitude of the freshmen Members of Congress, in particular. We do know, every one of us, that without his counsel and his aid we would not be serving on the wonderful committee assignments that we have.

Mr. Speaker, there has been a gathering together, as always takes place in any session of Congress, as I understand it, of different groups which get together and exchange ideas and study issues. This is true of this session as well. A group of freshmen has been meeting regularly since the beginning of the session, not as what, in political terms, would be called a "Young Turk" movement, in any sense of the word. We do not intend by insinuation or action to create a separate unit within the Congress but, rather, a means of discussion. This has been done with the knowledge and the support of the minority leader, the gentleman from Indiana [Mr. HALLECK]. To him, in behalf of the gentlemen who will participate in our subject of the afternoon, may I express our gratitude.

This is Operation Survival.

Several first-term Congressmen are joining in this effort to paint, in what we believe are realistic terms, the issues that are vital regarding the survival of our constitutional form of government.

There is no presentation based on hatred, personalities, or political expediency. It is rather an attempt by us to pinpoint, in a limited time, the areas of vital concern and prime importance in our struggle for survival in a world of chaos.

We believe, that though conditions change and circumstances vary, there are valid truths that remain unchangeable. We believe that these truths are as applicable today as they have been throughout history.

We believe in progress. We believe that the only true hope for progress lies in the strengthening of our free society

of constitutional government with its preservation of the delicate balance between the legislative, judicial, and executive branches of government.

We believe that liberty is founded upon the principle enunciated in our basic documents, proclaiming the first real revolution in the history of mankind.

We believe, as stated in the Declaration of Independence, "that all men are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness."

We reject the failure of the past, again illustrated throughout history, which holds that government can be the grantor of rights or the guarantor of individual happiness.

We believe that it is the function of government to protect the inherent natural rights of individual men, that it is the function of government to say "Stop" to those who would infringe upon the natural rights of any man—be the aggressor individual, corporate, or a group of individuals merely associated in a common action.

In short, we believe in liberty. We believe in the right of free choice, in the right of individual man to succeed, to fail, to change direction, to travel freely, to freely express himself as an individual, to associate himself with other persons for group action within the framework of the U.S. Constitution.

We reject the Marxist theory of the class struggle. We reject the Socialist dogma which has its roots in the "Communist Manifesto," as written by Karl Marx and Friedrich Engels.

We reject the philosophy of government as the provider of all good things.

We thrill to the words of Thomas Jefferson who warned:

> Put not your faith in man; this is a government of laws, not of men. Bind them down with the chains of law.

We agree with Lincoln in his statement:

> If there is anything which it is the duty of the whole people to never entrust to any hands but their own, that thing is the preservation and perpetuity of their own liberties and institutions.

We are apprehensive at the bloated growth of Federal control over the lives of our citizens. We find abhorrent the fantastic expansion of the Federal bureaus. We observe that Federal Government is rapidly ceasing to be the servant of the people and is rapidly becoming its master.

We witness the perversion of words where liberty becomes license, where collectivism is disguised as progress, where subsidies are substituted for initiative, where dependency replaces responsibility.

The tentacles of the social planners, who possibly out of the finest motives, but lacking in the understanding of liberty and the lessons of history, attempt to impose their ideas of what is good for their fellow man upon their brethren, thereby falsely assuming that they are helping us to move ahead into a glorious new tomorrow.

The pages of history cry out the warnings that this brave new tomorrow may well be one of common misery, slavery, and ultimate death for those who believe in individual liberty.

We offer no material benefits as a largesse of government; we know that we can give nothing in a material way that we do not first take from the people.

We have dedicated ourselves in an attempt to restore a balance in government, a withdrawal of Federal control from the multiple intrusions into the lives of the people, a pledge to fiscal integrity, moral responsibility, and sound progress based upon constitutional liberty.

There may be those who say we issue a siren's call, that liberty is not in danger, that we make "much ado about nothing."

To all such, I say, "Listen."

Mr. ASHBROOK. Mr. Speaker, I yield now to the gentleman from Wisconsin [Mr. SCHADEBERG].

Mr. SCHADEBERG. Mr. Speaker, It is my desire to discuss the spiritual basis upon which freedom, as we have known it in America, was born and nurtured. It is only as we understand the foundation upon which our freedom is built that we can hope that freedom can survive and be extended.

While I am a clergyman by profession and "calling," I am a bricklayer by trade. My father, now in his 90th year, was a building contractor who spent over 40 years in constructing homes and small business structures. I know by experience that no man who is knowledgeable in the field of construction would attempt to build a structure on other than a footing and foundation laid on solid ground and firmly anchored. Yet, it seems this is precisely what many sincere but obviously unknowledgeable proponents of freedom seek to do. They desire the beauty and utility and strength of the structure itself but are not willing to either take the time or make the effort to align it with the foundation on which it was destined to be built.

A brief insight into our national history indicates that the desire for religious freedom gave the initial impetus to the colonization of this vast expanse of wilderness of the New World. So precious was held this right to worship as a person pleased that our forefathers abandoned their possessions; severed themselves completely from the material security that was theirs in Europe and set sail—months later to disembark upon the shores of what is now Massachusetts.

It is of interest to note that our Pilgrim Fathers tried a form of economic collectivism for the first year in the New World based on the false premise that each and every member of the community had rights to an equal share of the produce raised and material benefits created. The record is both interesting and abundantly clear in its appraisal that this practice resulted in dismal failure. Learning from bitter experience that human nature is such that many will not produce according to ability, as long as their needs are satisfied without effort on their part, the following year, each man was entrusted with the personal responsibility of providing for the wants of his own family. Out of this developed the free enterprise system—or capitalism as we know it, which has produced the utterly fantastic standard of living, enjoyed by our people through the years. No other nation of people on this earth have provided so much for themselves and their children in so short a period of time. Along with this economic growth, there developed in equal measure as a natural outgrowth, the enjoyment of personal liberty and freedom, which is unmatched in the world.

However, the development would not have been made possible had it not been for the basic convictions that motivated our forefathers to leave their familiar surroundings and give up their precious possessions for this wilderness, in which they saw both a challenge and an opportunity.

What were these convictions? Where do we get the basis for assuming that we should be free to pursue our own course in life and determine our own destiny? It is found in the soul-searching and honest evaluation of the meaning of life, evolving from a deep-seated faith in God. It was first translated into the words of the Mayflower compact. Forty-one male adults signed that official historic document as their ship lay at anchor in what is now Provincetown Harbor. And what did the Mayflower compact have to say about their intentions in the New World?

It begins: "In the name of God, Amen." Then it continued by stating that they had undertaken to plant a colony for the glory of God, the advancement of the Christian faith, and the honor of their king and country; in the process of which they would frame just and equal laws for the general good of the colony.

They made no apologies for their faith in God. They testified that their actions and efforts were directed among other things to the glory of God and the advancement of the Christian faith. It would be well for those who make apologies today for daring to allow their Christian convictions to enter into their political decisions to take note of these words of faith penned by their political forebears. To be sure, we firmly believe and rightly so, that there must be separation of church and state—but let me bring to your attention that this by no means should be interpreted to mean the divorcing of one's faith from his responsibilities as a citizen or a representative of the people. I submit that any action taken at any level in government that would result in forcing our citizens to departmentalize faith and duty and make it appear that to serve one's God and one's country are diametrically opposed responsibilities, which cannot be made compatible, is an action that breaks faith with the very foundation of our national structure.

It is no secret that we, as a people, are engaged in what is loosely called a cold war in which we are struggling to win the mind and loyalty of people from

all parts of our world to accept our concept of individual rights and human dignity. This concept is not just something we cooked up in opposition to the Communist threat to our way of life. It has its roots down deep in our national traditions and finds its source in our belief about the character of God.

We who are Members of the House, along with the people we represent, become so busy with the day-to-day political decisions we must make that we fail, at times, to understand or to appreciate the real nature of the conflict in which we are engaged. We commonly accept the cold war to mean a political war between the Soviet colonial empire and the United States of America. We vaguely assume that the struggle is centered around the desire of one to gain political power over the other. To be sure this is true in terms of the Communist effort since in a totalitarian system, complete control over the individual is a prerequisite for control in fact. Tragically true is the fact that those who would seek to socialize our Nation also know they must gain control over the individual if there is to be socialization in fact. At times, it seems apparent that those who tend toward socialism in opposing communism find their opposition not to the fundamental principles of the Communist order with which they share a common source in Marx and Engels but oppose only the means by which communism seeks to gain its goal. Men of faith in God who accept the philosophy of socialism believe that a capitalist society can be reformed and the transition to a Socialist society can be a peaceful one.

Godless men, however, prefer more direct methods. They believe reform of capitalism is an impossibility—therefore, there must come violent revolution with all that accompanies this physical upheaval. They believe that it is only out of the complete ruins of capitalism that the Socialist state can be built. There are two common denominators—however, in both socialism and communism the individual loses most of his freedom and dignity and the state determines his destiny. Attractive and appealing as a Socialist state may appear to those who want to rule and those who want equal benefits without equal effort—the end result will be a return to a form of feudalism for in a Socialist state, the framework of law is set up under which unscrupulous leaders and selfish politicians cannot only come into power but perpetuate themselves in office. What is first considered humanitarianism degenerates into beastiality of unbelieveable proportions. Contemporary history provides us with the facts for it was a Socialist Germany under which Hitler came to power and it was under what is called the Union of Socialist States of Russia that Stalin and Khrushchev came to power. All share deeds of inhumanity to man that defy description and make even the dark ages appear as sunlit in comparison.

Let me return you to the century and a half that followed the landing of our Pilgrim Fathers at Plymouth Rock. These were years of hard labor, sacrifice, suffering, expansion, and stabilization. The Colonies accustomed to self-government reacted violently against taxation and exploitation which erupted into the Revolutionary War.

Clarifying their beliefs and purposes, the Declaration of Independence was authored and signed. It spelled out in clear unmistakable language their firm belief in the concept of human dignity and individual rights:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.

Here is no anemic reference to man as being a mere accident of nature whose sole purpose is to serve the master—state—or to be pawns moved by the skilled hands of politicians on the chessboard of personal daily life. No—man is created by God to be free, with dignity and honor. It is the Creator who has endowed the individual with unalienable rights, not government or the political party in power who doles out special privilege or the right even to make a living. Because the Creator and not the state is supreme, the individual has rights which the state cannot and dare not abridge. These rights are self-evident. They are many but among them are numbered first, the right to life—not merely the right to make a living but the right to make a life; second, the right of liberty—to express oneself in keeping with his talent and personality, not be restricted by measures of every kind that prevent him from deciding his own destiny; and, third, and the right to the pursuit of happiness—and here, may I point out that it is the right to pursue happiness which is guaranteed—not happiness itself. Happiness is not an end in itself, therefore, it cannot be guaranteed by any amount of governmentally administered material welfare and security. Happiness, like peace, is a by-product which can come only to those who are free to enjoy the fruits of their successes; to learn by their failures and to progress according to their ability, ambition and determination.

Mr. MARTIN of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Nebraska.

Mr. MARTIN of Nebraska. Mr. Speaker, historically in the United States, we have always conducted our educational system at the local level. This has been true from the days of the Pilgrims. Through this system, which has existed in this country for over three centuries, we have developed the finest educational system of any nation on the face of the earth.

The responsibility for the education of our youth was rightly considered a responsibility of the local government, and this philosophy and belief has been in existence throughout our history.

Now we have a greatly expanded Federal Government, whose departments long for an expansion of their duties, and more control over the very lives of our citizens. This is particularly true in the Department of Health, Education, and Welfare, as exemplified by the numerous bills proposed and written by that agency in the field of education.

To prove this point, I would like to refer you to "A Federal Education Agency for the Future," published in April of 1961 by the Department of Health, Education, and Welfare, in which booklet under appendix B, on page 49, they list their future programs under 11 points, and I quote:

> 1. Grants to States for elementary and secondary education.
> 2. Grants for higher education physical facilities.
> 3. Grants to States for vocational education.
> 4. Increased aid to graduate education.
> 5. Expanded educational research in all areas, including graduate education.
> 6. Strengthening of educational statistics programs.
> 7. Increased financial assistance to students for higher education.
> 8. Increased financial assistance for teacher education.
> 9. Broadening of Federal interest in curriculum and improvement of instruction.
> 10. Marked increase in international educational assistance.
> 11. Broadening of Federal interest to include educational activities and services outside the structure of organized education.

I note further these three sentences in the pamphlet, and I quote:

> The committee will recommend in this report that the Office of Education assume new and important responsibilities.
> The committee foresees an extension of the active Federal role in education.
> Policy role in the national community: In addition to the Federal level of public policy determination, the Office has much concern with policy matters at the State and local levels, and in higher education institutions.

You will note, Mr. Speaker, that this sets forth in extremely plain words that the Department of Health, Education, and Welfare plans on taking over complete control of our educational system in this great country of ours.

Let me go into further detail as to the structure of the future planning of HEW, as taken from their own leaflet. They plan to establish:

First. The Bureau of Higher Education assistance programs.

Second. The Bureau of State assistance programs.

Third. The Bureau of International Education: (a) Technical assistance programs to foreign countries, (b) a division of educational exchange, and (c) a division of international studies.

Fourth. The Bureau of Educational Research and Development: (a) The center for higher education, (b) the center for secondary and elementary education, and (c) the center for continuing education and cultural advance. First, a library service branch; second, adult education; third, cultural affairs branch—arts, museums, galleries, theaters, music, and so forth; and, fourth, a special educational services branch—juvenile delinquency.

And I note from the summary of the pamphlet:

> The Committee on Mission and Organization recommends a new and significant role for the Federal education agency in the

1960's. This agency must, over the next decade, not only perform its traditional functions of data gathering, analysis, and dissemination; research; and services to organized education. It must also prepare itself to assume larger responsibilities in carrying out Federal policy through the administration of operating programs. It must assume a new role, speaking within the Federal Government for the long-term interest of education and it must render assistance in the development of public educational policy.

There are those of us, Mr. Speaker, who have maintained that involvement of the Federal Government in our local schools would eventually mean Federal control, and from this summary, written by the people in HEW, it is specifically set forth that they must render assistance in the development of public educational policy.

It has been stated that it is necessary for the Federal Government to assist with the building of classrooms because of the dire need. Let me give you some statistics in this regard:

Classroom construction in the United States over the past 5 years has averaged 69,860 per year.

Classroom construction over the past 10 years has averaged 62,600.

The number of classrooms needed annually for net enrollment increases during the past 5 years is estimated at 40,000 per year. For the 1960–64 period, 36,700 per year; and for the 1965–69 period, 20,000 per year.

The average estimated annual increase in students during the past 5 years has been 1,200,000 per year. During the next 5 years, it is estimated to be 1,100,000; and during 1965–69, 600,000 per year.

Now let us look at this problem in another manner. In 1900 there was a total enrollment in our public schools of 15,503,000 with 436,000 teachers to handle this enrollment, or an average of 35.6 pupils per teacher.

In 1930 the enrollment had risen to approximately 25.5 million students and the number of teachers to 880,000, with the average number of pupils per teacher at 29.2.

Now let us look at the figures for 1960. There was an estimated total enrollment last year of slightly over 37 million. The number of teachers totaled slightly over 1.5 million, or an average number of pupils per teacher of 24.4 Thus we can see that from 1900 to 1960 the average number of pupils per teacher has decreased from 35.6 to 24.4, and even during the last 7 years this decrease has amounted to 2.4 percent.

Communities throughout the Nation are doing the job and are constructing classrooms, and it is a poor myth that it is necessary for the Federal Government to step in to alleviate a shortage of classrooms in our public schools in this country. The facts do not justify these conclusions.

In conclusion, let me reiterate, where you have Federal programs, you have Federal control. When governmental problems are handled at the local level, greater efficiency results and the needs of the community are more nearly reflected in the actions taken. This philosophy of having the Federal Government take over our educational system is wrong and is false. The people throughout the country are not calling for this change, but the demand is coming from a few bureaucrats and socialistic planners, whose philosophy is that the Federal Government can tell its citizens how they should educate their children.

The Office of Education had a total appropriation in 1950 of $32 million, in 1960 the office in the Department of Health, Education, and Welfare had an appropriation of $464 million, an increase of approximately fifteenfold; and if all of the programs were enacted which they recommended in this session of the Congress, this 1960 appropriation would be trebled.

If we are not most careful, Mr. Speaker, this octopus of a Federal Government will devour its citizens within a very short period of time. In order to survive, we must be ever alert to these grave dangers.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from Illinois.

Mr. PUCINSKI. Mr. Speaker, it has been my pleasure as a member of the House Committee on Education and Labor to serve with the gentleman now in the well of the House, the gentleman from Nebraska [Mr. MARTIN], during this session of the Congress and during the past 8 months. As a result of our association on the committee, I have learned to respect the gentleman for his profound fairness. I am glad the gentleman referred to the booklet "A Federal Education Agency for the Future" and I wish to assure the gentleman that I share his concern about the grandiose plans laid out in this booklet, if in fact they were ever permitted to be carried out. However, because I know the gentleman is very fair, may I ask him would it not be in keeping with his position of fairness to incorporate in this record the fact that this booklet, while published in April 1961, actually had been prepared pursuant to the instructions and guidance and directive of the former Secretary of Health, Education, and Welfare in the previous administration, and so far as I know there is nothing in the record which would indicate that the present Secretary of Health, Education, and Welfare, Mr. Ribicoff, fully supports or shares or agrees with the views set forth in this booklet; is that a fair question?

Mr. MARTIN of Nebraska. Except in this regard, that the beginning of the plans for the preparation of this book were begun about a year ago, approximately, and the final draft, the final approval of the words that were written into this pamphlet were concluded and written after the 20th of January.

Mr. PUCINSKI. One can then conclude that certainly it becomes the responsibility of the Members of the Congress, such as the gentleman in the well and myself and the rest of us here, to constantly maintain a vigil over these various departments of Government that would try to usurp prerogatives and powers that belong to the legislative branch. But, I am happy to have the gentleman admit that this was a program that was started under a Republican administration. I will join the gentleman in making sure that this broad program of bureaucracy is never put into effect so long as we keep it on a basis of recognition that these abuses can occur just as easily and just as eloquently and just as conclusively under a Republican administration as they can under a Democratic administration.

Mr. BRUCE. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Indiana.

Mr. BRUCE. In concert with what the gentleman from Illinois has said, I can assure the gentleman, who is also a member of the same committee as is the gentleman from Nebraska and myself, that our concern as a group of freshmen Congressmen is not in fixing political blame either on Democrats or upon Republicans but rather on what the gentleman has pointed out, the tendency of bureaucracies to creep out and get more power. And, you can be assured that as far as this group is concerned, regardless of which administration or who is in power in the White House, as long as we are in the Congress, we shall fight this extension no matter which party happens to be on the receiving end of it.

Mr. PUCINSKI. Mr. Speaker, if the gentleman will yield further, the gentleman from Indiana will agree, therefore, after sitting in the committee and listening to the testimony of the department, that certainly if anybody has shown an awareness of this problem and tried to reduce this complete control by bureaucracy, the present Secretary of Health, Education, and Welfare, Mr. Ribicoff, has appeared before our committee and repeatedly shown us examples of where he is trying to do exactly what the gentleman is speaking of. Is that a fair statement?

Mr. BRUCE. I would say, not wishing to trespass further on the time that other Members are waiting for, that I do not agree with the gentleman on this point. I believe that both in the Department of Health, Education, and Welfare and the Labor Department and elsewhere there is an unprecedented grab of power.

Mr. PUCINSKI. Mr. Speaker, if the gentleman will yield further, the gentleman spoke of Federal controls following the Federal aid to education, and lamented the fact that there were efforts made to try to bring Federal aid to these local communities. I wonder if the gentleman would be good enough to explain to me how it was that the gentleman joined an overwhelming number of his own party in approving legislation providing $400 million to local school districts all over America for the payment of teachers' salaries, for the payment of current operating expenses, for the payment of construction. What distinguishes these impacted districts from districts like I have in Chicago which are not impacted, which also need assistance, because the local taxpayer is

unable to meet the problem of educating the masses of youngsters? I often wonder, if the gentleman would be good enough to explain to me, how can we say in one area there is no Federal control and in another area, ipso facto, Federal control will follow if we provide Federal funds?

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield at that point?

Mr. ASHBROOK. I yield.

Mr. CURTIS of Missouri. First let me commend the group here for this presentation. I think it is excellent. I emphasize what has been said here, that this is not necessarily a Republican or a Democratic partisan approach. I have listened carefully; I have seen none of it, but rather a factual approach. I think we do have to recognize in this game there is a third political party, the bureaucracy, over which both parties have lost a great deal of control.

I think we do have to direct our attention to that. It becomes a partisan issue depending on which of the two recognized political parties it is that front with the schemes and plans of this third group, the bureaucracy and, therefore, possibly would merit further discussion.

One final comment, I may say, just to answer the gentleman from Illinois, that the theory at any rate on which the impacted school area bill was started was that this was in lieu of taxes. This I think is a legitimate tax theory, but I must concede it has gone way beyond that point.

Mr. BROMWELL. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Iowa.

Mr. BROMWELL. Mr. Speaker, when, on yesterday, we read in the CONGRESSIONAL RECORD that an able and most distinguished Member of the other body had publicly questioned the adequacy of the Constitution in these times—daily CONGRESSIONAL RECORD, page A6967—we should have been alerted but not shocked.

The storm began to gather some 30 years and more ago when an accommodation was sought between then existing institutions and stated economic and social needs, and was found in wholesale delegations of authority to the executive branch of the Government. Born of experimental doctrine, misconceived expediency, and political inertia, aided by broadened constitutional interpretation, forced by two great wars and heightened international responsibilities, the powers of change have gathered strength. It has remained for 1961 to see the doctrine of checks and balances challenged by a high official of the Government of the United States, in an open questioning of the wisdom of the legislative process.

The President is hobbled in his task of leading the American people to concerted action—

He is quoted as saying—

by the restrictions of power imposed on him by a constitutional system designed for an 18th century agrarian society far removed from the centers of world power.

Mr. Speaker, it has been well said that constitutional government is the greatest contribution of America to civilization. The greatest of all constitutions, though it may need defense, needs no justification by those whose offices are its creatures. No political document has ever served the human race as well. But the great principles which it represents need constant restatement by the expressed will of our people.

The executive, legislative, and judicial functions were institutionally separated not as a political whim of the times but as an engine whereby freedom would be forever preserved to the people. Each branch was to check and balance the other two, lest any become despotic. In the Convention of 1787, this separation of powers was regarded as an obvious axiom. It is in 1961, in fact and law, an obvious axiom.

What is now an important possibility is that the executive branch shall assume control of the Government by becoming increasingly free of legislative restraint. The people need fear no sudden amendment which would eliminate the effectiveness of the Congress to control it. What is to be feared is that the trend of the last 30 years should continue with increasing acceleration to the point where Congress authority becomes a hollow form and the Congress as a practical instrument shall become vestigial.

Mr. Speaker, the executive branch of the Government of the United States has two elected members, a sample subject to confirmation by the other body, and just under 2½ million employees who are not subject to election, who are not subject to recall and who are not subject even to confirmation, however perfunctory. Many of these employees rise in their duties above the merely administrative as policymakers. Power delegated is redelegated. They control, quite literally, the lives and fortunes of millions of the citizens whom we have been elected to represent. Insulated by faceless anonymity from public opinion they are denied the benefit of constant direct contact with the people, which is certain knowledge not only of the opinions but of the faith and will of America. Oblivious, they are guided by polls and statistical indexes in air-conditioned comfort over the coffee cups.

We who came recently from the people have found ourselves surrounded by a strange cult of superiority within the executive arm of the Government, a cult which is not content only to lead, advise, and execute laws expertly—a function, by the way, in which sincere and humble men have often been able to find fulfillment—but which insists upon governing, which is presumptuous. This cult has been reported by the press to be impatient, not to say petulant with the Congress, slow to respond to inquiry, disdainful of the restraint of law, careless not only with the form but with the substance of carefully established institutions. It insists not only on its own draftsmanship of laws, but accepts the language of the legislature with animosity.

Acceptance of one's own superiority, Mr. Speaker, is a highly dangerous thing in a nation dedicated to the proposition that all men are created equal. From this acceptance all sorts of unreal rights flow, including ultimately the right to rule by a sort of deterministic divine right which, it need not be added, is the direct contradition of the first principles of this Republic.

Some 4 months ago, I caused to be inserted in the CONGRESSIONAL RECORD an editorial article which asserted that one of the aims of certain leaders of the present administration was the revision of the basic structure of the Republic. As the pattern of official acts formed to prove the assertion, the attention of the Congress was called to the tendency. Now, as we near the end of the first session of the 87th Congress, the direction has been so swift and apparent as to shock the observer, let alone the lover, of representative government. No single area of legislation has been as important as the obvious philosophy which unifies all acts in general public policy. Beyond reasonable doubt, it is the policy of the present administration to advance the power of the executive branch of the Government at the expense of the power of the people and their elected legislators. Again and again the price of doing political business with this administration has been surrender of the power of the people to the Government, of the power of the elective to appointive officers. It is one thing for a strong executive branch to seek to prescribe the legislative program; it is quite another for it to prescribe a program which permanently weakens the legislature. At this point a reasonable legislature and a reasonable executive leave common ground.

Mr. Speaker, as we entered this week, this Congress has enacted 190 public laws. Not one has directly extended political freedom to the people. Quite to the contrary, 57 times the power of the people has been surrendered to mere employees. Fifty-seven times this Congress has, in the name of the people, abdicated to a querulous and importunate bureaucracy. Fifty-seven times it has listened to the fundamental falsehood that those who govern know more than those who are governed—that power in the hands of an elite few will guarantee the rights of the many. In each instance of major legislation, in mutual aid, in housing, in area redevelopment, in agriculture, in minimum wage legislation, the price of action has been to expand the power of the executive.

An obedient majority has created new departments and agencies; it has extended power over the States and individuals by the torturing of the interstate commerce clause. It has extended blanket authority. It has granted fantastic appropriations. It has approved Treasury borrowing. It has granted authority for a period beyond the constitutional term of this Congress, or of this administration. It has added tens of thousands of persons to the bureaus. It has raised the debt ceiling for our children and grandchildren. It has provided the means to pay political lobbyists to harass us. It has raised salaries beyond the provisions of civil service. It has succumbed to government by press

agent, minority pressure groups and the creation of phony images of executive beneficence.

We have been hounded by the naive notion that because power rightly resides in the people it can be concentrated without fear. The problem of peoples under tyranny is not that they lack the natural right of self-government; it is that they are prevented by concentrated executive power from exercising that right. Every strengthening of the Federal executive is a weakening of the legislatures, of the States, or of the people. Where is there security in the notion that power granted piecemeal by legislators is a less serious loss than power torn from the people by revolution or a coup d'etat?

One of the most disquieting activities of the executive branch has been the anxious tampering with dissent. In dissent is to be found the seed of progress. The possibility of advance at any time is the exclusive property of a sensitive minority. If the truth is illuminated and published in due course it will be accepted by the people and when it is accepted by the people, Mr. Speaker, this House will know of it. And when this House knows the truth it will place it among the laws provided, and only with this provision, that the Congress retains its power.

We have been distracted by our external enemies from giving what I believe to be necessary attention to this swiftly striking policy, this most important of public affairs. Underlying all our external defenses is the repeated question of how we shall meet our enemies and with what, whether we shall meet them for the record of history as free men, armed with free institutions and a fighting faith, or as the mercenary troops of professors on horseback.

Now there is no question, Mr. Speaker, of the eventual victory of freedom in the world. The question is how long and how dark the intervening days shall be; how quickly and how efficiently we shall act; how clearly our message shall reach those who wait; how certain their faith shall become by our example. We know this—that freedom will prevail because of what we as a people do in the voluntary expression of our united energies; not because of what one group among us purports to do with some condescension for another. To follow the latter course is to postpone the jubilee. Freedom operates through institutions—one of which is the Congress of the United States through which the people speak. Might is of value only when it is on the side of right; right is on the side of the people and this, Mr. Speaker, unless it destroys itself, will always be the people's House.

ELECTRIC POWER: WEDGE FOR SOCIALISTIC ADVANCEMENT

Mr. BRUCE. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHBROOK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, in no field do we see more of an effort to discredit the free enterprise system and establish Socialist-bureaucratic control than that of electric power. Socialists have always wanted to exclude private participation in this significant segment of our economy. The New Frontier has already shown that renewed impetus will be given to further socialization in this field. They have frankly embraced the welfare state as a so-called defense to communism.

If there is any question about the validity of the charge that antifree enterprise thinking is leading the Government to further encroachment into the field of business enterprise, consider this statement by James M. Landis before the American Bar Association on August 7, 1961, bearing in mind that Mr. Landis is the special adviser to President Kennedy on regulatory agencies. Mr. Landis points out:

> In other nations where socialization has taken the place of private development, governmental operation has become the substitute for regulation. With us a certain degree of socialization has already taken place. We see it in the fields of public power, of nuclear development, of international finance, of space exploration. Whether we fear it or approve it, its growth is patent.

On one thing I will agree with Mr. Landis. Socialism's growth is patent along the New Frontier, Mr. Speaker, unless a serious effort is made to curb this collectivist trend in the public power field and all areas along the broad attack line against free enterprise. Those who would give bureaucratic agencies an increased stranglehold on the private sector of our economy could well adopt the theme of a majority member of the other body who stated on August 11, 1961:

> Utility companies, because of the nature of their business are agents of the Government. They operate under franchise granted by Government.

Note well that statement "agents of the Government." Think for a moment of the consequences of such an attitude or expression. If electric companies—or any companies—are regulated, receive licenses or franchises from the Government, they then become "agents of Government," according to this philosophy. There is hardly an industry in the United States which would not come under this classification of "agents of Government," because of their relationship with the Federal Government. This would apply across the board—transportation, communication, or for that matter any industry covered by SEC, FPC, FTC, ICC, FAA, and so forth.

If these companies are, in fact, instrumentalities of the Government, then this could be construed as meaning that their employees are employees or at least in some subservient position of the Government. Such an attitude could seriously affect trade unions, stockholders, and everybody else. These statements are but a slight indication of the degree to which collectivists' ideas have crept into the thinking of many of the New Frontier's leaders. This attitude, if carried to its logical extreme, would mean that each and every individual in the United States is an agent of an all-powerful Central Government, just as surely as they are in Soviet Russia or Red China. It must be remembered that according to the American philosophy—a philosophy, I might add, which is not out of date or incapable of meeting the challenge of the space age—the government is the servant of the people, not the master of the people. Those who press socialism under the guise of welfare statism are seeking unwarranted control over our individual and economic freedom.

Ever present is the overall tendency to overlook the basic truth which we should repeat and repeat and repeat: Congress, not the Executive, has the constitutional responsibility for establishing the policies which shall guide the Federal Government activities in developing and regulating the production of electric power in this Nation. Throughout past history, governmental activities have seemed to develop like Uncle Tom's Topsy, "They weren't born, they just growed." The executive department has also tried to take the policymaking prerogatives away from the legislative branch by usurping this power by unilateral action.

For example, earlier this year, February 14, 1961, Secretary of the Interior Stewart Udall announced what he called a broad new power policy which superseded the statement of Secretary of the Interior Douglas McKay, issued on August 18, 1953, which superseded the memorandum on power policy issued by Secretary of the Interior Harold Ickes on January 3, 1946. In other words, it seems that there has been a restatement of power policy on the part of the Department of the Interior and the Bureau of Reclamation with each major change in national administrations. The announcement of Secretary Udall prompted Representative WAYNE ASPINALL, of Colorado, chairman of the House Interior and Insular Affairs Committee, to remind the Secretary that the policy decisions in the Government are supposed to be exercised by the legislative branch.

Before examining what the Congress power policy should be, it would be helpful to trace briefly some of the background of the so-called power problem.

The commercial generation and distribution of electric energy in the United States began with Thomas Alva Edison's Pearl Street Station in New York City in the late 1800's. From that meager beginning, the industry has grown into the largest and most efficient supplier of electricity in the world today. By and large, this has been accomplished within the framework of the American system of free enterprise. However, a primary goal of Socialist planners almost from the beginning has been to have the Federal Government nationalize this vital industry.

The platform of the Socialist Party through the entire decade of the 1920's called for the complete nationalization of the power industry as the first step

toward the socialization of all key industries in this country. Repeated failure to get popular support for such a program prompted some of the brighter young men in the movement to begin suggesting a program of gradual socialization of industry rather than cataclysmic revolution. What might be called the "Mein Kampf" of this program of gradual socialization was an article which appeared in the Socialist newspaper, the New Leader, on March 12, 1927. The article said in part:

> We have made three attempts at control. We have set up municipal plants. Their status is changing and we should face that fact. Outside of the large cities they can rarely compete in rates and efficiency with the new plants being established by private companies having the benefit of the connected load of wide interconnections.
>
> We have tried regulation by State commissions. It has gotten out of hand.
>
> A third attempt to control the waterpower was in the Federal Water Power Act of 1920. Here we set down the principle that rates shall not exceed a return on the net cost of the money actually invested, that excess earnings shall be recaptured, and that the project may be bought at the end of 50 years by the Government at net cost.
>
> The fourth attempt is that of having Government corporations like the Port Authority of New York operating the power at Muscle Shoals, Boulder Dam, and on the St. Lawrence. With these developments furnishing cheap power, these great sections of the country will realize the advantages of public as opposed to private ownership.

When the plan for socialization by encroachment was published in 1927, an organization had already been working along this same line for 13 years; it was known as the Public Ownership League of America, which was founded in 1914. In 1923, the Public Ownership League published its program of action. The program, in part, called for the Government to—

> 1. Interconnect the 2,318 municipally owned electric light-and-power plants.
>
> 2. Tie into the system the 11 hydroelectric powerplants owned and operated by the U.S. Government in connection with the reclamation projects.
>
> 3. Enlarge and expand all of these units.
>
> 4. Develop as rapidly as practicable the hydroelectric power of all the rivers, rapids, and waterfalls of the Nation.
>
> 5. Coordinate the work of flood control, irrigation, navigation and hydroelectric development.
>
> 6. Coordinate steam-driven plants with the hydroelectric plants.
>
> 7. * * * buy out existing private plants to be built into the public superpower system.
>
> 8. Secure the necessary capital at low interest rates by use of public credit.

A careful examination of the succeeding years and the degree of Federal control of this industry clearly indicates the effect which the persistent chipping away of the Socialists has had on the generation and transmission of electric energy in this country. Many of the proposals which we hear today for the Federal Government getting deeper into the business of generating and transmitting electricity sound very much like a page out of the Socialist platform of yesteryear. This is a serious and dangerous trend which can and must be reversed. A long- and well-established principle of our Government has been that it should do for the people only those things which the people cannot do for themselves. Since it should be admitted that America's electric companies have proven themselves ready, willing, and able to meet the power demands for a growing and dynamic economy, the Government should not indulge in further encroachment in the electric power business.

In the mid-1930's there was a need in some areas for Federal assistance in getting electricity to the Nation's farmers through a program of low-interest loans for rural cooperatives to distribute electricity. Now we have 98 percent of the farms electrified and five out of six of the new customers added by the rural cooperatives are nonfarm residential and industrial customers. Serious questions should be raised as to the scope of the Rural Electrification Administration as a competitor due to the limited purpose for which it was organized and its tax-preferred status and ability to obtain Federal money at 2-percent interest for expansion. Obviously, those who favor all-out public power endeavor to use this generally popular rural force as a factor in selling their nationwide transmission grid. The new REA Administrator, Norman Clapp, recently announced establishment of a new policy to be followed by REA in the granting of generation and transmission loans to rural cooperatives that goes far beyond the traditional criteria.

The development of the so-called preference clauses in various Federal power acts has also been accomplished somewhat piecemeal without any clear overall guiding policy statement. For example, the original concept of preference, as contained in the Reclamation Act of 1906, related to preferred uses of power rather than preferred users of power. However, the preference clause has been changed in such a way as to create a preferred group of individuals in this country who receive subsidized electric power from Federal facilities. This group includes approximately 20 percent of the Nation's electric users and the remaining 80 percent must pay increased taxes to help support this small minority of power users. This preference concept has been turned into something quite different from its original intent to where it is now a device to foster the growth of public power.

There are many legislative proposals now pending before the Congress which relate directly on this question of Federal encroachment into the area of electric generation and transmission. While some of them may seem to be unrelated, there is most assuredly a pattern developing which will eventually accomplish the goals set forth by the Socialist Public Ownership League several decades ago unless this trend is countered. This pattern of Federal encroachment may seem to be a puzzle to many of our colleagues here in this body. But if one looks carefully into the development over the past few years, the pieces of this puzzle fall into place very clearly, forming a design so contrary to the concepts of our American system as to be almost unbelievable. The pieces of legislation so carefully drafted to give the impression of being unrelated to each other are merely additional facets of this master plan for Federal control.

For example, the Chicago Daily Tribune, August 9, 1961, reported that a secret meeting took place recently in the office of Secretary of the Interior Stewart Udall to discuss plans for the Federal Government to crisscross the Nation with lines carrying electricity from Government plants. The lines would stretch from Washington State to Vermont in one giant all-Federal transmission grid that would put the Nation's electric companies in a subservient position. The newspaper identifies those attending the secret session with Udall as "Clyde Ellis, former Arkansas Congressman who heads the powerful rural electrification public power lobby; Alex Radin, regional director of the American Public Power Association; and Andrew Biemiller, AFL–CIO lobbyist." The article goes on to say:

> They were so confident of victory * * * they made plans for 12 giant atomic nuclear reactor generators to be in the national grid, with Hanford to be the first.

The reference to Hanford was, of course, the proposal to add over 800,000 kilowatts of electric generating facilities to the new plutonium production reactor being constructed at Hanford, Wash. It will not be necessary to discuss the shortcomings of the proposal at this time because it was recently debated in depth here on the floor. The House of Representatives emphatically expressed its strong rejection of this public power proposal on two different occasions.

Hanford, however, is but one piece of this pattern. Another major step toward the eventual nationalization of the electric industry concerns the proposal to have the Government construct an all-Federal transmission system in the upper Colorado River storage project to deliver power from the hydroelectric dams to the major load centers. The Bureau of Reclamation, in accord with the established congressional power marketing policy, was instructed specifically to consider the private companies' proposal before proceeding with construction of the all-Federal grid. The five electric companies in the project area presented a comprehensive transmission plan to move the power for the Bureau and its preference customers. The five-company proposal would appear to be far superior to the all-Federal grid when considered from the point of view of economics or engineering and an overall emphasis on the free enterprise system. The only basis on which the All-Federal system would appear to be preferable is from a doctrinaire public power attitude of wanting to build an all-Federal transmission system for its own sake regardless of cost or effect on the Nation's taxpayers. If these western public power grids are authorized, in due time an all-embracing national system will be proposed.

There is still another piece in this puzzle which should be mentioned. This has to do with the proposal by the Bureau of Reclamation to construct the $50 million, 90,000-kilowatt power dam at Burns Creek in southeastern Idaho. This proposal has been made to Congress

masquerading as an irrigation project, but the facts clearly show that it is a public power proposal pure and simple. It is being made to meet the future power demands of a relatively small handful of preference customers, because some of them feel the Federal Government should assume a utility responsibility to meet all their future power needs, regardless of cost to the Nation's taxpayers.

The Burns Creek proposal is another example of the desire of the public power proponents to build Federal power facilities for their own sake. The suggestion that Burns Creek be authorized under the guise of reclamation has serious implications for the future of the entire reclamation program in the West. Administration thought is crystallized in their announcement that the time is past when the Bureau will refuse to construct a project simply because it is an all-power project. This attiude will cause people from other parts of the country—the North, the South, the East, and even the West—and people who have usually supported the aims and objectives of sincere reclamation to question the wisdom of using the pretext of reclamation in this fashion to promote Federal power development.

This is by no means a complete rundown of the proposals before the Congress which are in effect additional pieces in this overall puzzle. But they are sufficient to indicate clearly the direction which this trend is taking us. There are strong forces at work trying to push this Nation further toward greater centralization of power here in Washington. At the same time the American people are being asked to make great sacrifices in our long-term struggle against the forces of international communism which have threatened to bury us. Khrushchev has bragged that our grandchildren will live under communism in the United States. For this reason it seems grossly incongruous to be girding our national defense on the one hand; while, on the other hand, to be moving with increasing rapidity in the direction of that very thing which we are committed to oppose, namely complete centralization of power in the Government.

In each of these successive steps toward such centralization another small part of our individual freedom has been sacrificed.

We are not as free today as individuals as we were a generation ago and we are losing a certain degree of our freedom every time the Government injects itself further into the Nation's business. We have seen bureau after bureau set up which has been endowed with, or has assumed through its own interpretation of laws, a powerful combination of legislative, executive, and judicial powers. We are fast becoming governed by bureaus rather than by the elected representatives responsive to the will of the people, and unless we here in this Chamber do our part in reversing this trend, we will become nothing more than a rubberstamp showplace similar to the so-called Supreme Soviet which is supposedly the highest legislative authority in Russia.

If government can gradually take over the private power field there is no reason why the same thing cannot be accomplished with other segments of our economy which are closley affected with the public interest—the airlines, the railroads, the communication media—and then why not the grain elevator and the corner hardware store? A vast bureaucratic empire would be the result with the piece-by-piece achievement of economic and political dictation of our lives. Individual freedom as we know it today would fall before the collectivist onslaught. Electric power is the cornerstone and the wedge in the design for Socialist advancement. We can and must reverse this trend by putting each of these legislative proposals in their proper overall perspective and by rejecting each and every one of them which does not meet the test of serving our free enterprise system.

OPERATION SURVIVAL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Indiana [Mr. BRUCE] is recognized for 2 hours.

Mr. BRUCE. Mr. Speaker, I yield to the gentleman from Kansas [Mr. SHRIVER].

OPERATION SURVIVAL: DEFENSE

Mr. SHRIVER. Mr. Speaker, about 178 years ago George Washington enunciated a defense policy for the United States which is most appropriate for continued consideration in the 1960's. He said:

> There is a rank due to the United States among nations, which will be withheld, if not absolutely lost, by the reputation of weakness. If we desire to avoid insult, we must be able to repel it; if we desire to secure peace, one of the most powerful instruments of our rising prosperity, it must be known that we are at all times ready for war.

History tells us that we can learn much by studying the past. We learn from the military philosophy of George Washington, and other great American soldiers including Dwight Eisenhower, that the safety and security of America rest upon strength.

The grave situation in Berlin, and the cold war itself, are cases in point. We cannot hope to resolve crises sparked by the Communist conspiracy with appeasement. History teaches us appeasement can be fatal. Recent history tells us that Soviet leaders understand the language of strength best. Two years ago President Eisenhower met Mr. Khrushchev's threat to Berlin by declaring:

> We certainly are not going to fight a ground war in Europe.

This clearly intimated to the Russian dictator that the United States would use its massive retaliatory force if the Soviet Union should start a war in Europe.

The threat of massive retaliation proved itself in the crisis of 1958. One of our colleagues has wisely stated:

> It is quite evident that to threaten the U.S.S.R. with conventional forces is like attacking a tiger with a water pistol.

The defense programs of our Nation have drawn strong support from Congress in recent years. The clearest evidence of this is the action of both congressional bodies on the 1962 fiscal year defense appropriations last month. The House voted 380 to 0 on a rollcall vote, and the other body 85 to 0, on an appropriations measure providing $46,662,556,000 for the Nation's Military Establishment.

It is abundantly clear that the continuing crises in the world promulgated by the Communist conspiracy will require this Nation to commit the larger portion of its annual Federal budget to national security programs including military functions. Whether it is Quemoy, Laos, Cuba, or Berlin, we must adjust to living in times of crisis. This generation of Americans is becoming adjusted to living in a time of continuing emergency.

A Republican policy committee task force last year wisely pointed out that we are living at a time when our enemy is waging an economic, military, and psychological war against our way of life, our Nation, and our people. If we are to maintain adequate military defenses over a long period of time, we must consider the effects of the defense budgets on economic growth and efficiency, since growth and efficiency will make possible better defense later. The task force report also advanced the pertinent theory that "if the challenge during this period extends to far more than military strength, economic strength becomes an end in itself as well as a support for military policy."

The threat of communism is not confined to military action alone. Indeed most of the gains made by the world Communist movement in enslaving people and nations have been without the use of military force. Therefore, I believe it is essential to encourage—rather than stifle—educational forums designed to inform and alert American citizens to the techniques and aims of communism. Our military experts on the subject, as well as civilian authorities, should be encouraged to participate in such nonpolitical programs.

It is the knowledge of Communist methods and aims which should impress upon us the importance of a healthy and strong economy which will contribute to the overall defense posture of the United States.

It is most distressing to those of us in the Congress who are concerned with fiscal responsibility to see unanimous action on appropriations to build up our Military Establishment, but on the other hand to note little interest in reducing deficit spending and a balanced budget.

We acknowledge the necessity for increased defense spending at a time when we prepare for any eventuality in Berlin. However, we find that for the 1962 fiscal year, President Kennedy is asking for authority to spend over $10 billion more than was requested by the Eisenhower administration. Of this additional spending, 44 percent of the requests are for nonmilitary items.

I believe the American people are willing to spend whatever is necessary

to insure the defense and security of this Nation. However, they are concerned with the methods used in financing our defense program. A recent poll which I took in my district revealed that a great majority of my constituents favor postponement of new domestic programs to finance greater defense spending, and increased taxes, if necessary, to meet the cost of such spending.

In addition to holding the line on new domestic spending, every effort must be made to insure the American people that their defense dollars are being used wisely and efficiently.

The years of cold and hot war have required this Nation to invest the greater portion of its annual Federal budgets in national security programs including military functions. With the exception of a few post-World War II years, the United States has devoted a major slice of total Government expenditures specifically to military functions. This has been necessary in providing our Nation with a strong striking force which has acted as a deterrent to war by the Communist nations.

Attached is a table indicating the record of Department of Defense expenditures and the percentage of total Government expenditures represented by such spending.

This year the United States will spend over $51 billion to gain some measure of security. Of this the military services will spend about $47 billion and related security programs the remaining $4 billion. More than 9 percent of the Nation's output of goods and services—the gross national product—will go into these programs. These absorb over 57 percent of the huge Federal budget. In more understandable terms, national security expenditures will average $275 per man, woman, and child, or nearly $1,100 per family of four persons in the 1962 fiscal year.

These figures reveal unmistakably that every citizen has a stake in the achievement of maximum efficiency and economy in our multibillion-dollar defense program. Defense is Government's biggest and most costly business. Public confidence cannot be won on the basis of the many examples of waste and mismanagement which are practically legend in the history of our military services.

The Members of this House have not closed their eyes to the hundreds of examples of waste which have been brought to the attention of our Appropriations and Armed Services Committees. While it may be considered a minimal action, the House last month voted a 2-percent across-the-board cut of all procurement funds to make the Pentagon more aware of procurement waste.

As a freshman Member of the Congress I do not present myself as a civilian expert on military affairs or defense expenditures. But as a taxpayer and as an elected representative of the citizens of my district, I want to be able to report to them that their tax moneys and mine are being used wisely and efficiently. Indeed, it is my responsibility as a Member of Congress to help set the stage for good management in every branch of our National Government. I believe that good management is the key to efficient operation of our Department of Defense. We must ask those administering our defense programs to do everything possible to assure Americans that their defense dollars are being well spent. To put it briefly, we expect the most efficient utilization of available resources.

There are many areas where our defense dollars are spent which have been thoroughly reviewed and studied by the Subcommittee on Defense Procurement of the Joint Economic Committee and the Subcommittee on Defense of the House Appropriations Committee in cooperation with defense and military leaders. I want to commend the distinguished members of these committees for the exhaustive efforts which they have made over the years to evaluate the strengths and weaknesses of our Defense Establishment along with recommendations for needed legislation.

I want to speak to a few areas where it is most obvious that considerable dollar savings could be made and where congressional authority already is vested in the Secretary of Defense to make necessary changes. There is some indication several of these changes will actually be made, but time is of the essence and action is past due.

The Secretary of Defense should take steps to utilize the authority given him in the McCormack-Curtis amendment to the 1958 Defense Reorganization Act, to eliminate the unnecessary duplication and triplication of such support-type activities as procurement and supply, and of such common-type services as training, recruiting, medical care, intelligence, legal, and financial management.

We are aware of the sizable operation represented in the area of procurement and supply alone. For example, last year the Department of Defense purchased about $24 billion in weapons and supplies which involved nearly 7 million procurement actions. The personal property inventory of the Department was valued at $118 billion, made up of 3.4 million items, and stored in nearly 600 million square feet of space throughout this country and in foreign depots. In 1960, nearly $27 billion of this inventory was listed as surplus. Under present plans some $10 billion of surplus is to be disposed of yearly, at a yield of about 2 percent of acquisition cost.

It has been estimated many times and by many people that we are needlessly spending through inefficiency and duplication as much as $3 billion a year. While there may be some who would challenge the accuracy of this estimate, I contend that any excess could be better used to strengthen our military posture.

The McCormack-Curtis amendment empowered the Secretary of Defense to "provide for the carrying out of any supply of service activity common to more than one military department by a single agency or such other organizational entities as he deems appropriate."

It would be appropriate for the Air Force to continue to purchase its heavy bombers, and the Navy to contract for ships, and the Army to purchase its heavy armor.

But the thousands of items which are common to all services should be placed under a unified procurement and supply agency. We should not have to pay for separate procurement for such items as clothing, medical supplies, furniture, and paper clips.

I understand that some progress has been made toward more efficient supply management operations for items common to two or more of the services, such as single department procurement, cross-servicing of assets, single manager plans, uniform cataloging and standardization. Nevertheless, we must insist upon acceleration of these programs for in these times of tension it is essential that we free more dollars for effective defense spending and actual governmental needs.

Another area covered by the McCormack-Curtis amendment to the 1958 Defense Reorganization Act would enable the Secretary to unify common-type services.

There would likewise be savings in integrating such programs as language schools. After all, Russian is Russian whether you are in the Army, the Navy, Air Force, or Marines. Medical services and financial management are two other areas which could be unified.

Of course, there are many other areas in which effective changes could be instituted which would result in more efficient utilization of defense funds.

Defense is such a vast enterprise that even the smallest decision seems large to the average American citizen. I was impressed when I learned that by eliminating the watchpocket in uniform trousers, $650,000 was saved by the Defense Department.

The high cost of modern weapons increases the need to make savings wherever possible in the defense system. The taxpayer recognizes and appreciates this fact when he compares the bill for the first Polaris submarine costing $110 million compared with $5 million for the average World War II submarine.

A few moments ago I stated my belief that good management is the key to efficient operation of our Department of Defense. The House Committee on Appropriations stated most succinctly in its report on the 1962 fiscal year appropriations for the Department of Defense the responsibility and the expectation of the Congress in matters of defense. The report stated:

> By whatever technique accomplished, proper management, with insistence upon assignment of full responsibility and with expectation of full accountability, is the real key to essential economy and efficiency in our defense efforts.

If freedom is to survive, the free nations of the world must remain strong economically and spiritually; defense against the Communist conspiracy requires that all freemen have knowledge of the aggressor; and all economies practiced with the avoidance of unneeded spending of tax funds. A determined and dedicated free government will survive.

Federal Government expenditures and gross national product comparison with major national security programs and military functions expenditures, fiscal years 1946–62

[Dollars in billions]

Fiscal year	Gross national product	Total Government expenditures	Major national security programs [1]			DOD military functions [2]		
			Expends	Percent GNP	Percent total Government	Expends	Percent GNP	Percent total Government
1946	$202.8	$60.4	$43.2	21.3	71.4	$42.0	20.7	69.5
1947	223.3	39.0	14.4	6.4	36.8	13.8	6.2	35.4
1948	246.6	33.1	11.8	4.8	35.6	10.9	4.4	33.1
1949	261.6	39.5	12.9	4.9	32.7	11.6	4.4	29.3
1950	263.8	39.6	13.0	4.9	32.8	11.9	4.5	30.0
1951	310.8	44.1	22.4	7.2	50.9	19.8	6.4	44.9
1952	338.8	65.4	44.0	13.0	67.2	38.9	11.5	59.5
1953	359.7	74.3	50.4	14.0	67.8	43.6	12.1	58.7
1954	362.0	67.8	46.9	13.0	69.2	40.3	11.1	59.5
1955	377.0	64.6	40.6	10.8	62.9	35.5	9.4	55.0
1956	408.5	66.5	40.6	9.9	61.1	35.8	8.8	53.8
1957	433.0	69.4	43.3	10.0	62.3	38.4	8.9	55.4
1958	439.8	71.9	44.1	10.0	61.4	39.1	8.9	54.3
1959	466.8	80.7	46.4	9.9	57.5	41.2	8.8	51.1
1960	492.8	77.2	45.6	9.3	59.1	41.2	8.4	53.4
1961 (estimated)	504.0	81.4	46.7	9.3	57.4	42.5	8.4	52.2
1962 (estimated)	[3]	88.8	51.2	[3]	57.6	46.7	[3]	52.6

[1] Bureau of the Budget "National Security Programs" include Department of Defense military functions, military assistance portion of the mutual security program, atomic energy development, stockpiling of strategic and critical materials and defense production expansion.
[2] Certain prior year amounts adjusted for comparability with current coverage of military functions.
[3] Not available at time of publication.

Sources: Budgets of the United States; Office of Business Economics, Department of Commerce; Economic Indicators.

Mr. BRUCE. Mr. Speaker, I request at this point that the gentleman from North Dakota [Mr. NYGAARD] may insert his comments.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. NYGAARD. Mr. Speaker, there is extensive concern in our Nation about low wage foreign competition. I would quickly suggest, however, that this concern might as appropriately be directed to the counterpart of low wage foreign competition—namely, high wage domestic policies. Concerning the wage differential in international commerce, a number of proposals have been suggested including: First, American manufacturers should lower prices by taking smaller profits; second, if foreign nations refuse to raise wage levels to ours, we should impose a tariff penalty on each item imported; third, we must conduct extensive and voluntary buy-American-made campaigns; or, fourth, we should bring about a reduction of our costs in American firms by extension of mechanization and rapid engineering programs.

Each of these suggestions has some merit but each solution does raise other problems. For example, we note that margins of profit in many industries are narrowing, but more profits are necessary to replace old, depreciating plants and equipment. Therefore, should or can profits be reduced?

The probable results of a penalty tariff on each foreign import would be to exclude a good many imports to the United States and invite retaliation by foreign nations.

Buy-American campaigns have the same risk which can cause losses of jobs in those industries which ship overseas. Mechanization and rapid automation must be intelligently applied so as to minimize a loss of jobs and assist the labor market in absorbing workers.

Here in the Congress, it is most vital to recognize the effects of Government proposals intended to help because action to aid one industry can hurt another. For example, our Government subsidizes the sale of domestic raw cotton in world markets to make it competitive. Because of the cotton price support program and restrictions on the importation of raw cotton, the domestic textile mills must pay the higher domestic price. The consumer is therefore paying two bills he probably should not be paying—taxes for the subsidy on exports and higher prices for the retail shirt on his back.

To bring this episode to date, the textile manufacturers and their 2 million workers then wanted more protection against increased foreign competition. On May 3, 1961, President Kennedy announced a program designed to aid textile industry people by first persuading foreign countries to agree to reduce shipments to the United States; second, considering higher tariffs or quota protection under the reciprocal trade law; third, recommending subsidies—by U.S. Department of Agriculture—to offset higher raw cotton prices U.S. textile mills pay compared with foreign mills; fourth, aiding through Federal funds those industries seriously injured or threatened with serious injury from imports; fifth, reviewing existing depreciation deductions on textile machinery; sixth, permitting loans through the U.S. Small Business Administration; and, seventh, researching for new products, practices, and markets through the U.S. Commerce Department.

I recite this example, not to agree or disagree, but rather to indicate the compounding of the problems which actually occurred in just one industry and can occur in others. This entire area represents a fantastic challenge to all of us.

But the matter of foreign competition is predicted to become more intense. The economic forces that are shaping up for the future have prompted Columbia University Prof. Emile Benoit to predict that "we will be seeing competition from Europe after awhile that will make our back teeth rattle." Secretary of Commerce Luther Hodges told a national magazine in April of this year that he is frightened to death by the political nature of the economic nature of the economic competition we face from Russia in the years ahead. He said that as a former businessman, "if I could sell goods without regard to my costs, I would have no trouble taking pretty much of the market of the world—and they—Russians—do not pay any attention to costs because they control and run everything and own everything."

The two main features of Soviet economy that are particularly striking to Americans are: first, the complete absence of private capitalist enterprise; and, second, comprehensive state planning of the Nation's economic development. Since the state controls all the country's resources, there is no room for private capitalism as we have in the United States.

Our system permits the opportunity for private individuals to accumulate money, or capital, and to invest this capital, in an enterprise controlled either by an individual or by a group formed into a corporation at a private risk and for private gain. Capitalism also means the opportunity to create an individual's own business and sell his products on a competitive basis inside or outside the country. These kinds of opportunity do not exist in Russia.

Russia now challenges us and say they will catch up to our abundance of production and our high standard of living. Other nations who watch on the sidelines will no doubt be persuaded by the success of one or the other.

The importance of this competitive battle with foreign producers has been illustrated by the imbalance of our international transactions causing an outflow of gold. That problem indicates the tremendous need to maintain a substantial surplus of goods and services moving out of the country compared to what enters.

Worldwide competition is therefore a challenge; it cannot be swept under the rug nor can we as a great country avoid that competition. We must meet it.

What action can be taken by working people and by the labor leaders of this Nation? The first thing is that the people of this Nation should be informed of the problems and the experiences with proposed solutions. It is gratifying to note that on April 11, 1961, George Meany, president of the AFL–CIO, urged labor to oppose buy-American campaigns because they jeopardize the jobs of Americans producing for export and force other Western nations to trade with Communist-bloc countries.

Mr. Meany no doubt has many members working for employers who produce for export. Americans will sell over $20 billion of goods and services to foreigners this year. This export industry

is almost as big, measured by sales, as the American automobile industry, and no one will deny the importance of the latter to the economic welfare of the United States.

The logical objection to a tariff policy based on differences between wages paid in the United States and foreign nations involves exactly the objection which Mr. Meany raises: the matter of comparative cost advantage.

The labor costs of making any product in any nation will be governed, generally, by the quantity of labor in relation to other factors of production. As an example, in India the labor ratio is so high that the average Indian worker is assisted by less than $300 of capital equipment. By contrast, the American worker's productivity is assisted by more than $5,000 of capital equipment. Inevitably, wages in India must be much lower than those in the United States. Yet the United States, as a whole, will gain by importing the labor-intensive products in India, and, in return, exporting the capital-intensive products of this country.

Another example often pointed to as a labor-cost problem per se, is the flood of Japanese products on our counters. Yet, Japan's widely publicized cheap labor often is not as much of an asset as it seems—or more specifically, in some industries. Because of sizable fringe benefits, total labor costs in big companies sometimes are more than double their wage payments—and wage rates are rising fast. The remaining cost advantage of Japanese firms often is more than offset by inefficient production methods, high raw material costs, heavy interest payments on loans, and the high cost of Japanese-made production equipment. However, in several cost advantage industries, the Nipponese can and do sell fabrics, transistor radios, cameras, and chinaware at prices well below those of foreign competitors and in those foreign markets.

American investments in productive facilities abroad has raised the question as to whether we are exporting jobs. However, foreign subsidiaries of American companies report that they are not immune from the cost problems, such as those in Japan where total costs are nearly the same as in the United States in major industries. And besides, industry people claim that sales made by these new foreign firms are mostly sales that could not be made on an export basis and that the U.S. exports are increasing in 1961 compared with 1960. Thus there are new jobs created in these foreign nations while there is not an overall job loss in those industries producing our exports.

I submit in view of this that there be undertaken grassroots efforts to educate the union worker of the need to meet foreign competition—not to duck it by artificial trade barriers. No man is an island and no nation is alone, nor can we afford to be. We need to reverse the progressive deterioration of American competitiveness by arousing our working people to the need of accelerating a U.S. export drive. We must develop new products, new processes, new ideas, and new businesses that cannot be matched very easily. We must do so, realizing we are in a worldwide battle—and are fighting for the survival of our economic system. We must be efficient and effective to compete with foreign nations. We cannot indulge in make-work, shirkwork practices, artificial restrictions on uses of new equipment or processes, or have unions quarreling over work jurisdictions whether at missile bases or factories. Although, fortunately, the American labor movement typically has not opposed mechanization, indirect opposition to growth and efficiency generating innovations is fairly common. Municipal ordinances should be reviewed to see whether this indirect opposition to technological change is reflected or not.

In efforts aimed at achieving victory in this economic struggle, we can never lose sight of the fact that the cost of producing our export goods largely determines whether we will succeed or not. As the principle element in the cost of doing business, labor must exercise a statesmanlike restraint so that they, in turn, can enjoy the benefits of a successful venture into the world market.

The balanced public budget does not rank high in the thinking of labor leaders. They urge more spending and endorse virtually every social-economic proposal made but make very little effort at weighing public benefits against tax costs. The national debt is continuing to mount and deficit spending, which eventually causes our dollars to lose value, continues. The working people should schedule discussions on the costs of these vast social programs and conduct secret ballots concerning them and the spending they embrace—much the same as a strike ballot. If this process is followed, they might come to realize wage increases can come from reduced Federal spending as well as from employers.

Mr. Speaker, I respect and applaud the beneficial things which responsible labor leaders are doing. It is certainly vital to have decent wages and working conditions for every working man and woman in America. However, I call to the attention of these labor leaders, their responsibilities and the importance of discussing certain problems objectively with these people they represent. And, in conjunction with this effort, I recommend that every union member give his leaders the attention they need and should turn his TV to the wall for a while and first, attend union meetings to discuss objectively the union's program and the relationship to competition, and foreign trade, tax costs of legislative proposals endorsed, and other current and important matters; second, become active in his political party and in his community affairs where spending and taxing questions are discussed and decided; and, third, concentrate on giving a decent day's work for the decent day's pay and those decent working conditions.

The working people have a responsibility within the total American economy and their leaders must help in preserving and maintaining our system, which in spite of the faults, provides the greatest personal freedom, the widest opportunities for achievement, and the highest standard of living so far known in the world.

Mr. BRUCE. Mr. Speaker, I yield to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Speaker, I wish to compliment the gentleman from Indiana [Mr. BRUCE] and the other members who have spoken on Operation Survival. As I am sure, as has been pointed out, this is an operation of members of the 87 Club, a group of the Republican Party. This is a group which has distinguished itself in the first session of the Congress by its endeavor and intelligence and by the fact that it is, in my opinion, one of the most able composite groups which has ever come to the Congress in any year since I have been a Member of this body, at least. I congratulate its members, and I look forward with a great deal of pleasure, not only as a Member of the House but also as an American to the contributions this fine group of Congressmen will make in the future.

Mr. BRUCE. We thank the gentleman from Arizona.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. BRUCE. I yield to the gentleman from Illinois.

A SOUND DOLLAR: FREEDOM'S FIRST LINE OF DEFENSE

Mr. FINDLEY. Mr. Speaker, administration's policies are rapidly moving the United States toward renewed inflation and a new dollar crisis.

Note these warning signals:

The Federal cash budget, which showed a surplus last year, is now in deficit. This will worsen as spending programs get into full gear.

Congress has authorized heavy new spending but has not acted to balance the spending with higher taxes. Spending is expected to hit $88.5 billion this year, up $7 billion from fiscal 1961.

The deficit for the year just ended was $3.9 billion, so an even bigger deficit can be expected for fiscal 1962. No one expects Washington to have the political courage to raise taxes enough to put the budget in the black.

Interest rates are pressing upward, as lenders seek protection against anticipated decline in value of the dollar. Thus the Federal debt is expected to increase in both size and rate of fixed cost, placing new burdens on the taxpayer and new pressure on the dollar.

What are the alternatives?

First. Runaway inflation: This is unthinkable as it would bring such chaos that the Communists could move in without firing a shot.

Second. Fiscal responsibility: This would require a sharp increase in taxes to cover increased spending and provide for orderly debt retirement; or a sharp cut in nondefense spending to accomplish the same goals. Neither the administration nor Congress has shown the slightest inclination in this direction.

Third. Direct government control of wages and prices: This is the expected

administration answer to the growing danger of inflation. Indeed union contract negotiations are being undertaken on the assumption that direct controls are a certainty in the near future. Both management and labor are trying to hedge against wage-price controls, and of course, this effort tends to quicken the inflationary spiral.

Direct controls will not solve any problems. Instead, they will heap new tax burdens on the people and entangle their lives still more in government red-tape.

Government is already paving the way for controls by telling people they need protection from arbitrary wage-price actions of business and union leaders. In reality, controls take decisionmaking away from millions of different people and give it to government. Controls operate directly on the people, reversing our historic concept of people controlling government.

Price-wage controls will call for an expensive new army of Federal policemen to swarm over the landscape, meddling in the private affairs of the people, fixing prices, fixing wages, punishing those who fail to trot in government harness.

Meanwhile, the basic need for fiscal responsibility will remain, because even the harshest government edicts cannot forestall inflationary pressures indefinitely. Even the police state cannot tear up the economics rulebook. Cost-price problems will remain, and as these become acute, those affected will negotiate with government for increases in prices and wages. We will then have inflation by negotiation.

Controlled areas of the world are usually the problem areas. Look at Indonesia, Bolivia, and East Germany. Contrast these with the Philippines, Hawaii, Puerto Rico, and West Germany where private enterprise—relatively free of controls—has resulted in rapid growth.

There is more at stake in this issue of inflation than the menace of peacetime wage-price controls.

A sound dollar is essential if we are to preserve freedom at home.

The savings and investments, the future security of each one of us are at stake, because the days of barter and self-sufficiency on the farm are gone forever. As our society becomes more complex, we become tied more tightly than ever to the dollar sign. No longer can we wait out bad times by living off the land. We need money for our day-to-day living. When money loses its value, we all lose.

The stability of our Nation is at stake. We love this land of freedom, and want our children and grandchildren to enjoy the privileges of citizenship in a free republic, their liberties protected by a system of constitutional self-government. Our Government is no stronger than its currency, and when investors lose faith in the dollar, the whole American dream is in danger.

The moral strength of the Nation is at stake. Inflation hits hardest at the elderly people who have spent their productive years saving money for their retirement—men and women who followed the rules of provident living—a penny saved is a penny earned—the Ben Franklin type of thrift that has made Americans independent and self-reliant.

Now inflation wrecks these dreams of a secure old age. These fine people who represent the moral fiber of our Nation now wonder if thrift was worthwhile after all, and so do their children and grandchildren. Fearful that the dollar will continue to dwindle in value and thus make it difficult for them to meet their own responsibilities, they trade off their liberty for the welfare state.

Today's fiscal philosophy is radically changed from that of the Eisenhower administration. Then the goal was a balanced budget, debt retirement, and a sound dollar.

The new administration tries to meet every problem with increased spending. Debt is to be managed, not paid off. Living within our means is regarded as a luxury we can ill afford in this critical period. We are following the postwar path of England and France, where government policy aimed at making the best possible adjustment to each new crisis, leaving the basic problem untouched.

We are spending the gross and taking in the net. We are spending $1 million an hour more than we take in, and this has been going on 24 hours a day, 7 days a week, since Congress convened last January. As this fiscal loose living brings crises, we meet each one by giving government still greater control over the lives of the people. Thus the price of fiscal irresponsibility is further encroachment on liberty.

A sound dollar is essential if we are to meet the menace of communism abroad. Indeed, it is freedom's first line of defense. It makes possible the Polaris submarine and our continental defenses. Thus it outranks them, important as they are. If Washington were to permit these secondary defenses to deteriorate through neglect and abuse, the reaction would be immediate. Those responsible would be charged with malfeasance in office, heads would roll, and new leadership quickly provided.

Our first line of defense is deteriorating through neglect and abuse, but ironically, those responsible are actually applauded in some quarters, while most other Americans accept the trend without a murmur.

We often hear the declaration, "We must not put a balanced budget ahead of our Nation's defenses." Those who insist on fiscal responsibility are sometimes called pennypinching at the expense of proper defense. Such efforts to separate monetary and military policies show a paucity in understanding of economics.

Since World War II, the American dollar has been basic to the currency of the entire West, and its present instability threatens the economic posture of the entire free world.

When a nation's economy is threatened, its military strength is threatened in exactly the same degree. Gold no longer provides a discipline for government, and unrestrained spending, so much in evidence in Washington today, creates the potential for trouble.

As we inflate our dollar supply through deficit spending, we spur inflation in foreign countries which use our dollar as currency reserve.

When a Frenchman gets a dollar, he exchanges it at the bank of France for francs. Since the dollar is considered reserved currency much the same as gold, France can then issue new francs representing several times the value of the dollar held in reserve. It becomes the foundation for new money supply in France.

Expanding our dollar supply through the device of deficit financing, however, does not increase the intrinsic value of the dollar. The reverse is true. The total gold reserve is unchanged, but it must support not only the expanded quantity of dollars, but, indirectly the new supply of foreign currency enlarged through the expansion of dollar supply.

Deficit financing has another ominous result: It puts new strain on our balance-of-payments crisis.

In the era of the gold standard, no nation could create money beyond the sum of its credit and its gold supply. When a nation had a balance-of-payments deficit in international trade, it had to settle for gold. This served to discipline government monetary policies. No country could play fast and loose with its currency for very long.

Today the situation is different. Dollars abroad not used for U.S. goods and services have tended to stay there as foreign currency reserve and have not been used as a claim on U.S. gold reserves. We have been able to ignore these vast short-term claims.

We own about $17.6 billion in gold at Fort Knox and elsewhere, but foreigners hold $23.3 billion in the short-term claims mentioned above. These can be cashed at will. Thus, our entire gold reserve could be wiped out overnight. We would actually be $8.3 billion short if we suddenly had to meet all international obligations which we have promised, directly or indirectly, to redeem in gold. And, of course, at this point, we are ignoring any possible claim against gold reserves represented by our huge supply of money and credit within the United States.

As long as gold is not claimed, all is well. We can continue multibillion-dollar foreign aid spending, piling up claims on our gold reserves. We can continue living in an international wonderland in which bills never have to be paid. But this threat to our dollar is big as life and ever present. We should remember that, during the depression of the thirties, over 87 percent of our international obligations to pay in gold were called. Our gold situation is like a house of cards. The slightest ill wind could blow it down.

If we return to fiscal responsibility—insist on balanced budgets and orderly debt retirement—we will restore confidence in the dollar and avert the collapse of the free-world monetary system.

In doing so, we will also meet the most pressing need of the American people. The value of the dollar has been sliced in half in 20 years. Our citizens have difficulty meeting their individual responsibilities, because they can no longer

count on the dollar as a reliable standard of value from year to year. It takes an income of $4,800 today to equal the purchasing power of $2,000 in 1939. They are easy prey for those selling the welfare state. Little by little they bargain away their individual freedom in exchange for Government handouts, handouts which are so costly that they have the effect of heaping new fuel on the fire of inflation.

In the 1930's we experienced lack of money, but there was a willingness to discuss the problem and work out a solution. Today everyone tries to beat inflation, and as a result the problem keeps getting more acute.

We need to recognize that monetary responsibility and morality are actually one and the same. As the dollar becomes weaker, so does our moral fiber.

A sound dollar is the key to strength—economic, military, and moral. As such, it is essential to our survival as a free nation. It is indeed freedom's first line of defense.

A sound dollar can be achieved only when we live within our means as a nation, reject deficit financing, and provide for orderly retirement of the Federal debt.

Mr. BRUCE. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. HALL] may insert his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALL. Mr. Speaker, I am appearing not only as a Member of Congress, but as one who is qualified to discuss medical problems by virtue of practicing medicine and surgery for the past 26 years, before arriving here. I am a fellow of the American College of Surgeons, a diplomat of the American Board of Surgery and a delegate to the American Medical Association from the State of Missouri. My 7-plus years of active duty in the U.S. Army included primarily duty as Chief, Personnel Service, Office of the Surgeon General, U.S. Army, during World War II. I have spent 9 years as medical consultant to the Missouri vocational rehabilitation program—under HEW—and as medical referee for the old-age security disability insurance benefits under the Social Security Act for the 22 counties of southwest Missouri.

I mention my own medical background, Mr. Speaker, not as a reason for my appearance in the well of the House today, but as qualifications for my testimony on a very complex issue. I do not intend reflecting on others who might appear, or who will support legislation similar to H.R. 4222, as in recent hearings before the House of Representatives Ways and Means Committee; when I say that many of them in discussing the possible effect of this legislation on our system of quality medical care, have never felt a pulse beat or held a scalpel in their hands. They have not spent long years in technical training. They have no personal experience on which to base their claim that this legislation will not result in a lowering of medical standards. They are theorists, who theorize in a medical field in which they have no knowledge, yet are willing to contract for someone else's personal services. They presume to dictate legislation in a field completely foreign to their own area of experience. I am opposed to the legislation under consideration for the provision of medical care under the Social Security Act, of persons 63 to 65 years of age and over.

As one whose lifetime has been spent in caring for the sick and the aging, and loved every minute of it, my opposition certainly is not because I do not wish to see medical care extended to all persons in need. In fact, it is because I want to see both the quality and the quantity of medical care extended—as American medicine has been extending it for the past 100 plus years—that I am here in opposition to this bill.

First, Mr. Speaker, my opposition stems from the following purely objective observations: We should—

First. State and admit that we cannot afford it as a nation rapidly approaching bankruptcy.

Second. Admit that continued social demands and expedient spending therefor, domestically, in addition to our external commitments, can, does, and is causing an inflationary spiral which cruelly undercuts the value of the dollar saved by the aging in the form of investments, pensions, or hard money.

(a) Further recognize the affect of low labor cost, foreign competition articles versus our high labor rates—fixed nationally; on reduction of the U.S. labor force—including those physically and mentally able, but over age 63–65, to continue working and securing their own futures.

(b) Realize the need in the moral fiber of our people to sense natural obligation, while preserving "freedom of choice" and avoiding third-party interference.

Third. Admit that such Federal redistribution of the wealth is unconstitutional and versus States rights.

(a) Call social security aid to the aging a tax—as it surely is—instead of insurance; because it is compulsory legislation forcing both employees and employers to pay in addition to other taxes and unemployment compensation, steadily mounting funds which must be then passed on to the very consumer, we are constantly trying to aid.

Fourth. Recognize social proposals for what they are, including a total welfare state, the definition of the word and the recognition that, in a socialistic nation there are never unions whether they be of senior citizens or the laboring force.

Fifth. Stand and be counted (as concerned and worried citizens—as well as physicians), as to the true definition and differential between social security tax, and the misnomer of social security insurance.

Sixth. Recognize the inclusion of doctor services in proposed H.R. 4222 insofar as physiatrists, pathologists, anesthetists, and radiologists are concerned, to say nothing of those in training such as interns, residents, and fellows.

Seventh. Not legislate inclusion of the self-secured millionaire, while similarly excluding the 4.5 million not cared for under any form of social security tax.

Mr. Speaker, these are all basic, natural, and moral reasons for opposing this legislation, and in addition I would like to discuss briefly the contention of the concurrent Secretary of Health, Education, and Welfare that such legislation is not socialized medicine.

Insofar as it involves a medical care program, administered by the Federal Government which establishes hospital standards and criteria affecting four separate categories of physicians—to wit above—insofar as it covers an entire group of our population, and insofar as it imposes a compulsory tax on both employees and employers, it clearly meets all the criteria for socialized medicine as defined in Webster's Standard Dictionary, and as defined by the Socialist Party of the United States.

(8) Finally, as to basic reasoning, is there a need for this type of legislation? Absolutely not. Only scattered inconclusive evidence has been presented as requested by repeated State association and individual requests for reference of uncared for hardship cases; all of which have been tracked down and show lack of application, utter untruths, or poor information—to wit the famous Texas Medical Association's burn case which was utterly disproved insofar as lack of care was concerned.

Should humane assistance be under social security, Mr. Speaker?

The avowed purpose of social security is to provide a floor of protection to citizens with limited incomes, to help them meet their minimum needs. It has never been assumed, nor should it—that social security is intended to deprive all our citizens of their personal responsibility to implement this floor of protection. This I am for. But let us define social security for those who would pervert meanings and cast false shadows and images: "social" means, a group or gathering of interested and interdependent persons; and "security" means, something given or pledged to make secure—or safe—the payment of an obligation. Therefore, social security is social by inclusion and definition, as well as usage.

There can be no more logic in setting up a separate category of service benefits for medical care than there is in setting up a separate category of service benefits for food, shelter, or clothing.

Certainly the Congress would never consider an additional 1-percent tax for food benefits or an additional 1-percent tax for clothing. Yet once the door is opened for this kind of illogical reasoning, once the foot of the social-planners is in the door by providing benefits for medical care, what is to prevent the same splintering action being taken toward every other human need? We would then have Federal control of the food industry, and Federal control of the garment industry. It has not yet become fashionable to ask for these controls,

but apparently the Department of Health, Education, and Welfare has no such restraints with regard to the practice of medicine. This is the entering wedge. If this body in its wisdom, decides to increase social security cash payments—and taxes—so that the recipients will then have what is considered adequate to meet all their needs including food, clothing, shelter, recreation, medical care, and others as in the final 4 circuslike days of the Roman Empire; then that is the course which the Congress should take, at least leaving it to the individuals to determine how it shall be spent.

Second, Mr. Speaker, I would inquire whether this legislation has a moral, basic or natural justification on the one hand; or will it destroy personal rights, will, and incentive on the part of the patient (and the physicians), on the other? Based on my own experience, I am certain that the answer to the first question is "No," and the answer to the latter question is a resounding "Yes." I have traveled extensively, as a member of the Armed Forces, and as a private doctor, in other nations of the world; many of which now have socialized medicine. To those who say this bill is not socialized medicine, let me say it is singularly true that no country which has embarked on this path, has ever stopped short of "covering" its entire population. It simply is not reasonable or rational to assume that it would be different here—in fact, major proponents of this legislation have stated this goal in the past. We are today considering—and I hope no more—the beginning of a state system that will engulf all medicine including practice, bedside research, laboratory research, hospital care, home calls and clinical medicine. We are speaking of socialized medicine. I see no reason why we should hasten further down this "primrose path" of welfare-statism.

I have seen the disastrous effect of state medicine in other countries. For instance, the British Broadcasting Co. has recently prepared a documentary movie which confirms and updates my knowledge of that nation, and depicts some of the results of their system. It includes a statement by a hospital administrator to the effect that in his district alone there are 700 people on a 3-year waiting list for needed general surgery; there is another 6-year waiting list for persons needing bone and joint surgery; and nearly 1,000 people waiting for needed intestinal surgery.

The hospitals are literally jammed with persons who are not in need of hospitalization, but who are there because it is paid for them, by the Government; while others in real need, cannot be admitted. Are the political pressures that would result in this country any different from those which have developed in England? I think not.

There has been only one new hospital in the United Kingdom in the past 14 years, according to this documentary, and the ratio of physicians to patients is up from 1 physician for every 800 patients to 1 physician for every 1,150 patients. Contrast this with the United States where the ratio in 1949 was 1 to 741 and in 1959 had only slightly increased to 1 to 749. Both of these sets of statistics are from the respective national medical organizations. Ours, with our medical schools, and with our hospitals, and associated personnel, are doing a great job, furnishing quality and adequate medical care.

What I am saying does not deny the existence of a problem insofar as our desire to provide the best possible medical care for the greatest number of people; but gentlemen, we have had this same problem since our country was founded, and under our present system of free medicine, we have accomplished far greater results than any other nation on earth including those who have long since adopted the path we now have under consideration. Let us not "sell short," and sacrifice our gains.

In our continuing efforts to increase quality medical care and at the same time ease the burden of total medical, drug, hospital and other costs for our aging population, extended life expectancy; brought on by the valuable research we have stimulated in medicine under this free enterprise system, we should recognize a primary cause—inflation—which affects not only the cost of medical care, but every single item in the senior citizen's budget; namely, food, shelter, clothing, recreation, and others. In many respects, the Federal Government has contributed to this inflation by its relentless insistence on assuming more responsibility than it can afford, without taxing us beyond the point of no return. This bill absolutely guarantees more inflation. The Socialists and ADA are fishing with the bait of humanitarianism, and the hook of freedom's loss.

I believe the 86th Congress, if it had to act, adopted sound legislation in the Kerr-Mills bill which preserves the constitutional "States rights," in spite of high-sounding objection to the "means test." We apply a means test in literally hundreds of situations, in Biblical parable, in loans we seek from banks, in Federal scholarships for outstanding needy students, every time we open a charge account, every time we finance an automobile, every time we apply for an FHA home loan, every time we attempt to distinguish real from fancied need. It is basic and natural to the way of life we know. The people recognize its virtue, even if the welfare staters do not. Every Member of this distinguished group at one time or another, has taken a means test, and does not feel that he has been degraded or humilified by the experience. Many States already have enacted legislation to participate in the Kerr-Mills program. That others, my own State included, have not done so; is almost entirely due to the vast propaganda machine generated by those who wish only to pursue a course of socialized medicine, and who have refrained from offering one word of encouragement for action on the part of the separate States. I am sure they would like to see State lines, and State rights eliminated altogether; and all responsibility vested in a vast Washington bureaucracy.

Private insurance companies and the Blue Cross-Blue Shield plans have done a magnificent job, and are making great strides in their efforts to do more. The home State of the Secretary of HEW, Connecticut, has inaugurated private insurance to meet this need for those over 65 years, and already has demonstrated that it can be done at far less cost, than under the social security approach.

Mr. Speaker, I have introduced a bill, H.R. 7756, which would revise the Internal Revenue Code to give greater recognition to the income dilemma that confronts our aging citizens, and their families. A copy of my remarks was printed in the CONGRESSIONAL RECORD for June 20, 1961, pages 10849–10850, when this bill was introduced. I strongly recommend that our colleagues review it as certainly this bill is a step in the right direction, and it is basic, sound and a natural approach to the problem. Gentlemen, I do not profess to be an expert in tax matters, but while not an expert in that field, I do believe I am qualified to discuss the medical implications of the bill now under consideration.

I would urge its defeat, as being inimical to the best interests of our Nation, not only of our aging citizens, but to all our citizens' moral fiber by virtue of destruction of their feelings of obligation; to say nothing of the destruction of the quality of medicine, research, and care of the American people by a great profession which from the days of Hippocrates has responded where and whenever need is evident. I thank you.

Mr. BEERMANN. Mr. Speaker, will the gentleman yield?

Mr. BRUCE. I yield to the gentleman from Nebraska.

Mr. BEERMANN. Mr. Speaker, I ask unanimous consent that the colloquy between the minority leader and the majority leader be inserted in the RECORD following the special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

PERMISSION TO REVISE AND EXTEND REMARKS AND TO INCLUDE EXTRANEOUS MATTER

Mr. BRUCE. Mr. Speaker, I ask unanimous consent that all Members participating in this discussion have permission to revise and extend their remarks and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BRUCE. Mr. Speaker, I yield to the gentleman from Kansas [Mr. DOLE].

OPERATION SURVIVAL: GOVERNMENT CONTROL IN THE TRANSPORTATION AND COMMUNICATION INDUSTRY

Mr. DOLE. Mr. Speaker, the early Government intervention in transportation industries of the United States consisted of public funds and resources used to stimulate private enterprise by aiding the building of canals, highways, bridges, and railways. The roots of Government regulations lay in the colonial belief that free markets and a great deal of competition would exist.

(A) RAIL TRANSPORTATION

During the early years of the 19th century, complaints were made that the U.S.

Government was forced to pay exorbitant postal rates to railroads. In 1838 the first regulation of mail payments occurred. Restrictive measures were the exception for many years, however, and the supporters of decentralized government looked to the State and local levels for controls needed.

National Government pressure for regulation first culminated in the Windom Committee under President Grant. The group, studying competition among railroads—or the lack of it—proposed Government ownership of lines parallel to private ones in an attempt to regulate rates. Proposals were advanced for Government-owned waterways.

By 1880, discriminatory practices among railroads gave the Government an opening to step in and control transportation activities. The Cullom bill in 1885, and the committee established by it, stressed the need for Government regulation of interstate transportation. When the Supreme Court ruled individual States could not regulate the part of an interstate trip within their boundaries, the National Government had the choice of regulating railroads or leaving the system alone.

The 1887 Commerce Act, as it concerned railroads, was relatively limited; it had been advanced by the shippers and basically sought to establish fair rates. The Interstate Commerce Commission was empowered to receive annual reports and investigate any complaints, but it could enforce its rulings only through a Federal circuit court order. By the 1890's, however, railroad income had dropped considerably and the ICC was stripped of all power except of advising, after the Supreme Court held the Commission had no power to control rates.

Additional regulations came in 1903 when, through the Elkins Act, it became illegal to charge rates other than those published. At the same time, either giving or receiving rebates was outlawed.

After unsuccessful attempts to secure passage of bills giving the ICC power to establish rates as well as advise on changes, the administration succeeded with the Hepburn Act of 1906. The authority of the ICC increased tremendously and in addition to ratesetting, the Commission could investigate railroad accounts while express companies, pipelines, sleeping-car manufacturers and other parts of the transportation business were made subject to ICC control.

Year 1906 began the trend of growing power for the ICC; within the next decade Congress passed the following:

First. The Mann Elkins Act, 1910, giving the ICC power to stop rate changes until the Commission could investigate and approve.

Second. The Panama Canal Act, 1912, put the ICC in control of joint water and rail travel. There was an attempt to advance competition between water and rail traffic, and no railroad could own ships passing through the Panama Canal.

Third. In 1913 the ICC under the new Valuation Act, could evaluate all railroad property as a basis for fair rates. This act was ambiguous as to the relative importance of various properties, and it became a source of considerable litigation.

Fourth. The Clayton Act, 1914, mainly applying to trusts, also sought to increase railroad competition by controlling business between those railroads and firms which had interlocking directorates.

The question of National versus State control over interstate travel was clarified by a Supreme Court decision upholding the ICC's power to control rates on travel between the States.

During World War I, President Wilson put the railroads under Federal control. This period of nationalization influenced future legislation. In 1920, the Transportation Act was passed which broadened ICC powers once again. It could establish minimum and maximum rates and require any railroad making more than a 6-percent profit to put the amount of money above this percentage into a general railroad contingent fund used by the ICC to make loans to help failing rail companies.

In 1920, the ICC was requested to secure a permanent solution to the railroad problem, however, the whole basis of the 1920 act was soon changed as there emerged competition on water, in the air, and on the highways.

During the depression, the Reconstruction Finance Corporation, established in 1932, made loans to railroads. In 1933, the Bankruptcy Act gave the ICC power to help the railroads in the latter's attempt to decrease fixed charges. This act gave the ICC the position of managing director in the railroad companies' efforts to reduce their debts.

Several bills were introduced during the latter 1940's, though, to reduce ICC power. In 1948, the Railroad Modification Act, permitted a railroad to change the terms of its debt after hearings before the ICC.

(B) WATER CARRIERS

The matter of regulating water carriers was undertaken in part by the Interstate Commerce Act of 1887, but there was no actual central bureau dealing with water transportation before 1940. In that year, the ICC took jurisdiction over inland water carriers; at the same time, about 90 percent of all domestic water carriers were made exempt by Congress from ICC control. Congress was and is very reluctant to place any minimum rates on water transportation generally. Usually the ICC has remained lenient as to fares, number of carriers, and the need for new carriers in the case of water transportation.

The ICC, since 1940, has been trying to follow two opposite policies; one was to keep the "inherent advantage" of each type of transportation, while prohibiting undue preference by controlling the rates, and the other was to promote the joint "rail-barge traffic" in an effort to help water transportation. One goal of promotion usually works counter to the other of regulation.

(C) AIRLINES

While highway and water carriers were coming under the ICC, the airplane business came into being. The Roosevelt administration in 1938 established the Civil Aeronautics Board to centralize control of air traffic. The CAB required published rates and held pooling and other business devices illegal.

When the CAB was created, the "fixed base operators" who made irregular nonscheduled flights—nonskeds—were not included. After World War II, though, the number and unscheduled regularity of nonskeds were making serious inroads into regulated airlines. Using initiative in trying new services, as tourist class, and air cargo, the nonskeds were soon under attack from the regular airlines. By 1949, the nonskeds could not make "joint flights"—which resulted in regular flights—rulings in 1951 that limited the number of flights per month for nonskeds was rescinded.

Generally, the CAB has not had to limit rates, as competition among airlines settled the matter and too, the CAB has not had to consider competing forms of transportation as has the ICC.

In 1958 the Federal Aviation Agency was created by an act of Congress principally to supervise the safety regulations of airliners. The FAA replaced the Civil Aeronautics Agency, but the Civil Aeronautics Board remained in charge of most of its previous duties. The Board still establishes the economic regulations in addition to investigating air accidents. Principally this 1958 act was to improve, widen, and tighten safety rules in air travel.

(D) MOTOR TRANSPORTATION

Motor transportation came under Federal regulation upon enactment of the Motor Act in 1935. Motor carriers did not possess the characteristics of an industry usually having a great deal of governmental regulation, for example, need to invoke eminent domain, undesirable effects of parallel service, and high fixed costs; but regulation has been put on motor transportation because of their deep inroads into railroad markets. The Motor Act gives most power to the States, but if carriers travel in more than three States, a joint board composed of representatives of the States involved is under ICC review. Common carriers are limited more strictly than contract carriers, the former having rates, fares, and charges regulated and published.

PART 2—COMMUNICATION

Control of the wire and wavelength communication industries have posed some of the identical political, technological and economic questions as occurred in the transportation regulations.

(A) TELEPHONE AND TELEGRAPH

In telegraphic communications, the beginnings were marked by many competing companies which soon tended toward consolidation. By the end of the 19th century, two major entities, Western Union and the Postal Telegraph System, dominated the wireless business.

Telephone system development in the United States on the other hand, was synonymous with development of the American Telephone & Telegraph, the Bell System. By 1879, an accord between Bell and Western Union gave the telephone business exclusively to the former.

By 1957, Bell held almost nine-tenths of the telephone industry in the United States.

Before 1934, little regulation of the telephone and telegraph occurred on a national level. Shortly after Roosevelt became President a study of communications was begun, and under the 1934 Communications Act, the Federal Communications Commission was established and empowered to set rates and order the joining of telephone and telegraph systems.

The country's telegraph operations had been in decline, and the FCC had to recognize this in its rulings; by 1935, the Commission permitted consolidation of all telegraph companies into the one, Western Union. The competition in wireless communications remains very weak with A.T. & T. controlling the system.

In 1935, Congress appropriated $1.5 million for an investigation of the national telephone system. The FCC found no scandals or corruption, although evidence of questionable accounting procedures was produced.

The FCC, after succeeding in securing lower rates on interstate calls, found that consumers within a State under looser controls would be paying increased prices for the same distance call. Studies and persuasion by the FCC had resulted, in 1956, in reducing intrastate rates.

Western Electric, the subsidiary of Bell, enjoys a position outside the control, although not the advice, of the FCC.

(B) RADIO AND TELEVISION

In the regulation of utilities, the laws center on limiting the entry, rates, and services of companies; the regulation of radio and television has a multitude of other problems. The entry must be well regulated, while the service of broadcasting ostensibly are to be considered in the light of the public tastes, and the question of censorship. There are no Government regulations on rates as these are established by competition. The fact that there are many more demands to broadcast, and a limited supply of frequency lengths to be divided among private, Government, and commercial uses, makes some regulation necessary.

Government regulations have grown, as has the broadcasting system and the country moved toward controls by establishing a Federal Radio Commission in 1927. The prevailing philosophy, however, was to keep broadcasting as free of Government control as possible. In 1934, the Federal Radio Commission was dissolved, and the new Federal Communications Commission took over control of the airwave communications. Today, the four areas of regulation possessed by the FCC are: First, the allocation of airspace; second, competition and concentration of control; third, regulation and the advance of the art; and fourth, censorship and program control.

Several rulings were passed in the 1930's to establish the policy of the FCC in granting licenses.

In TV operations the stated policy of the FCC is to increase competition when at all possible. The cost combined with small population in many parts of the United States have limited many areas to only one TV station and the number of stations each person can own in one area is limited. The tendency has resulted in concentration of ownership throughout the country.

In radio, dominance by NBC and CBS was curtailed by court order in the early 1940's. NBC was forced to give up its blue network, which became the American Broadcasting Co. Later the Mutual Broadcasting System, through FCC control of individual stations using the two larger networks—NBC and CBS—helped to create a semblance of competition. It is also apparent the rise of television has eroded the network influence in radio, and the dominance in that system is no longer of such concern.

Studies of network concentration in TV by Congress and the FCC have led to many recommendations. Completed in 1957, the FCC report indicated that the high degree of control of TV was not beneficial. In addition to these studies, the Justice Department has planned to bring antitrust suits against the networks if the FCC does not limit their power first. Network spokesmen insist that the amount of concentration is needed to sponsor high-quality programs.

The business failure of FM stations has been another question unanswered by the FCC. Because there were so few FM receivers, the FM stations found it very difficult to secure money from advertisers. The networks, through their AM stations, tried to force their programs on to FM stations. The beginnings of FM, coming on a large scale in 1945, were very enthusiastic, but the mortality rate was very high.

Under the authority of the Communications Act, censorship by the FCC is technically prohibited. The FCC has control through its granting renewal of licenses, which amounts in some degree the same as censorship.

PART 3—WHAT NEXT?—SIGNS ALONG THE NEW FRONTIER

President Kennedy has requested the Department of Commerce to take the lead in developing recommendations for a national transportation policy to be considered and possibly submitted to Congress next session.

Recognizing many of the controversies facing the trucking, railroad, water carrier, and airline industries result from competition with one another, it is also noteworthy, according to Secretary of Commerce Hodges, that the Government has already spent between $1 million and $2 million for "studies" of the transportation industry. It is now time for action—time to determine the proper role of Government, if any, in the transportation industry.

The question of "subsidies" to the transportation industry is discussed in the Joint—House-Senate—Economic Committee of November 1960, and is pertinent because the present administration has indicated a willingness to subsidize. A formidable problem is presented when the words "subsidy" or "subsidize" are used:

Both of these, it seems, are words that are likely to invoke an emotional response. Proponents of a Government program designed to aid a particular industry, group, or type of enterprise avoid and indeed resent the term "subsidy" in describing their program, preferring to call it an aid or an expenditure necessary in the national interest or defense. For their part, opponents of the program, in their use of the label "subsidy," seek to stigmatize, or at least to suggest if not demonstrate, that the program somehow benefits certain individuals at a cost offset, if at all, by doubtful benefits to the American taxpayer in general. General agreement on a definition may well, under the circumstances, be unattainable—(Joint Economic Committee report—November 1960).

The report, in brief, indicates transportation subsidies have been paid and statements therefrom are as follows:

AIR TRANSPORTATION

The original subsidies for air transportation took the form of mail subsidies. The Air Mail Act of 1925 provided for the retirement of the Post Office from flying activities and the awarding of mail contracts to private companies by competitive bidding. Charges of collusion between the mail carriers and Post Office officials led to the cancellation of all airmail contracts in 1934. The Air Mail Act of 1934 restored contract operations and competitive bidding. Total payments to airmail carriers increased from $9 million in 1935 to a little over $14 million in 1938. The Civil Aeronautics Act of 1938 further liberalized airmail payments. Under Reorganization Plan No. 10, which became effective August 1, 1953, it was provided that on and after October 1, 1953, the Postmaster General will pay to each certificated air carrier a fair and reasonable "service" rate for the transportation of mail by aircraft, which will be fixed by the Civil Aeronautics Board without regard to a "subsidy" rate. The Civil Aeronautics Board then pays all compensation in excess of the "service" rate which will represent the "subsidy" paid by the Board to certificated air carriers. This procedure is now authorized under section 406 of the Federal Aviation Act of 1958.

The mail subsidy to certificated air carriers as compared to the actual service mail pay in 1961:

[In thousands]

Fiscal year 1961 (estimated):	
Mail, ton-miles	218,038
Service mail pay	$94,108
Subsidy	69,251
Total service mail pay and subsidy	163,359

Aside from these direct subsidies, air carriers have also benefited from such varied governmental assistance as airport and airway facilities, other navigation aids, aeronautical research and development conducted under governmental auspices, the safety regulations of the Civil Aeronautics Administration, and the sale of surplus aircraft, available to both new and existing companies engaged in civil transport.

MOTOR CARRIERS

Whether the extensive expenditures on highway and street improvement constitute a direct subsidy to the motor carrier industry has been widely debated.

Representatives of the motor carrier industry have contended that through registration fees, gasoline taxes, and other charges which have gone into the construction of public roads, the industry has met all the costs properly attributable to it. This is denied by railroad spokesmen. Studies sponsored by the Federal Coordinator of Transportation indicate that for the periods studied, 1932 and 1934, the motor carrier industry as a whole was not the recipient of any form of public subsidy. However, certain parts of the industry, such as farm trucks and trucks of 1½ tons and less, did not meet the costs assigned to them.

RAILROADS

The principal direct subsidies to the railroads took the form of land grants from 1850 through 1871 to aid in the construction of new railroads. Other early indirect aids to railroads took the form of lowering the import duty of railroad iron, mail service contracts, and grants of rights-of-way over public lands.

The Transportation Act of 1958 provides for Federal guaranteeing of loans to railroads upon approval by the Interstate Commerce Commission and eases the requirements for abandoning and curtailing unprofitable runs.

WATER CARRIERS

Aside from direct land grants to canal companies, public aid to water carriers has historically taken the form principally of Government improvement and maintenance of waterways. Between 1827 and 1866 the Federal Government granted 6,340,339 acres of public lands to private interests to aid in canal building and river improvement, in addition to right-of-way grants. Further, the Federal Government contributed various sums in the form of direct appropriations, subscriptions to the stock of, or loans to, private canal companies, and also deposited with the States so-called surplus funds derived from the sale of public lands. Even today, the maintenance of waterways, improvements of rivers and harbors, and providing various navigation aids such as lights and buoys may be considered to subsidize inland and coastal water transportation companies.

Following a recent statement by the ICC concerning a railroad subsidy proposal, E. S. Marsh, president of the Santa Fe Railroad, stated:

> A Federal subsidy to railroads is the first step toward eventual nationalization of all transportation and it is in my opinion an undesirable alternative to establishing national transportation policies that would allow private ownership to compete on a basis of equality. The timetested American system of free competitive enterprise should prevail in transportation as it does in other business.

Senator LAUSCHE, Democrat, of Ohio, on August 31, 1961, branded the ICC proposal as "the beginning step toward socialization of our railroad system."

The administration has already indicated considerable interest in regulatory agencies affecting the transportation industry.

The Civil Aeronautics Board has been reorganized in accordance with the recommendation of the task force headed by James M. Landis. Ostensibly the reorganization was to facilitate administrative functions. Actually it vests more authority in the Chairman and, in effect, places more control in the executive branch and less in Congress even though the CAB was created to carry out legislative policies.

The Landis report also recommended broad changes in the ICC. Primarily the reports called for greater delegation of authority and more centralization of responsibility.

The trucking industry has indicated its concern is not that there be less regulation but that there be more effective application of the regulations that exist. This industry indicates that generally speaking Federal regulation has been beneficial and necessary to insure progressive development of our transportation system. Railroads point out their major difficulties stem from "burdens and inequities of regulations."

In making suggestion to Secretary of Commerce Hodges on August 28, 1961, concerning improvement of the transportation system, the Association of American Railroads or the American Trucking Association, Inc., point up many areas of wide disagreement but neither organization suggests any material functional changes in the ICC.

In the field of communication the administration has also moved toward a more powerful executive. The first attempt by the President to reorganize the FCC along the lines of the Landis report was sharply rebuffed in the House by a vote of 323 to 77. The initial plan would have permitted administrative decisions to be made by employees far removed from the control of the electorate and the chairman would have become a "wagon boss" on the New Frontier. The plan went far beyond the intent of the 1949 Reorganization Act and finally when Congress created the independent regulatory agencies the intent was to put them beyond the reach and not subject to the political whims of the Executive.

Whether it be transportation or communication, history has indicated a need for basic regulation by independent regulatory agencies created by and responsible to the Congress. The Congress must zealously guard its constitutional right—article 1, section 1—which vests in it all legislative powers and in addition must never surrender its control of regulatory agencies to any executive.

The roots of Government regulation, where necessary, should ever reside with Congress whose members are directly responsible to the people. Let us not subvert the Constitution under the guise of efficiency or economy for power lost is seldom regained.

Mr. BRUCE. Mr. Speaker, at this time I yield to the gentleman from Nebraska [Mr. BEERMANN].

OPERATION SURVIVAL—AGRICULTURE

Mr. BEERMANN. Mr. Speaker, as a Member of Congress, as a member of a Nebraska family that has been engaged in farming for the last 90 years, and as a citizen concerned about the prospect of national and world control of our food supply, I present my views on Operation Survival in Agriculture.

From continuous and personal contact with farmers, I take the position that farmers in my State, as well as others, are anxious for the day when Government will gradually withdraw controls from agriculture. As one farmer wrote me in a letter:

> It's a sorry day when my ability to farm depends more on my skill at interpreting Government farm regulations, than it does on my knowledge of seed and soil.

At the same time farmers yearn for less Government interference, they are also hoping Government will withdraw subsidies and supports from other industries. A completely free economy, kept healthy by the checks and balances of a private enterprise system, must exist if the emancipated farmer is to avoid being caught in the economic bind, commonly referred to as the "cost-price squeeze."

To bear out my contention, namely, that farmers generally do not want Government controls, I need only cite the recent referendum on wheat within my State. Here, approximately 78,000 growers were eligible to vote in a subsidy control referendum. Despite one of the greatest publicity campaigns on record, in which newspapers carrying Government press releases practically pleaded with wheat farmers to express an opinion, only 16,000 did so. These 16,000 represent about 20 percent of those eligible. The favorable vote—12,800 in favor of more control, higher subsidy—represents approximately one-fifth of all growers eligible. Dakota County, Nebr., is my home county and has approximately 700 farms. In this same wheat referendum of August 24, 1961, Dakota County had 24 eligible farmers but 22 did not vote. The Department of Agriculture lists Dakota County as 1 of 11 counties turning out 100 percent in favor because the two who did vote, voted "Yes." I submit these figures hardly constitute an overwhelming approval of the new wheat program as has been reported by many USDA offices through area newspapers.

Instead to me, the result of the referendum indicates about 85 out of every 100 wheat farmers do not care enough about Mr. Freeman's wheat plan to even express an opinion. And what is more heartening, are probably eager for some sort of legislation that will eventually and gradually, withdraw his interference from wheat farms altogether.

Looking at the results of the same referendum from a national point of view, here again I might point out is evidence that farmers do not like controls. Nationally, although farmers were voting on whether they wanted $2 or $1.19 per bushel for wheat, the "No" votes increased in volume by 140 percent. Meanwhile, the "Yes" votes increased only 35 percent. It takes real fortitude to vote yourself off a Government "gravy train." Yet wheat farmers are apparently expressing that opinion just like corn farmers did a few years ago when given an opportunity.

Agriculture, as you know, is our oldest industry. In pioneer times, over 90 percent of our population was engaged in the production of food. Today, with all the improvements in farming methods, less than 10 percent of our population is so employed, and statistics indicate that 1 farmer now produces enough food and fiber to support 26 persons.

This progress has been made possible through many new and improved ideas. Much of the progress is due to the research, experiments, studies, and educational facilities of the U.S. Department of Agriculture. In what I would term the proper exercise of its responsibility, the Department has provided the farmer with new methods of soil nutrition, improved crop varieties, sound soil conservation practices, even better methods of bookkeeping. Private industry has added its share by the development of more efficient fertilizers, and almost explosive gains in industrial technology. To these, American farmers have added what can be called a God-given desire to produce. By way of emphasizing this point I offer these figures quoted from a column by Drew Pearson. On September 6, 1961, in the Washington Post, Mr. Pearson said:

If imitation is the sincerest form of flattery, the Russians have paid us many compliments by imitating our automobiles, our airplanes, our vending machines, and our jazz. Their sincerest compliment, however, is in the imitation of our agricultural methods.

Here they have frankly and enthusiastically followed many of our farm methods, and with equal frankness have published figures showing that they are behind. * * *

The most significant aspect of Soviet agriculture, however, is revealed in official Soviet figures. They show 54,600 collective farms and 6,500 state farms with an average respectively, of 13,684 and 58,000 acres each.

Against this, according to the same Soviet figures, there are 4,785,000 individual American farmers with farm averaging 220 acres each. And the horny-handed individual American farmer has been able to outproduce Soviet farms by about 30 percent.

Soviet production figures show how he has done it—by raising 21.1 bushels of wheat per acre against 16.3 bushels of Soviet wheat; and 59.4 bushels of corn per acre against 22 bushels of Soviet corn.

It is quite apparent from Mr. Pearson's figures that Russia would love to have our agricultural problem.

I believe it should be noted here that while American farmers have accomplished their present high production records, mostly through their own initiative, they have at times been encouraged to abandon their well developed business sense by the gradual encroachment of controls and subsidies into the farm scene. I will frankly admit that, under legislation by Congress, the intrusion of the Department of Agriculture into the farm scene in the 1933 depression was made with the best of intentions.

In the years after 1933, as subsequent administrations made further encroachment into agriculture it was tolerated on the basis it would prevent a reoccurence of what had happened earlier. Lulled by this excuse over subsequent years we have witnessed what has amounted to an almost complete farm takeover by a socialized philosophy that would help farmers by enslaving them. In the last 2½ years we have seen the pattern for rigid control over production and marketing emerge, as outlined in the speeches by former Harvard professor, Dr. Willard Cochrane, an economic adviser to the Secretary of Agriculture.

Each week that I have spent in Washington I have received constant reminders from individual farmers saying they would like less Government interference. I have tried to relay these beliefs to my committee, the House Committee on Agriculture. But despite these constant reminders by other members and me, committee action the last 6 months has hardly been in the direction of farm independence. Instead, the committee has consumed almost an entire session on the consideration of two bills, first, the so-called emergency feed grain bill and, second, the Secretary of Agriculture's dream of farm utopia, H.R. 6400. Both measures increased Government interference in farming instead of decreasing it. In addition, H.R. 6400 would have, if passed, called upon Congress to abandon its recognized constitutional authority to consider all phases of farm legislation. In short, the bill would have reduced the highest legislative branch of the United States to the role of a "yes" man and restricted congressional action to a veto of recommendations by an administration handpicked commodity committee.

Mr. Speaker, the feed grains bill was supposedly an administration "emergency" measure. In committee we were told that its effect would be carefully considered before it became a permanent measure. Yet as you well know, in the middle of the growing season before the first crop year could be experienced under this law, and before the remotest idea of its effect on the general economy could be ascertained, it was extended. I offer these two pieces of legislation as prime examples of the work of political theorists who are attempting to further enslave agriculture without any thought whatever toward the farmers' constant plea for independence.

In regard to the feed grain bill let me remind you that administration spokesmen have said it has been "eminently successful." This point of view hardly agrees with my information. My sources indicate the feed grains law is going to cost taxpayers more instead of saving them the $500 million promised by the Secretary of Agriculture and his advisers. The law will also withdraw about 5 million acres less from production than first anticipated. Remembering first, this important factor; second, the farmers' desire to produce; and third, the importance of God and the weatherman on crop yields, I would venture that this year's application of the feed grain law will not reduce farm surplus any appreciable amount.

Here again to emphasize my main theme of farm independence, I want to point out that the large farm signup, in the feed grain program, was pointed out by USDA and legislative spokesmen as proof that farmers liked controls and subsidies. The truth is many farmers signed up with no thought of participation, but were lured, and naturally so, by the fact that the program offered good-weather insurance. Farmers were assured by the Department that there were no contracts, no penalties for failure to comply, in fact everything to be gained and nothing to lose. Many farmers also signed up under the threat of a policy that would allow the Secretary of Agriculture to dump Government stocks of grain on the market before planting and again at harvest time for the sole purpose of depressing the price for the noncomplier.

Mr. Speaker, I am in full agreement with farmers who believe the answer to farm surplus problems is less Government interference. I recommend that Government withdrawal from farming be gradual, but still as rapid as commonsense would dictate. Meanwhile, there are some things that we can do to help:

First. I understand Congress transferred much of its authority to make decisions in matters affecting agriculture to the Federal Tariff Commission in the 1930's. I suggest Congress, through a duly authorized committee, make a close examination of the actions of the Federal Tariff Commission and some aspects of the administration of Public Law 480 by the Department of State. Information currently indicates that some of our domestic farm products are actually being discriminated against in decisions by these agencies. The subsequent harm to our domestic farm production is excused or justified on the basis of being diplomatically expedient.

Second. As elected representatives of the American farmers let us insist they be given the right to produce crops that are not in surplus. There is no justifiable reason, in my opinion, why the American farmer should not have the opportunity to produce the 45 percent of our domestic sugar consumption that is currently being purchased outside the United States. The right to produce sugar crops would utilize 1,800,000 acres of U.S. farmland that is currently producing unneeded surpluses. The impact this added production would have on the farm would be highly favorable. It would in effect help level out the ups and downs of agricultural economy. In addition, it would aid in preserving the small town, attract industries and factories to rural areas, and in general reverse the trend of declining rural populations.

To add a patriotic flavor to this plea, may I point out that part of our present sugar use tonnage, formerly supplied by Cuba subsequently withheld by the President, is now being produced by countries with political philosophies antagonistic to Operation Survival America. To restrict production and income of our American farmer who might benefit from sugar crops and at the same time assist totalitarian regimes to profit thereby, I suggest is outright stupidity.

Third. As a final step toward the emancipation of agriculture, I would suggest that we confine the U.S. Department of Agriculture to the performance of the technical skills for which it is best suited. Since the early 1930's, directed by socialistic-minded administrators and unrealistic theorists, the Department has

consistently strayed from its original purpose—technical assistance to the farmer. This, I believe, is the Department's proper area of responsibility, and here I suggest that Congress insist the Department direct its talent.

I will frankly admit that agriculture's return to the free enterprise system after 30-odd years of constant Government interference probably may not be easy for some farmers. Many operators may need help through this transitional period, and if such is the case, I suggest it might be offered in the form of crop loans based on a percentage of average costs. Present policy, wherein we loan the full selling price can hardly be called loans. In most cases these aids actually constitute sales, and as long as we pursue this policy, a policy that encourages maximum production without regard for the probable market, we are asking for trouble.

To illustrate, may I say that if you will loan me the full sale price of buggy whips, I will produce them for you until they run out your ears, although the market for them vanished years ago. When no market exists for the surplus, it is just as foolish to loan the full selling price for surplus farm crops.

A percentage of cost loan, on the other hand, could be expedient. In addition to supporting marginal farmers through the transition period, it would also enable them by self-determination to orderly market crops at the year's highest price. At the same time it would not release farmers from the responsibility of planning and tailoring farm operations to the rise and fall of unsubsidized private markets.

Once again I repeat, the solution to the American farm problem is the one advocated and voiced by the farmers themselves:

> Get Government out of agriculture as quickly as possible; and while we are at it get Government out of other business too.

Let us keep in mind the words of Emerson who said:

> For what avail, the plough or sail,
> Or land or life, if freedom fail.

Mr. BRUCE. Mr. Speaker, I yield to the gentleman from California [Mr. ROUSSELOT].

THE FIGHT FOR SURVIVAL IN HOUSING

Mr. ROUSSELOT. Mr. Speaker, our country has always provided the opportunity for each citizen or even noncitizen to enjoy the right of private property. This concept has been broadened to such an extent in our U.S. society that better than 60 percent of our families own their own homes.

Homeownership is more warmly anticipated by newly formed families than most other emerging responsibilities of adulthood.

Private ownership of one's home is more possible in the American system of freedom than in any other society.

Why is this true? Because the Constitution grants the right of private property, individual initiative, and denies the Federal Government the absolute power of land grant. The fifth amendment of our Constitution clearly states that no person shall be "deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation." So we can plainly see that around this sacred guarantee has grown the American institution of private home-ownership.

Further, these principles in our Constitution have guaranteed a broad base for private and competitive home rental units for those owners who wish to supplement or earn their entire income from this source. Rental units are another form of homeownership that provide self-sufficiency of our citizens.

These concepts and realities of homeownership are a far cry from the practices of monopolistic feudalism formerly permitted under the divine right of kings or by government decree in foreign countries. These feudalistic practices of landownership have prevented individual homeownership under past and present governments. Some would contend that it is purely ridiculous to say that this kind of abuse of private right can occur in the United States of America. My question is, Are those who take this position correct, and are they really looking at the signs of the time? President James Madison said:

> Since the general civilization of mankind I believe there are more instances of the abridgment of the freedom of the people by gradual and silent encroachments of those in power than by violent and sudden usurpations.

These words are more applicable today than we are willing to admit. In our fight for survival an important area where these silent encroachments are disintegrating the foundations of our private right is in the sacred field of homeownership.

What is this destructive force to our guarantees of private homeownership? It is the same group of so-called elite specialists and special managers—the collectivists, the Fabian Socialists, and the Communists—who are trying quietly to steal other freedoms. These groups cooperate in one grand brotherhood of organized deceit.

How is this masquerade of destructiveness being advanced? It has many names—some examples of the guises under which it many times operates are "humanitarianism," "a little bit of sugar for everybody," "social welfare," "progressivism," and "better housing through long-range planning by Government experts." Beneath this facade of high-blown phrases it boils down to the same old thing—the management, control, and ownership by Government of the major means of production and distribution of housing—Webster's definition of socialism—in two words, "socialized housing."

Interestingly enough the international Communist conspiracy has a catch phrase for this kind of activity—"creative state housing," mentioned in a new book entitled "Fundamentals of Marxism-Leninism." My name for all this is simply "Federal economic feudalism." Other conservatives call it "a Federal landlord policy." Some will say, "No, you are wrong. It isn't that bad here. In America we haven't drifted that far toward Federal control of housing." Let us scan some of the recent editorials to see if this argument holds true.

House and Home, one of the largest industry publications in the field of housing, states in the August 1961, edition:

HOUSING ACT OF 1961: COSTLY, CONTROVERSIAL

> The Housing Act of 1961 is the most controversially costly and crazily complex piece of law housing has ever had. It is loaded with something for everybody—cities, railroads, farmers, poor people, middle-income families, builders, savings and loan associations, prefabbers, public housers, urban renewal promoters, even trailer park operators.
>
> The new law—and the administrative regulations that are following—is stuffed with new programs intended to stimulate housing (unemployment is heavy among construction workers). But don't expect it to produce a quick upturn in housing. For one thing, most of the new programs are so complicated it will be months before the industry—and officials—know how to use them.

Congressman EDWARD J. DERWINSKI placed an article by O. G. Powell, president of the National Association of Real Estate Boards, in the CONGRESSIONAL RECORD of July 12, 1961. To quote from this article entitled "Victory or Travesty?"

> This association would be remiss in its responsibility, not only to its members and the real estate industry but to the public, if it did not raise some question—indeed some warning—that the philosophy underlying not only the bill but some aspects of its handling in the Congress is inimical to the public welfare.
>
> The bill involves a total financial impact of $9 billion because its composition was determined not on the basis of demonstrated need, but because the practicability of legislating a controversial bill dictated that there be something in the bill for everybody. And so the farmers, the small towns, the big cities, the commuters, the nature lovers, the savings and loan associations, the homebuilders, the low-income groups, America's great middle class, the South, the West, the East, the planners, the trailer park owners and a host of other interests—sectional vested, and ideological—rallied behind the measure, each group hailing the merits of its own provision but oblivious to the impact of the bill on the taxpayers and the moral fiber of the American people.
>
> The bill launches a new form of Government-owned shelter for America's middle class whose self-reliance has always proved the measure of a nation's greatness. The desperation with which the proponents of this bill fought for its enactment is best manifested by the tortuous strain which the bill's handlers placed on the legislative process.

Another excerpt from the article appearing in the August edition of House and Home calls attention to the recent housing legislation with the following headlines: "Look How Big the Housing Tent Has Grown: New Subsidy Programs for Open Space, Mass Transit; Bigger Renewal Grants for Small Towns."

The magazine further quotes the gentleman from Alabama, Congressman ALBERT D. RAINS:

> The housing bill has to have a little bit of sugar in it for Congressmen whose towns don't have renewal and not even public housing.

The Communist Party, U.S.A., has consistently advocated widespread development of public housing. I quote from "Social and National Security"—see pages 20 and 21—a pamphlet by Earl Browder, which was published in 1938 when Browder was general secretary of the party:

> The heart of any serious program of public works must, quite evidently, be a large-scale housing program. Here it is necessary to go far beyond the timid experiments launched so far. The United States must begin to act on housing in a large way, with a program running into billions of dollars. Especially in this field the benefits are so obvious, the resulting increase in national wealth and well-being so much greater than elsewhere that there can be no excuse for further delay.

In 1949 William Z. Foster, who was then chairman of the Communist Party, U.S.A., called for "the development of gigantic housing plans." See William Z. Foster, "The Twilight of World Capitalism," International Publishers, New York, 1949, page 35.

Recently the Communist line was reiterated by Gus Hall, the current chairman of the Communist Party, U.S.A. In an article appearing in the February 1961 edition of Political Affairs—a publication identified by the FBI as an organ of the Communist Party—Hall says:

> We have a general approach that is basically sound. It includes such demands as a 30-hour week, a much higher minimum wage, Government controls to transfer some of the superprofits from automation to the workers and the public in the form of price cuts and wage increases, higher unemployment compensation to be paid as long as one is unemployed, a large public works program of housing, roads, hospitals, schools, etc.

Today legislation is pending in the U.S. Congress which would establish a massive Department of Urban Affairs. Under this proposal an Administrator or Secretary of Cabinet level would sit as a supermayor to supervise the activities of urban affairs, especially of housing—H.R. 8429.

So you see, like the Communists, the collectivists, Socialists, and neo-Marxists collaborate to encourage a program of giant Government housing which is intended to be humane but which really denies the right of each citizen to own his own home. In the name of "better progressive housing" the Government becomes a superlandlord and overseer of interest rates, land management, land development, public housing, private housing, transportation to and from your home, open space, and urban redevelopment. All these Federal programs are activated by administrative permission or decree.

Is this really what we want? Or is it what outside forces want for us?

Next, people say, What can we do? There are several productive approaches that can be taken now:

First. Each individual citizen can stop expecting or asking the Federal Government to do everything. There is really only one way to own a house, and that is to buy it on your own under the best terms that you can obtain from private enterprise in your area.

Second. Congress can begin to eliminate Federal control and unnecessary responsibility in the field of housing. This will require some revisions in the National Housing Act, and as a member of the Banking and Currency Committee, I intend to submit some specific legislation next year.

Third. Citizens can demand the improvement of local area building codes which in the long run will prevent substandard housing from being built in the first place. In an article of the April 1961 edition of House and Home entitled "An Open Letter to the President," suggestions are given for improvement and standardization of building codes.

Fourth. Every citizen who possibly can should invest his savings in financial institutions which provide mortgages for local homes in his own area. This reduces the necessity for Federal financial participation and creates additional financial resources.

Fifth. Our wage earners and salaried personnel should encourage investment of their union and company pension funds in good, sound homebuilding projects.

The above are but a few of the things that we can do as individuals to rekindle the dedicated individual spirit of homeownership that has always existed in this country. It has been only in recent years that we have come to rely so extensively on the Federal Government to assume responsibility for housing.

Karl Marx, in his Communist Manifesto, states that the "abolition of property in land and application of all rents of land to public purposes" is one of the primary planks of Communist philosophy. In our free society we have clearly rejected this proposition. However, there are some very well meaning people who have equated social progress or social consciousness with socialism—Karl Marx was a self-identified Socialist. As Americans we can give our social consciousness full expression through voluntary, private, nonprofit charitable organizations or local government units without changing our Republic to a Socialist state. Therefore, a great many of us reason that our citizens can have a sense of social responsibility in the field of housing without socialized Federal housing.

Most important, the fight for survival against communism and collectivism has to begin at home. This fight is definitely internal as well as external.

The elimination of our constitutional right to homeownership and private property in some instances is being usurped by or given away to the Federal Government unnecessarily. There is one way for us to be participants in the "communal living" concept of housing practiced in Communist countries, and that is to give up our private homes and rights of private property. We do this by exchanging these property rights for less expensive, no-downpayment, subsidized Government-owned rental housing.

President Madison was right. It is possible to allow the abridgement of our freedoms by gradual and silent encroachment. The question the American people must answer is, Are they going to allow this right of private homeownership to be taken away by the Federal Government?

Mr. BRUCE. Mr. Speaker, at this point I ask permission to insert in the RECORD the remarks of the gentleman from Montana [Mr. BATTIN].

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BATTIN. Mr. Speaker, I am happy to participate with my colleagues in this discussion of a serious topic rightfully termed "Operation Survival."

No speech or discussion on the survival of this country, whether economically or militarily, would be complete without a statement relative to our internal security.

The words "internal security" are perhaps not too descriptive, for they do not dramatically point out the dangers this country faces in a peaceful overthrow of our Government by the Communist conspiracy and by people who act knowingly or unknowingly in undermining our free system of government.

The problem goes back many years, but it does fit into a pattern that tells a miserable story of what has happened and what can happen.

Looking in retrospect and using the facilities of a Monday morning quarterback, it appears without question that the U.S. recognition of the Russian Communist government provided the Communists with a great advantage in their play for world conquest. It gave to them world recognition, financial credit, and a peaceful entrance into this country and the countries throughout the world, which until we recognized them had been withheld.

It did not take the Communists long to take advantage of the economic depression in the country in the 1930's—they moved in and exploited the jobless, the hungry, and those in despair, and were somewhat successful in establishing a beachhead that has never been destroyed.

We found ourselves as an ally of Russia in World War II, an ally for the purpose of a military victory.

During the war years, however, the Communists did not see fit to declare a moratorium on their activities in the United States, but on the contrary used this military tie to foster and promote their subversive activities. The fact is that since the inception of communism the leaders of Russia have been waging an unrelentless war against the forces of free people. Their plan is world conquest and they move slowly or at a quick pace, depending on the resistance offered by their adversary.

Before the Congress found it necessary to pass the Internal Security Act of 1950, faint suspicions of our peril must have been in the minds of Congressmen, for in 1938 the Foreign Agents Registration Act was passed.

The Congress of the United States, on September 23, 1950, passed the Subversive Activities Control Act. Section 2(1) of the act declares that there "exists a world Communist movement, which in

its origin, its development, and its present practice, is a worldwide, revolutionary movement. The purpose of this movement," the act goes on to state, "is by treachery, deceit, infiltration into other groups, espionage, sabotage, terrorism, and other means deemed necessary to establish through the medium of a worldwide Communist organization a totalitarian dictatorship in countries throughout the world."

The act was amended on August 16, 1954, to include the Communist Control Act, and other amendments were passed to tighten our laws and make it more difficult for the Communists to make gains in this country.

Laws are without value unless the people know the problem and decide to do something for their own protection. You cannot legislate pride of country, but as representatives of the people we can and must point out the dangers.

The task of administering the control laws was given to the Justice Department, and, as a result, the Department has formed the Internal Security Division. The Division is headed by an Assistant Attorney General who coordinates the forces of the Federal Bureau of Investigation, and other security agencies.

At the present time under the direction of the Assistant Attorney General in charge of the Internal Security Division there are 126 employees, including 69 lawyers, who make up the administration and clerical end of the enforcement procedure. This, of course, does not include the forces of the Federal Bureau of Investigation.

The Federal Bureau of Investigation is given the responsibility of—first, general criminal investigations; second, domestic intelligence; third, coordination and dissemination of security data which includes the responsibility of correlating information regarding espionage, sabotage, subversive activities and related matters on a national basis; and fourth, specialized security problems which are largely concerned with various sensitive types of applicants and employee investigation.

On page 401 of the hearings before the subcommittee of the Committee on Appropriations dealing with the Departments of State and Justice, the judiciary and related agencies on appropriations for 1962 is found a description of the Communist Party, U.S.A. For purposes of brevity I will paraphrase from the findings made by the Federal Bureau of Investigation. The U.S. Communist Party is the largest subversive organization in existence in our country today. It poses a grave menace to our internal security and its ultimate goal is domination and control of all nations on the face of the globe. Since its founding—U.S. Communist Party—in 1919, the party has taken direction and guidance from the Communist Party of the Soviet Union whose ultimate aim is the overthrow and destruction, by force if necessary, of our Government. The FBI reports there are approximately 200 known or suspected front and Communist-infiltrated groups under investigation and that many of these front groups are national in scope.

Mr. J. Edgar Hoover, in testifying before the committee, pointed out the vast scope of the problem when he stated that "91,844 security matters had been referred to the Department's attention for investigation in the last fiscal year." Imagine 91,844 security matters in 1 year.

Mr. Hoover stated that the Communists exploit every known situation, and cites the sit-in demonstrations, the attack on the House Un-American Activities Committee, and the movement into the youth groups as examples.

Gus Hall, the present head of the Communist Party, U.S.A., is a ruthless, militant, Moscow-trained ex-convict, who is in a position of top influence in the party today. This description is from Mr. Hoover, the leading authority on the subject of communism.

In considering our security it must be remembered that not only is the Justice Department involved, but so is the Department of State, for under the present law the State Department has control over the issuance of passports and visas, and since a decision of the Supreme Court on July 16, 1958, a number of well-known Communists have traveled abroad to Russia and while abroad have made specific attacks against this country.

While considering the passport problem, I think we will all agree that our security should be, and in fact must be, a nonpolitical consideration. Yet, we find that the Honorable FRANCIS E. WALTER, a Member of Congress from Pennsylvania, found it necessary to introduce a bill in this session of Congress to take the positions of Administrator and Deputy Administrator of the Bureau of Security and Consular Affairs of the Department of State out of political hands.

On the floor of the House on July 6, 1961, Representative WALTER said:

> Mr. Speaker, I introduce today a bill designed to correct a deplorable situation which is about to occur as a result of the apparent intention of the administration to place certain vital administrative functions in the field of national security in the issuance of passports and visas in the hands of totally unqualified political appointees.

We also find tied up in our internal security problem the Department of Commerce. This Department has a hand in the administration of the Battle Act which prohibits people in this country from trading with our enemy.

Congressman GLENARD P. LIPSCOMB, of California, in questioning Mr. Hoover when he appeared before the Appropriations Subcommittee, asked this question of Mr. Hoover, which appears on page 437 of the transcript of hearings:

> Mr. LIPSCOMB. Mr. Hoover, is there anything we can do to call to the attention of American businessmen the danger of this kind of trade (i.e., precision ball bearing, machines, etc.) to Communist bloc nations? If Soviet agents are making business contacts with American businessmen in such plants as precision ball bearing, or these motors I was talking about, surely they have access to the plant and other things that they should not be entitled to.
>
> Mr. HOOVER. The Department of Commerce has the authority of granting export licenses and, therefore, has some measure of control over such matters. As you indicated, the Secretary of Commerce withdrew the export license which had been granted. It was probably granted prior to his becoming Secretary of Commerce.
>
> Mr. LIPSCOMB. It was.
>
> Mr. HOOVER. Such matters are generally handled down the line and not at the secretarial level. As to the attitude of the American businessman, a few of the individuals are unwittingly sympathetic, or are inclined to fawn over the Soviets.

Now we find that after rescinding the export licenses the Commerce Department reissued the licenses, and, as a matter of fact, since the first of the year the U.S. trading with the Communist bloc nations has increased somewhere in the neighborhood of 800 percent.

In August 1961 the Department of Commerce approved 41 export licenses for the sale of goods to Communist bloc countries. They went like this: 13 licenses to export to Russia, 11 to Czechoslovakia, 9 to Yugoslavia, 4 to Rumania, 2 to Hungary, and 1 each to Poland and Bulgaria.

Ruled nonstrategic in nature and, therefore, approved for export were all ball bearings, machine tools, power transmission systems, aircraft, and automotive spare parts, electrical machinery, geophysical instruments, and other industrial products and chemicals.

Just who is trying to fool whom? This reminds me of the scrap metal we sent to Japan. Remember, we got it all back in the form of bullets, bombs, and war. With the Berlin crisis before us we must stop this nonsense.

It would seem, therefore, that we are fighting ourselves—that we are waging a war against communism with our right hand and aiding the Communists with our left. The theory of some people in Government is that we should not wage psychological or perhaps military war with a weak enemy, so we should, therefore, do everything within our power to build their might.

Mr. Hoover states that public apathy is a big problem. I am sure that we are all eager to fight with everything within our power against the Communist menace, but do we really know what our enemy looks like or how he fights?

Let us go back a short time in our history and make a few comparisons. After the exchange and repatriation of the American prisoners taken in the Korean war, it became apparent that some of the prisoners had been brainwashed and the hue and cry was raised from the good citizens of the country that something should be done to teach our servicemen just what it was they were fighting for, the things that made America great. Yet, today we find the press, some leaders in Congress, some well-meaning but misdirected people, criticizing the military for instructing our own military forces in the basic rudiments and principles upon which this country was founded.

Some people in high office have gone so far as to write memoranda to the Department of Defense criticizing the military, downgrading its leaders for teaching the American way of life. Contrast this, if you will, with your own feelings when our own boys were brainwashed in Korea.

Take the "justifiers." Not too long ago a well-known Washington com-

mentator tried to explain that there was a difference in communism in countries and used the election of a Communist in British Guiana—South America—as an example. The commentator's statement went something like this: Even though Dr. Cheddi B. Jagan was trained in Moscow, his wife is a Chicago Communist, one of his aids is an English Communist, so we can hope that they will have some influence on him. Contrast again, if you will, the pronouncement of Congress in 1950 as to what the Communist Party, U.S.A., intended to do, remember, destroy our system. In my humble opinion, the only way you can distinguish between Communists is to compare them to a rattlesnake, that is, they are either small, medium-sized, or large, but all deadly.

Remember the general brainwashing of the American people that took place when we were told that the Mao Tse-tung movement in China was nothing more than an agrarian revolt and even now our Ambassador to the United Nations is not sure that Red China will be kept out of the United Nations. Some of the world planners hope you have forgotten about our veto power. Have you?

The Soviet Union has been extremely clever and most successful in using the double standard technique as pointed out by Mr. Edward Hunter, of New York, in his testimony before the Senate subcommittee appointed to investigate the administration of the Internal Security Act and other internal security laws. Hunter is an acknowledged expert in the field of brainwashing and mass psychology and in discussing the double standard he makes it very clear that the Communists have made it unpopular to criticize what they do, for when you do they charge that you are an extremist, or a Fascist, or ultraconservative, or "red herring," or McCarthyism, or that you are invading their constitutional rights, but they reserve the right to call the United States any name they desire. This we have been taught is expected and we should not worry.

We all agree it is time to lay the cards on the table and approach the menace of communism with the same diligence they approach and infringe upon the free nations of the world.

Mr. Speaker, we are not fighting to see whether a Republican or Democrat will be elected President. We are not fighting to see whether the Republicans or the Democrats will control the Congress. We are fighting for the very survival of the system which has produced for the world the greatest economy ever known to man, a system that has produced a free and intelligent people who acknowledge a faith in God and a dedication to their fellow man. We are fighting to maintain a system that will allow the American people freedom of choice, freedom to elect a Republican or Democrat as President, to freely select the leader of this country, and even more important to change leadership without the necessity of a revolution.

Mr. Speaker, survival is still in the hands of the people—we should leave it there.

Mr. BRUCE. Mr. Speaker, I yield to the gentleman from Illinois [Mr. ANDERSON].

OPERATION SURVIVAL—FOREIGN POLICY

Mr. ANDERSON of Illinois. Mr. Speaker, in connection with any discussion of those issues which are linked to our survival as a Nation, the subject of our foreign policy is clearly relevant. A recent article in one of our national magazines estimated that our Chief Executive today must necessarily spend a full 70 percent of his time on matters in the international field.

Prior to coming to the Congress I had the privilege of serving as a Foreign Service officer in West Berlin during the years 1952–55. As a result of that admittedly brief excursion into the operational aspect of our foreign policy, I have followed the course of our country's role in international affairs with keen interest.

It is relatively easy to state the foreign policy goals of the two major powers in the world today—the United States of America and the U.S.S.R. In the case of the United States, it is clearly the maintenance of peace with justice; in the case of the Soviet Union, it is world domination and the overthrow of capitalistic and democratic governments regardless of where they are located.

The Soviet Union employs threats, subversion, some limited economic and military aid to selected countries, and its alliances with Red China and the Warsaw Pact countries to achieve its goals. The United States has relied on world opinion, the United Nations, extensive economic and military foreign aid to more than 100 nations, and its various alliances to implement the goals of its somewhat nebulous policy of peace with justice.

The present administration is not satisfied with containment as a policy. This is scarcely dynamic enough to square with the promise of our present Chief Executive during the presidential campaign to replace the static policies of the 1950's with forward-looking and activist policies to meet the challenge of the 1960's.

It trembles, however, at the idea of liberation. Witness its concern during the still current Berlin crisis lest the restive East Germans revolt against their Red masters.

Walter Lippman, until now a stanch protagonist of the Kennedy administration, in an article published today has pointed out the bankruptcy of this administration's policy vis-a-vis Berlin. He said, and I quote:

> The administration had failed to take into account the fact that Khrushchev could act powerfully, but with measures short of war, to reduce the Western position in West Berlin. It has long been known that an embargo was a possibility. But the preoccupation of the President's advisers with the memory of Stalin's blockade in 1948 prevented them from preparing adequately for the formidable measures short of war which were available to Khrushchev.
>
> The effect of the miscalculation has been far-reaching. It left the administration to concentrate its energy on convincing Khrushchev that the West would fight if he interfered with physical access to West Berlin. This is true. It will fight if he interferes with Western access to West Berlin. It was a prudent precaution to make this plain to Khrushchev. But it should not have been sold to the American people and to the world as a policy. The exclusive and excessive preoccupation with proving our will to fight a blockade left us unprepared to deal with the actual embargo. On August 13 we had no policy, and there is reason to ask whether we are on the way to having one now.

Mr. Speaker, I call the attention of the Members of the House particularly to this sentence in the above quotation:

> On August 13 we had no policy, and there is reason to ask whether we are on the way to having one now.

Apart from its rejection of both containment and liberation, however, it is certainly not clear how the present administration proposes to achieve the goal of peace with justice. The record of the last 7 months is certainly not one that is calculated to show that we have moved any closer to achieving this praiseworthy objective.

Witness the following:

Cuba: Daily becoming a more totalitarian state with complete disregard for human dignity.

Laos: Sinking slowly but surely into an impasse where a so-called neutralist premier with close ties to the Pathet Lao appears likely to assume control.

Berlin: A divided city in not only a figurative but a literal sense with abrogation of Four-Power agreements regarding freedom of travel and access within the city already past history after being the subject of some tepid diplomatic notes.

British Guiana: A newly elected premier who is an avowed Communist.

Brazil: Brought almost to the brink of revolution or civil strife by the resignation of a president who answered our economic aid by awarding one of his country's highest decorations to Cuba's Che Guevara.

Africa: States, like Ghana where we have already committed millions in economic aid, signing a treaty of friendship with Red China.

In the Far East: The vitality of the SEATO Pact undermined by our inability or unwillingness to commit the forces under that treaty arrangement to the defense of either Laos or South Vietnam.

With respect to Outer Mongolia: A belated and grudging acknowledgement by the administration that it would not recognize this Communist-dominated country at the present time.

The spectacle of high administration officials covertly and overtly floating trial balloons concerning a two-China policy.

All of this activity during the last 7 months has only led to the doleful admission in the Congress during the recent foreign aid debate that America stands at the most critical juncture in its history and is in a position where, as the title of this series of speeches indicates, the very question of survival is at issue.

Millions of Americans have awakened to cry—why has this state of affairs come to pass and must it now culminate

in the holocaust of atomic or hydrogen bomb warfare?

Mr. Speaker, during the recent campaign the present occupant of the White House charged the Eisenhower administration with "inaction." He declaimed time and again, "We are going to get America moving again."

Yet on the fateful day in August, 7 months after Mr. Kennedy assumed the Presidency, when the Soviets sealed the border between East and West Berlin, according to Mr. Lippmann, we didn't even have a policy.

I submit that it was an absence of policy that led to the debacle in Cuba at the Bay of Pigs; it was a lack of policy that has mired us in endless negotiation with the Communists over Laos while freedom there goes steadily down the drain.

Many of us believe that Communist imperialism is on the march because they have truly been at war with us while we have tried to make ourselves believe that the cold war was really just a synonym for unrest and sporadic and unrelated military actions brought on by the new nationalism or anticolonialism.

The same people who ridicule the idea of total victory over communism are the same ones who blindly and/or willfully refuse to recognize that the aim of the Communists is the complete destruction of our way of life.

We must pledge our lives, our fortunes, and our sacred honor to the cause of freedom, not just in Berlin as the Vice President recently had occasion to do, but wherever we confront our foe. This, in turn, will require mobilization of our resources—economic, political, psychological, and moral.

In the realm of economic affairs we can scarcely justify the granting of export licenses for the sale of iron and steel scrap to Yugoslavia or ball bearings to one of the Eastern European satellites—thereby strengthening the sinews of the enemies of freedom if we really believe that we are today locked in a global conflict with the forces of tyranny.

In the political arena we cannot tolerate diplomatic recognition and admission to the United Nations of Communist satraps like Outer Mongolia and thereby confer status as a peace-loving nation on a country dominated by a political ideology which has a single-minded goal—the destruction of our freedom.

Rather we must forthrightly state our reasons for declining to sign a separate peace with any country now a Soviet satellite until it demonstrates that it is not a part of the international Communist conspiracy.

The late Secretary of State John Foster Dulles used to refer to neutralism as immoral. For this he has been severely criticized by some of the new and highly sophisticated architects of our foreign policy under the New Frontier as having displayed excessive rigidity.

Can there even be any question that if we accept the premise that we are at war that it is not only immoral but suicidal to enhance the position of our foes?

The spectacle of the recent conference of so-called nonalined nations at Belgrade is a rather clear indication that these countries, many of whom have enjoyed our largess to the tune of millions, can scarcely be depended upon in the current struggle.

I say that for the reason that even though the Soviet Union openly resumed atomic testing in the atmosphere the major clamor of these so-called neutral powers was against so-called Western colonialism and specifically French action at Bizerte. There was no condemnation of Soviet colonialism in Eastern Europe. Indeed, there was not even a resolution directed against the Soviet Union's defiant resumption of nuclear testing—merely some pious expressions of dismay by certain delegates, one of them, Mr. Nkrumah of Ghana, then vied with Mr. Nehru to see who could get to Moscow first after the conference was concluded.

I am not suggesting that it ought suddenly to become our policy to flaunt world opinion. However, I am suggesting we had better abandon some of our exaggerated notions that we are purchasing any dependable allies in our struggle against world communism by trying to befriend nations who carefully distinguish between Western and Soviet colonialism. There is a time for nations to stand up and be counted; I believe that time is now. We are not engaged in a world popularity contest but a deadly struggle.

If these were normal times and we were dispensing aid on a purely humanitarian basis, we could afford the luxury of indiscriminate giving. However, if you accept the major premise that these are times in which the issue of survival is at stake, then we must—just as we did during World Wars I and II— confine our aid and our assistance to those who stand ready to help us. To demand a quid pro quo is not to display a lack of magnanimity under circumstances such as those that exist today.

At the Belgrade Conference a resolution was adopted to the effect that continued American occupation of our naval base at Guantanamo affects the sovereignty and integrity of Cuba. This resolution was signed by the very nations to whom we have extended a helping hand. Do we need any further proof of the futility of hoping that these nations are going to join us in combating our mortal enemy?

Fortunately, we do have some allies in the world with a demonstrated record of loyalty to our common cause. They deserve our help because they stand ready to help us. In other words, I would like to see a little more emphasis on what will best contribute to the shield of our defense. There are times when the social planners who dispense our aid seem more interested in working out their theories concerning economic and social reforms than they do in mutual security, the primary aim of our aid program.

In conclusion, the road ahead will not be easy; our burden will not be light. We will not always be popular. But we can seize the initiative if we look at the present struggle as one where our strategic goal must at all times remain the total liquidation of the international Communist conspiracy.

This does not mean that I believe in or suggest a preventive war, for I do not. There are many things we can do short of war to embarrass the Communists even while we remain ready to fight, if need be. For example, we could have been prepared with an immediate counteraction upon the Soviet sealing of the border between East and West Berlin. We could, for example, have announced that very day a complete cessation of any trade with the Soviet Union and countries under its control.

We must somehow in the coming weeks and months and years by every thrust, parry, and riposte make it abundantly clear that in this duel for survival we have the will, the purpose, and the dedication to win.

SUMMARY OF "OPERATION SURVIVAL"

Mr. BRUCE. Mr. Speaker, I wish to express my appreciation to my colleagues who have participated in this discussion that we have titled "Operation Survival."

This has been Operation Survival, an attempt on the part of 14 first-term Congressmen to pinpoint the tragic trend toward collectivism in the United States. In these relatively few minutes, we have tried to portray only a few of the myriad areas into which the Socialist virus has moved. We do not believe the case is overstated. Days could be spent in detailing many other areas wherein the dead hand of the past, with all of its failures and frustrations, is stagnating initiative and thwarting true progress. As Congressman SCHADEBERG so aptly pointed out, the foundation upon which this country has been built is solid, but the moves over the last 30 years into the area of Marxist-Socialist planning at Government level has thrown the top stories of the building of freedom out of plumb.

Our governmental structure is weaving dangerously in the breezes of deficit financing, confiscatory taxation, and bureaucratic arrogance. Congressman MARTIN warned of the "greatly expanded Federal Government, whose departments long for a greatly enlarged expansion of duties and more control over the very lives of our citizens." He concluded his remarks by saying:

> If we are not more careful, this octopus of a Federal Government will devour its citizens within a very short period of time.

It is indeed tragic that at the time of our greatest peril from alien forces who would destroy us, in the words of Congressman SHRIVER:

> We see unanimous action on appropriations to build up our Military Establishment, but on the other hand, note little interest in reducing deficit spending to perhaps some day achieve a balanced budget.

Congressman NYGAARD pointed out the complicated problems arising from internal inflationary pressures in dealing with the world market.

Congressman HALL has bluntly stated the premise that Federal medical aid under social security not only endangers the existing social security system, but historically does lead to regimented, inefficient, socialized medicine.

Congressman ASHBROOK drew the picture of Socialist planning which would bring about the destruction of our free enterprise system with the nationalization of our power industry, the industry upon which almost all other industries are utterly dependent. When the Government takes control of the power industry, it assumes the whip hand over the entire free enterprise system.

Congressman BEERMANN, himself a farmer, has called for Government to get its fingers out of the farm business, or, as he says:

Each week that I have spent in Washington, I have received constant reminders from individual farmers saying that they would like less Government interference. I have tried to relay these beliefs to my committee, the House Committee on Agriculture, but despite these constant reminders by other Members and me, committee action the last 6 months has hardly been in the direction of farm independence.

Congressman ROUSSELOT graphically draws the picture of the imposition of Socialist planning in the field of housing, wherein the very essence of private ownership will ultimately be imperiled.

Congressman BROMWELL has delineated the constitutional separation of powers between the legislative, executive, and judicial branches, and has shown the erosion of this vital separation and the abdication of legislative authority to the executive and judicial.

Congressman FINDLEY has succinctly demonstrated the desperate need for fiscal responsibility, the deadly danger of inflation, and the destruction of initiative which accompanies excessive taxation.

Congressman BATTIN has stated in broad terms the problem of internal security. As he so aptly says:

We are not fighting to see whether a Republican or Democrat will be elected President, or whether the Republicans or Democrats control the Congress. We are fighting for the very survival of the system which has produced for the world the greatest economy ever known to man—fighting to maintain a system that will allow the American people freedom of choice, freedom to elect a Republican or Democrat as President, to freely select the leaders of this country, and, even more important, to change leadership without the necessity of a revolution.

And then Congressman ANDERSON put his finger directly on the crying need in American foreign policy—the determination to win. He details our wavering and our apparent lack of understanding. He calls for courage and for principle, and summarizes it all by saying:

The late Secretary of State, John Foster Dulles, used to refer to neutralism as immoral. Can there even be any question that, if we accept the premise that we are at war, it is not only immoral but suicidal to enhance the position of our foes?

Let there be no question but what we are involved in a battle for survival. It is a dual battle—a battle against a dedicated, worldwide Communist movement, which has as its goal our complete destruction, and, simultaneously, within our own country, an attempt by sincere but misguided arrogants, who assume unto themselves superior wisdom for handling the affairs of men and would usurp the rights of the people with a centralized, collectivist form of Government. Again I repeat, ours is not a battle of personalities, political expediency, or personal power. Rather, we do it as a battle for the preservation of individual liberty, a battle for restatement and reenactment of the fundamental principles embodied within the Constitution of the United States. Liberty is our most precious commodity. Without it, there can be no progress, and liberty is based upon the spiritual foundation inherent within our Constitution. We shall win in the battle for liberty. Washington warned us with these words:

Let there be no change by usurpation; for though this, is one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed.

Lincoln defined it thusly:

Our principle, however baffled or delayed, will finally triumph, I do not permit myself to doubt. Men will pass away—die, die politically and naturally; but the principle will live and live forever. Organizations rallied around that principle may, by their own dereliction, go to pieces, thereby losing all their time and labor but the principle will remain, and will reproduce another, and another, till the final triumph will come.

Mr. BARRY. Mr. Speaker, I wish to commend the gentleman for his fine presentation and his excellent summary of the remarks made by 14 of our distinguished colleagues here this afternoon. I am sure the Nation, as the people read the words that have been said here, will realize that 14 new Members have helped lead the way to the future, and that what is said here will in large measure help pave the way for a secure future for all of us.

Mr. BRUCE. I am most grateful to the able gentleman from New York.

USE OF ATOMIC ENERGY FOR MUTUAL DEFENSE PURPOSES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Joint Committee on Atomic Energy:

To the Congress of the United States:

For some time members of the North Atlantic Treaty Organization have been taking steps toward the introduction of the most modern weapons into NATO forces. Among these measures is the introduction into forces of our NATO allies of weapons capable of delivering nuclear warheads. Such steps have been proceeding for some time following the considered judgment and agreement of the NATO governments. The objective is to achieve the most effective pattern of NATO military defensive strength. In view of the well-known, purely defensive purposes of the alliance, the introduction of modern weapons into NATO forces to take account of technological developments is in no way a cause for legitimate concern on the part of other countries.

Article III of the North Atlantic Treaty calls upon the members of the alliance to maintain their capacities to resist armed attack through effective self-help and mutual aid. As part of its contribution to the strength of the alliance, the United States has entered into a number of agreements through which we cooperate with NATO allies in the uses of atomic energy for mutual defense purposes. These agreements have been concluded pursuant to the Atomic Energy Act of 1954, as amended. All of these agreements are designed to implement the NATO objectives for maintaining the most modern weapons and techniques in NATO forces.

We have just concluded an agreement with the Government of France which is essentially the same as agreements previously concluded with a number of other NATO allies for cooperation in the uses of atomic energy for mutual defense purposes. This agreement will make possible effective cooperation with France in NATO mutual defense planning and in the training of French NATO forces. Training of certain French NATO forces which plays a significant role in European defense cannot proceed to conclusion until this agreement becomes effective. This agreement should be brought into effect as quickly as possible, in order that we can promptly and fully utilize the potential of French military forces in the development of our NATO defensive strength. In light of the probable time remaining for this session of the Congress and in view of the provisions of section 123d of the Atomic Energy Act of 1954, as amended, it appears that normally it would not be possible to bring this agreement into effect until the next session of the Congress. Accordingly, I would appreciate action by the Congress during the current session which would permit the agreement to come into force promptly.

I understand and respect the importance of mature consideration in the Congress of agreements of this sort, but I believe that in the present case there are compelling reasons for rapid action. The gravity of the international situation, and in particular the Soviet threat to the freedom of West Berlin, have made it a matter of first importance that the unity of the North Atlantic nations should be sustained. The Government of France, in this crisis, has behaved with great firmness, and the stanch and determined position of President de Gaulle, in particular, has reinforced the West. In these circumstances, I deem it of great importance that we should proceed promptly with such a joint undertaking as this one, carefully matured in prolonged negotiation. As has already been explained in informal discussions with interested Members of the Congress, the present agreement provides for a limited release of information to carefully selected personnel. Careful arrangements have been made to insure that all necessary security requirements are met, and the inclusion of France among NATO countries participating in this general undertaking is an important step forward at a moment in which such a step has a wider significance than usual. It is for

these reasons that I urge upon the Congress appropriate special actions to permit the agreement to come into force.

In accordance with the Atomic Energy Act of 1954, as amended, I am submitting to each House of the Congress an authoritative copy of the agreement with the Government of France. I am transmitting also a copy of the letter from the Secretary of State which forwarded to me an authoritative copy of the agreement, a copy of the joint letter from the Deputy Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of the agreement, and a copy of my memorandum in reply thereto which contained my approval.

JOHN F. KENNEDY.

THE WHITE HOUSE, *September 7, 1961.*

LEGISLATIVE PROGRAM FOR THIS WEEK AND NEXT

Mr. HALLECK. Mr. Speaker, I would like to inquire of the acting majority leader as to the program for the balance of the week and as to the program for next week so far as he can tell us.

Mr. ALBERT. Mr. Speaker, the legislative program for this week has been completed.

ADJOURNMENT FROM TODAY UNTIL MONDAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mrs. ST. GEORGE. Mr. Speaker, reserving the right to object, I cannot let this pass without saying that, in my opinion, it is extremely deplorable at this time in the session for the House to adjourn, to all intents and purposes, for 5 days. I know that 2 of these days are Jewish holidays, and it has been our custom to recognize them. That will be Monday and Tuesday.

I can see no reason on God's green earth why some legislative business could not be brought up on a Friday. This custom of doing no work except from Tuesday until Thursday is to my mind a deplorable thing at this time and at this stage of the world's history, and the history of our own country. I say that as a New Yorker. I can go home on Thursday and I can come back on Tuesday. But my people elected me to come down here and do a job. I do not think it is being done. I think it is deplorable.

Mr. Speaker, I withdraw my reservation of objection.

Mr. BROWN. Mr. Speaker, further reserving the right to object to the unanimous-consent request, I feel compelled to agree with that which the gentlewoman from New York [Mrs. ST. GEORGE] has said. I happen to know that there have been rules reported on legislation in the Rules Committee which could have been taken up and considered today and tomorrow. Indeed, we are now reading in the newspapers, Mr. Speaker, that the Congress may be kept in session for 2 or 3 weeks more. It seems to me that grown men and women should go ahead and do their work and get through, perhaps, for the benefit of the Nation. That would be the best thing to do.

Mr. ALBERT. Would the gentleman yield under his reservation?

Mr. BROWN. I yield to the gentleman from Oklahoma.

Mr. ALBERT. I make this comment: This request has been made after consultation with the distinguished minority leader.

Mr. BROWN. I understand.

Mr. ALBERT. And it has been made after consultation with the chairmen of the committees who are responsible for programing bills.

Mr. BROWN. I understand that.

Mr. ALBERT. And it has been made after a conclusion on the part of the distinguished gentleman from Indiana [Mr. HALLECK] and myself, as well as others, that it will have no effect on the final adjournment of this Congress. If it would have any effect, I do not think the gentleman from Indiana [Mr. HALLECK] would, and I am sure I would not, agree to this request.

Mr. BROWN. I appreciate the statement made by the gentleman, and I would like to remind him that there has been no Member in this House who has cooperated more than the gentleman from Ohio who is now speaking, with the leadership on both sides of the aisle.

Mr. ALBERT. The gentleman is correct.

Mr. BROWN. That which I have said is certainly no criticism of our own leadership on this side of the aisle, the gentleman from Indiana [Mr. HALLECK] because he and I have talked about this situation numerous times.

Mr. ALBERT. I agree with the gentleman from Ohio.

Mr. BROWN. I am in sympathy with that which the gentlewoman from New York [Mrs. ST. GEORGE] has said. I know that there is legislation that could have been scheduled for these days, if there had been any desire to do so. Therefore, I again respectfully say I regret that it has not been scheduled, and that we are wasting a lot of time.

Mr. ALBERT. I think we should put this in perspective. This request on this occasion is not made through the leadership's desires not to meet tomorrow, but as a matter of trying to accommodate a legislative situation for the benefit of the Members of the House as best we can under the circumstances.

There is nothing personal involved.

Mr. BROWN. I would like to say this to the gentleman from Oklahoma. I am a little provoked today.

Mr. ALBERT. I hope the gentleman from Ohio is not provoked at me.

Mr. BROWN. I know exactly who will be accommodated by this action. I have been here too long not to know, and it is not the leadership that is being accommodated.

Mr. ALBERT. Would not the gentleman agree that it would not be the gentleman from Oklahoma, who plans to be here on Friday and Saturday, who would be accommodated by this request?

Mr. BROWN. I agree with the gentleman from Oklahoma, for whom I have the highest regard, and the greatest respect, as he well knows.

Mr. ALBERT. And, as the gentleman well knows, I have for him.

Mr. CURTIS of Missouri. Mr. Speaker, reserving the right to object, the reason I make this reservation is just to pinpoint some of these things. Yesterday we had before the House under suspensions of the rules a very important measure, the disclosure and reporting on pension plans.

This is an area where we need legislation. It was obvious, with 20 minutes of debate on each side, that we could not possibly make the legislative history that was necessary on a measure so far reaching. The chairman of the committee said that this was most crucial. I pointed out that there was no reason why that could not have been brought out under a rule and indeed here we see today that it could have been.

I raise the point, what is the purpose of jamming legislation like that through on the floor of the House, when you cannot possibly examine into the details, when there is the opportunity to bring such a matter to the floor of the House under the rule, because we have plenty of time? That measure will have to go over until January. In my judgment it was important enough for the House to have had a debate on it. And it could have been amended, as it should have been amended, in many ways. This just illustrates the frustration that many of us experience who are interested in this legislation. I do not know how many suspensions there were yesterday, but that is no way for the House to consider major pieces of legislation.

Mr. Speaker, I withdraw my reservation of objection.

Mr. GROSS. Mr. Speaker, further reserving the right to object, I should like to point out to the House—and I think that these figures I am about to give are accurate—that up to September 2, 1961, this House met on six Fridays, and six Fridays only. That was from January until September 2. We had three rollcalls on one and only one Friday. The House met on all Mondays except one, but had only 13 rollcalls on all the Mondays on which they met. In other words, we have dillied, dallied, and procrastinated in this session until it has become completely unbearable.

Mr. HALLECK. Mr. Speaker, I should like to ask unanimous consent that whatever time is consumed in this colloquy be not charged against the special order granted the gentleman from Ohio [Mr. ASHBROOK].

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ALBERT. Mr. Speaker, and will the gentleman add to his request that this colloquy follow the proceedings under the special order?

Mr. HALLECK. I so add to my request, Mr. Speaker.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, reserving the right to object, I want to say first that there was nothing personal toward the gentleman from Okla-

homa in my comments yesterday. I wanted to amplify concerning a statement that this adjournment over was to accommodate a legislative situation. I would like respectfully to disagree; we are not accommodating a legislative situation, we are accommodating a group of individuals, a small minority, who apparently have more influence with the leadership than has a majority of this House.

Also I want to ask the gentleman from Oklahoma [Mr. ALBERT] as a representative of the leadership if he would agree to help me at the beginning of the second session of this Congress to get a resolution through this House, that would be voted on by a majority of the Members, indicating that it was the policy of the majority of the Members of this House that the House should meet and conduct business 5 days out of the week.

Mr. ALBERT. Mr. Speaker, if the gentleman will yield to me, on the proposition he suggests, under the rules of the House, the House meets 6 days a week, and it is only by unanimous consent that any variation from the rule may be had. That would be the same whether we had a resolution or not. We would simply be reenacting the existing rules of the House.

Mr. JONES of Missouri. Mr. Speaker, I differ with the gentleman to this extent. I think a great many people have the idea that this is accepted. I would like us to have the opportunity to go on record indicating that we want to work 5 days a week. I know the leadership says that we may meet 6 days a week. Of course, we all understand that. If the leadership does not want to have legislation acted upon, we can meet and adjourn and we can dillydally around here for 5 days out of the week.

We are going to dillydally around here for 5 days. That is what I would like to get away from. I also realize that unless the leadership approves a resolution to give to this House there is no way to get an expression. I think I know what I am talking about when I say a majority of the House would like to work 5 days a week and then comply with the action of this Congress when it said we would complete the work of the Congress by July 31 and get out of here. I would like to have some assurance from somebody that we can get some action on a resolution indicating what the policy of this House shall be.

I withdraw my reservation of objection, Mr. Speaker.

Mr. ALBERT. I thank the gentleman. The gentleman knows the esteem in which I hold him.

I should like to advise further with regard to the observations of the gentlewoman from New York, with whom I served as a new Member in this House several years ago and for whom I have the very highest regard, that we are going to have important legislative business on Monday and Tuesday, and have only put over the votes that will come on those particular days.

Mr. JONES of Missouri. Can the gentleman tell me why we do not do it tomorrow rather than wait until Monday and Tuesday, on the holidays that will be observed? Friday is no holiday.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. HALLECK. Before the gentleman announces the program for next week, I see that the supplemental appropriation bill will not be brought up until Friday. I would certainly hope we could have it brought up earlier than that, because that brings us right up to the possible adjournment time.

Now will the gentleman tell us the program for next week.

Mr. ALBERT. Monday is District Day, and there are five bills which will be called, not necessarily in the order in which I name them.

H.R. 8984, relating to the regulation of physical therapy.

H.R. 9009, covering the height of buildings.

H.R. 4892, the firemen's work bill.

H.R. 2838, tax exemption, Army staff.

H.R. 9080, Pennsylvania Railroad siding.

There will also be the conference report on H.R. 7035, the Labor, Health, Education, and Welfare appropriation bill, also the conference report on H.R. 8302, the military construction bill for 1962. Any rollcall votes on Monday and Tuesday under an order heretofore entered will go over until Wednesday.

On Tuesday there will be H.R. 9076, the public works appropriation bill for 1962.

For Wednesday and the balance of the week, H.R. 7576, the conference report on the Atomic Energy Commission appropriations authorization bill.

H.R. 7500, the Peace Corps.

H.R. 6360, relating to an additional Assistant Secretary of Commerce.

On Friday the supplemental appropriation bill for 1962 will be taken up.

I make the usual reservation, that conference reports may be brought up at any time, and that any further program will be announced later.

Mr. HALLECK. May I just say to the gentleman that I think it might be helpful if we could consider the supplemental appropriation bill before Friday. There is no question in my mind but what if we made up our minds to do it we could adjourn sine die by Saturday next.

Mr. ALBERT. May I say to the distinguished gentleman that the leadership certainly would have no objection to that. The committee will not be prepared to bring that bill up, we are advised, until Friday.

CALENDAR WEDNESDAY BUSINESS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

PERSONAL ANNOUNCEMENTS

Mr. FULTON. Mr. Speaker, I was absent on rollcall No. 56, a quorum call on Monday, May 15, 1961, and want the RECORD to show I was in my district in Pennsylvania for the Pennsylvania primary election which occurred on Tuesday, May 16, 1961. Because of my necessary absence to vote, I was also absent on May 16, 1961, on rollcall No. 57, a quorum call, on rollcall No. 58, a vote on the rule of House Resolution 284, and also on rollcall No. 59, a quorum call.

Mr. JOHNSON of Maryland. Mr. Speaker, on the legislative days of September 5 and September 6, I was absent from the House of Representatives because of the death of my father. I notice among the measures acted upon, there was the bill providing aid for federally impacted areas.

Mr. Speaker, if I had been able to be present, I would have voted "yea" on rollcall No. 188 on the bill to aid federally impacted areas.

LET'S LOOK AT THE RECORD

The SPEAKER pro tempore. Under the previous order of the House the gentleman from West Virginia is recognized for 15 minutes.

Mr. BAILEY. Mr. Speaker, in all honesty, I feel I must seriously challenge statements attributed to the distinguished majority leader, the gentleman from Massachusetts [Mr. MCCORMACK] if they are as reported in newspaper stories reflecting the views of the majority leader on the effects of the residual oil import control program.

In the newspaper stories the Congressman from Massachusetts is quoted as saying that, and I quote:

> Import quotas on residual fuel oil have cost the New England area alone more than $21 million in higher fuel and utility charges. All fuels, not oil alone, have gone up in cost to the consumer thanks to price parity clauses in fuels contracts.

The statements attributed to my distinguished colleague simply are not in keeping with the facts, Mr. Speaker.

It is impossible for me to agree that import quotas have cost New England one penny, let alone $21 million annually. Although there have been fluctuations in the posted cargo prices for residual oil during the 2 years of controls, the posted price at Boston Harbor today is $2.26 per barrel, the same as it was when import controls were put into effect, and it is important to remember that the price today is below the average price for the 3 years before mandatory controls were instituted.

Further, it is important to recognize that during the period of residual oil import controls, discounts from the posted prices of residual oil have frequently increased. Consequently, in many instances little change has occurred in the prices actually paid by consumers for residual oil. For example, recent bid announcements by the Commonwealth of Massachusetts indicate that quoted net prices are as much as 35 to 50 cents below posted tank wagon price lists.

The increase in the cost of residual fuel oil, if any, would seem to occur only after the fuel oil has been delivered to a U.S. port and can only reflect various domestic costs and charges such as land transportation, labor costs, or merely the desire for additional profits by importers and distributors.

This latter charge has been made by one of those who is actively trying to have all import controls removed, Gen. E. A. Evans, managing director of the Oil Users Association. General Evans has claimed that blackmarketing conditions exist and that, and I quote, "quota ticket holders can turn a profit of more than 30 cents a barrel for oil they never own and never sell."

It would seem to be more than mere coincidence, Mr. Speaker, that General Evans says that profiteers are marking an additional 30 cents a barrel while others who attack the import control program use the same figure—30 cents a barrel—as the difference between the domestic cost of residual fuel oil and what they term the world price.

Certainly, the availability of residual oil cannot be considered to have increased its prices since a release by the Interior Department last week shows that actual imports for the first 6 months of this year were running nearly 1.9 million barrels below allocations for that period. In other words, Mr. Speaker, there is no shortage of residual fuel oil. In fact, the supply is running ahead of the demand.

Regarding the statement that all fuels have gone up in cost to the consumer, I refer you to coal costs to electric utilities, the major market for coal in New England and the market in which it is competitive with residual fuel oil.

Figures published by the Federal Power Commission show that the cost of coal to electric utilities, as consumed, declined between 1959, when the oil import control program began, and 1960 by 34 cents a ton in Connecticut; 21 cents in Massachusetts; 24 cents in New Hampshire; 2 cents in Rhode Island, and 20 cents in Vermont.

If price parity clauses in fuels contracts are general in New England, tying the cost of one fuel to the cost of an alternate or competitive fuel, these figures would mean that the price of residual fuel oil to electric utilities would have declined, yet my distinguished colleague claims that the price has actually gone up.

Mr. Speaker, I believe a serious consideration of all the information and facts available will show that the import control program on residual fuel oil has had no effect whatsoever on the economy of New England, and that the continuation of controls is essential to the security of this Nation.

Let us make the record clear. Residual oil is not the type of oil that is used as domestic fuel in New England.

PROPER CONGRESSIONAL PROCEDURE

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Missouri [Mr. CURTIS] is recognized for 30 minutes.

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include related matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, it has come to my attention that one of our colleagues, the gentleman from Texas, Congressman WRIGHT PATMAN, acting in his capacity as an individual Congressman, has undertaken a study of the impact of tax exempt foundations on our economy. Congressman PATMAN is quoted in part as follows by a North American Newspaper Alliance reporter in a recent news item I saw in the St. Louis Globe-Democrat—I wish to introduce the full news article at the close of these remarks:

> In these times, when the American people are overburdened with taxes they are, in my view, completely justified in casting a jaundiced eye at the tax exemption of foundations and their control of businesses.

The news article goes on to state:

> Some areas he proposes to explore include:
> 1. The extent to which foundation-controlled businesses compete with small business.
> 2. The effects on the economy of great amounts of wealth controlled for an undetermined period—in some cases forever—by a few individuals or the successors they choose.
> 3. The power of the foundations "to interlock and knot together through investments, a network of commercial alliances which assures harmonious action whenever they have a common interest."

Congressman PATMAN has sent a letter to many of the foundations requesting a great deal of information which it will take some effort to compile and, indeed, considerable effort to collate. I will set out at the end of my remarks the form letter and attachment A which lists the information desired as sent out by Mr. PATMAN.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. PATMAN. In stating that you will include the letter, remember, each letter was a personal letter; they are not all the same.

Mr. CURTIS of Missouri. If they are not all alike I would be glad to have the gentleman specify them. Certainly attachment A is the same.

Mr. PATMAN. The attachment is the same, but each was a personal letter, personally signed by me; they are not all the same.

Mr. CURTIS of Missouri. I have selected one from among several. If they were not all the same they were substantially similar.

Mr. PATMAN. I am just saying that the gentleman takes upon himself the matter of characterizing the letters I sent out; I am telling him they were personal letters each signed by me.

Mr. CURTIS of Missouri. Let me say that this is just one letter, and I am asking the gentleman now if there were different letters were they any different in form or were they substantially the same?

Mr. PATMAN. They were different in form, yes. They were not the same letter. Each letter was personally signed.

Mr. CURTIS of Missouri. This letter, Mr. Speaker, I am using as a form, reads, as follows:

AUGUST 14, 1961.

Dear Mr. ———:

I have left the name off for obvious reasons.

The responsibilities inherent in my committee assignments necessitate a continuous study of many aspects of our economy. Those assignments include the following: Chairman, Joint Economic Committee; chairman, Small Business Committee; vice chairman, Joint Committee on Defense Production; and second ranking member of the Banking and Currency Committee.

In keeping with such responsibilities, I am making a study of the impact of foundations on our economy. Hence, I am seeking certain facts in an effort to arrive at fair conclusions based on those facts. It would, therefore, be helpful if you will furnish me with the material and information described in the enclosed attachment A, relating to your foundation.

Your cooperation will be appreciated.

Sincerely,

WRIGHT PATMAN.

ATTACHMENT A

1. Copy of exemption application (form 1023) and supporting documents.
2. Copy of charter, or articles of incorporation.
3. Copy of bylaws.
4. Balance sheet as of the date that your foundation was first organized.
5. Tabulation of income and expenditures for each year beginning with the date that your foundation was first organized.
6. Copies of the forms 990–A (or form 1041–A, if applicable), including attachments, filed with the Internal Revenue Service for each year beginning 1951.
7. Copies of annual reports, including list of securities held, as of the close of each year beginning 1951. If complete annual reports are not available for each year, please submit copies of (a) balance sheet, (b) statement of principal account, (c) statement of income account, (d) list of securities held, and (e) accountants' report.
8. Names, addresses, and occupations of present trustees, officers, and members of your finance committee.
9. Names and addresses of the bank, investment counsel, or brokerage house, if any, presently rendering financial investment services to your foundation.
10. List of securities as of August 14, 1961.

TAX-EXEMPT FOUNDATIONS TO BE STUDIED—REPRESENTATIVE PATMAN TO PROBE THEIR USE OF WEALTH

WASHINGTON.—Representative WRIGHT PATMAN, Democrat, of Texas, has initiated what he calls a definitive study of tax-exempt foundations to determine whether the "dead hand" of wealth dominates the U.S. economy.

The 1-man congressional task force has already determined that the number of such foundations, more than 45,000, is almost 4 times the total estimated by most authorities in the field.

Representative PATMAN, chairman of the Joint Economic Committee, got an important assist in his study when Secretary of the Treasury Douglas Dillon this month ordered the Internal Revenue Service to make available photographic copies of an-

nual information forms filed by the tax-exempt organizations.

The Foundation Library Center, a private clearinghouse for the organizations, lists in its files some 13,000 foundations with assets of more than $12 billion. IRS files, however, show the number at 45,124, an increase of 367 percent since 1952.

Says Representative PATMAN:

"In these times, when the American people are overburdened with taxes, they are, in my view, completely justified in casting a jaundiced eye at the tax exemption of foundations and their control of businesses."

Of major concern to the lawmakers are the company-sponsored foundations. He points out that the foundation pays no Federal income tax, that the donor pays neither gift nor estate taxes on his contributions; that the donor (as an individual) may deduct from his income taxes such contributions up to 20 percent of his net income, and that such gifts are "capital" and thus do not have to be distributed by the foundation as does income.

The Congressman contends his study is not designed to "abolish" tax-exempt foundations but "to preserve for them a purpose."

Some areas he proposes to explore include:

1. The extent to which foundation-controlled businesses compete with small business.

2. The effects on the economy of great amounts of wealth controlled for an undetermined period—in some cases forever—by a few individuals or the successors they choose.

3. The power of the foundations "to interlock and knit together through investments a network of commercial alliances which assures harmonious action whenever they have a common interest."

Representative PATMAN concedes that the high current rate of taxation induced the creation of many foundations, and that the foundations provide a legal tax loophole. "Nothing is wrong legally," he says, "but is it wrong morally?"

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Texas.

Mr. PATMAN. Will the gentleman tell me to whom that is addressed, and I can tell him for sure whether or not it is correct.

Mr. CURTIS of Missouri. Let us put it this way. I am asking the gentleman, Were the other letters the same?

Mr. PATMAN. If the gentleman will tell me to whom that is addressed, I can tell him.

Mr. CURTIS of Missouri. I have no desire to subject the particular organization to any harassment. I may say I have received inquiries from a number. I have no desire to have them harassed further on this.

Mr. PATMAN. They are not being harassed.

Mr. CURTIS of Missouri. We will get on to that. The point I am asking is this: Does this not fairly represent the kind of letter the gentleman mailed to the various companies?

Mr. PATMAN. Part of it is exactly the same. It is not all the same in every case.

Mr. CURTIS of Missouri. In substance it is the same?

Mr. PATMAN. Committee assignments, and things of that kind, are the same.

Mr. CURTIS of Missouri. In substance. That is all I am concerned about here in my presentation.

The news item previously referred to stated that "Congressman PATMAN received an important assist in his study when Secretary of the Treasury Dillon this month ordered the Internal Revenue Service to make available photographic copies of annual information forms filed by the tax-exempt foundation." This news item regrettably is typical of inaccurate news reporting that we are continually confronted with today. Section 6104 of the Internal Revenue Code requires that there be public inspection available for tax-exempt foundations.

Incidentally, this particular portion of the news item, as I clipped it from the newspaper, had this particular point in black type. It becomes important to know that because this news item regrettably is typical of the inaccurate news reports we are continually confronted with today.

Accordingly, Secretary of the Treasury Dillon was not giving Congressman PATMAN an important assist but, to the extent of making the information available he was simply complying with the law.

Any individual citizens, I might state, could avail themselves of the same privilege.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Scrivener, as Acting Secretary of the Treasury in 1958, issued an order as the Secretary of the Treasury preventing the public from obtaining photographic copies. That is the reason Secretary Dillon had to repeal what Mr. Scrivener had done, thereby making it available to me and others.

Mr. CURTIS of Missouri. Does the gentleman deny that the law is as I have stated it to be?

Mr. PATMAN. I do not know about the law. I am not going to question the law.

Mr. CURTIS of Missouri. I am asking a question. In order that we may proceed orderly, I have asked the gentleman a question.

Mr. PATMAN. I am not trying to answer the gentleman's question about the law.

Mr. CURTIS of Missouri. Then I do not yield to the gentleman any further. I am not yielding when the gentleman will not conduct the colloquy in an orderly fashion. If he does, I will yield to him.

First, I want to know if he will admit this is the law that prevails, any citizen—and I have quoted the section of the Internal Revenue Code.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. If the gentleman will answer the question.

Mr. PATMAN. It is the rule of procedure now, after Secretary Dillon amended the 1958 rule of the Eisenhower administration.

Mr. CURTIS of Missouri. The gentleman has a strange idea of what the law is. The law is what the Congress has passed and not what a particular Secretary says at any given time. This is in the statutes, and the gentleman, I am sure, must be aware of it or he would not have gotten this material. This is an erroneous statement that appears in the press release, because this is a requirement in the law, and any Secretary of the Treasury, I do not care under what administration, who would interpret the law as written today otherwise would be in error.

Congressman PATMAN's actions are most extraordinary. I have given some thought to just what should be done in this matter, and I have finally concluded that the best way to proceed is to take the floor of the House, after notifying the gentleman from Texas, Congressman PATMAN, that I was going to do so, as I did this morning, and then later under the 1-minute rule before the House started on its business today to raise the questions I have in mind about the propriety of his actions.

Mr. Speaker, first let me state that I believe it is quite important that Congressmen as individuals inquire into matters of public concern, particularly when they relate to problems in which their constituents are involved. I have no desire by raising the point I am going to raise to discourage this proper procedure. However, there is obviously a point where we could have all individual Congressmen conflicting with the jurisdiction of congressional committees which are set up for the purpose of inquiring into general fields. Usually the individual Congressman, when he finds the matters which he seeks to investigate are sufficiently broad and complex he seeks through the medium of committee activity the powers which the committee alone has to subpena witnesses and records, as well as the financial assistance necessary to pay for personnel and the costs involved in any investigation. However, in going to a congressional committee to bring about an investigation, the Congressman has to persuade the committee involved that this is an area which should be investigated, and the investigation is then carried out under the carefully prepared rules of the House and the rules of its committees.

Mr. Speaker, it is quite clear that Congressman PATMAN's individual investigation is of sufficient scope that it requires a congressional committee's backing.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman.

Mr. PATMAN. The gentleman from Missouri states that he recognizes I have the right to make an inquiry on any matter affecting my own constituents?

Mr. CURTIS of Missouri. That is correct.

Mr. PATMAN. Does he restrict it to my constituents? What about the country, and what about the gentleman's constituents.

Mr. CURTIS of Missouri. The gentleman is misquoting, and that is one reason I was careful in preparing a written text so we could refer back to it.

I said particularly where he is investigating matters that affect his constituents, but the Congressman obviously—and I myself—can go into any areas that are apart from the problems of my constituency. I am merely pointing out that there comes a point at which an investigation that an individual Congressman conducts and should conduct, and that which is an investigation that should be conducted by a congressional committee, should be decided. Now I will read again:

> It is quite clear that Congressman PATMAN's individual investigation as set forth in the news item is of sufficient scope that it requires a congressional committee's backing.

Mr. Speaker, it seems reasonable to infer that the gentleman from Texas, Congressman PATMAN, is relying upon the committees of the Congress in furthering his investigation when he lists for the benefit of the foundations from whom he is requesting information the various chairmanships and the committee positions he holds. Why, one can appropriately ask, did not the gentleman from Texas, Congressman PATMAN, as chairman of the Joint Economic Committee, request that committee to make this study? As the ranking House minority member of the committee, I and the rest of the members of this committee might well have been interested in seeing such a study being made, or why not have the Banking and Currency Committee to make the study, or the Small Business Committee, or even more appropriately, why not ask the Ways and Means Committee to inquire into this matter? It is essentially within the jurisdiction of the Ways and Means Committee. The Ways and Means Committee has made studies in this area in the past.

Mr. PATMAN. Mr. Speaker, will the gentleman yield at that point?

Mr. CURTIS of Missouri. I yield to the gentleman.

Mr. PATMAN. I recognize the authority of the Ways and Means Committee. At the same time there are two committees of which I happen to be chairman which might have jurisdiction over this matter.

Mr. CURTIS of Missouri. Why did you not ask those committees to go into it?

Mr. PATMAN. That is a matter for me to decide. I have not finished the preliminary inquiry. In fact, I have hardly gotten started.

Mr. CURTIS of Missouri. That is the subject of the discussion here, and the point I am making.

Mr. PATMAN. I am making a personal inquiry. You can ask either staff of either committee of which I am chairman, and neither one of them can tell you a thing about this matter, because they have not been consulted about it. But they will be consulted when I decide which committee I think it should go to, if to any committee.

Mr. CURTIS of Missouri. This is the point I am driving home. I question the propriety of what the gentleman is doing.

As a matter of fact, in the recent past this very area was felt to be of sufficient importance by the Congress that special committees were set up to make this investigation. I refer to the Cox committee in the 82d Congress, 2d session, House Resolution 561, CONGRESSIONAL RECORD, volume 98, part 3, pages 3489 and 3491, and to the Reece committee of the 83d Congress, 1st session.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. Yes.

Mr. PATMAN. Does the gentleman know that the Reece committee report of 1954 called for a continuing study of foundations by Congress?

Mr. CURTIS of Missouri. Yes. I think there is reason why they might have. It is even more pertinent to ask then why the gentleman, if he feels that way, does not use the committee structure to further these investigations if he thinks they are that important. The Congress has always had a proper concern for preserving the integrity of people's tax returns. Section 26, United States Code, 6103(d) sets forth a carefully prescribed procedure by which the Ways and Means Committee and the Senate Finance Committee can get income tax return information.

Section 26, United States Code, 6103 (b) sets forth the procedure for other congressional committees; and Treasury Regulations 6103 A–101 implements these provisions.

The House Ways and Means Committee when it utilizes this authority does not permit itself this tremendous power except after formal vote of the committee coming after discussion as to why this is necessary. When the committee does feel it is necessary to look at individual returns it frequently orders the Bureau of Internal Revenue to black tape the names and refer to the returns by number rather than name.

I am sure the reason behind the caution of the Ways and Means Committee is understandable and appreciated by our taxpayers. Of course, if a Congressman's purpose is to conduct a study merely to air his own preconceived notions rather than to develop fairly and impartially what actually exists, a committee investigation is certainly limited.

Mr. PATMAN. Mr. Speaker, I did not hear the first part of the gentleman's last statement; will he be good enough to repeat it?

Mr. CURTIS of Missouri. I say of course, if a Congressman's purpose is to conduct a study merely to air his own preconceived notions rather than to develop fairly and impartially what actually exists, any investigation is certainly limited.

Mr. PATMAN. I can deny that now.

Mr. CURTIS of Missouri. A careful investigation is bound by the House rules and committee rules. It requires the concurrence of both the majority as well as the minority members in moving forward. It requires concurrence of both the majority and minority in writing reports. And I think the gentleman from Texas, Congressman PATMAN, should state—and I note that he has been granted time after me, and I hope he will—why he did not show the courtesy to the Joint Economic Committee and ask them to conduct this study, if he felt it was as important as he says he deems it to be, or the Ways and Means Committee, or any other committee.

One other matter I would ask the gentleman from Texas, Congressman PATMAN, about. Is he using the personnel and overhead of the congressional committees he heads in carrying on this investigation? I am certain he is not, because I know that he fully appreciates that this is in violation of the rules and procedures of the House and Senate and its committees. The scope of the study that Congressman PATMAN has embarked upon, however, will require considerable personnel and expense. I believe it is within the spirit of the lobbying laws of Congress for the gentleman from Texas, Congressman PATMAN, to disclose what private group is financing the cost of this proposed investigation and the extent of the financing either in direct money or by supplying personnel and overhead, if such is the case.

Mr. PATMAN. Mr. Speaker, I consider that an attack upon me.

Mr. CURTIS of Missouri. No, this is a question.

Mr. PATMAN. And I demand that the gentleman disclose the basis of his information, if he has any, to warrant such a question, or delete that from his statement.

Mr. CURTIS of Missouri. No; I will read the statement again.

I believe it is within the spirit of the lobbying laws of Congress for the gentleman from Texas, Congressman PATMAN, to disclose what private group is financing the cost of this proposed investigation and the extent of the financing either in direct money or by supplying personnel and overhead, if such is the case.

Mr. PATMAN. I am asking what the gentleman is using as a basis.

Mr. CURTIS of Missouri. I am saying, if this is the case.

Mr. PATMAN. That is absolutely untrue. You have no right to say it. You should not have. I repeat, that is attack on a colleague without any basis of kind whatsoever. You are pulling your derogatory insinuation out of thin air.

Mr. CURTIS of Missouri. No, I am not. I have pointed out the first question is, Are you using personnel and the financing of the congressional committee which you had?

Mr. PATMAN. This is a personal attack.

Mr. CURTIS of Missouri. Mr. Speaker, I demand the regular order. I am trying to give him an opportunity——

Mr. PATMAN. You are making charges against me.

Mr. CURTIS of Missouri. I will give the gentleman ample time to answer.

Mr. PATMAN. There is nothing to answer. You have nothing to base it on.

Mr. CURTIS of Missouri. I am now trying to restate the facts.

Mr. PATMAN. They are not facts.

Mr. CURTIS of Missouri. If the gentleman does not care to say anything further than what he has, I am stating the case.

Mr. PATMAN. You do not even certify yourself it is a fact. Would you say that is a fact?

Mr. CURTIS of Missouri. The first one is a question. Is he using the personnel and overhead of the congressional committee he had in carrying on that investigation?

Mr. PATMAN. If you will say it is a fact, I will answer it.

Mr. CURTIS of Missouri. No, I am asking.

Mr. PATMAN. You have no basis for saying that at all. You bring it up thinking it will embarrass me, when it does not embarrass me.

Mr. CURTIS of Missouri. If you are not embarrassed, then sit down.

Mr. PATMAN. You are throwing out something as true when it is not true. The gentleman is unfair.

Mr. CURTIS of Missouri. I will repeat it again on the floor and elsewhere. The point is this. The investigation the gentleman is conducting is going to require considerable personnel and expense if it is going to be carried out. That is a fact. Now then, I ask the question, Is he using the personnel and overhead of the committee he had in carrying out this investigation. Your answer is no. Is that correct?

Mr. PATMAN. Anything you say as a fact I will answer.

Mr. CURTIS of Missouri. I am asking you a question.

Mr. PATMAN. You have no basis for it.

Mr. CURTIS of Missouri. I am asking you, is it true?

Mr. PATMAN. Anything you charge to be a fact, I will answer completely.

Mr. CURTIS of Missouri. All right; is it true?

Mr. PATMAN. Will you say it is a fact?

Mr. CURTIS of Missouri. I am asking whether you are.

Mr. PATMAN. Will you keep repeating it if I say it is not true? You can ask the directors of the committees, and either one of them will tell you I have not consulted with them or the staff about it.

Mr. CURTIS of Missouri. Wait just a minute. I do not yield at this point.

Mr. PATMAN. Fairplay demands you withdraw that.

Mr. CURTIS of Missouri. I then go on to say, Mr. PATMAN, if you will listen carefully, that I am certain he is not because I know that he fully appreciates this is in violation of the rules of procedure of the House and of the committee. So I now come to the question based on the fact that this will require money and personnel, so I say this is the scope of the study that Congressman PATMAN had embarked upon which requires considerable personnel and expense, and I think it will.

Mr. PATMAN. The gentleman is on a fishing expedition, and for the person whose name is on that letter.

Mr. CURTIS of Missouri. I bet you would.

Mr. PATMAN. Yes; because you are on a fishing expedition for him.

Mr. CURTIS of Missouri. The gentleman puts words in my mouth. I might say that is what the gentleman is on himself. But it is going to require considerable personnel and expense, so now I am trying to find out where is that personnel and expense going to come from, so I pose a question. And that is the case, and that is the way this was stated. If such is the case, I believe it is within the spirit of the lobbying laws for Congressman PATMAN to disclose what private group is financing the cost of this proposed investigation, the extent of financing either by direct money or personnel or overhead. As I understand it, the gentleman says that is not the case.

Mr. PATMAN. I hope you will not repeat it any more because it is not true.

Mr. CURTIS of Missouri. I take the gentleman's word.

Mr. PATMAN. Then why do you not withdraw your insinuation? There is nothing to it. There is no basis to it.

Mr. CURTIS of Missouri. How is this being financed?

Mr. PATMAN. We will come to that when we get to the investigation. At present, I am merely gathering information.

Mr. CURTIS of Missouri. You are financing it out of your own office; is that right?

Mr. PATMAN. We have committees, if it turns out that I need help in reading the responses to my inquiries.

Mr. CURTIS of Missouri. Answer the question.

Mr. PATMAN. We have committees that can do this. I happen to be the chairman of two committees, either one of which can do this work.

Mr. CURTIS of Missouri. Why do you not present it to the committee?

Mr. PATMAN. That is for me to decide in my own time; the gentleman cannot run my business. You can run your business according to the way you want, but you cannot run my business.

Mr. CURTIS of Missouri. The gentleman happens to be on one of the committees that is primarily concerned, the Joint Economic Committee, and the gentleman happens to be on the other committee that has primary jurisdiction of this area, the Committee on Ways and Means. The gentleman has checked with minority members of the Committee on Banking and Currency and the Small Business Committee and we found this is not being done. Yet, I will say this to the gentleman, whether you have done it intentionally or otherwise, in the formal letter you have sent to the foundations, you have created the impression—granted you say as an individual Congressman, but you do create the impression that this is committee work.

Mr. PATMAN. Read that language where I said it was committee work. You cannot do it because it is not there. You see, you are just implying things and insinuating things that you have no basis for. You ought to be ashamed of yourself—you ought to be ashamed of yourself making statements like these—against your colleague and the dignity of the House, when you have no basis for them at all.

Mr. CURTIS of Missouri. Mr. Speaker, the gentleman might state that he is not ashamed of a thing that he is doing here and I think the gentleman himself, if he cannot answer these questions, that is all right.

Mr. PATMAN. Any assertion of fact you make will be answered quickly and fully, but now, all you are doing is a fishing expedition for impropriety with no basis for it.

Mr. CURTIS of Missouri. The record is being made, I will say to the gentleman from Texas, for anyone to read. The record is being made for anyone to read and now is your chance to answer and if this is the extent of the gentleman's answers, then let the record show that.

Mr. PATMAN. There is no record; only repeated insinuations after I have already assured the gentleman his insinuations are false. Furthermore, I have said that after I have studied the information I receive, I will decide which committee will be asked to take it over, if any, because it will require study and it will require the use of personnel to fully analyze it. But, when we find out what we have, then, of course, we will determine which committee will have it, if any.

Mr. CURTIS of Missouri. I would suggest that the gentleman, obviously, has the cart before the horse. If this is something he thinks a committee should do, do you think it should go to the Committee on Ways and Means then refer to them; or if it is the Joint Economic Committee or the Committee on Banking and Currency or the Small Business Committee or as I think it properly should be, to talk to members on the Committee on Ways and Means? But it is quite clear he does not want to follow that kind of procedure. That is exactly why I am taking the floor of the House now.

Mr. PATMAN. Mr. Speaker, will the gentleman yield at this point in reference to the Committee on Ways and Means?

Mr. CURTIS of Missouri. I yield to the gentleman from Texas.

Mr. PATMAN. I talked to the chairman of the Committee on Ways and Means.

Mr. CURTIS of Missouri. Did you ask his committee to do it?

Mr. PATMAN. Oh, no.

Mr. CURTIS of Missouri. Why not?

Mr. PATMAN. This is a small business matter and also involves the entire economy.

Mr. CURTIS of Missouri. Yes, it involves the economy, but not just the Small Business Committee, if the news item is accurate and apparently it is. If so, this investigation covers many aspects of our economy. Now it would be my advice to the foundations to whom Congressman PATMAN has written for detailed facts to reply courteously and suggest that the subject of his investigation, though a proper one for the Congress, seems to be of a type a congressional committee rather than an individual Congressman should be embarking upon. I am certain they will receive a courteous and understanding reply back from the gentleman, and that will end the matter. I also feel certain that the press will be equally understanding in reporting such refusals in the interest of fairness and orderly congressional investigatory procedures.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Texas.

Mr. PATMAN. Many replies have been received, and I do not remember a single foundation refusing. They have all been very nice. My letter does not contain any threats. It does not threaten, but merely asks for information that the foundations have to file anyway. There is no trouble about this. They have the information. These are public funds. Why should anybody object to the expenditures of public funds being made public?

Mr. CURTIS of Missouri. They do not.

Mr. PATMAN. Why should anyone object to that?

Mr. CURTIS of Missouri. All right, I will tell you. I told you the answer quite clearly in my preliminary speech. It costs them money. They have to spend a lot of effort on it, and I wish the gentleman would wait and let me finish. If this were a congressional committee investigation which was going to be carried out following the rules of the House which are fair and the rules of the committee, then, of course, that is one thing.

Probably they would be willing to spend the money. One of them says it costs as much as $10,000 to gather this information. I think it is unfair for an individual Congressman to ask these foundations and put them to that embarrassment. Just as the Congressman said, "Why should they be afraid?" They are not afraid, but they want to be certain that this is a properly conducted investigation, if it is going to be one, and a proper investigation in this area, I submit, is one by a congressonal committee, not by an individual Congressman, particularly a Congressman who, being chairman of three committees here, or two committees, could refer it very easily to those committees and ask that those committees go into it, whichever one he chose. But, he has not chosen that course.

Mr. PATMAN. No foundation has protested to me that it would cost $10,000. And this inquiry has not reached the investigation stage.

Mr. CURTIS of Missouri. What do you call that letter?

Mr. PATMAN. If they refuse to give the information, why, then, it may reach the stage of investigation. Then a committee will take it up at my request, I hope, and, if necessary, get the information that is desired. But I can foresee no reason why any foundation would refuse to answer my inquiry.

Mr. CURTIS of Missouri. The case has been made and anybody can read it and evaluate it.

TAX-EXEMPT FOUNDATIONS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, I have a high regard and great respect for the gentleman from Missouri. It happens that I serve on the Joint Economic Committee with him. He has been the ranking Republican member of the House-Senate committee for a number of years, and I am greatly surprised that he would make statements and ask questions that amount to a charge against me, without even claiming that he has any source material, any facts, and without even claiming that anyone has ever told him something or that he has read something in a newspaper, or that he has any knowledge of the matter whatsoever. He just wants to go on a fishing expedition to try to find something. Well, he will not find anything. Do you know why? Because I am working in the public interest, on my own motion, and not for some private interest as the gentleman seems to suggest.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. Not right now. What I am saying is in the interest of the gentleman's constituents in Missouri and in the gentleman's interests. I am not working for any private group. No private group has put up a penny and will not be allowed to do so. But, the very fact that the gentleman mentioned that means that he is making a charge that I am. He is making a charge that I am, on the floor of this House, which is absolutely untrue, and in all fairness to a colleague, he should withdraw that statement. I wonder if he will do it.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. CURTIS of Misscuri. We have been over this in my original statement. I think the record stands that no charge was made. Questions were asked, and the questions were not answered. Whatever charge might lie from the incompleteness of the gentleman's own answers is the only charge.

Certainly an operation like this does require financing, and if the gentleman says that it does not, out of thin air here, that is the answer.

Mr. PATMAN. The gentleman from Texas has given the gentleman from Missouri the correct information, and what the gentleman suggests happens to be untrue, and it happens to be of great disservice to the gentleman from Texas to repeat it. Does he insist on keeping it in the RECORD? Does he want to keep something in the RECORD that he has no foundation for whatsoever?

Mr. CURTIS of Missouri. Yes, the questions should remain in the RECORD and the answers that were made should be there.

Mr. PATMAN. I thought the gentleman was just a little fairer than that. I did not know that he would imply something against a colleague here that there is no basis for, absolutely no justification for, and then after he is told the truth about it he refuses to admit that he is wrong. He is going really beyond what I thought he would.

The truth is the Small Business Committee as well as the Joint Economic Committee have a lot at stake in these foundations. The Ways and Means Committee has jurisdiction, that is true; but for a number of years the Ways and Means Committee has not touched this question at all. And may I invite the gentleman's attention to the fact that in a recent contest for control of the Alleghany Corp., it was charged in the newspapers of the country, and was well known by the people in financial circles, that each side in the contest had private foundations which were out buying stock, voting stock, in an effort to gain control of that railroad empire.

So that implies that these foundations are used sometimes for purposes other than charity or other public service; and I can tell you other instances.

Why should the gentleman be opposed to making public information about tax-exempt institutions that can do such things as that?

Does the gentleman believe that foundations should be allowed to buy stock with foundation money and use that stock to vote to defeat the other side that is also purchasing stock through foundations to acquire control?

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield for an answer to that?

Mr. PATMAN. I yield to the gentleman.

Mr. CURTIS of Missouri. The answer is quite clear. I do not favor it. I said the committee should go into that area. I said to the gentleman I would request it.

Mr. PATMAN. I am only doing a study in a preliminary way. It would be enlightening to know, if the gentleman would tell me, who his complainant is. It might be revealing. The gentleman might be pursuing a course he would not pursue if he knew who was behind it.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CURTIS of Missouri. The answer to that is, There have been many complaints. My concern is not with the individual; my concern is with the committee procedure. My concern is to urge the gentleman to reconsider the method in which he is going about this.

Mr. PATMAN. If that is the purpose, I appreciate the gentleman's advice very much, but no committee procedure, and no committee is involved; it is up to me, entirely, as to the course I follow. As long as I am conducting myself within the rules of the House, and within the laws of this country, the gentleman is being presumptuous in insisting I adopt his suggestions.

This study is being made solely in the public interest. You know, the tax burden has become quite heavy, and if these foundations use funds as it is alleged they are using them—and a study will probably disclose enough information to determine whether or not there should be an all-out investigation—and then if it should happen to be in corroboration of the charges that have been made, it will save the taxpayers of this country a lot of money.

I happen to be connected with the Small Business Committee, and I am very proud of it. Small business is the biggest business of this country in the aggregate, although the separate units

may be somewhat weak. They need somebody on the floor of the House to speak for them.

I am not the only one. The gentleman from Missouri claims to be for small business and offers bills now and then. It is very difficult to understand, however, why the gentleman should go through this strange performance to try to block an investigation of a situation which confers a great advantage on the big corporations and works to the disadvantage of their small competitors.

May I invite the gentleman's attention to the fact we have gone through somewhat of a revolution here in this country in the last few years. I can remember when the little towns had fine little businesses, local department stores, hardware stores, restaurants, banks, and similar places of business that could be operated by local people. There were always local people who could perform the duties and run the businesses in the retail trade, in banks, and such as that. When a person became too old to do a full day's work, there was always some good neighbor in business who would give him a useful job, or he could go into some moneymaking opportunity of his own, and he would continue to take care of himself and his family.

But look at the situation now. You will find these big concerns have gone into all the local towns and have either bought out these local concerns, or squeezed them out through abuses of power.

That has gone on in this country until now community businesses and community living in America is drying up to a large extent. The spirit of the community has been weakened, and in some instances absolutely destroyed, because the moneymaking opportunities are not in the local communities any more. Today, when a man who is over 40 or 45 years old happens to lose his job, he can seldom get another job. There are too few locally owned businesses to provide jobs. The big corporations control most of the jobs, and they have policies against hiring a man who is over 40 or 45.

Perhaps one of the letters the gentleman has came from the Hartford Foundation, or the A. & P. Tea Co. They have stores all over America, and they are doing a business of $5 or $6 billion a year. When A. & P. has a competitor across the street they want to get rid of, they discriminate in price, perhaps even sell below cost, until the little competitor is driven out of business; he has to quit, he is ruined, or he is in bankruptcy. They then have the business in that community, in that area, and they put the prices up.

I am not making idle statements such as the gentleman made a while ago. I am telling you that the court records verify and corroborate this. After they have squeezed out the local merchant the chain will sell at a higher price and use the extra profits they make there to put some other independent out of business. That has gone on all over America.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman, if he denies that statement.

Mr. CURTIS of Missouri. No, I do not deny it or affirm it. All I am asking is if the gentleman has made his findings why does he not make a report? Why does not the gentleman have a committee investigate these things so that we can firm it up and do something about it instead of making these charges without the people having an opportunity to come in and meet them?

Mr. PATMAN. My inquiry has just begun. There are no findings; the gentleman is objecting before I receive the preliminary information I have asked for. They will have an opportunity to be heard.

Mr. CURTIS of Missouri. Not the way the gentleman has gone about it.

Mr. PATMAN. Big people such as these have always been heard when they wanted to be heard.

Mr. CURTIS of Missouri. The gentleman knows the way of getting into an investigation.

Mr. PATMAN. I do not yield any more. The gentleman is just harassing me.

Mr. CURTIS of Missouri. I am trying to make a point.

Mr. PATMAN. The gentleman is not denying anything.

Does the gentleman know about absentee owners? Is the gentleman in favor of absentee ownership in preference to local ownership?

Mr. CURTIS of Missouri. The gentleman knows——

Mr. PATMAN. The gentleman will not answer that, either.

Mr. CURTIS of Missouri. I will answer it. Of course I am not.

Mr. PATMAN. You mean you are in favor of the locally owned businesses?

Mr. CURTIS of Missouri. Why, of course.

Mr. PATMAN. Then you should be working right down my alley.

Mr. CURTIS of Missouri. Will the gentleman yield?

Mr. PATMAN. Wait a minute.

Mr. CURTIS of Missouri. The gentleman's tactics in this debate are not proper.

Mr. PATMAN. Let me comment on what the gentleman said.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. The gentleman from Missouri said he was for locally owned businesses.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield? If not——

Mr. PATMAN. Not at this point.

The gentleman says he is for locally owned businesses. That is exactly why he should be for this study, and I am going to solicit his aid and advice and help at the proper time, after I obtain the information he objects to my obtaining. In the meantime, if he has any basic information, I will be glad to have it. Let me tell you where the gentleman stands on local business. I have not heard of him doing anything in that direction. I have a bill pending before the gentleman's committee which would deny these big concerns the right to deduct for tax purposes the money they lose in destroying of the local businesses. I have never gotten a hearing on that bill, and I have never heard of the gentleman being for it.

Is the gentleman for that bill?

Mr. CURTIS of Missouri. Will the gentleman yield?

Mr. PATMAN. I yield for the purpose of his answering that question.

Mr. CURTIS of Missouri. This is the first time I knew the gentleman from Texas had such a bill.

Mr. PATMAN. It shows you are not on the alert for the small businessman.

Mr. CURTIS of Missouri. I beg to disagree. It shows the gentleman from Texas is not interested in it enough to contact members of the Ways and Means Committee in support of his bill.

Mr. PATMAN. Certainly I have. I have contacted them, I have written letters, and I have put them in the CONGRESSIONAL RECORD.

Mr. CURTIS of Missouri. Did the gentleman ever contact me?

Mr. PATMAN. If the gentleman from Missouri had been on the alert for the small businessman, as he is on the alert when I step on the toes of a big man, he would have known about it. When I step on the toes of a big man, the gentleman is on the alert right quick.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield to answer my question?

Mr. PATMAN. If you get on the alert for a small businessman, we can get together and do some good.

Mr. CURTIS of Missouri. Mr. Speaker, I want to find out if the gentleman intends to yield to me so I can carry on a colloquy. If he does not yield, I shall desist.

Mr. PATMAN. You made your speech. You had 30 minutes.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield for an answer?

Mr. PATMAN. The speaker does not have this time; I have the time.

Mr. CURTIS of Missouri. Will the gentleman yield?

Mr. PATMAN. I do not yield right now. Wait until I finish my statement.

Let me follow through on this, and I will yield to the gentleman.

Mr. Speaker, I find it hard to understand why the gentleman objects to uncovering information which could be very important to the survival of small business.

You know that under the present tax laws the national chains and other big companies receive a triple bounty for destroying the independent competitor. These bounties for the hides of the small businessman are well known, and what we are dealing with here, in these foundations, could very well be the fourth and fifth bounty.

The first bounty occurs when the big corporation takes a loss to drive an independent competitor out of business. A national chain, for example, can abuse its power in any number of ways to drive out the little man across the street from one of its stores. It can skate around the antitrust laws to discriminate in prices at that one store; it can even sell

below cost to drive the little man out. If the chain wants to take a $100,000 loss at that one store in the process of driving the little man out of business, it does not really lose $100,000. Uncle Sam pays half of the loss, because the corporation can deduct it from taxes. But the little man cannot make any recoveries for his loss out of taxes; he is out of business and does not have any current or future profits from which to deduct his $100,000 loss. That is bounty No. 1 for destroying the small man.

Bounty No. 2 is paid when the chain turns around and buys the firm of the little man it has driven out of business. It acquires the privilege of using that little firm's loss as a tax deduction in its own business, either as a current loss, or as a carry-forward provision. In other words, the loss which the little man has suffered, the big corporation uses for another tax deduction. So now Uncle Sam pays the other half of that $100,000 loss the chain took in order to drive the little man out of business. That is bounty No. 2.

Now comes bounty No. 3. The chain can now turn around and, in effect, pay the stockholders a dividend equal to the amount of the capital invested in the little man's firm, only the chain does not call this a dividend. It calls it a "return of capital" to the stockholders, and the stockholders do not have to pay individual income tax on this. That is bounty No. 3.

Now we come to these foundations and what is quite possibly bounties Nos. 4 and 5. Take the big stockholders in A. & P., for example. They have more wealth than they know what to do with, but they avoid paying income taxes and in their estates avoid estate taxes by reason of the fact that they give some of their stock in A. & P. over to the Hartford Foundation. That is a tax avoidance which the tax laws permit on the theory, as I understand it, that these foundations are in the public interest, because the money given to them is going to be used only for charity or some other public service.

The foundation now receives dividends on the stock it holds and pays no taxes on these dividends, although if the individual stockholders held this stock directly, they would have to pay individual income taxes on the dividends. So the bounties which the tax laws provide for the destruction of small business now flow into these foundations, tax free.

Furthermore, the corporation has under its control, and at its fingertips, a vast pool of funds for use any time it needs funds. The small businessman in contrast has a very difficult time raising any amount of capital or obtaining even a halfway adequate amount of credit. The big corporations, in effect, accumulate a large pool of retained earnings, in these private foundations, which funds avoid the individual income tax which would apply if the dividends were paid individually to the stockholders and also avoid the section 102 tax which would apply to excessive retained earnings, if the dividends were not paid out to the stockholders.

These questions about possible favoritism in the tax laws to the big corporations which operate to the competitive disadvantage of the smaller independent business firms interest me very much. There is no question but what somebody who is interested in seeing that small business gets an even break ought to look into this. It is very puzzling that the gentleman objects so strenuously to my asking for information on this subject.

Who is the Hartford Foundation? It is the Hartford family and associates. They own the A. & P. Tea Co. They own a large part of the stock of the A. & P. Tea Co. For the gentleman's information the foundation and the few Hartfords own 72 percent of the A. & P. Tea Co. So, when they give stock to this foundation, they get a tax exemption or tax deduction for giving that to the Hartford brothers' foundation. They get a tax deduction. They not only do not have to pay taxes on it, but they can get a benefit from it.

Then when it goes to the Hartford Foundation, they have hundreds of millions of dollars, and they can use that backlog of credit and money to help put out of business any independent merchant in America.

I know the gentleman would not want that. My inquiries for information are preliminary. Perhaps I will eventually ask for a committee investigation, depending on how far this situation goes. I know that it goes not to only one, but to a number of chains. It applies to the A. & P. Tea Co.; it applies to Kresge; it applies to Kress. The main question now is whether the control of the foundations and the terms of their charters are such that these tax-exempt institutions can be used in the competition with taxpaying business firms.

There is a difference between a locally owned store and a store that is owned by Wall Street. Most of the interstate chains have direct Wall Street connections and are owned there. When the chain gets its money in the local community, the net profits go straight to New York, usually the same night. The net profits of the local man go into the local bank and the local bank uses that money to help other enterprises in the local community. That helps every local community.

The gentleman would not deny that that is better than having it fly to New York every night. That is what is happening in America. We have got to do something to stop that trend. And if we make a study of these foundations and it is found that their funds can be and possibly are used in competition with taxpaying business firms, then I will ask for an investigation and we will have it by a congressional committee. I am sure the gentleman will vote for it. I believe he will vote for it because he could not afford to vote against it, since he says he is in favor of the local man in preference to the absentee owner.

Now, Mr. Speaker, I yield to the gentleman from Missouri, if he wants me to yield.

Mr. CURTIS of Missouri. Mr. Speaker, I appreciate the gentleman's yielding. Of course, he has made a lot of charges that are perfectly proper if he wants to make them. The only question I have raised here is, if he believes so strongly this way, why does he not follow the orderly procedure and have a congressional committee handle it, so that those who might disagree with him would have the opportunity to present their side of the case. That is the fair way of proceeding. The only issue I have raised is one of correct congressional procedure. I think the gentleman is making a beautiful case for exactly what I am driving at, the danger of an individual Congressman with preconceived notions, without the balance that we derive from our other colleagues on a committee, tempering their remarks and insisting on fairness to all concerned—the gentleman has made a beautiful case for the dangers of single or individual investigations.

Mr. PATMAN. This is a survey that I am doing myself. If it suggests a committee investigation should be made, and if we decide to put it in the Joint Economic Committee, I am sure I will have the gentleman's support to have it in that committee. But first I want to make this study and see how far these foundations are going.

The taxpayers of America really may be subsidizing the extermination or the destruction of the independent merchants in this country. The tax laws offer a triple bounty, as I said, a triple bounty for big companies to destroy independent merchants, like a bounty against a wolf or a wildcat. That ought to be stopped.

I feel we should get America back more in the form of a better democracy. We do not want to do anything that would cause Mr. Khrushchev to look with favor on what we were doing. But I want to tell the gentleman from Missouri, as long as he does have concentrated wealth and monopolies and everything in the hands of a few people, he is helping, unwittingly, I am sure, but nevertheless he is helping place this country in an environment, an atmosphere, and a condition where it will be ripe for Mr. Khrushchev and the Communists. Although Mr. Khrushchev is not a guide for the people who are doing these things, these people are doing what Mr. Khrushchev would like to have done. It is very pleasing to him. So the way to keep this country democratic and fight communism is to have these millions of small shopkeepers, independent businesses, independent merchants all over America, and not have these giant monopolies that are destroying them by unfair methods.

Mr. CURTIS of Missouri. The gentleman is not implying that is the way I had voted?

Mr. PATMAN. I have not looked up the record. If the gentleman votes like he talks, I would have to say "Yes," but I have not looked up his record.

Mr. CURTIS of Missouri. Mr. Speaker, I am afraid that in the light of that I will have to have the gentleman's words taken down.

Mr. PATMAN. I say if he voted like he talked—I have not had the votes

looked up. I say since you have asked me about something I do not know about, I will just say that I do not know now.

Mr. CURTIS of Missouri. You certainly should, in view of wrapping the flag around your shoulders.

Mr. PATMAN. I said something I was not sure about, because I am not sure of the gentleman's record.

Now, let him be as fair with me and withdraw the implications and insinuating questions he has made against me, without any accord or any basis. Since I have withdrawn that statement, since I have not looked up the record, let him withdraw his unfair statement against me.

Mr. CURTIS of Missouri. I do not admit I have made an unfair statement.

Mr. PATMAN. You implied.

Mr. CURTIS of Missouri. I asked the gentleman some pertinent questions. The gentleman answered, and the record is there.

Mr. PATMAN. When I told you there was not a word of truth in your suggestions, you denied making a charge, that is true, and I corrected you. Then you still do not correct the record.

Mr. CURTIS of Missouri. The record is there. I made no such statement. I asked the gentleman a question. The gentleman has answered the question. The record is there for anyone to read.

Mr. PATMAN. I am going to put some questions in the RECORD tonight, and I hope the gentleman looks at it, and I hope he gives me candid answers to all of them. I hope he gives me answers that are true and that he will back up.

I think that I can say that the gentleman has said all the time that he is for small business, but I have not seen any evidence of it. I think I can truthfully say that.

Mr. CURTIS of Missouri. Well, I authored the Curtis-Ikard bill. I happen to be a coauthor of it.

Mr. PATMAN. Let me take the case of big chains destroying local ones, the local merchants in your town and mine. I have never known the gentleman to take a stand on that. Am I wrong on that?

Mr. CURTIS of Missouri. Yes, the gentleman is wrong.

Mr. PATMAN. What has he done?

Mr. CURTIS of Missouri. I will tell you one thing I did, I backed to the hilt Assistant Attorney General Bicks on his antitrust work and I have been one of the most ardent supporters of the antitrust laws, and the gentleman should know it.

Mr. PATMAN. I am glad to know that, and I expect the gentleman's help in this campaign to restore community life in America to the place it should be, with local businesses and local ownership, operated by local people, as distinguished from absentee-owned businesses owned by absentee owners where the profits go out of town every night. That is disastrous to our economy and is destructive to our country.

The gentleman is suggesting some new principles, and some quite strange principles, for limiting the freedom of an individual Member of Congress to ask for information.

First, his argument seems to be that an individual Member should not seek information at all, but that only a committee of the Congress can properly seek information. More than that, the gentleman seems to suggest that when an individual Member does seek information, he is properly suspect of improper uses of funds and becomes a proper target for insinuation and innuendo by a colleague on the floor of the House.

I might point out to the gentleman that he has recently gone through a large-scale exercise, though a rather uninteresting exercise, of getting information from some 40 or so economists. It did not occur to me to challenge his right as an individual Member of Congress to seek and obtain information from these 40 or so economists.

However, since the gentleman seems to think he has a right to demand to know about the financing of my questionnaire to the foundations, and I have fully answered his question on this subject, I will now adopt the standard he imposes on me and ask him, in turn, to state in the record the source and nature of his financing of the papers he obtained from those 40 or so economists. Just how much did this whole project cost, who provided the funds, how much were these economists each paid, and what was the real source of the funds used to finance this project?

I will also ask the gentlemen to state whether or not any tax-exempt foundation provided any funds, or met any of the costs, directly or indirectly, of this project involving the 40 or so economists and, if so, what are the names of these foundations and how much of the cost did each meet?

I will not demand that the gentleman give an off-the-cuff answer to these questions; he may take his time to think the matter over and to make some inquiries concerning the use of foundation funds where he may need to make inquiries. But I hope he will put his answers in the RECORD, within the next few days, before the Congress adjourns.

Since the gentleman from Missouri has either ignored or distorted parts of my speech of August 7, I feel I should place excerpts from it into the RECORD. Hence, much of the following is from said speech.

The gentleman from Missouri is saying that I, as a Member of this U.S. Congress, do not have the right to gather information in order to fulfill my responsibilities?

In my statement of August 7, I pointed out that the mail I have received from all parts of the country, as well as press stories and editorials, indicate a growing public concern over the lack of adequate regulation of privately controlled, tax-exempt foundations. Some question the economic consequences of vast fortunes being held in unregulated foundations; others express fear of possible control of businesses by foundations through acquisition of large amounts of stock.

In order to be able to form fair judgments, I am gathering information preliminary to having any committee discussions. The data I am gathering is public information, some of it published in the annual reports of certain foundations.

Briefly stated, I am concerned, in part, with first, foundation-controlled businesses competing with small businessmen; second, the economic effect of great amounts of wealth accumulating in privately controlled, tax-exempt foundations; and, third, the foundations' power to interlock and knit together, through investments, a network of commercial alliances, which assures harmonious action whenever they have a common interest.

FOUNDATION-CONTROLLED BUSINESSES HURT SMALL BUSINESS

A foundation's income from stockholdings is tax exempt. At the same time, the businesses under their control are competing with taxpaying businessmen. For example:

First. The John A. Hartford Foundation of New York City is the largest single stockholder in the Great Atlantic & Pacific Tea Co. Mr. Ralph Burger, president of the A. & P., heads its board of trustees. According to the Wall Street Journal of July 10, "There is no question that the foundation trustees have had a strong voice in the operation of A. & P. down through the years."

The Hartford Foundation holds 7,799,822 shares—33.96 percent—of A. & P. Thus, the foundation's tax-exempt income from its A. & P. stock was in the neighborhood of $7,500,000 in 1960, and over $8 million in 1959.

Various members of the Hartford family own a total of 8,297,041 shares—38.35 percent—of A. & P. so the foundation and the Hartford family have the company well locked up.

Second. The Samuel H. Kress Foundation of New York City owns 995,064 shares—42 percent—of S. H. Kress & Co., a chainstore operation with 266 stores in 30 States. Mr. R. H. Kress, honorary chairman of the board of S. H. Kress & Co., is president of the foundation; he owns 104,697 shares—4.5 percent—of the company, and is trustee for another 4,000 shares.

According to the Wall Street Journal of July 10, the foundation has been directly involved with the management of S. H. Kress & Co. In 1958, the trustees of the foundation placed four men on the company's board of directors, and "soon thereafter the board received the resignation of four Kress executives, including the president."

The foundation's tax-exempt income from its S. H. Kress & Co. stock totaled over $497,000 in 1960, and over $1,990,000 in 1959.

Third. The Kresge Foundation of Detroit holds 1,900,000 shares—34.4 percent—of S. S. Kresge Co. Mr. Stanley S. Kresge, a director of S. S. Kresge Co., is president of the foundation; he owns 75,000 shares of the company. Mr. S. S. Kresge, chairman of S. S. Kresge Co., is treasurer of the foundation; he holds 26,300 shares of the company.

The foundation's tax-exempt income from its S. S. Kresge Co. stock totaled $3,040,000 in 1960 and $3,040,000 in 1959.

BIGGER TAX BURDEN FOR OTHERS

Such exemptions, of course, create a greater tax burden for the rest of the American people.

The unfairness and the dangers are self-evident:

First. There is, at present, no limit on the number of tax-exempt foundations.

Second. Foundations are established with money a large part of which would otherwise go into the Federal Treasury as taxes.

Third. We are faced with a rapidly increasing number of foundations being used to perpetuate control of businesses by families or small groups controlled by them.

This poses some real problems for our economy.

In Texas, the attorney general has recently established a new division in his department to "ride herd" on the 200 or more foundations and trusts in the State. Attorney General Will Wilson explained the reasons for his action as follows:

We face an increasing number of legal problems as to whether these tax-exempt funds are being used as a vehicle for empire building. Because of the tax exemption granted them they must be dedicated to public purposes, and they are public trusts, administering funds of which the public is the equitable owner.

FOUNDATION CONTROL BUSINESSES

As for the investment policies of the foundations, Mr. Andrews, director of the Foundation Library Center, New York, observes, in his 1956 book, that the foundations' sharp swing toward common stocks raises a fresh problem. As foundations increase common stock holdings, which involve voting rights, they may acquire a substantial voice in the business, personnel, and social policies of those companies. He also points out:

In Ontario Province, Canada, the 1950 Charitable Gifts Act limits to 10 percent a charitable trust's holdings in any business. In the absence of any such legislation in the United States, foundations in recent years have become owners of substantial blocks of stock, and sometimes effective control, in many businesses. No broad survey has yet disclosed how this new responsibility is being discharged.

Apropos of Mr. Andrews' observations, the Rockefeller Foundation Annual Report for 1959 lists a securities schedule totaling $584,456,318—based on market quotations of December 31, 1959—of which $498,198,262 was in the common stock of 36 companies.

In 1916, the report of the Commission on Industrial Relations estimated that the Rockefeller and Carnegie Foundations together had funds amounting to at least $250 million yielding an annual revenue of at least $13,500,000—final report and testimony submitted to Congress by the Commission on Industrial Relations, Senate Document 413, 64th Congress, 1st session, 1916. By way of contrast, despite 45 years of expenditures, the Rockefeller Foundation had total assets of over $588 million, as of December 31, 1959—based on market quotations of the same date—and income from securities of $23,044,031 during 1959. The Carnegie Foundation of New York had assets of $259 million, as of September 30, 1960—based on market quotations of the same date—and income from securities of $9,914,681 for the year ended September 30, 1960.

Does the gentleman from Missouri consider that full disclosure of nonsecret Government information is in the public interest? Does he know that public information regarding tax-exempt foundations was made difficult to obtain by the previous administration?

It may be of interest to the gentleman from Missouri that this administration has amended the regulations under section 6104 of the Internal Revenue Code of 1954, in order to permit the furnishing of photographic copies of certain tax-exempt foundation documents to the public. As I pointed out in my speech of August 7, the Secretary of the Treasury has informed me that he has instituted reforms within the Department which substitute light for the darkness that has existed since November 1958 in the highly controversial area of tax-exempt foundations.

By letter to me, dated August 3, 1961, the Secretary states that he has ordered the amendment of regulations under section 6104 of the Internal Revenue Code of 1954, relating to publicity of information required from tax-exempt foundations and certain tax-exempt trusts, in order to permit the furnishing of photographic copies of certain documents to all Members of Congress, the press and the public. The changes in Treasury Department procedure provide as follows:

First. The Internal Revenue Service will furnish photographic copies of pages 3 and 4 of the annual information returns—form 990–A, showing income, expenditures, balance sheets, and so forth including supporting documents, of tax-exempt foundations and certain trusts.

Second. The Internal Revenue Service will furnish photographic copies of applications for tax exemption—form 1023—including supporting documents, which were approved subsequent to 1947. Applications approved for exemption prior to 1948 were destroyed some time ago under congressional authority.

PHOTOGRAPHIC COPIES NOW AVAILABLE

Thus, for the first time since November 1958, photographic copies of important information regarding tax exempt foundations and certain trusts will be furnished to the public. This is a reversal of the previous administration's prohibition on photographic copies of public information in the files of the Internal Revenue Service regarding tax exempt foundations. From November 1, 1958, to the present time, the Treasury Department has permitted the public to manually copy the material which was open to public inspection, but it would not furnish photographic copies, in spite of the fact that such prohibitions are clearly contrary to the intent of the Revenue Act of 1950. Of course, the previous administration's requirement that copying of such material could only be done manually limited its usefulness and curtailed inspection by the public.

Many of us will recall that the hearings and reports on the Revenue Act of 1950 clearly indicate the desire of Congress to prevent certain abuses, including secrecy, which existed prior to 1950 among certain tax exempt organizations. There is nothing in the legislative history of the Revenue Act of 1950 which suggests the prohibition of photographic copies of information to be made available to the public regarding tax exempt foundations. On the contrary, the history of the act, as set forth below, leaves no doubt as to the intent of Congress.

First. The conferees agreed that certain tax exempt organizations "shall furnish annually information respecting income, expenses, disbursements, accumulations, and a balance sheet, which information is to be made available to the public"—House Report 3124, page 37, 81st Congress, 2d session, 1950.

Second. Public Law 814, 81st Congress, 2d session, provides as follows:

(c) Information Available to the Public—The information required to be furnished by subsections (a) and (b), together with the names and addresses of such organizations and trusts, shall be made available to the public at such times and in such places as the Secretary may prescribe (64 Stat. L., pt. 1, p. 960, sec. 341 creating sec. 153(c) of the Revenue Code of 1939).

STOPPED IN 1958

Instead of following the congressional intent to make readily available the information, which, by law, had to be filed with the Internal Revenue Service, it was made difficult to obtain. It is my understanding that the rule of procedure, which prohibited photographic copying of such material, was urged upon the Treasury Department by Under Secretary Fred C. Scribner, Jr., and was prescribed by Treasury Decision 6331, approved on October 30, 1958. Prior thereto photographic copying was permitted, and the 1958 prohibition was, without question, a sheer distortion of congressional intent, and utterly indefensible; it only served to keep the public in the dark, and to promote secrecy in Government.

Is the gentleman from Missouri acquainted with the tremendous growth in the number and size of foundations? As stated in my speech of August 7, the Treasury Department has furnished me with statistical data showing the tremendous growth in the number of foundations since 1952. Such data has not been made available during the past 8 years. Indeed, in past years, congressional committees have complained of the dearth of accurate information regarding tax-exempt foundations, despite the fact that the Treasury Department has the greatest amount of information on the subject. In 1954, the report of the Reece committee stated that "no comprehensive statistics are available." The same committee estimated that there were between 6,000 and 7,000 foundations at that time. Hence, the tabulation, as set forth below, which was prepared for me by the Treasury Department, constitutes figures never before disclosed to the Congress. It indicates the number of annual information returns—form 990–A—which the

Internal Revenue Service has received from tax-exempt foundations and certain trusts during each year beginning with 1952. This tabulation excludes the following types of tax-exempt organizations, among others, since they are not required to file form 990–A: First, religious organizations; second, educational organizations of a certain type; and, third, charitable organizations, or those for the prevention of cruelty to children or animals, which are supported in whole or in part by Federal or State governmental units, or primarily by contributions from the general public. The figures show that the number of tax-exempt foundations totaled 12,295 at the end of 1952, and rose to the staggering figure of 45,124 at the close of 1960, an increase of 367 percent.

Number of returns (form 990–A) received by the Internal Revenue Service

Period:	
1952	12,295
1953	21,598
1954	24,839
1955	28,859
1956	30,021
1957	33,373
1958	39,264
1959	41,444
1960	45,124

I wish to commend the Secretary of the Treasury for the prompt and vigorous steps he has taken to improve the flow of Government information on tax-exempt foundations. Such reforms indicate a full and faithful adherence to President Kennedy's desire to give the American people all possible information.

The Wall Street Journal of July 10, 1961 carried a front-page story entitled "Charity and Business." The article points up the fact that many tax-exempt foundations are part and parcel of the business operations of the directors or trustees who control them—that is, they—the foundations—have major holdings or controlling stock in such businesses.

WAVE OF COMPANY-SPONSORED FOUNDATIONS

In the Foundation Directory of 1960, Mr. F. Emerson Andrews, now director of the Foundation Library Center, points out that "a wave of foundations of a new type has crested in the past decade. These 'company-sponsored' foundations are tax exempt, nonprofit legal entities separate from the parent company but with trustee boards consisting wholly or principally of corporation officers and directors." The Foundation Directory lists 1,333 company-sponsored foundations. Five of them have assets exceeding $20 million each: Ford Motor Co. Fund, Dearborn, Mich., year ended December 31, 1958; General Electric Foundation, Ossining, N.Y., year ended December 31, 1958; Sears, Roebuck Foundation, Chicago, Ill., year ended April 30, 1959; Standard Oil Foundation, Chicago, Ill., year ended December 31, 1958; and United States Steel Foundation, New York, N.Y., year ended November 30, 1958.

Neither labor nor individual stockholders are kindly disposed toward company-sponsored foundations. Labor says that a company's extra surplus should be paid out in increased wages, and the individual stockholder feels that any extra surplus should go to him in the form of dividends.

USING PUBLIC'S MONEY

The company-sponsored foundations, like all others, are using the public's money without Government supervision. It is the public's money because foundations are recipients of certain Federal tax exemptions:

First. The foundation pays no Federal income tax.

Second. The donor neither pays gift tax nor estate tax on contributions to the foundation.

Third. For income tax purposes, an individual donor is granted a deduction up to 20 percent of his net income; a corporate donor is allowed to deduct up to 5 percent.

Fourth. The donor's contributions constitute capital to the foundation, not income, and thus need not be distributed.

Does the gentleman from Missouri know that there is a dearth of information available on foundations?

NO COMPREHENSIVE DATA

The public need for comprehensive, basic information on foundations has not been satisfied by private surveys of the foundation field. Undoubtedly, Treasury Department obstructionist tactics during the past several years have contributed, in a very substantial degree, to the scarcity of comprehensive published data on tax-exempt foundations. Most of the surveys published are written by foundation administrators or persons closely connected with foundations.

The Foundation Library Center, incorporated in 1956, as an educational institution under authority of the Board of Regents of the University of the State of New York, has been described as the fact-finding, statistical organization on foundations. According to the Foundation Directory of 1960, "It is an independent agency under its own board of trustees, men knowledgeable about foundations but representing the public interest. With an initial grant from the Carnegie Corp. of New York it is charged with the tasks of gathering comprehensive information about foundations, stimulating adequate reporting where such does not exist, and making its collections freely and generally available." Yet, recently, the center wrote me that it was unable to furnish me with: first, a study or analysis of investment portfolios of foundations—that is, an analysis of their investments in common stocks, preferred stocks, et cetera, and second, names and addresses of foundations which are the largest single stockholders or major stockholders in a commercial enterprise.

The public need for information has been only partially satisfied by the Foundation Directory of 1960. This directory, prepared by the Foundation Library Center and published by the Russell Sage Foundation with grants from the Carnegie Corp. of New York, and the Ford Foundation, lists 5,202 foundations. For the most part, the figures shown are for a calendar or fiscal year 1956, 1957, or 1958; only 8 percent are for 1959.

The Foundation Directory of 1960 discloses expenditures amounting to $686 million for 5,143 of the total of 5,202 foundations listed, but it omits income figures. The directory contains no income figures despite the fact that it was compiled from, first, records in the Foundation Library Center's extensive files, second, detailed questionnaires (which included a request for income data) sent to 5,000 foundations, third, public records of the district offices of the Internal Revenue Service, and fourth, news reports. However, an income tabulation is shown in the book, "Philanthropic Foundations," by Mr. F. Emerson Andrews, director of the Foundation Library Center, and published by the Russell Sage Foundation in 1956. Income, for the purposes of the tabulation, is defined as income from investments. Profit or loss from security transactions, or income in the form of new gifts, is not included. In his 1956 volume, Mr. Andrews says that income from assets for 77 larger foundations totaled $165,996,000 in 1953. Despite the fact that the Revenue Act of 1950 denies tax exemption to an organization that engages in an unreasonable accumulation of income, the expenditures of a number of them in 1953, were considerably less than their income. Some such examples are listed below:

	Income from assets, 1953	Expenditures, 1953
Carnegie Corp. of New York, New York City	$7,572,000	$4,957,000
China Medical Board of New York, New York City	1,116,000	292,000
Danforth Foundation, St. Louis	1,089,000	148,000
Duke Endowment, New York City	6,800,000	5,587,000
Hartford (John A.) Foundation, New York City	1,706,000	377,000
Mellon (Richard King) Foundation, Pittsburgh	779,000	537,000
Noble (Samuel Roberts) Foundation, Ardmore, Okla.	1,024,000	534,000
Olin Foundation, New York City	2,129,000	1,094,000
Reynolds (Z. Smith) Foundation, Winston-Salem, N.C.	1,103,000	453,000
Rockefeller Foundation, New York City	17,586,000	14,523,000
Woodruff (Emily and Ernest) Foundation, Atlanta, Ga.	1,108,000	607,000

Is the gentleman from Missouri saying that tax-exempt foundations should be privileged entities with no Federal supervision while the Nation's taxpayers carry an ever-increasing burden of taxation?

Does the gentleman from Missouri subscribe to the novel economic concept of control of property without ownership?

Such is the case when a donor gives his stock in a corporation to a foundation which he, in turn, controls.

Some people have attacked privately controlled foundations as sources of family control of tax-exempt wealth.

Does the gentleman from Missouri believe that tax-exempt foundations should be allowed to accumulate funds in perpetuity?

Does the gentleman from Missouri believe that tax-exempt foundations owe a full and complete reporting of their activities to the public?

Does the gentleman from Missouri believe that there should be a definite limitation on the amount of stock which a tax-exempt foundation should be permitted to hold in any single company? If so, how much of a limitation?

Does the gentleman from Missouri believe that there should be a limitation, by law, on accumulation of income in tax-exempt foundations?

I am happy to report that many of the foundations I queried are submitting the information requested. They apparently do not share Mr. CURTIS' apprehensions.

Mr. CURTIS also makes the statement that one foundation claims that furnishing such information will cost $10,000. Considering the fact that much of what I have requested has already appeared in printed form—that is annual reports—or in documents submitted to governmental agencies by the foundations, I wish to suggest that Mr. CURTIS divulge the name of the "$10,000" foundation. Perhaps, I can show the foundation how to furnish the data at relatively small cost, although I wonder why, if there is any such foundation, it was not suggested to me that it will incur such a cost.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMITTEE ON WAYS AND MEANS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight, September 9, to file a report to accompany the bill, H.R. 8847.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Arkansas?

There was no objection.

FILING CONFERENCE REPORT ON MILITARY CONSTRUCTION APPROPRIATION BILL

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tomorrow to file a conference report on the bill, H.R. 8302, the military construction appropriation bill and that such report may be printed in the CONGRESSIONAL RECORD notwithstanding the fact that the House may not be in session.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

COMMITTEE ON AGRICULTURE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight Saturday to file sundry reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. PATMAN. Mr. Speaker, on behalf of the gentleman from South Carolina [Mr. MCMILLAN], I ask unanimous consent that the Committee on the District of Columbia may have until midnight Saturday to file sundry reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

SOCIAL-SECURITY-BASED MEDICAL INSURANCE FOR OUR SENIOR CITIZENS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the gentlewoman from Oregon [Mrs. GREEN] may extend her remarks at this point in the body of the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, some organizations of physicians seek to give the impression that the medical profession is monolithic in its opposition to the President's proposal for social-security-based medical insurance for our senior citizens. For reasons known best to the leadership of the AMA, that organization seems determined to persuade the American people that the medical profession is interested solely in the pocketbook aspects of the healing arts.

All of us, I think, know physicians who are dedicated to the proposition that their function is to heal the sick, and not primarily to increase the average income of medical practitioners. The unselfish family doctors, the hard-working and brilliant specialists, the dedicated medical research men—all these are, I am sure, far more typical of the medical profession in America than the political propaganda of the AMA would indicate.

One such physician is one of the most distinguished medical men of my own State and district, Dr. Morton J. Goodman. I have known Dr. Goodman for many years, and, while we are not always in agreement on all issues, he has long shared with me a firm belief that our country is able to establish workable machinery by which the average citizen can insure himself against the high costs of medical and hospital services which will plague him in his years of retirement. Dr. Goodman recently discussed the administration proposal before the Portland, Oreg., City Club, one of the most respected forums in the West. Under leave to extend my remarks, I ask that the following newspaper account of that speech, appearing in the Portland Oregonian for September 3, be printed at this point:

PORTLAND DOCTOR LAUDS KENNEDY MEDICARE PLAN

The social security system is the only way for Americans to build up medical protection for their old age, Dr. Morton J. Goodman told the City Club in the Benson Hotel Friday noon.

He was speaking in favor of the King-Anderson bill, now pending in Congress, which he called the Kennedy plan.

"This bill is not socialized medicine, nor will it lead to socialized medicine," he stated. "The University of Oregon Medical School, to which our Governor is rushed each time he's ill, is socialized medicine. So is the Walter Reed Hospital which twice saved the life of our last President. And so is the Armed Forces Medical Corps which saved thousands of lives during the last war."

Medical care for the aged can be approached from two ways—Kennedy's social security plan or the tax-supported charity plan advocated in the Kerr-Mills bill, he continued.

PATIENTS ON INCREASE

"Thanks to medical progress, the number of aged has increased rapidly," Dr. Goodman pointed out. "Over half of these people have an income of less than $1,000 a year. They go to the hospital more often, they stay longer, and their income is much less than their younger neighbors. No one doubts that they constitute a problem. The issue is how to meet it."

The Kerr-Mills approach is designed to help older persons after they have become dependent, he explained. Only eight States have adopted it and most States are too poor to fill out their welfare programs, let alone take on the Kerr-Mills law.

He classified Oregon as one of the more fortunate States under the Kerr-Mills plan. Here the patient must pay the first $50 in doctor bills. In Oklahoma, only two visits to the doctor are allowed a month.

TWO PLANS COMPARED

"The Kerr-Mills bill swats the flies rather than draining the swamp," he observed. He termed the Kennedy plan, "a modest, conservative approach which is fiscally sound. I can't understand how any person who has really read this bill doesn't favor it." The Kennedy proposal provides for 3 months in the hospital for any one illness.

The cost is low because so many people contribute to it. "It's like fire insurance. Many contribute, but not everyone's house burns down," he said.

He estimated the cost of the Kennedy plan at $1½ billion a year, comparing this to the $4 billion a year Americans spend on deodorants and face creams.

"Under the Kennedy plan, medical care becomes a right, not a dole," said Dr. Goodman. "The Kerr-Mills funds are derived from compulsory taxes. So are the funds raised under the social security approach."

He prefaced his remarks by saying, "I realize that my position is somewhat less than popular with some of my colleagues."

Speaking of the American Medical Association, he said, "In the social-economic field, their record has been somewhat less than distinguished."

During the question period, he was asked whether he favored social security for doctors. "My banker has social security, my dentist has social security, my dog's doctor has social security, but the AMA tells me that I don't want it," he concluded.

Dr. Goodman has been in private practice in Portland since 1934. He is past president of the University of Oregon Medical School alumni and presently serves as assistant clinical professor of medicine at the medical school.

ANATOMY OF THE COLD WAR

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HOSMER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HOSMER. Mr. Speaker, America's awakening to the vital challenge thrust upon us by the international Communist conspiracy is one of the most significant and encouraging events of our time. But merely to be awakened to the danger is one thing. Handling it intelligently and effectively is another.

This requires a broad general understanding of who we are up against and what we are up against. It requires the relinquishment of many outdated concepts no longer applicable to the world situation today. It demands original, hard thinking to replace them with concepts that are realistic in relation to facts as they brutally are, not as we might wishfully think them to be.

For instance, we must accept the concept of a bipolar world in which the U.S.S.R. and the United States represent the poles. No longer is the world the "family of nations" conceived by late 19th and early 20th century political thinking. Nor do the so-called uncommitted nations of today possess power of sufficient strength, moral or physical, to sway these poles.

We must regard the international Communist conspiracy which opposes us as first, the force described by Marx, Engels, and Lenin, plus second, all the considerable human and physical resources enslaved behind the Iron Curtain. The two are, in fact, in combination.

This discussion seeks to define and analyze only some of the background involved, only some of the strategy and tactics applicable, and only a few of the cold war techniques utilized to advance Communist objectives. Necessarily only a few, because altogether they are as vast as the problem itself. Hot war also is discussed. Necessarily because hot war and cold war are interrelated parts of the total conflict in which we find ourselves.

COMMUNISM'S GOAL: WORLD DOMINATION

The resolve of Soviet Communist leaders to extend their domination worldwide—with Moscow as the seat of authority—has remained unshaken for over four decades. There were periods when it was expedient for them not to press this determination because of some more urgent problem, as in World War II. But once they have dealt with a crisis, the Soviets waste no time in renewing their attack. There is current evidence of a desire by Chinese Communists to play a larger role in directing communism's expansion. Their leverage is growing as witnessed by the Communist bloc's intense ideological struggle over the peaceful coexistence policy. But, and though this may not always be the case, it is still Moscow, not Peiping, against which the West principally must calculate its dangers and erect its military and nonmilitary defenses to thwart the master plan to install a Communist government in every nation on earth, with all looking to Moscow for guidance.

COMMUNIST STRATEGY: TOTAL CONFLICT

Toward achieving its ends, Communist dogma dictates utilization of any means which are expedient, as long as the Soviet revolutionary base is not endangered. Military force is one instrument for carrying out this policy, and the Communists are inhibited by no moral restrictions from using it to gain their ends. To them, the important factor is that inadmissible risks must not be undertaken. To do so would constitute adventurism, a serious deviation from Communist ideology.

At the same time, if within the limits of the risks which Soviet leaders deemed wise to take, an opportunity presented itself to strike the United States a blow which would remove it as the chief obstacle to the Soviet goal, Soviet leaders would consider it a sin just as serious as the other deviation not to take advantage of the opportunity.

In short, Communist doctrine places on Communist leaders a constant responsibility to proceed by the most expeditious means possible and these may range from dropping pamphlets to dropping thermonuclear bombs. The degree of violence to be selected is that which can gain the most advantage with the least proportionate cost under the particular circumstances existing at the time of decision.

THE SPECTRUM OF CONFLICT

Thusly Communists fight toward their goal all the time over a spectrum of conflict which can span the full scope of human activities—from sports competition to thermonuclear war. They have no set time schedule for bringing this conflict to a successful conclusion. The Communists are patient, willing to accept temporary setbacks if necessary. They conceive the conflict as a protracted one and their patience in waging it is based on a confidence in the ultimate victory promised by Marxist-Leninist doctrines.

It is obvious that the spectrum of conflict divides itself into two major segments according to degrees of violence: military war and nonmilitary war—hot war and cold war. In turn, each segment resolves itself into sectors based on the same patterns of intensity.

Cold war in its present stylized spectrum ranges from scientific demonstrations, such as space efforts, propaganda, and economic competition, to military-political-humanitarian foreign aid, to presence of forces, as in East Germany, to threats of force, such as Khrushchev's talk of 100-megaton nuclear bombs, to assistance to engaged allies, as was given to Red China in the Korean war. In the same style hot war ranges from police action, to limited war, to graduated retaliation to unrestricted war. In a gray area between hot war and cold war fall such modern-day instruments of aggression as rioting, border incidents, and guerrilla warfare.

Fundamental to U.S. survival is, first, recognizing we are engaged in this total, protracted conflict; and second, developing an irrevocable determination to win it. But that is only the beginning. We must organize ourselves to fight it as a major enterprise, on a scale for victory, with all the physical and moral resources at our command. We must never forget that the weapons employed against us are varied and limitless. Subversion, spying, sabotage, and diplomatic perfidy are but a few illustrations. We cannot concentrate exclusively on defending against just some of the weapons of Communist attack, leaving the ramparts unguarded elsewhere. We are faced with total conflict and we must fight that conflict in all its totality—on all the cold war fronts at all times, on all the hot war fronts if ever we must.

Moreover, we can never expect victory if we fight only defensively. We must take the initiative, bring the fight to the enemy's own home base in cold war just as we are prepared to do in hot war. Doing this involves risks and it involves escalating up the scale of violence whenever required. The risks so involved must always be calculated against the risks of not taking action of sufficient intensity to achieve our purposes. Often timidity is more risky, in the end, than boldness. In any event, our enemy must be convinced we treasure our freedom, our way of life, and our country sufficiently to take the degree of action necessary for preserving them. Otherwise he is left free to achieve his ends via the piecemeal surrender route of bluff, bluster, and blackmail.

DETERRING HOT WAR

The willingness and ability to fight the hottest kind of war, if survival depends upon it, feeds back into considerations regarding the taking of all kinds of actions less in degree of violence. This is because the hottest kind of war is the reference point from which decisions are calculated for the taking of all lesser military and nonmilitary actions in relations between nations.

During the Lebanon crisis the landing of U.S. Marines and presence of U.S. Naval Forces evidenced a U.S. determination and willingness to fight, if necessary, to keep the Communists from taking over this part of the world. The Soviets, in face of this clear evidence of intention to resist piecemeal surrender, backed away. Put another way, they were deterred from pursuing the course of aggression in this area they had embarked upon. Had we not taken the risk of displaying this show of power, they could have achieved supremacy in the Mideast. The consequence of that would be to put us in a situation far more risky than proceeding as we did. By way of contrast, we failed to provide air cover for the Cuban invasion in the spring of 1961 even though the risk involved was small. As a consequence, Castro achieved even greater power over Cuba and the resulting situation is more risky than before.

The same principles apply to deterring Communist leaders from attempting to achieve their goals by starting all-out nuclear war and attacking the United States. Our deterrent system must

plainly be capable of inflicting unacceptable damage on the enemy. If he believes we will use it for that purpose if he does attack, he will be deterred from doing so.

Like a parachute, the deterrent system must always work or disaster will follow. Its most obvious capability must be to accept whatever damage a Soviet first strike may inflict and still retain sufficient second strike capability to impose unacceptable damage on the Soviet homeland. It does not involve a capability merely to strike first. Nor does it require expenditures for a capability to strike second with vastly more destruction than needed to deter.

The very success of a system deterring all-out nuclear war makes more likely the resort to lesser violence in the form of limited war and intensified cold war. Thus skeletonizing limited war conventional land, sea and air capability by overexpenditure on deterrence cannot be tolerated.

Neither can the important third front, nonmilitary warfare, be neglected if our overall defense posture is to succeed in thwarting Communist ambitions. We can freeze to death in cold war as easily as we can burn to death in a hot war.

In any event, the cost of creating and maintaining a deterrent force is extremely high. For the sake of our national economic health it is important that money is not spent unnecessarily in this direction.

WHAT WILL DETER THE SOVIETS?

Determining what will deter the Soviets can be learned from the answer to another question: How much destruction to their homeland are Soviet leaders prepared to risk in order to achieve their ultimate goal if cold war methods do not succeed or, in their opinion, they are too slow?

Obviously, only the Soviet leaders themselves can answer that question. It is doubtful if even they have arrived at it precisely. It is likely that within limits the answer will vary from time to time because of the Communist doctrine holding that whatever is dictated by historical circumstances is true party line at any particular moment and shall be implemented.

Nevertheless we should be able to achieve an order of magnitude concept of the destruction they might be prepared to accept by examining Communist objective and doctrines, making historical comparisons, studying the writings and speeches of Soviet authorities and analyzing the progress which the Communists have made so far toward their goal.

It is clear that Soviet leaders, if it can be avoided, have no desire to become involved in nuclear war, either growing out of surprise attack or by escalation of limited war. Khrushchev often refers to the deadliness and horror of general nuclear war in his speeches. A leading Soviet military analyst, Maj. Gen. Nicolai A. Talensky, recently wrote a widely publicized article pointing out the futility of resorting to nuclear war to decide political controversies.

How accurately such expressions reflect Soviet military philosophy and how much they reflect the long standing Soviet propaganda campaign aimed at nuclear disarmament of the West cannot, of course, be determined. It would be dangerous error, in any event, to assume Soviet leaders would not make a sudden massive attack against the United States if their calculation of relative strength convinced them it could be done without serious risk of disaster to the Soviet revolutionary base.

Such a situation could arise if the relative balance between forces suddenly tipped in the Soviet's favor through some scientific or technological breakthrough. It could arise should the United States allow its deterrent system to deteriorate badly. It could arise if the U.S. position became so weakened by repeated cold war and limited war defeats that retaliation would be made quixotic and unbelievable. Our only security against surprise nuclear attack is balanced strength, which includes a retaliatory capacity so swift, so certain and so deadly it rules out the possibility. How deadly?

WHAT PUNISHMENT WILL SOVIETS ACCEPT?

What punishment would be too great to accept to achieve victory over us? While some contend there would be no victory in a general nuclear war, this is not the present Soviet view. In January, 1960, Khrushchev told the supreme Soviet that in such a war the U.S.S.R. would suffer heavy misfortune and sustain great loss of life, but it would survive because its territory is enormous and its population less concentrated in large industrial centers than in many other countries. On the other hand, the West would find that it would be their last war, and it would be the end of capitalism.

One way of arriving at some understanding of how much destruction Soviet leaders might be willing to exchange for gaining their objective is by making historical comparisons. For one thing, the standard of living is substantially higher in the United States than in the Soviet Union, and the further a civilization progresses from its primitive beginnings, the more value is placed on human life. Also, the continental United States has enjoyed nearly a century of stable government without suffering the consequences of invasion or attack by cutside military forces. During this period the Russians have had a very violent nationwide revolution and civil war and have experienced extensive destruction of life and property during two world wars, as well as a costly and humiliating defeat in the Russo-Japanese war. What would deter them is not necessarily what would deter us.

Another factor which has bearing on our question is Soviet civil defense. Until late 1953, the Soviets made no preparation for civil defense in a nuclear war. Today their effort is the most extensive to be found anywhere in the world. The effort which the Soviet government has made in this direction indicates it takes a realistic attitude toward the possibility of Soviet participation in a general nuclear war. However, its objective should not be misconceived There is no evidence of a newly acquired benevolence toward human life amongst Kremlin bosses greater than amongst western leaders in the ratio of Soviet to western civil defense efforts. A characteristic of communism is callousness toward human life. Primary interest is not in saving human lives per se, but in preserving the skills, so important to Soviet industry and strength, represented by them.

Nevertheless, assuming reasonable effectiveness of the civil defense program, the result is this: If concurrently with a Soviet first strike, 80 percent of the 50 million people in the largest 160 Soviet population centers are evacuated to nontarget areas with reasonable fallout protection, casualties from nuclear retaliation would be cut from 50 million to 10 million— a factor of five.

Ten million lives is a large number, but, in U.S.S.R. experience, by no means a prohibitive or even a crippling price to pay to achieve important objectives. A study made in 1959 by Prof. Warren W. Eason of Princeton concluded that the Soviet Union suffered 25 million World War II casualties, about 13 percent of total population. This followed the purges of the 1920's and 1930's which accounted, by some estimates, for almost another 25 million deaths.

Physical damage of all kinds from Nazi military operations also was massive. In addition to nonindustrial losses, the official Soviet historical review of World War II estimates 40 percent of the U.S.S.R.'s industrial capacity was totally destroyed, a figure generally accepted by Western students of the war's consequences.

Despite these huge losses of life and the enormous damage inflicted on the Soviet economy, the rate of production in the U.S.S.R. by 1950 was greater than at any time in its history. Even granting some increase on the value placed on human life by reason of improved living standards, it seems reasonable to assume that Soviet Communist leaders would accept punishment at least equivalent to World War II in exchange for eliminating the United States as a checkmate to their goal.

WHAT PUNISHMENT MUST UNITED STATES BE ABLE TO INFLICT?

Here then, is an absolute minimum limit for U.S. deterrent capability: A second strike ability to inflict damage equivalent to the combined effect of erasing 14 percent of the Soviet Union's population and 41 percent of its industrial capacity.

That these are damage equivalent figures and not the outline for a targeting pattern must be understood. Aside from the moral questions involved in threatening death to such large numbers of people, over 29 million in a population of some 209 million, the combination of civil defense and natural dispersal over 8½ million square miles of territory make attempting it utterly impractical.

For this reason a deterrent system targeted against population would not be believable and would fail to deter. Further, even if it were practical to carry out a death threat against 14 percent of Soviet citizens, there is no good reason to believe Soviet leaders would not willingly trade that many—or 15 or 20 or 50 percent or even more—if the deal guaranteed them world supremacy. Equally

clear is the physical futility of basing deterrence on a major threat to the agricultural economy of this vast land stretching across two continents.

All this by no means implies that within the limits of peacetime budgets a steady, stable deterrent to Soviet button-pushers cannot be achieved. In the final analysis what Soviet leaders fear most is impairment of the means by which they seek to accomplish the Communist goal of world domination. Their principal instrumentalities for exercising power on the international scale are first, the Soviet military establishment, and second, the Soviet industrial economy. Consequently, a positive U.S. second strike capability targeted at crippling these to an unacceptable degree will effectively deter. Moreover, these are the targets within the U.S.S.R. particularly vulnerable to nuclear impairment by the present and projected combinations of manned aircraft and missile weapons systems making up U.S. strategic forces.

It would be necessary to utilize only a small portion of these forces to achieve the minimum damage figure discussed earlier. Just under 100 retaliatory missions would be needed to bring 60 percent of the U.S.S.R.'s industrial complexes under attack. Even assuming as many as one-third were turned back by Soviet defenses, the resulting destruction would still approximate 41 percent of all Soviet industrial capacity.

U.S. RETALIATORY CAPABILITY EFFECTIVELY DETERS

U.S. capability obviously goes far above that percentage. This is because an adequate, flexible transportation system is essential to any nation seeking to exercise the role of a major world power. It is a prerequisite for effective utilization of military forces and vital to bring in raw materials, supply power, and move out the finished goods of an influential industrial society.

The Soviet transportation system is characterized by an especially heavy reliance on railroads, 85 percent of all tonnage, compared to 50 percent for the United States. About 10 percent is moved on inland waterways and the remaining 5 percent by highways, pipelines, coastal shipping, and air transport combined. The estimated number of major centers fed by the national rail network is 160. Only 160 nuclear knockout blows need be pressed home against this rail system at freely chosen, less defended locations to fragmentize the U.S.S.R.'s interdependent society into as many cutoff and isolated segments.

It is clear that U.S. strategic forces are fully capable of deterring Soviet leaders from initiating nuclear war. We possess the determination to strike back without hesitation and the capability of destroying that which they know they cannot afford to lose. The real question is how much more deterrent capability are we buying than we really need?

DETERRED FROM HOT WAR, SOVIETS WAGE COLD WAR

Thus, deterred from quick explosive victory, the Soviets and their allies in international communism have turned to measures short of all-out nuclear war to advance toward communism's goal. While carrying on a general nonmilitary offensive against the free world—aimed at weakening its physical ability as well as destroying its will to resist—on a geographical basis they are employing a three-prong strategy calculated to segment the free world and isolate its parts.

The prongs are thrusting:

First. Over the pole through Iceland and down the Atlantic—to be aided by the large submarine fleet—for the purpose of cutting off Europe from North America;

Second. Down from the soft underbelly, through the Mideast, into Africa and spanning the Atlantic to Cuba—to sever North from South America and Europe from the Far East; and

Third. Out from Communist China through Vietnam, Laos, Burma, Thailand, Cambodia, the Malay Peninsula, and hopefully turning the corner and proceeding up the Philippines and Japan—to cut off the Americas from the Far East and isolate India and Australasia.

The importance which Communist leaders attach to securing these geographical areas is evidenced by their willingness to escalate considerably up the scale of violence where they are concerned. Limited war by proxy in Korea, guerrilla fighting in Laos, the revolution in Cuba, civil disorders in Iraq, the Congo, and elsewhere, are examples.

Our enemy's successes using such techniques amply illustrate that our posture in these sectors of the spectrum of conflict is inadequate. Our limited war forces are seriously handicapped by lack of proper mobility, by obsolescence of conventional weapons and by a confusion with respect to the role of nuclear weapons. As to the latter, aside from whether or not nuclear weapons should be used in specific and particular limited war situation, there is no validity to the notion they can never be so used without inevitably resulting in escalation to all-out war. It simply does not follow that facing defeat in a limited nuclear war, a nation will choose to be decimated in an all-out one.

Because of the nature of nuclear warheads and the 15-year Communist propaganda campaign against them, to many, their use under any circumstances has been enshrouded in a calamity curtain which, if parted, they say, would mean the end of mankind. This is false. A legitimate distinction exists between strategic and tactical use of nuclear weapons, and, it is, whether the range of the delivery unit is within the rather sizable dimensions of today's battlefields or beyond.

PEACEFUL COEXISTENCE

Peaceful coexistence is what Khrushchev chooses to call this present state of affairs. We call it cold war or nonmilitary war. Khrushchev says it is merely a form of intense economic, political, and ideological struggle between the socialist camp and what he calls the aggressive forces of imperialism. This, he says, is a better way of achieving world communism than war. But what he means is that today it better advances the Communist cause to proceed by nonmilitary warfare than it does by military warfare—tomorrow it may be different, if tomorrow's circumstances are different. Even under today's circumstances peaceful coexistence as waged by the Soviets must be understood as neither peaceful nor aimed at coexisting for one instant longer than necessary.

Except for all-out war between major powers, in the final analysis, it amounts to a no-holds-barred conflict for world domination played under Soviet ground rules.

One of these rules is that the world is divided into the peace zone—Communist territory—and the war zone—non-Communist territory. And the contest shall be carried on entirely in the war zone. Another is that all action to forward the Communist cause is just and any action to resist it is unjust. Thus, subversion and sabotage of free world institutions are Communist instruments of peaceful coexistence and revolts such as in Algeria and Latin America are encouraged under the guise of national liberation movements. These are deemed just acts and just wars, to be fully supported by the Kremlin.

Recent successes lend weight to Moscow's contention that their current policy is, indeed, a presently effective substitution of political-economic-psychological warfare for military force.

THE BERLIN CRISIS

The current Berlin crisis is a classic example of Communist strategy and tactics in waging cold war to gain their objectives. For months Khrushchev's truculent belligerency built up tensions over Berlin. Fear was fed on fear. Then with dramatic ruthlessness he torpedoed the Geneva A-test-ban talks and announced Soviet test resumption. He coupled this with terror talk of 100 million million ton K-bombs—K for Khrushchev. All aimed at creating worldwide hysterical fear in hopes of euchering concessions which will give him control of Berlin as a step toward control of Germany as a step toward control of all Europe.

Why the Kremlin plays this bold game of nuclear blackmail is simple. It has little to do with Communist ideological abstractions and our resistance to it has little to do with democratic idealism. It is because Berlin is the political key. West Germany is the industrial lock. And West Europe is the economic gate to the world.

To control the world by force requires a superior economic-industrial base in support of arms. To control the world by economic domination requires a superior economic-industrial base in support of an unfaltering flow of capital goods and trade. By 1970 the estimated value of all goods and services, gross national product, and thus the most comprehensive measure of productive activity will be:

	Billions
West Europe	$800
United States	740
Soviet bloc	630
Underdeveloped nations	300

Thus, the United States, plus West Europe, equals $1,540 billion against Soviet bloc equals $630 billion.

But, if the Soviet bloc can successfully use West Berlin as the key to West Germany, the lock, to gain access to the industrial capacity of West Europe, the power situation radically changes to the following:

The United States equals $740 billion against Soviet bloc plus West Europe equals $1,430 billion.

The Soviet Union now knows it cannot surpass West Europe and the United States in the industrial capacity needed to support an arms race or a protracted armed conflict.

The Soviet Union now knows it cannot, even by the most stringent denial—industrial growth without public consumption—match the combined economic resources of the United States and West Europe.

But the Soviet Union knows that with the industrial plant, economic resources, scientists and technicians of West Germany and West Europe it can control the world.

These are the stakes in the Berlin crisis. These are the reasons why Mr. Khrushchev intensifies the cold war to the hilt and threatens a nuclear holocaust. They are also the reasons why he will not go beyond the brink and start a nuclear holocaust. If he does all Europe's industrial capacity will be reduced to ashes. There will be no $800 billion gross national product of Europe to strengthen his empire. He must obtain these assets undamaged, in running order and with the people to run them. If we but keep our cold war wits and act accordingly, the crisis of Berlin can be passed without loss and without damage. Mr. Khrushchev will be relegated to another way and another day to seek his objectives.

COLD WAR

Unfortunately these cold war wits of ours I have mentioned are, at this point, neither sharp nor plentiful. Our enemy has 40 years leadtime in knowhow and experience in fighting cold war. There are many things we must do and do quickly, not only to surmount the crisis of Berlin, but other crises to come again and again in the future from aggressive actions by our relentless challenger.

I have mentioned that we must actually recognize we are now engaged in a conflict in which the stakes are freedom and national existence itself. This, the cold war, need not necessarily be a mere preliminary bout to a hotter main event. It could well be the main event itself and the loser will have no second chance. I have mentioned that we must develop an irrevocable determination to win this contest. Having developed it, we must broadcast that determination to the world and enlist the help of all men everywhere who cherish freedom in this great battle for its survival.

Americans are not unique in their desire for freedom, only in their vast power which causes people throughout the world to look to the United States for leadership in the contest to preserve it. These people, too, want to fight effectively in the common cause. They, too, have their worries, their doubts, their fears that the time of freedom is running short. But until the United States moves, and moves decisively, as a world leader should, others cannot be expected to go it alone in these battles.

As such a call to nonmilitary arms I recently introduced House Joint Resolution 517. It is patterned after the declaration of war following the Japanese attack on Pearl Harbor, but declares conflict rather than war. It states that the international Communist conspiracy has committed repeated acts of nonmilitary aggression against us and our allies, formally declares the state of nonmilitary conflict thus thrust upon us, authorizes the President to employ the entire power of the United States to carry on nonmilitary conflict, concluding: "and to bring the conflict to a successful termination all the resources of the country are hereby pledged by the Congress of the United States."

There are several important considerations that are often overlooked in discussing cold war and how to wage it that I now propose to touch upon.

IDENTIFICATION OF THE ENEMY

We must clearly identify the enemy. There are two U.S.S.R.'s. Only one is the enemy. U.S.S.R. B is the people, the country and its resources. It is not our enemy. Country B is the poor country, the horsemeat country, which sometimes cannot even supply its capital city with food and fuel. Our enemy is U.S.S.R. A, the international Communist conspiracy of an elite few who have enslaved country B and extort from it the wherewithal to present the illusion of a large and powerful society and the false image of a new system to better mankind's lot.

In reality, country A is no stronger than country B. This we must understand ourselves. And to the people of U.S.S.R. B, China B and all the other B countries—the captive nations—we must drive home that they have friends outside the Iron Curtain who seek to share with them their freedom.

WHOLE THINKING

As a people we tend to cling to a kind of fragmentized thought process in international affairs which categorizes peace and war into two separable states, which, in fact, no longer exist. We live in a world which is neither at war in the classic definition of the word or at peace. It is in conflict—a new and deadly kind of conflict—and we must think in terms of its totality and the wide spectrum of actions over which it is being fought. The Reds do not make this mistake. They are realistic, if nothing else. Their thinking is as total and integrated as their objectives are clear and precise. Let us examine how this affected the postwar situation following both the World Wars.

World War I was carried on by the Allies as a purely military operation. Only after the Armistice, at Versailles, in 1919, was the problem of securing the peace faced. A cordon sanitaire, or series of buffer states, came out of Versailles—Czechoslovakia, Poland, Jugoslavia, and the like. All to protect the Western European peninsula from what Sir Halford J. Mackinder so vividly described in terms of: "He who controls the Eurasian land mass controls the world island and thus controls the world."

In World War II—at the insistence of the United States and over the protests of Sir Winston Churchill—we of the West carried on the war in terms of total military victory and unconditional military surrender. There was little or no thought of postwar problems and postwar strategy. The old World War I conventional thinking all over again. However, this time there was no Versailles to bail out postwar problems. The Soviet Union, with due regard for the totality of the spectrum of external relationships, while still in hot war was thinking whole—looking forward to postwar. It realistically secured these peripheral buffer zones to itself and satellized them. Thereby, both enhancing its own future defense and weakening the future position of its then temporary allies, but future protagonists.

Only both a great understanding on their part—and a great ignorance on our part—of the basics of national external relationships could underlie two such divergent courses of action. The best that can be said is that it presents us a clear lesson in facts of international life which we must learn and learn well.

CRITERION FOR SACRIFICE AND EXPENDITURE

There is, however, apparent from this fiasco one absolute criterion about which there can be no argument—only understanding—which, again, it appears that the Reds possess and we do not.

It is, simply: the efficacy with which a particular action will implement a nation's external objective should determine the amount of money and manpower to be expended upon it—not the irrelevant consideration of whether the action is being taken in time of "war" or time of "peace."

Our country will accept every sacrifice in resources, men and money when it comes to fighting a war; but because of our fragmented thinking and naive misconceptions about the implementation of our external objectives, we irrationally tend toward the opposite extreme when there is no shooting going on.

This kind of inflexibility is not characteristic of the Kremlin. Not only in expenditure, but right down to Khrushchev's alternating smiles and frowns to probe our weaknesses, there is exhibited a quick effective flexibility. This, notwithstanding our fervent eagerness to accept a monolithic concept of the operations of the Communist apparatus.

We must learn that what will be achieved, not whether it is achieved during hot war or cold war, is the true standard for our efforts and sacrifice during the protracted conflict.

COMMUNIST AND FREE WORLD OBJECTIVES COMPARED

Now it becomes logical to examine what is to be achieved, and to compare the external objectives of the Communist world and our own. Perhaps real understanding of the contrasts here is as important as anything else toward achieving understanding of what we are against and how to go about combating it.

In briefest form, these objectives can be summarized this way: Ours, peace

and friendship in freedom; theirs, peace and friendship in communism.

Only a word of difference—but they are poles apart. One states a positive objective, the other a negative one. One states an indefinable objective, the other a definable one.

Since Karl Marx first put pen to paper, double meanings for stock words and phrases have been standard tools in Communist dialectic. I have purposely stated these objectives in these double meaning words to reemphasize the tricky business of Red rhetoric of which we must beware.

Light was shed on a facet of our problem by former President Eisenhower in his 1960 state of the Union message, when he said:

> We live in a sea of semantic disorder in which old labels no longer faithfully describe. Police states are called people's democracies. Armed conquest of free people is called liberation. Such slippery slogans make more difficult the problem of communicating true faith, facts, and beliefs.

To the former President's list we can surely add the word "democracy" which means "communism" to the Communists and the opposite to us. Indeed, today, such fundamental words as "peace," "friendship," "war," and many others are no longer meaningful without rather extensive qualification.

Peace has come to mean, rather than a state of tranquillity amongst nations, a misty goal as legendary as the Seven Cities of Cibola. In terms of relationships between nations, friendship hardly can be recognized as meaning what the dictionary describes as a "mutual regard cherished by kindred minds." "War" must be qualified by the adjectives "hot" and "cold" and the line between tension, strife, and war is illusory.

When Nikita Khrushchev came to this country in 1959 seeking "peace and friendship" he blew up a considerable storm on this "sea of semantic disorder." Freely translated, this is what he meant when he talked of seeking "peace and friendship" with the United States:

> I seek a Communist United States of America. Our dogma says capitalism breeds wars. Tear up your capitalistic Constitution, turn Communist, and we'll have peace. One doesn't oppose his friend's desire. We desire to rule the world. Be friendly—stop bucking us.

On another occasion the Red dictator summed up communistic objectives more bluntly and less dialectically in the phrase: "We will bury you."

That is a clearly stated and certain objective, if ever there was one. The clarity with which it can be stated is of obvious value in the day-to-day, week-to-week, month-to-month, year-to-year selection of techniques and actions to implement it.

MORALITIES

Further, Communist rationale places no moral restrictions whatsoever on their selection of these techniques and actions. Starting with the premise that capitalism breeds wars and thus must be rooted out and destroyed to achieve peace—anything, however immoral in and of itself, when used to this end is moral. Lying, cheating, betrayal, murder—the entire list of perfidies—are thus approved weapons in the Communist arsenal, to be used freely whenever, wherever, and however they will implement its objectives.

By way of contrast, our own external objectives basically represent attainment for all mankind of those enlightened precepts of morality, freedom, dignity of the individual, inherent human rights, and so on that can hardly be defined other than as: "The best and highest values which Western civilization has to offer."

Because of the inherently nebulous nature of our objectives, they are incapable of precise definition. As a consequence, selection of techniques and actions to implement them can never be accomplished with calculated precision.

And, because of the moral characteristics of these objectives, we are limited in selecting means to implement them which in and of themselves fall within the range of Western civilization's standards for individual and national morality.

The advantage of precise objectives and unlimited choice in means in achieving them is great.

NEGATIVISM

Nor can the advantages of conducting a negative campaign be underestimated. It is always easier to criticize, tear down, and destroy than it is to accomplish constructive action. Watch the way the prosperity issue is handled in political campaigns—it is not so much a positive promise of a chicken in every pot as it is a negative warning of "no chicken in the pot if you elect the other fellow instead of me." Millions of dollars of a certain toothpaste have been sold not on the merits of the product, but upon the demerits of having bad breath. The slogan about "a thinking man's cigarette" is not a positive appeal to the intellectuals—there are too few of them for a mass market—it is a negative warning not to be tagged as stupid for dragging out somebody else's brand.

In short, the contrast between the Communist and the free world in terms of objectives and techniques and actions to implement them is simply this:

Communism: Clearly defined negative objective. No restriction on techniques and actions for implementation.

Free world: Nebulously defined positive objective. Restrictions on techniques and actions for implementation.

Understanding our problem thus requires recognition that we start out with these unavoidable handicaps:

First, imprecision of objectives; second, restriction on implementation; third, the extra burden of positiveness.

Although the foregoing handicaps are unavoidable, there are very many courses of cold war action that we are not restricted from taking, should be taking, but, because of our generally fuzzy conception of what we are up against, we are not taking. For example:

CIVIL DEFENSE A COLD WAR WEAPON

Earlier the very substantial Soviet civil defense effort was mentioned. It was estimated to be sufficiently effective to enable them to reduce casualties by 80 percent in case the Soviet homeland suffers attack.

Thus Soviet civil defense constitutes a major dulling of the deterrence capability of our retaliatory bomber and missile strikeback forces. That is, it makes it less costly for the Soviets to initiate war and thus operates as a factor encouraging them to do so. This situation also presents monumental possibilities in connection with nuclear blackmail. This is adequately illustrated by hypothecating a full-scale Soviet civil defense evacuation timed in coordination with an "or else" ultimatum, taken in context of our own daily 5 to 7 p.m. metropolitan area evacuation problems.

Civil defense is thus, in fact, a cold war weapon of equivalent value to say, the DEW line-Pinetree line warning systems and anti-missile missiles. But contrast our "bit-thinking" relative expenditures on civil defense in comparison to these warning systems. Moreover, civil defense is a moral type of action which is not denied to us. Failing to recognize its cold war possibilities, we have almost completely neglected it and given our challenger a decisive advantage on this rampart of the total conflict.

During the hearings in 1959 the Joint Committee on Atomic Energy attempted to estimate the effect on the United States should we suffer a surprise nuclear attack totaling 1,500 megatons. It found that 60 million U.S. casualties would result—one-third of our population—48 million killed and 12 million injured. Yet, at the same hearings a Navy scientist testified that simple fallout shelters giving protection against nuclear radiation by a factor of 1,000 can be built at a cost of only $100 per person. These would be sufficient, he estimated, to avoid two out of every three of the hypothecated casualties.

In short, for just 1 year's cost of the U.S. farm subsidy program, $6 billion, shelters could be built that would prevent 40 million surprise attack casualties—avoid 32 million deaths and 8 million injuries. Coupled with workable evacuation procedures, this 66⅔ percent avoidance of casualty rate could well be upped to the 80-percent figure I have estimated for the U.S.S.R. civil defense program.

I leave you to your own speculation how far adrift in the sea of semantic disorder we are when we take civil defense to mean only what the dictionary may define the words to mean. I also leave to your speculation how great a part our reserve forces, marking time in almost every city and hamlet of our country, could play in our total effort vis-a-vis the international Communist threat if they were realistically put to work preparing an adequate U.S. civil defense effort.

A good deal of resistance to spending money on civil defense as well as some of the other necessary actions we must take for survival stems from those who argue that thermonuclear war is neither believable nor feasible, so basing any efforts on the possibility of it occurring are senseless. Resistance also comes for others who argue that such a war would be so terribly destructive that we should surrender rather than fight it. In short, they say, "it is better to be Red than

dead." It is now my purpose to expose the fallacies of these arguments.

BELIEVABILITY OF THERMONUCLEAR WAR

We may quite agree that thermonuclear war is horrible to contemplate and that every intelligent effort should be made to avoid it. But it is feasible and unless we are willing to submit to nuclear blackmail and capitulate to the Communists, we must so regard it.

This is founded on my earlier mention that the believability of a nation either initiating or accepting the most violent action, unrestricted war, underpins first, the effectiveness of any less violent steps toward implementing national objectives; and second, the capability to resist nuclear or other blackmail.

It is obvious that a less violent degree of action could not succeed in implementing an objective of the U.S.S.R. if the United States knows it can threaten to resist with only one higher degree of violence and thereby cause the U.S.S.R. to back down.

By like token, the United States could never thwart the U.S.S.R.'s implementation of a national objective, say control of the Mideast, if the U.S.S.R. knows that all it has to engage in is a little blackmail by threatening more heat than we will risk.

Within the recent past: First, the Rockefeller study concluded that the possibility of nuclear war must be faced. Second, hundreds of Russian military books and articles translated by the Pentagon all reveal the U.S.S.R. thinks in such terms as a matter of course. Third, a Johns Hopkins University study for the Senate Foreign Relations Committee warns that the United States is open to nuclear attack. Fourth, Congress appropriated almost $45 billion for national defense, which included substantial amounts for maintaining our own nuclear arsenal operative.

FEASIBILITY OF THERMONUCLEAR WAR

Mathematician Herman Kahn recently completed a 2-year study for the Rand Corp. and concluded that thermonuclear war is feasible.

The facts and assumptions on which Dr. Kahn reached his decision were corroborated fully during our Joint Atomic Committee hearings last year which took several days' testimony from expert witnesses regarding the effect of a hypothecated nuclear attack on the United States followed by our nuclear retaliation against the attacker.

Briefly, the most pertinent thermonuclear war facts are these:

Genetic effects: An increase in children born seriously defective of about 25 percent from the current level of 4 per 100 of all births to 5 per 100. This is a large penalty since it would have to be paid through 30 to 40 generations. But it is far from annihilation.

Medical problems: Bone cancer, leukemia, and other life-shortening effects of internal and external radiation would amount to 1 to 2 years for lighter exposures and 5 to 10 years for heavier exposures. In any case, life will go on.

Economic recuperation: Assuming casualties in the 60 million range and semitotal physical destruction of the 53 standard metropolitan areas, expect full recuperation; that is, restoration of immediate preattack gross national product within 5 to 10 years. This is far from national suicide.

Conclusion: So much for feasibility. It exists, as does believability.

BETTER RED THAN DEAD?

Disposing of the depressingly cowardly and unrealistic "better Red than dead" philosophy requires us to get out of the rut of the 1,500 megaton, mass-destruction Hollywood movie script-congressional hearing's pattern for a moment and think about some other possibilities should the Communists really decide the day has come to push the button.

Hypothecated wars are never fought. No actual war ever has been carried on in the manner previously predicted. Casualty figures are statistics. Statistics always apply to the other fellow, not to you or me. With these truisms in mind, I will indulge in a little hypothecation myself in order to illustrate a means of getting down to an individual, personal answer to the question: Would I be better off Red than dead—or does my survival still depend on the intelligent, effective, and protracted conduct of survival efforts for my free country?

A wholly depopulated, totally destroyed United States would serve only one Communist purpose: Elimination of the opposite pole of a bipolar world and accomplish their one world, a Communist one, objective. But it would be done at the price of denying to them a number of things they could put to advantageous use. Recalling their attribute of whole thinking, we should at least contemplate other possibilities for action they may be considering in their strategic thoughts.

For instance, they could utilize the production of our machine tool factories, our steel furnaces, and certain of our other industrial capacities. All, of course, assuming selected trained slave labor survived to operate them. They do not need our oil or chemical production, for example, but they would be glad to dismantle the undamaged plants and haul them back for use in their own country as they did with so many German factories. I suppose quite an inventory could be made—and probably has been made in the Kremlin—along these lines.

HYPOTHECATED COMMUNIST ATTACK

Assuming so, the Soviet move might well be one calculated to induce surrender with the least possible material damage and personnel casualties, then to go about the business of mass murder and destruction on a selective basis afterward.

It might go something like this:

Strike terror with a few nuclear bombs—the horrors of nuclear war propaganda background already has been laid for that—but forgo the all-out attack. Damage communication facilities as little as possible so that where panic is created, it can be communicated elsewhere and infect other parts of the country. Delve into the unknown, it is always more terrifying than the known. Strange, horrifying and morale cracking nerve gases might be released by infiltrated saboteurs and fifth columnists. Shockingly hideous physical and psychological illnesses might be induced by germ warfare. Avoid destruction of Washington, D.C., so a Government will exist to surrender as panic, terror, and hysteria mount in increasing crescendo to demand it.

Then follow with a military occupation to carry out what, for lack of a better name, I call selective genocide. Genocide is defined as the systematic extermination of whole racial, political, and cultural groups. Here we are dealing with such a systematic extermination as it applies to:

First. Occupational groups which do not contribute to the needs of the Communists;

Second. Nonproductive persons; and

Third. All persons philosophically hostile to the regime.

Selective genocide was carried out ruthlessly in Russia itself when the Communists seized power. It happened in China. It happened in Hungary. It is an accepted Communist power technique and would certainly be used if they took over here.

The pattern is all too clear. In the initial phases they send agents out to stir up resistance movements and march the nonconformists against prepositioned guns and tanks as they did in Budapest. That does a pretty complete, quick, and dirty job of getting rid of most potential antigovernment leadership. They dump the ill, the aged, the insane, all the military and like groups into concentration camps where starvation and disease soon eliminate them. Lawyers, ministers, teachers, farmers always go this way, too, when the Reds take over. No bankers, insurance men, advertising executives, newspapermen, or even file clerks would be required by the Red regime, so they would be exterminated, too. Scientists and engineers could look forward to the same fate suffered by their German counterparts following World War II. Not many slave doctors would be needed either, to tend the few slave laborers left operating plants and facilities of value to the conqueror.

INDIVIDUAL'S SURVIVAL TEST UNDER COMMUNISM

This hypothecation of mass murder could go on and on. I think I have said enough as preface to the proposition that all you need to do to estimate your chance of survival if the Reds ever took over is honestly to answer the questions: Is what I think OK with the Communists? Is what I do any value in a Communist regime?

Think it over.

IF THE REDS TOOK OVER: U.S. CASUALTY ESTIMATES

I have tried estimates for this from population employment statistics, and when you include the family along with the employed person, which you must do, and count about 10 million deaths from the initial bombs, nerve gas, germ warfare, and the like, the total U.S. casualties start at a low of around 60 million and run as high as 100 million dead within 12 months following a Red takeover.

Americans have a personal stake in this thing all right—it is their lives. Even if the Communists took over without firing a shot, there still would not be a choice between being "Red" or "dead." The sooner we understand it the better. The price tag on surrender in terms of lives, freedom, and every other way is much greater than the price tag on fighting and winning the protracted conflict.

But, say some, there is a third alternative to fighting or surrender that is open to us and should be used. It is the alternative of negotiation. We should negotiate our differences with the Communists. It is true that ordinary negotiation is a third alternative. But only in instances where both sides are willing to negotiate, willing to forgo some of their demands as a price for peaceful settlement, and willing to keep the promises made. Although Communists are willing to negotiate, they are seldom willing to negotiate at any cost which involves foregoing their ultimate goal of world domination. In fact, they have, since the beginning, pursued a calculated course of insincere negotiation wherever it would forward that goal. This is not to say that no negotiation at all is possible, but to warn that only is it possible in those limited cases where some factor in addition to good faith alone is present to compel Communists to keep their treaty promises.

TREATY VIOLATION

Summed up masterfully by the distinguished international lawyer, Adm. Chester Ward, the Communist philosophy on treaties is this:

> Communist dogma insists that promises, like piecrust, are made to be broken. Whom the Communists would destroy, they first invite to coexist, and offer a nonaggression pact.

In its 40-year history, the Soviet Union has signed over 2,000 agreements with non-Communist governments. It is safe to say that those remaining unbroken by the Kremlin are only those which expediency has not yet dictated the breaking. Last summer I prepared an illustrative table of only some of the more important of these treaty violations. It took six legal size, single-spaced pages to list them. If nothing else, it indicates the order of magnitude of treaty violations as a device for Communist aggrandizement.

Treaty violation, as practiced by the Communists, has two facets:

First. The conventional breach of existing treaties whenever, because of changed circumstances, they no longer serve its current purpose; and

Second. The more Machiavellian practice of deliberately seeking treaties involving immediate concessions by the non-Communist signatory in exchange for delayed Communist concessions which are subsequently avoided by formal or informal treaty violation at the time performance is called for.

Such Communist diplomatic perfidy is a regrettable fact of international life that cannot safely be ignored. It must be recognized as a dangerous pitfall in any and all negotiations between East and West. It must be accepted as a limitation on talks, conferences, and negotiations as a means toward achieving a stable world order, based on respect for, and conformity with, international law.

Realistically citing the demonstrated disregard by the Communists of their pledges as one of the greatest obstacles to success in substituting the rule of law for rule by force, former President Eisenhower declared a basic rule for Western self-preservation in his 1959 State of the Union message by saying:

> We have learned the bitter lesson that international agreements, historically considered by us as sacred, are regarded in Communist doctrine and in practice to be mere scraps of paper. As a consequence, we can have no confidence in any treaty to which the Communists are a party, except where such a treaty provides within itself for self-enforcing mechanisms.

The inspection—self-enforcement procedures Eisenhower called for are necessary because the process of negotiation and agreement inherently involves concessions. Unless matched by equivalent Communist bloc concessions any Western concessions can represent only steps away from, not toward, the goal of successful conclusion of the protracted conflict for they would constitute a further whittling away of an already weakened Western position.

Equivalency, however, is not measured by the paper magnitude of mutual concessions. Concessions by the Soviet bloc must be self-enforcing upon them. Unless this is so, they will never be honored to the impediment of the advancement of international communism. The quid pro quo of the agreement's words is an illusion without this inherent safeguard. Without it, no agreement "relaxing tensions" as a "first step" toward peace, as the emotional agreement goes, is a step toward peace as the West understands it. It is a step toward peace as the Hungarian freedom fighters were savagely taught it.

INTERNATIONAL LAW CONCEPTS CONTRASTED

As the West understands it, the solemn observance of international obligations is the backbone of international law and underlies settlement of differences between nations without resort to war. As the Communists understand it, the timely breach of international obligations is simply another expedient weapon in their protracted conflict arsenal, and international law is only a "shell game" for playing on a worldwide scale.

This is the basis of Stalin's observation regarding relations with non-Communist countries that:

> Sincere diplomacy is no more possible than dry water or wooden iron.

And from the standpoint of Western concepts of morality, it is the basis for the Senate Internal Security Subcommittee's evaluation:

> You must be a liar, a cheat, and probably a spy before you can represent a Communist nation in international diplomacy. You must have no more regard for honor when you sign an agreement on behalf of your country than a forger does when he puts a name on a check.

Communist contempt for international law and decency is the theoretical and practical basis on which Red Army commissars, despite promise of safe conduct, arrested and executed the leaders of the Hungarian revolution while ostensibly negotiating an armistice.

NEGATORY PROPAGANDA

With the Hungarian example in mind, we reach a point where negatory propaganda can be defined and illustrated using the nuclear-test-ban issue as an example.

By negatory propaganda I seek to describe a technique aimed at negating use by your opponent of a device or weapon of value to him by propaganda aimed at creating such intense public opinion against its use, that it is in fact denied or negated.

BAN THE BOMB

For a period following 1945 the United States, only, possessed nuclear capacity. We had a weapon which could overcome the Communist bloc's great military superiority in terms of conventional arms and armaments. As a consequence, to deny us use of the weapon, and thus the superiority, the Kremlin and Red agents everywhere propagandized the world on the alleged horrors which would stem from use of the weapons. Many well-intentioned non-Communists became inadvertent allies of the Communists by taking up the ban-the-bomb hue and cry. The propaganda did, in fact, negate our use of nuclear weapons in Korea. This cost us dearly in both lives and effort.

The Communists adopted a two-step technique by directing major propaganda efforts first against nuclear testing. Strontium 90 was made a household word and its terribly crippling effects milked right down inside the tender bones of newborn babes suckling at their mothers' breasts. All to the end of banning tests of the bomb because that is too horrible, and then, when that is accomplished ban the bombs themselves with the argument: "If they are too horrible to test, they are too horrible to use."

But while feverishly denouncing nuclear weapons, the Soviets mounted a massive effort to achieve them. They did so by the early 1950's. This did not change their line or alter their efforts, however, because denial to the West of the use of nuclear weapons still is an obvious way to tilt the balance of power to their direction.

Their gigantic propaganda campaign raged on with consummate skill right up until the recent moment when it became more advantageous to them to torpedo the Geneva A-test ban talks and resume atmospheric testing than it was to keep the talks going and stall us from improving our own defensive weapons stockpile. Revelation to the world of their total hypocrisy by firing off a series of tests—obviously in long preparation under cloak of the Geneva talks—was a small price to pay for the advantages they gain thereby.

An obvious advantage is the jump it will give the Soviets over the West in nuclear weaponry. A less obvious, but perhaps greater, advantage calculated by Kremlin minds is nuclear blackmail in connection with the Berlin crisis. Coupled with the already high tensions

generated by Berlin, "terror talk" of a 100-megaton super-bomb plus new fallout in the atmosphere is supposed to generate such hysteria in the world that concessions to the Reds will come out of negotiations over the issue.

Aside from the quite apparent fact that the only way to handle blackmail is to resist it and the only way to surmount a bluff is to call it, there is a more basic lesson we must learn from the 2½-year test-ban fiasco. It is: The moral issue is not the type of weapon which the free nations must stock in their arsenals to preserve freedom and the rich heritage of Western civilization. The issue is: The morality of stripping those arsenals, imperiling that civilization and relegating its millions of souls to mass murder or to the slavery of the communes.

Whether we surrender in one lump sum or are propagandized and blackmailed into it on the installment plan, the result is the same.

FREE WORLD PROPAGANDA

There are many who observe these Communist propaganda efforts, their successes, and say if only we spent more money on our own propaganda overseas they could be turned back. True, our efforts can and should be stepped up. But we must accept the fact that our own propaganda efforts cannot, in the short term at least, produce results as impressive as theirs simply because theirs is based on lies, exaggerations and deceptions rather than upon truth. Truth is by far the greater power, but by far the more difficult and time consuming to propagate. The standards of morality by which we must gage our actions limit us to the truth.

Further, as to areas behind the Iron Curtain, we are under additional handicaps to the transmission of information. First, the Iron Curtain blocks communication in both directions. Second, neither world public opinion nor internal public opinion is an appreciable factor in the decision-making process of the Communist masters. Third, even if you overcome physical barriers to communication with people behind the Iron Curtain, there is still a psychological barrier to surmount. It stems from the fact that most of the population has come to adulthood since communism took over. Large gaps in public understanding and knowledge exist which cannot be spanned by the kind of appeals effective with Western minds. Their policy of brainwashing from birth to death often has so twisted truth and history that counterappeals must be developed from that specialized frame of reference.

A personal illustration concerning this last statement: While in Russia in 1959 I attempted to discuss the brutalities committed by the Red army in Hungary. No Russian ever heard of them, nor would any believe what I said. Yet all would tell you for hours how the "brutal, bestial, U.S. Marines aggressed against the defenseless people of Lebanon at the behest of Wall Street millionaires." They also told me again and again that the United States was blocking a nuclear test ban treaty by demanding that it include inspection and enforcement procedures to insure compliance. "The U.S.S.R.," they told me with straight faces, "always lives up to its treaties."

SUBVERSION

Subversion is one of communism's most potent cold war techniques and is practiced all the time, everywhere. What we must keep in mind is that it is only one of many techniques, however. Nor is it even as potent a weapon for the Communists, within the United States, at least, as our own general lack of understanding of what they want and how they are going about getting it. I recently suggested that the President order a good course on "Communism and How To Fight It" prepared and taught to every person in Government from himself on down. Passing the course would be required before any Government employee could draw his paycheck. The course would also be available to the public generally. This step alone would obviate a necessity many have suggested for investigating the State Department or any other Department of Government—where in my belief ignorance is a hundred times more responsible for the inept conduct of our defense against communism than are subversion and disloyalty. This ruthless, resourceful, determined enemy cannot be combated effectively unless Americans know its true identity and understand the way it fights.

LATIN AMERICA

The real danger from subversion is in less-developed areas, Latin America, for instance, where communism is attempting to leapfrog the Atlantic and take over countries both by infiltration of existing governments and by seizing control of liberal revolutionary movements. Each year hundreds of Latins receive revolutionary training in Moscow and are sent back to work ceaselessly to replace lawful government with regimes dominated and controlled by international communism. In connection with Cuba in particular and Latin America in general the following seven-point program is suggested:

First. Take a firm stand against Communist expansion, then tell and show the world we mean what we say—that the Monroe Doctrine is not dead.

Second. Declare the Western Hemisphere to be a peace zone, and tell the world we mean to keep it that way through use of national power, if necessary.

Third. Declare all Communist war material, including fuel, as contraband and prohibit its shipment into the peace zone.

Fourth. Use national power to send back, jettison, or seize all contraband sent into the peace zone.

Fifth. Adopt as U.S. policy the ousting of Castro's Communist dictatorship from Cuba, and enlist active support from anti-Castro and anti-Communist forces in Latin America to help us get the job done.

Sixth. Develop and expedite a tailormade information program for our hemisphere which makes it clear that we will not tolerate guerrilla invasions and power seizures of Latin American countries by Cuban or other Communist forces, or Communist expansion of any kind.

Seventh. Use our national power to the extent and in the manner required to free the Cuban people and give them the right of self-determination.

In order to implement the first four points mentioned above I have introduced House Joint Resolution 524, declaring Communist arms and munitions contraband in the Western Hemisphere and making provisions to enforce the same.

ORGANIZATION FOR HOT WAR

Our present military structure—Army, Navy, Air Force—coordinated at the Department of Defense and Joint Chiefs of Staff level, represents an effective overall organization for waging hot war. Because of its effectiveness it actually deters hot war. Our military leaders are skilled and knowledgeable. They do the best possible job with the hardware and forces at their command.

I do not agree with Maj. Alexander de Seversky's contention that the services should be merged and overriding emphasis placed on airpower for delivery of massive nuclear destruction. That would limit us to a choice between nuclear holocaust and surrender—an inherently hopeless set of alternatives which would merely afford the "better Red than dead" propagandists more chance to spread their poison. With properly balanced military forces we can control and deter all-out nuclear war. Then, with proper organization for nonmilitary war—cold war—we can achieve victories instead of defeats in this area.

ORGANIZATION FOR COLD WAR

But, in contrast to our splendid organization for hot war, we are almost totally unorganized to wage and win cold war.

It would be madness to attempt to fight a military war without national strategy, without a top-level command, without war plans, without offenses and planned defenses, without mobilizing the national effort and without appealing to the patriotism of our people to work, to sacrifice, and to win. Yet, without any of these things, we are engaged in a new, strange, and deadly kind of war which we are not winning. It is our clear duty to establish the organization we need to fight this kind of war, to mobilize our people and our resources, and to embark on the long, difficult road toward victory.

This effort involves economics, diplomacy, intelligence, science, psychology—all the phases of human activity short of military operations between major powers. The effort required goes far beyond the State Department or any other department of Government—far beyond the formal government even—it sweeps across our whole society.

The President alone has the broad power and control over the wide range of functions which must be organized, carried on, timed, coordinated and pushed to overall success to meet the enemy and overcome it. At the top, with the President's daily attention, must be the national nerve center and command post. Call it the Strategic and Tactical

Office of the President—STOP. Here at COMSTOP, in the White House itself, stopping communism must be a 24-hour-a-day operation for as long as it takes to win.

Here are just a few of the activities that must feed to and from COMSTOP:

National strategy and tactics, military and nonmilitary strategy and tactics, intelligence, political operations, diplomatic moves, labor and industrial mobilization, economic operations, finance, agricultural and commercial functions, covert and overt international operations, cover and deception, informational and cultural programs, ideological positions, psychological warfare, military liaison, posture evaluation and a host of others.

All these operations must be tied together constantly—orchestrated like a symphony. Each must be run by managers who are themselves knowledgeable in the political, strategic, and psychological nuances of nonmilitary war. Command of these activities requires as great a skill as military command. We must quickly train in our universities and elsewhere the knowledgeable Americans needed to officer and man this fourth force in our defense.

It should be reemphasized that COMSTOP must not only defend against actions the Soviets mount in what they regard as the war zone, but must, if we are ever to win, carry the fight into their peace zone. Within the Communist empire are countless areas of weakness and possible internal strife. Brig. Gen. David Sarnoff in urging former President Eisenhower to wage cold war and turn Moscow's own weapons against world communism said: "Our potential fifth column is greater by millions than the enemy's."

CONCLUSION

Concluding a discussion of this nature and extent by attempting a summary would be futile. I have given little more than a skeleton outline of the dangers we face and what we must do to surmount them. So I will reiterate only that we must constantly deter hot war by being capable of fighting and winning it, if necessary, and we must declare the nonmilitary war and mobilize all our physical and material resources to win it.

All this will take the highest and best our generation of Americans has to offer its country. Let us take faith from the courage and wisdom of the men who founded our country and made her great. If we, today, but possess equal courage and wisdom—and I firmly believe we do—there is no domestic problem we cannot solve nor foreign force we need ever fear.

NATIONAL CLEAN-UP, PAINT-UP, FIX-UP MONTH

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, the month of May 1962 marks the 50th anniversary of a movement dedicated to the improvement of America's homes and communities, the clean-up, paint-up, fix-up movement. Originated in the city of St. Louis by the late Allan W. Clark, this movement is embodied in the National Clean-Up, Paint-Up, Fix-Up Bureau whose proclaimed goals are the prevention of slums and the rehabilitation of blighted areas for a healthier and more progressive community. I have today offered a resolution requesting the President to commemorate the 50th anniversary of this movement by proclaiming the month of May 1962 as Clean-Up, Paint-Up, Fix-Up Month.

Since 1912 some 6,000 communities have taken part in this movement, a symbol of the interest of a community in its beautification and improvement, a sign of community pride. The concept of this movement is that of rehabilitation. It is centered on improvement within a community by the collective efforts of the members of that community, efforts toward improving each individual's home and efforts toward beautifying the community as a whole. This is the proper concept of urban renewal—rehabilitation of a community with the cooperation of the homeowners, improving homes which meet community standards and bringing those which do not reach those standards up to that level. As in so many other fields, the Government can learn from the example which has been set by the private sector of the American society.

FEDERAL IMPACT LAWS

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. WILSON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WILSON of California. Mr. Speaker, may I rise in support of the proposal to extend Public Laws 815 and 874, the Federal impact laws. These laws must be extended for they are vital to many school districts throughout the United States and in particular are most critical to the school districts within my congressional district where there is a heavy concentration of Federal activity.

Considerable hardship has already been experienced by these school districts as a result of our delay in extending these laws. The budgetary deliberations that have been required of the many school boards of my district and others throughout the country have accentuated the responsibility of the Federal Government to continue these laws in their present form. These laws constitute payment to school districts because the Federal activity in the respective areas has removed from the tax rolls certain properties which normally would be paying taxes in support of these schools.

I have had correspondence with the Department of Health, Education, and Welfare with respect to this problem and wish at this time to include in my remarks a portion of a letter dated April 14, 1961, received from the congressional liaison officer, Jim G. Akin, of the Department of Health, Education, and Welfare. This quote is significant in that the Department points out in no uncertain language that it is because of the tax-exempt status of federally controlled properties that in-lieu-of-tax payments must be made to local educational agencies that support free public education for the children of these school districts.

The Office of Education administers Public Laws 815 and 874, designed to authorize funds to alleviate burdens imposed by the United States on local school districts by reason of the fact that they provide free public elementary and secondary education for children who either reside on Federal property or reside with a parent employed on such property, or both, or whose attendance in a particular school district is a direct result of Federal activities. Formulas for eligibility and payment are provided in both laws. Payments under these laws are not authorized with respect to military dependents as such, but are based on the underlying rationale that because of the tax-exempt status of its properties the Federal Government should make payments in the nature of in-lieu-of-tax payments to local educational agencies that provide tax-supported, free public education for children who either reside on Federal property or reside with a parent employed on such property, or both. There is no Federal restriction imposed on the school system. The school district may supplement funds granted under Public Law 815 for school construction, and it may use funds received for school maintenance and operation under Public Law 874 for any purpose for which the State or local tax funds levied for school maintenance may be used under State law.

We owe a responsibility to the school districts of America who are due these payments as a result of Federal activity. These are, in fact, in-lieu-of-tax payments to these school districts. I urge support of the legislation that will extend Public Laws 815 and 874.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HOLLAND (at the request of Mr. WALTER), on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BAILEY, for 15 minutes, today.

Mr. CURTIS of Missouri, for 30 minutes, today.

Mr. PATMAN, for 30 minutes, today, immediately following the remarks of Mr. CURTIS of Missouri, and to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL

RECORD, or to revise and extend remarks, was granted to:

Mr. ROUSH.

Mr. EDMONDSON.

Mr. LANE and to include extraneous matter.

Mr. PUCINSKI.

(The following Members (at the request of Mr. BARRY) and to include extraneous matter:)

Mr. KEARNS.

Mr. VAN ZANDT.

(The following Member (at the request of Mr. PATMAN) and to include extraneous matter:)

Mr. DOWNING.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 174. An act to establish a National Wilderness Preservation System for the permanent good of the whole people, and for other purposes; to the Committee on Interior and Insular Affairs.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on September 6, 1961, present to the President, for his approval, bills of the House of the following titles:

H.R. 32. An act authorizing the establishment of the Fort Smith National Historic Site, in the State of Arkansas, and for other purposes; and

H.R. 256. An act to amend the District of Columbia Alcoholic Beverage Control Act.

ADJOURNMENT

Mr. PATMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 59 minutes p.m.), under its previous order, the House adjourned until Monday, September 11, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1297. A letter from the Administrator, General Services Administration, transmitting a notice of a proposed disposition of approximately 155,676,000 pounds of castor oil now held in the national stockpile, pursuant to (50 U.S.C. 98b(e)); to the Committee on Armed Services.

1298. A letter from the Secretary of State, transmitting a draft of a proposed bill entitled "A bill to authorize the Secretary of the Treasury to effect the payment of certain claims presented by the Government of the Polish People's Republic against the United States"; to the Committee on Foreign Affairs.

1299. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report to the Committee on Science and Astronautics of the House of Representatives pursuant to section 1(f) of the act of June 1, 1960 (74 Stat. 151), and is submitted through the Speaker of the House of Representatives pursuant to rule XL of the House of Representatives; to the Committee on Science and Astronautics.

1300. A letter from the Under Secretary of State for Economic Affairs, transmitting the report of the President on determinations under the Mutual Defense Assistance Control Act of 1951 for the quarter ending June 30, 1961, pursuant to section 103(b) of the act; to the Committee on Appropriations, Armed Services, and Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAYS: Committee on House Administration. House Joint Resolution 558. Joint resolution providing for printing copies of "Cannon's Procedure in the House of Representatives"; without amendment (Rept. No. 1129). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Concurrent Resolution 12. Concurrent resolution authorizing the printing of additional copies of House Document 412, 85th Congress; without amendment (Rept. No. 1130). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Concurrent Resolution 364. Concurrent resolution to print as a House document the publication "World Communist Movement—Selective Chronology 1818–1957, Volume 1," and to provide for the printing of additional copies; without amendment (Rept. No. 1131). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 397. Resolution providing for additional copies of House Report No. 2228, 86th Congress, 2d session, entitled "The Communist-Led Riots Against the House Committee on Un-American Activities in San Francisco, Calif., May 12–14, 1960"; without amendment (Rept. No. 1132). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 398. Resolution providing for additional copies of House Report No. 2237, 86th Congress, 2d session, entitled "Annual Report for the Year 1960," prepared by the Committee on Un-American Activities; without amendment (Rept. No. 1133). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 408. Resolution authorizing the printing of additional copies of the report, House Report No. 851, on H.R. 8400; without amendment (Rept. No. 1134). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Concurrent Resolution 385. Concurrent resolution authorizing the printing of a manuscript entitled "History of the House of Representatives"; without amendment (Rept. No. 1135). Ordered to be printed.

Mr. HAYS: Committee on House Administration. Senate Concurrent Resolution 39. Concurrent resolution to print 3,000 copies of a compilation of the hearings, reports, and committee prints of the Subcommittee on National Policy Machinery; without amendment (Rept. No. 1136). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Concurrent Resolution 384. Concurrent resolution authorizing the printing of additional copies of the report "Communist Target—Youth—Communist Infiltration and Agitation Tactics"; without amendment (Rept. No. 1137). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 433. Resolution to provide for the further expenses of the investigation and study authorized by House Resolution 23; without amendment (Rept. No. 1138). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 439. Resolution to provide funds for the expenses of the investigation and study authorized by House Resolution 420; without amendment (Rept. No. 1139). Ordered to be printed.

Mr. POWELL: Committee on Education and Labor. H.R. 8871. A bill to amend the Federal Employees' Compensation Act of 1960; without amendment (Rept. No. 1140). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. H.R. 8921. A bill to provide for the annual audit of bridge commissions and authorities created by act of Congress, for the filling of vacancies in the membership thereof, and for other purposes; without amendment (Rept. No. 1141). Referred to the Committee of the Whole House on the State of the Union.

Mr. POWELL: Committee on Education and Labor. H.R. 9030. A bill to amend the act to promote the education of the blind, approved March 3, 1879, as amended, so as to authorize wider distribution of books and other special instruction materials for the blind, and to increase the appropriations authorized for this purpose, and to otherwise improve such act; with amendment (Rept. No. 1142). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 454. Resolution providing for the consideration of H.R. 7500, a bill to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower; without amendment (Rept. No. 1143). Referred to the House Calendar.

Mr. POWELL: Committee on Education and Labor. H.R. 9011. A bill to make available to children who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities; without amendment (Rept. No. 1144). Referred to the Committee of the Whole House on the State of the Union.

Mr. POWELL: Committee on Education and Labor. H.R. 9053. A bill to amend title II of the National Defense Education Act of 1958 with respect to the periods for which loans under that title are made; without amendment (Rept. No. 1145). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. S. 1762. An act to regulate the practice of physical therapy in the District of Columbia; without amendment (Rept. No. 1146). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 4892. A bill to amend the act of June 19, 1948, relating to the workweek of the Fire Department of the District of Columbia, and for other purposes; with amendment (Rept. No. 1147). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 8842. A bill to amend subsection (h) of section 124 of the Agricultural Enabling Amendments Act of 1961; with amendment (Rept. No. 1148). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 8914. A bill to amend subsection (d) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended; with amendment (Rept. No. 1149). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 9013. A bill to provide for the transfer of rice acreage history where producer

withdraws from the production of rice; without amendment (Rept. No. 1150). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. S. 1529. An act to amend the act entitled "An act to regulate the height of buildings in the District of Columbia," approved June 1, 1910, as amended; without amendment (Rept. No. 1151). Referred to the House Calendar.

Mr. FOGARTY: Committee of Conference. H.R. 7035. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes (Rept. No. 1154). Ordered to be printed.

Mr. MURRAY: Committee on Post Office and Civil Service. H.R. 7927. A bill to adjust postal rates, and for other purposes; with amendment (Rept. No. 1155). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McMILLAN: Committee on the District of Columbia. H.R. 2838. A bill to exempt from taxation certain property of the Army Distaff Foundation; without amendment (Rept. No. 1152). Referred to the Committee of the Whole House.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 9080. A bill to authorize the Philadelphia, Baltimore & Washington Railroad Co. to construct, maintain, and operate branch sidings over First Street SW., in the District of Columbia; without amendment (Rept. No. 1153). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H.R. 9084. A bill to provide that certain Federal lands exclusively administered by the Secretary of the Interior shall be managed under principles of multiple use and to produce a sustained yield of products and services, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SAYLOR:

H.R. 9085. A bill to provide that certain Federal lands exclusively administered by the Secretary of the Interior shall be managed under principles of multiple use and to produce a sustained yield of products and services, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. PFOST:

H.R. 9086. A bill to provide that certain Federal lands exclusively administered by the Secretary of the Interior shall be managed under principles of multiple use and to produce a sustained yield of products and services, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CUNNINGHAM:

H.R. 9087. A bill to provide that certain Federal lands exclusively administered by the Secretary of the Interior shall be managed under principles of multiple use and to produce a sustained yield of products and services, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BONNER:

H.R. 9088. A bill to amend section 510 of the Merchant Marine Act, 1936, to provide for the trade-in of obsolete vessels in connection with the construction of new vessels, either at the time of executing the construction contract or at the time of delivery of the new vessel; to the Committee on Merchant Marine and Fisheries.

By Mr. KEOGH:

H.R. 9089. A bill to amend section 402 of the Internal Revenue Code of 1954 with respect to the tax treatment of the transfer of an employee's account from one retirement system of a State to another retirement system of the same State; to the Committee on Ways and Means.

By Mr. MILLS:

H.R. 9090. A bill relating to the income tax treatment of certain Communist organizations, and for other purposes; to the Committee on Ways and Means.

By Mr. MONAGAN:

H.R. 9091. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide an orderly program of decentralization and relocation of facilities and personnel of executive agencies; to the Committee on Government Operations.

By Mr. REUSS:

H.R. 9092. A bill to amend the Employment Act of 1946 to provide more effective means for bringing to bear an informed public opinion upon price and wage increases which threaten economic stability; to the Committee on Government Operations.

By Mr. RHODES of Pennsylvania:

H.R. 9093. A bill to designate the third Library of Congress building the John Philip Sousa Memorial Library, and to provide for the establishment of the John Philip Sousa collection in the Library of Congress, and for the placing of statues of John Philip Sousa and Dr. Harvey W. Wiley in Statuary Hall; to the Committee on House Administration.

By Mr. ROUSH:

H.R. 9094. A bill to authorize the establishment of the Frances Slocum National Monument; to the Committee on Interior and Insular Affairs.

By Mr. UTT:

H.R. 9095. A bill to deny the use of the U.S. postal service for the carriage of Communist political propaganda; to the Committee on Post Office and Civil Service.

By Mr. CELLER:

H.R. 9096. A bill to amend the antitrust laws to authorize leagues of professional football, baseball, basketball, and hockey teams to enter into certain television contracts, and for other purposes; to the Committee on the Judiciary.

By Mr. HARDING:

H.R. 9097. A bill to authorize the Secretary of the Interior to sell certain public lands in Idaho; to the Committee on Interior and Insular Affairs.

H.R. 9098. A bill to provide for the sale of the undisposed-of lots in the townsite of Pocatello, Idaho, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HARVEY of Michigan:

H.R. 9099. A bill to deny the use of the U.S. postal service for the carriage of Communist political propaganda; to the Committee on Post Office and Civil Service.

By Mr. KYL:

H.R. 9100. A bill to provide for the protection of residential and business realty in the District of Columbia which is not substandard and which is held by homeowners and small businessmen in urban renewal project areas in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. PIKE:

H.R. 9101. A bill to amend clause (3) of section 402(a) of the Federal Food, Drug, and Cosmetic Act; to the Committee on Interstate and Foreign Commerce.

By Mr. KEITH:

H.R. 9102. A bill to amend clause (3) of section 402(a) of the Federal Food, Drug, and Cosmetic Act; to the Committee on Interstate and Foreign Commerce.

By Mr. RIVERS of South Carolina:

H.R. 9103. A bill to authorize the Secretary of the Navy to accept H.M.S. *Seraph* as a gift from the United Kingdom, for the purpose of redonating it to the Citadel of Charleston, S.C.; to the Committee on Armed Services.

By Mr. TOLLEFSON:

H.R. 9104. A bill to amend section 510 of the Merchant Marine Act, 1936, to provide for the trade-in of obsolete vessels in connection with the construction of new vessels, either at the time of executing the construction contract or at the time of delivery of the new vessel; to the Committee on Merchant Marine and Fisheries.

By Mr. CURTIS of Missouri:

H.J. Res. 564. Joint resolution to authorize the President to proclaim the month of May 1962 as National Clean-Up, Paint-Up, Fix-Up Month; to the Committee on the Judiciary.

By Mr. KARSTEN:

H.J. Res. 565. Joint resolution to authorize the President to proclaim the month of May 1962 as National Clean-Up, Paint-Up, Fix-Up Month; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H.J. Res. 566. Joint resolution to authorize the President to proclaim a week in March of each year as National Health Week; to the Committee on the Judiciary.

By Mrs. SULLIVAN:

H.J. Res. 567. Joint resolution to authorize the President to proclaim the month of May 1962 as National Clean-Up, Paint-Up, Fix-Up Month; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H. Con. Res. 389. Concurrent resolution endorsing the World Economic Progress Exposition; to the Committee on Foreign Affairs.

By Mr. KITCHIN:

H. Res. 453. Resolution to provide funds for the expenses of the investigation and study authorized by House Resolution 403; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CORMAN (by request):

H.R. 9105. A bill for the relief of Gertrud Swienty; to the Committee on the Judiciary.

By Mr. HAGAN of Georgia:

H.R. 9106. A bill for the relief of Athena Voyadjis; to the Committee on the Judiciary.

H.R. 9107. A bill for the relief of Hyacinth Francis; to the Committee on the Judiciary.

By Mr. LANKFORD:

H.R. 9108. A bill for the relief of Antonio M. Garcia; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H.R. 9109. A bill for the relief of Alexandra, Emily, and (Shurki) Shukri (Dabbeekeh) Dabeekeh; to the Committee on the Judiciary.

H.R. 9110. A bill for the relief of Ines Clorinda Carriero Manes; to the Committee on the Judiciary.

By Mr. WALTER:

H.R. 9111. A bill for the relief of Pepito Guaro Dignadice; to the Committee on the Judiciary.

By Mr. WILSON of California:

H.R. 9112. A bill for the relief of Consuelo Alvarado de Corpus; to the Committee on the Judiciary.

H.R. 9113. A bill for the relief of Anthony William White; to the Committee on the Judiciary.

H.R. 9114. A bill for the relief of Ionna Ganas; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Troika Crisis Looms in Redistricting Hassle

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, September 7, 1961

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following very interesting and most timely statement of Mr. Charles H. McGlue, former special assistant attorney of Massachusetts on the subject of redistricting.

TROIKA CRISIS LOOMS IN REDISTRICTING HASSLE

Early in the first F.D.R. administration, the word "troika" would recall memories of "La Troika," a Russian night spot on Connecticut Avenue, Washington, D.C., just below the then newly opened swank Hotel Mayflower, or perhaps the familiar three-horse Russian sleigh which made its appearance in "A Night at Garde's" in a very intriguing scene in the Russian musical, "Chauve-Souris."

"Troika" today has an entirely different connotation. It is a Khrushchev expression for a three-way operation to administer or maladminister a given proposition. The Troika setup is a factor in the congressional redistricting problems, affecting three States; namely, Massachusetts, Illinois, and Pennsylvania. In each of these three States, there is a potential deadlock that might result in requiring all Congressmen to be elected at large.

TROIKA DILEMMA

Massachusetts has a Democratic senate, a Democratic house of representatives but a Republican Governor. Illinois has a Republican senate, a Democratic house of representatives, but a Democratic Governor. Pennsylvania has an evenly divided senate, 25 Republicans and 25 Democrats, a Democratic house of representatives, and a Democratic Governor. In accordance with the population count in 1960 national census, Massachusetts will lose two Congressmen, dropping from 14 to 12; Illinois will lose one Congressman, dropping from 25 to 24; while Pennsylvania will lose three Congressmen, dropping from 30 to 27.

The law governing congressional redistricting generally requires the passage of a redistricting measure through both State legislative branches together with the signature of the Governor of each State. The case of *Smiley* v. *Holm* (285 U.S. 355 (1932)) determined that a redistricting act in order to be legal required the same process as that of any legislative bill and that the term "legislature" as used in article IV section 1 of the U.S. Constitution, referred to the legislative power of the State however it might be distributed.

Thus it becomes obvious that in each of these three States there must be an agreement for the passage of some form of redistricting, or in lieu thereof, Massachusetts, Illinois, and Pennsylvania must resort to a superchaotic election-at-large for all their Congressmen in November 1962.

The existing U.S. statute on redistricting States that if the number of Representatives (Congressmen) is decreased and the number of districts in the State exceeds that number, then all are elected at large. However, Congress still retains its constitutional right to change the statutory provisions at any time. Also, the constitutional right of Congress to be final judge of the elections and qualifications of its own Members should not be overlooked. U.S. Constitution, article 1, section 5.

CONGRESSMAN CELLER

Congressman EMANUEL CELLER, Democrat, of New York, chairman, Committee on the Judiciary, U.S. House of Representatives, has made an exhaustive study of the problems arising from congressional redistricting. Representative CELLER states that the question of congressional control over the acts of the State legislatures regarding apportionment was first met in 1843 when objections were raised concerning the election of certain Members from States wherein the elections were not held by districts. By parliamentary maneuver the House avoided the direct issue and the Members in question retained their seats. In 1901, the power of Congress to regulate districts was challenged in an election case, but this time the House took no action and the Member retained his seat. In 1910 the House was faced with a similar issue, but no action was taken.

Although the most direct attack upon the power of the Congress to regulate redistricting under article 1, section 4 of the Constitution is found in the reports of the House itself, it appears to be well-established by the decisions of the U.S. Supreme Court that the Congress has general supervisory power over the subject of the elections of the Representatives, including the matter in which a State is divided into congressional districts. (*Smiley* v. *Holm* (285 U.S. 355 (1932)), *Ex Parte Siebold* (100 U.S. 371 (1879)), *Ex Parte Yarborough* (110 U.S. 651 (188–)), *Wood* v. *Broom* (287 U.S. 1 (1932)), *Colegrove* v. *Green* (328 U.S. 549 (1946)).)

JUSTICE FRANKFURTER'S OPINION

In the case of *Colegrove* v. *Green* (328 U.S. 549 (1946)) Mr. Justice Frankfurter in a majority opinion of the U.S. Supreme Court invited congressional action in the following statement:

"The one stark fact that emerges from a study of the history of congressional apportionment is its embroilment in politics, in a sense of party contests and party interests. The Constitution enjoins upon Congress the duty of apportioning representatives among the several States according to their respective number (art. I, sec. 2). Yet Congress has at times been heedless of this command and has not apportioned according to the requirements of the census. It never occurred to anyone that this Court could issue mandamus to compel Congress to perform its mandatory duty to apportion. 'What might not be done directly by mandamus could not be attained indirectly by injunction' (Chaffe) congressional reapportionment (1929), 42 Harvard Law Review 1015–1019)."

STATEMENT OF CONGRESSMAN CELLER

"In the light of the court decisions and the legislative enactments, the importance of the problem of fair, equitable apportionment both by the Federal and State legislatures is one that demands a final and prompt solution.

"It must be a solution which goes to the very root of the problem and eradicates the sources of the evil. A mere glance at the contours of various congressional districts and the wide variances in the population of these districts compels the conclusion that the drawing of congressional districts cannot be left to the whims and uncontrolled discretion of the State legislatures. The problem is one that involves the fundamental principle of equality which permeates our entire Constitution so that this denial imperils the very heart of our democracy."

Youth Fitness Program Initiated at Muskogee

EXTENSION OF REMARKS
OF
HON. ED EDMONDSON
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Thursday, September 7, 1961

Mr. EDMONDSON. Mr. Speaker, this week the pilot project of President Kennedy's physical fitness program gets underway in the public schools of Muskogee, Okla. On this occasion I think that both the fine teachers and administrators of the Muskogee public schools and Bud Wilkinson as national director of the physical fitness program should be congratulated for their effort to conserve our Nation's most important resource—our Nation's youth.

I think it is very appropriate that the Muskogee public school system, which is among the finest in the country, should be picked for this pilot program. In the past, Muskogee schools have been leaders in scholastic achievement and competitive sports. Now the Muskogee schools will be leaders in this other vital role of education—the physical advancement and well-being of all the students as well as the natural athletes.

Coach Wilkinson personally got the program underway last week when he addressed a general faculty meeting of all Muskogee teachers. He emphasized that the success or failure of this program will depend largely on its success in Muskogee.

I am happy to report after visiting Muskogee this weekend that everyone in the city is enthusiastic about undertaking this vital project.

All students, except for the first three grades, will participate in the program.

As Coach Wilkinson outlined, there are four major points to the physical fitness operation:

First, all pupils must have a continuous health appraisal.

Second, the undeveloped children must be recognized and brought up to par.

Third, every boy and girl must get a minimum of 15 minutes of vigorous exercise every day.

And fourth, the same type tests for grading in academic subjects will be used to grade a student's physical advancement.

Mr. Speaker, a great deal has been written and said recently about America's arms races and space races with the Russians. Almost totally overlooked until this year is the effort we must maintain for individual physical fitness. In the final analysis, it is the American man and woman, and not powerful

weapons, which must swing the balance of power in the continuing race for world leadership.

Mr. Wilkinson ably pointed this out in his article in Sunday's Parade magazine. He said:

There will be many stresses for us as a nation in the months ahead. Whether we turn back or surge to the top will depend upon our fitness and determination. It is a fact noted by historian Arnold Toynbee that 19 of the 21 notable civilizations perished not because of conquest from without but from decay within. National softness could prove in the long run to be more deadly than missiles.

As an American, as an Oklahoman, and as a father, I am proud of the work Coach Wilkinson and the Muskogee public schools are doing in spearheading the prevention of this internal decay, and in building a stronger people and Nation.

The American Heritage: Address by the Honorable Herbert C. Bonner, of North Carolina

EXTENSION OF REMARKS
OF
HON. THOMAS N. DOWNING
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1961

Mr. DOWNING. Mr. Speaker, under leave to extend my remarks, I would like to include in the RECORD, a splendid, thoughtful address by the Honorable HERBERT C. BONNER, from the First District of North Carolina, presented during the closing ceremonies of the great historical pageant "The Lost Colony," at the amphitheater in the Fort Raleigh National Monument at Manteo, N.C., on Saturday, September 2, 1961. Congressman BONNER spoke at the 1,999th performance of this dramatic portrayal of the beginnings of Anglo-American civilization in the Western Hemisphere.

The message draws a clear analogy between the ferment and turmoil in the world of the 16th century and our own troubled times. The inspiration of his address upholds America's dream for peace and progress throughout the world.

The text of Mr. BONNER's speech follows:

Friends, you and I are honored to be here tonight, in attendance at this magnificent pageant conceived and staged by a great native North Carolinian, Paul Green, in celebration of the very beginning of Anglo-American civilization. You have seen—you will see—drama that is heart and soul of America today. It is drama that began nearly 400 years ago on this hallowed ground when intrepid souls set out from the mother country, England, in their tiny vessels, to found the dynamic civilization in freedom, which we now enjoy but, perhaps do not always appreciate.

This week marks the end of the 1961 season for the presentation of "The Lost Colony" pageant performed by its able and dedicated cast of actors, musicians, dancers, and choristers.

I must open my remarks with special recognition of the genius of Paul Green who felt the deeper meaning of the American dream—the American goal—by creating this tremendous outdoor symphony on this site some 25 years ago. Each year there has been some change—for he has sought to perfect this phase of his presentation of the meaning of the American heritage.

America's greatness has grown from its variety, and Paul Green has extended his vast talents to other historical phases of our national growth with such successes as "The Common Glory," now in its 15th season at Williamsburg, Va.; "Faith of Our Fathers," in the National Capital; "Wilderness Road," at Berea, Ky.; "The Founders," at Jamestown Island, Va.; and "The Confederacy," at Virginia Beach, Va.

In the light of all that, my friends, you must know that this is a night to remember, to feel deeply, and to cherish.

When I was asked not so long ago if I, as Congressman from this First District of North Carolina, would participate briefly in this seasonal closing of our State's historic drama, the news in Washington, D.C., was exceedingly grim. The world seemed beset by cold fire—interspersed here and there with brutal bursts of passion that did not—do not—make sense in a civilized world. The intervening weeks do not look any better.

Korea, though some 10 years behind, has left scars which may still pain many who are here tonight. The Suez crisis of 1955 and 1956 made a deep impact on the nations of the world as the Arab States went through pangs of extreme nationalism and flirtations with the untiring Communist powers, China and India reached serious crises over boundary matters. A President of the United States was advised not to visit one country because of the possibility of disorders which might threaten his safety. And later, he and the United States were outrageously affronted by the Premier of the Soviet Union at a meeting in Paris of top officials of the great world powers—the United States, Soviet Russia, the United Kingdom, and the Republic of France.

Today, we have one crisis on top of another. The West Germany/West Berlin situation is boiling and dangerous in light of the extreme measures which have been taken to seal off the unhappy East Germans from access to the West. The problems of the French in Algeria and between the French and the Tunisians, gravely, though indirectly, affect these shores. The turn of our near and formerly friendly neighbor, Cuba, to communism and Soviet domination is frightening. Recent developments in Brazil are mystifying. Africa is in a tremendous ferment. And who knows what has really happened in Laos and Vietnam?

These things are of great concern to us in Washington, D.C., at the seat of our Government.

I know they are to all of you.

National divisions, realinements, and inconsistencies seem to plague the world. We have a North Korea and a South Korea; we have a North and a South Vietnam, there is an East and West Germany—complicated by the city or cities of East and West Berlin located 110 miles within the World War II boundary of the Federal Republic of Germany. In the Union of South Africa we see the concept of apartheid, or white supremacy, carried to greater extremes than it has ever been in this country. In other parts of Africa the concept of black supremacy seems to be on the rise.

These are the things of today and of recent years. But let's go back to the times portrayed by Paul Green's pageant, the time when the English-speaking peoples asserted themselves on this continent.

Things were no different then than they are today. Not really.

History books have to cover time by recording the main events. They cannot give us the infinite details which we learn from our daily newspapers, radios, and television.

But those books do tell us that power struggles in Europe were then, as now, shaking the structure of the entire civilized world at the time our brave Roanoke Island colonists came to these shores.

We know that Spain had been in control of the seas for a hundred years or more. That the Portuguese were competitors. We know that the English were, through their ruling classes, in violent diplomatic and religious conflict with the rest of Europe. We know that the Dutch were straining to compete in the colonization of the unsettled areas of the world.

In the official souvenir program for tonight's entertainment—the one that costs 50 cents per copy—there appears a chronology of Pre-Colonial America, it tells about Columbus in 1492. It shows that England wasn't going to wait very long, and John Cabot discovered North America for England in 1497. It shows that an Italian explored the present North Carolina coast for France in 1524. And it shows the vigorous efforts of the English under the direction of Sir Walter Raleigh to establish a colony in the New World, at Roanoke Island—where we now stand.

The Colony was lost. Its fate is intriguing, and historians have been interested for more than 370 years in finding the answer to the disappearance of the sturdy, well-balanced and well-provisioned group of colonists. They brought families and produced English children. They had brought Christianity. They had established law and order in the wilderness. They had taken the first steps to move the Western World into the modern era.

In this great drama—Paul Green suggests an answer to the fate of the first brave groups to begin the history that becomes the cornerstone to English, then Anglo-American and then American heritage. His story of the lost colony is self-sufficient.

But I want to say in conclusion that as we look backward we must look forward. "The past is prolog."

There was a cold war then—between England and Spain. There was no declared war—but the Spanish Armada sailed against England—and was defeated. From that date English seapower was supreme all over the world—upholding the freedom of the seas for all nations who would use them for peaceful purposes. From those perilous times to the present perilous times man's indomitable spirit has pushed the frontiers of civilization and knowledge incredibly far.

Think of this analogy and feel a surge of hope for the future that lies ahead. Our faith in God and country may be summed up in the final beautiful lines of this great pageant:

"Let the wilderness drive us forth as wanderers across the earth, scatter our broken bones upon these sands * * * it shall not kill the purpose that brought us here. * * * The dream still lives. It lives * * * and shall not die."

Frances Slocum

EXTENSION OF REMARKS
OF
HON. J. EDWARD ROUSH
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Thursday, September 7, 1961

Mr. ROUSH. Mr. Speaker, Frances Slocum was a white woman who, after being kidnaped by the Indians at the age of 5, grew to be a highly respected member of the Indian nation in what is

now my district of Indiana. She lived happily among the Miami Indians for many years and she contributed greatly to the fine relationship which her tribe developed with the white settlers.

Ma-con-a-qua, as she was called by the Indians, married a war chief of her tribe and became a member of the influential circle of leadership of the Miamis during a time when the final settlements were made between these Indians and the U.S. Government. During her years of influence in the tribe, almost all of the important Miami treaties were signed. Frances Slocum became a great symbol of the peaceful relations of the Indians in the Midwest, and remains so today. She is honored by the Indians and the white people alike in my State as being a vital and helpful link between the two civilizations at a very critical period.

Ma-con-a-qua is buried in Wabash County, Ind., just 6 miles southeast of the city of Peru, Ind. She is buried in a part of a section of ground ceded to her two daughters by the treaty of 1838 along the banks of the Mississinewa River.

It is interesting to note that Ma-con-a-qua is buried in Indiana, and not in her family's adopted State of Pennsylvania, because she refused to return to her brothers' home in that State when she was discovered by her family late in life. She is buried in Indiana and not in Oklahoma or Kansas because of an act of Congress which allowed her to stay in the land of the Miamis which she so loved, when other members of the tribe were moved to reservations in the West.

Within the next several years, a flood control project of the Corps of Engineers will cause a reservoir to flood the Slocum cemetery in which she is buried. In the development of the project, the Engineers will move her grave along with the graves of others buried in the reservoir area.

According to the procedures of the Engineers in a situation of this kind, the heirs of Frances Solcum will be contacted to seek from them an indication as to the place in which her remains should be reinterred. They will then proceed to purchase land for the new gravesite, remove and rebury the remains and to replace the monument in the new site.

In this regard, I have on file in my office a letter from Mrs. Eva Bossley, the secretary-treasurer of the Miami Indians of Indiana speaking in behalf of the tribal council and the great grandchildren of Frances Slocum which says in part:

> We feel the most sensible decision to be made * * * is to respect the wishes of Frances Slocum when she herself was asked by her brothers to go back with them to live. She chose to remain in Indiana with the people she loved and with the ones she knew were her own. We hope and pray that her remains will stay in the State of Indiana.

A great, great granddaughter of Frances, named Little Princess Macanaquah, after her illustrious ancestor, wrote me and expressed similar sentiments, "She should be left in Indiana. Let her rest in peace in her own land."

At a meeting of the descendants of Frances Slocum in the city park in Wabash, Ind., on August 20, the question of her grave removal was raised. More than 100 of her descendants voted to demand that her grave be retained near her former home. Only two members of the family did not vote affirmatively on question. They abstained.

Both the Wabash and the Miami County Historical Societies have gone on record favoring a new gravesite in Indiana. They have, in fact, begun work on securing such a new gravesite as might be appropriate, and to develop a plan for further tribute to this great historical figure. The local sentiment is quite clear, as is the sentiment of those who are the next of kin to Frances Slocum. They want to have her grave moved to a place in Indiana close to the present site.

The Federal Government will follow a procedure to reestablish a grave and monument to this great figure in Indian history. I offer today a bill which will establish the new Government-purchased gravesite and the monument, erected thereon at the expense of the Government as a consequence of the flood control project, as a national monument.

Frances Slocum is a national figure. She was born in the State of Rhode Island. Her family moved to the Wyoming Valley of Pennsylvania when she was a child. She was taken from her parents' home there and migrated west with the Delaware Indians across Ohio and Michigan and into Indiana where she lived and died. Her influence on the Indians contributed to the peaceful settlement of the entire Northwest Territory.

Her contributions to the Indian-white relations of the period are legendary. She became, in her own way, a leader and a force for good among the Indians. She became one of them, but she remembered her white culture and blended elements of it into her life and the life of her Indian community. She was a white woman, but she chose the life of the Indian when she could have returned to her family home. In these ways, she developed a better understanding between the cultures which she had bridged. In this manner, she contributed as much to the development of the Northwest Territory as many of the great military leaders which we honor.

In my bill, I indicate that the monument should be established in Indiana near the site of her present grave. I make no specific designation of the site because there are two fine suggestions which have been made concerning the new location of the memorial.

One site suggested is the Frances Slocum State Forest. This State operated game and forestry preserve is on the North Bank of the Mississinewa River, adjacent to the section of land ceded to Ma-con-a-qua's descendents and just across from the site of her present grave. The Conservation Director of the State of Indiana, Mr. Don Foltz, has indicated that his department would be agreeable to such a plan. The area is being developed into more of a recreational area and the inclusion of the Frances Slocum memorial would add to the historical significance of the area. The thousands of annual visitors to the facility would be reminded by the memorial of the contributions of this great woman and the honor to her would thus be increased.

Another suggestion is that the remains of Frances Slocum be reinterred in the last remaining tract of Indian land. This area, a part of that ceded to the last chief of the Miami Indians, is the only land in the area which has never been in the possession of anyone other than the Indians and their leaders. It was held for the Indians for the welfare of their people and it would, of course, be fitting to establish the new gravesite here, also.

Both of these plans have merit and the proper course can be determined in time by the proper authorities. My concern is that the remains of Frances Slocum be reintered in the area which she so loved and that the new gravesite be established as a national memorial.

There are those who would want the Federal Government to assist in the rekidnaping of this famous woman. There are those who would want to return her remains to the area of Pennsylvania in which she lived for 2 or 3 years of her early life. Others would want her moved to Ohio, through which she passed on her way to her home. I have not heard from the citizens of Rhode Island, but there may be a movement afoot there to have this great lady returned to the place of her birth and further memorialized there.

There is no case whatever for moving the grave of Frances Slocum out of the area of her life. There is strong evidence of her personal sentiments in this matter, and we must take heed of it.

Ma-con-a-qua had not related the story of her life to any white settler, although she had ample opportunity to communicate with them, until 1835, when she was sick and thought that she might be dying. Only then did she tell a young merchant, George Washington Ewing, and asked that he not relate her story to anyone while she was still alive. She was afraid, she told him, that some of her relatives might come and make her return with them to her family's home.

But Ewing could not keep his secret, and within 2 years her family had been contacted and they made plans to visit her. Two brothers, Joseph and Isaac Slocum, and their sister, Mary Towne, went to Peru and visited with their sister, Frances, for several days. Several times they asked her to return with them to their homes. She refused. They asked that she return for just a visit. She replied that something might happen that she would not return and, in that way, she refused. She was concerned that she live her remaining years in the happy, peaceful Mississinewa Valley.

In 1838, the United States made a treaty with the Miami Tribe, making land grants to certain ranking members of the tribe and making dispositions of claims. Among the Indians granted land were Frances Sloucum's two daughters, O-zah-wah-shing-qua and Ke-ke-

se-qua. The land was given to them since Frances, as a white woman, was not theoretically a member of the tribe, nor was she entitled to Indian benefits. The grant in the treaty was awarded to the family as descendants of a principal chief of the tribe, Frances' husband and the girls' father, She-pun-can-ah. This is the first incident of Federal action to assure Frances Slocum a home in the State of Indiana. It defined her land as "one section of land on the Mississinewa River, to include the improvements where they now live."

When the treaty of 1840 stipulated that the Miamis should abandon their land in the Wabash Valley and move to the reservations in the Kansas territory, many of them dreaded the move. Among those wishing to remain were Frances Slocum and her family. In January of 1845 she memorialized Congress in this fashion:

To the Honorable the Senate and House of Representatives of the U.S. Congress assembled:

Your memorialist, Frances Slocum, a resident of Wabash County, in the State of Indiana, would to your honorable body most respectfully represent: That at the age of 6 years, about the close of the Revolutionary War, she was taken captive in the State of Pennsylvania by the Indians, and has ever since lived among them, and is now, and for the last 30 years has been, recognized as a member of the Miami Tribe. That, from the time she was taken captive as aforesaid, she heard nothing of her white relatives and friends (the greater portion of whom reside at the place where she was taken, in the said State of Pennsylvania, and others in the State of Ohio, and the said State of Indiana) until about 7 years since. That she has entirely lost her mother tongue, and can only enjoy the society of her adopted people, with whom she intermarried, and became the mother of a family, and with whose manners and customs she has assimilated. That she is informed that the greater portion of the Miamis will be obliged to emigrate to the home assigned them west of the Mississippi in the course of 1 or 2 years, where their annuities will thereafter be paid them. That she is too old to endure the fatigue of removing; and that, under any circumstances, she would deplore the necessity of being placed beyond the reach of her white relatives, who visit her frequently, and have extended their kindness toward her since she was discovered by them. That her children are the owners of a section of land granted to them by the treaty between the United States and said tribe of Indians of the 6th of November, A.D., 1838, who now reside upon and cultivate the same, and with whom your memorialist now lives; and that it is the wish and design of her children and their families, if it be the pleasure of the Government, to continue to reside upon and cultivate the same.

Your memorialist further shows, that a portion or the annuities of said tribe, in pursuance of the 14th article of said treaty, is to be paid at Fort Wayne, after said tribe shall emigrate to the country assigned them west of the Mississippi; and that the payment of the annuities due your memorialist and her family at Fort Wayne or Peru, in said State, would not increase the expense or add any inconvenience to the Government of the United States.

"Your memorialist therefore prays that Congress may by law direct that the following persons, to wit: (1) Ke-ke-na-kush-wa, (2) We-saw-she-no-qua, (3) Te-quoc-yaw, (4) Ki-po-ki-na-mo-qua, (5) Ki-no-suck-qua, (6) Wa-pu-noc-she-no-qua, (7) Ching-Shing-gwaw, (8) Pe-tu-loc-a-te-qua, (9) Sho-quang-gwaw, (10) Waw-pop-e-tah, (11) So-eel-en-ji-sah, (12) No-ac-co-mo-qua, (13) Coch-e-no-qua, (14) Po-con-du-maw, (15) Tah-ki-qua, (16) Ki-ki-o-qua, (17) Te-quoc-yaw, Jr., (18) Soc-o-chu-qua, (19) Peem-y-o-ty-maw, (20) So-eel-en-ji-sah, Jr., (21) Pun-ge-she-no-qua, children and grandchildren of your memorialist, as also your memorialist, and such children as they may hereafter have, shall hereafter receive their annuities at Fort Wayne, or at Peru, Ind., as to your honorable body may seem most expedient and proper. And, as in duty bound, your memorialist will ever pray, &c.

FRANCES SLOCUM.

JANUARY 17, 1845.

On the 28th of January 1845, Mr. Cave Johnson—Tennessee—from the Committee on Indian Affairs, reported a joint resolution for the benefit of Frances Slocum, her children and grandchildren, of the Miami Tribe of Indians, and it was read a first and second time.

Hon. Benjamin A. Bidlack, of Pennsylvania, who represented the Wyoming district in Congress at that time, said he hoped "no motion or resolution would intervene to prevent the passage of this resolution. The memorialist was taken prisoner in the Valley of Wyoming at an early age, during the trials and difficulties to which the early settlers were subjected."

Her relatives are among the most worthy and meritorious of my constituents—they are my neighbors and friends; they searched after the captive with zealous and praiseworthy efforts and diligence, from the time of her capture until within a few years, and they have found her in the condition set forth in the memorial and report. The incidents set forth and connected with her eventful history would afford a beautiful theme for elucidation and remark.

But as debate is not now in order, I will not trespass on the indulgence and courtesy of the House. What I desire is not to make a speech, but to ask the unanimous consent of the Members for the immediate passage of the resolution.

If the resolution is sent to the Committee of the Whole I fear it will never be reached, and this earnest request of the memorialist will never be reached and granted.

The proposition is intended to extend to her as the widow of an Indian chief, the same privileges in relation to the payment of annuities due her and her family, and are provided for by treaty stipulation in regard to certain of the Miami chiefs.

Frances Slocum was taken from her white friends when a child. She is now desirous of dying among her red friends where she has lived for half a century, without being compelled to remove west of the Mississippi. Let her first and last request be granted.

The resolution then passed.

Then Mr. White, chairman of the Committee on Indian affairs, to whom it had been referred, made the following Senate committee report under date of February 21, 1845:

That the joint resolution provides for the payment in Indiana of the annuities due this family, instead of requiring them to receive payment with the Nation in the emigrant territory west of the Mississippi River. The reasons assigned are that former treaties have made similar provisions in favor of the other families of this Nation; that lands have been by treaty reserved to them in Indiana, to the personal enjoyment of which they have a right that cannot be embarrassed by requiring them to go west of the Mississippi for their annuities; and, thirdly, that the petitioner is by birth a white woman, who more than 40 years ago, in her infancy, was captured by the Indians, transferred to their country, lost her mother tongue, affiliated and intermarried with the Miamis, has by this marriage reared a large family of children (who are named in the joint resolution), but some 7 years ago was for the first time discovered by her white relations (who reside in Pennsylvania), whom she has refused to accompany because her whole nature has been changed by her strange destiny; and life out of the woods, and away from her husband and children, would have no charms. Yet these white relatives do frequently visit her, and minister to her wants, which they could not do if she were removed 600 miles to the west.

The committee cannot resist the force of these reasons, although in a conversation with General Milroy, the late intelligent agent of the Miamis, he expressed a fear that the adoption of the joint resolution might disincline other Miamis to remove to their new homes.

This case has such a thrilling interest, that the committee beg leave to append to their report the petition itself, with the letter of Mr. Cole that accompanied it.

They recommend that the resolution be adopted.

On the 3d of March 1845, the joint resolution passed.

So, by an act of Congress, Frances Slocum was allowed to stay in Indiana.

These are the significant facts of the case. Frances Slocum wanted to live in Indiana. She certainly wanted to be buried there. There is no other course than to have her reintered in a location close to her home. Let these people from Michigan, Ohio, Pennsylvania, and Rhode Island, who have so little claim to share the honor of Frances Slocum, accede to her own wishes with regard to her burial site. And let them join with us who seek to honor her memory further by establishing her new grave as a national monument.

I have heard several times lately a word or two of protest at establishing monuments at a cost to the Government during these trying times. Let me explain that this monument will cost the Government nothing extra. The Corps of Engineers are forced to move the grave and reestablish the monument at a new gravesite. In establishing the new grave as a national monument the Government actually gets more for its money. In fact, if plans can be worked out, we stand to save money, because there is a good chance that the land for her new grave can be donated. This is a very good possibility in either of the locations which I mentioned earlier.

I ask, then, that we honor the wishes of the White Indian Princess and direct that she be reinterred in a location close to her beloved home. And further, let us pay tribute to this lady who bridged the white and Indian civilizations and aided in the peaceful settlement of the Indiana territory. She is a symbol of the peaceful relations which developed with the Indians in so many areas. We see and hear so much of the violence associated with the settlement of the West and Midwest, especially since westerns became so popular on television. I think it is important that we take this opportunity to recognize Frances Slocum as a national symbol of the fine, peaceful pattern of living which developed between the great majority of Indians and their white settlers in early America.

The Week That Shook the World

EXTENSION OF REMARKS
OF
HON. ROMAN C. PUCINSKI
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, September 7, 1961

Mr. PUCINSKI. Mr. Speaker, recently the Columbia Broadcasting System, in its excellent Sunday afternoon telecast, "Twentieth Century," presented the American people a dramatic opportunity to view in detail the tragic events that preceded the beginning of World War II on September 1, 1939. This particular chapter of the "Twentieth Century," narrated in a most skillful manner by Mr. Walter Cronkite, was appropriately titled "The Week That Shook the World."

Here was television at its very best. The Columbia Broadcasting System deserves the highest commendation for bringing to the American people this graphic description of the various conferences, negotiations, and meetings between world leaders in an effort to dissuade Hitler from launching the barbaric attack on Poland in 1939.

The producers of this particular program, through the use of film clips of that tragic week in 1939 preceding the invasion of Poland by the Nazi Wehrmacht, gave millions of Americans an opportunity to understand fully the tragedy of appeasement. It was fitting that the Columbia Broadcasting System should have produced this particular program at this time when our own President and the entire free world is trying so desperately to chart a course which will preserve peace and retain the dignity of free men.

The Columbia Broadcasting System has demonstrated what a tremendous contribution television can make toward helping Americans understand the complex nature of the present world situation by providing this sobering reminder that the appeasement used by world leaders in 1939 only garnished the insatiable lust for conquest of power-crazed dictators of that era.

If the American people today are standing firmly behind President Kennedy in his determination to deal forcefully with Khrushchev, I am confident that this type of unity among our people has been greatly enhanced by realistic programs such as the one that the Columbia Broadcasting System produced.

We are living in an era that tries the strength and courage of men. If our Nation had been as thoroughly alerted to the dangers of appeasement in 1939 as our people are today—thanks to the contributions of information media as demonstrated by CBS—World War II might well have been avoided and the millions of people who died in that struggle might still be alive today.

This particular program, "The Week That Shook the World," so dramatically showed how the American people—the man in the street—were completely oblivious to what was going on in Europe and how Hitler's brutal destruction of nation after nation was laying the seeds for World War II.

I particularly congratulate the producers of this CBS telecast for using the film clips of average Americans who, with monotonous repetition, insisted that what was happening in Europe was of no concern to the United States and that America should stay aloof to foreign entanglements.

The Columbia Broadcasting System has helped us turn back the clock and today, in retrospect, realize why barbaric dictators like Hitler could sow their seeds of mass destruction while the free world slept in the security of its own local communities.

Watching this particular program in retrospect, we could at once understand why President Roosevelt's gallant plea for permission to stop the dictators of Europe before they started their harvest of death fell on deaf ears in this country. Here in this half-hour presentation, so excellently compiled by Columbia Broadcasting System, millions of Americans could at once understand how and why World War II occurred. But more important, Mr. Speaker, in this half-hour presentation, CBS helped weld this Nation together into a resolute determination that never again can we engage in blind appeasement.

If America stands ready to meet the great challenge of international communism, it is only because networks like the Columbia Broadcasting System have done such an excellent job in alerting our people to the mistakes of the past.

Here in Washington, D.C., within the shadow of this Capitol on Pennsylvania Avenue, stand two monuments in front of the National Archives Building. On one are inscribed the words: "What is past is prologue"; and on the other: "Study the past." By reaching into the past and presenting it in such dramatic manner to millions of Americans, the Columbia Broadcasting System, through its project, "Twentieth Century," is helping all of us Americans understand the genesis of war and the anatomy of destruction.

I am indeed proud that the Chicago affiliate of the Columbia Broadcasting System, television station WBBM, carried this and other programs of the "Twentieth Century" series. Here is television at its finest, and I hope that those who would be so quick to criticize and denounce American television would ponder the effect and results of efforts such as we see manifested in this particular CBS project.

I believe the Prudential Insurance Co., which sponsors this particular series, should be commended for playing such an important role in helping Americans better understand the complex world in which we now find ourselves. Here is a shining example of private enterprise in America playing its role toward a better understanding among Americans of the responsibilities that they must bear as free people, and through the medium of television reminding them that freedom is everybody's business.

Great civilizations have collapsed in the past, and freedom has been turned into slavery only because the people failed to contribute their own individual effort toward preserving their liberties by failing to understand the responsibilities of freedom.

I am confident that so long as we have media such as the Columbia Broadcasting System and sponsors who are willing to underwrite programs such as "Twentieth Century," our people will be kept fully aware that they can enjoy freedom only so long as they are willing to defend it.

The House Vote on the Conference Committee Report Containing the So-Called Hanford Compromise Is Scheduled for Wednesday, September 13, 1961

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, September 7, 1961

Mr. VAN ZANDT. Mr. Speaker, I wish to call attention to the House schedule for next week, which includes consideration of the conference committee report on the Atomic Energy Commission authorization bill. It is important that every Member of the House who voted to instruct conferees to delete the Hanford electric power provision from that bill, and all other Members in sympathy with this position, be present when this legislation comes to the floor.

I am certain that some of my colleagues are discouraged at the long delay incident to the handling of this legislation. The growing resentment at the way in which it has been batted about is quite understandable.

After having deleted the Hanford powerplant provision from the Joint Committee bill, the House found it necessary to take the unusual step of instructing its delegates following the Senate's reinsertion of the provision. If you will recall, the motion to instruct conferees to delete the project carried by 235 to 164, a majority which one might assume would be adequate to notify our friends in the Senate that we are unqualifiedly opposed to the project.

If proponents of this measure are of the opinion that Hanford will become more palatable as this session nears to a close, it is my opinion that they are in for a big surprise. There is not going to be any flexibility on a matter of such importance to the national welfare.

Actually, by dragging out final action, proponents may very well be building up greater opposition to their project. While the bill is collied across the Capitol, tension mounts in Berlin. Anyone who might have had a tendency to be apathetic about the international crisis heretofore is now getting his daily jolts from newspaper headlines. As the gravity of the situation comes into focus, ap-

peals for junk projects that would deprive the defense structure of necessary funds have far less chance of reaching sympathetic ears. The Hanford generating station has no place in the defense program. There is absolutely no room for it in the national budget.

Just to keep the record straight, I want to notify my colleagues that, while this legislative breakdown has been persisting, the case against the Hanford powerplant has been building up among those who suffer most from it. I refer to representatives of the coal industry and residents of mining communities as well as regions throughout the country which would be placed in an unfair competitive position in area development work. The coal industry—the National Coal Association, the United Mine Workers of America, coal company officials, and members of families who depend upon this industry for their livelihood—these groups have worked tirelessly in opposition to the threat of subsidized heat and power that would eventually take bread and butter from the people who help pay the tax bills.

In reply to an erroneous published report that miners in the Northwest were not aware that a Hanford powerplant would take away their jobs or remove whatever chances they have of getting back to work, Sam Nicholls, president of District 10, UMWA, sent a letter to Members of Congress, a copy of which follows:

UNITED MINE WORKERS OF AMERICA,
Renton, Wash., September 1, 1961.

Hon. Catherine May, and Other Congressmen and Congresswomen, and Senators:

I read in the House CONGRESSIONAL RECORD that you, Congresswoman CATHERINE MAY, asked consent to have printed in the House RECORD, an editorial from the Tri-City Herald of Pasco, Wash., on August 21, as follows: "Coal Industry Bites Hand That Feeds It," stating also that neither private power nor coal mining interests from the Northwest, were in opposition to the Hanford, Wash., dual reactor and only the Eastern States were in opposition.

This editorial was not correct in its statement, for the officers and members of the United Mine Workers, District No. 10, State of Washington, and their international officers, have made known their opposition to the Senators HENRY JACKSON and WARREN G. MAGNUSON, both by telegrams and letters, and the United Mine Workers Journal. The United Mine Workers of this State are opposed to this dual reactor at Hanford as we believe the reactor is a threat to the welfare of the coal industry and the continuance of coal mining in the Pacific Northwest, and this project is a waste of taxpayers' money.

The Bonneville Power Authority have a power surplus of nonsalable hydroelectric power, and are now losing millions of dollars a year, and they are still building hydroelectric dams. This surplus power could be firmed up and sold by using the millions of tons of coal that we have in this State and open up the depressed mining areas and put the unemployed miners, railroad men, and truckers, to work. We fail to see any help for the coal industry by placing such high cost project in a State that has the cheapest power in the United States and has millions of tons of coal, and hundreds of experienced miners unemployed.

This reactor is a very high cost power provided for by Government subsidies. It will produce 800,000 kilowatts of power a year, this is equivalent of over 2 million tons of coal a year, this production of coal would be a great help for this State. At one time King Coal was a major industry of this State, and for years it has been necessary for the coal industry to fight for an existence, against out of State and foreign Canadian oils and natural gas. We feel that our elected Congressmen and Congresswomen and Senators should help us to build the economic conditions of this State, and help open up our coal mines and put the unemployed to work. We are also opposed to the compromised bill to be offered to the House. This would provide for 400,000 kilowatts of power for Bonneville public power system by releasing the power now used by Hanford and used in other industries.

Yours very truly,
SAM NICHOLLS,
President, District No. 10.

Nor has the coal industry been lulled into believing that cutting the Hanford capacity in half, as proposed in the conference committee report, would lessen the economic danger. Stephen F. Dunn, president of the National Coal Association, expressed the coal industry position on the compromise in the following letter sent to me after the conferees' action last week:

NATIONAL COAL ASSOCIATION,
September 1, 1961.

Re Hanford compromise.
Hon. JAMES E. VAN ZANDT,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN VAN ZANDT: Last Thursday the Senate and House conferees adopted a so-called compromise in connection with consideration of the AEC authorization bill (H.R. 7576) by recommending one 400,000 kilowatt generator at Hanford instead of two. This was agreed upon by the House conferees notwithstanding the specific House instructions to exclude Hanford by a vote of 235 to 164 on August 8.

The purpose of this note is to express the hope that you will stand by your previous vote against Hanford and will not accept the so-called compromise which would reduce the project by half. Of course it is impossible to compromise with principle and our view is that the proposal actually constitutes approval of an unnecessary public power project at Hanford on the installment plan basis.

We appreciate the position you have taken in the successive votes against Hanford and hope that you will find that the compromise is unacceptable when the conference report is presented for House consideration.

Sincerely,
NATIONAL COAL ASSOCIATION,
STEPHEN F. DUNN,
President.

No, Mr. Speaker, none of us who has a basic interest in a free competitive economy is going to back down on this issue. The strategy of bringing this $58 million package before us is actually ludicrous. A generating station at Hanford is unacceptable regardless of its size. But no one who has had any experience with the operations of a bureaucracy would be so credulous as to believe that proponents of Hanford would be satisfied to stop there. This unit is only a part of one of the most unnecessary and extravagant programs ever conceived by the Government.

The plan is already in operation. The Secretary of the Interior yesterday announced the appointment of a community of 26 leaders in Pacific Northwest economic development to work with the Bonneville Power Administration in connection with a 2-year study of basic resources and potential industrial growth. Here is what the BPA administrators had to say about this study:

"Predicted expansion in basic industries will provide a means of estimating growth in production, employment, and population of the region, as well as future power needs so intelligent plans can be made to meet future requirements," Luce pointed out.

"Pooling of all available information on a regional basis," Luce stated, "will supplement present information gathered by State and local organizations and also make possible an expanded and coordinated development effort by the individual States."

Now, Mr. Speaker, there is not a Member of Congress who does not admire the ambition and diligence of our many civic, business, and labor leaders who devote considerable time and effort toward attracting new plants and factories. We want the Northwest to prosper, just as we hope the rest of the Nation will prosper. The area development program has created a new concept of competition among our States and localities. It is a healthy sign. It develops ingenuity and has even been responsible for entire new lines of consumer goods. It is bringing for general consumption many products that not long ago were so expensive that only the highest income families could afford them.

The State of Pennsylvania and the congressional district which I represent have invested years of time and millions of dollars trying to lure new industry. The anthracite region, while still far from normal, would be in much worse condition economically were it not for the foresight and devotion of residents who recognize the value of redevelopment programs.

Philipsburg, Bellefonte, State College, Clearfield, Du Bois, Altoona—these and a score of other communities within my constituency are making every sacrifice to attract new industry. Electric power is one of our basic attractions because of our abundant coal reserves, and because the coal and electric industries have employed research and development programs to keep costs down. We look to these commodities to grow in importance as this age of power, which we have entered comparatively recently, moves into high gear—where more and more homes are electrically heated and electrically cooled, and where a multitude of electrically controlled devices will increase our standard of living.

We cannot look forward to the substantial improvement of the economy of our districts if competition is going to come from areas which can outbargin us because their electric power is subsidized by the Federal Government. We are never going to get out of our own end zone if the weight of the Federal Government is used to reinforce our opposition.

I appeal to you to run this game on a fair set of rules. For the protection of your district and mine, I urge you to be ready to join with us in sending the conference report—indelibly stamped "unsatisfactory"—back to committee next week. I shall keep you informed of the time schedule as closely as possible.

Why Should Federal Funds Be Used To Help Make Possible the Building of $325-a-Month Luxury Apartments in Federally Assisted Urban Renewal Projects Which Have as Their Purpose the Rehousing of Slum Dwellers?

EXTENSION OF REMARKS
OF
HON. CARROLL D. KEARNS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, September 7, 1961

Mr. KEARNS. Mr. Speaker, why should Federal funds be used to provide $325-a-month luxury apartments in federally assisted urban renewal projects which have as their purpose the rehousing of slum dwellers?

The Washington (D.C.) Post reports today, September 7, that the contest-winning design for residential development of an 8.4-acre urban renewal site in southwest Washington will provide rental apartments from $120 to $325 a month.

The Congress has provided nearly $70 million for the southwest urban renewal project, and has further sweetened the project with a number of Federal office buildings, without which the project would not even have been started.

I am indeed touched by the concern of this administration for the poor and the underprivileged, but how can a slum dweller afford a $325-a-month apartment even under the Democrats?

I am, of course, interested to know that the President and his administration is moving so decisively to rid the Nation's Capital of noisome slums and to build in their place $325-a-month luxury apartments to rehouse the slum dwellers who lived in those slums.

Of course, if it should turn out that the slum dwellers who formerly lived in the southwest urban renewal project area have simply moved to new slum areas in other parts of the city in these New Frontier days then the poor downtrodden taxpayer should not be condemned if he were to feel as bilked as the slum dweller.

He would be justified in objecting to the use of his tax money to provide $325-a-month luxury apartments for people who, if they are able to pay that much money in rent each month, should be able—even in the Nation's Capital—to find suitable living quarters in privately financed apartment houses.

Several of my colleagues have joined me in introducing legislation to provide for the protection of residential and business realty which is not substandard and which is held by homeowners and small businessmen in urban renewal project areas in the District of Columbia, to encourage and assist private owners of commercial and residential realty to undertake the renovation and modernization of such realty, thereby reducing the necessity for huge expenditures for publicly supported urban renewal programs.

That this new, far less costly, and much more human approach to urban renewal is not a partisan matter is shown by the fact that I have been joined in its sponsorship by the brilliant, courageous and distinguished gentlemen from New York [Mr. MULTER], Delaware [Mr. McDOWELL], and Iowa [Mr. KYL].

I invite all of my colleagues, who are really concerned with the mounting and unjustified expense of urban renewal in the Nation's Capital—which has been estimated to cost more than $400 million under present and projected programs—to help save this vast amount of Federal funds by introducing legislation similar to my House Joint Resolution 532, the text of which is included along with the text of the Washington (D.C.) Post article to which I referred earlier in my remarks:

[From the Washington Post, Thursday, Sept. 7, 1961]

WINNING BUILDING DESIGN IN SOUTHWEST WASHINGTON UNVEILED BY REDEVELOPMENT LAND AGENCY

(By Morton Mintz)

The contest-winning design for residential development of an 8.4-acre site in southwest Washington was unveiled and approved by the Redevelopment Land Agency yesterday.

The design was prepared by the Washington architectural firm of Keyes, Lethbridge & Condon. One of 11 entries in an RLA-sponsored competition, it won the unanimous acclaim of a panel of five famed architectural and planning critics.

FOUR 9-STORY TOWERS

The design calls for construction of 384 apartments in four 9-story towers and 86 row houses on the Area C site bounded by the proposed Washington channel waterfront park and M, N, and Fourth Streets SW.

The land, which has been cleared of blighted buildings, is valued at more than $1.1 million. Construction will cost an estimated $8.6 million.

The design was prepared for the Tiber Island Corp., the development firm which was formed by the W. C. & A. N. Miller Development Co., Berens Real Estate Development Corp., and Frederick W. Berens, Inc.

RLA Executive Director John R. Searles, Jr. said the developer could begin construction within 4 months and complete it 13 months later—in February 1963.

PRICED UP TO $32,500

The contemplated range of rentals for the apartments—efficiencies and one- and two-bedroom units—is $120 to $325 a month. A decision has not been made whether the row houses will be sold, but the projected sales prices range from $22,500 to $32,500.

The row houses, grouped in four quadrants of the site, will be connected to the elevator buildings by covered walks and arranged around small landscaped courts. In the center of the project will be a large paved square. Under it will be a 260-car, two-story garage.

The RLA set the land price at $3.10 per square foot. In 1953 real estate tax revenues from the site totaled $9,800. After redevelopment, they will amount to $161,000.

The architectural review panel consisted of Louis Justement, Washington; Jacob L. Crane, Annapolis; Carl Koch and Hideo Sasaki, both of Cambridge, Mass., and G. Holmes Perkins, Philadelphia.

In its report recommending the Keyes, Lethbridge & Condon design, the panel said it is the only one of the submissions that would be wholeheartedly accepted by a majority of the panel.

"The panel was most favorably impressed by the relationship of the main building masses with the approved projects to the north (the Town Center commercial and residential development) and south (the Harbor Square residential project) and with the relationship to the waterfront."

Searles said that the panel's decision was concurred in by the RLA staff, the Federal Housing and Home Finance Agency, the National Capital Planning Commission, and the District Department of Licenses and Inspections.

H.J. RES. 532

Joint resolution to provide for the protection of residential and business realty which is not substandard and which is held by homeowners and small businessmen in urban renewal project areas in the District of Columbia, to encourage and assist private owners of commercial and residential realty to undertake the renovation and modernization of such realty, thereby reducing the necessity for huge expenditures for publicly supported urban renewal programs, and for other purposes

Whereas the President has asked the Congress to give industry tax abatements of up to $1,700,000,000 as an incentive to modernizing plant and equipment to keep them competitive with rivals in Europe and Japan; and

Whereas American cities and their residential and commercial areas are deteriorating further and faster than factory plant and equipment, even though these are just as much a part of the economic capital of the Nation as are factories; and

Whereas instead of giving tax rebates or otherwise providing incentives for modernizing residential and commercial structures in slum areas, most cities increase taxes on property that has been improved, and a slumlord who buys property and lets it deteriorate is benefited by being given depreciation allowances while a property owner who maintains and improves his property is penalized by tax increases; and

Whereas such publications as the Christian Science Monitor and House and Home and Look magazines have pointed out that today's taxes make misuse of land more profitable than good use and that slums are subsidized by undertaxation while developments are penalized by overtaxation and speculators are subsidized by public improvements for private profit; and

Whereas some Scandinavian and Caribbean countries, as well as France and Italy, put higher taxes on land to encourage people to use it for productive purposes instead of speculation; and Australia and New Zealand lighten taxes to encourage home and private improvements, and have made land cheaper and have removed tax penalties for improvements; and

Whereas the repair, improvement, renovation, and restoration of residential and commercial property by the owners of such property should be encouraged by all means and should not be penalized by higher taxes; and

Whereas such publications as Life magazine have declared editorially that "The housing problem requires many different solutions; but the roles of the bulldozer, the big project, and the professional 'housers' have long been overdone" and have called for tax reforms, better incentives for private landlords, and easier credit for rehabilitation; and

Whereas studies by the American Council To Improve Our Neighborhoods, the Citizens Housing and Planning Council of New York, and other groups, both private and public, have documented the fact that rehabilitation of basically sound structures is usually less costly than new construction on the same site; and

Whereas such publications as the Saturday Evening Post have editorially declared that the Teapot Dome scandal of the 1960's may turn out to be the urban renewal program, and that in "cities from coast to coast, areas of historic interest, pleasing architecture, and gracious living are being condemned as 'substandard, blighted, deteriorating' or plain 'slum' "; and

Whereas destruction of many fine homes, as well as homes which should have been salvaged, has already taken place in the southwest urban renewal project area in the District of Columbia; and a study commissioned by the National Conference of Catholic Charities declares that urban renewal in southwest Washington has not met the clear purpose of the Federal urban renewal program, that responsible civic opposition was not honestly accommodated, that undue pressure was exerted by experts with a vast knowledge of ways and means of bypassing those whose interests and vision extended beyond the immediate project into which concrete could be poured, and concluded that "our shining new cities cannot and must not be built on the suffering of our less fortunate citizens"; and

Whereas the Washington Real Estate Board of the District of Columbia has declared that more than seventeen thousand families—perhaps as many as eighty-five thousand persons—may be removed from their homes in the next five years by urban renewal and highway construction programs, that such programs should be moderated and appraised from a humanitarian aspect, and has called for the creation of an office in the District of Columbia government charged with the responsibility of keeping displacement activity in tune with availability of adequate shelter, and has further recommended that the Board of Commissioners of the District of Columbia should issue a rule requiring "agencies causing displacement to certify that adequate shelter is available to displacees prior to the time when these agencies move in with their bulldozers"; and

Whereas $325-a-month luxury apartments should have no place in urban renewal programs in the District of Columbia designed to rehouse slum dwellers, and individual homeowners and businessmen in the District of Columbia have successfully reclaimed, at no cost to the Federal Government, such areas as Georgetown, Foggy Bottom, Kalorama Triangle, Lanier Heights, Mount Pleasant Village, and Capitol Hill from decay and obsolescence thereby saving the taxpayers many millions of dollars for urban renewal programs which would have, otherwise, had to be undertaken by the District of Columbia Redevelopment Land Agency; and

Whereas, in spite of widespread citizen dissatisfaction expressed by organizations of citizens such as the Kalorama Citizens Association, and the Lanier Place Protective Association, as well as by individuals and groups deeply concerned with the preservation and restoration of commercial and residential realty, officials have refused to change the Adams-Morgan urban renewal plan which declares that the Kalorama Triangle area, Crescent Place, and Lanier Place in the northwest section of the District of Columbia are "blighted", even though they are generally recognized as among the finer residential areas of the Nation's Capital, and proposes to clear Lanier Place to establish a parking area, and on the basis of such haphazard planning by officials charged with urban renewal functions in the District of Columbia the Housing and Home Finance Agency has already approved an application for Federal planning advance funds and has made a capital grant of more than $460,000, a glaring example of the inappropriate use of some of the funds made available for urban renewal: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 6 of the Act of August 14, 1894 (D.C. Code, sec. 47–705), is amended by inserting "(a)" after "SEC. 6.", and by adding at the end thereof the following new subsection:

"(b) Notwithstanding any other provision of law, any increase in the value of the tract or lot of real property, on which the taxpayer's personal residence is located (or of the improvements thereon) which is the result of the repair, alteration, renovation, or restoration of such residence shall be disregarded in making the valuation of the property under subsection (a) for the fiscal year in which such repair, alteration, renovation, or restoration is completed and for the four succeeding fiscal years. As used in the preceding sentence, the term 'taxpayer's personal residence' means real property which is owned by the taxpayer or his spouse or both at the time of the repair, alteration, renovation, or restoration involved and is occupied by them or either of them as their personal residence at such time or within six months thereafter."

(b) The amendments made by subsection (a) shall apply only with respect to repairs, alterations, renovation, and restoration completed in fiscal years ending after the date of the enactment of this Act.

SEC. 2. (a) Section 3(a) of title III of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47–1557b (a)) is hereby amended by adding at the end thereof the following new paragraph:

"(16) EXPENSES OF HOME REPAIR MAINTENANCE, ALTERATIONS, AND ADDITIONS.—In the case of an individual, the expenses paid during the taxable year for the repair and maintenance of, or alterations or additions to, the personal residence of the taxpayer. The deduction under this paragraph shall be allowable only to the extent of the aggregate of such expenses actually paid by the taxpayer, and in no case shall it exceed $2,000. Such deduction shall be applicable only to expenses which are not otherwise allowable as deductions in computing net income under section 1 of this title. As used in this paragraph, the term 'personal residence of the taxpayer' means real property which is owned by the taxpayer or his spouse or both at the time of the repair, maintenance, alterations, or additions involved and is occupied by them or either of them as their personal residence at such time or within six months thereafter."

(b) The amendment made by subsection (a) shall apply only with respect to expenses paid during taxable years beginning after the date of the enactment of this Act.

SEC. 3. Section 7 of the District of Columbia Redevelopment Act of 1945 (D.C. Code, sec. 5–706) is hereby amended by adding at the end thereof the following new subsection:

"(j) Notwithstanding any other provision of this Act—

"(1) structures (including both residential and commercial structures) which are not substandard in any project area shall be preserved and shall not be demolished or included in the acquisition and assembling by the Agency of the real property in such area; and

"(2) the owner of any substandard structure (residential or commercial) which can be rehabilitated or restored to good condition in a project area shall be encouraged and assisted by the Agency to undertake and carry out such rehabilitation or restoration, and such structure shall not be demolished or included in the acquisition and assembling by the Agency of the real property in such area unless such owner, after having had a reasonable time following notification by the Agency to complete such rehabilitation or restoration, has failed to do so; and in the case of any such failure the Agency, after acquiring the structure, shall itself provide for such rehabilitation or restoration whenever it determines that such rehabilitation or restoration is desirable or appropriate and shall dispose of the structure so rehabilitated or restored at such time and on such terms and conditions as it may determine to be in the public interest."

SEC. 4. The Act entitled "An Act providing for the zoning of the District of Columbia and the regulation of the location, height, bulk, and uses of buildings and other structures and of the uses of land in the District of Columbia, and for other purposes", approved June 20, 1938, as amended (D.C. Code, sec. 5–413 et seq.), is amended by redesignating section 17 as section 18 and by inserting after section 16 the following new section:

"SEC. 17. The provisions of this Act shall apply to chanceries and other business-type buildings of foreign nations in the District of Columbia, so as to conform with the general practice among nations of requiring the observance (by countries with which they maintain diplomatic relations) of their laws and zoning regulations in the location of such buildings; and the Zoning Commission shall accordingly include in its regulations under the first section of this Act such provisions as may be necessary to insure that such buildings are hereafter located only in areas appropriately zoned for such purposes."

SENATE

FRIDAY, SEPTEMBER 8, 1961

The Senate met at 10 o'clock a.m., and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou God of life and light, we pray that Thou wilt enable, with the strength of Thy might, those who in these fear-haunted times are here entrusted with the stewardship of the Nation's life.

In all their words and actions in this Chamber help them to remember that we are a part of the past, of the present, and of the future.

It is our honor to belong to all those who in the yesterdays condemned oppression and fought the good fight for freedom. In the present we feel our kinship with those who, across all frontiers and borders, and despising all shackles of the mind, however imposed, strive to enthrone the brotherhood of man under the fatherhood of God.

As by that faith we live, may those who here speak for America sow the seeds of a golden harvest for all mankind in a peaceful world that beckons.

In the Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. HICKEY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, September 7, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nomina-

tions were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 2237) to permit the entry of certain eligible alien orphans, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 14) saluting "Uncle Sam" Wilson, of Troy, N.Y., as the progenitor of America's national symbol of "Uncle Sam," with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H.R. 7692. An act to amend the Tariff Act of 1930 to require certain new packages of imported articles to be marked to indicate the country of origin, and for other purposes;

H.R. 8876. An act to amend the Internal Revenue Code of 1954 to permit the use of identifying numbers; and

H.J. Res. 558. Joint resolution providing for printing copies of "Cannon's Procedure in the House of Representatives."

The message also announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con Res. 12. Concurrent resolution authorizing the printing of additional copies of House Document No. 412, 85th Congress;

H. Con. Res. 364. Concurrent resolution to print as a House document the publication "World Communist Movement—Selective Chronology 1818–1957. Volume 1," and to provide for the printing of additional copies;

H. Con. Res. 384. Concurrent resolution authorizing the printing of additional copies of the report "Communist Target—Youth—Communist Infiltration and Agitation Tactics"; and

H. Con. Res. 385. Concurrent resolution authorizing the printing of a manuscript entitled "History of the House of Representatives."

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H.R. 7692. An act to amend the Tariff Act of 1930 to require certain new packages of imported articles to be marked to indicate the country of origin, and for other purposes; and

H.R. 8876. An act to amend the Internal Revenue Code of 1954 to permit the use of identifying numbers; to the Committee on Finance.

H.J. Res. 558. Joint resolution providing for printing copies of "Cannon's Procedure in the House of Representatives"; to the Committee on Rules and Administration.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The concurrent resolution (H. Con. Res. 12) authorizing the printing of additional copies of House Document 412, Eighty-fifth Congress, was referred to the Committee on Rules and Administration, as follows:

Resolved by the House of Representatives (the Senate concurring), That there shall be printed for the use of the House of Representatives five hundred thousand additional copies of House Document Numbered 412, Eighty-fifth Congress, second session, with emendations.

The concurrent resolution (H. Con. Res. 364) to print as a House document the publication "World Communist Movement—Selective Chronology 1818–1957, Volume 1," and to provide for the printing of additional copies, was referred to the Committee on Rules and Administration, as follows:

Resolved by the House of Representatives (the Senate concurring), That the publication entitled "World Communist Movement—Selective Chronology 1818–1957, Volume 1," released by the Committee on Un-American Activities, House of Representatives, Eighty-sixth Congress, second session, be printed as a House document; and that there be printed for the use of said committee fifteen thousand additional copies of said document.

The concurrent resolution (H. Con. Res. 384) authorizing the printing of additional copies of the report "Communist Target—Youth—Communist Infiltration and Agitation Tactics," was referred to the Committee on Rules and Administration, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Un-American Activities one hundred thousand additional copies of the report "Communist Target—Youth—Communist Infiltration and Agitation Tactics", Eighty-sixth Congress, second session.

The concurrent resolution (H. Con. Res. 385) authorizing the printing of a manuscript entitled "History of the House of Representatives," was referred to the Committee on Rules and Administration, as follows:

Resolved by the House of Representatives (the Senate concurring), That the manuscript entitled "History of the House of Representatives", by George B. Galloway, be printed under the supervision of the Committee on House Administration as a House document, and that there be printed two thousand additional copies for the use of the House of Representatives.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. HICKEY. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

Is there morning business?

Mr. HICKEY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HICKEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. HICKEY. Mr. President, I ask unanimous consent that the Subcommittee on Flood Control, Rivers, and Harbors of the Senate Committee on Public Works be permitted to sit during the session of the Senate today. This has been approved by the minority.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HICKEY. Mr. President, I ask unanimous consent that the Constitutional Amendments Subcommittee of the Committee on the Judiciary be permitted to sit during the session of the Senate today. This also has been approved.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HICKEY. Mr. President, I ask unanimous consent that the Committee on Interior and Insular Affairs be permitted to sit during the session of the Senate today.

Mr. WILLIAMS of Delaware. Mr. President, this request has not been approved, and by request I object.

The VICE PRESIDENT. The Senator objects to the meeting of the Committee on Interior and Insular Affairs.

Mr. HICKEY. Mr. President, I ask unanimous consent that the Judiciary Committee be permitted to sit during the session of the Senate today to consider an immigration matter and nominations.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

Mr. HICKEY. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar, beginning with the new reports.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare:

Harold C. Woodworth, and sundry other candidates, for personnel action in the Regular Corps of the Public Health Service.

By Mr. JOHNSTON, from the Committee on the Judiciary:

James Robert Martin, Jr., of South Carolina, to be U.S. district judge for the eastern and western districts of South Carolina; and

David W. Dyer, of Florida, to be U.S. district judge for the southern district of Florida.

By Mr. KERR, from the Committee on Public Works:

Col. Arthur H. Frye, Jr., Corps of Engineers, to be president and senior member of the California Debris Commission.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the Executive Calendar, beginning with the new reports, will be stated.

U.S. ATTORNEY

The Chief Clerk read the nomination of H. Moody Brickett, of Montana, to be U.S. attorney for the district of Montana for a term of 4 years.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

U.S. DISTRICT JUDGES

The Chief Clerk read the nomination of Albert Lee Stephens, Jr., of California, to be U.S. district judge for the southern district of California.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Raymond E. Plummer, of Alaska, to be U.S. district judge for the district of Alaska.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William H. Becker, or Missouri, to be U.S. district judge for the western district of Missouri.

Mr. LONG of Missouri. Mr. President, President Kennedy has pledged that he would appoint to the Federal bench the most able and best qualified men. He has without question fulfilled this pledge in his appointment of Mr. William Becker to be Federal district judge for the western district of Missouri.

Mr. Becker is one of the most able trial lawyers in the State of Missouri, indeed, in the United States. He is one of our Nation's foremost authorities on trial procedures. The Supreme Court of Missouri named him as chairman of the special committee to draft the rules of procedure which were adopted and became effective in Missouri on April 1, 1960. He presently is a member of the pretrial practices committee appointed by the U.S. Eighth Circuit Court of Appeals.

Mr. Becker graduated from the University of Missouri Law School in 1932 at the head of his class and was made a member of the Order of Coif. In the same year, he was admitted to the Missouri bar. In 1937, he was admitted to the Supreme Court of the United States and argued his first case before that Court in 1939. He served on the board of governors of the Missouri bar from 1954 to 1959. He has served as chairman of several of the committees of the Missouri bar.

Mr. Becker's extensive experience in the law, particularly in the courtroom, well qualifies him for the position of district judge. I have known Bill Becker for many years and am confident that he will render outstanding service to the Nation. The President is to be commended for this selection and I urge the Senate to confirm this nomination.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. HICKEY. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. HICKEY. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

Mr. HICKEY. Mr. President, is there morning business?

The VICE PRESIDENT. Is there morning business? If not, morning business is closed.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON CONSTRUCTION OF TELESCOPE AT THE UNIVERSITY OF TEXAS, AUSTIN, TEX.

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on the construction of a 16-foot telescope at the University of Texas, Austin, Tex.; to the Committee on Aeronautical and Space Sciences.

REPORT ON RESEARCH AND DEVELOPMENT PROCUREMENT ACTIONS, U.S. NAVY

A letter from the Chief of Naval Material, Washington, D.C., transmitting, pursuant to law, a report on research and development procurement actions of $50,000 and over, covering the period January 1 through June 30, 1961 (with an accompanying report); to the Committee on Armed Services.

PUBLICATION OF NOTICE OF PROPOSED DISPOSITION OF CERTAIN CASTOR OIL

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a copy of a notice to be published in the Federal Register of a proposed disposition of approximately 155,676,000 pounds of castor oil now held in the national stockpile (with an accompanying paper); to the Committee on Armed Services.

PAYMENT OF CERTAIN CLAIMS PRESENTED BY GOVERNMENT OF THE POLISH PEOPLE'S REPUBLIC

A letter from the Secretary of State, transmitting a draft of proposed legislation to authorize the Secretary of the Treasury to effect the payment of certain claims presented by the Government of the Polish People's Republic against the United States (with accompanying papers); to the Committee on Foreign Relations.

REPORT ON REVIEW OF SELECTED ACTIVITIES OF FEDERAL-AID HIGHWAY PROGRAM IN STATES OF MAINE, NEW HAMPSHIRE, AND VERMONT

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of selected activities of the Federal-aid highway program in the States of Maine, New Hampshire, and Vermont, Bureau of Public Roads, Department of Commerce, dated August 1961 (with an accompanying report); to the Committee on Government Operations.

AUDIT REPORT ON HELIUM OPERATIONS OF THE BUREAU OF MINES

A letter from the Assistant Comptroller General of the United States, transmitting, pursuant to law, an audit report on helium operations of the Bureau of Mines, Department of the Interior, March 31, 1960 (with an accompanying report); to the Committee on Government Operations.

BACK PAY ACT OF 1961

A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation to provide for the payment of compensation and restoration of employment benefits to certain Federal officers and employees improperly deprived thereof, and for other purposes (with accompanying papers); to the Committee on Post Office and Civil Service.

PROCEEDINGS OF 40TH MEETING OF CONVENTION OF AMERICAN INSTRUCTORS OF THE DEAF

A letter from the president, Gallaudet College, Washington, D.C., transmitting, pursuant to law, a copy of the proceedings of the 40th meeting of the American Instructors of the Deaf, held at Oregon School for the Deaf, Salem, Oreg., June 25–30, 1961 (with an accompanying document); to the Committee on Rules and Administration.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the 27th biennial supreme convention of the Order Sons of Italy in America, at Washington, D.C., relating to certain amendments of the Immigration and Naturalization Act; to the Committee on the Judiciary.

A resolution adopted by the National Baptist Convention of America, Inc., at Kansas City, Mo., favoring the enactment of House Joint Resolution 110, for commemoration of the work of Dr. George Washington Carver; to the Committee on the Judiciary.

DELAWARE RIVER BASIN COMPACT—RESOLUTION

Mr. JAVITS. Mr. President, I present a resolution adopted by the Regional Chamber of Commerce Council, of Middletown, N.Y., relating to the Delaware River Basin compact. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION ON DELAWARE RIVER BASIN

Whereas the people of the Delaware River Basin need the assurance that the Government will provide protection so that a flood

like that of 1955 should never happen again; and

Whereas the growing need for water is evident from the population explosion predicted in the immediate future in the river basin and in the cooperating metropolitan areas; and

Whereas the industrial expansion along the Delaware has been hampered by the salination of the lower reaches of the Delaware, which the basin program will eliminate; and

Whereas the recent studies of the Delaware River Basin have provided for national park sites bordering the Tocks Island Dam Reservoir, which would, it is expected, bring some 7 million people to the tri-States area during the summer months; and

Whereas the Regional Chamber of Commerce Council, composed of chambers of commerce in and bordering the area favor the compact and its many ramifications, we urge your support of the Delaware River Basin project which will aid the economic expansion and development of an area in which you and the council are most vitally interested.

Sincerely yours,

REGIONAL CHAMBER OF COMMERCE COUNCIL,
RALPH C. FREDERICK,
Basin Study Chairman.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on Agriculture and Forestry, without amendment:

H.R. 4682. An act to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa (Rept. No. 905); and

H.R. 6193. An act to authorize the Secretary of Agriculture to convey certain lands in the State of Wyoming to the county of Fremont, Wyo. (Rept. No. 904).

By Mr. JORDAN, from the Committee on Agriculture and Forestry, without amendment:

H.R. 3879. An act to authorize and direct the Secretary of Agriculture to convey to the State of Wyoming for agricultural purposes certain real property in Sweetwater County, Wyo. (Rept. No. 906); and

H.R. 3920. An act to authorize an exchange of land at the Agricultural Research Center (Rept. No. 907).

By Mr. JOHNSTON, from the Committee on Post Office and Civil Service, with an amendment:

S. 188. A bill to grant civil service employees retirement after 30 years' service (Rept. No. 909).

By Mr. YARBOROUGH, from the Committee on Post Office and Civil Service, without amendment:

H.R. 2555. An act to authorize pay with respect to civilian employees of the United States in cases of emergency evacuations, to consolidate the laws governing allotment and assignment of pay by such employees, and for other purposes (Rept. No. 910).

AMENDMENT OF WELFARE AND PENSION PLANS DISCLOSURE ACT—REPORT OF A COMMITTEE—SEPARATE VIEWS (S. REPT. NO. 908)

Mr. McNAMARA. Mr. President, from the Committee on Labor and Public Welfare, I report an original bill to amend the Welfare and Pension Plans Disclosure Act with respect to the method of enforcement and to provide certain additional sanctions, and for other purposes, and I submit a report thereon.

This bill would provide far greater protection to millions of Americans, whose future security depends upon the integrity of their pension and welfare funds. At a later time, I will have more to say about this important measure.

I ask unanimous consent that the separate views of the Senator from Texas [Mr. TOWER] be printed with the report.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Michigan.

The bill (S. 2520) to amend the Welfare and Pension Plans Disclosure Act with respect to the method of enforcement and to provide certain additional sanctions, and for other purposes, reported by Mr. McNAMARA, from the Committee on Labor and Public Welfare, was read twice by its title, and placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SALTONSTALL (by request):

S. 2518. A bill for the relief of Carnetta Germaine Thomas Hunte; to the Committee on the Judiciary.

By Mr. CAPEHART:

S. 2519. A bill for the relief of Mladen Carrara, Tonina Carrara, Ante Carrara, and Zvonko Carrara; to the Committee on the Judiciary.

By Mr. McNAMARA:

S. 2520. A bill to amend the Welfare and Pension Plans Disclosure Act with respect to the method of enforcement and to provide certain additional sanctions, and for other purposes; placed on the calendar.

(See the remarks of Mr. McNAMARA when he reported the above bill, which appear under the heading "Reports of Committees.")

By Mr. GORE:

S. 2521. A bill to amend the act of May 16, 1958, providing for the conveyance of certain lands in Shiloh National Military Park, State of Tennessee, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CASE of South Dakota:

S. 2522. A bill to defer the collection of irrigation maintenance and operation charges for calendar year 1962 on lands within the Angostura unit, Missouri River Basin project; to the Committee on Interior and Insular Affairs.

By Mr. EASTLAND:

S. 2523. A bill to amend section 7 of the War Claims Act of 1948; to the Committee on the Judiciary.

EXTENSION AND IMPROVEMENT OF NATIONAL DEFENSE EDUCATION ACT OF 1958—AMENDMENTS

Mr. GOLDWATER submitted amendments, intended to be proposed by him, to the bill (S. 2345) to extend and improve the National Defense Education Act of 1958, and for other purposes, which were ordered to lie on the table and to be printed.

PARTICIPATION IN RESETTLEMENT OF CERTAIN REFUGEES—AMENDMENTS

Mr. SMATHERS submitted amendments, intended to be proposed by him to the bill (H.R. 8291) to amend the act of July 14, 1960, enabling the United States to participate in the resettlement of certain refugees, and for other purposes, which were ordered to lie on the table and to be printed.

ENTRY OF CERTAIN ELIGIBLE ALIEN ORPHANS

Mr. EASTLAND. Mr. President, I ask the Chair to lay before the Senate the amendments of the House of Representatives to S. 2237.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2237) to permit the entry of certain eligible alien orphans, which was, to strike out all after the enacting clause and insert:

That section 101(b) of the Immigration and Nationality Act (8 U.S.C. 1101) is hereby amended by adding the following new subparagraph (6):

"(6) The term 'eligible orphan' means any alien child under the age of fourteen at the time at which the visa petition is filed pursuant to section 205(b) who is an orphan because of the death or disappearance of both parents, or because of abandonment, or desertion by, or separation or loss from, both parents, or who has only one parent due to the death or disappearance of, abandonment, or desertion by, or separation or loss from the other parent, and the remaining parent is incapable of providing care for such orphan and has in writing irrevocably released him for emigration and adoption."

SEC. 2. Section 101(b)(1) of the Immigration and Nationality Act (8 U.S.C. 1101) is hereby amended by adding the following:

"(F) a child who is an eligible orphan, adopted abroad by a United States citizen and spouse or coming to the United States for adoption by a United States citizen and spouse: *Provided*, That no natural parent or prior adoptive parent of any such child shall thereafter, by virtue of such parentage be accorded any right, privilege, or status under this Act."

SEC. 3. (a) Section 205(b) of the Immigration and Nationality Act (8 U.S.C. 1155) is hereby amended to read as follows:

"(b) Any citizen of the United States claiming that any immigrant is his spouse or child and that such immigrant is entitled to a nonquota immigrant status under section 101(a)(27)(A), or any citizen of the United States claiming that any immigrant is his parent or unmarried son or unmarried daughter and that such immigrant is entitled to a quota immigrant status under section 203(a)(2), or any alien lawfully admitted for permanent residence claiming that any immigrant is his spouse or his unmarried son or his unmarried daughter and that such immigrant is entitled to a quota immigrant status under section 203(a)(3), or any citizen of the United States claiming that any immigrant is his brother or sister or his married son or his married daughter and that such immigrant is entitled to a preference under section 203(a)(4) may file a petition with the Attorney General. No petition for quota immigrant status or a preference in behalf of a son or daughter under paragraph (2), (3), or (4) of section 203(a) of the Immigration and Nationality Act shall be approved by the Attorney General unless the petitioner establishes that he

is a parent as defined in section 101(b)(2) of the Immigration and Nationality Act of the alien in respect to whom the petition is made, except that no such petition shall be approved if the beneficiary thereof is an alien defined in section 101(b)(1)(F). No petition for nonquota immigrant status in behalf of a child as defined in section 101(b)(1)(F) shall be approved by the Attorney General unless the petitioner establishes to the satisfaction of the Attorney General that the petitioner and spouse will care for such child properly if he is admitted to the United States, and (i) in the case of a child adopted abroad, that the petitioner and spouse personally saw and observed the child prior to or during the adoption proceedings, and (ii) in the case of a child coming to the United States for adoption, that the petitioner and spouse have complied with the preadoption requirements, if any, of the State of such child's proposed residence. The petition shall be in such form and shall contain such information and be supported by such documentary evidence as the Attorney General may by regulations prescribe. The petition shall be made under oath administered by any individual having authority to administer oaths, if executed in the United States, but, if executed outside the United States, administered by a consular officer."

(b) The second sentence of section 205(c) of the Immigration and Nationality Act (8 U.S.C. 1155) is hereby amended to read: "Not more than two such petitions may be approved for one petitioner in behalf of a child as defined in section 101(b)(1)(E) or (F), unless necessary to prevent the separation of brothers and sisters."

SEC. 4. The first sentence of section 221(c) of the Immigration and Nationality Act (8 U.S.C. 1201) is hereby amended to read: "An immigrant visa shall be valid for such period, not exceeding four months, as shall be by regulations prescribed, except that any visa issued to a child lawfully adopted by a United States citizen and spouse while such citizen is serving abroad in the United States Armed Forces, or is employed abroad by the United States Government, or is temporarily abroad on business, shall be valid until such time, for a period not to exceed three years, as the adoptive citizen parent returns to the United States in due course of his service, employment, or business."

SEC. 5. (a) Title I of the Immigration and Nationality Act (8 U.S.C. 1101) is hereby amended by adding the following:

"JUDICIAL REVIEW OF ORDERS OF DEPORTATION

"SEC. 106. (a) The procedure prescribed by, and all the provisions of the Act of December 29, 1950, as amended (64 Stat. 1129; 68 Stat. 961; 5 U.S.C. 1031 et seq.), shall apply to, and shall be the sole and exclusive procedure for, the judicial review of all final orders of deportation heretofore or hereafter made against aliens within the United States pursuant to administrative proceedings under section 242(b) of this Act or comparable provisions of any prior Act, except that—

"(1) a petition for review may be filed not later than six months from the date of the final deportation order or from the effective date of this section, whichever is the later.

"(2) the venue of any petition for review under this section shall be in the judicial circuit in which the administrative proceedings before a special inquiry officer were conducted in whole or in part, or in the judicial circuit wherein is the residence, as defined in this Act, of the petitioner, but not in more than one circuit;

"(3) the action shall be brought against the Immigration and Naturalization Service, as respondent. Service of the petition to review shall be made upon the Attorney General of the United States and upon the official of the Immigration and Naturalization Service in charge of the Service district in which the office of the clerk of the court is located. The service of the petition for review upon such official of the Service shall stay the deportation of the alien pending determination of the petition by the court, unless the court otherwise directs;

"(4) except as provided in clause (B) of paragraph (5) of this subsection, the petition shall be determined solely upon the administrative record upon which the deportation order is based and the Attorney General's findings of fact, if supported by reasonable, substantial, and probative evidence on the record considered as a whole, shall be conclusive;

"(5) whenever any petitioner, who seeks review of an order under this section, claims to be a national of the United States and makes a showing that his claim is not frivolous, the court shall (A) pass upon the issues presented when it appears from the pleadings and affidavits filed by the parties that no genuine issue of material fact is presented; or (B) where a genuine issue of material fact as to the petitioner's nationality is presented, transfer the proceedings to a United States district court for the district where the petitioner has his residence for hearing de novo of the nationality claim and determination as if such proceedings were originally initiated in the district court under the provisions of section 2201 of title 28, United States Code. Any such petitioner shall not be entitled to have such issue determined under section 360(a) of this Act or otherwise;

"(6) if the validity of a deportation order has not been judicially determined, its validity may be challenged in a criminal proceeding against the alien for violation of subsection (d) or (e) of section 242 of this Act only by separate motion for judicial review before trial. Such motion shall be determined by the court without a jury and before the trial of the general issue. Whenever a claim to United States nationality is made in such motion, and in the opinion of the court, a genuine issue of material fact as to the alien's nationality is presented, the court shall accord him a hearing de novo on the nationality claim and determine that issue as if proceedings had been initiated under the provisions of section 2201 of title 28, United States Code. Any such alien shall not be entitled to have such issue determined under section 360(a) of this Act or otherwise. If no such hearing de novo as to nationality is conducted, the determination shall be made solely upon the administrative record upon which the deportation order is based and the Attorney General's findings of fact, if supported by reasonable, substantial and probative evidence on the record considered as a whole, shall be conclusive. If the deportation order is held invalid, the court shall dismiss the indictment and the United States shall have the right to appeal to the court of appeals within thirty days. The procedure on such appeals shall be as provided in the Federal rules of criminal procedure. No petition for review under this section may be filed by any alien during the pendency of a criminal proceeding against such alien for violation of subsection (d) or (e) of section 242 of this Act; and

"(7) nothing in this section shall be construed to require the Attorney General to defer deportation of an alien after the issuance of a deportation order because of the right of judicial review of the order granted by this section, or to relieve any alien from compliance with subsections (d) and (e) of section 242 of this Act. Nothing contained in this section shall be construed to preclude the Attorney General from detaining or continuing to detain an alien or from taking him into custody pursuant to subsection (c) of section 242 of this Act at any time after the issuance of a deportation order.

"(8) it shall not be necessary to print the record or any part thereof, or the briefs, and the court shall review the proceedings on a typewritten record and on typewritten briefs.

"(9) any alien held in custody pursuant to an order of deportation may obtain judicial review thereof by habeas corpus proceedings.

"(b) Notwithstanding the provisions of any other law, any alien against whom a final order of exclusion has been made heretofore or hereafter under the provisions of section 236 of this Act or comparable provisions of any prior Act may obtain judicial review of such order by habeas corpus proceedings and not otherwise.

"(c) An order of deportation or of exclusion shall not be reviewed by any court if the alien has not exhausted the administrative remedies available to him as of right under the immigration laws and regulations or if he has departed from the United States after the issuance of the order. Every petition for review or for habeas corpus shall state whether the validity of the order has been upheld in any prior judicial proceeding, and, if so, the nature and date thereof, and the court in which such proceeding took place. No petition for review or for habeaus corpus shall be entertained if the validity of the order has been previously determined in any civil or criminal proceeding, unless the petition presents grounds which the court finds could not have been presented in such prior proceeding, or the court finds that the remedy provided by such prior proceeding was inadequate or ineffective to test the validity of the order."

(b) This section shall take effect on the thirtieth day after its approval and, notwithstanding the provisions of any other law, including section 405 of the Immigration and Nationality Act, shall then be applicable to all administrative proceedings involving deportation or exclusion of aliens notwithstanding (1) that the person involved entered the United States prior to the effective date of this section or of the Immigration and Nationality Act or (2) that the administrative proceeding was commenced or conducted prior to the effective date of this section or of the Immigration and Nationality Act. Any judicial proceeding to review an order of deportation which is pending unheard in any district court of the United States on the effective date of this section (other than a habeas corpus or criminal proceeding in which the validity of the deportation order has been challenged) shall be transferred for determination in accordance with this section to the court of appeals having jurisdiction to entertain a petition for review under this section. Any judicial proceeding to review an order of exclusion which is pending unheard on the effective date of this section shall be expedited in the same manner as is required in habeas corpus. All laws or parts of laws inconsistent with this section are, to the extent of such inconsistency, repealed. If any particular provision of this section, or the application thereof to any person or circumstance, is held invalid, the remainder of this section and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 6. Section 222 of the Immigration and Nationality Act (8 U.S.C. 1202) is hereby amended by deleting from subsection (a) the language "race and ethnic classification;", and by deleting from subsection (c) the language "his race and ethnic classification:".

SEC. 7. (a) Section 101(d)(1) of the Immigration and Nationality Act (8 U.S.C. 1101) is hereby amended by inserting immediately after "December 31, 1946," the following: "or from June 25, 1950, to July 1, 1955,".

(b) Section 101(d)(2) of the Immigration and Nationality Act (8 U.S.C. 1101) is hereby amended (1) by striking out "and (C)" and inserting in lieu thereof "(C)", and (2) by inserting immediately after "December 31, 1946" the following: "; and (D) the term 'Korean hostilities' relates to the period from June 25, 1950, to July 1, 1955".

SEC. 8. (a) Section 329(a) of the Immigration and Nationality Act (8 U.S.C. 1440) is amended by inserting after "December 31, 1946," the following: "or during a period beginning June 25, 1950, and ending July 1, 1955,".

(b) Section 329(b)(4) of the Immigration and Nationality Act (8 U.S.C. 1440) is hereby amended by inserting after "December 31, 1946," the following: "or during a period beginning June 25, 1950, and ending July 1, 1955,".

SEC. 9. Section 202(e) of the Immigration and Nationality Act (8 U.S.C. 1152) is hereby amended to read as follows:

"(e) After the determination of quotas has been made as provided in section 201, revision of the quotas shall be made by the Secretary of State, the Secretary of Commerce, and the Attorney General, jointly, whenever necessary, to provide for any change of boundaries resulting in transfer of territory from one sovereignty to another, a change of administrative arrangements of a colony or other dependent area, or any other political change, requiring a change in the list of quota areas or of the territorial limits thereof. In the case of any change in the territorial limits of quota areas, not requiring a change in the quotas for such areas, the Secretary of State shall, upon recognition of such change, issue appropriate instructions to all consular offices concerning the change in the territorial limits of the quota areas involved. Whenever one or more colonies or other component or dependent areas overseas from the governing country, or one or more quota areas have been subject to a change of administrative arrangements, a change of boundaries, or any other political change, the annual quota of the newly established quota area or the number of visas authorized to be issued under section 202(c)(1), notwithstanding any other provisions of this Act, shall not be less than the sum total of quotas in effect or number of visas authorized for the area immediately preceding the change of administrative arrangements, change of boundaries, or other political change."

SEC. 10. Section 205(c) of the Immigration and Nationality Act (8 U.S.C. 1155) is hereby amended by adding at the end thereof the following new sentence: "Notwithstanding the provisions of this subsection, no petition shall be approved if the alien previously has been accorded, by reason of marriage determined by the Attorney General to have been entered into for the purpose of evading the immigration laws—

"(1) a nonquota status under section 101(a)(27)(A) as the spouse of a citizen of the United States, or

"(2) a preference quota status under section 203(a)(3) as the spouse of an alien lawfully admitted for permanent residence."

SEC. 11. Section 212(a)(6) of the Immigration and Nationality Act (8 U.S.C. 1182) is hereby amended to read as follows:

"(6) Aliens who are afflicted with any dangerous contagious disease;"

SEC. 12. Section 212 of the Immigration and Nationality Act (8 U.C.S. 1182) is hereby amended by adding the following additional subsection:

"(f) Any alien afflicted with tuberculosis in any form who (A) is the spouse or the unmarried son or daughter, or the minor unmarried lawfully adopted child, of a United States citizen, or of an alien lawfully admitted for permanent residence, or of an alien who has been issued an immigrant visa, or (B) has a son or daughter who is a United States citizen, or an alien lawfully admitted for permanent residence, or an alien who has been issued an immigrant visa, shall, if otherwise admissible, be issued a visa and admitted to the United States for permanent residence in accordance with such terms, conditions, and controls, if any, including the giving of a bond, as the Attorney General, in his discretion after consultation with the Surgeon General of the United States Public Health Service, may by regulations prescribe."

SEC. 13. Section 212(a)(9) of the Immigration and Nationality Act (8 U.S.C. 1182) is hereby amended by changing the semicolon at the end to a period, and adding thereafter the following: "Any alien who would be excludable because of the conviction of a misdemeanor classifiable as a petty offense under the provisions of section 1(3) of title 18, United States Code, by reason of the punishment actually imposed, or who would be excludable as one who admits the commission of an offense that is classifiable as a misdemeanor under the provisions of section 1(2) of title 18, United States Code, by reason of the punishment which might have been imposed upon him, may be granted a visa and admitted to the United States if otherwise admissible: *Provided*, That the alien has committed only one such offense, or admits the commission of acts which constitute the essential elements of only one such offense."

SEC. 14. Section 212 of the Immigration and Nationality Act (8 U.S.C. 1182) is hereby amended by adding the following additional subsection:

"(g) Any alien, who is excludable from the United States under paragraph (9), (10), or (12) of this section, who (A) is the spouse or child, including a minor unmarried adopted child, of a United States citizen, or of an alien lawfully admitted for permanent residence, or (B) has a son or daughter who is a United States citizen or an alien lawfully admitted for permanent residence, shall, if otherwise admissible, be issued a visa and admitted to the United States for permanent residence (1) if it shall be established to the satisfaction of the Attorney General that (A) the alien's exclusion would result in extreme hardship to the United States citizen or lawfully resident spouse, parent, or son or daughter of such alien, and (B) the admission to the United States of such alien would not be contrary to the national welfare, safety, or security of the United States; and (2) if the Attorney General, in his discretion, and pursuant to such terms, conditions, and procedures as he may by regulations prescribe, has consented to the alien's applying or reapplying for a visa and for admission to the United States."

SEC. 15. Section 212 of the Immigration and Nationality Act (8 U.S.C. 1182) is hereby amended by adding the following additional subsection:

"(h) Any alien who is the spouse, parent, or child of a United States citizen or of an alien lawfully admitted for permanent residence and who is excludable because (1) he seeks, has sought to procure, or has procured, a visa or other documentation, or entry into the United States, by fraud or misrepresentation, or (2) he admits the commission of perjury in connection therewith, may be granted a visa and admitted to the United States for permanent residence, if otherwise admissible, if the Attorney General in his discretion has consented to the alien's applying or reapplying for a visa and for admission to the United States."

SEC. 16. Section 241 of the Immigration and Nationality Act (8 U.S.C. 1251) is hereby amended by adding the following:

"(f) The provisions of this section relating to the deportation of aliens within the United States on the ground that they were excludable at the time of entry as aliens who have sought to procure, or have procured visas or other documentation, or entry into the United States by fraud or misrepresentation shall not apply to an alien otherwise admissible at the time of entry who is the spouse, parent, or a child of a United States citizen or of an alien lawfully admitted for permanent residence."

SEC. 17. Section 310 of the Immigration and Nationality Act (8 U.S.C. 1421) is hereby amended by adding the following additional subsection:

"(e) Notwithstanding the provisions of section 405(a), any petition for naturalization filed on or after the enactment of this subsection shall be heard and determined in accordance with the requirements of this title."

SEC. 18. (a) Section 340(a) of the Immigration and Nationality Act (66 Stat. 260; 8 U.S.C. 1451(a)) is hereby amended by inserting, following the language "that such order and certificate of naturalization" the language "were illegally procured or".

(b) Section 340(b) of the Immigration and Nationality Act (66 Stat. 260; 8 U.S.C. 1451(b)) is hereby amended by inserting, immediately preceding the word "procured", the language "illegally procured or".

SEC. 19. Section 349 of the Immigration and Nationality Act (8 U.S.C. 1481) is hereby amended by adding the following subsection:

"(c) Whenever the loss of United States nationality is put in issue in any action or proceeding commenced on or after the enactment of this subsection under, or by virtue of, the provisions of this or any other Act, the burden shall be upon the person or party claiming that such loss occurred, to establish such claim by a preponderance of the evidence. Except as otherwise provided in subsection (b), any person who commits or performs, or who has committed or performed, any act of expatriation under the provisions of this or any other Act shall be presumed to have done so voluntarily, but such presumption may be rebutted upon a showing, by a preponderance of the evidence, that the act or acts committed or performed were not done voluntarily."

SEC. 20. Section 354(4) of the Immigration and Nationality Act (8 U.S.C. 1486) is hereby amended to read as follows:

"(4) who has attained the age of sixty years, and has had a residence outside of the United States and its outlying possessions for not less than ten years, during all of which period he has been engaged in an occupation of the type designated in paragraph (1), (2), or (4) of section 353, or paragraph (2) of this section, and who is in bona fide retirement from such occupation; or who is the spouse or child of the national described in this paragraph and who has his residence abroad for the purpose of being with such American citizen spouse or parent; or".

SEC. 21. The language "CHAPTER 3—ISSUANCE ON ENTRY DOCUMENTS" of the table of contents of the Immigration and Nationality Act, as amended, is hereby amended to read as follows:

"CHAPTER 3—ISSUANCE OF ENTRY DOCUMENTS"

SEC. 22. (a) The title preceding section 212 of the Immigration and Nationality Act, as amended, is hereby amended to read as follows:

"GENERAL CLASSES OF ALIENS INELIGIBLE TO RECEIVE VISAS AND EXCLUDED FROM ADMISSION; WAIVERS OF INADMISSIBILITY"

(b) The title preceding section 329 of the Immigration and Nationality Act, as amended, is amended to read as follows:

"NATURALIZATION THROUGH ACTIVE-DUTY SERVICE IN ARMED FORCES DURING WORLD WAR I OR WORLD WAR II OR THE KOREAN HOSTILITIES"

SEC. 23. (a) The table of contents (TITLE I—GENERAL) of the Immigration and Na-

tionality Act is hereby amended by adding the following:

"Sec. 106. Judicial review of orders of deportation."

(b) Section 212 of the table of contents of the Immigration and Nationality Act is hereby amended to read as follows:

"Sec. 212. General classes of aliens ineligible to receive visas and excluded from admission; waivers of inadmissibility."

(c) Section 329 of the table of contents of the Immigration and Nationality Act, is hereby amended to read as follows:

"Sec. 329. Naturalization through active-duty service in Armed Forces during World War I or World War II or the Korean hostilities."

SEC. 24. (a) The following Acts and all amendments thereto and parts of Acts and all amendments thereto are repealed:

(1) Section 4 of the Act of September 3, 1954 (68 Stat. 1145; 8 U.S.C. 1182a);

(2) Section 4 of the Act of September 11, 1957 (71 Stat. 639–640; 8 U.S.C. 1205);

(3) Sections 5, 6, and 7 of the Act of September 11, 1957 (71 Stat. 640–641; 8 U.S.C. 1182b; 8 U.S.C. 1182c; 8 U.S.C. 1251a);

(4) Section 15 of the Act of September 11, 1957 (71 Stat. 643–644; 50 U.S.C. App. 1971a, note);

(5) Sections 9 and 12 of the Act of September 11, 1957 (71 Stat. 641–642; 8 U.S.C. 1255a; 8 U.S.C. 1153, note);

(6) Section 2 of the Act of August 21, 1958 (72 Stat. 699; 8 U.S.C. 1255; 8 U.S.C. 1153, note);

(7) Sections 4 and 6 of the Act of September 22, 1959 (73 Stat. 644–645; 8 U.S.C. 1153, note).

(b) Paragraphs (5), (6), and (7) of subsection (a) of this section shall take effect upon the expiration of the one hundred and eightieth day immediately following the date of enactment of this Act.

SEC. 25. (a) Any alien eligible for a quota immigrant status under the provisions of section 203(a) (2) or (3) of the Immigration and Nationality Act on the basis of a petition approved by the Attorney General prior to June 30, 1961, shall be held to be a nonquota immigrant and, if otherwise admissible under the provisions of that Act, shall be issued a nonquota immigrant visa: *Provided*, That upon his application for an immigrant visa, and for admission to the United States, the alien is found to have retained his relationship to the petitioner, and status, as established in the approved petition.

(b) At any time prior to the expiration of the one hundred and eightieth day immediately following the enactment of this Act a special nonquota immigrant visa may be issued to an eligible orphan as defined in section 4 of the Act of September 11, 1957, as amended (8 U.S.C. 1205; 71 Stat. 639, 73 Stat. 490, 74 Stat. 505), if a visa petition filed in behalf of such eligible orphan was (A) approved by the Attorney General prior to June 30, 1961, or (B) pending before the Attorney General prior to June 30, 1961, and the Attorney General approves such petition.

And to amend the title so as to read: "An Act to amend the Immigration and Nationality Act; and for other purposes."

Mr. EASTLAND. Mr. President, I move that the Senate disagree to the House amendments to S. 2237, request a conference with the House of Representatives thereon, and that the Presiding Officer appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. EASTLAND, Mr. JOHNSTON, Mr. MCCLELLAN, Mr. ERVIN, Mr. DIRKSEN, Mr. KEATING, and Mr. FONG conferees on the part of the Senate.

AID TO FEDERALLY IMPACTED AREAS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 867 (H.R. 9000) be taken off the calendar and referred to the Committee on Labor and Public Welfare.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 9000) to extend for 2 additional years the expired provisions of Public Laws 815 and 874, 81st Congress, and the National Defense Education Act of 1958, and for other purposes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

NOTICE CONCERNING NOMINATION BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Alton A. Lessard, of Maine, to be U.S. attorney, district of Maine, term of 4 years, vice Peter Mills.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Friday, September 15, 1961, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARING ON NOMINATION OF PAUL D. SHRIVER TO BE JUDGE FOR THE DISTRICT COURT OF GUAM

Mr. CARROLL. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, September 15, 1961, at 10:30 a.m., in room 2228, New Senate Office Building, on the nomination of Paul D. Shriver, of Colorado, to be judge for the district court of Guam, for a term of 8 years, vice Eugene R. Gilmartin, deceased.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Michigan [Mr. HART], the Senator from Hawaii [Mr. FONG], and myself, as chairman.

U.S. DISARMAMENT AGENCY FOR WORLD PEACE AND SECURITY

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, which will be read by its title.

The CHIEF CLERK. A bill (S. 2180) to establish a U.S. Disarmament Agency for World Peace and Security.

VIEWS OF DR. RALPH K. WHITE ON PROPAGANDA

Mr. DODD. Mr. President, from time to time, people who have made a study of U.S. propaganda have told me that our propaganda effort is flaccid and defeatist, that in our broadcasts, in particular, we seemed to believe that propaganda consists of nothing more than music and colorless news.

Although I have found the time to examine our propaganda effort in only a few instances, I have seen things that have alarmed me. For example, the film which the U.S. Information Agency made of Premier Khrushchev's visit to America was far more effective as an instrument of Soviet propaganda than the film the Soviets themselves produced under the caption "Nikita Khrushchev in America."

The most alarming evidence I have yet noticed of the weakness in our propaganda effort was the speech made on Monday, September 4, by Dr. Ralph K. White, Chief of the Soviet Bloc Division of USIA's Office of Research and Analysis.

This speech advanced the general theme that we are not too different from the Communists, after all. At the conclusion of my remarks, I shall insert in the RECORD the text of Dr. White's speech; but at present I should like to give a brief and, I believe, fair description of its contents.

Dr. White contends the following:

That we and the Communists are waging a joint battle against mutual suicide.

That we err in not recognizing that the Russians are afraid of us and that many of their seemingly aggressive policies originate in this defensive fear.

That while the Soviets may appear aggressive in Berlin, they have a genuine desire to stabilize the situation there, based upon a sincere fear of aggression by the West.

That we are too inclined to look upon Communist leaders as villains and that we overestimate the evil of Communist dictators.

That we are too ready to dismiss the words of the Soviet leaders as lies when most of the time they are saying what they really think.

Then, in what surely must number among the great understatements of this century, Dr. White throws in these bromides:

He says that, in a sense, Soviet leaders are "less representative" of their own people than we are. He points out that their meaning of democracy is "rather different" from ours and that they are, therefore, "less democratic" than we are. He concedes that we are "less aggressive" and "less imperialistic" than they are. He ventures that "relatively speaking" we are more truthful than the Communists.

Dr. White, in conceding that we are more truthful than the Communists, implies that this difference is only in degree rather than in kind. He condemns the U–2 incident and our assistance to the Cuban freedom fighters as matters for which we should be blamed.

In another portion of his speech, Dr. White credits Khrushchev with having

knocked "large holes" in Stalin's Iron Curtain, apparently unaware that a few weeks ago Khrushchev closed the largest hole in the Iron Curtain by building a concrete wall across the center of Berlin that is more literally an Iron Curtain than Stalin ever erected.

These are strange statements indeed to come from a man who is responsible for advising USIA on the most effective means of winning the ideological conflict with the Communists.

Apparently Dr. White feels there is not much of a conflict after all and that differences between us and the Communists are mere delusions and misunderstandings.

It is, I feel, a matter of shame for a Senator to have to refute on the floor of the Senate such statements from a U.S. official.

First, we are not engaged in any joint battle at the side of the Communists against mutual suicide. They, and they alone, threaten the world with destruction. If we are to have a nuclear holocaust, it is they who will cause it and nothing could be more false than the assumption that, somehow, we and the Communists are struggling together against the threat of nuclear annihilation, as though that threat had some independent status, some autonomous power of its own.

Second, I cannot believe that the brutal aggression of the Communists in East Berlin, in Tibet, in Laos, in South Vietnam, in Indochina, in South Korea, and other places, or the similar aggression which swallowed up all of Eastern Europe and China, is motivated by fear of the West. It is, rather, a logical and systematic implementation of the frequently declared aim of the Communists to subjugate the entire world. I hope that, after the fall of 1 billion persons to Communist tyranny since 1945, there are only a few left who maintain that these patently aggressive and inhuman acts were defensive, natural acts based upon fear. The fact that such a thesis is still being advanced by one of our leaders in psychological warfare is to me a cause of shock and almost of despair.

Third, Dr. White's thesis that Soviet actions in Berlin are based upon a genuine desire to stabilize the situation there, thus fending off Western aggression in the future, is incredible in view of the facts.

The Communists have forced crisis after crisis in Berlin with the objective of forcing us out, gobbling up Berlin, and so undermining the free world position there as to cause all of Germany and all of Europe to fall within the Communist orbit.

The Communist purpose in Berlin is aggression and no other. And if the leaders of our own USIA cannot grasp this fact, if they do not have the comprehension to understand our enemy and his motives, whom can we expect to understand?

Fourth, Dr. White feels that the American people are too inclined to look upon the Communist leaders as villains and that we overestimate their evil.

Here is a group of men in Moscow who have deliberately murdered 20 million people, through planned starvation, through assassination, through mass executions, through the slow living death of concentration camps and slave labor camps.

Here is a group of men who have enslaved 1 billion human beings and turned them into faceless cogs in the Communist machine.

Here is a group of men who have waged systematic warfare upon the basic tenets of our religious and philosophic heritage, men who will embrace any evil if it advances the Communist cause.

In the face of this, what can be said for a division chief in our USIA who feels that we overestimate the evil of our enemies?

Fifth, Dr. White chides us for being too ready to dismiss the words of Soviet leaders as lies when most of the time "what they say is fairly close to what they really think." What a remarkable statement this is.

Does Dr. White believe that the Soviet charges against us of germ warfare in Korea were made in good faith?

Does he believe that they were saying what they really thought when they tied us up in nuclear test ban negotiations while at that very time they were setting up the series of nuclear tests which are now taking place?

Does he believe that they were acting in good faith when they broke more than 1,000 solemn treaties which they had entered into?

The list of their perfidy is infinite.

It need not be recounted here.

What is unbelievable is that an American USIA official could make the statement that most of the time Soviet leaders are saying what they really think.

Sixth, the understatements of Dr. White to which I previously referred are actually incredible misstatements.

The Soviets are not merely "less representative" of their people than we are. They are not representative of their people at all in any real sense. They are enemies and enslavers of their people.

They are not "less democratic" than we are. They are not democratic in any sense; they are totalitarian in every sense.

Their meaning of democracy is not "rather different" from ours, as Dr. White alleges. There is no room for democracy at all in their ideology and they are avowed enemies of it.

I suppose we should be grateful to Dr. White that, after years of scientific research and evaluation, he can proclaim that we are "less aggressive" and "less imperialistic" than the Soviets. But the truth is that we are not aggressive at all and they are completely aggressive. The truth is that we are not imperialistic at all and they are the most imperialistic clique that ever existed.

Seventh, as for Dr. White's condemnation of the U–2 flights and our assistance to the Cuban freedom fighters, I have this to say.

The truth is that the U–2 flights were not only blameless but highly praiseworthy and necessary actions that contributed substantially to the security of this Nation and to its protection against surprise attack by the Soviets.

The truth is that our error in assisting the Cuban freedom fighters was that we did not give enough help to those who were striving to rescue their country from the grim oppression of a Communist dictatorship, maintained in power by Communist arms.

We can expect our enemies to attack us on these points; we can expect neutralists and those who are more committed to vague concepts of internationalism than they are to the life or death question of national security to find fault with these actions. But should we expect an official of our own U.S. Information Agency to make such attacks? If USIA is not for us, who can we expect to be for us?

Throughout his remarks, Dr. White repeatedly identifies the Russian people as having the same basic outlook and beliefs as their Communist leaders. The uncritical acceptance of this myth by a man who is supposed to be one of our principal experts on the Soviet Union is really astounding. Dr. White apparently has more confidence in this than the Kremlin.

If the Russian people essentially share the outlook of their leaders, why is it necessary for the Kremlin to spend a billion dollars a year jamming radio broadcasts from the free world? Why did the Soviet troops in Hungary desert to the Hungarian patriots on a mass scale at the time of the Budapest uprising in 1956? Why does the Kremlin find it necessary to suppress books such as "Dr. Zhivago"?

There is massive evidence that the Russian people, like their fellow victims in Hungary, Poland, East Germany and throughout the Soviet prison house of nations are seething with discontent and hostility toward their Communist rulers. One of the principal tasks of the U.S. Information Agency is to keep this feeling alive, to nourish it and strengthen it with the truth.

Surely we cannot expect USIA to do this when key officials such as Dr. White have already thrown in the sponge and go around proclaiming that the Soviet people are more or less united under their Communist leaders and share their attitude toward world affairs.

Dr. White's speech purports to combat great delusions which are causing misunderstanding between us and the Soviets, delusions which he feels are endangering world peace. Yet in his speech he unwittingly propounds the real delusions that have cost us defeat after defeat in the cold war.

It was the delusion that the Soviets were democratic and peace loving that caused us to conduct our war strategy against Hitler in a way which permitted Russia to emerge as the principal victor of World War II.

It was the delusion that the Soviets were trustworthy and had legitimate fears of Western aggression that caused us to barter away the freedom of 100 million people in Eastern Europe.

It was the delusion that the Chinese Communists were sincere reformers and were representative of the Chinese peo-

ple that caused us to sit idly by while half a billion Chinese were enslaved by communism.

It was the delusion that perhaps they were saying what they really thought that caused us to fritter away the past 3 years in nuclear test ban negotiations, dismantling our own nuclear development while the Soviets forged ahead in theirs.

It was delusions such as Dr. White propounds that have caused one catastrophic conference with the Soviets after another, one propaganda defeat after another, one humiliation after another and the loss of one free nation after another.

After all that has happened, that a man with such ideas could still be occupying a vital position in our cold war command, that his words could be quoted approvingly and featured prominently by many of our outstanding newspapers, is a commentary on our Nation which casts the gravest doubt upon our capacity to comprehend the nature of the enemy, a comprehension which alone will lead us to the hard and bitter choices that are necessary if we are to save our country.

In my judgment, Dr. White should be summarily dismissed from his post for he has revealed himself as not only unable to effectively present to the world the American position and the position of freedom in this mortal struggle for survival between decency and evil, he apparently is unable even to understand and embrace it.

Beyond this, I believe it is time for the appropriate committees of the Congress to thoroughly investigate the U.S. Information Agency to find out if Dr. White's philosophy is an isolated phenomenon within the Agency or whether it represents a consensus of opinion among those who are charged with bringing to the world the American message. If our USIA leaders share the approach to the cold war of the Chief of the Soviet Bloc Division of the Office of Research and Analysis, then this entire Agency must be either cleaned up or dismantled because under present conditions it cannot effectively further the cause of human freedom.

Mr. President, I ask unanimous consent that the address "Mirror Images in the East-West Conflict," delivered before the American Psychological Association convention on Monday, September 4, 1961, by Dr. Ralph K. White, be printed at this point in the RECORD, together with a Washington Post feature article on the speech, by Eve Edstrom, dated September 5, 1961.

There being no objection, the address and article were ordered to be printed in the RECORD, as follows:

MIRROR IMAGES IN THE EAST-WEST CONFLICT

(Address by Ralph K. White)

As this paper has evolved, it has changed its title. The new title is "Mirror Images in the East-West Conflict." The reason is that I have been more and more fascinated by the similarities—the mirror-image similarities—between our own thinking and that of the Russians. An American who explores the psychological world of the Russians begins to feel that he is in a kind of looking-glass world, where all sorts of things have a familiar look, and yet they appear in a reverse perspective; their shape is often almost exactly the opposite of the shape they have in the "real" world as we Americans perceive it.

I don't know who first spoke about a mirror image in this context. Probably the two psychologists whose use of the term is now most well known are Urie Bronfenbrenner and Charlie Osgood. Actually I suspect that this is one of those terms that are so natural, so much in the air at a particular time, so true, that they have independently cropped up in the minds of quite a number of different people, including several of the people in this room (and, of course, including myself). If so, it is all to the good insofar as it leads us to take a long, hard look at the mirror-image phenomenon, to try to disentangle the kernels of truth from the misconceptions and distortions on both sides, to try to disentangle the political factors from the psychological factors in distortion, and then to settle down to our own proper psychological business of understanding the psychological reasons for distortion. But it would not be all to the good if the mirror-image concept should become a fad and if, like many other terms in the history of psychology, it should begin to be invoked indiscriminately, as if it were an explanation in and of itself. With that danger in mind, I will try today to present to you a balanced picture of the mirror-image in Soviet and American thinking, with due attention to the limitations of the concept as well as to its essential validity and its very great importance.

The investigation on which this talk is largely based consists of an effort to describe the main elements in what the Soviet leaders and the Soviet people think about us, what we think about them, what they think about themselves, and what we think about ourselves. In other words, it is a study of enemy images and of self-images on both sides of the East-West conflict. It is presented here (in a paper that I have some extra copies of, for those who are interested) in the form of parallel columns. The parallel-column technique is a useful one in that it immediately brings out both similarities and differences. Where a particular American idea has a Soviet mirror-image counterpart, that counterpart appears beside it, while the ideas that don't have Soviet counterparts have blank space opposite them, and the absence of a mirror image is just as obvious as its presence is in the other cases.

Of course, any investigation of the psychological world of the Russians can be only the roughest sort of approximation. It is beset by many difficulties, of which the most important, probably, is the obvious question of sincerity. When a Russian is talking with an American, is he speaking sincerely and frankly? Does he dare to speak frankly? These methodological problems will be considered at greater length in the chapter I am writing for the SPSSI handbook on international behavior, edited by Herb Kelman. At this point I will only say that several different kinds of evidence have been used to arrive at a composite picture of Soviet thinking, and that the evidence is a good deal better than it was even 5 years ago. However we may feel about Premier Khrushchev in other respects, we have to give him credit for the large holes he has knocked in Stalin's Iron Curtain.

Five years ago we had, for example, the big Harvard study of Soviet escapes, directed by Bauer, Inkeles, and Kluckhohn, studies of the psychology of the inner core of the Communist Party such as those by Nathan Leites and Gabriel Almond, various reports by westerners in the U.S.S.R. (including Harrison Salisbury), and historical studies of the actions as well as the words of Communist leaders. Now we have in addition a USIA study of 164 repatriates from the Soviet Union, a radio liberty study of 107 especially qualified westerners in the U.S.S.R., and a greatly increased number of reports by American tourists, American guides at our exhibit in Moscow 2 years ago, and American students who have attended Soviet universities. With such an abundance of material it is possible to reduce error by checking one kind of evidence against another. That has been done in arriving at the composite picture presented in these parallel columns.

Here are a few of the similarities:

First, and most fundamental: Each side looks on the other as a dangerous aggressor and a breaker of the peace. We in America, of course, see the Russians that way. The amazing thing is that most of them regard us—or rather our ruling circles—in the same way.

That is pretty hard to believe, and I don't expect you to believe it without evidence. Of course we all have known for a long time that that is their propaganda line. It has been the propaganda line of the Communist leaders since 1948, when Vishynski first began talking in the U.N. about American warmongers. But most of us, I suspect, found it hard to believe that the Russian people believed him. That was certainly my feeling. For several years I felt that whatever the Russian people might swallow in the propaganda of their leaders they could hardly swallow this myth of American aggression. It was so obvious—to us—that America just wasn't aggressive.

But the facts have forced me, gradually and reluctantly away from that consoling idea. In recent years a large amount of evidence has accumulated indicating that in this respect most of the Soviet people do swallow the mythology of their leaders. For instance, Bauer, Inkeles, and Kluckhohn, describing the opinions expressed by Soviet citizens to Western visitors inside the Soviet Union, say: "In the majority of instances they indicated a complete acceptance of official propaganda with regard to foreign affairs. There are some people who categorically reject the picture of America as an aggressor, but indications are that they are very much in the minority." And Urie Bronfenbrenner, after his extensive conversations inside the Soviet Union last summer, said, "With few exceptions, they saw the world in the Kremlin's terms. Above all, America is the warmonger, its people the unwitting victims of the ruling capitalistic-militaristic clique."

Corresponding to this, another basic belief of the people on each side is that their own country is wholly peaceful. Of course, we in America assume that we are wholly peaceful. The strange thing is that most of the Russians think the same thing about their own country and their own government.

It is really a very strange thing, this calm assumption of innocence on their part. It seems almost inconceivable that they could ignore the historical record of Soviet aggression as much as they do. We think of the cynical Nazi-Soviet pact, the Soviet attack on Finland the absorption of the Baltic States, the takeover of almost all of Eastern Europe after World War II, the Berlin blockade, the Korean war, Hungary, Tibet, Laos, and now again Berlin. But these things hardly come into the mind of a Soviet citizen at all, when he thinks about the peacefulness of his country, or if they do come into his mind he interprets them in such a way as to preserve his image of Soviet innocence. What does come into his mind, so vividly and so powerfully that it sweeps all of these things aside, is his memory of the horrors of World War II. To him, the implication of these horrors is that everyone in the world must now realize that after such an experience the Soviet Union must be one of the most peaceloving countries in the world.

I think one of our greatest American blindspots with regard to Soviet thinking is our tendency to forget what a tremendous emotional experience the Second World War was, and still is, in their lives. But Americans who go to the Soviet Union get over this particular misconception in a hurry. For instance, one of the guides at the American exhibit in Moscow in 1959 says, "They are not allowed to forget their war for a day. Their suffering was terrible. Perhaps they could not forget it even if allowed, but officially it is enforced so much that even the very young, who didn't know it (at the time), are tremendously and emotionally aware of it. * * * A frequent question is: 'How do you conduct the battle for peace there (in America)?' Often it is strict party line propaganda even to the words used, but very often it is fervently believed. There were many, many tearful eyes when this subject was up."

There is, I suggest, a close psychological relationship between their conviction that they are innocent and their convictions that we (or our rulers) are guilty. They not only assume they are innocent; they assume we know they are innocent, and in the light of that assumption all of our military activity looks to them suspiciously aggressive. They see us building military bases around them, for instance, and sending U–2 planes over their territory, and rearming West Germany. In our eyes—taking the danger of Soviet aggression for granted—these things are obviously defensive in purpose. But to the Soviet people—taking their own innocence for granted—our plea of self-defense has a hollow sound. They ask themselves: "Who, or what, is America defending herself against? Surely not us—the Soviet Union—the most peaceloving country in the world. Surely the Americans must know that, after what we suffered in World War II, we could never deliberately start a war. And yet they are building bases around us. They are even allying themselves with the Germans—the very country that attacked us in World War II. There is only one explanation: Somebody in America must want a war."

In this deluded but completely logical train of thought, please notice the importance of our alliance with the Germans. The vividness of World War II in their memories has, as a necessary consequence, an almost obsessive fear of Germany. For us to ally ourselves with the West Germans, whom they regard as more or less re-Nazified, therefore seems to them almost like an open alliance with aggression. Another guide at the American exhibit says: "On German rearmament my discussion was constantly interrupted by emotional outbursts that relived the horrors and sufferings of World War II." And Urie Bronfenbrenner quotes a Soviet citizen as saying to him: "'We know the Germans better than you do. Twice in the life of our country we have had to defend ourselves against German aggression. We can't allow this again. And the West German Government is letting Nazis back to power.' And then, in a much louder voice as he lost control, 'I see, for you an airplane is just something to take pretty pictures out of, and do you know what it means to me when I look up and see an airplane? It means the death of my mother, the death of my father, the death of my brothers and sisters and all those that were dear to me.'"

Those two are, I think, the two most fundamental of the mirror-image similarities: a feeling of being threatened on both sides, and a feeling of innocence on both sides. They want war; we want peace.

A third similarity is the resemblance between the values invoked by us and the values invoked by the Russians. It is true that their meaning of democracy is somewhat different from our meaning. But with this major exception and a few minor ones the avowed goals and values of the Russians are pretty much the same as ours. We say we want peace, friendship, national independence, equal opportunity, help for the unfortunate. So do they. They say they value truthfulness, unselfishness, material well-being, strength, unity, courage. So do we. We rate America high and the Soviet Government low, in terms of these values. They rate the Soviet Union high and the American "ruling circles" low in terms of the same values. We say "good" where they say "bad" and vice versa. But what we both mean by "good" and what we both mean by "bad" is to a remarkable extent the same.

A fourth similarity is that we and they both tend to cherish what might be called a black-top image of the enemy—that is, a belief that the mass of the people in the enemy nation are ordinary peace-loving human beings like ourselves, and that the moral evil is concentrated in a handful of criminals at the top. We, of course, regard the Russian people as comparatively innocent, while the Communist Party leaders are a privileged group, oppressing the mass of the people and, with their fanatical belief in Communist expansion, endangering the peace of the world. We know that it is the rulers of the Soviet Union, not the people, who are to blame. But they think they know, equally well, that it is the rulers of America, not the people, who are to blame. It is Wall Street, it is the Pentagon, it is the small band of capitalists who profit from the arms race, that is endangering the peace of the world. Of course we are all familiar with this as the Communist propaganda line, and of course the Soviet people don't necessarily believe the propaganda line. But as I've said, there is now a great deal of accumulated evidence that most of them do believe this particular propaganda line. They cling to their black-top image of us almost as firmly as we cling to our black-top image of them.

A fifth mirror-image similarity is the belief on each side that since the enemy usually tells lies, he is not worth listening to. We, of course, don't trust what they say, and a great many of them, I'm afraid, are almost equally distrustful of what our official spokesmen say.

These, then, are five major mirror-image resemblances. They can be summarized in five sentences, all five of which could be said with conviction by either a typical Russian or a typical American:

1. They are aggressive.
2. We are peaceful.
3. We believe in all of the good things: national independence, democracy, equal opportunity, and so on.
4. They have evil rulers.
5. They tell lies.

So much for the mirror-image similarities. But if we are to keep things in proper perspective, and not make a fetish of this mirror-image concept, we had better notice some of the differences. Six differences seem to me to be important:

On the American side, the viewpoints of leaders and public are so similar that there seemed to be no need to distinguish between them. On the Soviet side leaders and public are much more likely to have different (though not necessarily contradictory) attitudes. In other words, the Soviet leaders are less representative of their own people; in this sense, at least, they are less democratic.

The Soviet leaders apparently see themselves as leading a process of mighty, inevitable and desirable Communist expansion, and as being ready, with no sentimental moral qualms, to use force in the interest of Communist expansion whenever its costs and risks are not too great. In this cause the rational use of force is taken for granted; "force is the midwife of every old society that is pregnant with the new." For this there is no real American analog. While we are quite prepared to use force in what we see as short-term or even long-term self-defense, its rationale for us is necessarily defensive; we lack the Communist leaders' expansionist impetus, and with it their readiness to use force when its only justification, even in their eyes, is the rational implementation of expansion. In this sense we are less aggressive and less imperialistic than they are.

Similarly, rational and skillful deception seems to be a more accepted part of the Soviet leaders' self-image than of the self-image of most Americans. Of course we are not blameless on this score and many of us know it. "Our halo was loused up" in both the U–2 and the Cuban incidents. But there have been no official American lies that begin to compare with the Soviet leaders' claim that the "people's democracies" are actually independent, or their claim that we started the Korean war. And the sense of outrage in many American minds when our self-image of a truthful America was impaired by the U–2 and Cuban incidents testifies to the reality of that image, and to the reality of the forces resisting its impairment. Relatively speaking we are more truthful.

If you have been made a little uneasy by the dogmatic flavor of the above statements that we are more democratic, nonexpansive, and truthful than the Soviet leaders, your uneasiness is itself a reflection of a more fundamental difference: most Americans are more openminded than most Communists. And as a result our world picture is more realistic than theirs.

This is perhaps the most crucial question raised by the parallel-column presentation. At every point of contrast the question comes up: Which is closer to the truth? Every reader will provide his own set of answers to these questions. A paper of this length can hardly consider them at all. But it can at least suggest the danger of leaning over backward in an effort to be objective, and point out that some highly objective people have reached the conclusion that the overall balance sheet is very strongly in our favor as far as realism is concerned. George Kennan, for instance—one of the least chauvinistic and most evidence-oriented of American scholars—says that the Communists have "viewed Western society through an ideological lens as distorted as any men have ever used."

While the parallel images described in this paper do not in themselves prove anything about realism, they do throw a spotlight on some articles of the Soviet faith that we, even after making allowance for our own naturally one-sided viewpoint, can scarcely fail to regard as flagrantly distorted. Consider, for instance, the Soviet leaders' view of American bases as self-evidently aggressive (though we did not drop atomic bombs on Moscow even when we had a monopoly of them), or their conception of the extent and villainy of "American imperialism" (though Western "imperialism," especially that of America, has been mellowing and more or less voluntarily retreating for 40 years), or their picture of the revival of nazism in West Germany (though Adenauer had been in a Nazi concentration camp), or the amount of exploitation, deception and subversion they attribute to the actually rather human leaders of the West, or their total whitewashing of their own record of aggression and domination (though it includes the take-over of East Europe, the war in Korea, the intervention in Hungary, and many others).

We are obligated to challenge our own world picture as rigorously as we challenge theirs. We are obligated, perhaps, to conclude that, from their point of view, they are as logical as we are and feel as righteous as we do. We are not obligated to conclude

that their point of view is as close to reality as ours.

On the Soviet side there is an ominously greater amount of military self-confidence.

Our meaning of democracy is rather different from theirs. They give at least lipservice to government by the people and government for the people, but seldom mention individual freedom, which is extremely prominent in the American ideology.

Not all the differences, however, are in our favor. One clearly is not: the warm feeling of friendliness toward America that apparently exists in most of the Soviet people and even, perhaps, as a component in the attitude of many of their leaders. For instance, the themes, "they are like us" and "America is a wonderful, fascinating country" have little or no parallel in the thinking of most Americans about the Russian people. Our feeling toward the Russian people, though conscientiously friendly, is pallid in comparison with their feeling toward us. Their readiness to reach out a hand toward us is perhaps the chief departure, on either side, from the grimness of the black-and-white picture. It would be our misfortune as well as theirs if, blinded by our own black-and-white picture, we failed to recognize it.

But, as we have seen, the similarities unquestionably outweigh the differences. This is represented statistically by the fact that 43 percent of the ideas on the American side have almost identically worded counterparts on the Soviet side, and another 34 percent have counterparts that are similar if not identical. Only 23 percent—about one-quarter—have no recognizably similar counterparts at all.

In other words, the mirror image is an abundantly demonstrated fact.

The next question is: How can we explain it?

One set of reasons is clearly political. Any political leaders—those in the Soviet Union, for example—are likely to want to stay in power. And we know that the political leaders in the Soviet Union have a peculiarly intense desire to stay in power. We know, too, that they are more able to manipulate the psychological environment of their followers than are, for example, the political leaders in the United States. Stalin could say "We are struggling for peace" and stack the cards, in the information media inside the Soviet Union, in such a way that most of the people would have very little basis for disagreeing. He would want to stack the cards, in order to gain popular approval and consolidate his own power, and he would be able to stack them effectively, because he was the dictator in a totalitarian society. Perhaps in some degree similar factors have operated on our own side of the Iron Curtain.

These political factors are the proper study of the political scientist and the historian. We can properly leave them to Merle Fainsod and George Kennan. But, after giving due emphasis to such political factors, it is our proper business as psychologists to focus on, to describe, and then to try to explain the psychological factors. For example, what were the psychological factors, in the minds of the Soviet people, that Stalin felt he could make use of in the process of winning approval and consolidating his power? Did he feel that if he depicted himself and his enemies in a certain way he would strike a responsive chord in the people, and that if he described himself and his enemies in a different way he would not strike a responsive chord? And do these psychological factors in Soviet minds have certain counterparts in American minds?

The evidence suggests that they do. The evidence suggests that there is a more or less standard pattern toward which political imagery tends to gravitate, and that this standard pattern varies remarkably little, even in cultures as different as the Soviet Russian culture and the American culture. There is a more or less standard self-image toward which all self-images tend to gravitate, and there is a more or less standard enemy image toward which all enemy images tend to gravitate. There is also a more or less common value system in terms of which all political approval and disapproval tends to be expressed. To recapitulate, we and the Russians—and many other political groups throughout human history—have subscribed to something not very different from the following creed:

"We are human beings. We have our faults, but on the whole we are humane and sensible. We would like nothing better than to live at peace, and to cultivate our land, raising our children as they should be raised, not disturbing others and not being disturbed. But we are disturbed. Out there beyond our own land are enemies. They have evil rulers who oppress them and who even want to take our land away from us, and to oppress us, as they oppress their own people. They come to us with sweet words saying that they too want peace, but we cannot believe them, for their actions speak louder than their words. Therefore we must be strong, since the only language our enemy understands is the language of force. And we can be strong because, though too often tempted by the soft ways of peace, we are men, not slaves."

This, the evidence suggests, is the more or less universal, more or less standard pattern of imagery whenever human groups are in conflict. Sometimes it is close to reality; sometimes it is rather far from reality. But always there are psychological forces pulling human imagery in the direction of something like this. It is up to us, then, to understand what those psychological forces are. We have some good clues. We can talk about rationalization, and projection, and a strain toward consistency, and consonance and dissonance and various other things. It behooves us—if we want to contribute to peace—to use our best clues, and to get down to brass tacks in research on this problem.

But in the meantime it is impossible to resist the temptation to speculate as to how the Russians are deluded, and how we ourselves are deluded. At what points have the image-making forces taken the Russians furthest from reality, and at what points have they taken us furthest from reality?

My own personal hunch is that the Russians are most dangerously deluded on three points:

First, they do not see that we are afraid of them. They think of us as ruled by capitalists who are afraid of the spread of socialism, but they do not think of the American people as afraid of the spread of Soviet power. Not recognizing our fear, and assuming that they themselves are obviously one of the most peace-loving countries in the world, they are unable to interpret our bases, and our reconnaissance flights, and our rearming of Germany, as having any intelligible purpose except aggression.

Second, they have firmly fixed in their minds the delusion that there are evil forces in America that deliberately want war. There are "ruling circles" in Wall Street and the Pentagon who are the "bad guys" both in terms of oppressing the American people and in terms of threatening war. This "black-top image" has for them the function of preserving their basic assumption that there are some bad buys in America from any revision on the basis of discovering that individual Americans are ordinary peace-loving human beings like themselves. They can always say to themselves, "Of course, my American friend John Smith is all right; he's only duped by the capitalists and militarists who rule, behind the scenes, in American society." We know that hostility to the Soviet Union is distributed throughout all levels of American society, and that most of our leaders, whatever their other faults may be, are as peace-loving as ourselves. But the Russians don't know it.

Third, as we have seen, they are inclined to assume that we Americans, or rather our "rulers," are such unscrupulous propagandists that listening to us will expose them to the danger of being taken in and becoming our unwitting dupes. This is also a particularly unfortunate delusion from the standpoint of peace, because it puts a psychological obstacle in the path of good two-way communication and almost insures that we cannot make much headway in eliminating the other dangerous delusions in their minds.

As for us Americans, I'm going to stick my neck way out and suggest—as a football for you and the discussants to kick around—three delusions, or partial delusions, or partial misconceptions, that seem more dangerous to peace than any others. Not surprisingly, they are the mirror images of the three Soviet delusions mentioned above.

First, like the Russians, we find it hard to believe that they are afraid of us. But if anything is demonstrated by all of the abundant evidence accumulated during the past 5 years, it is that the Russian leaders and people are afraid of us, at least when we are allied with Germans, as we are today. Take the Berlin situation, for instance. The Communists are clearly wrong if they make a power play to take the city, and we are clearly obligated to prevent that. But negotiations are still possible, and our negotiations are likely to be more skillful and successful if our negotiators are fully aware that the Soviet desire to stabilize the situation has in it an element of genuine fear. In this connection it is noteworthy that even in the earlier stages of the crisis, before attitudes had hardened as they have today, few Americans paid much attention to this Soviet fear. Walter Lippmann did, especially in his report of his interview with Khrushchev, in which Khrushchev expressed a strong desire to stabilize the situation before the West Germans are fully armed with nuclear weapons. Walter Lippmann felt that this fear was genuine and urgent. But few Americans paid much attention to him. Like the Russian people, we Americans are so sure of our own peacefulness that we find it hard to believe that anyone could sincerely, honestly be afraid of us.

Second, are we, like the Russians, too ready to see our enemy in terms of villains at the top and ordinary well-meaning people down below? I would say yes. Of course our picture has large elements of truth, but it overestimates how diabolical the Soviet leaders are (since the death of Stalin), and it underestimates how largely the delusions which make the Russians dangerous are now shared by the people as well as their leaders.

Third, are we too ready to dismiss anything the Soviet leaders say as being lies and therefore not to be listened to? Again, I would say yes. Most of the time, according to my hunch, what they say is fairly close to what they really think. We need to study their actions much more than their words, but, taken in conjunction with their actions, their words are often illuminating. And certainly we don't pay much attention, now, to what they are trying to tell us. Let me ask you: How recently have you listened to Radio Moscow's broadcasts in English? How recently have you read a book, or even an article, written from the Soviet point of view? Have you read, for instance, any of the collection of Khrushchev's speeches that was put out in this country by E. P. Dutton & Co.? Well—since this group obviously represents the intellectual cream of America—if that kind of listening to the enemy is unusual even here, think how rare it must be in the country as a whole.

This third point suggests another way in which we as psychologists might contribute to a bridging of the gulf of incomprehension that now separates the American people from the Soviet people. We are supposed to know something about the process of communication and about factors that clog the channels of communication. Perhaps we can do something to find out specifically what is clogging the channels of communication between us and the Russians, and what can be done about it.

For instance, one reason why we Americans don't really listen to Russians and try to understand their viewpoint could be a fear that in doing so we might be, or might be regarded as, "soft on communism." If so, then a still more basic need for us as psychologists is to clarify, in our own minds, what we think the basic attitude of the American people toward communism ought to be. I suggest that the attitude we should cultivate, in ourselves and others, can be best characterized as tough-minded empathy, or empathic tough-mindedness.

The American attitude needs to be tough-minded if it is going to support the efforts that are necessary in order to stop the forcible expansion of communism. Many of you probably feel—as I do—that in the present state of the world we need more military strength, not less; more determination to use force if necessary to stop Communist aggression; more determination to win the battle of ideas. These things all call for toughness of mind, including a critical awareness of the flaws in the Communist logic and the flaws in the factual premises on which that logic is based.

But at the same time it should be an empathic tough-mindedness, meaning by empathy not a sneaking sympathy for the Communist cause but a realistic, imaginative understanding of how the whole world looks from a Communist point of view, as a preliminary to a critical dissection of that point of view. This is a difficult combination psychologically, but it is essential. The first step of empathy is as essential as the second step of stringent criticism. Only a combination of the two can give us the depth of understanding that we need. And we do need depth of understanding, if we are to win either our ideological battle against communism or the joint battle that we and the Communists are fighting against mutual suicide.

[From the Washington Post, Sept. 5, 1961]

EXPERT NOTES DELUSIONS THAT FORM BLOCK TO UNITED STATES-SOVIET UNDERSTANDING

(By Eve Edstrom)

NEW YORK, September 4.—It is a looking glass world that we live in—we and the Russians—and, while familiar, it is distorted, producing three delusions more dangerous to peace than any others.

These delusions were outlined today by Ralph K. White, Soviet-bloc specialist for the U.S. Information Agency, at the American Psychological Association convention.

He warned that while the American attitude must be tough minded to stop the forcible expansion of communism, it must be based on realism if we are to win either our ideological battle against communism or the joint battle that we and the Communists are fighting against mutual suicide.

The first delusion, White said, is that we, like the Russians, are so sure of our own peacefulness that we find it hard to believe that they are afraid of us.

While we are clearly obligated to prevent the Communists from making a power play to take Berlin, White warned that our negotiations are likely to be more skillful and successful if our negotiators are fully aware that the Soviet desire to stabilize the situation has in it an element of genuine fear.

Before attitudes had hardened as they have today, White noted, columnist Walter Lippmann, in his interviews with Premier Nikita S. Khrushchev, had observed that the fear, based on our alliance with the Germans, was genuine and urgent, but few Americans paid much attention to him.

The second delusion, White said, is that we, like the Russians (are), too ready to see our enemy in terms of villains at the top and ordinary well-meaning people down below.

While this picture had large elements of truth, he said, it overestimated how diabolical the Soviet leaders are (since the death of Stalin) and it underestimates how largely the delusions which make the Russians dangerous are now shared by the people as well as their leaders.

The third delusion, White continued, is that we are too ready to dismiss anything the Soviet leaders say as being lies and therefore, not to be listened to.

Most of the time, according to my hunch, what they say is fairly close to what they really think, he said. We need to study their actions much more than their words, but, taken in conjunction with their actions, their words are often illuminating.

White said the mirror images of the three delusions in the Soviet mind, are these:

While they believe we are ruled by capitalists afraid of the spread of socialism, they do not think the American people are afraid of the spread of Soviet power. Not recognizing our fear, they are unable to interpret our bases, reconnaissance flights and rearming of Germany as having any intelligible purpose except aggression.

Secondly, it is the "gang of capitalists and militarists in the Pentagon and Wall Street" who deliberately want war and not the ordinary peace-loving individual American. The Russian people just do not know that our leaders are as peace loving as ourselves.

Finally, our rulers are such unscrupulous propagandists that listening to them will expose the Russians to the danger of becoming our unwitting dupes.

White cautioned that the mirror image does not apply in these areas of importance:

On the American side, the viewpoints of leaders and the public are so similar that there is no need to distinguish them. But the Soviet leaders are less representative of their own people, in this sense, less democratic.

Soviet leaders accept the use of aggression if it is to further the cause of communism. This had quite a bearing on the Berlin situation. Americans are prepared to use force only in self-defense. Therefore, we are less aggressive and imperialistic than they are.

Skillful deception is accepted to a greater extent the Soviet leaders' self-image. While our "halo was loused up" in both the U–2 and Cuban incidents, these do not compare with the Soviet claims that the "people's democracies" are independent or that we started the Korean war. Relatively speaking, we are more truthful.

Most Americans are more openminded than most Communists and as a result our world picture is more openminded than most Communists and as a result our world picture is more realistic than theirs. Their viewpoint is flagrantly distorted, as in the total whitewashing of their record of aggression and domination.

On the Soviet side there is an ominously greater amount of military self-confidence.

Finally, our meaning of democracy is rather different from theirs. While they give lipservice to "government by the people" and "government for the people"—thereby showing their ideology is not as diametrically opposed to ours they seldom mention individual freedom, which is a cornerstone of our ideology.

White's speech was based on a 64-page comparison of Soviet and American images. Of these, 43 percent of the ideas on the American side had almost identically worded counterparts on the Soviet side and another 34 percent were similar. Only 23 percent had no recognizably similar counterparts.

PROTEST HUMBLE OIL VICE PRESIDENT APPOINTMENT TO HEAD OFFICE OF OIL AND GAS

Mr. PROXMIRE. Mr. President, the "long black hand of oil" is reaching out again in our Government.

On September 5, an Humble Oil & Refining Co. vice president, Mr. Jerome J. O'Brien, of Midland, Tex., was appointed Director of the Interior Department's Office of Oil and Gas.

Mr. O'Brien brings 27 years of service to the oil and gas industry to a post in which he will be required to provide the principal leadership for the coordination of oil and gas programs and policies of all Government agencies. These policies O'Brien will coordinate include—oil import decision, oil research, public land use for oil, and many others directly affecting the Nation's millions of oil consumers.

The President owes the country an explanation for this latest in a string of appointments which wholly ignore the consumer and give the petroleum industry a stranglehold on U.S. Government policy affecting oil and gas.

Confidence in the impartiality of our Government where oil is concerned has been severely shaken by the appointment of New Mexico oil millionaire, John Kelly, still a holder of vast oil interests, as Assistant Secretary of the Interior for Mineral Resources, and Mr. O'Brien's boss, John Connally, still executor of one of the biggest private oil estates in the world, as Secretary of the Navy—the biggest buyer of petroleum fuels in the country—Lawrence O'Connor, former vice president of Goldston Oil, and an active officer in a large oil and gas trade association, to the Federal Power Commission, which regulates the rates natural gas companies may charge for gas. Big oil boys Connally, Kelly, O'Connor, and O'Brien are now the four keymen in our Government in setting the policies that help determine the price the American consumer pays for oil.

The influence of oil and gas on American politics is greater than ever. Such willful appointments only increase the power wielded by our most politically potent private interest group. When will it be recognized that the American consumer has a stake in the regulation of the oil industry?

Once again, with the O'Brien appointment, the Kennedy administration's otherwise fine public service record is blackened by oil influence.

Wednesday oil consumers had their day in the Senate when many Senators protested the effect of oil import restrictions in shoving up consumer prices. The consumers got the oratory. But can there be any doubt in view of these appointments that the big oil boys will get the Government oil policies they want?

ANTICOMMUNISM STRATEGY SEMINAR

Mr. GOLDWATER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an address by Dr. Stefan T. Possony, professor of international politics, Georgetown University, and associate, Foreign Policy Research Institute, University of Pennsylvania, at the anticommunism strategy seminar held at the U.S. Army Command and General Staff College, Fort Leavenworth, Kans., Saturday, July 29, 1961.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SPEECH OF DR. STEFAN T. POSSONY

Mr. Stevenson, General Johnson, ladies and gentlemen, recently questions have been raised by high political personages whether there is a possibility that the United States could, or should win, victory or try to achieve ultimate success in the struggle against communism. The implication of asking this question, of course, is a doubt about the American record, the American achievement, American moral convictions, American purposes, and the strength of the United States.

In struggle, the better side wins. If this be true, and the statement reflects a historical experience, then we have to ask ourselves: Which is the better side? For example, is the Soviet Union superior in intellect, morality, economic effectiveness, political structure, freedom, value systems? The answer to that question is, generally speaking, No.

Is the Soviet Union superior in military strength? The answer is: Heretofore it was not; it is not now, but it might be in future. Yet the Soviet Union doesn't have to become stronger. The United States can remain in the lead indefinitely—if it makes the effort.

Is there, then, another area where the Soviet Union really is superior to the United States? I think there is. We can generalize by saying that the Soviet Union is superior in cunning, deceit, and singleness of purpose. The Soviet Government works at this conflict for 24 hours a day, every day in the year. The conflict and the winning of this victory over the United States is practically the sole, and certainly the overriding, purpose of Soviet statecraft.

The Soviet Union also is superior in its willingness to take risks.

Last, but not least, it is superior in its conflict organization which it has been building for over 40 years—designed for the specific purpose of fighting and winning this struggle against freedom.

None of these elements of superiority on the Soviet side is of a nature such that we could not equal or better our opponent. If we readjust ourselves so that we will be superior in the fields where, at the present moment, there is some doubt about our effectiveness, then there won't be any question that the conflict can be won by ourselves and—this implies a legitimate question—it can be won without destroying our form of government. In fact, I would wager that as we fight this conflict, and win it, democracy will get stronger, more effective, and more attractive.

The subject I am to discuss is "Communist Vulnerabilities." A vulnerability exists, or does not exist, depending on what the opponent does, or does not, do. Vulnerability is a relational term; it is not something like our weight, which is unrelated to the weight of other people. A vulnerability is a weakness, but it doesn't necessarily have to be a weakness: It must be some factor which the other side can do something about, which it can exploit, and which, like in judo, it can turn against the opponent.

Remember the old legend about Achilles' heel? Achilles was supreme until Hector opposed him, and shot at this little spot in his left hindfoot. Up to that moment, there was no point in talking about Achilles' vulnerabilities. The vulnerability was entirely on the side—or in the head—or his opponents who were too cowardly, or not resolute enough, to take him up in struggle. But as soon as one opponent took heart and aim, the "invulnerable" bully was stopped.

There is another side to this Greek story: Achilles was vulnerable in a spot which we would consider to be quite unimportant. It wasn't said that Achilles had lost an arm or a leg, or suffered from heart disease, nothing of the sort. It was a little spot on his heel, which remained uncovered by his protective coating. A single attack on that minor deficiency knocked him out of business.

When you discuss the vulnerabilities of the Soviet Union, you hardly will identify one key vulnerability which tops everything, on which we can go to town and which, if we just push it, would bring down the whole edifice. It isn't that simple.

The Soviet Union has a large number of very significant vulnerabilities but, as I said, those are vulnerabilities only if we take advantage of them. None of these vulnerabilities in itself is too significant. Together, though, they keep the Soviets down to the 6-foot level. But even if not a single vulnerability were deadly, it would not follow that the Soviet Union is invincible.

Let me interpolate that it is one of the most pertinent experiences of all conflicts that at one point or the other, the aggressor creates a myth of invincibility. This myth is supposed to cow and paralyze the defender and, usually, it is developed and propagated systematically by the aggressor's psychological warfare machine. When you go through the Napoleonic wars, for example, Napoleon was considered to be "the man who cannot be beaten." For a long while, Hitler was considered the man who could not be beaten. But all the great "world conquerors" were defeated. It always was a bloody and difficult task, but there is no such thing as an invincible man.

When Napoleon was called out to command in the Battle of Borodino, he fell sick. He didn't fight the battle, his lieutenants did, and they displayed a considerably lesser cut of generalship. They won the battle in a way, but it was not a good enough victory. When Napoleon was out to fight the Battle of Waterloo, he had another little affliction—not significant, just a case of piles—but sufficient so that he didn't show up early enough on the battlefield. It was his last battle.

This is the very essence of the problem: When you talk about human beings and you get the idea that another human being or another human structure is invincible, you don't talk about human beings. You talk about gods, but this is a completely fictional and mythical idea. Be strong yourself, and the other fellow no longer looks like a giant.

The Soviet Union has a lot of vulnerabilities in the stomach area. I won't go through them; I will just list them. Agriculture has been the bane of Soviet existence ever since the Communists took over, and it doesn't show too many signs of improving. The Communists got into power promising paradise on earth in terms of human progress, consumer goods, wellbeing, and more concretely, housing and electrification. None of these promises have been redeemed. Consumer goods, of course, increased a little bit—there is no doubt about it—but you cannot really consider that the hunger of the Soviet consumer for commodities has been stilled, or will be stilled for a long time to come.

Wages are low for many professions, and work conditions are poor in practically all jobs. I want to call your attention to this point because the Communists exploit stomach issues in our orbit. When there is a wage dispute in France or Britain or in the United States, the Communists are perfectly able to take advantage of such trouble by agitation and strikes; yet the wage levels, the income levels, and consumption levels of the most poorly paid Western workers are infinitely higher than those of the most highly paid Soviet workers.

I want to stress that these are relative matters. The fact that the Soviet consumer goods industry may have been producing a little bit more this year than last year, or 10 years ago, does not mean that you cannot exploit the obvious shortages that persist in the Soviet economy—just as little as our great opulence and our great investments in underdeveloped countries prevent the Communist from exploiting whatever difficulties arise in free economies.

The planning structure in the Soviet Union has shown itself to be quite effective in the areas of armament production and heavy industry. In the rest of the economic life, it is not so effective, but it is very good at juggling statistics. On that basis, I think we fall a little bit behind; we could do a better job at juggling of statistics, too, but we really don't have to. People don't eat figures which are published in a book. Consequently, while the Communists are very adept in hailing the contributions they allegedly are making to human welfare—many people in Africa, Asia, and Latin America and some Americans believe them—the Russians themselves know it's a bunch of bunk. The Communists, though, remain the world's leading advertising and make-believe specialists.

The national structure of the Soviet Union is a crucial weakness, in two ways. First, the Soviet Union itself is a multinational state. Many Americans live under the misapprehension that it is a national or uninational state. It's nothing of the sort. The Soviet Union, like the old Hapsburg monarchy, is a multinational structure. Second, the Soviet bloc, i.e., the Soviet Union and the satellites, is the last really surviving empire in the world.

We are very anxious, on our side, to see to it that the former French Empire and the former British Empire are reorganized gradually into modern federative or commonwealth structures. But the Soviet Empire is moving in the opposite direction. Even if there were developing a bicentral structure based on Moscow and Peiping, surely, the model of "Austria-Hungary" should enable us to understand such historical processes.

We uphold, the whole history of the United States has been to uphold, the principle of self-determination. The Declaration of Independence, among other things, is the first state document proclaiming the principle of self-determination. The Monroe Doctrine assured the self-determination of Latin American nations. President Wilson advanced the cause of self-determination during World War I in central Europe and the Ottoman Empire. He refused, incidentally, to uphold it in the case of Russia, for reasons which are not too clear, but which were influenced by his unfamiliarity with the national problem in Russia.

In the Atlantic Charter of World War II, the principle of self-determination was reasserted. Through the Marshall Plan, the United States defended the principle of self-determination in Europe. In the underdeveloped areas our aid programs are inspired by the thought that nations and peoples ought to control their own destinies.

There are in American foreign policy few traditions nobler than the essential commitment of the United States to self-determination, or to national freedom. Yet the Soviet Union is the one area to which we have not

applied the principle of self-determination. In the Soviet Union only about half of the population are Great Russians; the other half is split about evenly between the Ukrainians and White Russians, and non-Slavic groups, including the Turkic and the Caucasian peoples. Some are Islamics, and farther to the east some are Buddhists. On the Western frontier there are the various Baltic peoples. According to the latest Soviet census, 2 million Germans now are living in the Soviet Union, just as many as in West Berlin. Where did they come from? There are Finns, Poles, Rumanians, etc. and also Jews who are not among the favorite sons of the Kremlin.

The national question always has been a major problem, whether in the tsarist or in the bolshevik Russian empire. By overemphasizing the social content of the bolshevik revolution of 1917, our books have falsified its meaning. It was a social revolution in many ways, but the national question had an enormous, if not decisive, impact on the revolution of 1905, and the two revolutions of 1917. In World War I, the Finns, a very small group really, played a great role in undermining the tsarist regime, and they did so strictly for reasons of nationalism. The mutinies in Petrograd which toppled the tsar were mutinies by Ukrainian regiments and by Estonians, for example. These facts often are glossed over, but yet it is important to recognize these modern versions of the story of Achilles' heel.

We often hear it said that the spirit of nationalism is dead in the Soviet Union, notably among the non-Russians who are run by the Russians. We are obviously talking nonsense. All over the world, the spirit of nationalism is alive, and has proved to be the strongest of all political creeds. The Communists recognized this themselves in their own 50-year-old doctrine on self-determination (which was a departure from Marx), in their phony "federal" constitution, and by their current support of "national liberation movements." What does this term mean? It means nationalist movements. The Communists try to capture those. For example in Africa, they don't go in there with communism, per se. They go in there behind the wings, behind the cloak of nationalism. The Communists conceal themselves behind nationalism, for the obvious reason that the national idea has greater appeal than communism.

We are talking about the China squabble. I won't go into this problem; it takes too much time and I'm not sure that current stories—some clearly planted—are not highly exaggerated. But, suppose there is trouble between China and Russia: I want to stress that we rarely mention the numerous national struggles in the Soviet Union which have been taking place for generations. There still are purges in the Soviet Union. For example, there was a series of purges only a short while ago, in Kazakstan. The Kazaks are not necessarily the greatest or strongest nation in the Soviet Union, and I don't believe we should place our hopes on the Kazak national movement.

Nevertheless, there has been trouble in Kazakstan, and it was nationalistically codetermined.

As to the political formula of the Soviet Union, it is very clear that communism did not bring paradise. Why should anyone expect any system to bring paradise on earth? This is a naive expectation but many westerners incline to believe in miracles of the East. We know how difficult it is to make our own system work—on principles we have good reason to think are superior to the principles of the opponent. We have our troubles, but on the record that can be inspected, we have been most successful. Yet we turn around and assume that the system on the other side is twice or thrice as successful—the biggest show on earth. The Soviet Union has been successful in certain segments and most of these segments bear on military preparations and strength. Communism is successful in the power struggle, but it is not succesful in terms of human affairs. After all, the power struggle is a subordinate part of the overall human and humane task.

The Soviet regime is an oppressive regime. It has several spectaculars thrown in and, of course, if you were a Russian, you would enjoy it when your nation has startling successes, irrespective of the regime. Under Hitler, German science made great progress—German scientists discovered uranium fission, others built the first useful rockets, they were ahead in jet propulsion and without German-invented atarbine, our American forces would have had trouble staying in Guadalcanal. What does this prove for Hitler or nazism? Don't make the mistake to assume that because the average Russian is going to applaud Major Gagarin, and applaud him with good reason for his pioneering deed, that therefore, ipso facto, this same Russian believes that Mr. Khrushchev is just what the doctor ordered for him in terms of income, in terms of career, in terms of security, in terms of peace, in terms of freedom, in terms of happiness—in terms of anything. To believe that Russians like dictatorship is to display contempt of the Russian nation. And to believe that a genuine Communist does not see through Stalin's and Khrushchev's fraud is to display contempt of communism as a political concept.

The Soviet regime has some support; there is no doubt about it. But who is the main support? The Soviet regime, which supposedly has been fashioning a classless society, has created a class and caste society all its own, a society more stratified than any in Europe and North America. You don't have to take my word for it. Read the analysis which the Yugoslav Communist, Milovan Djilas, wrote about this very point.

It is inevitable that the upper class of the Soviet society is going to be sympathetically inclined to the Kremlin. Those are the fellows who won and who moved ahead of the crowd. Those are the fellows who are profiting from this regime. Every system must benefit some individuals and some groups, otherwise it could not survive. Most of the Russians who come over here as travelers are members of that upper class or are trying to move upward. It's rather surprising that so many of them are not so ostentatiously enthusiastic about the paradise. Incidentally, have you yet seen many non-Russian Soviet tourists?

The regime gets a certain amount of mass support, provided it is moderate in its policies and provided it does something for the citizens. If it doesn't do that, the support is of the type attainable from terror.

The old terror system still is in force, though the Kremlin now makes efforts to display the carrot more often than the stick.

Russians have no freedom of speech, they have fraudulent elections, they have an all-pervasive dictatorship which tells the individual what to do and which does not allow much recourse. This looks pretty orderly in a textbook, maybe. In practice, though, the little people in Russia are being confronted by petty bureaucrats who order them around. It is not the idea that rules—even assuming the idea of communism still holds attraction. It is the little irresponsible tyrant who cracks the whip.

Functionally, this is the same system which characterized the czarist regime 100 years ago or 80 years ago, only the present version is worse. The Russians, the Ukrainians, the Caucasians, and the Turkic peoples didn't like it then. They like it even less now.

Now, some by standards assume that all this has changed and that basic aspirations of human nature—which include are that man wants to be left alone and live his own life as he sees fit—have been suspended under the glories of the Communist regime. Certainly, there are masochists and careerists, adulators of power and lovers of oppression. But if you believe in democracy, if you believe in a representative form of government, if you believe in a basic and unextinguishable freedom urge—and you have good reasons for those beliefs—then you shouldn't suspend those beliefs when you are talking about the Soviet Union.

This does not mean that the history, or the cultural background, of the Russians is comparable to ours, that there are no differences between East and West, and that what we consider democratic, is necessarily what they would consider to be democratic or practical. This is a second level of debate which we will ignore today. Fundamentally, though, if you pose as a general principle that individual freedom is a highly appreciated value everywhere, that everywhere people want a procedure through which governments can be changed and improved painlessly, and that no dictator anywhere can intellectually, physiologically, or morally qualify for omnipotence, why do you assume that all this does not apply to the Russians?

Insofar as Soviet strategic leadership is concerned, I pointed out to you that they are extremely clever and effective in terms of conflict management, but in terms of what they are claiming, they are in business for—which is to carry out the greatest reform of history, to abolish all human ills and make the pursuit of happiness successful—they are not. The inhabitants of the Kremlin are old-fashioned men, persons of one idea, one assumption, one experience and no audit capability. They are operating on a theory which never had more than partial validity and which after 100 years of rabbulistic debate is completely out of date To the extent that it is still being applied, this theory is wrong, and to the extent that it is not being applied, it is irrelevant. The fact that the Communists really do not implement communism, or develop the concept creatively, isn't avowed.

You have a fantastic setup in which problems are explained in terms of deductions based on unverified and disproved premises. Scores of untenable deductions are woven together and pyramided into an integrated "creed" which has the "cohesion" typical of paranoid constructs.

The political formula and the political concept of Soviet communism are dead. Don't make any mistake about it: They want you to believe the opposite. Indeed, they have no choice, for if they were to acknowledge ideological bankruptcy, their political hold would slip. When a political formula becomes inapplicable, a social revolution, or a political revolution at any rate, is more or less impending.

Communism is a system which we can debate in our schools, with enthusiasm, criticism, and footnotes, and we might look eagerly into all of its historic and theoretical ramifications. But in the Soviet Union, where people are exposed to it in compulsory indoctrination courses, communism has become a bore. I have talked to quite a number of those who did go through this ordeal of indoctrination. The students have to pass an exam, hence they bone up on communism. This doesn't mean anything. They sleep through most lectures and with the exception of a few rote phrases, they never think about "Marxism-Leninism-Stalinism-Khrushchevism-Maoism-Titoism." This is the fate of most ideologies and ideologists: after a while they lose credibility and can't hold audience interest. This is what happened in the Soviet Union.

The Soviet Government is engaged in incessant intrapower struggles. They fight against one another constantly. The ideologists are trying to come back. They are a

group of people who want to hang on; but they cannot refurbish their own thinking because a dogmatic ideology is change-resistant.

They are panicky because they know that their appeal has been lost. On the other hand, there are lots of pragmatists who are afraid the ideologists might ruin the show. The pragmatists present their programs in terms compatible with the old Marxist formulas but this type of papering over creates difficulties. Subtle redefinitions of political formulas in the past have brought down big empires. You have to evaluate this in a historical perspective. But don't assume, years before the change will have occurred, that the Soviet system has changed already.

Only 2 or 3 years ago, the collective leadership principle was reasserted in Pravda every day. You will not find it mentioned much now. At this moment, the collective has been steamlined down to a one-man collective: Mr. Khrushchev embraces all the collective leaders in his own body. The system cannot exist without a dictator. When the old dictator dies, the aspirants make an arrangement like in Rome, a triumvirate. But a little later, only one guy is left: Beria was shot, Malenkov is in Siberia, Molotov is in Austria, Bulganin and Zhukov are retired, and Mikoyan has lost his speech. Next time around, it won't be different: they just are unable to develop a succession procedure.

If this type of system were a good system, why don't we adopt it? If we believe it is a wrong system, and if we are convinced that no people ever should put into one single man's hands the responsibility for vital, life-and-death decisions because he is bound to make wrong decisions, and because his errors may endanger world peace far more significantly than any other single factor, then, by all means, let's stand on our convictions and proclaim them. Let us at least try to make the Russians see this point.

This question with which I started out, often unconsciously is prompted by the thought that the Communist regime is here to stay—it is solid; it is going to last forever. Nothing lasts forever, least of all political structures whose leaders have lost the sense of proportion. We should not argue ourselves into this type of rot of an a priori assumption. Let me give you a pertinent quote from Lenin:

"There is not yet a revolutionary people in Russia," said Mr. Peter Struve in 1905, "leader of the Russian liberals, 2 days before 'Bloody Sunday.' To this highly educated, supercilious and extremely stupid leader of the bourgeois reformists the idea that an illiterate peasant country could give birth to a revolutionary people seemed utterly absurd. The reformists of those days—like the reformist of today—were profoundly convinced that a real revolution was impossible."

Lenin made this comment in a speech of January 1917. This "highly educated" expert in revolution closed his remarks by saying, "we of the older generation may not live to see the decisive battles of this coming revolution in Russia." Six weeks later the February revolution overthrew the Tsar. Let us in this country, learn at least one historical lesson: the future remains unpredictable. We cannot bet on the lucky break, but Khrushchev can bet even less on the impossibility of a revolutionary tornado sweeping the Kremlin clean of bolsheviks.

The Russian revolution has been going on for about 120 years. It is still unfinished because the basic goals of the Russian revolutionary movement—and I am talking about the revolutionary movement of all the peoples living in the Russian empire—the basic desires, the basic motivations and objectives creating this movement, have not been satisfied or reached. The Russian revolution goes on, albeit in a muted way, in the basements and above all, in the minds. In East Europe, moreover, the Communists effected a counterrevolution. Eastern Europe was free after World War I, it became unfree after World War II. The non-Russian peoples inside the Soviet Union want to have self-determination properly acknowledged, not in this phony way in which the Soviet constitution sets up a federation from which 14 union republics alleged can secede, provided some later constitution spells out the requisite procedures. Soviet citizens proposing secession would be executed as bourgeois nationalists and traitors.

Are we justified in thinking that communism works? Does it work as military conquest or as a human progress system? You will not find advertising agencies which would go out of their way to tell the customer the faults of the merchandise they are paid to praise. When Lenin died, he knew that communism was a failure and he stated so privately to some people. Since Lenin understood the failure of communism, other Communist leaders must have understood the lesson too.

I wouldn't be surprised if some of the people around Stalin, or Stalin himself, also realized that communism as conceived by the theoreticians never could be installed, let alone be made to work. Don't take this as an excuse for complacency—quite to the contrary.

It means the idealists must fight a never-ending war to attain what never can be reached. The very impracticability of communism causes total conflict to become protracted and even eternal, so long as the idealists possess the means to fight. There also are the power practitioners. Insofar as they are concerned, the power struggle, the power conquest, and the advance on a world scale must continue for the glory of the Kremlin power elite.

In my judgment, the secret and presumably private and individual comprehension of the failure of communism and of the impracticability of the Communist idea explains why, since Stalin, the Soviet Union has become a Fascist State. The Soviet Union indeed, has all the outward and inward characteristics of a Fascist state. It is a dictatorship. It is commanded by an exclusive and self-regenerated ruling class. This ruling clique claims to be infallible. It is mendacious. It is strongly militaristic. It is strongly nationalistic. It is anti-Semitic. It believes in class stratification. It is maintaining and ascerbating social stratification. It is ideologically cynical. Whatever idealogical clothes it needs, it puts on, only to discard them when they become bothersome. It is using self-serving propaganda under false flags. It is imperialistic and expansionistic. It aims to embrace the whole world, and to rule ueber alles. This is basically the definition of a Fascist state.

Parading under the heading of the great messianic movement of communism, the Soviet Union is nothing but a more effective and dangerous Nazi system. There are differences: I don't want to underplay them, but the differences are small and, if anything, have been vastly overplayed. We should realize that Nazi Germany was a most successful state, not in peace, not in longevity—it lasted only 12 years—but in conflict and war. Nazi Germany was militarily well organized; it was after war, and it fought the war at the moment when it was propitious for them to fight. The same threat of deliberate aggression coupled with political conquest confronts us today—only the Soviet Union is relatively more powerful than Nazi Germany, and it has learned from Hitler's mistakes and tricks.

The danger of war may arise from at least three factors, but possibly from more. There is first, the internal pressure within the Soviet Union. Any time a system is cleaved by contradictions, to use Marx' term, especially dynamic contradictions, it has a tendency to explode outward. Second, Communist strategy is tied in with the power struggle. Whenever one faction takes the line of peace, or no war, there will be, on the basis of formal sociological interrelationships between political groups, a counterparty which must proclaim the need for war. These parties, mind you, exist within the Communist Party itself. Whether the war party wins or forces its line on the no-war party, or vice versa, depends on fortuitous, unpredictable, and perhaps trivial circumstances.

In a semireligious State, and the Soviet Union is a quasi-religious organization, policies, and strategies must be advocated by means of ideological justification. No one has the opportunity to avoid dogmatic expostulation. He must pretend to live up to ideological criteria. In order to be able to maintain himself in power, the Communist leadership type may have to adopt the most abstruse, or the most radical interpretation of the writ. This third factor, the forward impulsion, together with overconfidence, may lead to war.

Khrushchev now exults: "heretofore, history has worked for socialism; henceforth socialism is going to make history." Such phrases occur in his January 6 speech. Hitler asserted that providence had asked him to go the road of destiny, that he was walking with the sure footedness of a sleepwalker, that only he could save Germany. Khrushchev of 1961 displays the same type of psychology. Irrespective of ideological characteristics if a man has full power; if he's politically—albeit temporarily—omnipotent; if his power and prestige are increasing; if he's getting into a hurry because he's growing older; and if there are physical pressures on him as well as the desire to enter history as the augmenter of the realm: then he invariably will develop the psychology of overconfidence and aggressiveness. He becomes absolutely sure that he can make it, he is convinced he can win, and only he can really lead his people to victory. Consequently, he should take the plunge now, and not wait till he is older. He must be victor ante mortem.

This psychology befell Napoleon in 1812. Fouché told him, "You're going to get licked in Russia." Napoleon replied, to this effect, "I know the difficulties, but a war between France and Russia is inevitable. I'm the only man who can fight and win that war. My son isn't going to be a general like myself. I know I am a very good general, better than any other living general, hence, I must go." What he didn't know was that he already was sick: his pituitary gland was failing him—one ten-thousandths of his body weight, even smaller than Achilles' heel. An insidious disease he did not even know he had and which had not yet been identified by medical science took his genius away from him.

During the Nuremberg trial Goering drew the conclusion that "Hitler had tried to do too much too fast. He tried to force in 10 years what might have been achieved in 100 years, because he was afraid that anybody who came after him might not have the energy and persistence to see it through." The conqueror can't wait.

Stalin, it was said, had infinite patience. This did not prevent him from provoking World War II, but without Hitler's accompliceship, he might have waited.

Khrushchev is impatient. He sees an opportunity—today's.

Communists expect that the West will be demoralized because of fear of nuclear weapons. They hope that we are going to collapse because we cannot bear the thought of nuclear devastation. They may believe that this opportunity is as unique as it is fleeting.

Let me go briefly into Soviet military vulnerability. I want to reemphasize that

the Soviet military posture is extremely strong and is growing. The Soviet State is a garrison State and moves in the direction of ever greater psychopolitical and material power, greater power in all arms and weapons systems, ranging from space through ICBM's, IRBM's, aircraft and submarines to tanks and infantry. Nothing is left out. This system includes an ever-growing arsenal of nuclear weapons. We, of course, don't sit still either.

Some of our contemporaries sometimes console themselves with the thought that the United States and the Soviet Union really are not on a collision course because, in the last minute, the Communists would shy away from firing the signal. This problem, "to strike or not to strike," has been recurrent in Bolshevik history, and in most instances, certainly in the crucial moments, the decision was to attack. As early as 1905, the comrades debated whether they would dare to gain victory. Lenin summed up the discussion by saying that an army (by which he meant the overall revolutionary force) "cannot be energetically and successfully recruited and guided unless we are sure that we dare win." The Communists, like good strategists, never lack caution; nor did they ever lack daring.

The big question is, however, whether the Communists ever can get to a position where they can knock out the United States without being knocked out themselves through the retaliatory blows which we will strike against them. That, however you slice the cake, is extremely unlikely. Let me put it this way: if I were to make this calculation as a Soviet general staff officer, I would not presume a very high probability that retaliation can be preempted or be kept down to acceptable levels.

The nuclear threat is pretty bad for us and for everybody else in the free world. But it also is pretty bad for the Soviets. In fact, in some ways, this threat may be infinitely worse for them than for the rest of the world. This is so because their regime, after 44 years, has not achieved legitimacy, because their regime rules over many nations who are anxious to get out from Kremlin clutches, and because the Communist regime is hated by the oppressed. In the United States, you can be fairly certain that even if the main centers were destroyed, the country as a whole would continue to function as a political unit. The legitimacy of the U.S. Government is not at all in doubt. In a nuclear war culminating in a broken-back contest, this may be a decisive factor.

The Soviets, we must suppose, understand this problem. They try to gain advantages in, and to win, the technological race of arms quality. They may succeed to move ahead substantially in future—in the past they haven't surpassed us in weapon technology. Naturally, they also attempt to outarm us in numbers of missiles, aircraft, troops, etc.

Suppose they have a chance of winning a Pyrrhic victory. In this case Pyrrhic victory would mean that they knock us out all right but only at the price of very great damage to themselves.

Remember now that our strategic task in the United States is to ward off surprise nuclear blows. Our problem is to neutralize the Soviet threat. But, neutralization isn't their problem. They are not going to launch a world war just to ward off or neutralize an American threat. Their intent in provoking war is to conquer and hold the entire world, and that is an entirely different and a far more exacting task than defense.

There are not enough Russians to survive and run the globe and there are not enough Communists to accomplish the installation and construction of global communism. Even if there were a large number of Europeans, African and even American Communists getting into the act, to carry on where the Russian party fell by the wayside, it is most unlikely, as we have seen from previous examples, that these Communists will obey the orders emanating from an obliterated Moscow. The various Communist parties and systems may celebrate their victory by fighting each other. Possibly, the Kremlin still is faithful enough to sacrifice itself for the glory of foreign Communists—I doubt it.

I'm not prophesying. I just want to stress the elementary and very significant difference between the strategic goals of the two chief antagonists. The United States simply does not want to be destroyed; in case of war, it merely wants to destroy Soviet military power. It does not want to take over foreign countries, let alone implant its own political system. We can leave it to the Russians to reorganize themselves, after the fight. We don't want to run their country in the first or last place. We believe in self-determination.

But the Kremlin's problem is far more difficult—and I don't want to minimize our own task. The Communists have to take over the whole world, keep control, and reorganize it according to their ideas, which are contrary to the ideas of almost everybody else. That is the ultimate point where their whole operation is going to be shipwrecked.

If they attack militarily, they knock themselves out as world conquerors. If they restrict themselves to political conquest, which is slow, uncertain and limited in potentiality, they won't be able to get physical control of the main geographic areas.

Consequently, it is really impossible for the Soviets to win the struggle in the end. I think this is a partial answer to the question of whether we can win. This may be a good question, but actually the more significant question is this: Can they win? The answer is "No."

You might compare the present situation with that of the World Wars of 1914 and 1939. In both cases, the Germans initially were very successful; they knocked out a number of their weaker opponents. When they were tired from that effort and came across strong opponents, they couldn't make it. I think the Communists are just about in the same situation as the Germans were in 1915 and 1943 and, consequently, we should not be disheartened.

We have lost and won a number of rounds but since 1945, I don't think we have won ground. Whenever a new crisis comes along, we are very hesitant about it and wish it would go away. I don't think the final outcome is in doubt at all. What is in doubt—and this is very significant for all Americans—is the cost. It makes a great deal of difference whether we pay with twice as many casualties or with half as many casualties, or whether—the ideal case—we can win without war. This is our main problem. If we are at all smart, we will try to fight this battle, as much as we can, in such a way that we won't have to pay the maximum price. Khrushchev says he wants to win at the bargain rate of no blood. Are we less intelligent so that we cannot conceive of a winning free world strategy sans war?

There is an implicit argument that we could partake as much or as little of the conflict as we care to. Here we are traveling on a streetcar but we just don't want to make the whole ride. Do we get out at the next station or after three or four stations? The underlying theory is one which, I think Lord Bacon formulated a few centuries ago for British seapower. If this theory still applied, we could get off the streetcar called modern conflict. This is the hope of those who suggest that we surrender in order to avoid nuclear war. Unfortunately, the drama of history must be played out and recasting is not possible.

Let us visualize how the United States would surrender. Suppose you are the Russian chief of staff. You must insist that all American weapons be broken up or be delivered to the Soviet Union. That is a lot of weapons and a lot of things that would have to be destroyed or delivered across the oceans. If you think this through, it will occur to you readily that the Soviets won't have enough troops, and cannot get them here, to supervise the disarming of the United States. It will occur to you readily that the Kremlin won't trust our leaders and soldiers. They won't rely on mere promises. They must make absolutely sure that American weapons will not disappear in caves somewhere, to reappear at an inopportune moment when Americans will reject the surrender and return to the Declaration of Independence. Consequently, the U.S. surrender cannot be performed through pledges and paper. There is only one way in which the Kremlin can achieve a safe and dependable American surrender, and that is: After the political surrender, to attack American military bases and resources with nuclear weapons and destroy our power physically.

I put it to you, ladies and gentlemen, the United States has no choice. We did not seek the conflict and we are ready to compose it. But the conflict has been imposed upon us and we can't get out of it by unilateral action. Hence, it will be just as costly to win this conflict as to lose it—the course of victory, in fact, may be our cheapest course. How to win? Let me start with a few don'ts, and then mention a few do's.

Don't disarm. Don't lose the technological race. Don't negotiate about unnegotiables. Don't abandon allies. Don't renege on promises. Don't fall for propaganda lies and deception. Don't give "world public opinion" first priority in security policies. Don't help communism. Carry this out and you are already 50 percent down the road to victory—on an entirely "negative approach."

Now, a few illustrative do's. Get a strong 1 to 2 military technological superiority. Accept the challenges. Pose challenges to the Soviets. Support self-determination strongly, not only in our areas, but in the Communist bloc. Reassert freedom and the goal of genuine democracy in Russia, in terms of their own democratic traditions and concepts, and on their own historic basis. Back strong and resolute allies and arm them effectively. Assist and educate our more irresolute friends.

Above all, Napoleon again: Morale is three times more important than materiel. Victory, therefore, depends on our own morale. How do we strengthen our morale and resolution? A change of atmosphere would be decisive, especially after the President has made the commitment to stop the erosion of freedom.

Let me give you an illustrative example. We have the Berlin crisis today.

Mr. Khrushchev says he is not planning anything which in any way would undermine the rights of the Western Powers to stay in the city. Why, if he doesn't want to undermine Western rights he is provoking the crisis in the first place, I don't know. But here is Marshal Chuikov, who speaking immediately after Khrushchev—I think on the 21st or 22d of June—argued that the Western Powers have no right to Berlin. Specifically, he denied our rights of conquest. If I may paraphrase his words: "I conquered the place and there wasn't an American, French, or British soldier anywhere within a hundred kilometers, except those prisoners of war we released. The right of conquest is ours and the West better get out of Berlin."

Well, here is a falsification of history. The American and British forces conquered Germany up to the Elbe River; Saxony and Thuringia, and the former Prussian province of Saxony west of the Elbe, were con-

quered by us. We committed ourselves in Yalta to let the Soviets occupy the present Eastern zone, and also agreed on four-partite occupation of Berlin. We conquered more of Germany than we were to occupy and the Soviets less. After hostilities ended, we evacuated the areas which we had conquered for the Soviets. In return, we assumed responsibility for West Berlin. The only thing that was forgotten in that swap was to negotiate proper rights of access to Berlin—we relied on a "gentlemen's agreement" with the Communists.

So, if we have no rights to Berlin, the Soviets surely have no rights of conquest to Saxony and Thuringia. If they want to undo the swap, I dare say that it might be a perfectly good idea.

Secretary Rusk recently referred to the fact that Western forces conquered half of what is now Ulbricht's domain.

The next point is that we surely have an abnormal situation in Berlin. But what's the abnormality? We do not have a corridor under our full control but our access is subject to foreign control. This abnormality ought to be renegotiated, and we should insist on absolutely free access.

But let's go one step farther. Khrushchev talks about a free city in Berlin, which means West Berlin only. Senator MANSFIELD proposed a free city for East and West Berlin. Khrushchev replied, "Don't complicate this complicated situation any more. Let's just concentrate on West Berlin." Well, ladies and gentlemen, Berlin could be declared an all-German city. The West has come out for unification; the East allegedly is for unification.

All right, as a first step, why not unify Berlin as an all-German city?

Mr. Khrushchev has invited us to compete. "Let's have peaceful competitive coexistence. Let's see who is doing the better job, who is going to win the economic race." A fine suggestion—if he really meant it.

If we want to compete, we almost would have to invent Berlin if it did not exist. Berlin is an excellent arena for competition and the most obvious place where the race could be watched.

Let each side build a showcase in Berlin: The Soviets have the Eastern, we have the Western sector. Both sides have completely free access; and let's go to work and do the best job we can. The Soviet Union, which aims to outproduce us within 10 years, has all the assets necessary to win this particular competition. If they took their own recent program seriously, they would jump at the opportunity to prove the superiority of communism in Berlin. Or is the fabrication of the Berlin crisis proof that the Kremlin neither believes in the advertised production goals nor in peaceful competition?

This is the type of proposal I would throw into the debate when we negotiate with Mr. Khrushchev. I am sure far better concepts have occurred to many of those who are closer to the problem than myself. Negotiation to be an effective tool of statecraft, must be based, by and large, on the quid-pro quo principle. Negotiation on the notion, "heads I win, tails you lose," cannot be a protracted technique, hence it cannot be a tool suitable to compose the protracted conflict. In such a conflict, too, effective and growing military strength is a prerequisite of successful negotiation.

I don't think the Soviets are ready to fight a major war today. They would be foolish to do this, on Mr. Khrushchev's own statistics. In his speeches, he assured us that the Soviet Union is going to overtake the United States—"economically" he says, I read it to mean as "technologically"—some time in the late 1960's or early 1970's. Consequently, to fight a major war now, would be a basic mistake in staff planning. However, as I pointed out, Khrushchev shows increasingly the signs of the Hitlerian psychological syndrome.

One of the more melancholy pieces of military literature is the initial entry of the German Navy's war diary. Admiral Raeder noted that the Fuehrer promised war with England would not occur before Germany had 15 battleships, 15 carriers, 100 submarines, or some figures to that effect. Hence the German Navy had been planning on the assumption that war would not come before 1944. After this follows a dry statement, approximately as follows: "The British have declared war on us today, September 3, 1939. We have two battleships under construction, a few old battleships which aren't worth very much, no carriers, and two dozen submarines."

Clearly the admiral did not expect Germany to win. Nevertheless, political leaders often become overconfident. Goebbels was overconfident in 1940 when he said the Wehrmacht would defeat Britain like one kills a chicken, by twisting its neck. Churchill replied, "What a chicken. What a neck." Churchill was right, but it is this type of bad judgment which ushered in wars before and which can cause war again. Khrushchev is only one in a long series of politicians who were sure they had mastered strategy.

To sum it all up, this is the problem: We are reluctant to accept the fact that the conflict will go on unabated as long as the Soviet Government stays in power, and as long as it has an enormous force and a chance to win.

This protracted conflict will get worse in proportion as Soviet relative power increases. But it may come to an end if and when the United States succeeds in undermining Communist confidence.

The United States is and remains, and can remain for all foreseeable future, the strongest power. This is one rock foundation of our ultimate victory; our principles of free government are another. Our main vulnerabilities are that we are extraordinarily susceptible to propaganda and wishful thinking, and that we act indecisively. We must regain a firmer conviction that Fascist communism need not, and should not, destroy the principles, accomplishments, and hopes of free government. The inner secret of the world crisis has been that the Soviets are too sure of themselves and we too unsure of ourselves.

We have the will to do good, and courage never to submit or yield; but we need a far stronger will to resist evil. Schopenhauer said, "intellect is invisible to the man who has none." Similarly, will is invisible to the resolute and victory inconceivable to the man who has no will. The American philosopher, Emerson, has left pertinent advice to his bewildered latter-day compatriots: "The education of the will is the object of our existence."

PROTECTING THE AMERICAN CONSUMER

Mr. WILEY. Mr. President, 2 months ago I welcomed the Senate Antitrust and Monopoly Subcommittee's investigation into current packaging and labeling practices. The 3 days of hearings, conducted under the able chairmanship of my colleague, Senator HART, of Michigan, have been most productive, and indeed received much widespread attention.

I welcomed these hearings because I believed that the investigation could perform an invaluable service not only to many millions of American consumers, but also to the strengthening of our free enterprise economy.

In the opening statement which I made before the Antitrust Subcommittee on June 28, 1961, I said:

The value of weights and measures to healthy economic life was recognized in historic days.

Labeling and packaging are indeed merely parts of our system of weights and measures—in modern dress. Today, the scales and the weights are only rarely seen by the purchaser. Instead, he picks up a prepackaged parcel, can, box or other container—often judging them in a hurry on external appearances. We have long recognized the legal doctrine of "let the purchaser beware"—but it is another thing to require the buyer to become a part-time detective.

Charges have been heard that labeling and packaging practices have been abused. We are here to listen to the evidence. If some modern packaging practices do not clearly and adequately inform the buyer of what he gets, if they result in unfair exploitation—it may become necessary for the Government to apply more stringent supervision. Because the damage is done not only to the consumer, the housewife, the laborer, you and I—but indeed such practices may breed lack of faith and lack of respect for the workings of our old economic system.

Economic freedom, under our system, does not mean anarchy, neither does it mean dog eat dog, or man eat man. To me it means widespread public and individual responsibility, and an endeavor to bring the greatest benefits of freedom to the greatest number possible. The leading exponent of capitalism, Adam Smith, stated: "Consumption is the sole end and purpose of all production". Let us make sure that it is not the consumer who loses out in this system of ours.

I want to commend Senator HART for the outstanding and impartial way in which he conducted these hearings. It is noteworthy that both consumer interests and trade papers representing the advertising and packaging industries have praised his work. There has appeared in the recent issue of Consumer Reports an article describing the three days of hearings into deceptive and misleading packaging. I believe this article summarizes the facts very clearly. I ask unanimous consent, therefore, that this article which appeared in the Consumer Reports, September 1961 issue, be inserted at this point of my remarks in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A SENATE COMMITTEE HEARS ABOUT THE CHAOS RESULTING FROM DECEPTIVE PACKAGING

The widespread interest in Senator PHILIP A. HART'S investigation into deceptive packaging surprised nearly everybody except Consumer Reports and its readers. The mail from Reports readers about this problem has been particularly heavy for over a year now. In fact, this very mail—of which the Senate investigating committee was very well aware—was a factor in the committe's consent current interest in packaging. Without such accounts from hundreds of readers of what was happening in the marketplace, neither CU nor the Senate committee itself would have been aware of the nature and extent of the problem. In the bitter battle for self-service shelf space, frequent package changes have become almost standard merchandising practice for brand advertisers. But since old packages disappear rapidly from supermarket shelves, the record of the change is lost to the public unless consumers have made a note of what happened. It was

from a compilation of these individual experience records sent in by readers that CU drew the basic material for its widely quoted articles on deceptive packaging in the Reports (September 1960 and January 1961).

Senator HART is now getting letters, too—hundreds of them. And, like the communications sent in to CU, the accounts he is getting are often accompanied by old and new boxes, old and new labels, before and after price tags, and samples of slack-filled packages. "We obviously have hit on something where the need for correction is far greater than I had at first thought," commented Senator HART. As head of a special committee of the Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee, he had been authorized to "examine, investigate, and make a complete study of the nature and extent of trade practices affecting consumers." He chose deceptive packaging as the opening subject and began the investigation with a preliminary 3-day hearing. What happened then made front page headlines across the Nation. No specific consumer issue in recent years has met with such immediate response.

The first hearings were designed to outline and to evaluate the overall situation with regard to packaging. Other hearings slated for this fall will probe deeper. As a prolog, the 3-day performance was impressive. It began with the statements of three Senators.

Declaring that the consumer "has a right to be able to find out what he is buying—how much he is buying—what it is costing on a per unit basis," Senator HART, of Michigan, said that he was not proposing to throw large stones at the free enterprise system, but was, rather, intending to find out "whether the system is suffering because every day millions of grains of sand are being thrown in consumers' eyes."

Senator ALEXANDER WILEY, of Wisconsin, gave the next statement. Quoting Adam Smith's pronouncement, "Consumption is the sole end and purpose of all production," he went on to observe:

"Economic freedom, under our system, does not mean anarchy; neither does it mean dog eat dog, or man eat man.

"Labeling and packaging are indeed merely parts of our system of weights and measures in modern dress. Today the scales and the weights are only rarely seen by the purchaser. Instead, he picks up a prepackaged parcel, can, box or other container, often judging them in a hurry on external appearances. We have long recognized the legal doctrine of 'let the buyer beware'—but it is another thing to require the buyer to become a part-time detective."

Senator MAURINE B. NEUBERGER, of Oregon, followed Senator WILEY and HART. She pointed out that when the consumer is deceived or betrayed, his income has been docked. Until the money paid for labor has been exchanged for goods, she emphasized, the living for which the wages were earned has not been realized. Hence, to the extent that the consumer receives less than full value at the retail counter, the wages of labor are taxed. She reminded the committee that the packaging problem seemed most grievous in the food industry and that the cost of food was of particular importance in the family budgets of low-income groups where careful shopping was especially necessary. But the careful shopper today, she said, "stands in the supermarket aisle, twisting and turning the package, looking over all four sides to try to find a guide to contents and weight."

Another witness, Mr. Wayles Brown, economist on the staff of the subcommittee, confessed that he took a magnifying glass to market with him in order to read the tiny net-weight print. He also took along a slide rule to compute the cost per ounce of packages with such contents as 3⅜6 ounces. One witness, Mrs. Sarah Newman, representing the National Consumers League, had brought with her to the hearing room a measuring tape and an abacus—"because some people can use an abacus even if they cannot a slide rule"—together with a magnifying glass and a slide rule so that the committee could check her exhibits of what she had found on the marketplace. In addition to testifying on behalf of the league, Mrs. Newman said she also wanted to speak as a housewife with 30 years of shopping experience who found that she now spent more time shopping than ever before, became more exhausted doing it, and had increasing feelings of frustration.

Mrs. Newman passed around for inspection a number of packages of competing brands: chocolate chip cookies (with net weights of 7¾ and 8½ ounces); tuna fish (6½ and 9¼ ounce cans); detergents (five regular sized packages ranging from 15 ounces to 21¾ ounces); crackers (five packages ranging from 8 to 10 ounces); instant coffee (5 and 6 ounce jars which both looked the same size); cola (12 and 16 ounces in look-alike bottles); paper napkins (60 in one package, 80 in the other); soap pads (10 in one, 12 in the other); shredded wheat cereal (10¼ and 12 ounces); cottage cheese (32 and 30 ounce cartons); baby food (3½ and 4¼ ounce jars); vinegar (old bottle, 16 ounces; new bottle, 12 ounces); cigarettes (2 different king sizes); waxed paper (125 feet and 75 feet looking the same size).

At the committee's request, in deference to the tender sensibilities of brand advertisers, the brand names on all of Mrs. Newman's examples had been carefully concealed.

HAZARDS AND OBSTRUCTIONS

Mrs. Newman concluded her testimony thus:

"Now, if we had time, there are thousands of examples that could be shown to you which face the housewife every time she goes to the supermarkets.

"Therefore, I feel I speak for the overwhelming majority of consumers when I ask that something be done to eliminate some of these so-called progressive and modern practices in the marketplace, which are in reality hazards and obstructions for the consumer.

"The confusion, obscurity, and complication of so-called modern packaging practices is strangely reminiscent of the chaos that prevailed in the Middle Ages when each country, each province, each city used a different type of measure in trading goods."

Other witnesses also found likenesses between modern packaging techniques and unsavory practices of old. Dr. Persia Campbell, chairman of the Department of Economics of Queens College (New York City), a member of CU's board of directors, and former consumer counsel to the Governor of the State of New York, compared today's packaging with coin clipping:

"When chiselers began chiseling from the old New England pine shilling, it was given a beveled edge for protection. We also gave early constitutional recognition to the importance of standards for weights and measures. As in the case of money, this involves not only setting up the original unit designations, but also the continuing protection of their integrity in operation; they also need a beveled edge. Unless we maintain confidence in our basic units of measurement for economic transactions, at retail as well as at other levels of our functioning economy, we are headed toward trouble, instead of toward a strong and satisfying growth pattern."

CU's president, Prof. Colston E. Warne, of Amherst College, said the rampant competition in packaging deception, which seemed to have supplanted price competition, brought to mind an example of a still older deception:

"Actually, it seems to be like the old British pound sterling which started out with a certain weight and with the nibbling of monarchs, came to be a much smaller coin. We today aren't finding 16-ounce packages. We aren't encountering 8-ounce packages. The nibbling is downward—it goes from 8 to 7 to 6 ounces. I don't know where we are going to arrive ultimately as this continues. They [brand packagers] are trying to sneak by on that supermarket shelf a smaller quantity of goods at an effective higher price per ounce."

Most of the witnesses in this first hearing were people with backgrounds of particular pertinence to the subject—economists, consumer spokesmen, weights and measures officials, and packaging consultants. One witness, however, the journalist Marya Mannes, described her qualifications as "dubious," because "writers are notoriously considered unreliable" and because "as a housewife I buy what is sold to me—it is packaged—I buy it on faith." But it was her testimony from which the newspapers quoted most generously. A sample tells you why:

"That great American institution, the supermarkets—those gleaming palaces of convenience and bounty—have come to be the greatest exercise in planned confusion since the bazaars of Samarkand. If you don't believe me, climb into my pushcart and come around with me, shelf by shelf.

"For now, you see, there is no salesman any more to tell you what you are getting. In supermarkets, the package is the salesman. The more space he takes up on the shelf the louder his letters scream at you, the sooner you'll notice him. But while he shouts 'Buy me,' at you, he also talks double talk out of the side of his mouth. And while you put him in your cart, he picks your pocket.

"Why? Because you're dumb? Because you're gullible? Because you're careless? Some of us are all of these. But most of us are simply too busy or too tired or too harassed to take a computer, a slide rule, and an MIT graduate to market and figure out what we're buying. And the makers of the goods we buy know this. In fact they know far more about us than we know about them. They have spent millions of dollars studying us—the consumer. They know what colors and what sizes and what shapes and what words we go for. Compared to them the big brother in George Orwell's '1984,' who knows all and sees all, is a piker. The big brothers in our society today are not government dictators—they are the sellers and their brainwashing handmaidens, the behavioral scientists. Together, and under the banner of free choice and open competition, they have made us believe that we are getting what we pay for. Their purpose is that innocent goal of free enterprise—to make an extra buck. But when their profit becomes our loss, how innocent is that goal?"

On the next day of the hearings, one of the outstanding experts in Marya Mannes' big brotherism, Dr. Ernest Dichter, president of the Institute for Motivational Research, appeared before the committee. The contrast between his testimony and that of all the other witnesses could hardly have been more pronounced. Both explicitly and implicitly, all the other witnesses made the point that deception of the consumer is a double-edged evil: (1) the individual loses his power of rational choice; (2) the honest packager is penalized by losing customers to the dishonest packager. Thus, irrational consumer choice rewards the unworthy seller to the detriment of the economy as a whole. Senator HART had expressed it this way:

"The importance of this subject matter is rooted in our free enterprise system itself. The consumer, as a result of his purchases in the marketplace, ultimately determines what goods shall be produced and in what

amounts. For the system to operate soundly requires that this choice by the purchaser be a rational one. To make an intelligent choice the consumer necessarily must have accurate information, readily available, and truthful descriptions of the products being offered."

As Dr. Dichter views the world, however, if the free-enterprise system is built on rational consumer choice, it now teeters dangerously. "Unfortunately, I must report," he told the Senate committee, "we talked to tens of thousands of consumers [and] about the only label that a consumer ever reads is the content and proof on the liquor bottle." Consumers do not make rational choices, according to Dr. Dichter. "What people actually spend their money on are the psychological differences, brand images, permitting them to express their individuality." And they don't really care about the duller facts of life, he thinks. In this "psychoeconomic era" when people seek "illusory brand differences" society does not require us "to carry the cross of honesty" to great lengths. "Maybe someday there will be this really 100 percent rational, ethical, moral society," speculated Dr. Dichter, but, "maybe it would be a very horrible society."

Dr. Dichter did make one concrete suggestion. In order to startle consumers into the idea that honest packaging was desirable, he proposed that supermarkets and other retailers sponsor an "honesty week"—a week during which the retailer would guarantee that any customer would get his money back, or a $50 or $100 prize, if he could point to any merchandise that was not properly labeled.

For all other witnesses, however, an "honesty week" was not enough. They asked for appropriate legislative measures now to assure more honest packaging for years to come. And in their testimony they named a number of specific practices in need of corrective action:

Packaging to price: This is the device of dropping net-weight contents without notice and without a corresponding drop in price. It constitutes a concealed price increase.

Using misleading quantity terminology: Packages are described with such words as "jumbo quart," "imperial quart," etc., when each of these is simply a quart. Other confusing quantity adjectives listed were sizes described as: "regular," "super," "giant," "king size," and "home laundry."

Concealing net weights: Some packagers abide by the letter of the law but violate the spirit by printing the net-weight declaration in tiny, inconspicuous type, by placing it on the bottom or some other unlikely part of the package and by printing it in colored ink on a similarly colored background.

Packaging in odd sizes: This practice includes not only resort to the hungry (15 ounce) pint, or the stingy (30 ounce) quart, but the use of fractions of ounces which render it difficult to make price comparisons.

Packaging in misleading sizes and shapes: Through the skillful use of color, elongated bottles, indented containers, etc., a number of packages look larger than they are. In cola bottles, for example, there are only a few full quart sizes. The less-than-a-quart competing brands, however, look just as big.

Packaging in oversized containers: This is an old evil known as slack fill that appears to be flourishing.

Using misleading art on packages: The picture on the package shows full fish slices; the contents are odd-shaped pieces of frozen fish. The picture shows a heavily fruited cake; the cake contains only a few lonely raisins.

Misrepresenting the package contents on the label: Beef stew is described as "meaty and delicious" when the can contains less than an ounce of meat. Other examples given by witnesses were of the chicken noodle soup in a 1-to-1 ratio—one chicken to one carload of noodles; almonette cookies without almonds; banana fingers without banana puree; and butter cookies minus butter.

Using "cents off" sales legends as an integral part of the package: If the "cents off" deal is printed on the package it is, obviously, not a sale in the usual sense of the term. A sale price that is maintained month after month becomes the price, not a sale price. And a rise from that price is a price rise. The "cents off" packaging legends not only serve to compound the already overcomplicated job of trying to make rational price-quality decisions but also cause confusion at the checkout counter.

Remedies for these practices were not described in detail by any of the witnesses, but some general suggestions were made. Most witnesses felt that a law should require that the net weight contents of packages be on the front panel, in large and conspicuous type, and in some standard relation to the other material on the label—just below the brand name, for example. Several witnesses asked for greater standardization of package sizes. And all except Dr. Dichter felt that the Federal Government should step up its interest in enforcing fair packaging practices.

All in all, the preliminary packaging hearings might be called Consumers' Day along the Potomac. But the reaction from sellers was not a jealous one. The trade paper Advertising Age, for example, editorialized:

"There are a good many things about governmental probes that we don't like, and we have the continuing feeling that the investigators can do better with their time and energies, in most instances, than by fooling around with relatively minor points in marketing or advertising.

"Yet we must confess that, as consumers, our sympathy lies with the statements of Senator HART'S subcommittee which concerns deception, and particularly deceptive packaging. It would be nicer, we think, to live in a simple world in which pound packages contained 16 ounce, and not 15 or 14½; in which quart bottles were actually quarts, and not fifths, or even maybe 25 ounces; in which packages containing the same weight or volume didn't look as though one were twice as big as another, and so on.

"Individual sizes and shapes, we suspect, have been created to the point where they no longer serve any useful purpose, even as merchandising devices. A little standardization might help everyone."

RESUMPTION OF NUCLEAR WEAPONS TESTING

Mr. McCLELLAN. Mr. President, in my remarks here on the floor of the Senate last Wednesday, September 6, concerning the Arkansas Legislature's action in endorsing a resumption of nuclear weapons testing, I called attention to the Southwest Seminar on Management and Uses of Nuclear Energy. This seminar was held at Hot Springs, Ark., from August 31 through September 2. The chairman of this conference was Mr. Winthrop Rockefeller, a distinguished citizen of my State, and the principal speaker was Dr. Edward L. Teller, one of the world's most eminent authorities in nuclear weapons technology.

Dr. Teller's most informative and interesting address not only puts to flight some of the fantasies and fears that beset many of our citizens regarding the resumption of nuclear testing, but it also substantiates and documents the absolute necessity for adding to our knowledge and capabilities in this field. In addition, Mr. President, Dr. Teller's remarks are in complete accord with President Kennedy's action earlier this week in ordering the resumption of nuclear testing.

I am, indeed, proud to request unanimous consent that Dr. Teller's outstanding speech, together with the introductory remarks of the Southwest seminar's chairman, Mr. Rockefeller, be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY DR. EDWARD L. TELLER

Mr. ROCKEFELLER. Ladies and gentlemen, I have a heavy heart this afternoon because our seminar is coming to a close. I think that we here in this room are an expression of the fact that this seminar has been particularly stimulating to all of us. And, so it is with regret that I realize that this afternoon our conferences are going to stop and we are not going to have further opportunity to talk "shop," you can call it, with the distinguished people who have served at this conference.

Our speaker today at lunch is a man that certainly needs no introduction, Dr. Edward L. Teller. However, I am going to presume upon my role as chairman of this conference to say a few words about Dr. Teller.

Some of you may have read or heard or speculated about a series of studies that were undertaken by the Rockefeller Brothers Fund. The Rockefeller Brothers Fund put together a panel of people who could evaluate what is going on around us. In putting together that panel it was not necessarily a question of, do all of the panelists agree with any of the ideas that any one of us five brothers might have. This is a panel to evaluate and to speak out in terms of what the individual members of the panel felt about the world situation. It ranged from defense to economic education, a vast field. In putting together this relatively small panel, the Rockefeller Brothers invited Dr. Teller to serve as one of the panelists. Dr. Teller and I have been talking back and forth here today at lunch and we agree that in putting together the panelists we did not always agree with everything they all said, and I am sure that Dr. Teller, in talking and working with the panel found that he did not always agree with them about what they said.

But the important thing was to get active minds, curious minds working together. And, when you think of Dr. Teller you think of an active mind, of a curious mind, of a mind with the courage to express what he thinks. I am so happy to have Dr. Teller here today—because of the close family relationship that has developed over the past few years. I know him well enough to know that you are all going to find today that Dr. Teller has been concerned with the morning news. I think Dr. Teller will probably want to comment on the morning news. Dr. Teller will speak from his heart. He will say what he believes and I know, Dr. Teller, that we are extraordinarily fortunate to have you here on this particular occasion to express your comments and views to the gathered group and to the radio audience.

So, without further ado, ladies and gentlemen, I present to you Dr. Edward L. Teller.

Dr. TELLER. Mr. Rockefeller, thank you very much for your gracious words. Ladies and gentlemen, I am indeed proud that I have served on this panel where I learned, and all of us learned, a very great deal from each other. Throughout the discussion in which

we tried to look into the next 10 years, we realize that the survival of our country and the survival of the free world is at stake; that we need strong and imaginative leadership if we want to stay alive. This is clearer today than it ever has been.

I want to talk to you about the topic of discovery, about nuclear energy and its uses. You have heard many wonderful things about the many outstanding accomplishments of the last two decades. These accomplishments we have gained under an outstanding leadership in Washington.

But, with all that, I have to tell you that the great head start we had in 1945 over the rest of the world in atomic energy matters, is no more.

Why?

I will tell you something about my own personal experience. Forty years ago when I was considerably younger and quite a bit smaller, I liked to read science fiction. My favorite author was Jules Verne. I no longer read science fiction. This is not because I have become particularly more wise or clever. Science fiction has changed. When I was young, science fiction said, "How wonderful." Today, science fiction says, "How horrible."

Our greatest danger, our greatest reason why we did not make enough progress is fear. We are afraid of the power which man now holds in his hands.

My main topic today is fear. The first time I ran into this fear was a little more than 10 years ago when the necessity arose that we work on the hydrogen bomb. At that time the fear of many of my outstanding and conscientious colleagues had almost—had almost—persuaded our Government not to go ahead with the hydrogen bomb. In their alarm they said things they never should have said. They said, for instance, a hydrogen bomb could not be built. They were wrong because they were afraid.

Fortunately we were permitted at that time to go ahead and for the time being the United States retained its leadership. One of the many consequences, I would say the most psychological consequence of this progress, was that we became very much interested in the peaceful uses of nuclear fusion energy * * * a difficult project which required containment of a very hot gas in a strange contraption which I like to call a magnetic bottle. This magnetic bottle, on the construction of which a great future energy thrust depends, unfortunately turned out to be leaky again and again. But, I am glad to tell you that some of us in our own laboratory and probably other people, too, are beginning to find somewhat more leakproof bottles and in the course of time, this great source of energy will be available to all of us. Now, those of you who like nuclear reactors, should not get scared. We won't make competition until, let us say, the year 2000; because the research is difficult and will take a little time.

There is progress all around us and some of this progress we have not completely or properly utilized. A lot has been done and quite a bit has been said here about the use of isotopes. You know I can't help mentioning it, yet in view of the fallout scare, this fear again has deterred many of us from the full industrial and biological utilization of radioactive energy.

We could place into the hands of educated farmers radiation sources by which in a reliable and controlled manner, they can induce mutations in the vegetables and animals with which they are working. In millions of experiments they can then do what no laboratory could perform—look for the chance occurrence of something really useful in the biological and agricultural fields. We are making slow progress because we are afraid.

Ladies and gentlemen, I am going to now read a few sentences concerning a topic about which probably not all of you have heard; the peaceful use of nuclear explosions (Project Plowshare). These sentences say: "Right now, we are utilizing atomic energy for our economic needs, in our own economic interests; we are razing mountains, we are irrigating deserts, we are cutting through the jungle and the tundra, we are spreading life, happiness, prosperity, and welfare in places wherein the human footsteps have not been seen for a thousand years." I am not quoting an American statement from the year 1959; I wish I were. I am quoting a statement of Mr. Vishinsky of the year 1949.

In the year 1956, there had been announcements of several explosions in China—the biggest one—9,200 tons of TNT in Hankow (?)—the announced purpose—uncovering deep-lying ore bodies for cheap surface mining—cheap strip mining.

In the years 1957 and 1958 there had been announcements of three explosions on the river Kolongo near the Urals for diverting this river—again with explosives amounting to thousands of tons of TNT. The Russians said they did all this with normal high explosives. When we said we were interested—will you please show us—we got an answer which even I with my limited Russian vocabulary could understand. The answer was "Nyet."

We therefore know that these explosions have been conventional explosives on the "good authority" of Russian words and on no authority other than that.

In the meantime, we have gone ahead and explored, at least on paper, the possibilities of using nuclear explosives for peaceful purposes. We have found that we can make harbors anywhere in the world at a cost we used to pay merely to equip a harbor. We can make water fill a canal. We can multiply, not add to—but multiply—the available raw material supply in the most essential items of coal and iron throughout the world. In other words, we can divert rivers, make them flow into arid regions and greatly increase agricultural capabilities.

Yet, our administration did not want to interefere with the discussions in Geneva, and told us not to go ahead with these plans. So, we are still waiting.

There are many other possibilities in "Plowshare"—some of them real—which I have mentioned—some of them dreams. If you will attend our discussions, which will start at 2:15, you will hear more about these possibilities.

But if the Russians should indeed develop these methods; and if they should announce the availability of these methods to backward countries which need the minerals * * * which need the water * * * which need the means of transportation which they can open up, they will have accomplished a propaganda advantage which will dwarf sputnik and an economic lever equal to a hundred Aswan Dams.

We have not done that * * * we have not gone ahead and what has held our hand was fear.

We are talking about the future, which could be bright. But the future will not exist for us unless we remain strong enough to defend ourselves and to defend the free world. Power today depends on the basically strongest weapon—nuclear explosives. You know that we have been wishing and dreaming that we might turn back the clock—that we might somehow stop the development of nuclear weapons. You know that this wish and this dream today looks a little different after Khrushchev has announced that they can and will test nuclear explosives of 20 megatons or 50 megatons or 100 megatons.

I would like to tell you a few facts relating to nuclear weapons and relating to the nuclear moratorium. I cannot talk about the future without discussing these facts. Because the future depends—our future depends—on our wise behavior.

The first fact relates to the danger of an all-out war. You have heard words and these words said something like this: "Man holds in his mortal hands the power to destroy all forms of human life." Let me tell you a fact. These words were based on a misunderstanding—a misunderstanding that has to be cleared up. An all-out nuclear war—if it ever comes—will be a dreadful thing, but it will not destroy all form of human life. Most certainly not.

What man now holds in his hands is far short of what would endanger all human life. If you try to indulge in fantasies about the end of the world, the possibilities are many. The greatest danger probably would arise from somebody really going to work on bacteriological warfare. As far as the known facts of worldwide radio active fallout is concerned—because that is the danger to which the quoted words refer—we do know tests have produced the fallout. This fallout can be clearly shown at present not to be dangerous. But, in case of an all-out war, fallout would be dangerous in certain areas, but not throughout the whole world.

In order to endanger everyone on the globe, one would have to explode millions of megatons—millions of bombs—each one carrying a million ton equivalent. Even then there would be methods for people to escape if they but tried seriously to escape. Humanity certainly will survive an all-out war.

Some organization with enormous efforts, if it had billions of dollars at its command might invent something that would endanger all of us. But, in order to do so it would have to depend not on winning the war, but on defending themselves, not on power, not on conquest—these things will not destroy humanity. It can be done only if somebody tries to do just one thing—destroy all humanity. People never will try to do it. I think even if they try they will not succeed.

Although an all-out war will not destroy humanity—an all-out war very easily could destroy the United States and could destroy the free world and could destroy the very idea of human dignity. This could happen, because, scared by exaggerated dangers we have neglected to defend ourselves. We have not built shelters, we have not done the things that could save us and that could, by the very fact of our defensive strength, insure peace.

Fact No. 1: Humanity will survive, but we shall survive only if we defend ourselves.

Fact No. 2 concerns the nuclear test moratorium. After many years of careful discussion every responsible person is now agreed that the Russians could have tested all along during the last 3 years without being able to detect any trace of such tests. Furthermore, everyone is agreed that tests up to reasonably great sizes could continue into the indefinite future secretly, even if the Russians agreed to all our demands—to all our reasonable proposals; even then they could continue systematically and effectively to cheat on the test ban. This situation will continue into the indefinite future barring a very great and unexpected development in our ability to detect the tests.

Fact No. 3: We know that we stopped nuclear tests almost 3 years ago. We have nothing but the statement from Russia that they have not tested in the meantime. Today, we are told by the Russians themselves, that they want to test 100 megatons. This sounds like a lot. It's not much bigger than what we had and what we have every reason to know that they have. I think the statement was put out for the simple purpose to frighten us and we have given every indication that we can be frightened. What the statement means is, that if the Russians

are so confident in saying what more they can achieve, they probably by now have accumulated an enormous amount of knowledge and there is every reason to believe that this knowledge could have been accumulated by their steady testing for the past 3 years. We doubt our knowledge. If this is so, and I don't know whether it is, but if it is so, then by now instead of a missile gap, there exists an atomic gap and we may be on the way of becoming a second-class power.

Now you may have heard that more testing is useless, because we already have so much. The same people who have been telling us that the hydrogen bomb is not feasible are now trying to tell us that further development is not important. I can assure you that it is. By further development you can produce a disparity such that a weaker nation when attacked lacks even the power to strike back and if that situation ever should occur, at that time our freedom would be lost. By further testing one can develop tactical weapons of the greatest possible use in localized countries, which can be kept localized by the old and time-honored method of restricting the area and the aims of the countries. Not by the senseless procedure of trying to restrict the weapons. Because what type of weapons are being used is very hard to be sure about. In an age where the technological development is rapid and where Khrushchev even, 20 months ago, has boasted that he has great surprises in store for us. If there is a great surprise it will be very hard having suffered a defeat in a local area to find out what have you got.

But we do know that nuclear weapons are the most powerful agent. And, we know that if we want to defend our own country, if we want to defend our allies, if we want to be able to respond to each aggression with the proper countermeasures on the same scale and nevertheless sufficient to stop aggression if we want to do all that, it is necessary that we be prepared.

Ladies and gentlemen, on the 31st of October 1958, we stopped the development of our most essential strength. In the meantime, the Russians may have made giant strides. There is no doubt that the hour is late, I cannot tell you how late it is—I don't know. I hope and I believe, that it is not yet too late if we act now and if we act with determination and if we do no more than acquire more knowledge.

If the Russians want to test a 100 megaton in the atmosphere, this will add to the fallout throughout the world. This additional fallout, like the past fallout, will not be dangerous. But we do not need to make such big tests, because real progress does not consist in a big bang. Real progress consists in added knowledge and we have been negligent in developing this added knowledge of our nuclear explosives for defense and for peaceful purposes to increase the wealth of the world.

If we are willing to do the obvious, to resume testing on a reasonable scale, without much fanfare, but doing the essential things with care and with diligence, I feel sure that freedom will survive.

Thank you very much.

ROSH HASHANA, 5722

Mr. BYRD of West Virginia. Mr. President, I wish to take this occasion to associate myself with Members of the Senate who are of the Jewish faith, and with my constituents in the State of West Virginia who are of that faith, in celebrating the happy and holy festival of Rosh Hashana in the Jewish calendar year of 5722.

The holy holiday of Rosh Hashana stems from the word of the Lord, as given to Moses:

In the seventh month, in the first day of the month, shall ye have a sabbath, a memorial of blowing trumpets, an holy convocation.

In all of these many centuries, people of the Jewish faith throughout the world have obeyed the Lord's word, despite the most servile and horrible forms of tyranny. For the Jews, the word of the Lord has been ever more powerful than the worst inflictions of the tyrant.

It is no coincidence that the chief enemies of humanity today are at the same time conspicuously the chief enemies of the Jewish people. Dictatorships, whether to the left or to the right, find their designs thwarted, and their opinions countered, by the individualism and the intellect that are the traditional characteristic of the Jewish race.

I stand with my Jewish friends in opposition against all enemies of human freedom—enemies of individual dignity, enemies of the rule of divine law. I stand with my Jewish friends for the forward-looking, freedom-loving spirit, exemplified both by this great land of liberty, America, and by that new land of liberty, Israel.

On Rosh Hashana morning, my thoughts will be with you, hoping that God may hasten the time when wickedness and tyranny shall pass away like smoke into a clear, bright sky. I shall be thinking with you that the tyrant is mortal, and that God is eternal, and that goodness on earth shall yet prevail.

Mr. HICKEY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The absence of a quorum has been suggested, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HICKEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Committee on Interior and Insular Affairs be permitted to meet in executive session at 2 o'clock this afternoon, to receive testimony from the Commissioner of Indian Affairs.

Mr. GOLDWATER. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. GOLDWATER. Is it possible that the committee might have some other business to attend to? Would not the Senator wish to enlarge the purpose for the meeting of the committee? I believe we have some other business to attend to.

Mr. HUMPHREY. Mr. President, I shall restate the unanimous-consent request. I ask unanimous consent that the Committee on Interior and Insular Affairs be permitted to meet in executive session at 2 o'clock this afternoon to receive testimony from the Commissioner of Indian Affairs, and also to consider other matters which the committee may wish to undertake.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that the Committee on Public Works may be permitted to sit during the session of the Senate today.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

On request of Mr. HUMPHREY, and by unanimous consent, the Juvenile Delinquency Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

U.S. DISARMAMENT AGENCY FOR WORLD PEACE AND SECURITY

The Senate resumed the consideration of the bill (S. 2180) to establish a U.S. Disarmament Agency for World Peace and Security.

Mr. HICKEY. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc, and that the bill, as amended, be considered as original text for the purpose of amendment.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 2, at the beginning of line 10, to insert "Disarmament policy, being an important aspect of foreign policy, must be consistent with national security policy as a whole."; on page 3, at the beginning of line 4, to strike out "(1)" and insert "(a)"; in line 5, after the word "policy", to strike out "formulation," and insert "formulation"; at the beginning of line 7, to strike out "(2)" and insert "(b)", and in the same line, after the word "and", to strike out "direction" and insert "management"; in line 9, after the word "disarmament", to strike out "field." and insert "field;"; at the beginning of line 10, to strike out "(3)" and insert "(c)"; in line 11, after the word "concerning", to strike out "disarmament." and insert "disarmament; and"; at the beginning of line 13, to strike out "(4)" and insert "(d)"; in line 22, after the word "international", to strike out "agreement or measure," and insert "agreement,"; in line 23, after the word "steps", to strike out "in connection with disarmament" and insert "taken under such an agreement to establish an effective system of international control or"; on page 4, line 12, after the word "Agency", to insert "for World Peace and Security"; after line 12, to strike out:

"(d) The term 'person' means (1) any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, Government agency other than the Agency, any State or any political subdivision thereof, or any political entity within a State, any foreign government or nation, any international organization, or other entity, and (2) any legal successor, representative, agent, or agency of the foregoing."

On page 5, line 4, after the word "established", to insert "within the Department of State an agency to be known as"; in line 5, after the amendment just above stated, to strike out "the United" and insert "the "United"; in line 7, to strike out "Security."

and insert "Security".", after line 7, to strike out:

"SEC. 22. The Agency shall be headed by a Director. He shall be appointed by the President, by and with the advice and consent of the Senate. He shall receive compensation at the rate of $22,500 per annum. The Director shall serve as the principal adviser to the President on disarmament matters. Under the direction of the President and the Secretary of State, the Director shall have primary responsibility within the Government for disarmament matters."

And, in lieu thereof, to insert:

"SEC. 22. The Agency shall be under the direction of an Under Secretary of State for Disarmament, who shall serve as the principal adviser to the Secretary of State and the President on disarmament matters. In carrying out his duties under this Act the Under Secretary of State for Disarmament shall, under the supervision and direction of the Secretary of State, have primary responsibility within the Government for disarmament matters. He shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $22,500 per annum. For the purposes of this Act, he shall be referred to as the 'Director'."

On page 7, line 2, after the word "Director", to insert "under the supervision and direction of the Secretary of State"; in line 10, after the word "President", to insert "by and with the advice and consent of the Senate"; after line 19, to strike out:

"SEC. 31. The Director is authorized and directed to exercise his powers in such manner as to insure the conduct of research, development, and other studies relating to disarmament, by private or public institutions or persons, and to assist in the acquisition of a fund of theoretical and practical knowledge in this field. To this end, the Director, under the direction of the President, is authorized and directed to coordinate the research, development, and other studies conducted in this field by or for other Government agencies in accordance with procedures established under section 37 of this Act. To the same end, the Director is authorized and directed to make arrangements (including contracts, agreements, and grants) for the conduct of research, development, and other studies relating to disarmament, including:".

And, in lieu thereof, to insert:

"SEC. 31. The Agency is authorized and directed to exercise its powers in such manner as to insure the acquisition of a fund of theoretical and practical knowledge concerning disarmament. To this end, the Agency is authorized and directed (1) to conduct research, development, and other studies in the field of disarmament; (2) to make arrangements (including contracts, agreements, and grants) for the conduct of research, development, and other studies in the field of disarmament by private or public institutions or persons; and (3) to coordinate the research, development, and other studies conducted in the field of disarmament by or for other Government agencies in accordance with procedures established under section 34 of this Act. In carrying out its responsibilities under this Act, the Agency shall, to the maximum extent feasible, make full use of available facilities, Government and private. The authority of the Agency with respect to research, development, and other studies shall include participation in the following insofar as they relate to disarmament:".

At the top of page 11, to strike out:

"RESEARCH FACILITIES

"SEC. 32. The Director is authorized (1) to conduct and support research, development, and other studies of the types specified in the preceding section through use of the Agency's own facilities, and (2) to use, with their consent, the facilities of other Government agencies or those of outside organizations. In carrying out his responsibilities under this Act the Director shall, to the extent feasible, make full use of available facilities, Government and private, and may construct such new laboratories as he deems necessary."

And, in lieu thereof, to insert:

"PATENTS

"SEC. 32. No appropriated funds may be expended pursuant to authorization given by this Act for any technological research or development activity unless such expenditure is conditioned upon provisions effective to insure that all information, uses, products, processes, patents, and other developments resulting from that activity will (with such exceptions and limitations as the Director may determine to be necessary in the interest of the national defense) be made freely and fully available to the general public. Nothing contained in this section shall be construed to deprive the owner of any background patent relating to any such activity of any right which he may have under that patent."

At the top of page 12, to strike out:

"POLICY FORMULATION

"SEC. 33. The Director is authorized and directed to prepare for the President, the Secretary of State, and the heads of such other Government agencies as the President may determine, recommendations concerning United States disarmament policy.

"NEGOTIATION OF INTERNATIONAL AGREEMENTS

"SEC. 34. Under the direction of the Secretary of State, the Director may (a) consult and communicate with or direct the consultation and communication with representatives of other nations or of international organizations for the purpose of conducting negotiations concerning disarmament or for the purpose of exercising any other authority given to the Director by this Act; and (b) communicate in the name of the Secretary with diplomatic representatives of the United States in this country and abroad.

"PUBLIC INFORMATION

"SEC. 35. Under the direction of the Secretary of State, the Director shall perform functions pursuant to section 2(c) of Reorganization Plan 8 of 1953 with respect to the dissemination abroad of information concerning United States disarmament activities.

"INSPECTION AND CONTROL

"SEC. 36. The Director is authorized (1) to formulate plans and make preparations for the establishment, operation, and funding of inspection and control systems which may become part of the United States disarmament activities and, (2) as appropriate, to put into effect, direct, or otherwise assume United States responsibility for such systems."

And, in lieu thereof, to insert:

"POLICY, NEGOTIATIONS AND RELATED FUNCTIONS

"SEC. 33. Under the supervision and direction of the Secretary of State—

"(a) the Director shall prepare for the President, the Secretary of State, and the heads of such other Government agencies as the President may determine, recommendations concerning United States disarmament policy.

"(b) the Director, for the purpose of conducting negotiations concerning disarmament or for the purpose of exercising any other authority given him by this Act, may (1) consult and communicate with or direct the consultation and communication with representatives of other nations or of international organizations and (2) communicate in the name of the Secretary with diplomatic representatives of the United States in this country and abroad.

"(c) the Director shall perform functions pursuant to section 2(c) of Reorganization Plan 8 of 1953 with respect to providing to the United States Information Agency official United States positions and policy on disarmament matters for dissemination abroad.

"(d) the Director is authorized (1) to formulate plans and make preparations for the establishment, operation, and funding of inspection and control systems which may become part of the United States disarmament activities, and (2) as authorized by law, to put into effect, direct, or otherwise assume United States responsibility for such systems."

On page 14, line 15, to strike out "Cooperation And"; in line 16, to change the section number from "37" to "34", and in the same line, after the word "The", to strike out "Director, in consultation with other appropriate Government agencies and subject to approval by the President, shall develop suitable procedures to assume cooperation, coordination, and a continuing exchange of information among affected Government agencies on" and insert "President is authorized to establish procedures to (1) assure cooperation, consultation, and a continuing exchange of information between the Agency and the Department of Defense, the Atomic Energy Commission, the National Aeronautics and Space Administration and other affected Government agencies, in"; on page 15, line 3, after the word "and", where it appears the second time, to strike out "programs. The Director and such Government agencies shall keep each other fully informed, currently and prospectively, of policy decisions, activities, statements, studies, research, and other matters which are within the scope of their respective responsibilities and which affect disarmament matters." and insert "programs, and (2) resolve differences of opinion between the Department of State and such other agencies which cannot be resolved through consultation."; in line 14, after the word "of", to strike out "his" and insert "its"; at the beginning of line 15, to strike out "Director" and insert "Agency"; in line 16, after "(a)", to strike out "with the consent of the Secretary of State or other officer or agency concerned,"; in line 18, after the word "of", to strike out "the Department of State, or"; at the beginning of line 20, to insert "with the consent of the agency concerned,"; in line 22, after the word "desirable.", to strike out "It is the intent of this section that the Director rely upon the Department of State for general administrative services in the United States and abroad to the extent agreed upon between the Secretary of State and the Director."; on page 17, line 16, after "(5 U.S.C. 73b–2):", to insert "*Provided*, That no such individual shall be employed for more than one hundred days in any fiscal year unless the President certifies that employment of such individual in excess of such number of days is necessary in the national interest: *And provided further*, That"; on page 18, after line 2, to strike out:

"(f) employ, with the prior approval of the President, not to exceed three retired commissioned officers of the Armed Forces who are experts in military strategy or weapons systems and whose service shall not be considered as employment or holding of office or position bringing such individuals within the provisions of section 2 of the Act of July 31, 1894 (5 U.S.C. 62); section 13 of the Civil Service Retirement Act, as amended (5 U.S.C. 2263); section 212 of Public Law 72–212, as amended (5 U.S.C. 59a); or any other law limiting the reemployment of such officers or governing their simultaneous receipt of compensation and retired pay or annuities;".

At the beginning of line 16, to strike out "(g)" and insert "(f)"; in line 17, after the word "the", to strike out "Director and insert "Agency; after line 21, to strike out:

"(h) make such investigations and obtain such information as the Director may deem necessary or proper to assist him in exercising any authority provided in this Act;

"(i) acquire, purchase, lease, and hold real and personal property, including patents, as agent of and on behalf of the United States, subject to the provisions of section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and sell, lease, grant, and dispose of such real and personal property in accordance with the Federal Property and Administrative Services Act of 1949, as amended;

"(j) accept in the name of the Agency and to hold and administer any conditional or unconditional gifts, devises, bequests, grants, or other donations or contributions of money, securities, or real or personal property, for use in the furtherance of the purposes of this Act. The Director shall not accept any conditional gift, devise, bequest, grant, or other donation or contribution which is conditioned upon any expenditure not to be met therefrom or from the income thereof unless such expenditure has been approved by Act of Congress;

"(k) delegate, as appropriate, to the Deputy Dierctor or other officers of the Agency, with power to redelegate as needed, any authority conferred upon the Director by the provisions of this Act; and

"(l) make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary or desirable to the exercise of any authority conferred upon the Director by the provisions of this Act."

On page 20, after line 2, to strike out:

"FOREIGN SERVICE RESERVE AND STAFF OFFICERS

"SEC. 42. The Secretary of State may authorize the Director to exercise, with respect to Foreign Service Reserve officers and Foreign Service Staff officers and employees appointed or employed for the Agency, the following authority: (i) The authority available to the Secretary of State under the Foreign Service Act of 1946, as amended, (ii) the authority available to the Secretary under any other provision of law pertaining specifically, or generally applicable, to such officers or employees, and (iii) the authority of the Board of Foreign Service pursuant to the Foreign Service Act of 1946, as amended. The appointment or employment of Foreign Service Reserve officers pursuant to this subsection may be made without regard to the term or terms of appointment or employment prescribed by section 522 of the Foreign Service Act of 1946, as amended."

In line 20, to change the section number from "43" to "42"; in line 24, after the word "disarmament", to insert "and security"; on page 21, line 2, to change the section number from "44" to "43"; on page 22, after line 3, to strike out:

"SEC. 45. (a) The Director shall establish such security requirements, restrictions, and safeguards as he deems necessary in the interest of national security. The Director may arrange with the Secretary of State or with the Civil Service Commission for the conduct of such security or other personnel investigations of the Agency's officers, employees, consultants, persons detailed from other Government agencies, and its contractors and subcontractors and their officers and employees, actual or prospective, as he deems appropriate; and if any such investigation develops any data reflecting that the individual who is the subject thereof is of questionable loyalty, the matter shall be referred to the Federal Bureau of Investigation, the results of which shall be furnished to the Director."

And, in lieu thereof, to insert:

"SEC. 44. (a) The Agency shall establish such security and loyalty requirements, restrictions, and safeguards as it deems necessary in the interest of the national security and to carry out the provisions of this Act. The Agency shall arrange with the Federal Bureau of Investigation for the conduct of full-field background security and loyalty investigation of all the Agency's officers, employees, consultants, persons detailed from other Government agencies, members of its General Advisory Committee, advisory boards, contractors and subcontractors, and their officers and employees, actual or prospective. In the event the investigation discloses information indicating that the person investigated may be or may become a security risk, or may be of doubtful loyalty, the report of the investigation shall be turned over to the Office of Security of the Department of State for final determination. No person shall be permitted to enter on duty as such an officer, employee, consultant, or member of advisory committee or board, or pursuant to any such detail, and no contractor or subcontractor, or officer or employee thereof shall be permitted to perform any services under the contract or to have access to any classified information relating thereto, until he shall have been investigated in accordance with this subsection and the report of such investigation made to the Agency, and it shall have been determined that such person is not a security risk or of doubtful loyalty. Standards applicable with respect to the security clearance of persons within any category referred to in this subsection shall not be less stringent, and the investigation of such persons for such purposes shall not be less intensive or complete, than in the case of such clearance of persons in a corresponding category under the security procedures of the Government agency or agencies having the highest security restrictions with respect to persons in such category."

On page 24, line 15, after the word "the", where it appears the second time, to strike out "Director" and insert "Atomic Energy Commission"; at the beginning of line 18, to strike out "Agency" and insert "Commission"; in line 20, after the word "the", to strike out "Director" and insert "Atomic Energy Commission"; on page 25, line 10, after the word "and", to strike out "(b)" and insert "B"; after line 12, to strike out:

"(c) Any and all of the functions of the Director described in this section may be the subject of an agreement between the Director and the Secretary of State under section 41(a) of this Act."

After line 16, to strike out:

"COMPTROLLER GENERAL AUDIT

"SEC. 46. No moneys appropriated for the purpose of this Act shall be available for payment under any contract with the Director, negotiated without advertising, except contracts with any foreign government, international organization or any agency thereof, unless such contract includes a clause to the effect that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment, have access to and the right to examine any directly pertinent books, documents, papers, and records of the contractor or any of his subcontractors engaged in the performance of, and involving transactions related to such contracts or subcontracts: *Provided, however,* That no moneys so appropriated shall be available for payment under such contract which includes any provisions precluding an audit of the General Accounting Office of any transactions under such contract: *And provided further,* That nothing in this section shall preclude the earlier disposal of contractor and subcontractor records in accordance with records disposal schedules agreed upon between the Director and the General Accounting Office."

On page 26, after line 13, to strike out:

"PRESIDENTIAL AUTHORITY TO TRANSFER CERTAIN FUNCTIONS

"SEC. 47. The President may transfer to the Director any functions (including powers, duties, activities, facilities, and parts of functions)".

After line 18, to insert:

"TRANSFER OF FUNCTIONS TO AGENCY

"SEC. 45. (a) The United States Disarmament Administration, together with its records, property, personnel, and funds, is hereby transferred to the Agency. The appropriations and unexpended balances of appropriations transferred pursuant to this subsection shall be available for expenditure for any and all objects of expenditure authorized by this Act, without regard to the requirements of apportionment under section 665 of title 31."

On page 27, at the beginning of line 3, to insert "(b) The President, by Executive order, may transfer to the Director any activities or facilities"; in line 6, after the word "may", to strike out "provide for appropriate transfer of funds, records, property, and for necessary civilian and military personnel to be made available from the agency from which the transfer is made" and insert "under this section or other applicable authority, provide for appropriate transfers of records, property, civilian personnel, and funds. No transfer shall be made under this subsection until (1) a full and complete report concerning the nature and effect of such proposed transfer has been transmitted by the President to the Congress, and (2) the first period of sixty calendar days of regular session of the Congress following the date of receipt of such report by the Congress has expired without adoption by either House of the Congress of a resolution stating that such House does not favor such transfer"; in line 22, to change the section number from "48" to "46", and in the same line, after the word "made", to strike out "to the Director"; in line 23, after the word "to", to strike out "him" and insert "the Agency"; in line 25, after the word "to", where it appears the first time, to strike out "him" and insert "the Agency"; on page 28, line 1, after the word "granted", to strike out "him" and insert "it"; in line 2, after the word "this", to strike out "Act:

"(1) rent of buildings and space in buildings in the District of Columbia: *Provided,* That to the extent feasible, the Director shall rely upon the General Services Administration for this purpose.

"(2) administrative expenses incident to carrying out the purposes of this Act, including, without limitation, expenses of printing and binding without regard to the provisions of section 11 of the Act of March 1, 1919 (44 U.S.C. 111);

"(3) purchase or hire of one passenger motor vehicle for the official use of the Director without regard to the limitations contained in section 78(c) of title 5 of the United States Code or any other law relating to the purchase or use of Government-owned motor vehicles;

"(4) entertainment and official courtesies (not to exceed $25,000 in any fiscal year except as may otherwise be provided in an appropriation);

"(5) expenditures (not to exceed $50,000 in any fiscal year except as may be provided in an appropriation) of a confidential character other than entertainment: *Provided,* That a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by the Director and every such certificate shall be deemed a sufficient voucher for the amount therein specified;

"(6) expenses authorized by the Foreign Service Act of 1946, as amended, not otherwise provided for;

"(7) expenses in connection with travel of personnel outside the United States, including transportation, expenses of dependents, and transportation of personal effects, household goods, and automobiles of such personnel, and including all such expenses when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the same fiscal year;

"(8) expenditures necessary to make grants for, and to pay expenses incident to, training and study;

"(9) expenditures in connection with participation in international conferences for the purposes described in section 3 of this Act, including, but not limited to, rental of quarters by contract or otherwise." and, in lieu thereof, to insert "Act including, without limitation, expenses of printing and binding without regard to the provisions of section 11 of the Act of March 1, 1919 (44 U.S.C. 111); purchase or hire of one passenger motor vehicle for the official use of the Director without regard to the limitations contained in section 78(c) of title 5 of the United States Code; entertainment and official courtesies to the extent authorized by appropriation; expenditures for training and study; expenditures in connection with participation in international conferences for the purposes of this Act; and expenses in connection with travel of personnel outside the United States, including transportation expenses of dependents, household goods, and personal effects."; on page 30, line 11, to change the section number from "49" to "47"; in line 12, after the word "appropriated", to strike out "to the Agency such sums as may be necessary and appropriate to carry out the purposes of this Act. Sums appropriated pursuant to this section for research development and studies shall remain available until expended" and insert "not to exceed $10,000,000, to remain available until expended, to carry out the purposes of this Act"; on page 31, line 2, to change the section number from "50" to "48", and in the same line, after the word "The", where it appears the first time, to strike out "Director" and insert "Agency"; at the beginning of line 3, to strike out "President" and insert "Secretary of State"; in line 5, after the word "The", where it appears the second time, to strike out "Director" and insert "Agency"; in line 6, after the word "in", to strike out "his" and insert "this", and in the same line, after the word "as", to strike out "he" and insert "the Secretary of State"; at the beginning of line 8, to strike out "such", and in the same line, after the word "legislation", to strike out "as he deems" and insert "deemed".

The VICE PRESIDENT. The bill is open to further amendment.

Mr. RUSSELL. Mr. President, I desire to make a few observations with respect to the pending bill. I had been of the opinion that the ingenuity of mankind had been almost exhausted in proposing new agencies of Government, and that the Congress of the United States has acquiesced in the creation of most of them. This proposed that we reestablish a U.S. Disarmament Agency at this particular hour in our history shows how greatly I had underestimated the resourcefulness of my colleagues. I am well aware of the many reasons why this Nation should be at all times prepared to go more than halfway in bringing about a program of controls that would remove the clouds that threaten mankind from extinction through the use of nuclear weapons. We have at the present time, and have had for some years, a disarmament branch in the Department of State. I doubt very much that our efforts will be more successful or that we will be able to make a greater contribution to world peace through the creation of a new agency by the Congress of the United States at this particular time, particularly one generating any suspicion we are planning unilateral disarmament.

While I have not had an opportunity to study the bill, since it was agreed to by the committee only yesterday, the committee bill does seem to be a great improvement over the original proposal, in that it would place the proposed agency in the Department of State, where the present disarmament body is located, and under the direction of an Under Secretary of State. To the extent it does not create another new and independent agency the measure is an improvement over the original proposal.

I do not deem this to be an appropriate time in world history for us to create a statutory body, and for the Congress of the United States to take the proposed action, at the same time we are calling on the American people to increase defense spending to the tune of $6 billion over and above the $40 billion that was contained in the original budget and are calling more than a quarter of a million more young Americans to the military service.

We are urging those associated with us all over the world to increase their military strength in order that we may turn back the menace of Communist aggression. I submit that it would be absolutely impossible to explain to all the peoples of the world—those associated with us and those who call themselves neutralists—that we are serious in our determination to defend liberty and the institutions of our Government and the rights of freemen everywhere with a vast arms program, while at the same time we are creating a disarmament agency. We may be able to explain it to most of our own people, but I do not think even all the American people will understand. It looks very much as if we are going in both directions at the same time. Of course, it is nothing new for the Congress of the United States to mount a horse and dash off madly in all directions. But this is a very poor time for us to take such action in this delicate field.

There are other reasons why I think the bill should be deferred. Of course, I am under no illusions that it will be, but I think it should be. As I have said, we now have a disarmament section in the Department of State that can perform any proper function relating to gathering data that would enable us to advise our President or his representatives if the time should ever come, an hour for which all mankind is yearning, when we can sit down and really negotiate in good faith in the effort to bring about an era of permanent peace.

But the bill goes far beyond that objective. It adopts the policy that has been ever the policy of bureaucracies since the beginning of time, endeavoring to reach out and assume powers that are already located in other agencies, and to perform work that is a direct duplication of that which is being done today in other agencies.

As I have stated, I have not had an opportunity to study the bill, but I notice that the agency is authorized to carry out a vast program of research and development and to enter into contracts and grants for research and development projects.

What is the nature of the research and development projects the agency would be authorized to institute and carry to a conclusion? On page 9 of the bill are listed some of the projects as to which research will be made and development undertaken. I note among them:

> The detection, identification, inspection, monitoring, limitation, reduction, control, and elimination of armed forces and armaments, including thermonuclear, nuclear, missile, conventional, bacteriological, chemical, and radiological weapons. * * *

Today the Department of Defense and other agencies are spending vast sums of money in research and development in the detection, identification, and monitoring of thermonuclear and nuclear missiles and in bacteriological, chemical, and radiological weapons. So also research and development in these areas in some measure is likewise being carried on in the Atomic Energy Commission.

Now it is proposed under the bill that we create a third agency which would duplicate all of this research and development.

On the same page, in line 10, the agency is authorized to carry on a program of research and development in "the techniques and systems of detecting, identifying, inspecting, and monitoring of tests of nuclear, thermonuclear, and other weapons."

We have spent almost countless millions of dollars through the Atomic Energy Commission and through the Department of Defense in developing techniques and systems of detecting, identifying, inspecting, and monitoring of tests of nuclear, thermonuclear, and other weapons.

Yet we propose to give to this agency the very broadest powers to enter into contracts or to carry on their own research programs. We are therefore creating a new agency to do work that is already being done at great cost to the American taxpayer.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield.

Mr. SPARKMAN. The Senator is pointing out something that received a great deal of attention in committee, I can assure him. I see on the floor the Senator from Iowa, who had perhaps the leading part in constructing the bill, as we considered these many things. If the Senator will notice in line 3 of page 9, we rewrote that whole section. The key word in line 3 on page 9 is "participation." It calls for participation in these various activities. I assure the Senator from Georgia that we gave a great deal of attention to the idea of duplication.

If the Senator will refer to section 34 on page 14 of the bill—it was section 37, but is now section 34—beginning with line 16, he will note that we

amended that provision also. We provided for the President of the United States to coordinate this program, to make certain that there is coordination, exchange of information, and consultation. Certainly it is our idea that there shall be eliminated, so far as possible, needless duplication. I believe the Senator will agree with me that if we are to have an agency of this kind it ought to have some way of getting this information. Otherwise they cannot proceed.

Mr. RUSSELL. Of course, any such agency should have authority to secure information from other agencies of Government, but that is contained in another provision of the bill. The Agency now in existence has ample authority to obtain this information from other agencies.

Mr. SPARKMAN. We still have the sense of that contained in the bill. Its being stricken out was a matter simply of rewriting it. Certainly it is our idea that this Agency shall make use of the other agencies and departments of Government in obtaining this information, and the President is directed to coordinate matters to that end.

Mr. GOLDWATER. Mr. President, will the Senator yield, so that I may ask a question of the Senator from Alabama?

Mr. RUSSELL. I was not on the committee, and this print of the bill was presented here this morning. I have not had an opportunity even to read it consecutively. However, I submit that the argument of the Senator is not applicable at all when he comes here and says that the authority shall include "participation in the following," because that is in addition to the direct authority in the preceding part, contained in section 33, providing authority for the carrying on of the research and development in all the fields enumerated. Therefore, it means that they will carry on at the same time the same research that the Atomic Energy Commission is carrying on and that the Defense Department is carrying on, and that they may also participate with these two agencies in carrying on similar research.

Mr. SPARKMAN. I would suggest that the Senator read beginning at line 23 on page 8: "In carrying out its responsibilities under this act, the Agency shall, to the maximum extent feasible, make full use of available facilities, Government and private."

As I have said, we changed the language in the original bill, so as to make it clear that the language meant participation and not exclusive action in that field.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. RUSSELL. I shall be glad to yield in a moment. If the Senator from Alabama desires to carry out what he indicates, it should read that this Agency shall be "limited to participation in the following" insofar as they relate to disarmament.

Mr. SPARKMAN. Mr. President, will the Senator repeat that, please?

Mr. RUSSELL. It should limit the authority of the Agency with respect to research, development, and other studies to "participation in the following" insofar as they relate to disarmament.

Mr. SPARKMAN. As a matter of fact, it seems to me that there is no difference, that that is exactly what it says.

Mr. RUSSELL. Then I will offer that as an amendment. I believe that would be a vast improvement. I therefore offer the amendment that "the authority of the Agency with respect to research and development and other studies shall be limited to participation in the following insofar as they relate to disarmament," and then list subparagraphs (a), (b), (c), and so forth.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. GOLDWATER. I was going to suggest that the Senator's amendment might go further than that, to strike out everything down to the word "facilities" on line 25, and through the rest of that section. I cannot imagine any agency of Government not being able to use the facilities of every other agency.

Mr. RUSSELL. That is provided in another provision of the bill.

Mr. GOLDWATER. Then it would be provided here too.

I agree with the Senator from Georgia that this would create a vast new bureau that would immediately become engaged in research in all these fields, whether we put a limitation on it or not, and that we would credit another agency interested in detection and techniques and analysis, and so forth and so on. I suggest that these things are being performed today, and we have an agency already in the Department of State that is taking care of disarmament. I agree with the Senator from Georgia that we do not need another governmental agency to handle this matter. We already have one. The Agency has access to the facilities. The bill would provide for the training of scientists and technicians and other personnel for manning the control systems which may be created by international disarmament agreements. We have already available the means of training these people. I believe the Senator's whole approach is one of being of the opinion that it is not needed because it would be repetitious, and is action that the Senate should not take.

Mr. RUSSELL. With respect to certain aspects of research and development, we have spent monumental sums of money. I realize that some of my brethren are inclined to look with disdain on any statement that expresses concern over spending tax money. However, we have spent monumental sums of money in research in these various areas through both the Atomic Energy Commission and the Department of Defense.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. SPARKMAN. I ask unanimous consent that Miss Morella R. Hansen, of the staff of the Committee on Foreign Relations, be permitted the privilege of the floor of the Senate during the discussion of the pending bill. She has been quite active in preparing the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, I ask the distinguished Senator from Georgia, who is chairman of the Committee on Armed Services, if it would not be rather incongruous for the United States to assume that we may now go into some activity such as is proposed, placing the full strength of our Government behind disarmament, while at the same time we are increasing our expenditures for defense.

Mr. RUSSELL. I first undertook to make that point earlier in my remarks, which, I may say, I had intended to limit to my stating that I intended to vote against the bill, because at this time a disarmament administration exists in the Department of State, and we should not confuse the issue by creating another. The Secretary of State can assign to that agency any number of people he wishes to, or any person whom he wishes to. Using his authority as Secretary of State, he can get any information he desires from any other agency in the Government for that administration.

Not only is the bill incongruous; it will also cause great confusion and misunderstanding among the peoples of the earth to have the Congress of the United States solemnly legislating to create a disarmament agency, when it is really not necessary to do so, and at a time when we are summoning the freemen of the world to arm themselves, rather than to disarm, to resist the threat of Soviet aggression.

I realize the importance of avoiding a nuclear war. I would submit to almost any sacrifice which would insure its avoidance. However, I think this proposal is more likely than not to promote war, because our adversaries will say that the American people are so confused that they are going in both directions at the same time and are incapable of uniting to provide for our security.

Mr. GOLDWATER. I suggest to the Senator from Georgia that the surest way to bring full nuclear war to the world would be for the United States to appear weak or unwilling to fight. This view has been developed beyond any question of doubt. It is a historic fact that when a country appears to be weak, it loses; and in losing, there are bound to be those patriotic members of the Armed Forces who will say, "We will not give in"; and off will go the missiles. I think that will be the surest way in the world to assure a full-scale themonuclear war.

On the other hand, if we build up our military potential, our military strength, as we are doing, I think that is a good way—in fact, the only way—to insure the absence of a thermonuclear war.

I was reading only this morning in the U.S. News & World Report an interesting article relevant to this issue. I realize that that publication is not an official military document; still, its sources of information are usually valid. The article compared the weapons of the ground forces of the Soviet Union with our own. I was rather surprised to learn of a number of areas in which

the Soviets are admittedly ahead of us in the development of modern ground weapons. At this time, when we are just beginning to produce superior weapons, it would be wrong for us to say to the world that we are going to disarm, that we will stop making weapons, while the Soviet has an advantage over us in this field.

I am very glad the Senator from Georgia has raised this question this morning. I realize that he intended only to comment on it briefly. Nevertheless, I do not believe this is a bill which should pass the Senate without a thorough discussion.

Mr. RUSSELL. I have other matters pending which deny me the opportunity to discuss the bill thoroughly. At one time I had intended to move that the bill be committed to the Committee on Armed Services.

Mr. GOLDWATER. I think it should be so committed.

Mr. RUSSELL. I thought it cut very broadly across the field of operations of the Committee on Armed Services; but the Committee on Foreign Relations, which eventually handled the bill—it was originally referred to the Committee on Government Operations—vastly improved the bill in two respects. One was that while, in essence, a new agency was created, it was placed clearly and definitely within the Department of State. Likewise, the Committee on Foreign Relations greatly strengthened the security provisions of the bill. For that reason, I shall not make a motion to refer the bill to the Committee on Armed Services.

I am heartily in favor of the objectives of the bill, but I cannot conceive of a more unfortunate time to consider it than when the Russians are popping thermonuclear bombs; and threatening the peace, and when we are trying to increase the stamina of our people to resist the threat of atomic holocaust; when Mr. Khrushchev is talking about wiping civilization off the face of the globe, which may well be done; and when we know that there are in this country large groups of the school which had rather be "Red than dead," as they say; who disagree with those who say they would rather die on their feet than live on their knees, groveling to some Communist master.

Mr. President, I cannot conceive of a more unfortunate time to pass such a bill as this.

Mr. HICKENLOOPER. Mr. President, will the Senator from Georgia yield?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Georgia yield to the Senator from Iowa?

Mr. RUSSELL. I yield.

Mr. HICKENLOOPER. We should all be grateful to the Senator from Georgia for raising this particular phase of the issue this morning. As a member of the Committee on Foreign Relations, I voted to report the bill. However, as the bill was originally sent here from the administrative department of the Government, I was greatly concerned about it.

I wish to make my position clear. I took the position in the committee, and I still take the position, that if one reads the original bill, he will see that it provides for creating, indeed, no super agency, but a supra agency, an agency which was an overall, superior agency, independent and autonomous, an agency which would command the services and the fealty of all the other agencies of Government. In this field, I thought that was not only extremely dangerous, but very ill advised. Other members of the committee had the same feeling.

The Committee on Foreign Relations did some arduous work on the bill. Also, some of the amendments which were adopted by the committee were adopted over the strenuous objections of bureaucrats who wanted to administer the bill, which is understandable. I believe the bill is a much better bill now than when it came from the administrative department. However, I find myself in general agreement with the Senator from Georgia. While on the question of the passage of the bill as it now stands, if it is fully discussed and understood by the Senate, I shall probably vote for it because I believe it is now in such shape that it provides for a cooperative agency; nevertheless I do not see the burning necessity for the proposed legislation at this time.

Furthermore, I believe the bill should be of great interest to the Committee on Armed Services, of which the Senator from Georgia is the chairman. I may say to the Senator from Georgia frankly that I am not disloyal to my Committee on Foreign Relations, but because I feel deeply that this is of great and vital interest to the Committee on Armed Services, if the Senator from Georgia during the course of the debate moves to refer the bill to that committee, I will support his motion. I think the bill is so vital that I do not believe its consideration should be limited. I would support the theory that its consideration should not be limited to one committee alone. When its purpose cuts across the line of foreign relations, it also cuts across the line of the defense posture of our country.

I am not trying to coerce the Senator from Georgia—no one can coerce him—into any activity; but I assure him that if his judgment is that the bill ought to be referred to his committee for consideration, I believe that would be a proper motion, and would be greatly in the interest of the United States and the future security of our country. I think the Committee on Armed Services should have a serious part in this discussion. Again I say that I would support such a motion if it were made by the Senator.

I said a moment ago that the bill is a better bill than when it came to the committee. The evidence of that is that when the bill came here, there was substantial objection to parts of the verbiage of the bill, to its provisions, and to the supra agency it created, to the uncertainty of its responsibility, of its reporting, and its lines of authority.

There was substantial opposition to many of those provisions. The committee went to work; and finally the committee unanimously voted to report the bill; and I believe that the committee unanimously believes that the bill as reported is in fact a better bill.

But, although, as I have stated, I supported the reporting of the bill, I am not persuaded that there is a burning necessity for this measure at this time; and I can see many areas of confusion which actually we tried to correct in the committee, but which undoubtedly we have not fully corrected all the way through.

However, I believe this measure is so important that it should receive the serious consideration of the Members of the Senate; they should know what they are voting on; and I earnestly hope the bill will receive such consideration, because this measure will indeed set up an agency whose tentacles could extend into every department and agency of the Government. What disruption would be caused, I do not know; I hope none would result. I hope the Agency would contribute constructively to the study of disarmament and its potentials and all of this, that, and the other thing in that connection. But certainly the question asked a moment ago by the Senator from Arizona, in regard to the general psychology of this legislation, should be discussed.

We are right now probably in the greatest peril that we in this country have ever been in, with the ominous threats which overhang us. On the one hand, we are increasing our armaments and our strength, in order to be able to counter this threat from the Kremlin. On the other hand, it is here proposed that we establish an agency which many persons would interpret as being a move toward disarmament. I do not think it is, but it could be interpreted in that way. Certainly we should be sure what we are doing. So if the Senator from Georgia wishes to make the motion to which he has referred, I certainly will vote for it, even if he and I are the only two Senators who do vote for it.

Mr. RUSSELL. Mr. President, I appreciate the statement and the support of the Senator from Iowa, particularly in view of the fact that he is a member of the committee which reported the bill to the Senate. But I do not know how long the Senate will be in session. The agenda of the Armed Services Committee is very crowded at this time, and I would not wish to take the responsibility for having the bill referred to the committee and also the responsibility for giving assurance that the bill would be reported at this session. For that reason, and in view of the fact that the principal sponsor of the bill has agreed to limit the conflicts between the Defense Department and the proposed Agency to participation in these activities which clearly are within the purview of the Atomic Energy Commission and the Armed Services Committee, I do not propose to make such a motion.

Mr. HICKENLOOPER. Mr. President, if the Senator from Georgia will

yield, I merely suggest—and I am not trying unduly to urge anything on the Senate—that the bill has not yet passed the Senate, and certainly it has not passed the House, and I do not know whether the House committee has held hearings on the bill. So I do not see how it will be possible in the few remaining days of this session for an appropriation for this Agency to be made this year.

I think this is a very vital matter, and it should be given very full consideration.

Mr. RUSSELL. I agree with the Senator from Iowa; and, as I have told him, I intend to vote against this bill at this time. But I do not wish to try to bring into my committee bills which had been referred to other committees, unless there is a very clear assumption of the power which is given to the Armed Services Committee under the Legislative Reorganization Act. If this bill limit the proposed new Agency to participating with existing agencies in the field of military research and development I shall not make that motion.

But I will say I think it would be unfortunate and incongruous for the Senate to pass the bill under the circumstances existing today.

Mr. HICKENLOOPER. I will say that the inclusion of the word "participation" was deliberate and by design, because as the measure was originally constituted, it might have been contended that this Agency would have overriding authority over other agencies.

Mr. RUSSELL. Undoubtedly so; and without the amendment I believe the new Agency could have equal right with any existing agency to inaugurate on its own such very vital tests in research and development, which now are being carried on, and have been in existence for years, at enormous cost to the taxpayers of the United States in the Department of Defense and the Atomic Energy Commission.

We found from sad experience in the Department of Defense that within that one Department alone, with its various subdivisions—the Army, the Navy, and the Air Force—competing in the field of missiles, our scientists were spread so thin that we were falling behind, because we had them working in three separate compartments. This measure, unless the amendment is adopted, would spread them even thinner, by means of the new Agency now proposed.

I am not too much impressed by the protection pointed out by the Senator from Alabama in section 34, formerly section 37. It has become very popular in Congress to include in various bills provisions to the effect that the President is authorized to establish procedures, and the like. However, not only every Member of the Senate, but also every thinking citizen of the country, knows that in view of the burdens on the President of the United States at the present time, all he could possibly do would be to accept the opinions and plans of the man in whom he had the most confidence among those presenting plans and procedures.

It would be an utter impossibility for the President of the United States—beset, as he is, on all sides by vast international issues including the threat of war, and with his responsibility to raise the Armed Forces of the United States and to be their Commander in Chief—to sit down, read, and study out every detail involved between the Atomic Energy Commission, the National Aeronautics and Space Administration, and the other affected Government agencies. While writing such a provision constitutes a convenient escape hatch for the Congress, and would relieve Congress from the responsibility of making the decision—I refer to a provision to the effect that the President shall do thus and so—yet we must realize that we have already placed so many burdens on the President that the very thought of any one man considering all of them becomes absurd. As a practical matter, all he could do would be to accept the views and the plans of the one in all these agencies in whom he had the most confidence.

Mr. President, I intended to speak for only about 2 or 3 minutes, and to say that I think the bill should not be enacted at this time, and that for that reason I shall vote against it. I did not intend to engage in prolonged debate.

I believe that the amendment I have offered is pending. Is that correct?

The PRESIDING OFFICER (Mr. BIBLE in the chair). That is correct.

The question is on agreeing to the amendment of the Senator from Georgia. The Chair is informed that the amendment in written form is not now at the desk.

Mr. RUSSELL. Mr. President, I have seen the time, before, when the clerks have been able to reduce amendments to writing. But if they have not done so, I shall undertake to get pencil and paper and write out the amendment.

The PRESIDING OFFICER. The Chair is now advised that the written amendment of the Senator from Georgia is now at the desk.

The amendment of the Senator from Georgia will be stated.

The LEGISLATIVE CLERK. On page 9, in lines 2 and 3, after the word "shall", it is proposed to strike out the word "include", and to insert the words "be limited to".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia.

Mr. CASE of South Dakota. Mr. President, will the Chair have the amendment stated again? I was trying to find the place for the amendment in the bill.

The PRESIDING OFFICER. The amendment submitted by the Senator from Georgia will be stated again.

The LEGISLATIVE CLERK. On page 9, in lines 2 and 3, it is proposed to strike out the word "include", and to insert the words "be limited to".

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I do not know that I have any objection to the amendment. Having the floor, however, I should like to make a few remarks on the bill.

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia.

Mr. CASE of South Dakota. Mr. President, is the Senator from South Dakota recognized?

The PRESIDING OFFICER. The Senator was recognized.

Mr. HUMPHREY. Mr. President, the Senator from Georgia has the floor, has he not?

The PRESIDING OFFICER. No. The Senator from South Dakota has the floor. The amendment was called up, and the Chair recognized the Senator from South Dakota. If the Chair understood the Senator from South Dakota, he was speaking on the amendment of the Senator from Georgia.

The Senator from South Dakota is recognized. He has the floor.

Mr. CASE of South Dakota. Mr. President, I do not know that I shall oppose the amendment, but I do want to make some observations which relate to the bill itself and, by implication, to the amendment.

The junior Senator from South Dakota is aware of the fact that this is a most important bill, and also agrees with the observations that have been made about the duties of the President at this particular time.

One of the most important responsibilities resting upon the President has to do with the questions that are involved in the matter of disarmament. It is my conviction that the bill should be passed. If the chairman of the Committee on Armed Services wanted to have the Committee on Armed Services consider the bill, I would certainly have no objection to it, being a member of the committee. But if the President is to meet the responsibilities he has today, he needs the information that can be developed by the Disarmament Agency.

On page 7 of the bill, section 26 reads as follows:

> The President, by and with the advice and consent of the Senate, may appoint a General Advisory Committee of not to exceed 15 members to advise the Director on disarmament policy and activities. The President shall designate one of the members as Chairman. The members of the committee may receive the compensation and reimbursement for expenses specified for consultants by section 41(d) of this Act.

Mr. President, I do not know how the President can meet the responsibilities he has and make the decisions he must make in the months ahead unless he has someone to advise him in the field of disarmament and on the matter of disarmament policy.

I do not know how the President could expect to have this Agency or an advisory committee provide him with the counsel he should have, unless he would have the authority that is proposed in section 34, on pages 14 and 15.

So, far from fearing the results of having procedures that would assure cooperation between the several agencies, I think they are most desirable.

Section 34, beginning on page 14, as amended by the committee, reads:

The President is authorized to establish procedures to (1) assure cooperation, consultation, and a continuing exchange of information between the Agency and the Department of Defense, the Atomic Energy Commission, the National Aeronautics and Space Administration and other affected Government agencies, in all significant aspects of U.S. disarmament policy and related matters, including current and prospective policies, plans, and programs, and (2) resolve differences of opinion between the Department of State and such other agencies which cannot be resolved through consultation.

Mr. President, within my lifetime we have many times come to the brink of war. Three times we have gone over that brink. The whole question of war and peace for the future is one that hangs heavily over the whole world today. If there is any prospect of averting going over the brink, it necessarily involves questions that are related to disarmament.

It seems to me that such an Agency as is here proposed and such an advisory committee as is here proposed, are part of the equipment which the President of the United States needs at this time. So I wholeheartedly express support of the enactment of the legislation.

Mr. SPARKMAN. Mr. President——

The PRESIDING OFFICER. The amendment has not been placed to a vote yet.

Mr. SPARKMAN. I think we would like to defer that for a few moments.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SPARKMAN. In the normal course of procedure, the Senator from Minnesota, who is the principal sponsor of the bill, would make the opening statement. However, he has consented to my making a brief statement ahead of time because of an appointment that will require my leaving the floor shortly.

It is with considerable gratification that I today support S. 2180, a bill to establish a U.S. Disarmament Agency. It was in 1951, on the initiative of Senator Flanders, of Vermont, that I joined with him and a good number of other Senators in introducing one of the first bills in the Senate calling for a more rapid movement toward arms control which might lead to disarmament. It would be interesting to look up that bill to see how many Senators sponsored it; as I recall, there must have been 2 dozen.

By the way, let me say at this point that I think a much better term in describing the objectives sought in this bill is "arms control." I sometimes think the term disarmament may be misleading quite a number of people.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. RUSSELL. I agree with the Senator that it would be better to call it arms control. What disturbs me is that all the American people are in favor of arms control and disarmament.

Mr. SPARKMAN. Looking toward disarmament.

Mr. RUSSELL. Yes, looking toward disarmament. I am in favor of disarmament. I am sure if it could be done universally, all over the world, with a foolproof system of inspection, the American people would be unanimously in favor of disarmament. But the man who has to be convinced is not affected by the law, and that is Mr. Khrushchev, in another country, and unless we can convince him, all of this action is futile. While the proposal cites desirable aims and hopes and prayers—and, indeed, the chances for survival of mankind depend on some agreement—with the reluctance of Mr. Khrushchev to agree on any disarmament, it has seemed to me that, desirable as this policy might be, it was rather poorly timed to bring it up right now.

Mr. SPARKMAN. I am in complete agreement with the statement the Senator has made except the conclusion he has drawn. Yes, certainly the man we have to work with is Mr. Khrushchev, and he is not bound by this legislation. However, unless we make a start, we will never have any hope of making any headway. Certainly, the force of world opinion is a terrific force. Probably some day it will be even with Mr. Khrushchev. Let us hope it will.

Mr. RUSSELL. I share that hope.

Mr. SPARKMAN. Before the Senator asks me to yield, let me throw in a thought which crossed my mind. A good many years ago, when Gen. George J. Marshall was Secretary of State, a number of us went to meet with him to talk about this very problem. Here was a man whose whole life had been spent in the military, in which force and power were the principal terms.

I shall never forget a statement General Marshall made. He said:

I say to you people that the greatest single force among men in this world is the force of public opinion—world public opinion.

He also said:

Some day it will influence Russia.

I do not know when that "some day" will arrive, but we must do all we can to get world public opinion on our side. I think we help in doing so when we show to the world the willingness to try to do something which might some day—even though that day may be way off in the future—eventuate in a reasonable program of arms control.

As the Senator from Georgia says, eventually we seek disarmament.

I yield to the Senator from Georgia.

Mr. RUSSELL. Mr. President, at one time I had great faith in the force of world opinion and the effect it would have on rulers of Russia. There was a time when it seems that the views of the man in the street—the peasant in India, the barber in Oslo, the average man throughout the world—would influence the rulers of Russia in some of the decisions they made. I have been compelled to change my view in that regard. The present dictator of Russia ordered the resumption of nuclear tests coincident with the Belgrade Conference with the neutralists in attendance. These are people we are told daily we must undertake to attract to our support. We are told we must undertake to convince them to form a good opinion of the United States. The Conference was in session. These people were considering the questions which plague and threaten mankind. Khrushchev made the announcement that he was going to resume atomic testing, something all of us had hoped to avoid, and something about which we had hoped we could come to an agreement to prevent.

What happened? That Conference condemned the United States more than it condemned Russia, in its resolutions.

I have been forced to the very disturbing and ugly conclusion that fear is the thing which motivates mankind and which causes decisions to be made in the chancelleries of the earth. Mr. Khrushchev apparently was of the same opinion, because he did not care what these men thought about him. He announced the resumption of atomic tests. The fear which motivated the representatives of the nations meeting at Belgrade evidently deterred them from making the scathing denunciation that decision deserved.

Mr. WILEY and Mr. CASE of South Dakota addressed the Chair.

Mr. SPARKMAN. I yield to the Senator from Wisconsin.

Mr. WILEY. Mr. President, I have enjoyed the interchange of ideas. I think to a large extent the Senator from Alabama and the Senator from Georgia are both correct. The human mind is such that fear operates and causes individuals and nations to do things which are not in line with the moral precepts as we know them.

I have received pounds and pounds of correspondence in respect to the disarmament bill. I am a cosponsor of the bill.

I cannot permit what appears to be a very serious situation—that is, people being blinded by the term "disarmament"—to continue, without commenting upon it.

Passing the bill will provide no miracle weapon. It will not do what we would like to see done. As stated by the Senator from Georgia, Khrushchev is an example of the human mind in action on this globe today.

A good many people who have written me have forgotten all about what happened after the First World War. Definitely we entered into an agreement. We scrapped all the war wagons. We said, "Now the war is over." But it was not. We destroyed our battleships and we had faith in those who made the agreement, but they broke faith.

We have had 50 agreements with Khrushchev, and he has broken all but one.

Mr. SPARKMAN. Mr. President, if the Senator will permit——

Mr. WILEY. May I continue? I shall soon be through.

Mr. SPARKMAN. I yielded for a question.

Mr. WILEY. I did not hear the Senator say "question." I am asking a courtesy now, that I may continue my thought.

Mr. SPARKMAN. For how long? I have an appointment. I stated when I

began that I wished to complete my statement because I had an appointment. How much time does the Senator desire?

Mr. WILEY. Three minutes.

Mr. SPARKMAN. I yield 3 minutes to the Senator from Wisconsin, if I may.

Mr. WILEY. I thank the Senator. The Senator from Alabama is always courteous.

Mr. SPARKMAN. Will the Senator cease and desist long enough that we may have a vote on the amendment proposed by the Senator from Georgia?

Mr. WILEY. I thought the vote had been taken.

Mr. SPARKMAN. No.

The PRESIDING OFFICER (Mr. BIBLE in the chair). The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL].

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that I may be permitted to yield 3 minutes to the Senator from Wisconsin, without losing my right to the floor.

Mr. WILEY. Mr. President, the reason why I suggested what I have stated is that I wish to make it clear the passage of a Disarmament Agency bill, which would create an agency to operate under the President and the Secretary of State, will be no miracle performance or miracle vehicle, nor will it create something which could straighten up the minds of Khrushchev and others, for, after all, agreements involve the moral responsibility of the contracting parties.

Mr. President, the enactment of S. 2180, now before the Senate, would, in my judgment, provide Uncle Sam with a new, effective instrument in our efforts toward control and ultimately reduction of armaments, if the minds of mankind were available. I say "available." Ordinarily the minds of mankind are filled with fear, as suggested, and will not permit the operation, as they did after the First World War, of a disarmament measure.

Realistically, the outlook for progress is not too bright—at the present time. Why? Principally, because Mr. Khrushchev—while giving lip service to the idea of arms reduction—continues to add new, bigger weapons to the arsenal of communism.

For this reason, then, we must be careful not to delude ourselves, either into apathy or passiveness. Rather, we must continue to maintain a strong, effective military deterrent to aggression.

At the same time, however, I believe it is not inconsistent that we continue—in fact, expand—our efforts to find agreements on control, and ultimately, reduction of arms.

Even though the Communists may continue to obstruct progress, such an agency, I believe, would give us a stronger, clearer voice in presenting U.S. policies to the world.

As the East-West deadlock continues, the power and influence of world opinion may indeed be a significant factor in the outcome of the freedom verus communism struggle.

Recently, I was privileged to review background factors of the disarmament picture in a television interview. I request unanimous consent to have excerpts of my comments printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

Around the globe, man is hungering for peace—for a world in which the war clouds, and an omnipresent fear of nuclear annihilation fade away; in which the resources of earth—including the genius of man—can be concentrated upon conquering the age-old foes of illiteracy, disease, prejudice; in which the standards of living can be raised to levels of dignity and respectability—if not luxury; and the whole family can dedicate its best efforts to constructive, not destructive goals.

As a nation, we are dedicated to serving these goals. By contrast, communism—controlling one-third of the people, and one-fourth of the land of earth—aims at conquering the world; enslaving all people to an atheistic political-social-economic system; destroying freedom; and utilizing the manpower and resources of the earth—not mainly to serve the people, but to perpetuate a communistic global dictatorship.

This sharp clash between East-West ideology involves a struggle on ideological, political, economic, and military fronts.

The arms race, particularly, results in grave dangers for world peace. How? By reason of the possibility of either accidental or premeditated war.

In addition, it is extremely costly.

Today, the United States, for example, is spending about $47 billion on arms. By contrast we invest about $100 million—or slightly more than one-fifth of 1 percent of that amount—on our disarmament program.

Globally, the dollar cost of armaments—for all nations, east and west—is estimated to exceed $110 billion annually. Think of it. By comparison, this roughly doubles the gross national products for all goods and services produced annually in nations such as France, United Kingdom, and the Federal Republic of Germany. In addition it amounts to about one-half of the gross national product of the Soviet Union, and about one-fifth of that of the United States—now about $517 billion.

Because of the economics alone—secondary, of course, to peace—a stepped-up effort to attain reduction of armaments would be a worthwhile investment.

We recognize, of course, that arms controls is an integral—not an isolated—aspect of our overall foreign policy.

Our planning, and negotiations, must then take into account: First, and foremost, the security of the United States; and second, our responsibilities and obligations as leader of the free world.

Because of the Communists' aggressive policies, of course, it is extremely difficult to get enforcible, safeguarded agreements.

Consequently, we—and the free world—will need to continue to maintain a strong, deterrent power. At the same time, we must exhaust all avenues of finding a peaceful solution to East-West differences.

Despite the dim outlook for miracle-type progress the creation of a peaceful climate in the world is so promising, and the occurrence of a devastating nuclear-missile war would be so catastrophic, that we, as the leader of the free world, can do no less than dedicate the necessary manpower, brainpower, and resources, to creating and presenting the best, and the most workable plan possible for control and reduction of armaments.

By so doing, we will best serve not only the interests of our own country, but of humanity and of posterity.

Mr. WILEY. I thank the distinguished Senator from Alabama.

Mr. SPARKMAN. I am very glad the distinguished Senator from Wisconsin has made the remarks he has submitted. He is one of the sponsors of the bill and was an able participant in the discussion in the Foreign Relations Committee which resulted in the reporting of the bill by a unanimous vote.

Mr. President, prior to reporting the proposed legislation the committee heard an outstanding list of distinguished American citizens from both parties support the legislation we now have before us. After concluding our hearings the committee spent 4 days in analyzing the bill section by section, and I believe the bill we report is a much better bill than that which was originally introduced.

I wish to take this opportunity, Mr. President, to commend those members of the Foreign Relations Committee, particularly the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Missouri [Mr. SYMINGTON], who, with the sponsor of the bill [Mr. HUMPHREY], spent many hours of hard work on the proposal now before the Senate.

The Committee on Foreign Relations was objective and nonpartisan in its work and as a consequence the bill is reported to the Senate with unanimous support by members of that committee.

The most significant change which the committee made in S. 2180 involved a change in the concept of the Agency from that of an independent unit in the executive branch to an agency located within the Department of State.

We gave the Agency considerable autonomy. I believe we arrived at a good solution. The Director of the Agency would occupy a new position as Under Secretary of State for Disarmament. In that position he would be the principal adviser to the Secretary of State and to the President on the subject of disarmament.

He would have the power to select his own personnel. Also provided in the measure is a separate authorization for an appropriation for the support of the Agency. Those two items particularly, together with his right to report directly to the President, would go a long way toward making the Agency an autonomous organization, and yet it would be under the supervision and direction of the Secretary of State.

The committee made it clear in the bill and in the report that although the new Agency is to have certain limited elements of autonomy, in fact it is to operate under the general direction and supervision of the Secretary of State. The committee thinking in establishing the Agency within the Department of State is summed up by a single sentence in the statement of purpose reading as follows:

Disarmament policy, being an important aspect of foreign policy, must be consistent with the national security policy as a whole.

Committee members recognized the need for an agency devoting full time to the study of methods of arms control leading toward disarmament. Although much work is now being done in such agencies of the Government as the Defense Department, the Atomic Energy Commission, the National Aeronautical and Space Administration, and elsewhere within the Government, no single individual or agency has been charged with responsibility for assuring that work done in these various agencies may be brought together to serve as a basis for the development and carrying out of disarmament policy. This bill now clearly fixes responsibility for activities of this kind in the Disarmament Agency.

The committee was very careful in providing the the President should establish procedures to assure cooperation and consultation among the agencies. At the same time the committee made it clear that the Disarmament Agency is to participate in studies in a wide area of governmental activities so long as they relate to the subject of disarmament. Thus, in section 31, Members will find that the new Agency has been authorized to participate in studies relating to the development of new weapons, systems for detecting nuclear tests, the control and reduction of armaments, the elimination of surprise attack, and so forth.

At this point I wish to say a word about the amendment offered by the distinguished Senator from Georgia [Mr. RUSSELL] which was agreed to. I wish to make clear that our understanding is not, as some have seemed to feel, that there be some other agency working with the proposed Agency at any particular time on any one of the projects, but it merely means that exclusive control is not to be given to the proposed Agency over those particular activities in conducting research and development, and that the proposed Agency will be authorized to participate in programs.

If other agencies are acting in programs, there shall be cooperation and coordination, which is provided in a subsequent section of the bill, which would give to the President of the United States the task of setting out procedures to provide for cooperation and coordination. That subject is fully covered in that section of the bill.

I wish it clearly understood that we are not placing shackles upon the proposed Agency, but have indicated the clear intent of Congress that there is not to be any exclusive occupation of the field in these particular activities in which other agencies may be engaged or may have authority to engage.

It is obvious that the scope of the Disarmament Agency activities is such as to require very careful selection of personnel to be employed by or to work with the Agency. The committee was not satisfied with the security requirements set forth in the draft bill and spent a substantial amount of time drafting a new section which requires a full field investigation by the Federal Bureau of Investigation before any person may obtain access to any classified information. Language of the bill specifies that investigations are to be directed not only toward the loyalty of an individual employee but toward his security qualifications. I am satisfied that the security provisions we have written in the bill are among the most thorough that appear in any Federal legislation.

We recognize the organization as a sensitive one, and we have strengthened the security requirements. I believe that no other agency in Government has more strict security requirements than we have provided in the bill for the personnel who will be employed by the proposed Agency, including the members of the advisory committee, and including contractors and subcontractors. Everyone dealing with the classified information of this proposed Agency will be placed under the same strict security requirements.

As indicated earlier, the Agency is to be under the direction of the Under Secretary of State for Disarmament. However, the appropriations authorized in the pending bill are not required to be made to the Department of State. The funds authorized could be appropriated to the Agency itself as a separate portion of the State Department overall budget. The committee authorized the appropriation of not to exceed $10 million to remain available until expended to carry out the purposes of the act. Thus it will be possible for the authorizing committees within the next year or so to examine again the effectiveness of the Agency created by this bill.

Before concluding my remarks, I wish to emphasize two points. First, the creation of the Disarmament Agency is not a panacea for our ills.

That is one point I think the American people should keep in mind. We do not propose this system as something that will solve our problems overnight.

Second, the creation of the proposed Agency is a logical step by this Government at this time.

I wish to stress that point because the timeliness of the program is one question which was raised in the minds of many people. The distinguished Senator from Georgia said that he did not believe it was timely.

It was pretty well brought out by some of our distinguished witnesses who appeared before the committee that it can never be more timely than at the present time.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. HUMPHREY. I should like to point out a remark of a distinguished general who has symbolized America's position of firmness and determination at Berlin—Gen. Lucius Clay. I have not had the privilege of knowing General Clay except as a public figure. I have not known him as a personal friend, though I would consider it a high privilege if his friendship were afforded to me. Only because he knew of the widespread interest in the bill, General Clay came out strongly for the bill in a statement under date of August 24. After reviewing the Berlin situation, he said very frankly:

I believe the agency charged with conducting the studies and making recommendations in this field should have statutory authority, a budget of its own, and confirmation of its high officials by the Senate and submit a yearly report to the Congress. I do not believe that this highly important subject is one which should be dealt with in a bureau, subjecting it to all the layers of authority which that involves.

Then he went on to tell us:

I would strongly urge the committee to recommend it to Congress so that favorable action can be taken during this session.

Interestingly enough, every general who testified, including Gen. Al Gruenther, General Eisenhower, and General Lemnitzer, testified that this is the time to establish the Agency.

Mr. SPARKMAN. Yes.

Mr. HUMPHREY. I gather that the distinguished soldiers I have named know something about the international situation.

Mr. SPARKMAN. I appreciate the remarks of the Senator from Minnesota. I am glad he brought up that point.

I believe it is extremely important for members of the public who supported the creation of the Disarmament Agency to realize that its creation does not mean that we are to achieve a substantial degree of arms control overnight. A number of members of the committee received communications suggesting that the peace of the world depended upon the creation of the Disarmament Agency. I must stress that disarmament is not something which can be achieved merely by expressing the wish for it. Painstaking examination not only of our own military posture but that of other great powers is required. Systems must be developed which will enable this Government to assure itself that the activities of other governments in the field of disarmament are consistent with treaties which they may make. In short, arms control requires more than words; it requires work.

The second question to which I now address myself relates to the timing of Senate action on the pending bill. From the beginning of committee consideration of this proposal doubts have been expressed as to the wisdom of its creation during a period of rising tension. How can the Senate consistently support increased budgets for defense and during the same session support the creation of a Disarmament Agency?

If there is any man who is alert to the present world-disturbing situation revolving around Berlin, it is this man whom the Senator has quoted, Gen. Lucius Clay. We have had some great Secretaries of Defense, and I was going to point to the statement of one of the greatest Secretaries of Defense this country has ever had, Thomas S. Gates, who served as Secretary of Defense during the later portion of the Eisenhower administration, or at least during a good part of the Eisenhower administration. He testified very strongly in favor of the pending measure. I read what he said, from page 142 of the hearings.

I would like to say something on timing, Mr. Chairman.

When you are engaged in a cold war with an adversary who has unchanged objectives for world domination, there is never going to be a good time. We are going to live

with crises, depending on what kind of tactics our adversaries want to use.

I think it is a good time under stress to assert our moral responsibilities and to stand up for our long-term principles for peace and world law and justice, and I take some comfort in the fact that we can do so from a position of great strength, both political and military, today.

So I think that timing is an asset, and the timing is good.

That is a strong statement, and as strong as could have been made on the bill with respect to timing.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. HUMPHREY. On that very point, the Senator commented with respect to some statements by our colleagues. During the hearing I asked General Gruenther the following question, which appears at page 137 of the transcript:

As a general of the Army, one who served his country in the military, do you feel that this proposal that we are discussing today weakens us in terms of our posture in the world of firmness to Mr. Khrushchev? Or do you feel that this proposal lends itself toward appeasement on the part of our people or a lack of firmness in our attitudes?

Mr. GRUENTHER. I do not. On the contrary, I feel that it strengthens us, and I would like to say one thing in connection with that, sir.

I noticed a statement in the paper this morning saying that it is improbable because of the crowded calendar that the Congress is going to be able to act on this bill.

It would be most unfortunate, again from the standpoint of impact, if the bill were allowed to lapse because of the press of other business.

I feel very strongly it will strengthen us, and I think a delay or a failure to act on it, pass it, will have a weakening effect.

Mr. SPARKMAN. Yes. Without further quoting from the testimony, that was the general tone of all of those who have been so closely connected with this problem. It included General Gruenther, who was so long associated with General Eisenhower in Europe; General Clay, who also was with General Eisenhower and connected with the Berlin situation. I believe this is particularly significant in view of the statement by the distinguishd chairman of the Committee on Armed Services with respect to the need for this kind of agency and the proper timing for it. I wish merely to name some of the witnesses who testified before our committee: Trevor Gardner, former Assistant Secretary of Defense for Research and Development; Roswell L. Gilpatric, Deputy Secretary of Defense; Alfred M. Gruenther, whose record we know, and who is now the president of the American Red Cross; Leland J. Haworth, a member of the Atomic Energy Commission, and a member of one of these sensitive agencies, and who said he testified on behalf of the Atomic Energy Commission; Christian A. Herter, former Secretary of State; Gen. Lyman L. Lemnitzer, Chairman of the Joint Chiefs of Staff. He testified that he was testifying on behalf of the Chiefs of Staff, and that they had been brought into full consultation in the development of this legislation.

Someone mentioned Henry Cabot Lodge, our former permanent representative in the United Nations, who formerly served in the Senate, was a member of the Committee on Foreign Relations, and with whom I had the pleasure of serving as a delegate in the United Nations during the Fifth General Assembly. Robert A. Lovett, former Secretary of Defense. John J. McCloy, who has served the Government in many different positions, and who is now adviser to the President on disarmament. James J. Wadsworth, the son of the distinguished former Senator and former Member of the House of Representatives, Jim Wadsworth. Jerry Wadsworth is his son and worthy successor. He served our Government in the United Nations and in the disarmament talks.

That is quite a list of military experts who have urged us to report the bill and report it now, and who have said it was timely now.

Mr. HUMPHREY. The Senator knows that at this moment Mr. McCloy, at the direction of the President of the United States, is meeting in New York with Mr. Zorin, the Soviet representative, on the subject of arms control. The prospects are not very reassuring, but at least we are meeting. The need for preparation is quite obvious.

Mr. Frederick M. Eaton, who was appointed by President Eisenhower as the Ambassador of the United States to the Ten-Nation Conference on Comprehensive Disarmament, made a very fine statement. He made the statement without any written preparation. He came before the committee and he asked to come before it, because he said he wanted to tell of his experiences. This is what he said. I read from page 148 of the hearings:

I am glad to have the opportunity to testify before your committee in strong support of S. 2180. I say that in spite of the feeling of many that this is not an opportune time to have fruitful talks with the Soviets in the disarmament area.

There may never be a fruitful time, but I am hopeful that there will be. At such time we must be prepared. Without an agency such as proposed we will have difficulty. We will find ourselves unprepared in the future, as we have in the past, to meet the deadlines as they come up.

My interest in disarmament stems not only from my interest as a citizen, but from the months I spent in Geneva talking with the Soviets in this general field.

I believe it is crucial that the committee act favorably on this legislation at this time, even though international tensions do not make negotiations with the Soviets particularly propitious.

LACK OF ADEQUATE ORGANIZATION AND STAFF TO HANDLE DISARMAMENT MATTERS

The executive branch has never been adequately organized or staffed to handle the complicated problem of disarmament.

From firsthand experience I know that extremely competent men are engaged in disarmament work in our Government. Their number is inadequate, their authority undefined, and their effectiveness severely limited by lack of any central direction.

My point is that as long as we are going to engage in these talks—and, of course, we are going to do so—we ought at least to go prepared. I believe in military preparedness. I have as good a record in the Senate for voting for military preparedness as any other Senator. I have not voted at any time to cut our Military Establishment. I have voted for military assistance abroad. However, the other side of the national security coin, as former Secretary of Defense Gates pointed out, is the matter of arms control and disarmament.

The Senator has recited a list of these distinguished military leaders, the greatest military leaders that this country has ever had, the men in whom we as Senators and as citizens put our faith and confidence. They have testified that we should do it now, to establish this Agency now, that it is vital to our national security. These are not pacifists. These are not people who say, "I would rather be Red than dead." These are the people who say, "I would rather be dead than Red." They come and say that this is the time to do it.

Mr. SPARKMAN. And they have said it without exception.

Mr. HUMPHREY. Yes; not one witness testified to the contrary. Some of the greatest men in America have said it without dissent.

Mr. SPARKMAN. Mr. President, the answer to this question is to be found in an understanding of the fact that if we do not begin to limit armaments, we shall surely continue the present path toward mutual destruction. Mutual destruction is almost certain to be our fate unless the suspicions which now underlie so many of our negotiations can be allayed. It is my hope, and I believe I speak for the committee, that the Disarmament Agency may develop plans and procedures and proposals that will make it possible to start the arms spiral downward.

We believe the bill is a start in that direction and I urge the Senate to support the proposed legislation.

Mr. JAVITS. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I support the bill for a reason which is implicit in everything which has been said, but which if not expressed might not make it clear to my own constituents, as well as to the people of the country and the world, what the bill is really all about.

I support the measure on the hardheaded basis that preparation for disarmament today is as complex in terms of policy and technique, and the application of technology, as anything which we are doing in preparing for war. Unless we understand that, I do not believe we can properly get the impact of the proposed Agency. Also, unless we understand that, I do not believe we will back this Agency sufficiently with law and money to enable it to do its work.

I have been in Washington a long time, as have most of my colleagues. We know that any law or directive is good for 2 weeks to a year, and may then fall flat on its face, unless it receives implementation. Unless we understand that the bill we shall pass today is not some pleasant, do-good measure, sponsored by those of us who aspire to a world where the rule of law rather than the rule of force obtains, but that we are creating a hardheaded, critically important agency

of government, which will ultimately be entitled to the same attention, the same care and finances comparable with those which we lavish upon the agencies which are established for our defense and security, we will, in my opinion, not be doing justice to this Agency.

The people of the United States are deeply disquieted about what disarmament would mean. They are deeply disquieted to think that the wily Russian opponent, whom we may find working against us in terms of disarmament, may work out a deal in which we will find ourselves at a disadvantage before we wake up to what is going on around us. That is precisely why expertise in this field, of the highest order, adequately financed, with adequate research, with the same care, attention, and concern for security which we lavish upon our agencies which deal with war, should be inherent in the passage of the bill.

Second, and equally important, as I think Senators know, I am deeply concerned with the economy of the country. I have the honor to serve on the principal economic committees of Congress—the Joint Economic Committee and the Committee on Banking and Currency. The United States spends something in the area of $26 billion to $30 billion for various types of procurement for war purposes. When we consider the tangible part of our gross national product in terms of hard goods produced, we find this figure is 10 percent—perhaps more—of the very basis of the American economic system. In saying that we have a $500 billion gross national product, only a little more than half of it is in goods. The rest of it is in services and in various other contributions to the gross national product.

It has been quite properly said that we are greatly concerned about what will happen if we pull out a very large part of the amount which is spent for defense without providing a substitute for it. Another thing which commends itself to me very highly about the proposed Agency is that one of its powers, which is subsection (c), on page 9 of the bill, calls for an analysis of the national budgets, levels of industrial production, and economic indicators to determine the amounts spent by various countries for armaments.

I hope the Agency will find it possible within the particular ambit of one of its powers, to give us a clear blueprint as to what we must do in terms of our own development and in terms of an urgently needed development of the free world to substitute for defense goods production, a peacetime production. This, too, is a critically important element of the work of the proposed Agency.

So I believe we must understand that we shall go into this project with our eyes wide open. It is not some eleemosynary, gracious, or "work harder" venture, in which Senators are engaged who are noted for their humanitarianism desire to improve the welfare of mankind, as well as the welfare of our own people. This is a hardheaded, serious business. We shall be inaugurating an agency which deserves to rank, in the extent of our care and in the relative character of its financing, with the Department of Defense. Unless we understand that, I do not believe we will be doing justice to what we shall do today; nor will we have the serious purpose of implementing it.

I for one pledge myself to the serious purpose of implementing this very serious legislation.

Mr. GOLDWATER. Mr. President, I send to the desk an amendment to S. 2180.

Mr. HUMPHREY. Mr. President, will the Senator from Arizona yield? I desire to make my opening statement on the bill. I have the floor. Would the Senator permit me to do that?

Mr. GOLDWATER. Mr. President, I ask that the amendment lie on the table. I shall defer to the Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator from Arizona.

Mr. President, I wish to address to myself to the text of Senate bill 2180 and its purpose.

I ask unanimous consent that the text of the bill as reported from the committee be printed at this point in the RECORD, and I ask that in printing the bill, the names of the sponsor and the cosponsors of the bill likewise be printed.

There being no objection, the bill (S. 2180) to establish a United States Disarmament Agency for World Peace and Security, introduced on June 29, 1961, by Mr. HUMPHREY (for himself, Mr. SPARKMAN, Mr. WILEY, Mr. COOPER, Mr. HART, Mr. CLARK, Mr. ANDERSON, Mr. RANDOLPH, Mr. MCGEE, Mr. CASE of New Jersey, Mrs. NEUBERGER, Mr. JAVITS, Mr. PELL, Mr. PASTORE, and Mr. PROXMIRE) and on September 6, 1961, reported from the Foreign Relations Committee by Mr. HUMPHREY, with amendments, was ordered to be printed in the RECORD in the form in which it was reported from the committee, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SHORT TITLE, PURPOSE, AND DEFINITIONS

Short title

SECTION 1. This Act may be cited as the "Disarmament Act for World Peace and Security".

Purpose

SEC. 2. An ultimate goal of the United States is a world which is free from the scourge of war and the dangers and burdens of armaments; in which the use of force has been subordinated to the rule of law; and in which international adjustments to a changing world are achieved peacefully. It is the purpose of this Act to provide impetus toward this goal by creating a new agency of peace to deal with the problem of disarmament.

Disarmament policy, being an important aspect of foreign policy, must be consistent with national security policy as a whole. The formulation and implementation of United States disarmament policy in a manner which will promote the national security requires a central organization charged by statute with primary responsibility for this field. This organization must be so placed within the Government that it can provide the President, the Secretary of State, other officials of the executive branch, and the Congress with recommendations concerning United States disarmament policy, and can assess the effect of these recommendations upon our foreign policies, our national security policies, and our economy.

This organization must have the capacity to provide the essential scientific, economic, political, military, psychological, and technological information upon which realistic disarmament policy must be based. It must be able to carry out the following primary functions:

(a) The conduct, support, and coordination of research for disarmament policy formulation;

(b) The preparation for and management of United States participation in international negotiations in the disarmament field;

(c) The dissemination and coordination of public information concerning disarmament; and

(d) The preparation for, operation of, or as appropriate, direction of United States participation in such control systems as may become part of United States disarmament activities.

Definitions

SEC. 3. As used in this Act—

(a) The term "disarmament" includes the elimination, reduction, control, limitation, inspection, verification, or identification, of armed forces and armaments of all kinds under international agreement, including the necessary steps taken under such an agreement to establish an effective system of international control or to create and strengthen international organizations for the maintenance of peace.

(b) The term "Government agency" means any executive department, commission, agency, independent establishment, corporation wholly or partly owned by the United States which is an instrumentality of the United States, or any board, bureau, division, service, office, officer, authority, administration, or other establishment in the executive branch of Government.

(c) The term "Agency" means the United States Disarmament Agency for World Peace and Security.

TITLE II—ORGANIZATION

United States Disarmament Agency for World Peace and Security

SEC. 21. There is hereby established within the Department of State an agency to be known as the "United States Disarmament Agency for World Peace and Security".

SEC. 22. The Agency shall be under the direction of an Under Secretary of State for Disarmament, who shall serve as the principal adviser to the Secretary of State and the President on disarmament matters. In carrying out his duties under this Act the Under Secretary of State for Disarmament shall, under the supervision and direction of the Secretary of State, have primary responsibility within the Government for disarmament matters. He shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $22,500 per annum. For the purposes of this Act, he shall be referred to as the "Director".

Deputy Director

SEC. 23. A Deputy Director of the Agency shall be appointed by the President, by and with the advice and consent of the Senate. He shall receive compensation at the rate of $21,500 per annum. The Deputy Director shall perform such duties and exercise such powers as the Director may prescribe. He shall act for, and exercise the powers of, the Director during his absence or disability or during a vacancy in said office.

Assistant Directors

SEC. 24. Not to exceed four Assistant Directors may be appointed by the President, by and with the advice and consent of the Senate. They shall receive compensation at the rate of $20,000 per annum. They shall per-

form such duties and exercise such powers as the Director may prescribe.

Bureaus, offices, and divisions

SEC. 25. The Director, under the supervision and direction of the Secretary of State, may establish within the Agency such program and staff bureaus, offices, and divisions as he may determine to be necessary to discharge his responsibilities under this Act, including, but not limited to, an Office of Public Affairs and an Office of the General Counsel.

General Advisory Committee

SEC. 26. The President, by and with the advice and consent of the Senate, may appoint a General Advisory Committee of not to exceed fifteen members to advise the Director on disarmament policy and activities. The President shall designate one of the members as Chairman. The members of the committee may receive the compensation and reimbursement for expenses specified for consultants by section 41(d) of this Act.

TITLE III—FUNCTIONS

Research

SEC. 31. The Agency is authorized and directed to exercise its powers in such manner as to insure the acquisition of a fund of theoretical and practical knowledge concerning disarmament. To this end, the Agency is authorized and directed (1) to conduct research, development, and other studies in the field of disarmament; (2) to make arrangements (including contracts, agreements, and grants) for the conduct of research, development, and other studies in the field of disarmament by private or public institutions or persons; and (3) to coordinate the research, development, and other studies conducted in the field of disarmament by or for other Government agencies in accordance with procedures established under section 34 of this Act. In carrying out its responsibilities under this Act, the Agency shall, to the maximum extent feasible, make full use of available facilities, Government and private. The authority of the Agency with respect to research, development, and other studies shall include participation in the following insofar as they relate to disarmament:

(a) the detection, identification, inspection, monitoring, limitation, reduction, control, and elimination of armed forces and armaments, including thermonuclear, nuclear, missile, conventional, bacteriological, chemical, and radiological weapons;

(b) the techniques and systems of detecting, identifying, inspecting, and monitoring of tests of nuclear, thermonuclear, and other weapons;

(c) the analysis of national budgets, levels of industrial production, and economic indicators to determine the amounts spent by various countries for armaments;

(d) the control, reduction, and elimination of armed forces and armaments in space, in areas on and beneath the earth's surface, and in underwater regions;

(e) the structure and operation of international control and other organizations useful for disarmament;

(f) the training of scientists, technicians, and other personnel for manning the control systems which may be created by international disarmament agreements;

(g) the reduction and elimination of the danger of war resulting from accident, miscalculation, or surprise attack, including (but not limited to) improvements in the methods of communications between nations;

(h) the economic and political consequences of disarmament, including the problems of readjustment arising in industry and the reallocation of national resources;

(i) the disarmament implications of foreign and national security policies of the United States with a view to a better understanding of the significance of such policies for the achievement of disarmament;

(j) the national security and foreign policy implications of disarmament proposals with a view to a better understanding of the effect of such proposals upon national security and foreign policy;

(k) methods for the maintenance of peace and security during different stages of disarmament;

(l) the scientific, economic, political, legal, social, psychological, military, and technological factors related to the prevention of war with a view to a better understanding of how the basic structure of a lasting peace may be established;

(m) such related problems as the Director may determine to be in need of research, development, or study in order to carry out the provisions of this Act.

Patents

SEC. 32. No appropriated funds may be expended pursuant to authorization given by this Act for any technological research or development activity unless such expenditure is conditioned upon provisions effective to insure that all information, uses, products, processes, patents, and other developments resulting from that activity will (with such exceptions and limitations as the Director may determine to be necessary in the interest of the national defense) be made freely and fully available to the general public. Nothing contained in this section shall be construed to deprive the owner of any background patent relating to any such activity of any right which he may have under that patent.

Policy, negotiations and related functions

SEC. 33. Under the supervision and direction of the Secretary of State—

(a) the Director shall prepare for the President, the Secretary of State, and the heads of such other Government agencies as the President may determine, recommendations concerning United States disarmament policy.

(b) The Director, for the purpose of conducting negotiations concerning disarmament or for the purpose of exercising any other authority given him by this Act, may (1) consult and communicate with or direct the consultation and communication with representatives of other nations or of international organizations and (2) communicate in the name of the Secretary with diplomatic representatives of the United States in this country and abroad.

(c) The Director shall perform functions pursuant to section 2(c) of Reorganization Plan 8 of 1953 with respect to providing to the United States Information Agency official United States positions and policy on disarmament matters for dissemination abroad.

(d) the Director is authorized (1) to formulate plans and make preparations for the establishment, operation, and funding of inspection and control systems which may become part of the United States disarmament activities, and (2) as authorized by law, to put into effect, direct, or otherwise assume United States responsibility for such systems.

Coordination

SEC. 34. The President is authorized to establish procedures to (1) assure cooperation, consultation, and a continuing exchange of information between the Agency and the Department of Defense, the Atomic Energy Commission, the National Aeronautics and Space Administration and other affected Government agencies, in all significant aspects of United States disarmament policy and related matters, including current and prospective policies, plans, and programs, and (2) resolve differences of opinion between the Department of State and such other agencies which cannot be resolved through consultation.

TITLE IV—GENERAL PROVISIONS

General authority

SEC. 41. In the performance of its functions, the Agency is authorized to—

(a) utilize or employ the services, personnel, equipment, or facilities of any other Government agency, with the consent of the agency concerned, to perform such functions on behalf of the Agency as may appear desirable. Any Government agency is authorized, notwithstanding any other provision of law, to transfer to or to receive from the Director, without reimbursement, supplies and equipment other than administrative supplies or equipment. Transfer or receipt of excess property shall be in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, as amended;

(b) appoint officers and employees, including attorneys, for the Agency in accordance with the civil service laws and fix their compensation in accordance with the Classification Act of 1949, as amended, except that, to the extent that the Director deems such action necessary to the discharge of his responsibilities, not to exceed forty-five scientific, technical, administrative, and professional personnel may be appointed, compensated, and removed without regard to the provisions of any other law, of whom not to exceed twenty may be compensated at annual rates not more than $500 in excess of the compensation now or hereafter fixed by law for grade 18 of the General Schedule, and of whom not to exceed two may be compensated at annual rates not more than $1,500 in excess of that now or hereafter fixed by law for grade 18;

(c) enter into agreements with other Government agencies, including the military departments through the Secretary of Defense, under which officers or employees of such agencies may be detailed to the Agency for the performance of service pursuant to this Act without prejudice to the status or advancement of such officers or employees within their own agencies;

(d) procure services of experts and consultants or organizations thereof, including stenographic reporting services, as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed $100 per diem for individuals, and to pay in connection therewith travel expenses of individuals, including transportation and per diem in lieu of subsistence while away from their homes or regular places of business, as authorized by section 5 of said Act, as amended (5 U.S.C. 73b–2): *Provided*, That no such individual shall be employed for more than one hundred days in any fiscal year unless the President certifies that employment of such individual in excess of such number of days is necessary in the national interest: *And provided further*, That such contracts may be renewed annually;

(e) employ individuals of outstanding ability without compensation in accordance with the provisions of section 710(b) of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2160), and regulations issued thereunder;

(f) establish advisory boards to advise with and make recommendations to the Agency on United States disarmament policy and activities. The members of such boards may receive the compensation and reimbursement for expenses specified for consultants by section 41(d) of this Act;

Contracts or expenditures

SEC. 42. The President may, in advance, exempt actions of the Director from the provisions of law relating to contracts or expenditures of Government funds whenever he determines that such action is essential in

the interest of United States disarmament and security policy.

Conflict of interest and dual compensation laws

SEC. 43. The members of the General Advisory Committee created by section 26 of this Act, and the members of the advisory boards, the consultants, and the individuals of outstanding ability employed without compensation, all of which are provided in section 41 of this Act, may serve as such without regard to the provisions of section 281, 283, 284, or 1914 of title 18 of the United States Code, or of section 190 of the Revised Statutes (5 U.S.C. 99), or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of individuals, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States Government, except insofar as such provisions of law may prohibit any such individual from receiving compensation from a source other than a nonprofit educational institution in respect of any particular matter in which the Agency is directly interested. Nor shall such service be considered as employment or holding of office or position bringing such individual within the provisions of section 13 of the Civil Service Retirement Act (5 U.S.C. 2263), section 212 of the Act of June 30, 1932, as amended (5 U.S.C. 59a), or any other Federal law limiting the reemployment of retired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities.

Security requirements

SEC. 44. (a) The Agency shall establish such security and loyalty requirements, restrictions, and safeguards as it deems necessary in the interest of the national security and to carry out the provisions of this Act. The Agency shall arrange with the Federal Bureau of Investigation for the conduct of full-field background security and loyalty investigation of all the Agency's officers, employees, consultants, persons detailed from other Government agencies, members of its General Advisory Committee, advisory boards, contractors and subcontractors, and their officers and employees, actual or prospective. In the event the investigation discloses information indicating that the person investigated may be or may become a security risk, or may be of doubtful loyalty, the report of the investigation shall be turned over to the Office of Security of the Department of State for final determination. No person shall be permitted to enter on duty as such an officer, employee, consultant, or member of advisory committee or board, or pursuant to any such detail, and no contractor or subcontractor, or officer or employee thereof shall be permitted to perform any services under the contract or to have access to any classified information relating thereto, until he shall have been investigated in accordance with this subsection and the report of such investigation made to the Agency, and it shall have been determined that such person is not a security risk or of doubtful loyalty. Standards applicable with respect to the security clearance of persons within any category referred to in this subsection shall not be less stringent, and the investigation of such persons for such purposes shall not be less intensive or complete, than in the case of such clearance of persons in a corresponding category under the security procedures of the Government agency or agencies having the highest security restrictions with respect to persons in such category.

(b) The Atomic Energy Commission may authorize any of its employees, or employees of any contractor, prospective contractor, licensee, or prospective licensee of the Atomic Energy Commission or any other person authorized to have access to Restricted Data by the Atomic Energy Commission under section 2165 of title 42, to permit the Director or any officer, employee, consultant, person detailed from other Government agencies, member of the General Advisory Committee or of an advisory board, contractor, subcontractor, prospective contractor, or prospective subcontractor, or officer or employee of such contractor, subcontractor, prospective contractor, or prospective subcontractor, to have access to Restricted Data which is required in the performance of his duties and so certified by the Director, but only if (1) the Atomic Energy Commission has determined in accordance with the established personnel security procedures and standards of the Commission, that permitting such individual to have access to such Restricted Data will not endanger the common defense and security, and (2) the Atomic Energy Commission finds that the established personnel and other security procedures and standards of the Agency are adequate and in reasonable conformity to the standards established by the Atomic Energy Commission under section 2165 of title 42, including those for interim clearance in subsection (b) thereof. Any individual granted access to such Restricted Data pursuant to this subsection may exchange such data with any individual who A is an officer or employee of the Department of Defense, or any department or agency thereof, or a member of the Armed Forces, or an officer or employee of the National Aeronautics and Space Administration, or a contractor or subcontractor of any such department, agency, or armed force, or an officer or employee of any such contractor or subcontractor, and B has been authorized to have access to Restricted Data under the provisions of section 2163 or 2455 of title 42.

Transfer of functions to Agency

SEC. 45. (a) The United States Disarmament Administration, together with its records, property, personnel, and funds, is hereby transferred to the Agency. The appropriations and unexpended balances of appropriations transferred pursuant to this subsection shall be available for expenditure for any and all objects of expenditure authorized by this Act, without regard to the requirements of apportionment under section 665 of title 31.

(b) The President, by Executive order, may transfer to the Director any activities or facilities of any Government agency which relate primarily to disarmament. In connection with any such transfer, the President may under this section or other applicable authority, provide for appropriate transfers of records, property, civilian personnel, and funds. No transfer shall be made under this subsection until (1) a full and complete report concerning the nature and effect of such proposed transfer has been transmitted by the President to the Congress, and (2) the first period of sixty calendar days of regular session of the Congress following the date of receipt of such report by the Congress has expired without adoption by either House of the Congress of a resolution stating that such House does not favor such transfer.

Use of funds

SEC. 46. Appropriations made for the purposes of this Act, and transfers of funds to the Agency by other Government agencies for such purposes, shall be available to the Agency to exercise any authority granted it by this Act, and shall also be available for the following uses to carry out the purposes of this Act including, without limitation, expenses of printing and binding without regard to the provisions of section 11 of the Act of March 1, 1919 (44 U.S.C. 111); purchase or hire of one passenger motor vehicle for the official use of the Director without regard to the limitations contained in section 78(c) of title 5 of the United States Code; entertainment and official courtesies to the extent authorized by appropriation; expenditures for training and study; expenditures in connection with participation in international conferences for the purposes of this Act; and expenses in connection with travel of personnel outside the United States, including transportation expenses of dependents, household goods, and personal effects.

Appropriations

SEC. 47. (a) There are hereby authorized to be appropriated not to exceed $10,000,000, to remain available until expended, to carry out the purposes of this Act.

(b) Funds appropriated pursuant to this section may be allocated or transferred to any agency for carrying out the purposes of this Act. Such funds shall be available for obligation and expenditure in accordance with authority granted in this Act, or under authority governing the activities of the agencies to which such funds are allocated or transferred.

Report to Congress

SEC. 48. The Agency shall submit to the Secretary of State, for transmittal to the Congress, not later than January 31 of each year, a report concerning activities of the Agency. The Agency shall include in this report, and shall at such other times as the Secretary of State deems desirable submit to the Congress, recommendations for additional legislation deemed necessary or advisable.

Mr. HUMPHREY. Mr. President, I am very grateful to the Senator from Alabama [Mr. SPARKMAN] for his presentation in regard to the bill and for his great and splendid work in the Foreign Relations Committee, as a result of which the bill has now been brought to the floor of the Senate.

As has been recorded, the bill was unanimously ordered reported by the Foreign Relations Committee, after extensive hearings, after long deliberation in executive session. The original bill was amended and modified in committee in order to meet some of the criticisms and suggestions which resulted from the testimony and the observations of members of the Foreign Relations Committee and members of the Armed Services Committee. The Senator from Washington [Mr. JACKSON] particularly offered constructive comments, and several of his suggestions were embodied in the bill. The Senator from Georgia [Mr. RUSSELL] offered very constructive comments relating to the organizational structure of the Disarmament Agency, and those constructive suggestions were embodied in the bill.

Mr. President, the proposed U.S. Disarmament Agency for World Peace and Security, as provided by Senate bill 2180, under the direction and supervision of the Secretary of State, prepare for international negotiations and conferences dealing with disarmament and arms-control matters. The Director of the Agency would be the Secretary of State's and the President's principal adviser on disarmament matters. He would have authority, under the guidance of the Secretary of State, to prepare recommendations concerning U.S. disarmament policy, to handle disarmament negotiations, to conduct re-

search and studies affecting disarmament, and to formulate plans for the installation and operation of any control system which may be established as a result of U.S. disarmament activities.

Mr. President, President Kennedy has requested that the bill be passed by Congress at this session.

The Senate Foreign Relations Committee held hearings on the bill on August 14, 15, and 16, and, on September 6, unanimously—by a vote of 17 to 0—ordered the bill reported to the Senate, and urged its prompt passage by the Senate.

Senate bill 2180 has the firm backing of the chief advisers of the President in the field of national security. It has the backing of the Secretary of State, Dean Rusk; the President's disarmament adviser, John J. McCloy; the Secretary of defense, represented by Roswell Gilpatric, Deputy Secretary of Defense; the Atomic Energy Commission, represented before our committee by Leland Haworth, one of its distinguished Commissioners; the Chairman of the Joint Chiefs of Staff, Gen. Lyman L. Lemnitzer; and Adlai Stevenson, U.S. Representative to the United Nations.

In addition, the proposal to create a U.S. Disarmament Agency for World Peace and Security has the approval of former President Dwight D. Eisenhower and the emphatic and enthusiastic endorsement of key national security advisers who served under him. These advisers include President Eisenhower's Secretary of State, Christian Herter; his Secretary of Defense, Thomas Gates; his Ambassador to the United Nations, Henry Cabot Lodge; his other Ambassador to the United Nations and chief negotiator at the test ban conference, James Wadsworth; former Supreme Commander of NATO, Gen. Alfred Gruenther; also Gen. Lucius Clay, presently our special Ambassador in Berlin; our disarmament negotiator during 1960, Frederick Eaton; the former head of the U.S. Information Agency, Arthur Larson; and Herbert York, former Director of Defense Research and Engineering. Also, the former Secretary of Defense, Robert Lovett; and the former Assistant Secretary of the Air Force for Research and Development, Trevor Gardner, testified in support of S. 2180. All of these distinguished gentlemen and dedicated public servants testified before the committee and asked for Senate passage of S. 2180. All of them, without exception, emphasized the timeliness of this measure and the urgent necessity for its enactment during the 1st session of the 87th Congress. All these distinguished gentlemen and dedicated public servants testified before the Senate Foreign Relations Committee, and one of them testified before the House committee; and all of them requested that the Senate pass Senate bill 2180.

Mr. President, when President Kennedy sent to the Congress his message relating to this measure, he asked for prompt action. I should like to call attention to several paragraphs of his letter of transmittal of June 29. The President's letter reads, in part, as follows:

JUNE 29, 1961.

HON. LYNDON B. JOHNSON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am transmitting herewith for consideration by the Congress a draft of legislation to carry out the recommendation contained in my May 25 message for the establishment of a strengthened and enlarged Disarmament Agency to make an intensified effort to develop acceptable political and technical alternatives to the present arms race.

Today, ability of man to master his environment threatens to outpace his ability to control himself. The world is more and more interdependent, and the people of the earth can now look beyond this planet to a new age of discovery, but they have not yet been able to banish the primitive threat of war. The ingenuity that has made the weapons of war vastly more destructive should be applied to the development of a system of control of these weapons.

Then the President wrote:

But peace cannot be brought about by concentrating solely on measures to control and eliminate weapons. It must also encompass measures to sustain and strengthen international institutions and the rule of law. A disarmament program must take into account the national security, our foreign policy, the relationships of this country to international peacekeeping agencies, including the United Nations, and our domestic, economic, and other policies. It should drive toward the creation of a peaceful world society in which disarmament, except for the forces needed to apply international sanctions, is the accepted condition of international life.

In another paragraph in the letter, the President wrote:

For the past 5 months, Mr. John J. McCloy, my adviser on disarmament matters, has been conducting, at my request, an extensive study of the governmental effort and organization necessary to give effect to our national purpose in this field.

Then the President listed the many officers of this Government who have been consulted; and thereafter the President wrote:

Following Mr. McCloy's recommendations, I am therefore proposing that a new U.S. Disarmament Agency for World Peace and Security be established. Enactment of the proposed legislation will permit this Agency to deal broadly with the whole range of disarmament matters, including research, policies, and programs.

Mr. President, the President of the United States, whoever he may be at any given time, has heavy burdens. When two Presidents—former President Dwight Eisenhower, who served the people of the United States both as General of the Armies and as Commander in Chief, and President Kennedy—both call upon the Members of Congress to pass legislation of this type, I think that is rather compelling evidence.

Furthermore, it is interesting to observe that in the body of testimony in regard to this particular proposal, there is not one word in opposition to the bill from any responsible public official who has been entrusted with the defense or the foreign policy of the United States or the negotiations of the United States with the Soviet Union.

Mr. BUSH. Mr. President, will the Senator from Minnesota yield for a question?

The PRESIDING OFFICER (Mr. HICKEY in the chair). Does the Senator from Minnesota yield to the Senator from Connecticut?

Mr. HUMPHREY. I yield.

Mr. BUSH. What opposition was there?

Mr. HUMPHREY. There was opposition from some private citizens.

Mr. BUSH. Generally, upon what did they base their opposition?

Mr. HUMPHREY. Primarily on the statement that we cannot trust the Russians and that therefore this is no time to be talking about disarmament measures.

But the fact is that we are literally compelled to talk with the Russians. At this very hour Mr. McCloy—who, by the way, has a record of service to his country which makes him an outstanding patriot—sits with Zorin, of the Soviet Union, and discusses disarmament. Will Mr. McCloy make any progress? We pray that he will. But certainly we can trust Mr. McCloy, because he is a wise and a prudent man.

Mr. BUSH. Mr. President, will the Senator from Minnesota yield again to me?

Mr. HUMPHREY. I yield.

Mr. BUSH. I could not agree more with the Senator from Minnesota. I have known Jack McCloy for, I suppose, 30 years; and I have watched with the greatest admiration and approval his record of public service. So I would not want anyone to be under any misapprehension about my feeling about our former Assistant Secretary of War and Ambassador. He is one of the greatest public servants our Nation has ever had.

I agree with the Senator that his sponsorship and leadership in connection with this bill are among the most persuasive elements connected with it.

Mr. HUMPHREY. I thank the Senator. Mr. McCloy has been so deeply interested in this matter that he has gone far beyond what might be expected from a Government official. I suppose the Senator knows he is making a great personal sacrifice. He just got started in business when the President asked him to come to work for the Government for practically nothing. He has not only spent months studying the matter, but has gone to Senator after Senator, and Representative after Representative, and has said, "I need your help. If I am going to have this responsibility, I need your help."

I have not had the privilege of knowing Mr. McCloy as a close personal friend, but my admiration for him is not new. I remember when he was High Commissioner in Germany and his great record as Assistant Secretary of War. When I first met him in connection with this particular project he said, "Senator HUMPHREY, I have been up here all my life asking people to arm. Now I ask you to help me with the machinery, the tools, the instruments, so we can control these armaments before they destroy

us." He made a most persuasive argument in connection with this project as it relates to our national security.

Mr. BUSH. Since the Senator is speaking of his accomplishments, I may add that Mr. McCloy was President of the World Bank, which was no insignificant job. He put that Bank on its feet and made it a very significant organization in the field of international finance.

Mr. HUMPHREY. I thank the Senator very much. I mention these witnesses, just as the Senator from Alabama [Mr. SPARKMAN] did. I wish Senators could have heard Fred Eaton, a very distinguished citizen. President Eisenhower had appointed him as a member of the 10-member disarmament conference. He came into the room without a prepared statement. He just happened to be in the room. He was not scheduled as a witness. He merely asked to be heard. He said, "Look, we have never been prepared. It is nobody's fault. We have not had time to put an organization together. We made a beginning when President Eisenhower suggested the disarmament conference, under Secretary of State Christian Herter." Mr. Eaton went on to explain how important it was to have a director of such an agency with responsibilities for an independent study, research, and advice. It was moving testimony.

Mr. BUSH. The Senator will recall that Mr. Eaton, with rank of Ambassador, represented us in connection with the disarmament conferences in Geneva.

Mr. HUMPHREY. Very well.

Mr. BUSH. I recall that when Christian Herter was Secretary of State, Douglas Dillon was Under Secretary. In fact, it was he who got Fred Eaton into this.

Mr. HUMPHREY. I agree.

Mr. BUSH. His testimony was one of the most persuasive and qualified bits of testimony the Senator had before his committee.

Mr. HUMPHREY. I thank the Senator.

Mr. CASE of South Dakota. Mr. President, will the Senator yeld?

Mr. HUMPHREY. I yield.

Mr. CASE of South Dakota. The quality and character of the witnesses who testified on the bill before the Committee on Foreign Relations were most persuasive in connection with support for the bill. When reference is made to the work of John McCloy, we ought not to forget that, as High Commissioner to Germany in the postwar period, he and Gen. Lucius Clay—first it was General Clay and then Mr. McCloy—probably developed the most practicable grassroots grasp of the German problem.

It is impossible to suppose that those men, who served their country with distinction and honor in these crucial, formative years, would support the formation of an agency of this character unless, on the basis of their own experience, they regarded it as in the best interests of the United States and the security of the United States.

Mr. HUMPHREY. That surely was my view.

Mr. CASE of South Dakota. There is one thought I wanted to bring up at this time, and I may develop it a little later during the consideration of the bill. It is whether or not the concept of the agency would be better communicated to the public and to the world if, instead of using the name "U.S. Disarmament Agency for World Peace and Security," we were to have it designated as "U.S. Advisory Agency on Arms Control, Peace, and Security."

I merely mention that at this time. I would like to have the Senator give it some thought, for the reason that today the news tickers are filled with dispatches about the speech which Mr. Khrushchev made last night, in which he talked about the subject of disarmament and the matter of control. The Senator has made reference to the fact that Mr. McCloy is meeting with Mr. Zorin at this time. It seems to me that anyone who really looks at the world picture recognizes that any foreign policy question today brings up the question of arms control and disarmament.

My basic support for the bill stems from the fact that I do not see how the President can meet his responsibilities unless he is prepared to face questions which arise concerning disarmament and arms control. How can one make the decisions that he must make today unless he can effectively appraise proposals either for disarmament or arms control? It seems to me specific knowledge, and not merely attitudes, are necessary, if one is to deal with specific proposals on the question of arms limitation.

Mr. HUMPHREY. I thank the Senator for the statement, and for his obvious knowledge of this complicated question. It is true that merely to have attitudes or opinions is not enough. In fact, it might be injurious.

Mr. CASE of South Dakota. It might be hazardous.

Mr. HUMPHREY. It might be hazardous. What we need is the technical, factual information that is required for sensible judgments that relate to the complicated question of arms control and disarmament.

(At this point Mrs. NEUBERGER took the chair as Presiding Officer.)

Mr. MANSFIELD. Madam President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

(At this point Mr. MANSFIELD addressed the Senate, and the ensuing colloquy appears elsewhere under its appropriate headline.)

Mr. HUMPHREY. Madam President, I was citing the quality of the witnesses who had testified in behalf of the bill before us. The general comment of my colleagues was to the effect that the quality of the witnesses and their reputations and their background and their experience surely did commend the bill because of their support of it.

Finally, a number of our very prominent and respected national organizations submitted testimony calling on the United States to establish this proposed U.S. Disarmament Agency, including the Catholic Association for International Peace, National Council of Churches of Christ, the Federation of American Scientists to name only a few.

There is a greater need and urgency today than ever before to create the type of agency which is embodied in S. 2180. The clouds of war hang heavy over all of mankind. Each day brings new threats and steps by the Soviets which could result in war. We are required to take countermeasures to protect the cause and rights of free people everywhere. The recent moves by the President and the Congress to strengthen our defenses, to reassure our allies that our obligations to them will be met, and to meet Soviet bellicosity with calm but firm resolve, should tell the world, and particularly the Soviet Union, in no uncertain terms that we will not be appeasers. I would hope that these steps will convince Premier Khrushchev and other leaders of the Soviet Union and its allies that war or the threat of war is no solution to any nation's problem or aspirations. We shall not shirk in our duty to prevent aggressors from trampling over the territory and the rights of countries which are weaker than they.

It is my belief, which I think is shared by everyone in this Chamber, that the United States must remain strong at all times in order to deter aggression.

At the same time I believe, along with the great witnesses who testified before our committee, and those who sent us so many communications, that national security requires not only preparedness for defense, but also preparedness in the field of negotiation and in the field of diplomacy. A continued race between ourselves and the Soviet Union to build and strengthen armaments can be only a temporary and highly dangerous response to the very fundamental differences which exist between our respective ways of life. We must work for conditions of peace and freedom and be prepared for any opportunity which may relieve the world of the terrible threat of war and the enormous burden of armaments which the people of the major powers particularly must bear.

Mr. SALTONSTALL. Madam President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield.

Mr. SALTONSTALL. As a member of the Committee on Armed Services I should like to ask the distinguished Senator in charge of the bill several questions. On page 2 of the bill the purpose of it is stated, and reference is made to:

> The formulation and implementation of the U.S. disarmament policy in a manner which will promote the national security requires a central organization.

Mr. HUMPHREY. Yes.

Mr. SALTONSTALL. Mr. Nitze is in the Department of Defense. He has four agencies or groups under him. It was my understanding that one of these agencies was working more or less on this problem.

Mr. HUMPHREY. Yes. The work of Mr. Nitze, as well as the work of the State Department, would be coordinated by this particular Agency that is sought to be set up. It would not be obliterated; it would be coordinated. That is what every witness said. I wish every Senator could have heard these men testify. They have all been responsible for our

negotiations. Henry Cabot Lodge, Ambassador Wadsworth, Fred Eaton, General Lemnitzer, Thomas Gates, former Secretary of Defense—every one of them said that the glaring weakness today in U.S. foreign policy is the confusion in its methods and in its means and in its machinery in arriving at any disarmament policy. Gen. Lucius Clay in his statement said:

I do not believe, however, that this highly important subject is one which should be dealt with in a bureau of a Department of the Government, subjecting it to all layers of authority which that involves.

Though the foreign relations of the country are involved, so is defense policy. I would, therefore, recommend that this Agency should not become a part of the Defense Department, even though close cooperation and consultation with the defense agencies of the Government is essential.

Then he goes on to describe the importance of this point.

Mr. SALTONSTALL. It is very difficult to argue against Mr. McCloy and Mr. Lodge and all the other witnesses the Senator has mentioned. I have the same regard for Mr. McCloy, whom I have known for many years, and the other persons who have been mentioned. What I am getting at is that on page 3 there appears the language:

The preparation for and management of the U.S. participation in international negotiations in the disarmament field.

Mr. Nitze is in the Defense Department, which is considering the subject of disarmament. Then, too, the State Department is considering the subject. Now we would create this new Agency in the State Department and we would give it the management of U.S. participation in international negotiations in the disarmament field.

Where does that leave the armed services and Mr. McNamara and his Defense Department?

Mr. HUMPHREY. Section 21 at page 5 states that this Agency is established within the Department of State:

The Agency shall be under the direction of the Under Secretary of State for Disarmament, who shall serve as the principal adviser to the Secretary of State and the President on disarmament matters. In carrying out his duties under this Act the Under Secretary of State for Disarmament shall, under the supervision and direction of the Secretary of State, have primary responsibility within the Government for disarmament matters.

Then we go a little further in the bill, to section 33, at page 13:

Under the supervision and direction of the Secretary of State—

(a) the Director shall prepare for the President, the Secretary of State, and the heads of such other Government agencies as the President may determine, recommendations concerning U.S. disarmament policy.

Then again, under the direction and supervision of the Secretary of State—

(b) the Director, for the purpose of conducting negotiations concerning disarmament or for the purpose of exercising any other authority given him by this Act, may (1) consult and communicate with or direct the consultation and communication with representatives of other nations or of international organizations and (2) communicate in the name of the Secretary with diplomatic representatives of the United States in this country and abroad.

What this means, coming back to page 3, where we say "the preparation for and management of United States participation in international negotiations in the disarmament field," is that under the direction of the Secretary of State this agency shall prepare the work that is required and make the preparations that are required for negotiations, and that when negotiations take place, this professional, technical agency will be in charge under the Secretary of State's direction and supervision for negotiations. That is what Mr. McCloy is doing. That is what Arthur Dean is doing. Mr. Dean has been in Geneva under the direction of the Secretary of State. Mr. McCloy is the President's chief adviser on disarmament matters, and today he is conducting negotiations at the United Nations under the direction of the Secretary of State. We are asking to bring some order out of this confusion.

Mr. SALTONSTALL. I am heartily in favor of that.

Mr. HUMPHREY. Yes; I know that. The Senator merely wanted some clarification.

Mr. SALTONSTALL. I was on the Senator's original committee dealing with this subject. I do question, however, what the Senator has just said, that the Secretary of State shall conduct negotiations. That is what we expect. He shall conduct negotiations, presumably with the advice of the Defense Department.

Mr. HUMPHREY. Yes.

Mr. SALTONSTALL. And advise the Secretary of Defense, who has Mr. Nitze and his group.

Mr. HUMPHREY. Yes.

Mr. SALTONSTALL. Is it necessary to use the word "management"? Why can it not be limited to preparation for U.S. participation? If we put in the word "management," we are taking it away, to a certain extent, from the Secretary of State. I would rather leave it with the Secretary of State, and omit the word "management."

Mr. HUMPHREY. This matter was given considerable thought in committee. Originally the word was "direction." Our experience is very clear that we need specialists in this matter, even though the Secretary of State may go to a meeting. Even though he may attend it, sometimes he cannot stay for the weeks and months required in these negotiations. So we want the Director of this agency to be responsible for the management of our negotiations under the supervision and direction of the Secretary of State.

We wished to make it quite clear that we are not going to reach out willy-nilly and pick up anybody, because this is a highly complicated business. This section was given considerable thought. I was at first of the opinion that possible preparation was what was needed. We discussed that question with Mr. McCloy. He said, "No, it takes more than simple preparation, because you can have persons who are GS–10's or GS–12's make the preparation for it, but someone must manage it, someone who will be responsible for setting up the conference, responsible for the agenda, someone who will be there day in and day out."

For example, Arthur Dean is our chief negotiator, so far as the Geneva Conference is concerned. His deputy at Geneva is Charles Stell. Mr. Dean is responsible for the management of the negotiations.

Mr. SALTONSTALL. I would be very much more relieved if there were language similar to this—perhaps it can be improved upon—"preparation for and participation in international negotiations on behalf of the United States in the disarmament field." The Senator from Minnesota is an able, thoughtful, well prepared gentleman. Perhaps he could devise language along that line. We cannot always have a man like Mr. McCloy, whom we all respect and in whom we all have much confidence. Suppose a new man took the position. What we seek to do is to make laws. The word "management" might be misinterpreted as meaning that the authority will be taken away from the Secretary of State or from the Secretary of Defense. The Senator from Minnesota and I agree that we wish to leave the authority in the hands of the Secretary of State and the Secretary of Defense.

Mr. HUMPHREY. I wish to reassure the Senator from Massachusetts on this point. It is manifestly clear in the bill that the Agency will be under the direction and supervision of the Secretary of State. We did not put that language into every paragraph simply because it would have made the bill rather clumsy to have kept repeating it. So in the report we spelled out that every function which the Director or the Agency undertakes will fall under the general supervision and direction of the Secretary of State. This was the big argument in the committee.

The original bill contained language to the effect that the Director had responsibilities under the supervision of the Secretary of State and under the Secretary of Defense. Under the circumstances, he could have gone directly to the President. It was on this point that the Senator from Georgia [Mr. RUSSELL], the Senator from Washington [Mr. JACKSON], the Senator from Missouri [Mr. SYMINGTON], and other Senators said that that would be bad management; they did not favor such a proposal. So the bill was changed to make it positively clear that wherever there was any responsibility placed upon the Agency or its Director, it falls back immediately upon the Director who is, first of all, an Under Secretary of State. He and his Agency are within the State Department.

Second, he is under the direction of the Secretary of State. But the bill also provides that he must coordinate his activities under the provisions of section 34 of the bill, with other agencies of the Government. In the preparation of the original text of the bill, the executive branch did not spell that out. The senior Senator from Minnesota, together with other Senators, said he did not want any doubt to arise, so the committee

spelled out exactly what the responsibilities of the Director would be. So section 34 of the bill, at page 14, line 21 provides:

The President is authorized to establish procedures to (1) assure cooperation, consultation, and a continuing exchange of information between the Agency and the Department of Defense, the Atomic Energy Commission, the National Aeronautics and Space Administration, and other affected Government agencies, in all significant aspects of U.S. disarmament policy and related matters, including current and prospective policies, plans, and programs.

Mr. SALTONSTALL. So the Department of Defense, in which I am particularly interested, simply becomes a consultant agency for the purpose of the exchange of information on all significant aspects, but the Secretary of Defense would have no responsibility beyond being a consultant?

Mr. HUMPHREY. Oh, no; he will continue his activities, but he also will work with the Director of the Disarmament Agency and make certain that the programs which are interdependent among the Department of Defense, the Atomic Energy Commission, and the National Aeronautics and Space Administration fit into the general framework of what the President of the United States desires from an institution to help formulate disarmament policies.

For example, Paul Nitze, in his operation, will still continue to function, but he will not continue to function in a vacuum. His Agency will continue as a part of the total policy and a part of the framework in which the Atomic Energy Commission, the National Aeronautics and Space Administration, possibly the Bureau of Standards, if research projects are considered, and the Department of Defense would all find their way into the general pattern. At the same time, it is necessary to have one person do the general work of coordinating the entire program. It was on that basis that many witnesses testified that the Director should not be in the State Department alone; he should be there for negotiating purposes; but in order to have coordinating authority, he ought to report directly to the President. This proposal promoted great discussion and genuine differences of opinion. So the committee resolved the problem. We resolved it in consultation with officers of the Government. Each one of the officers of the Government feels he can work with the Under Secretary of State who will have the prime responsibility for advising the President and the Secretary of State on questions relating to disarmament policy. He will be able to draw from the other agencies such information as he needs and work with them, principally in the field of research, and have contact with them, so that all the activities can be drawn up for recommendation to the President.

Mr. SALTONSTALL. The Secretary of State shall be responsible for the Director and his Agency?

Mr. HUMPHREY. That is correct.

Mr. SALTONSTALL. But the ultimate decision will rest with the Secretary of State?

Mr. HUMPHREY. And with the President.

Mr. SALTONSTALL. Yes.

Mr. HUMPHREY. The Senator is correct.

Mr. SALTONSTALL. I wish to ask another question, which relates to section 32, page 11, the subject of "Patents." I have some ideas as to how that section got into the bill.

Mr. HUMPHREY. Yes; the Senator from Louisiana [Mr. LONG] was the sponsor.

Mr. SALTONSTALL. The Committee on Armed Services had problems in that connection in the setting up of the National Aeronautics and Space Administration. Why should it be necessary to include a patents section in the bill? I say that not in criticism of the Senator from Louisiana, because I know he is very much interested in the subject of patents. However, there is the problem of interpreting patent law and of making the present law effective, when so large an amount of Government money goes into the field of new patents. Why should there be a section in this bill?

Mr. HUMPHREY. I will give the Senator a frank answer. It is because the committee wanted it.

Mr. SALTONSTALL. Did the Senator from Minnesota want it?

Mr. HUMPHREY. The Senator from Minnesota went along with it. The executive branch did not recommend it, but the committee unanimously voted for it. The Senator from Louisiana is a keen student of this subject.

The committee considered an alternative proposal, but the alternative proposal was rejected. This proposal was accepted. By the way, it contains the same language as is in the act which created NASA.

Mr. SALTONSTALL. The same language as is in NASA?

Mr. HUMPHREY. Yes.

Mr. SALTONSTALL. That gives me encouragement, because I helped to draft the act creating NASA.

Mr. HUMPHREY. The committee rejected other language which might have been far more rigid. There are one or two other acts creating agencies in which that language is included.

Mr. SALTONSTALL. I am not so familiar with patent law as to consider myself an expert, but I know it is a difficult, complicated problem.

Mr. HUMPHREY. I shall check the report. One thing which the Senator from Minnesota does not wish to do is to reassure any Senator on a subject, when that Senator places his trust in me, if I am not positively certain of the accuracy of my statement. However, the committee had such a long discussion of the question that I believe what I have just stated relating to NASA and to this agency concerning patents is correct.

Let me read from the report:

Section 32, which deals with patents, is based on the language recently adopted by the Senate in the bill to extend the saline water program. It provides that no appropriated funds may be expended under the bill for any technological research or development activity unless such expenditure is conditioned upon provisions effective to insure that all information, uses, products, processes, patents, and other developments resulting from that activity (with such exceptions and limitations as the Director may determine to be necessary in the interest of national defense) will be made freely and fully available to the general public. Nothing, however, in section 32 is to be construed as depriving the owner of any background patent relating to such activity or right which he may have under that patent.

Madam President, this language is identical with that contained in the saline water program bill and is similar to the language in the act creating NASA, because we had that language read to us in the committee. It was on that basis that the Senator from Iowa and other Senators agreed to this particular language.

Mr. SALTONSTALL. I thank the Senator from Minnesota for his answer. I still believe that the subject of patents perhaps would be better left out of this bill, because I cannot understand why the subject of patents would relate to disarmament.

Mr. HUMPHREY. The Senator from Massachusetts knows that the Senator from Louisiana [Mr. LONG] is very persuasive.

Mr. SALTONSTALL. The Senator from Massachusetts knows that.

Mr. HUMPHREY. I thank the Senator from Massachusetts for the question he has asked and for the part he has taken in the discussion.

Mr. ERVIN. Madam President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. ERVIN. I had grave misgivings about some of the phraseology in the original bill. According to my interpretation, it was uncertain whether there was a division of power in this field.

In other words, I was afraid to have us get into a situation similar to that under the former administration, when the Secretary of State and Governor Stassen became involved in a situation in which there was much confusion as to where authority in this field lay.

But I wish to commend the Senator from Minnesota and the other members of the Foreign Relations Committee for the excellent job they did, by means of the committee amendments, to eliminate such uncertainty and to make it apparent that this bill harmonizes with the constitutional provision which entrusts the conduct of all our foreign policy to the President, whose first arm in carrying out that policy is the Secretary of State. I am very much pleased with the amendment which makes this Agency a part of the Department of State and makes very clear where the ultimate authority really lies.

The Senator from Minnesota and the other members of the committee are certainly to be congratulated on a job well done in clarifying the provisions of the original bill.

Mr. HUMPHREY. I thank the Senator from North Carolina.

Madam President, I ask unanimous consent that an excerpt from page 4 of the report, relating to sections 21 through 26, which deal with the structure to which the Senator has referred, be printed at this point in the RECORD.

There being no objection, the excerpt from the report (No. 882) was ordered to be printed in the RECORD, as follows:

Organization (secs. 21 through 26): Section 21 establishes within the Department of State the Disarmament Agency for World Peace and Security. Section 22 provides that the Agency shall be headed by the Under Secretary of State for Disarmament, appointed by the President, subject to confirmation by the Senate, whose compensation shall be $22,500 a year. The Under Secretary, referred to as the Director throughout the bill, is to be the principal adviser to the Secretary of State and the President on disarmament matters. Section 23 provides for a Deputy Director, also appointed by the President, subject to Senate confirmation, whose compensation is set at $21,500 a year. There are also provided, in section 24, four Assistant Directors to be appointed by the President, by and with the advice and consent of the Senate, whose compensation will be $20,000 a year. The compensation provided in sections 22, 23, and 24 corresponds to that of the present Under Secretary of State, the Deputy Under Secretaries of State, and the Assistant Secretaries of State, respectively. The salary of the Director is the same as that of the Chairman of the Atomic Energy Commission, the Director of the National Aeronautics and pace Administration, and the Deputy Secretary of Defense—officials with whom it is anticipated that the Director of the Disarmament Agency will have frequent contacts.

Section 25 provides that under the supervision and direction of the Secretary of State, the Director may establish such bureaus, offices and divisions as he may deem necessary, including, among others, an Office of Public Affairs and an Office of the General Counsel.

Creation of a General Advisory Committee is authorized by section 26. Fifteen members will be appointed by the President, subject to the advice and consent of the Senate. Its function is to advise the Director on disarmament policy and activities. The members of the General Advisory Committee are authorized to receive $100 per diem and travel expenses and will be subject to the security requirements of section 44.

Mr. HUMPHREY. Madam President, once it was said that arms themselves were no cause of war, not even a cause of rising tension among nations. The arms were not considered a cause, but merely a symptom of the basic disputes which prevented nations from living together in relative calm and peace. But the splitting of the atom, the penetration into outer space, and the other recent discoveries of science and technology have shattered this principle, which heretofore had been accepted as a governing factor in international relations. The weapons now being devised, built, and stored throughout many parts of the world have such destructive power, and in a sense are so uncontrollable by the men who must use them, that they, themselves, have become a source of tension. They are now a potential cause of war, not just a byproduct of the policital disputes among nations. We must not, therefore, ignore the weapons as being unimportant. The weapons themselves, as well as the disputes, have now become a great source of concern to us all.

It is because of these new developments that the creation of a special agency to deal with the control and reduction of armaments has become imperative. The creation of such an agency does not insure the success of its mission—this point has been emphasized here, today; but we can be sure that without such an effort, the mission will never be accomplished.

Furthermore, Madam President, as a peace-loving people and a people imbued with a sense of social justice, I think it fitting and appropriate that we in the United States take the lead in establishing in our Government a special agency for peace and security—a disarmament agency. I believe this matter surely relates to the great, historical traditions of the United States and emphasizes the sincerity of our purpose in striving to achieve peace with justice.

Very few of us can visualize at this time a world in which there are no arms or armed forces. If at all, this is a world of the far distant future. We can, however, picture the possibility of a world in which these weapons can be placed under control, and in which substantial numbers of them might be taken from national stockpiles and arsenals and dismantled or destroyed. But to take away or even control a nation's weapons is to tamper with the basic aspects of its national security and even its survival.

Proposals in this field of arms control should be made only after the most thorough consideration and detailed planning. Heretofore, we have not had in Government a group that could do this kind of study on a permanent and full-time basis. We have not been able to engage negotiators to go to disarmament conferences well prepared and knowledgeable of their subject as a result of many months of intensive preparation with all of the necessary policy planners and scientific and technical experts.

Madam President, this particular point was testified too repeatedly by witnesses such as Mr. Lodge, Mr. Eaton, Mr. Wadsworth, Mr. Herter, and others who told us of their experiences in the conduct of negotiations on disarmament.

Again I call the attention of the Senate to the words of Mr. Eaton, who, as an adviser, stated in his testimony before our committee that we were poorly prepared. I wish to quote some of his exact words, because he made such a splendid presentation. He said, as is recorded on page 149 of the hearings, when he testified before the Senate Foreign Relations Committee:

The absence of one central control authority over disarmament is one of our failures today.

The bill has been carefully worked out by Mr. McCloy and his staff. It represents months of work within the departments, with you, Senator, and with other members of the committee.

He went on to say that one of the weaknesses of our disarmament program had been its lack of preparations.

I read further from this point in the hearing:

Senator HUMPHREY. But you believe in preparations for those discussions—

Speaking of the disarmament discussions—

Mr. EATON. Yes; preparations against the day when discussions would be fruitful. We should, by diplomatic channels, continually impress upon the Soviets our desire to have agreement in the area of disarmament.

The statements made by Mr. Lodge, who for years, under the preceding administration, was our representative at the United Nations, are most important, and I want every Senator to study those statements. Mr. Lodge has been entrusted with some of the highest diplomacy of our times. He has testified unqualifiedly that one of the weaknesses of our procedure has been the failure to arrive on time at decisions in regard to important matters of foreign policy. For instance, often he had to wait so long for such decisions from the Department of State that by the time the response came, it had lost its meaning. In fact, that testimony was submitted by one witness after another. Mr. McCloy also reminded us of these matters.

Therefore, Madam President, during the coming months it is our duty to work for the resumption of disarmament negotiations. If they are not resumed in a serious manner, the world will be moved that much closer to total war. The bill now before the Senate is basically a means to organize our efforts to prepare and handle disarmament negotiations in the best possible framework. As Mr. McCloy stated at the hearings:

This subject (disarmament) is too serious not to have continuity of effort, not to have the means of employing the best minds that we can possibly bring to bear on the subject, and not to keep constantly struggling to try to find the proper solution between a nuclear disaster and a catastrophe of that character, and the security of the Nation and the peaceful settlement of our international disputes.

Madam President, I know that some will say—as some already have stated—that when an agency of this sort is established, its very establishment has a tendency to weaken our national resolve. But distinguished public servants, such as General Gruenther, believe to the contrary. They say the establishment of such an agency will strengthen us. Furthermore, these witnesses said the establishment of such an agency will prevent us from taking steps which later we might come to regret. After all, discussions of disarmament are not properly entrusted to children or to the ill-prepared or to the ill-informed. I shudder to think what might have happened if some of our representatives' suggestions which had not carefully prepared in advance or had not been the subject of sufficient preparation had been accepted. Furthermore, Madam President, I am not the only one to take this position; it is also taken by the best qualified witnesses whom it is possible to have testify on this subject. Apparently our representatives have gone to conference after conference almost entirely unprepared—in the hope that the Soviet Union would not agree to any of the proposals which might be made with the result that thus we would

be spared the results of our folly. For instance, Madam President, in that connection I think of the several conferences held in London, which were attended by our representatives with but poor preparations. I wish to distinctly understood that I do not charge that our representatives there did not work hard. They did work hard. Neither do I charge that they were not able. They were most able.

They were conscientious and dedicated persons. But, Madam President, it takes more than merely conscientious and dedicated persons to negotiate with the persons the Soviet Union sends to these conferences.

I see present on the floor the distinguished Senator from Tennessee [Mr. GORE], who was an adviser to our negotiating team at Geneva on the nuclear test ban discussions. It was my privilege to visit some of those meetings. I think the Senator will agree with me that when the Soviets come to these conferences, they come prepared, as if they were graduate students just finishing up their work for their Ph. D. degrees. They move their research work in from trucks. They come in, not with 5 or 6, but with 50, 60, or 70 experts trained in that field. We enter into these negotiations as if it were a sort of lost weekend. All too often we charge in, filled with good intentions and hopes, and filled with the love of mankind, and the desire to spare him from catastrophe. We are trying to establish an agency which will prepare us for diplomacy, just exactly as we have an agency which prepares us for the battlefield, if necessary. The proposed agency for disarmament, for world peace and security, is vitally needed at this critical time in history.

Mr. CASE of South Dakota. Madam President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CASE of South Dakota. I have been following the talk of the distinguished Senator from Minnesota with a great deal of interest. I think he is presenting a persuasive argument for our doing something, and not going into conferences without a proper agency which can furnish us with appropriate advice.

I suggest that the Senator give some thought to the suggestion I shall make that the agency be known as the U.S. Advisory Agency for Arms Control, Peace, and Security, and that the head of the agency be known as the Under Secretary for Arms Control, rather than disarmament. I make that suggestion because I feel, in line with our national policy today, it would be somewhat misleading to use the term "Disarmament Act" or "Disarmament Agency" in view of the interpretation that is being placed upon that word by many persons.

As a practical matter, we can all hope for some reduction in arms under proper controls. I do not think we can expect immediately complete and universal disarmament.

I respectfully suggest to the Senator that I have drafted an amendment which would accomplish this purpose. While I am not offering it at this time, I shall furnish him with the text of it.

Mr. HUMPHREY. I shall be glad to consult with the Senator from South Dakota on it.

Mr. GOLDWATER. Madam President, will the Senator yield, so that I may comment on the amendment suggested by the Senator from South Dakota?

Mr. HUMPHREY. I yield.

Mr. GOLDWATER. I have read in the afternoon press that Premier Khrushchev has agreed to talk. I am concerned about the title of this bill and how it will be interpreted, not only by the people of the world, but our own people, particularly if the Senate passes the bill on the afternoon when the American people and the world have become cognizant of the fact that Khrushchev is willing to talk.

I have great fear that if the word is incorporated in the bill as it is now, it can have a very weakening effect, and actually do harm to the strength the Senator from Minnesota feels this would give us in the world today.

I think this recent happening should have a decided effect upon the thinking of the Senator from Minnesota concerning the suggested amendment of the Senator from South Dakota.

Mr. HUMPHREY. I appreciate the Senator's comment.

First of all, I may say that the Government agencies and those with whom Mr. McCloy discussed this matter gave the subject matter of title very careful consideration. In fact, there was a meeting at the White House of something like 40 representatives of this Government, in which the subject matter of the title was discussed. I do not see any reason why we should turn over to Mr. Khrushchev the honor of being for disarmament. He has gotten by with it. He goes before the United Nations and makes a speech for total disarmament. I know he is not sincere about total disarmament. That is my view of it, at least. But he gets up and talks about it. To talk about arms control is sort of backing into the subject matter being discussed.

How do we best say it? The word "disarmament" has a great worldwide appeal. People understand it. We talk in the bill about effective and controlled disarmament. We are not talking about unilateral disarmament. We are not talking about, as my speech made quite clear, and as the Senator from Alabama [Mr. SPARKMAN] made quite clear in his speech, the probability that there can be immediate total disarmament. I have made it clear that is a hope which is a long way down the path of history. But I do not believe in giving Mr. Khrushchev all of the psychological weapons to win the war; and if there is one thing Congress continues to do, it is to turn over to Mr. Khrushchev psychological victory after psychological victory. We insist upon it. We let him go out and "peddle his wares" all over the world. When Mr. Khrushchev goes before the United Nations, he does not go there weak-kneed. He does not go there with half proposals. He goes the whole way. We go up there and argue whether or not we should take this much of a step or that much of a step.

We shall go into the question of the title later. I think the Senator from South Dakota has raised points which are worthy of every possible consideration. But I say if we are to have as our ultimate objective effective and controlled disarmament—which is another way of saying arms control—then we had better use the best words we can to get our message across.

This country has conducted foreign aid operations. We have offices all over the world with signs on their doors, "USOM." What that means, even the makers of Campbell's soups do not know. "USOM."! There is not any such word in the dictionary. But some very good person said, "This will explain the technical meaning of "U.S. Overseas Mission."

Madam President, I am a more simple-minded fellow, and I am not ashamed of it. I asked that there be put in the foreign bill an amendment which would make it clear that this is American aid, so, in case one of us goes overseas, and sees a sign that says "American aid," he will know that inside the room there is something that has to do with the United States. There may be an American in there. He may get some aid. What is one going to do when he sees something that says "USOM"? What kind of language is that? Is it Ubangi?

I say we had better use words that have the most common meaning and the greatest acceptance. There are some suitable words in our language. We Americans are getting a little afraid of the word "peace." We are afraid we may be accused of appeasement. Well, there are some good scriptural references to that word. We will never read anywhere in the scriptures, "Blessed are the warmakers." I have never read it. We will never read the words, "Blessed are the defensemakers." But I have read, "Blessed are the peacemakers." I do not intend to let Khrushchev have the benefit of using it. "Disarmament" is a good word. I do not intend to let the man who would destroy the world, if he could, have that advantage handed to him. I will not be a part of it.

Mr. CASE of South Dakota. Madam President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CASE of South Dakota. The Senator from South Dakota recalls the day when the Senator from Minnesota made his proposal that we use the term "American aid."

Mr. HUMPHREY. Yes.

Mr. CASE of South Dakota. I applauded the Senator for it.

Mr. HUMPHREY. I know the Senator did.

Mr. CASE of South Dakota. I think I offered the suggestion that wherever we could we ought to have an American flag, because some people do not read English but can recognize the American flag.

Mr. HUMPHREY. I am in favor of that. I am proud of the flag. Wherever there is anything relating to this country I am in favor of having an American flag.

Mr. CASE of South Dakota. I do not think we should get into any argument over semantics, which might destroy the purposes of the act. The suggestion I made was not made with any thought of destroying or harming the purposes of the act.

Mr. HUMPHREY. I know that.

Mr. CASE of South Dakota. I have participated in a few gatherings. It was my privilege to attend the meeting of the Interparliamentary Union on three different occasions. One was at an annual conference, and in addition I attended the conference on the agenda at Nice, where I served on the Committee on Disarmament and related matters.

I have a feeling, growing out of my experience, that among the peoples of the world—and we talk about this action being interpreted among the peoples of the world—the smaller nations of the world, or the weaker nations of the world, desire an effective police force somewhere in the world.

I am a little fearful, because of the way Mr. Khrushchev uses the term "disarmament," that he practically suggests one could sink all the battleships and abolish all the weapons of war and so forth. I do not believe that is regarded as a realistic proposal by the small nations of the world, or by the large nations of the world.

I am not suggesting that we change the purposes or the program, but I think it would commend itself to the people of our country and to the people of the world if we used the term "arms control" rather than "disarmament."

I do not fear the use of the word "peace," either. I would keep in "peace" and "security."

Mr. HUMPHREY. I noticed the Senator had done that.

Mr. CASE of South Dakota. Before we take any action I hope we will consider our position and not preclude the possibility of some improvement in nomenclature, if we can work it out.

Mr. CASE of South Dakota subsequently said: Mr. President, during remarks I made in the consideration of a disarmament agency bill, I referred to the fact that I had spoken at the Interparliamentary Union Conference in Tokyo, Japan, in October 1960, in which I had stated that complete and immediate disarmament is a mirage, and that the people demanded a secure peace.

I ask unanimous consent that the complete text of the remarks which I delivered at the Interparliamentary Union in Tokyo last October may be printed following the remarks I made this afternoon, and to which I have referred.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS OF U.S. SENATOR FRANCIS CASE AT INTERPARLIAMENTARY UNION CONFERENCE IN TOKYO, JAPAN, OCTOBER 1960

Mr. Chairman and my colleagues of the Interparliamentary Union, I, too—I will say to my colleagues from Great Britain—came here with the idea of dealing in sweet reason. I have been tremendously surprised that representatives of a power which has big armies, submarines, aircraft, and rockets should worry about the simplest measures of self-defense when taken by a former defeated foe.

But if the delegates here may be a little divided on some things, there is one thing on which they have all been agreed, and that is that our hosts, the Japanese, have provided the finest possible setting for our deliberations. Never have arrangements been more complete. Never have people been more hospitable. The graciousness of the Emperor and Empress will be long remembered.

It is fitting that in this city the problems and prospects of disarmament should occupy our attention, for Tokyo, the metropolis of the world, was over 60 percent destroyed in the Second World War.

This land alone knows firsthand the complete devastation that comes with nuclear weapons. Last year, in Warsaw, we saw another ancient and beautiful city that had been 85 percent destroyed and its people decimated.

And between Warsaw and Tokyo, our Council met at Athens, where a brave nation was bled time and time again by the ravages of war. Against such a background, we should do our level best.

THE U–2 INCIDENT

The aftermath of Paris is a crisis in the United Nations at New York. Sharp words spoken there have had their echo here. We have heard sinister interpretations placed on the U–2 flight. May I remind everybody, however, that the purpose of the flight was only to provide safeguards against surprise attack. The plane carried no bombs. The pilot was only one man and not an army.

Harsh words should not dim the forthright conduct of the President of the United States. He could have let the blame fall on a clerk, he could have said nothing, but Mr. Eisenhower is a man of candor. He did not personally order the flight of May 1, but he had approved the securing of information to protect the peace; so he did not wash his hands of the matter. He accepted responsibility, and then he ordered the flights to stop.

U.S. RECORD OVER THE YEARS

The incident should not blind anyone to the overriding policies and longtime purposes of the United States, which through peace and war have been intended to make the world safe for democracy.

At the turn of the century, our blood and our treasure were spent to give Cuba her freedom and to put the Philippine people on the road to self-government. Twenty years later, our boys crossed the sea to help rescue freedom in France and to help Paderewski restore parliamentary government in Poland.

A generation later, they went again to all parts of the world—to India, China, and Australia—to aid beleaguered people.

Memories are short if Leningrad and Moscow have forgotten their calls for a second front.

Memories are short indeed if men have forgotten that food and clothing went to the families of the former enemy within hours wherever the flag of the United States went. Memories are short indeed if the efforts of the United States to establish the United Nations to maintain peace and to foster programs for the less developed nations are forgotten.

SEEK PEACE WITH FREEDOM

In concert with others, we now seek to maintain peace with freedom. The perils include fear, suspicion, and accident. Small nations rightly plead for consideration, because nuclear war would not recognize national boundaries. People are people wherever they live, whether in large countries or small.

Can fears be removed by words alone? They cannot. Will nations abolish arms without guarantees? They will not. Complete and immediate disarmament is a mirage.

People demand a secure peace; they want police to maintain order, effective controls to check disarmament.

The situation is not hopeless. Nations, like men, do not climb to mountaintops with a single bound. They get there one step at a time. Each step forward helps.

Your draft resolutions, Mr. Rapporteur, point the way. My own country's actions support you. On general disarmament, President Eisenhower has joined with Prime Minister Macmillan in asking the United Nations to resume work on disarmament. It was not my country that walked out at Geneva last June. We were ready with proposals intended to meet the suggestions of the Soviet Union. I am sorry that they did not wait to hear them.

The United States has suspended nuclear tests and has declared its willingness to continue that ban while seeking jointly to develop full detection methods.

On the manufacture of fissionable material, on August 10 Ambassador Lodge proposed to the United Nations Disarmament Commission that the United States and the U.S.S.R. agree to end the production of fissionable materials for weaponry and to transfer over 30 tons of the material to peaceful purposes.

EISENHOWER'S FOUR-POINT PROPOSALS

On the peaceful use of outer space, on September 23 President Eisenhower put a four-point program before the General Assembly of the United Nations.

He proposed that, "celestial bodies be not subject to sovereignty" and that, "subject to appropriate verification, no nation put into orbit or station in outer space, weapons of mass destruction." He would extend the principles of the Antarctic Treaty to outer space.

On effective controls, both as to conventional and nonconventional armaments, Mr. Eisenhower said: "I solemnly declare, on behalf of the United States, that we are prepared to submit to any international inspection, provided only that it is effective and truly reciprocal."

On protection against surprise attacks, in 1955 at Geneva, Mr. Eisenhower proposed open skies or aerial surveillance.

To us, inspection does not mean espionage, but only effective controls.

The United States does not ask for any inspection that it would not accept for itself.

On these points, my colleagues, we can go forward.

We may seem to be in a dark forest, but let us not storm and blame one another. Let us look for the paths that lead to the sunlight.

Let us take what steps we can take together and develop programs of good will and mutual exchange until, as confidence increases, people everywhere can live under governments of their own choice in freedom and in peace.

Mr. HUMPHREY. I thank the Senator. I wish to make it quite clear that anything I have said relating to the Senator's proposed amendment should not be interpreted as any indication of a lack of respect for the Senator's suggestion, or as an indication that the Senator wished to weaken the bill. I know he does not. I thank him for his position. It has been a very fine one. I am deeply indebted to the Senator, and so is the Congress.

Mr. COOPER. Madam President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. COOPER. I am loath to interrupt the Senator.

Mr. HUMPHREY. I am delighted to be interrupted by my good friend from Kentucky.

Mr. COOPER. The Senator is a most eloquent speaker. He thrills me, though I sit in the Senate and listen to speeches all day long. I wish we could send the Senator to the United Nations to speak when the United Nations meets to discuss disarmament.

I remember, as I am sure the Senator remembers, that when he introduced the bill he asked me to become a cosponsor.

Mr. HUMPHREY. I surely did.

Mr. COOPER. I was very happy to become a cosponsor. All of us would like to believe that disarmament with control and inspection were possible.

I am not very optimistic at this time but we hope that some day we may achieve our objective. There is nothing in the news today to indicate any immediate possibility of doing so.

But I know the possibility of achieving disarmament—limited or full—with adequate controls, will be lessened unless the United States is able to present plans which have been well thought out and formulated. This can only be done by the establishment of an agency which works continuously upon this great issue.

I wish to say something else to the distinguished Senator, concerning the understanding of our policies by other countries. I know he has engaged in disarmament conferences, as has the Senator from Tennessee [Mr. GORE].

I sat in the United Nations several times and listened to the exposition of our disarmament proposals. Of course, that was several years ago in 1949, 1950, and 1951, and our proposals had not developed as they have today. But even then, our proposals were not easily understood by other countries.

Further I do not believe the leaders of other countries have understood our disarmament proposals, either those which relate to general disarmament, or those which relate to nuclear tests.

It is the lack of understanding, of information by the leaders and governments of the newly developed countries, which has led them to accept too readily the Soviet position of treaties for general and complete disarmament without provisions for control and inspection. I do not think that is the only cause. I am very sorry to say, that I believe that the leaders of some countries are so frightened by the terroristic threats of the Soviet Union that they tend to equate the Soviet and United States positions.

I am very sorry that at the recent Belgrade conference the nonalined countries did not take a stronger position against the recent resumption of nuclear tests in the atmosphere by the Soviet Union.

Does not the Senator believe that our Government ought to make a greater effort to inform the leaders of other countries about our position in the general field of disarmament and also in the field of nuclear tests.

Mr. HUMPHREY. Yes.

Mr. COOPER. Perhaps some do not wish to understand it, but others do not understand, because our positions are very complicated.

How can one secure the general approval or support of other countries unless one is able to make clear to them our position and proposals? Our position for true disarmament with inspections is as important to them as it is to the United States.

Mr. HUMPHREY. I say first to the Senator from Kentucky that his knowledge of foreign affairs is, to my mind, one of the real sources of strength of the United States, as well as of himself. I deeply regret we are not able to have his contributions on a daily basis in the Senate Committee on Foreign Relations, to be very frank.

Mr. COOPER. I do not think I shall be in the Senate that long.

Mr. HUMPHREY. The Senator will be in the Senate for a long time. I say that as a Member on this side of the aisle.

There are some issues the Senator from Minnesota thinks are overriding. There are some issues far beyond partisanship. The Senator knows I feel that way from the depths of my heart. I am deeply grateful for his service to this country.

I feel that we have attempted in the field of nuclear test suspension to do a good job in making our position plain. I was one of those who liked the work of Ambassador James Wadsworth. I thought Ambassador Wadsworth was very sincere and very patient. He did a good job. I thought he made our position as clear as he could in the light of what was our position. We had not really gone the whole way.

Then, along in March, there was the work of Mr. McCloy, and Mr. Arthur Dean was brought back into Government service. I thought Arthur Dean, with the draft treaty he took to Geneva, did a remarkable job. For the first time we went on the offensive. We had the initiative against the Soviets. We have had the Soviets in retreat on this issue for a long time. They had hoped to drive the United States to nuclear testing first. They had hoped we would make the first move. Finally they gave up, and they made the first move.

The Soviets tried to obstruct the conference. They did a good job of obstruction. However, when it comes to the question of general disarmament, or even limited disarmament, we have had a poor show. We have never had an overall policy.

Now we are beginning to get an overall policy. But we shall need an agency that can gather and digest the information, and make overall recommendations to the Secretary of State, the President, and the Congress, so that we may understand what our policy is. I do not think we can expect people in other parts of the world to understand if we do not ourselves understand our policy.

Mr. COOPER. Madam President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. COOPER. I have no doubt that the Soviet Union knows our policies. I have no doubt that our allies, particularly those engaged in negotiations, know our policies. The point I wish to make is that I am sure other countries throughout the world, both in the U.N. and outside, whose leaders have not studied our proposals and who do not understand what they are, for various reasons have accepted too easily the generalities and glittering promises made by the Soviet Union of a treaty for complete disarmament without any assurance of inspection.

Mr. HUMPHREY. There is no doubt about it.

Mr. COOPER. Perhaps the Department of State could do more through our ambassadors and by other means to inform other countries, so far as they can. I do not see how we can expect great support for the proposals of the United States unless better information is furnished.

Mr. HUMPHREY. Our information program is vital. The best kind of information or, to use another word, the best kind of propaganda, is based upon a program or policy with respect to which we have taken the initiative.

All Senators were elected; none of us was appointed. None of us won an election by debating on the terms of another. We never win elections by discussing the other person's issues. One must take the initiative. The reason that some men are in the Senate and others are not is that those of us who are here got out in front, took the initiative, and were able to make our positions sufficiently plain to a large enough number of people to win a majority vote.

With all due respect, I say to Senators that I do not think we always discuss the issues on the public platform and with our constituents in the intricate detail with which we discuss certain bills in the Senate. If we did, doors would be closed. We must come forth with general statements and generalities that have application and meaning to the people.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. COOPER. I appreciate the Senator's yielding. I am glad that the Senator has introduced and supports strongly this bill. I point out that the Disarmament Agency had its beginning last year, when President Eisenhower established a small office in the Department of State, to work continually on disarmament.

Mr. HUMPHREY. The Disarmament Administration.

Mr. COOPER. The objection is raised that disarmament confuses and cuts across our program for national security. The objection is also raised by many that the success of such agency is not possible. I hold strongly that the United States must continue to make every effort it can toward disarmament and in the best possible way. The only possible way I see is to establish such an agency as the one proposed.

Today a comment was made that the passage of such a bill as the one proposed at this time would have unfortunate and even disastrous effects upon negotiations that may take place over Berlin. I do not believe this correct—or that Mr. Khrushchev will be strengthened by the passage of the bill, or that it will weaken our position. To the contrary I believe it will strengthen our position.

The United States has taken a very clear position with respect to Berlin. The President, supported by former President Eisenhower, former President Truman, Congress and the people, has made clear our commitments, and our willingness to defend them, even if it leads us into war.

Recently we have witnessed a progression of actions, started by the Soviet Union, which unless they can be interrupted by negotiation, could lead to more dangerous circumstances, and toward war. It is necessary that someone be able to break out of this circle, and I believe the United States should take the lead in moving toward negotiation.

I am glad that negotiations have evidently been proposed by the President of the United States. Negotiation does not mean appeasement. It means some honorable accommodation which would be consistent with our commitments. The passage of the bill would indicate, if not to Mr. Khrushchev, to our allies and other countries of the world that the United States, even in this crisis, is proposing a course of action which shows that we have hope for the future and that we have programs other than the development of our military might, necessary as it is, and we will keep strong, and grow stronger until agreements are reached, for the security of the United States stands above all else.

Mr. HUMPHREY. I thank the Senator. I fully concur in his statement, with the spirit of his remarks, and in what he has said with reference to our willingness to take the initiative in these questions of negotiation. No sign of weakness or appeasement is shown by having the courage to face one's adversary in negotiations.

One of the real weaknesses in American foreign policy through all the years is that everything we have done has been directed toward attempting to convince the Soviet Union. I suggest that there is a great portion of the world outside the Soviet Union, and that is the area of the world in which we can maximize our influence. It is the area in which we could make a better appearance; and we might be able to convince and persuade these peoples and governments to join us.

I return to an analogy that is not always accurate. I have seldom found that one is able to convince his opponent in a campaign or struggle. One who spends all his time trying to convince his opponent has lost the election. One does not try to convince the coach of the opposing football team that one has the better team. One tries to get busy and put the plays across.

I hope that we can practice a little commonsense in our foreign policy by taking the initiative whenever we can in seeking a path to a just and enduring peace. Those are not mere words. They are great challenges to the United States.

We say that we are the moral leaders of the world. We often speak of our being the political leaders or the military leaders of the world. The question is, are we the moral leaders of the world? I am not one of those who let people laugh off moral leadership, because the honor of having, deserving, and using moral leadership is the stamp of greatness. It sometimes represents the difference, in the long term of history, between the weak and the strong, between the successful ones and the failures.

I now yield to my good friend from Tennessee, who has a glint in his eye. I know he has a contribution to make to the debate.

Mr. GORE. Madam President, the glint in my eye, which my distinguished friend has detected, arises from the satisfaction of a curiosity which I fear has been developing. The senior Senator from Minnesota is aware of the story about the typical Senator who first is a bit bewildered about how he managed to become a Member of the most exclusive club in the world, but after being here a short time he begins to wonder how anyone else got here.

Mr. HUMPHREY. I have heard the story about the man who, having been elected, wondered how he made it, but after he had been here for 3 months he wondered how other Senators made it.

I know how the Madam President got here. It was through ability and hard work and intelligence and the high esteem of her constituents.

Mr. GORE. Now that the Senator from Minnesota has satisfied this curiosity, and he has explained the political tactics of how to achieve membership in this body——

Mr. HUMPHREY. It was only by observation of others.

Mr. GORE. Does not the Senator acknowledge a wee bit of lingering doubt?

Mr. HUMPHREY. Yes, Since the Senator asks from me the truth.

Mr. GORE. In a serious vein, after these pleasantries, I wish to congratulate my distinguished colleague from Minnesota for his able, successful, envisioned, and eloquent leadership in this very great cause.

Mr. HUMPHREY. I thank the Senator.

Mr. GORE. Sometimes he has been accused of being a visionary. I am not sure that that is an accusation which one should refute with great ardor. Vision is necessary. If one has vision he may by those who are less possessed of vision be accused of being a visionary. I think the distinguished senior Senator from Minnesota is truly possessed of vision and prescience, and I wish to congratulate him thoroughly and wholeheartedly upon the leadership he has provided and is providing in the field of disarmament and in undertaking to have this country's genuine desire for disarmament carefully prepared, carefully reasoned, carefully presented not only to our people and Government, but also to mankind, whose future is involved.

Mr. HUMPHREY. I am very grateful to the Senator from Tennessee. Lest it be though that we are merely being kind to one another, let me say briefly and very concisely that the Senator from Tennessee, as I said to the Senator from Kentucky, is a man who has worked with great determination and diligence and intelligence in this important area. He is a member of the Joint Committee on Atomic Energy, whose work is related to this subject. I am grateful to him for his more than generous remarks.

Mr. GORE. I wish to advert to a remark the distinguished senior Senator from Kentucky made. He spoke of the evidence that Khrushchev had successfully thrown fear into the hearts of the leaders in their recent conference in Belgrade. I must acknowledge that I believe that the senior Senator from Kentucky is correct in his observation. Perhaps one principal reason why this conference failed to make a significant contribution toward world conditions was their reaction of fear to the Russian trickery, epitomized by the resumption of nuclear weapons testing.

Though respect is sometimes associated with fear, though the lack of fear of the United States and fear of the Soviet Union create and intensify problems for us, I wish to say that I am proud that the leaders of the neutral nations of the world are not fearful of the United States. I regret that they are fearful of the Soviet Union, with its absolute dictatorship leadership. Though it creates problems for us and intensifies our difficulties, nevertheless in the end it will redound to our strength that they do not fear us.

Mr. HUMPHREY. The Senator is to be commended for that statement. It is not easy to be just. The road of the peacemaker is one that has many tortuous turnings and many pitfalls. The Senator has made quite clear what the objective of America is. The objective is the respect of friends, neutrals, and even enemies. We do not seek to inject fear. I thank the Senator for what he has said. I hope many people in the world will be able to read his statement and to know what was said here by a very responsible Member of this body.

Mr. LONG of Louisiana. Madam President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LONG of Louisiana. As one who has served on the Special Subcommittee on Disarmament under the leadership of the Senator from Minnesota, I particularly want to congratulate him on the perseverance he has demonstrated in this field. Many times it looked as though the cause of disarmament was almost hopeless. Yet the Senator has persevered in this matter. He has been determined to demonstrate that while the eagle holds the arrows in one claw, as the President has said, he also holds the olive branch of peace in the other claw. Neither should be neglected. Unfortunately, there has been neglect of the olive branch.

Mr. HUMPHREY. Of both of them.

Mr. LONG of Louisiana. I regret to say it is true that actually both have been neglected. However, the olive branch has been neglected even more than the arrows. This Nation should always be taking the lead in this field, in the cause of peace, to seek universal disarmament. That is the goal toward which we should always be moving. We should try at all times to work with the Russians and try to persuade them to go along on this problem, so that humanity may have some relief from the fear in which it lives.

We could not have a better champion of this cause than the senior Senator

from Minnesota. I believe he is the only man who outtalked Khrushchev.

Mr. HUMPHREY. I tried.

Mr. LONG of Louisiana. This Nation could not have a better advocate to discuss a subject of this sort with Mr. Khrushchev. I say that with some element of pride, because I had something to do with recruiting the Senator from Minnesota, when he was a graduate student at the University of Louisiana, to lending his talents in debating with the British debating team, and it was the first time that we took the English to the cleaners.

I do not believe we could have found a better champion or advocate or a more persuasive advocate than the senior Senator from Minnesota. I wish to salute him for the tremendous time and effort he has devoted to this issue. I thank him for the magnificent work that he has done in this field.

Mr. HUMPHREY. I am grateful to the Senator from Louisiana, and I am deeply appreciative.

Mr. CASE of New Jersey. Madam President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CASE of New Jersey. I join my colleagues in the Senate in expressing appreciation to the Senator from Minnesota for his effort in this field which has extended over many years, and for his persistence and intelligence and effectiveness.

As a cosponsor of the bill with the Senator from Minnesota, I am happy that this landmark has been reached through his hard work and effort.

I join with other Senators wholeheartedly in the words of praise they have bestowed upon the Senator from Minnesota.

Madam President, as a cosponsor of S. 2180, I should like to address myself to one of the objections which has been raised to it.

Some have contended that an expanded Disarmament Agency of this nature could only serve to foster the making of concessions by this country to its adversaries.

I submit, Madam President, that this misses the point entirely. The proposed Disarmament Agency would strengthen the hand of the United States in international affairs. It would do so by giving our Government the highest technical competence in the increasingly complex field of disarmament. We need such competence, from the standpoint of being able to present the most effective proposals for arms control we can devise, in the very interests of protecting our national security. This Agency would give the United States a means of knowing what we can safely do and what we cannot safely do in this field, a knowledge which has not always been available to us in the past.

Supporters of this legislation, men such as former President Eisenhower, Disarmament Adviser McCloy, former United Nations Ambassador Lodge, Chairman of the Joint Chiefs of Staff General Lemnitzer, and former NATO Commander General Gruenther, have no illusions about the nature of the enemy or about the requirements of defense. Rather the reverse is true. They are among the highest authorities on matters of national security, and their views are entitled to the highest respect. They have all spoken out vigorously in support of the proposed legislation.

I urge the passage of S. 2180 in the interest of our national security as well as America's longstanding commitment to explore every reasonable approach to peace with justice.

Mr. HUMPHREY. I thank the Senator from New Jersey. I know he supports the proposed legislation. I am grateful to him for his support and his advocacy of the bill, as I am grateful also to the Senator from Louisiana [Mr. LONG].

The proposed Agency on Disarmament for World Peace and Security would not be an agency separated and removed from the principal national security departments of the executive branch. It would be under the direction and supervision of the Secretary of State. I wish to make this very clear. The Agency and any of its officers would not be able to formulate policy on disarmament that was inconsistent with other established foreign policies of the United States or that was objected to by the Secretary of State. The Secretary of State would at all times be in a position to guide the efforts of this new Agency.

It is quite well understood that the President of the United States, who is our chief spokesman of foreign policy and the Commander in Chief, will make certain that the efforts of this Agency are directed toward the best interests of our national welfare.

Within these policy guidelines, the Agency would operate with a degree of autonomy that would be established by the legislative directives contained in this bill. The Agency would have the statutory authorization to formulate disarmament policy for the Secretary of State, for the President and for such other officials of the Government that the President may designate from time to time. It would have the statutory authority to conduct research in a variety of fields covering the political, economic, military, and scientific aspects of disarmament and arms control. It would be authorized, under the direction of the Secretary of State, to establish the guidelines of a public information program to be carried out abroad largely by USIA. It would also be responsible for keeping the Congress and the public at home informed of disarmament developments and activities.

The Committee on Foreign Relations wrote into the bill explicit language to insure proper coordination and cooperation between the Agency and other agencies and departments of the Government. The bill specifically authorizes the President to establish procedures "to assure cooperation, consultation, and a continued exchange of information between the Agency and the Department of Defense, the Atomic Energy Commission, the National Aeronautics and Space Administration, and other affected Government agencies, in all significant aspects of U.S. disarmament policy and related matters, including current and prospective policies, plans, and programs."

The President is also authorized to "resolve differences of opinion on disarmament matters between the Department of State and such other agencies which cannot be resolved through consultation." Thus, this bill as amended by the committee would assure that our military services, the Department of Defense, the Atomic Energy Commission, and other affected agencies would at all times have their own programs and their own interests coordinated and protected with respect to the activities of the new Disarmament Agency.

There are other important features of S. 2180 to which I wish to call the attention of the Senate.

Among its functions the Agency would "formulate plans and make preparations for the establishment, operations, and funding of inspection and control systems which may become part of the U.S. disarmament activities and, as authorized by law, to put into effect, direct, or otherwise assume U.S. responsibility for such systems." The report of the committee makes clear that this function with respect to the operation of the control systems cannot be exercised except as authorized by law or treaty. This does not mean, however, that the United States could not participate in a preparatory commission which might be established for the later operation and installation of a control system as a part of a disarmament agreement.

The Agency would be headed by a Director who would be the Under Secretary of State for Disarmament. He would be paid $22,500 a year and must be confirmed by the Senate. The Director of the Agency would be assisted by a Deputy Director, paid at the rate of $21,500 a year, and four Assistant Directors, each of whom would receive $20,000 a year. The Deputy and Assistant Directors would all be confirmed by the Senate. In addition, there would be authorized the creation of a General Advisory Committee, not to exceed 15 members. The members of this Committee would be expected to be of the highest caliber. They would be confirmed by the Senate.

The Committee on Foreign Relations redrafted the provisions of the bill covering security requirements. These are as tight or tighter than any agency of the executive branch.

The Senator from Alabama has made this quite clear. We have gone out of our way, we have gone the full way, to include security provisions in the bill to make certain that this highly sensitive Agency has only the most loyal personnel possible, persons who are not potential security risks. We know that it will be a sensitive instrument of the Government, so we want it to be strong and to consist of the very best personnel our country can offer.

The bill provides that—

Standards applicable with respect to the security clearance of persons within any category referred to in (this bill) shall not be less stringent, and the investigation of such persons for such purposes shall not be less intensive or complete, than in the case

of such clearance of persons in a corresponding category under the security procedures of the Government agency or agencies having the highest security restrictions with respect to persons in such category.

That is the language of the bill. It simply means that an officer or employee of the Agency who has contact with any officer or employee of any other agency relating to any activity of the other agency must have security clearance as high as the person with whom he is in contact, if not higher. It seems to me that this is a protection which will safeguard the proposed Agency from any possible difficulty with personnel who would not be worthy of our confidence.

The final provision of S. 2180 which I wish to mention concerns the authorization of funds to be appropriated. The bill provides an authorization of not to exceed $10 million, which would remain available until expended. This, I might add, is a modest sum by all standards of government. I might compare the $10 million with the $47 billion which will be spent for defense, exclusive of the amount provided for the Atomic Energy Commission, and exclusive of the almost $1,500 million for the National Aeronautics and Space Administration. The amount authorized in the bill is an infinitesimal amount for the purpose for which it is proposed to expend it. However, that amount will make a very significant contribution to a more orderly procedure of policy formulation.

The bill requires the submission to the Secretary of State, for transmittal to the Congress, not later than January 31 of each year, a report concerning activities of the Agency. In this way the Congress for the first time will receive systematic and detailed information on the progress of our disarmament efforts and the results of our disarmament studies.

Mr. President, it is with a sense of deep pride in my country that I ask the approval of the bill by the Senate. The passage of this bill by Congress would create the first agency of its kind in the world to work for disarmament under conditions of security and peace. The creation of this Agency will demonstrate to both our adversaries and our friends that the United States does seek peace, and is strong enough to contemplate the orderly stoppage of the arms race and the beginning of a process by which arms can be controlled and reduced.

At one of the most critical times in the history of the Nation, when we are faced with an awful enemy, we speak for peace and we speak for justice. We speak for a national effort to bring about a reduction in the burden of arms.

The passage of the bill by Congress will create the first agency of its kind in the world for disarmament under conditions of security and peace. The creation of this Agency will demonstrate both to our friends and our adversaries that the United States seeks peace and is strong enough to contemplate an orderly reduction of arms by a process under which arms can be controlled and reduced.

It is important that the United States intensify its efforts to achieve workable arms control plans and progress toward disarmament at this time in history. The tensions among nations are very great. Crises confront us constantly. The world is changing very fast and we cannot expect and should not want to maintain the status quo. But we must seek to bring change about peacefully, without the use of force. We must face the realization that the crises of today, even if they subside, will be replaced by different crises tomorrow. Our great task is to remain strong enough to deter aggression, have courage enough to prepare and work for peace, and be persuasive enough to have friends and enemies alike see the wisdom of removing war and the threats of force from among the instruments of national policy.

I urge the passage of the bill.

VISIT TO THE SENATE BY A MEMBER OF THE PARLIAMENT OF THE NETHERLANDS

Mr. SPARKMAN. Madam President, the Senate is honored today to have in the Chamber the Honorable J. G. Suurhoff, a Member of the Parliament of the Netherlands. Mr. Suurhoff is the leader of the Labor Party in his country, one of the largest of the parties. In fact, it lacks only one vote of being as large as the largest party.

Until 1958, Mr. Suurhoff was the Minister of Labor in his Government, a position comparable to that of the Secretary of Labor in the United States.

I am glad to welcome him to the Senate on behalf of all Senators of the United States, and to say that we are delighted that he is visiting our country. [Applause, Senators rising.]

Mr. HUMPHREY. Madam President, I wish to join with the Senator from Alabama in welcoming to the Senate our friend from the Parliament of the Netherlands. We are honored by his presence. Again, it reminds us of the close relationships which exist between our two countries.

I know that the Senator from Alabama feels as I do that there are no finer citizens of the United States than those whom the Netherlands has given to us. They are the finest and the greatest export of the Netherlands.

U.S. DISARMAMENT AGENCY FOR WORLD PEACE AND SECURITY

The Senate resumed the consideration of the bill (S. 2180) to establish a U.S. Disarmament Agency for World Peace and Security.

Mr. GOLDWATER. Madam President——

Mr. HUMPHREY. Madam President, before I yield to the Senator from Arizona, in just a moment—who has been most patient—I ask unanimous consent that a number of letters I have received in response to inquiries I have made and letters I have sent to many leading businessmen and other national leaders on the subject of the Disarmament Agency be printed at this point in the RECORD. These letters have come from such outstanding persons as John McCone, formerly Chairman of the Atomic Energy Commission; Rev. Theodore M. Hesburgh, president of Notre Dame University; the former Governor of New York and former U.S. Senator from New York, Herbert Lehman; and from other leading churchmen and national leaders, including Henry B. du Pont, vice president of E. I. du Pont de Nemours & Co., of Wilmington, Del.; Charles S. Rhyne, a leader of the American Bar Association, and one of the outstanding leaders in our Nation in terms of disarmament activities in the United States; Most Rev. Robert E. Lucey, archbishop of San Antonio, Tex.; William Zeckendorf, president of Webb & Knapp, of New York City, and a noted businessman; and many other outstanding Americans. The letters reflect outstanding support for this measure, and exemplify the tremendous public interest which has been evidenced in favor of the so-called Disarmament Agency bill.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

LOS ANGELES, *August 22, 1961.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: This letter will acknowledge yours of August 18 attaching a copy of the bill to establish a U.S. Disarmament Agency.

I should like an opportunity to study the attachments to your letter, which I will do at once and will write my comments within the next 2 or 3 days. However, since you indicated there was some urgency in this matter, and also I know through the press that your committee is conducting hearings on this particular bill, I hasten this reply to tell you that I believe a Disarmament Agency should be created as a permanent agency within the executive branch of the Government.

It is entirely possible for the President to create such an Agency and, of course, this has been done by President Eisenhower when he appointed Mr. Stassen as Adviser on Disarmament and gave him Cabinet rank, and later when he instructed the State Department to create such an Agency and Mr. Gullion was made Acting Director of the Agency.

Despite the fact that the Chief Executive can create such an Agency without legislation, I am inclined to believe that appropriate action on the part of the Congress would give a measure of authority to the Agency which would be greater than that derived from Executive order, and also I believe legislative action would be more convincing to the other nations of the world with respect to the depth of the sincerity on the part of the United States on this question of disarmament.

It is my opinion that a Disarmament Agency must be so established and constituted that it will be accessible to heads of Government departments such as the Secretary of State, Secretary of Defense, Chairman of the Atomic Energy Commission and others who carry important statutory responsibility for providing for the security of our country. For this reason I believe that any Disarmament Agency whether established as a part of the President's office or the State Department should receive policy guidance from an interdepartmental group such as the Committee of Principals which, as you know, is a committee that has functioned for the past few years in an advisory capacity to the President on questions of disarmament and nuclear testing—which will be the central issues of concern to a Disarmament Agency.

As I mentioned at the beginning of this letter, I will write you after I had an opportunity to review the attachments to your letter.

Yours most sincerely,

JOHN A. MCCONE.

UNIVERSITY OF NOTRE DAME,
Notre Dame, Ind., August 26, 1961.

Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: The fact that the Communist leaders have exploited the dove for their peace propaganda should not obscure the fact that it was the Judeo-Christian tradition within which that benign and beautiful creature was first hallowed as the symbol of peace. In furtherance of that tradition, no single more important work can be undertaken on behalf of our Nation by the Congress than to establish an effective organization for disarmament as the crucial step toward a lasting peace. Needless to say, I can give my wholehearted support to the principle embodied in the proposed legislation S. 2180, a Disarmament Act for World Peace and Security.

My own deep involvement with national and international agencies struggling with issues peripheral to peace and survival convinces me of the need to bring into sharp focus within a single, responsible organization all of the complex problems inherent in the disarmament issue. Thus, on the practical side, I can also endorse the operational provisions of your pending bill.

Certainly, the United States can no longer be caught unprepared at any international conference table considering the sensitive issue of disarmament. I sense that some of our past ineptness may have come from a lack of single-minded dedication on the part of negotiators schooled in the policies and practices of agencies within which disarmament had traditionally been either a secondary concern or even antithetical to their primary mission.

Judging from your annual budget estimate, I suspect you may be underestimating the tremendous research and training job needed for an effective disarmament effort. Certainly, this effort should provide all the resources needed by those in our Nation and throughout the world who are willing and able to contribute to it. Heaven only knows how few these people really are.

This suggests a further striking effect that the establishment of a disarmament organization will have. This act of faith in the principle and this practical creation of resources by our Government will undoubtedly attract many of our finest theoretical and practical politicians, scientists, lawyers, and administrators to the solution of this mighty issue.

Ultimately, what we are looking for in disarmament is national leadership. The act creates an organization within which men with appropriate capabilities can give us the kind of visible and dramatic leadership in disarmament that the world looks to our Nation to provide.

I hope you will find these comments helpful realizing, of course, that with respect to the details of the bill, I defer to the judgment of you and your experienced colleagues and staff.

With every best wish, I am

Cordially yours,

Rev. THEODORE M. HESBURGH, C.S.C.,
President.

NEW YORK, N.Y., *August 23, 1961.*

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D.C.

DEAR HUBERT: I have your letter of August 19.

In accordance with your suggestion, I have been very glad indeed to send you the attached letter. If you consider it desirable, I would be very glad indeed to have it inserted in the committee record of the hearings. I have kept it short, since I have no doubt that all the facts are by this time fully known and understood by the members of the committee.

I am sending it to you only as the personal opinion of one who is deeply concerned with the problems of disarmament which have confronted us for so long.

John McCloy called me up a few days ago and I am preparing a statement, possibly at greater length, for submission to the House Foreign Affairs Committee.

Yours,

HERBERT H. LEHMAN.

NEW YORK, N.Y., *August 23, 1961.*

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D.C.

DEAR HUBERT: I have your letter of August 18 enclosing a copy of a bill drafted by the administration and introduced in the Senate by you, to establish a U.S. Disarmament Agency.

I have studied the bill and have read the testimony of the Honorable John J. McCloy, Secretary of State Rusk, Gen. Lyman L. Lemnitzer, Commissioner Leland J. Haworth, Deputy Secretary Roswell L. Gilpatric, and others, before appropriate committees of the Congress.

I beg to advise you that I am strongly in favor of this bill, which I understand will serve as an agency in the State Department with access to the President, charged with the duty of formulating, carrying out and giving the necessary continuity to the Government's policy on disarmament. I understand too that it will also have the power to carry on research, although it will not supplant the other agencies in this regard. Many different agencies of the Government are concerned with one phase or another of our disarmament program and apparently there is very little coordination of their various activities.

There is no subject of greater importance to this country or to the free world than disarmament or the reduction and/or control of armaments. I believe that we should use every possible means to develop a unified policy and program and to place at the disposal of the President and the Secretary of State the greatest degree of expert data and knowledge. We dare not omit anything that would lessen the tension and ultimately bring about a peaceful world.

I would appreciate it if you would submit my views to the Foreign Relations Committee of the Senate.

With best wishes, I am

Yours very sincerely,

HERBERT H. LEHMAN.

PFIZER INTERNATIONAL, INC.,
Washington, D.C., August 31, 1961.

The Honorable HUBERT H. HUMPHREY,
U.S. Senate, Washington, D.C.

DEAR SENATOR: This is in acknowledgment of your letter of August 18, 1961, reference S. 2180, which proposes the establishment of a U.S. Disarmament Agency.

I have not had time to study this bill in detail, but I do support its basic purpose. The chief advantage would be to set up a permanent agency within the Government which should insure better continuity in our national policies toward disarmament.

In the past our approach to this vital question has been somewhat haphazard. A variety of temporary boards, committees, and other extemporaneous groups have studied this complex problem. But, with changing personnel, there has been little or no continuity to these studies. And, lacking an established agency in the Government, our negotiators in the past have been hampered by a lack of definitive plans and policies with respect to disarmament. Your bill will go a long way toward correcting this situation.

On the other hand I have no illusions that disarmament agreements with the Communists will solve the present world situation. I have never agreed with the thesis that armaments per se cause wars. They are merely the tools by which nations, for political or economic reasons, go to war. If these political and economic problems can be solved, then disarmament naturally follows.

However, we must determine the conditions under which we will be prepared to disarm or regulate armaments and for this reason I would support your bill.

With best wishes.

Sincerely yours,

J. LAWTON COLLINS,
Director.

E. I. DU PONT DE NEMOURS & CO., INC.,
Wilmington, Del., September 5, 1961.

The Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: I appreciate very much your courtesy in providing me with information on the proposal to establish a U.S. Disarmament Agency with responsibility for research and planning.

As a businessman, I thoroughly agree with your suggestion that the times require efficient coordination and effective preparations for disarmament negotiations.

Obviously, I am not in a position to judge whether this can best be achieved through the existing framework of the Government, or whether a new agency is required.

This is a decision which properly must be made by you and your colleagues in the Congress after full examination of the facts. I join with you in the hope that, whatever the means, fruitful and constructive accomplishments will be achieved.

Sincerely,

HENRY B. DU PONT,
Vice President.

RHYNE & RHYNE,
Washington, D.C., September 4, 1961.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: I regret that my absence in Europe where I have been talking with lawyers in various countries about the world peace through law program has prevented an earlier response to your much-appreciated letter of August 18. I hasten to advise that I wholeheartedly approve of the bill to establish a U.S. Disarmament Agency for World Peace and Security. Speaking from a background of 5 days in Berlin at the time the Khrushchev wall went up and the shocked reaction to the Soviets lifting of the nuclear testing ban, I believe it crucial that this legislation be enacted at the earliest possible time. Enactment would demonstrate to the whole world that while we intend to have overwhelming power through arms to maintain security, we at the same time are working to develop means to replace force as the controlling factor in the fate of humanity. I am certain that nations will not abandon the protections they now find in their arms until security is provided by another means. We should be first in looking for that other means. We cannot replace arms with nothing. We will get rid of arms only by replacing them with law rules and legal institutions plus a legally controlled international police force.

I do believe that establishment of the new Agency would be hailed all over the world by the thousands of lawyers who are now working on the world-peace-through-law program. The enclosed memorandum summarizes the activities and accomplishments of this program to date. Lawyers are refusing to accept the verdict of the past that operation of the world under the rule of law is im-

possible. They are asserting that killing is not required for the operation of governmental relations internationally anymore than it is within nations, and they are carrying out an all-out program to enable law to transcend arms just as law has transcended force within all civilized nations the world over.

Respectfully yours,

CHARLES S. RHYNE.

MEMORANDUM ON WORLD PEACE THROUGH LAW PROGRAM

The program began with an exhaustive survey in 1958–59 among the practicing lawyers, teachers of law, and the judiciary on how the rule of law and its institutions could be strengthened in world affairs so as to enable it to make a more meaningful contribution to the effort to achieve peace. More than 10,000 members of our profession at home and abroad received this inquiry. The questions were broadly phrased such as: What kind of order do we really want in the world? Upon what premises and principles should it be based? What kind of legal, political, economic, and other institutions must it contain? How can lawyers help organize the disorganized world? Can anything realistic be accomplished? Should lawyers undertake this task or should lawyers not help at all?

Responses were compiled and distilled by experts in the field of international law into a working paper which was then put before leading lawyers of our country in five regional meetings at which all States were represented. The questions posed at these meetings were: What do you think of the ideas set forth in the working paper? What other ideas do you have?

A program of education, research, and organized effort by the lawyers of the United States was one recommendation of these conferences. But perhaps the major conclusion was that working alone American lawyers could accomplish very little, that only through a concerted effort by the lawyers of all nations could we advance peace through law.

Committtees on world peace through law were then created by State and local bar associations throughout the country—they now total approximately 150 and are growing in number constantly. A junior bar liaison committee with members in each State was created. A special committee of the American Law Students Association was set up with representatives in most law schools.

Courses in international law were surveyed by the committee. Many law schools have at the urging of the committee improved existing courses. Others have offered new courses in the field.

Through Law Day, U.S.A., programs, speeches by lawyers and others, the promise and potential of a world ruled by law has been brought increasingly to the attention of the public on a broad basis. A community sense of the need for law has been developed.

Proclamations by Presidents of the United States, by Governors and mayors on Law Day, and foreign affairs speeches by Presidents Eisenhower and Kennedy and other high Government officials have emphasized the need to strengthen the rule of law internationally. President Kennedy in his inaugural address said that the ultimate hope for mankind is: "* * * a new world of law, where the strong are just and the weak secure and the peace preserved forever."

President Truman has said: "When Kansas and Colorado have a quarrel over the water in the Arkansas River they don't call out the National Guard in each State and go to war over it. They bring a suit in the Supreme Court of the United States and abide by the decision. There isn't a reason in the world way we cannot do that internationally."

Vice President Nixon has said: "* * * the time has now come to take the initiative in the direction of establishment of the rule of law to replace the rule of force. If we rule out, as we have and should, the use of force or threats of force as a means of settling differences where negotiations reach an impasse, the sole alternative is the establishment of the rule of law in international affairs."

Senator LONG of Missouri recently said: "Thanks to the American Bar Association, lawyers in many parts of the world are now working to formulate an action program designed to help move mankind nearer to the goal of peace through law. This increasing consciousness of international problems in the legal profession is a significant contribution to the efforts of the United States to strengthen the foundations of freedom throughout the world."

Senator HUMPHREY has, through his leadership in introducing the resolution to repeal the so-called Connally amendment to our reservation to the jurisdiction of the World Court, shown tremendous leadership in this field of world peace through law.

Many statements and other evidences of leadership by other leaders of our Nation could be cited.

Hundreds of newspaper editorials, articles, and news stories have been published on world rule of law and its various phases and facets. Many television and radio programs have highlighted this subject.

Church leaders, labor leaders, business leaders, and the lay public in general are mentioning and emphasizing the need to build a world ruled by law more and more in their speeches, comments, and activities.

World peace through law committees of the various States have been most active. Two or three nations of the world have been assigned to each State's committee with a request that they ascertain the number of lawyers in each, the number of law schools, courts, type of law used such as civil, common, Islamic, etc. Reports are flowing in and the end result is to be a book entitled "Law and Lawyers of the World." An intensified program of personal contacts between American lawyers and lawyers of other countries has also been inaugurated by furnishing names and addresses of lawyers in other nations to the State committees and other lawyers who visit foreign countries.

The American Bar Association has taken the lead in sponsoring continental conferences of lawyers of the Americas, Asia, Africa, and Europe, and a world conference to develop an action program to achieve and maintain world peace through law with the broad grassroots backing of the lawyers of the entire world. The Ford Foundation and the International Cooperation Administration are financing these conferences. The universally favorable reaction—even from behind the Iron Curtain, except Hungary—is giving great impetus to this program. We find that these lawyers of other nations are just as interested, concerned, and just as knowledgeable as we are about this movement and that they share our belief in the rule of law as a common resource of mankind ready for use to create more harmonious relations. Amazing amounts of legal research have been discovered in Mexico, India, Italy, Japan, and other nations on subjects important to this program.

The first of the continental conferences held in San Jose, Costa Rica, this June was a tremendous success. Its "Consensus of San Jose" setting forth the views of Western Hemisphere lawyers on some basic principles and a program to achieve our goal is being properly hailed as a great milestone on the road to world peace. The second continental conference will be held in September in Tokyo, the third will be in Lagos, Nigeria, in December, and the fourth some time in the early part of 1962 in Europe. The World Conference will also be held in 1962.

The same type of interest and activity now found in the United States is thus being generated in more than 100 nations by the legal profession. San Jose dramatically demonstrated that this direct involvement of the interests and energies of lawyers from these nations has given them a sense of responsibility, achievement, and participation in this program. The same attention by leaders in governmental and private affairs, law schools and other areas of interest is also found in many of these countries. Committees are at work in many nations and Law Days are being held in some countries with the same type of editorials, news articles, speeches, and other activity we have in our country. Despite different languages, traditions, cultures, and civilizations we find free lawyers agreed upon the moral principles of the rule of law as the world community's greatest common denominator.

It is certain that even at this stage of the law buildup the ever-increasing interest and efforts of lawyers in other nations has transformed the world peace through law program from a purely American effort into a worldwide effort of the legal profession. Not only have American lawyers contacted lawyers in other nations but lawyers of other nations are writing to and conferring with each other more and more on this program. And great leaders are rising up in other nations to push this program forward. The importance of this development cannot be overestimated. The San Jose Conference was presided over by the President of the Costa Rica Bar Association, the Tokyo Conference will be headed by the dean of the Japanese bar and the other conferences are expected to be headed by lawyers of other nations. The International Bar Association, the Inter-American Bar Association, and other international associations of lawyers have created special committees on world peace through law to cooperate with this program. The collective approach through private efforts to further a buildup in world law is thus spreading like wildfire.

What does it mean at this juncture of world history that so many lawyers are striving hard to search out and agree upon principles and a program for world peace through law? This marshaling of world legal resources, we believe, is a major achievement insuring positive concrete steps to our goal. Many imaginative ideas on new steps to advance the cause of peace through law have come out of the effort just outlined. A flood of fresh and constructive ideas for action is being generated, as witness the "Consensus of San Jose," a document based upon more than 100 different documents, resolutions, and ideas which were handed to the San Jose delegates during that conference, plus 3 days and nights of debate.

To summarize results of this program beyond the factual recitation just made is difficult because it covers the whole world, but let me try. This program has:

Brought general agreement among many lawyers that the best approach for our program is through United Nations, in strengthening its existing agencies, and creating under its framework the many new legal institutions and law rules needed by the world community. Examples of suggestions are:

Increased use of the World Court, with regional branches of World Court where feasible.

Creating more continental courts like the highly successful European Court of Justice.

Rules providing uniformity of organization and operation of its specialized agencies and more specific law rules to replace present informality which often leads to misunderstanding.

Making the International Law Commission a fulltime agency with the duty of a tremendous speedup in a program to codify international law in all areas.

Created a tremendous growth in mutual trust and confidence among lawyers of the world, a development directly in keeping with Pope John's recent encyclical which cited the "urgent necessity of mutual understanding and cooperation" among men and nations as essential to elimination of the arms race.

Emphasized practical things that can be worked on now such as drafting a treaty guaranteeing that outer space will be used only for peaceful pursuits similar to the Antarctica Treaty, a treaty guaranteeing foreign investment, and treaties undergirding with law rules the many informal agreements on such things as transnational sales of coffee, wheat, cotton, etc.

Created among lawyers of the Americas agreement upon some of the general rules of international law adhered to by civilized nations, a program which if extended worldwide will bring more certainty into this field thus encouraging greater acceptability and reliance upon world law rules.

Begun to develop a plan of education, research and organization to mobilize the manpower and brainpower of our profession behind positive realistic action to achieve the great objectives of this program.

Above all, this program's review of the past has brought home the fact that mankind has been groping for means to achieve civilized order in the world for a long time. And it has made crystal clear that such order will not come about simply by accident or by sheer undirected technological process. Something more is required, and law has been that something wherever man has been successful in transforming a society ruled by arms to a peaceful society based upon human liberty and dignity. Past failures in adequately articulating the idea that the world community can be organized into a system of order based upon freedom and justice under law are now being remedied.

We lawyers began this program to build up law in the world community with full knowledge that many great lawyers have espoused world peace through the rule of law from the time of Grotius in the 16th century and even before. So the idea is not new. Neither is the idea of failure new. The things that are new, and the things which provide an opportunity for success now in contrast with past failures are: (1) The peoples of the world realize that possession of power to destroy civilization (a power which has never existed before) makes resort to force so unthinkable they will give their wholehearted support to this plan, support which is essential to success; and (2) the rapid communications and transportation plus the wider educational opportunities of our day are enabling a worldwide welding together of the ideas and efforts of thousands of legal technicians who have the capacity to start at the grassroots and build a world of law.

This is therefore not another effort like the Kellogg-Briand Pact which with great fanfare and the support of nearly all nations outlawed war in 1928. That pact proved to be meaningless because it provided neither the law nor the institutions to accomplish that lofty objective.

Hardheaded practicing lawyers, who are accustomed to drafting, applying or building law for their city, nation or other clients on down-to-earth, practical problems of settlement agreements, contracts, city ordinances, State and National statutes and treaties are the prime movers here. These are lawyers who have devoted their lives to solving problems in human relations. They are not deluding themselves or the public as to what they can do. They realize they do not yet have all the answers. They are focusing upon the concrete things that must be done to create the thousands of new interrelated law rules and hundreds of new institutions needed to govern the ever-accelerating contacts and relations between people of different nations as well as between the nations themselves. They are identifying areas where rules of international law, although existing now, are antiquated and inadequate. They know that our development of lawful means to control the relations of men and nations has failed to progress with the needs of our times, and they are continually asking the questions: What do we have and what do we need? And how do we get what we need? They are initiating the essential research and concerted thinking which are preludes to sensible solutions of any legal problem. They are tapping resources few people knew we had. Such resources are illustrated by the studies in various areas of international law and relations which have been made by many great legal scholars over the years and then shelved to gather cobwebs and dust because their value was never before recognized.

The proposed Disarmament Agency and the program outlined go together. The Agency would put vast governmental resources to work doing things the private lawyers cannot do. Each should receive help and impetus from what the other does.

SAN ANTONIO, TEX., *August 18, 1961.*

The Honorable HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: Although clouds of war darken the horizon of human life in many parts of the world and our country must continue to be strong in order to defend freedom and the rights of man wherever they are threatened, we must nevertheless stand ready to join with other great powers to reduce the burden and the hazard of military armaments if and when prudence and wisdom permit such a course of action.

As long ago as December 31, 1918, His Holiness Pope Benedict XV, addressed a letter to the American people in which he expressed a fervent desire for an international organization which "by abolishing conscription would reduce armaments, by establishing international tribunals will eliminate or settle disputes, and by placing peace on a solid foundation would guarantee to all independence and equality of rights."

It is therefore a cause of satisfaction to all peace-loving men throughout the world that our administration in Washington has drafted a bill, introduced by you in the Senate, to establish a U.S. Disarmament Agency, the purpose of which shall be to make every possible effort in accord with other nations to bring about world peace and security through the reduction of armaments. This objective is sacred, holy, and imperative. May God grant that through your efforts and those of your associates the human race may be spared the dreaded holocaust of another devastating war.

Very sincerely yours,
Most Rev. ROBERT E. LUCEY,
Archbishop of San Antonio.

SAN ANTONIO, TEX., *August 28, 1961.*

Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: Thank you for your letter of August 21. Herewith I enclose a statement on the proposed U.S. Disarmament Agency which you may use as you see fit.

At a time when the free nations are rapidly arming to defend themselves against the unprovoked aggression of the Soviet Government, it may seem fantastic that intelligent men should seriously consider a program of disarmament but there are compelling reasons why all the great powers should attempt a mutual and fairly apportioned reduction of armament because the progress, prosperity, and survival of the world community are imperiled by the present formula of international relations based on a balance of terror and annihilation. It is the duty and privilege of our country as the last bulwark of human freedom to search out and make available to the world those imperatives of disarmament.

Very sincerely yours,
Most Rev. ROBERT E. LUCEY,
Archbishop of San Antonio.

SEPTEMBER 5, 1961.

The Most Reverend ROBERT E. LUCEY,
Archbishop of San Antonio,
San Antonio, Tex.

DEAR ARCHBISHOP: Thank you very much indeed for your letter of August 28, and the enclosed statement regarding S. 2180, the Disarmament Agency bill.

Your words of wisdom are a clear indication of why the establishment of an agency would be such a desirable step. I appreciate receiving your wonderful statements of support, and am grateful for your kindness in writing.

Sincerely,
HUBERT H. HUMPHREY.

WEBB & KNAPP, INC.,
New York, N.Y., August 22, 1961.

The Honorable HUBERT H. HUMPHREY,
U.S. Senate, Washington, D.C.

DEAR SENATOR HUMPHREY: It was very thoughtful of you to take the trouble to send me the information contained in your letter of August 18 and I am flattered that you asked for a comment about this legislation.

I heartily endorse the objectives of this legislation. It is recognized by men of intelligence all over the world that fantastic horrors await mankind as well as the planet itself unless a comprehensive and energetically pursued plan for disarmament is forthcoming from all nations of the world. This observation is obviously platitudinous, but the truth can't ever be repeated too often. Armament is becoming such a tremendous factor in the economic bloodstream of the Nation that labor and industry will no doubt fear the impact of large scale disarmament.

It is impotrant that particular stress be made on that aspect which is identified by No. 8 on page 4 of the draft concerning "Facts About the Proposed U.S. Disarmament Agency for World Peace and Security." Total comprehension by all facets of the American economy must be part of an education program to coincide with the effort. Ideas of disarmament must be sold to the American people not just based on fear of the consequences from nuclear war but also through explanation of the end result upon their standard of living. However, true it may be that moneys put into armament is wasted and therefore deflationary on the standard of living, the average person looks upon armaments more as a boom to the economy than any other factor. From the long range standpoint, this is obviously not the fact. The facts have to be sold to the every day citizen or the legislation will not get anywhere.

I extend every good wish to this new and most essential legislative effort on your part.

Kindest regards.

Sincerely yours,
WILLIAM ZECKENDORF,
President.

ASIATIC PETROLEUM CORP.,
New York, N.Y., August 25, 1961.

Senator HUBERT H. HUMPHREY,
U.S. Senate, Washington, D.C.

DEAR SENATOR HUMPHREY: Your letter of August 18 addressed to Mr. Barran was not forwarded to him as he has now resigned the presidency of this company to take up one of the managing directorships of the Royal Dutch/Shell group in London and, in the absence of his successor, Mr. A. S. C. Hulton, I am very pleased to acknowledge the interesting material which accompanied

your letter and which related to the formation of the U.S. Disarmament Agency for World Peace and Security.

Speaking on behalf of the Royal Dutch/Shell group of oil companies with its widespread international interests, I have no hesitation in saying that we shall welcome the new Agency, both for the concentration it will be able to effect of the U.S. effort toward securing general reduction of armaments, and for the evidence it will provide to the whole world that this country is dedicated to a reduction of international tensions, which are the inevitable concomitant of competitive armament establishments.

That the United States is able at this particular moment of heightened international strain, to devote its administrative capacity and legislative time to setting up the new Disarmament Agency, is further convincing proof of our objectivity and of our concern for the welfare of humanity.

If this company can be of assistance in providing statistical or technical data for the new Agency when it gets into its stride, we shall be happy to do so, and perhaps the director, when he is appointed, could be so imformed.

Very truly yours,

G. G. THOMSON, Jr.,
Vice President.

AMERICAN MACHINE & FOUNDRY CO.,
Washington, D.C., August 29, 1961.

Senator HUBERT H. HUMPHREY,
Committee on Foreign Relations,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: Your letter August 18. I heartily agree with the necessity for a U.S. Disarmament Agency. In my experience with disarmament negotiations, and my observation of later attempts, I was struck by the lack of continuity of personnel and the absence of agreed policy. It is perhaps the case, as Walter Lippmann has pointed out, that progress in disarmament must await political settlements and softening of bellicose attitudes to the point where disarmament would take place automatically. This view implies that any disarmament conversations are presently futile, and perhaps this is the case. But such a conclusion should be reached, if at all, by a fully qualified group after exhaustive study of the problems involved. If it should not prove to be the conclusion, it would be wise to be thoroughly prepared to negotiate when an opportunity arises.

Surely we cannot expect the Russians to enter seriously into negotiations and refrain from using them as propaganda forums, if we continue to send "pickup" teams who have in many cases failed even to consult with their immediate predecessors and who are not equipped with agreed policy instructions.

It is significant that when Mr. Stassen was appointed, the Russians took him seriously and for nearly 3 years seemed to be negotiating in good faith. I have always attributed this to two facts: (1) That his title was Assistant to the President for Disarmament and (2) that, at that time, he enjoyed certain political stature in his own right. When his position was weakened, the Russians at once concluded that this was only a repeat performance of previous negotiations and went at once into an intense propaganda phase which excluded all practical results.

If continuity of effort can be assured by the Disarmament Agency as envisaged by you, it seems to me that it should be formed as promptly as possible and that every effort should be made to keep it dedicated to its worthy purposes.

Sincerely yours,

MOREHEAD PATTERSON.

CINCINNATI, OHIO, *August 28, 1961.*

The Honorable HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR HUMPHREY: I thank you for your courtesy in sending me information on the proposed legislation to establish a Disarmament Agency in the U.S. Government, and for your request in respect to favorable intervention in providing public support for the measure.

As indicated in your letter, the issue is a very complex one and does need penetrating study. Obviously it is inseparably related to the entire peace program, and, it seems to me, subordinate to and consequent upon political solutions in the first instance. That it deserves specific treatment, however, seems to me equally obvious. Timing is also a most important factor in securing favorable attention and action.

Not being familiar with the intricacies of the Government peace program and its correlation with other activities, I do not consider myself competent to express a sure or well informed judgment in the matter. I am wholeheartedly in favor of disarmament under proper conditions, but regret that my lack of adequate knowledge precludes a definite position as to the best methods to secure the desired objective.

Please give my greetings to Father Conway.

With best wishes, I am

Sincerely yours,

KARL J. ALTER,
Archbishop of Cincinnati.

THE CATHOLIC REPORTER,
Kansas City, Mo., August 28, 1961.

Hon. HUBERT H. HUMPHREY,
Committee on Foreign Relations, U.S. Senate, Senate Office Building, Washington, D.C.

DEAR SENATOR HUMPHREY: Thank you for the materials explaining the purpose and contents of S. 2180, the Disarmament Act for World Peace and Security, which you have introduced in the Senate. As a vice president of the Catholic Association for International Peace, a member of the International Relations Council of Kansas City, and as editor of the Catholic Reporter I wish to express unreserved support for the bill and urge its passage this session.

Policy needs instruments. We can proclaim forevermore that we value peace above all things, but unless we create tools adequate to the task of building peace, these proclamations will seem—and be—mere ritual pieties. Arms control will be of course most difficult of achievement; all the more reason, then, for pursuing it by the most effective means. From an examination of the materials you have provided, it is clear that the step you propose represents a great advance over previous conditions.

A single government agency provided with adequate staff and authority can meet many urgent needs; as an editor, I am most struck by the need for better information. Without greater public understanding of both the political and technical aspects of disarmament and arms control, our Government is seriously handicapped in negotiations, as well as in conveying to the world the true ends of American policy. The very existence of the agency which S. 2180 proposes will serve to focus the attention of journalists, and therefore of the public, on this complex problem.

We have already indicated our interest in and support for S. 2180. I enclose a tear sheet of the front page of our most recent issue, which gives prominent notice to the efforts of the Catholic Association for International Peace to obtain legislative and public support for the bill.

Also enclosed are clippings of articles by two of our columnists dealing with the necessity for coordinated governmental action in the field of disarmament. One of these articles, written by Norma Krause Herzfeld, was quoted from extensively in the testimony of Dr. William Nagle, representing the Catholic Association for International Peace before your committee.

We expect to give further editorial support for S. 2180. Thank you again for explaining so fully the background of this constructive and vitally needed piece of legislation.

Sincerely,

ROBERT G. HOYT,
Editor.

[From the Catholic Reporter, Aug. 25, 1961]

CATHOLIC PEACE GROUP FOR DISARMAMENT AGENCY BILL

WASHINGTON, D.C.—World tension over the Berlin crisis makes the creation of a U.S. Disarmament Agency more important than ever, a Catholic spokesman told Congress.

The spokesman said that quick congressional action toward coordinating U.S. disarmament efforts would have a salutary effect on world public opinion by giving evidence that even in a time of crisis American policy is to press for an end to the arms race.

Appearing before the Senate Foreign Relations Committee, Dr. William J. Nagle spoke on behalf of the Catholic Association for International Peace. He said the CAIP endorses "with enthusiasm" a bill (S. 2180) which would establish the agency.

Nagle is chairman of the association's committee on morality and warfare. He is director of a private research organization and editor of a recent volume of essays dealing with Catholic views on moral problems of modern warfare.

Nagle said the lack of clear-cut authority and responsibility for coordination of disarmament policies within the Government has proven a major handicap to our disarmament efforts. A single, central agency would also be able to make more effective use of disarmament studies carried on by university research centers, he said.

Setting forth the CAIP position, Nagle quoted frequently from a column by Norma K. Herzfeld, Washington correspondent for the Catholic Reporter. Mrs. Herzfeld is a former CAIP vice president and former committee secretary for the organization.

Mrs. Herzfeld wrote: "We have kept no more than a handful of experts working—usually part time—on disarmament proposals, implying that we give less importance to this subject on high Government levels than to the matter of starling removal in the District of Columbia."

She said that internal disagreements among the armed forces, CIA, Atomic Energy Commission, and the State Department have frequently kept the United States from making important policy decisions, and this at times when agreement seemed possible with Russia.

She charged also that Government authorities "have never sought to inform the U.S. public on the meaning of arms control and the degree of our own national sovereignty which would have to be given up for an enforcible system of inspection and control."

Nagle said the CAIP urges "as strongly as it can" that Congress pass the bill before the adjournment of the current session.

"Passage of the bill would provide an excellent complement to the President's speech on Berlin and to our present arms buildup. In our concern over Berlin, we must not lose sight of the long range advantage in world public opinion that would accrue to the United States if we passed the bill creating the disarmament agency within the next month."

U.S. DISARMAMENT AGENCY
(By Donald McDonald)

It may seem incredible, but it has taken our country 16 years—from the dropping of the first atomic bomb until now—to create a special, permanent agency for disarmament, thereby serving notice on the world that we propose to make a sustained, organized, and systematic effort leading to eventual universal disarmament.

The agency has not yet been established. But the necessary legislation has been introduced by Senator HUBERT HUMPHREY, of Minnesota, and Representative THOMAS E. MORGAN, of Pennsylvania. It has bipartisan support and seems assured of passage if the House can make room for it in the crowded, closing weeks of this session of Congress.

For 16 years the disarmament problem has been treated by both the Truman and Eisenhower administrations in a spasmodic, haphazard manner. It has at times been oversimplified, at other times distorted (e.g., certain propagandists have persistently deceived the American people by pretending that all American advocates of disarmament favor unilateral disarmament by the United States which would indeed, if true, be a foolish and dangerous position).

At one time, Mr. Eisenhower (or was it Sherman Adams?) found a little office in the White House for Harold Stassen and installed him as the nation's disarmament expert. But when Mr. Stassen began delving into some of the ramifications of disarmament and began seriously negotiating with Russia, Britain, and France in London, his job and his office were dissolved.

This is not, mind you, a matter of the disarmament sincerity of Mr. Eisenhower or the late John Foster Dulles, or of Mr. Truman who accomplished little more.

The deficiency, I think, has not been one of sincerity, but rather of imagination and intellectual power, together with conviction and confidence that what must be done—i.e., universal disarmament, and the establishing of world peace and world order—can be done.

All of these qualities of mind and heart must be present in any President and his administration if they are to overcome the inherent difficulty in disarmament—that is, the formidable psychological task of mounting and sustaining total disarmament effort at the same time that the nation must be totally committed, for sheer survival reasons, to an all-out armament program.

What a nation can accomplish in disarmament planning and negotiating is related, of course, to the climate of public opinion in the country. But the Government itself can influence that public opinion, for or against disarmament, by what it says, how it acts, how much official concern it shows for the problem.

If the proposed U.S. Disarmament Agency for World Peace and Security is merely the latest move in the international propaganda game, if it is to be staffed by people with anything less than total conviction about the urgency of universal disarmament, and if it is to be bypassed by Government officials who have for years dismissed disarmament as the dream of naive idealists, then we shall be no closer to realistic disarmament than we have been since 1945. And we shall leave public opinion both cold and uninformed about the possibilities and the urgency of disarmament.

I bring up these hypotheses not because I think they correspond to present reality but because they reflect some of the inhibiting conditions that surrounded our disarmament efforts in the past.

Secretary of State Dean Rusk's statement on the agency to the Senate Foreign Relations Committee encourages hope that at last the United States is going to take more than a stop-and-go interest in the No. 1 problem in the world today.

He avoided (properly, perhaps, in that context) the matter of whether universal disarmament can be negotiated and enforced outside a worldwide legal and juridical structure.

But Mr. Rusk is aware of the seeming paradox and internal conflict of working simultaneously for disarmament and armament. Aside from the political and ideological conflicts in the world, he said, "the arms race itself creates an element of instability and insecurity."

We cannot, he said, let the "recurrence of (political and military) crises prevent us from addressing ourselves to the kind of world we hope to see."

Our Disarmament Agency can be immensely useful on the technical level alone—for there is a vast amount of scientific, military, political, and economic matter that must be absorbed, sifted, correlated and passed along to Mr. Kennedy and Mr. Rusk.

But were the President and the Secretary to limit the agency's usefulness to the technical, they would limit disarmament itself and limited disarmament, like limited war, is a snare and a delusion. We have grounds, I think, to hope that this will not be the fate of our first permanent governmental agency for disarmament, world peace and security.

TIME, INC.,
New York, N.Y., August 22, 1961.

The Honorable HUBERT H. HUMPHREY,
U.S. Senate, Washington, D.C.

DEAR SENATOR HUMPHREY: Thank you for your letter about disarmament and for the informative material about pending legislation to provide for a U.S. Disarmament Agency.

It seems to me that the establishment of a U.S. Disarmament Agency is both proper and necessary.

This subject of disarmament is an immensely complicated one and therefore requires the continuous attention of experts. It also requires, from time to time, prompt decisions which can only be made by the President on the advice of a public office in whom he has confidence.

Your efforts to establish this much-needed Agency have my wholehearted support.

With kindest personal regards,

Sincerely yours,

HENRY R. LUCE.

FORD MOTOR CO.,
Dearborn, Mich., August 24, 1961.

The Honorable HUBERT H. HUMPHREY,
U.S. Senate Committee on Foreign Relations, Washington, D.C.

DEAR SENATOR HUMPHREY: I thank you for your invitation to express my views concerning S. 2180, the bill introduced by you and a bipartisan group of Senators to establish a U.S. Disarmament Agency. I do not, as you will understand, feel competent to comment on the specific provisions of the legislation, but I do support its underlying objectives.

In a world faced with the constant threat of annihilation, I believe we must do all in our power as a nation to develop techniques for the accomplishment and maintenance of disarmament in order to avoid the madness of nuclear war. Although we have been forced by threats to our security to step up our defense preparedness, I see no reason, either psychological or practical, to delay reasonable moves designed to improve and coordinate disarmament efforts.

Very sincerely,

HENRY FORD.

Mr. HUMPHREY. Madam President, I have before me a very large number of editorials in support of the proposed legislation which have been published in newspapers all over the country. I shall not ask that all the editorials be printed in the RECORD. Instead, I merely refer to them now; but I should like to have my colleagues read some of them. According to the Legislative Reference Service of the Library of Congress, the editorial comment published in the Nation's press runs overwhelmingly in favor of the bill. I ask unanimous consent that certain selected editorials be printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Miami Herald, July 1, 1961]

WORLD ARMS AND A MAN

Great things sometimes come about through slow, patient, steady chipping away at obstacles in the path of human progress.

One of these could be some semblance of world peace with justice and security through effective disarmament. If such a thing should come to pass in our time its instrument might well be the U.S. Disarmament Agency for World Peace and Security.

President Kennedy has appointed John J. McCloy, his adviser on disarmament, to head the Agency and has asked Congress for approval.

In defining his objective the President said:

"Peace cannot be brought about by concentrating solely on measures to control and eliminate weapons. It must also encompass measures to sustain and strengthen international institutions and the rule of law. A disarmament program must take into account the national security, our foreign policy, the relationship of this country to international peace-keeping agencies, including the United Nations, and our domestic economic and other policies."

So the order is large for this distinguished soldier, lawyer, banker, and onetime U.S. military governor of Berlin. Mr. McCloy would not only keep tab on the world's weaponry and urge its eventual reduction but he would also help formulate policy and conduct negotiations.

At this uncertain juncture in world history talk of disarmament may seem futile.

By some gloomy but perhaps not unrealistic estimates, the United States and the Soviet Union are headed on a collision course over Berlin.

Yet it is the business of moral man to seek alternatives to force and violence if civilization may be saved from the ultimate weapons of destruction now available, let alone upgraded by disarmament.

This effort started in the Eisenhower administration and has been translated into greater from and substance by President Kennedy.

While it is unlikely to budge monolithic communism tomorrow or the next day, it does tell the world that the United States has no designs on anybody else but has instead an imaginative program which, bit by bit, could supplant the cruel arbitrament of war.

This will not fail to have an impression on nations, some of them in the Soviet bloc, which may well wish to be let alone.

If this indeed is its only immediate effect, it would merit the congressional seal of approval.

[From the Atlanta Journal and the Atlanta Constitution, July 2, 1961]

THE PROPER FOUNDATION

The loftiest aspiration of mankind is to realize a world without the burden and peril of national armaments. There have been some halfhearted and fatuous attempts to bring it about, but for the most part disarmament has been too utopian a concept

for serious consideration by a cynical and suspicious world.

The development of mass-destruction weapons has dragged disarmament discussion from the realm of the visionary to the plane of practical necessity. The wishful thinkers of today are those who believe the present nuclear stalemate can somehow last forever.

Disarmament experts believe that each time another nation joins the atomic powers, the danger of nuclear war increases in geometric proportion, i.e., it is a matter of multiplication, not simple addition. Herein lies the real danger of a continued arms race. It threatens the Communist world as much as the free world.

The world has been dabbling in disarmament discussions for the past few years, but nothing hopeful has emerged. President Kennedy's recommendation for a new agency to study arms control is a bold attempt to melt the glacier. Heretofore, disarmament talks have assumed the form of diplomatic bargaining sessions. They have lacked the technical or even theoretical knowledge to proceed wisely.

What is needed, according to the President's disarmament adviser, John J. McCloy, is data concerning "scientific and technical assessment of all aspects of arms control, detection, identification, inspection, monitoring, limitation, reduction, and control of armed forces and armaments."

This is the kind of serious study needed to put some flesh on the hitherto bony structure of disarmament talk.

[From the Atlanta Constitution, July 3, 1961]

WORTH SOME RESEARCH

President Kennedy's proposal to set up a "peace agency" to work toward a society in which disarmament would be "the accepted condition of international life" is worth a try. Certainly in a world in which a major war no longer would profit anybody, peace is a necessity for survival of mankind and all his painfully built institutions.

After more than a decade of negotiating with the Soviet Union, for instance, we are no nearer the goal of disarmament than before. The classic jockeying for position continues. The backbreaking burden diverts constructive energies and funds into destructive instruments of war.

While we spend billions on research and development of weapons to destroy our enemies and to protect ourselves, research into the problems of disarmament and of achieving peace has been negligible. Compared to most agencies, the disarmament commission itself is a skeleton crew. Our approaches remain the same.

"Today ability of man to master his environment threatens to outpace his ability to control himself," the President said in his special message to Congress. Unless a way is found to bring about such control, the end could be destruction of the human race.

[From the New York Times, June 30, 1961]

AN AGENCY FOR DISARMAMENT

Disarmament is not just a matter of passing resolutions and getting other governments to sign them. The process of laying down arms if ever the world arrives at it, will shake society to its foundations—beneficially but nonetheless vigorously. This is the problem that John J. McCloy has been studying for President Kennedy ever since last January, and for which the President proposed a new agency in the message he sent to Congress yesterday.

"Peace," as the President put it, "cannot be brought about by concentrating solely on measures to control and eliminate weapons. It must also encompass measures to sustain and strengthen international institutions and the rule of law. * * * It should drive toward the creation of a peaceful world society in which disarmament, except for the forces needed to apply international sanctions, is the accepted condition of international life."

Mr. McCloy, who is an old and wise hand in this field, drafted the pending bill after agreement with the Secretary of State, the Secretary of Defense and the heads of other interested agencies. It does not seem that there can be many agencies in the Government which might not be in some way affected. Disarmament is a part of foreign policy, a part of defense, a part of our economic life, a possible part of our whole way of living. It is not, as the President and Mr. McCloy make clear, a simple matter of stacking arms. There must be research, development of methods, studies of what William James long ago called the moral substitute for war. Disarmament involves all the physical sciences and most of the political and psychological sciences. It includes countless details—what Mr. McCloy calls the "detection, identification, inspection, monitoring, limitation, reduction, and control of armed forces and armaments and the development and test of weapons."

There is no comparable agency in the world. If this is authorized by law and supplied by adequate appropriations, it could be one of the keys to the future. A prompt and generous response by Congress might not wake the Russians and the Chinese from their monstrous dream of world domination. But it would say to all humanity that we reject the form of collective suicide called war and that we truly believe in the possibility as well as the desirability of peace.

[From the Washington Post, July 2, 1961]

AGENCY FOR PEACE

The Disarmament Agency for World Peace and Security which President Kennedy has asked Congress to create would embody American hopes in the same way that our atomic stockpile embodies our fears. Notably, there is broad bipartisan support for establishing an agency which would propose and negotiate arms control plans, and which would conduct research on the manifold implications of disarmament. In the breadth of its concern, the new agency would be unique in the world. It should have been created long ago.

At the moment, the prospects in Geneva for even so minimal a first step as a nuclear test ban are scarcely cheerful. This is no reason why the United States should not make an extra effort to demonstrate its earnest intent. Indeed, the present impasse provides all the more reason why the United States should try to lift the eyes of the world to a future in which the new agency's name would be more than a hollow slogan. Ideas planted now could be available for harvest in a saner future.

Americans do not need to be convinced of the bad faith and even perfidy of our Soviet adversaries. But to much of the world, it has often seemed that this country was as much afraid of a possible thaw as the Soviet Union. Too often, the United States has been in a negative position, and has abdicated to the Communists the initiative in proposing disarmament plans. The new agency offers a chance for America to make more emphatic its dedication to the proposition that there is nothing inevitable about war.

John J. McCloy, the President's disarmament adviser, is as aware as any American of the frustrations of trying to negotiate with the Soviet Union. That the outline for the new agency was prepared by Mr. McCloy offers assurance that there is realism as well as hope in the proposal. Prompt congressional approval could give new resonance to the voice of America, and impart new energy to the quest for peace.

[From the Denver Post, July 9, 1961]

PEACE AGENCY PLAN DESERVES SUPPORT

An important new bill, sent to the Congress last week by President Kennedy, begins with this declaration of purpose:

"An ultimate goal of the United States is a world which is free from the scourge of war and the dangers and burdens of armaments; in which the use of force has been subordinated to the rule of law; and in which international adjustments to a changing world are achieved peacefully. It is the purpose of this act to provide impetus toward this goal by creating a new agency of peace to deal with the problem of disarmament."

The "new agency of peace" contemplated in the bill would be called the U.S. Disarmament Agency for World Peace and Security. Its director would report directly to the President and the Secretary of State and meet with the National Security Council.

The Kennedy proposal, prepared after 5 months of study by the President's disarmament advisor, John J. McCloy, is a constructive move to bring new order and effectiveness into the U.S. disarmament effort.

The new agency would conduct and promote disarmament research; prepare for and conduct disarmament negotiations; disseminate public information on disarmament and participate in any international disarmament control machinery that may be developed.

Most important, it would coordinate the efforts of experts in Government agencies, universities, and private foundations to find answers to difficult disarmament problems.

Compared to the billions the United States has spent to build its military strength, the effort it has made to study steps toward disarmament has been relatively modest.

At this stage in the cold war, when the Soviet Union behaves with maximum intransigence, disarmament may not appear to be a fruitful field.

But the new agency is designed for the long pull. The studies and the planning it does now may prove useful at some point in the future when world conditions are more favorable.

If, through some sudden or gradual shift in policy, the Communists become serious about disarmament with adequate safeguards, the United States should have the facts on hand and the proposals in mind to make new disarmament negotiations productive.

Even as our country builds its military strength, it must continue to explore all avenues to peace.

The United States needs the new agency the President has proposed. We hope Congress will give the disarmament act a speedy approval.

[From the San Francisco Chronicle, July 5, 1961]

PLANNING AHEAD ON DISARMAMENT

President Kennedy has called for establishment of a U.S. disarmament agency for world peace and security, so constituted and staffed as to assure the most intensive assault ever made by this or any other nation on the diffuse and complex problems of disarmament and world peace.

The great and wide-ranging responsibilities of such an agency have been noted by John J. McCloy, the President's disarmament adviser in submitting the outline for its organization; "A disarmament program," he said, "must take into account the national security, foreign policy, the relationships of this country to international peacekeeping agencies including the United Nations, and our domestic economic and other policies."

Thus he recommends that the agency not only recruit its own staff of men skilled in these diverse fields, but that it also "utilize

private or public institutions" for research and development relating to disarmament, and that it further be provided with "an advisory committee of outstanding citizens."

It is conceded that such an organization, however well nourished by funds, talent and energy, constitutes no guarantee that its mission will be accomplished. But the attempt should certainly be undertaken. Congress will in no wise affront public opinion by providing the necessary authorization and appropriations. For the goal ("to prevent war, curb the arms race and create lasting conditions of peace," in the words of Mr. McCloy), is beyond price and well worth the seeking.

To succeed would be to confer upon the world the greatest single boon no conceivable—an end of war and threats of war and of the constant drain of treasury, talent and nervous energy that the primitive threat of war inescapably imposes.

Nor would lack of success constitute absolute failure. By the mere embarkation upon a vigorous quest for disarmament and peace, the United States will manifest the utter sincerity of its often professed yearning for a renunciation of war and a world order founded on the rule of law.

[From the Minneapolis Star, June 30, 1961]

A Good Way To Lead

Those who favor increased American efforts to work out an enforceable disarmament agreement with the other nations of the world often have criticized the lack of attention the United States has paid to this important subject.

They have emphasized that the United States has been spending more than $40 billions a year on various kinds of defense programs, but at the same time our Government has been devoting less than $1 million a year to disarmament studies.

Now, however, the United States will have the opportunity to put new emphasis on this important subject of disarmament if Congress accepts President Kennedy's request to establish a permanent U.S. disarmament agency.

This U.S. disarmament agency for world peace and security would be charged with the duty of finding methods to check the world arms race and the means to enforce any agreements reached. It would be a sub-Cabinet level organization, but responsible to the President. Thus it would occupy a more important role than the U.S. disarmament administration President Eisenhower created in the State Department.

The new proposal stemmed from studies made by John J. McCloy, President Kennedy's special adviser on disarmament. McCloy said the plan also is supported by the heads of the State and Defense Departments, the Atomic Energy Commission, and other interested Government agencies.

In view of the fact that the U.S. attitude toward the Soviet Union is stiffening on Berlin and perhaps on other issues, it is essential that the United States prove to the world at the same time that it still is devoted to the goal of arms control and disarmament.

One way to emphasize our peaceful intentions to the world would be for Congress promptly to accept the President's recommendations to establish the disarmament agency. If Congress acts soon, the United States could become the first nation in the world to set up such an agency on a permanent basis. This certainly would be a useful field in which to take the lead.

[From the Christian Science Monitor, July 1, 1961]

Emphasizing Peace Planning

This newspaper has long held that the United States should reduce the disparity between its arming and disarming efforts. Last year we pointed out that Congress was haggling over a project to spend $400,000 on better arms control plans at the same time it was ready to boost the $40 billion defense budget. Now we are pleased to see the President recommending a separate Disarmament Agency.

For the sake of honest labeling we should prefer to see it called an arms control agency. For disarmament usually suggests the chimerical "total and complete disarmament" which is one of Mr. Khrushchev's deceptive propaganda gambits. However, the essence of the new proposal is the increased stature and efficiency of American planning for peace. For while arms control is not a synonym for peace it can be one step toward peace.

The project is not as new as it may appear. President Eisenhower set up a less formal effort when he made Harold Stassen his special adviser on disarmament. Mr. Kennedy had already given the subject extra attention by enlisting the services of John J. McCloy, Paul Nitze, and Jerome Wiesner for work on arms control. The proposed Agency would go at least two steps further.

It would give the Agency direct access to the President and coordinate work now spread out in several departments. Its tasks are set forth as research into technical, economic, and political measures for arms control, the formulation of disarmament policy recommendations, and the conduct of negotiations. Presumably these functions would be carried out in close liaison with the State and Defense Departments and congressional committees.

Mr. McCloy and his aids are convinced the separate Agency plan has practical organizational advantages. In addition there is a symbolic gain in advancing the status and importance of the U.S. official instrument seeking arms control. In much of the uncommitted world and even among some allies too many people believe the United States is obsessed with weapons. It is well that more of the effort and ingenuity devoted to their development should be turned to devising means for their control.

To proposals for a Peace Department in Washington it has long been answered that the State Department is constantly engaged in peace seeking. But its prime commitment is to upholding America's position in the world, less visible to controlling the horrendous war instruments which shadow today's world.

The President sets a noble goal in saying that "a disarmament program * * * should drive toward the creation of a peaceful world society, in which disarmament * * * is the accepted condition of international life." We incline to the view that disarmament of the evil impulses which would launch the aggressive use of arms is even more vital than the physical control of arms. But peace should be pursued on both roads and we welcome this fresh emphasis on curbing weapons.

[From the Oakland (Calif.) Tribune, Aug. 16, 1961]

One Agency We Could Use

The Senate Foreign Relations Committee today ends hearings upon one major measure that is unique in at least one respect. It calls for a reduction in the number of agencies dealing with a single subject. It is, in a minor way, a reversal of the trend toward more bureaucracy.

The bill is that which calls for the establishment of a permanent Government Disarmament Agency, and is one asked for by President Kennedy, and earnestly supported before the committee by Secretary of State Rusk and Disarmament Adviser John J. McCloy. It would consolidate all disarmament activities under a single director and his staff. At present, at least seven different agencies have a voice in disarmament proceedings and policy.

We are inclined to agree that is six too many. If the proposal would serve the purpose its backers say it will, perhaps it could serve as a precedent and get things rolling toward cutting into the ranks of bureaucracy in other areas.

The Kennedy proposal does not exactly have bipartisan support, but GOP Senate Leader Everett Dirksen said the Republicans are agreed that something must be done. That is scarcely a direct endorsement of the measure but indicated there would be no organized GOP opposition.

It was McCloy who told the committee that trying to get something done toward a definite disarmament commitment "is like walking through deep mud" because of the number of agencies involved.

If this bill holds promise of taking us out of the disarmament slough then let's have it.

[From the Champaign-Urbana (Ill.) Courier, Aug. 18, 1961]

Disarmament Group Needed

The bipartisan support for President Kennedy's proposed high-level disarmament agency has been enthusiastic, but while the plan itself sounds good, its practical value has yet to be demonstrated.

There can be no doubt that the establishment of a Government agency devoted to disarmament is a good idea. Its list of supporters, including former President Eisenhower, Henry Cabot Lodge, former Defense Secretary Thomas Gates, and a host of Republican Congressmen as well as Democratic leaders, attests to the fact that hardly anyone is adverse to the idea.

But whether in fact it can accomplish anything is another question. As conceived by the administration the new department would be composed of approximately 250 scholars and scientists operating on a $6 million budget who would advise the President on disarmament policy and conduct negotiations with foreign powers. The agency's Director would sit with the National Security Council when disarmament matters were under discussion.

The difficulty with programs and planning of disarmament, however, is not the lack of method or a dearth of qualified negotiators. It is a matter of the Russians being unwilling to accept any plan not designed to further their ambitions.

Conceivably there are ways, yet unexplored, that might satisfy both sides. But the West should be at work now devising these. While a disarmament agency would bring a certain amount of expertness to the task, it would be just another voice to be heard by the President who is perhaps being counseled by too many voices with too many different ideas already.

It is difficult to take a negative attitude toward creation of an agency devoted to peace, especially with an imposing list of experienced public men favoring it and the necessity of bringing about an end to the arms race.

But in the United States the easy way out has always been to turn matters over to a new agency where important issues sometimes are shuffled aside in favor of clearing away minute details.

When someone offers facts rather than generalizations in the support of a disarmament agency, the real need for it can be properly evaluated. What has been said in its behalf thus far, that there is need for world disarmament and American leadership in it, are merely truisms that do not justify burdening the executive branch of Government with still another stable of experts.

[From the South Bend (Ind.) Tribune Aug. 16, 1961]

SEARCH MUST GO ON

If President Kennedy has his way, Congress will in its current session create a "national peace agency" bearing the formal title of the U.S. Disarmament Agency for World Peace and Security. It would have top-level responsibility for all U.S. disarmament activities. It would be semi-independent, under the direction of the President and Secretary of State.

Whether this new approach will be any more successful than previous efforts to start the ball rolling toward practical disarmament remains to be seen. There can be no doubt, however, over the question of whether this is the time for continued action along this line or whether further efforts aimed at disarmament should be abandoned until things quiet down on the international scene. The United States must champion the cause of disarmament at all times, even when it is beefing up militarily as it is now to face a potential emergency.

Democrats and Republicans are in agreement on this.

The proposed agency, in fact, would supercede one set up last September by President Eisenhower as a division of the Department of State. It would have a staff at least three times the size of the Eisenhower disarmament administration staff and, if President Kennedy's proposal is approved, have $6 million to work with compared with $800,000 as the yearly budget of the disarmament administration.

The presence of the agency is intended to make certain that research on inspection and detection systems and all political, military and economic aspects of disarmament continue on a planned and orderly basis. This is intended to guarantee that workable disarmament plans could be ready at any moment that tensions have eased or there is evidence of possibility of reaching substantial international agreements.

There is, of course, little if any evidence to indicate that a breakthrough may be forthcoming on the disarmament horizon. The Soviet Union and the West are poles apart on even a treaty to ban further nuclear weapons tests. And the Russians walked out of the 10-nation disarmament conference at Geneva. Red China, meanwhile, stands in the wings trumpeting the inevitability of war between capitalist society and the Communist bloc.

Nevertheless, the United States must keep trying. To give up would only encourage the Reds to crank up to a new high pitch their propaganda that the U.S.-led free world is a warmonger in peace's clothing. Somehow we must seize the initiative and hold it.

[From the Topeka (Kans.) State Journal, Aug. 12 1961]

KENNEDY'S PEACE AGENCY

Former President Eisenhower's support of President Kennedy's proposal to create a permanent Peace Agency may be just the boost needed to push it to reality.

An article copyrighted by the New York Times news service says "endorsement by the Republican leader is being regarded within the administration and among Capitol Hill Democrats as a key factor in the struggle to tip the balance in favor of congressional enactment * * * at this session of Congress."

As proposed by the Kennedy administration, a semi-independent agency would be created to have primary responsibility for drafting disarmament proposals and conducting research on arms control. It would be known as the U.S. Disarmament Agency for World Peace and Security.

We now have within the Federal Government the Department of Defense, with its subdepartments of Army, Navy, and Air Force. The addition of a "department of peace" would be a commendable force.

The movement has the mark of becoming a project for which the bipartisan support of both Republicans and Democrats may be obtained. This is as it should be, for peace and the goals of peaceful endeavor know no political boundary.

[From the Cambridge (Md.) Banner, Aug. 16, 1961]

DISARMAMENT AND THE BERLIN CRISIS

On the face of it there seems to be an inconsistency in the appeal to build up this country's military might and the appeal for more moves on the part of this country toward disarmament. However, Secretary of State Dean Rusk has pointed out that the Berlin crisis and the show of force there makes it even more imperative that Russia and this country jointly act to push toward disarmament.

Secretary Rusk has asked for a separate agency under joint direction of the President and the Secretary of State to place emphasis upon the eventual discarding of the awesome weapons that are now at the disposal of the big powers. Reason holds these weapons in check. But there is always the danger that desperation or fanaticism may turn them loose.

Progress toward disarmament has been at a pace hindered by many halts and the progress in building new and more terrifying weapons has outpaced the advances made toward keeping them in check. Secretary Rusk's appeal seems somewhat forlorn at this time. Yet the safety of the world rests in the possibilities that the nuclear weapons can be put out of reach of the desperate and the fanatic. Searching out any way for promoting disarmament is a course that must be promoted even when success seems to be most unattainable.

The Berlin situation calls for a mustering of military might. But even more it calls for any possible steps that might insure that the full force of this mustering be held in check.

[From the Boston (Mass.) Globe, Aug. 26, 1961]

MUCH NEEDED AT THIS TIME

The Berlin crisis makes it especially important at this time to convince the world the United States honestly desires peace and genuinely seeks to limit weapons by treaty. That was made clear by leading figures of the Kennedy and Eisenhower administrations who testified before the Senate Foreign Relations Committee in favor of the President's bill to create a semiautonomous Disarmament Agency.

Nikita Khrushchev's demands for total disarmament often sound in the ears of a world which seeks desperately to be relieved of the nuclear threat that the American insistence on inspection and other safeguards sometimes loses its appeal.

The establishment of a Disarmament Agency now would provide strong evidence that the United States means business, and would weaken Communist claims that the American policy in this field stems from the ambition of the Pentagon and arms manufacturers. If it should lead to the kind of comprehensive disarmament proposal that the Kennedy administration is preparing, with a view of an offer within a few months, the position of the United States before world opinion would be greatly improved.

Surely there is need of such an agency. With this country spending $47 billion on defense, the $600,000 it devotes to promoting weapons limitation looks very small. The appointment of Presidential disarmament advisers—Harold Stassen under Mr. Eisenhower and John J. McElroy under Mr. Kennedy—does not provide a balance. A permanent, continuing effort is needed.

The proposed Disarmament Agency would be subject only to the President and Secretary of State. It would offer salaries capable of attracting talent, but would cost only $6 million annually. It would keep records and plan a more positive approach—perhaps produce one providing effective guarantees that Russia might at some time accept. If there were undue military influence in promoting armament, such an agency could spot it. This bill should become law.

[From the Union, Springfield, Mass., Aug. 29, 1961]

TEST BAN STILL ON DEAD CENTER

The 337th meeting of the nuclear test ban negotiators at Geneva yesterday kept faith with the familiar pattern. The West, as it must, stuck to its demand for workable controls, and the Soviet Union was not impressed.

The United States and Britain shifted ground slightly in this latest resumption of the talks. Their offer to include even the small underground tests in the projected treaty was new. Previously, explosions below a given magnitude were to be excluded because of the difficulty, or impossibility, of detection by existing methods. But the new approach has the effect of further complicating the control issue, which has been the stumbling block during the 3 years of intermittent, fruitless talks. The Soviets still profess to fear that controls—with necessary inspection of suspected blast sites—amount to espionage. They insist on a veto power over inspections to be shared equally by the Communist, neutral and Western blocs.

President Kennedy did not send his negotiator, Arthur H. Dean, back to the Geneva conference table with any great hope of breaking the deadlock. Nor has he given any clear hints of response to mounting pressures for a resumption of American nuclear experimentation. He is staging a holding operation, keeping his man in Geneva and adhering to the voluntary moratorium so that the world cannot mistake which side is trying the harder to shape a world free from the threat of holocaust.

There is, apparently, no timetable; no designated point at which the administration will conclude that a treaty is hopeless and go ahead with fresh testing to advance the American nuclear arsenal and the peaceful uses of atomic energy. But the United Nations General Assembly reconvenes September 19, and the time-marking now should be geared to that schedule.

The United Nations as an agency and most of its members as individual nations have a vital stake in disarmament by the major powers. Their interest, unfortunately, is greater than their capacity to act in the face of Russian resistance. But the time is ripe to put the nuclear testing question before them with the utmost clarity and to make plain that if the United States resumes explosions in the future, it will not be because of our own reluctance to forge a workable, protected treaty.

Meanwhile, it is encouraging to note the support building up for the proposed U.S. Disarmament Agency and to hear less about shelving general disarmament altogether if a nuclear test ban fails. It is encouraging because disarmament should never drop from sight as a goal of civilized men, and the goal should be burnished frequently even in times of military stress.

The nuclear test-ban treaty will not flourish automatically by being transplanted

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from Geneva to New York. But the delegates in New York should know that peace and security are not flourishing either as long as they are dwarfted by a massive absence of desire in the East.

[From the New York Times, Aug. 17, 1961]

ARMING TO DISARM

Despite the new armament race precipitated by the Moscow-made Berlin crisis, the Kennedy administration urges Congress, with wide bipartisan support, to create a new Disarmament Agency for World Peace and Security. If that seems ironic at this moment, the irony lies not in the goals enumerated in the Agency's very name—that is, to state them in a different order, world peace, security, disarmament. These goals are now questions of life or death for all mankind.

The irony is rather that this new project must be launched in the face, even because of, the new menace emanating from Moscow, where a dictator hurls boastful threats of atomic annihilation against all standing in his way. This menace must be and is being met by increased Western armament designed not to wage war if we can help it but to maintain a balance of power adequate to deter reckless Soviet adventures and prepare the ground for disarmament.

For this menace cannot alter our basic policies and principles which aim, in the words of the United Nations Charter, "to save succeeding generations from the scourge of war." The Berlin crisis can only give new impetus to our longstanding efforts to reach that goal, and the new agency would be both a new proof of our sincerity and a valuable instrument.

Its purpose is to make broad-gaged studies of the complex political, technical and scientific problems involved in the three goals mentioned, to prepare new disarmament plans and to conduct disarmament negotiations with other nations. It is to be a semi-autonomous body of experts whose director would work under the overall direction of the President and, in matters of foreign policy, under the direction of the Secretary of State.

A good foundation for the Agency's work is already being prepared by John J. McCloy, the President's disarmament adviser, in the shape of a new "far-reaching and comprehensive" disarmament plan. But the first task of the agency would be, as it is of Government now, to break the deadlock on a nuclear test ban and general disarmament, on both of which the Soviets still seek to dictate their own terms in order to escape the first condition of any disarmament with security—namely, effective control.

But the Berlin crisis has again demonstrated that disarmament cannot be accomplished in a vacuum, that before it can even begin there must be at least a lessening of international tensions, and that after this it must go hand in hand with a peaceful solution of the world's major political problems. Disarmament is possible only in a world where peace prevails on the basis of just peace settlements, where the sanctity of international agreements, treaties and laws is respected, and where an international police force exists adequate to check any aggressor. That goal is still distant but not so distant as to warrant lack of effort to reach it.

[From the Trenton (N.J.) Times, Aug. 23, 1961]

DISARMAMENT AGENCY

Republicans testifying before the Senate Foreign Relations Committee have been unanimous in backing President Kennedy's proposal for a high-level Disarmament Agency as a permanent part of the executive branch of the Government. They are in agreement with the thesis that the recurrent crises in international affairs make it imperative that the search for disarmament and peace be elevated to the status of a major, continuing concern in the field of national policy.

One of the Republican witnesses was Gen. Alfred M. Gruenther, director of the American Red Cross and a longtime confidant of former President Eisenhower. A man who does a great deal of traveling about the world, General Gruenther said he had been much impressed by the impact the Soviet Union had made with such slogans as "complete and total disarmament."

Establishment of the proposed Agency, he said, would be a long step toward convincing the world of this Nation's sincerity in its search for disarmament.

The behavior of Soviet delegates to the disarmament talks in Geneva and the intransigence of Premier Khrushchev have been ample proof that the Kremlin call for complete and total disarmament is for propaganda uses only.

The U.S. effort for disarmament and peace must be genuine and any agency created for the purposes must be such as will, in General Gruenther's words, "convince the world of this Nation's sincerity."

[From the New York Herald Tribune, Aug. 21, 1961]

VOICES FOR DISARMAMENT

At a time of crisis in Berlin, impressive voices are speaking of disarmament.

There is no inconsistency in this. What makes any international crisis so frightening is that it may touch off the nuclear arsenals of East and West. The world would be safer if this potential for terror, and for mutual extinction, were reduced.

A parade of witnesses before the Senate Foreign Relations Committee, including members of the Eisenhower administration, has testified to the value of President Kennedy's proposal for a new Government agency to centralize all disarmament activities.

In Berkeley, Calif., Adlai Stevenson told an international gathering of astronomers that disarmament had bogged down in "deep conflicts of purpose and an even deeper mistrust." Effective disarmament, he said, will involve principles familiar to science—freedom of investigation, inspection, and verification.

In the past 15 years, the details of disarmament planning have become enormously complex, the more so with each scientific discovery. The purpose of the proposed disarmament agency is, for the first time, to pool the skills of scientists, scholars, and statesmen in a coordinated effort to disarm. Such a group should help give new direction, energy and thrust to our disarmament program, enable us more quickly to meet Soviet challenges, and even to take the initiative in a field where we have too often only been the nay-sayers to Soviet grandiose schemes for total disarmament.

The prospect of still another Government agency is a depressing one, but so—to put it mildly—is the thought of thermonuclear war.

The quest for disarmament may be an endless one, but we ought to show the world that we are ready to persevere in an exhausting search. Who knows, we may eventually reach the goal—with patience, fortitude, and trust.

[From the New York Times, June 30, 1961]

AN AGENCY FOR DISARMAMENT

Disarmament is not just a matter of passing resolutions and getting other governments to sign them. The process of laying down arms, if ever the world arrives at it, will shake society to its foundations—beneficially but none the less vigorously. This is the problem that John J. McCloy has been studying for President Kennedy ever since last January, and for which the President proposed a new agency in the message he sent to Congress yesterday.

"Peace," as the President put it, "cannot be brought about by concentrating solely on measures to control and eliminate weapons. It must also encompass measures to sustain and strengthen international institutions and the rule of law. * * * It should drive toward the creation of a peaceful world society in which disarmament, except for the forces needed to apply international sanctions, is the accepted condition of international life."

Mr. McCloy, who is an old and wise hand in this field, drafted the pending bill after agreement with the Secretary of State, the Secretary of Defense and the heads of other interested agencies. It does not seem that there can be many agencies in the Government which might not be in some way affected. Disarmament is a part of foreign policy, a part of defense, a part of our economic life, a possible part of our whole way of living. It is not, as the President and Mr. McCloy make clear, a simple matter of stacking arms. There must be research, development of methods, studies of what William James long ago called the moral substitute for war. Disarmament involves all the physical sciences and most of the political and psychological sciences. It includes countless details—what Mr. McCloy calls the "detection, identification, inspection, monitoring, limitation, reduction, and control of armed forces and armaments and the development and test of weapons."

There is no comparable agency in the world. If this is authorized by law and supplied by adequate appropriations, it could be one of the keys to the future. A prompt and generous response by Congress might not wake the Russians and the Chinese from their monstrous dream of world domination. But it would say to all humanity that we reject the form of collective suicide called war and that we truly believe in the possibility as well as the desirability of peace.

[From the Philadelphia (Pa.) Inquirer, Aug. 17, 1961]

FOR A DISARMAMENT AGENCY

Bipartisan support for the creation of a U.S. Disarmament Agency—voiced this week in hearings by the Senate Foreign Relations Committee—is encouraging indication that Congress may complete favorable action before adjournment.

A letter from former President Eisenhower and direct testimony by Secretary of State Rusk head the growing list of endorsements, from both parties, for the Kennedy administration's bill on disarmament. It would create a separate Disarmament Agency within the executive branch that would operate with a degree of independence but in close cooperation with the President and the State Department.

Intermittent efforts within the State Department or the White House to make some progress toward disarmament are too often tied in with general diplomatic negotiations on international issues of the moment. There is need for continuity—for long-range, carefully prepared, practical solutions to problems standing in the way of disarmament. Only in a separate agency, functioning somewhat apart from the rapidly running and swiftly turning main stream of foreign policy, can the job be done well.

It is noteworthy that Defense Department officials, civilian and military, have testified in support of the Disarmament Agency bill. There is no conflict whatever between the measure and the stepped-up defense preparations. The unhealthy state of present

world affairs underlines the need for making a meaningful start toward disarmament on an organized, authoritative basis.

[From the Pittsburgh (Pa.) Catholic, Aug. 24, 1961]

U.S. DISARMAMENT AGENCY

(By Donald McDonald)

It may seem incredible, but it has taken our country 16 years—from the dropping of the first atomic bomb until now—to create a special, permament agency for disarmament, thereby serving notice on the world that we propose to make a sustained, organized, and systematic effort leading to eventual universal disarmament.

The Agency has not yet been established. But the necessary legislation has been introduced by Senator HUBERT HUMPHREY, of Minnesota, and Representative THOMAS E. MORGAN, of Pennsylvania. It has bipartisan support and seems assured of passage if the House can make room for it in the crowded, closing weeks of this session of Congress.

For 16 years the disarmament problem has been treated by both the Truman and Eisenhower administrations in a spasmodic, haphazard manner. It has at times been oversimplified, at other times distorted (e.g., certain propagandists have persistently deceived the American people by pretending that all American advocates of disarmament favor unilateral disarmament by the United States which would indeed, if true, be a foolish and dangerous position).

At one time, Mr. Eisenhower (or was it Sherman Adams?) found a little office in the White House for Harold Stassen and installed him as the Nation's disarmament expert. But when Mr. Stassen began delving into some of the ramifications of disarmament and began seriously negotiating with Russia, Britain, and France in London, his job and his office were dissolved.

This is not, mind you, a matter of the disarmament sincerity of Mr. Eisenhower or the late John Foster Dulles, or of Mr. Truman who accomplished little more.

The deficiency, I think, has not been one of sincerity, but rather of imagination and intellectual power, together with conviction and confidence that what must be done—i.e., universal disarmament and the establishing of world peace and world order—can be done.

All of these qualities of mind and heart must be present in any President and his administration if they are to overcome the inherent difficulty in disarmament—that is, the formidable psychological task of mounting and sustaining total disarmament effort at the same time that the Nation must be totally committed, for sheer survival reasons, to an all-out armament program.

What a Nation can accomplish in disarmament planning and negotiating is related, of course, to the climate of public opinion in the country. But the Government itself can influence that public opinion, for or against disarmament, by what it says, how it acts, how much official concern it shows for the problem.

If the proposed U.S. Disarmament Agency for World Peace and Security is merely the latest move in the international propaganda game, if it is to be staffed by people with anything less than total conviction about the urgency of universal disarmament, and if it is to be bypassed by Government officials who have for years dismissed disarmament as the dream of naive idealists, then we shall be no closer to realistic disarmament than we have been since 1945. And we shall leave public opinion both cold and uninformed about the possibilities and the urgency of disarmament.

I bring up these hypotheses not because I think they correspond to present reality but because they reflect some of the inhibiting conditions that surrounded our disarmament efforts in the past.

Secretary of State Dean Rusk's statement on the Agency to the Senate Foreign Relations Committee encourages hope that at last the United States is going to take more than a stop-and-go interest in the No. 1 problem in the world today.

He avoided (properly, perhaps, in that context) the matter of whether universal disarmament can be negotiated and enforced outside a worldwide legal and juridical structure.

But Mr. Rusk is aware of the seeming paradox and internal conflict of working simultaneously for disarmament and armament. Aside from the political and ideological conflicts in the world, he said, "the arms race itself creates an element of instability and insecurity."

We cannot, he said, let the "recurrence of" political and military crisis prevent us from addressing ourselves to the kind of world we hope to see * * *."

Our Disarmament Agency can be immensely useful on the technical level alone—for there is a vast amount of scientific, military, political, and economic matter that must be absorbed, sifted, correlated, and passed along to Mr. Kennedy and Mr. Rusk.

But were the President and the Secretary to limit the Agency's usefulness to the technical, they would limit disarmament itself and limited disarmament, like limited war, is a snare and a delusion. We have grounds, I think, to hope that this will not be the fate of our first permanent governmental Agency for disarmament, world peace, and security.

[From the Newport News (Va.) Press, Aug. 19, 1961]

MORE REASON NOW FOR DISARMAMENT AGENCY

To some, it may seem strange to contemplate formation of a new Disarmament Agency at a time when we are building up our defenses in the face of a succession of Communist threats and aggressions.

But actually, as Secretary of State Dean Rusk testified at a Senate Foreign Relations Committee hearing this week, the developing Berlin crisis "brings into sharp focus the need" for prompt congressional action to centralize all Government disarmament efforts, as proposed by the administration.

The plan lay dormant for more than a month before it caught on; but former President Eisenhower's endorsement of the purpose of the proposed agency was obtained, and the administration has now begun applying the pressure. It now has high Senate priority, and hearings are slated next week by the House of Representatives Foreign Relations body.

Secretary Rusk was only one of several affirmative witnesses at the Senate hearing, but he was certainly the most effective, by all accounts. He pointed out that elimination of war as an instrument of policy is a primary goal of American foreign policy, and emphasized that progress in disarmament is a necessary prelude to realization of that goal. We cannot let the recurrence of military and political crises keep us from working for the kind of world we hope to see, he added.

John J. McCloy, the President's disarmament adviser, declared disarmament to be such a complex, ramified, and vitally important subject that it requires the service of a full-time technically trained staff and should not be entrusted to ad hoc State Department groups set up to deal with specific crises.

There's no reason why we can't keep our eyes open to the realities of all the aspects of the world situation while continuing this all-important effort by use of thoroughly professional and well-organized procedures and machinery. Such an approach to the disarmament problem does not mean we would be more apt to swallow whole the various peaceful coexistence proposals of Premier Nikita Khrushchev—rather the contrary. It means we would be better qualified, and more likely, to offer coherent, positive, well-reasoned, and irrefutable disarmament proposals of our own—and to work for their implementation.

Possibly Senator JOSEPH CLARK, Democrat, of Pennsylvania, gave the major plan a boost in Congress on Thursday when he suggested that ex-President Eisenhower be named to lead the disarmament advisory committee which would be set up under the proposed Agency. Senator CLARK noted such an appointment would give the Agency both "hope and status." Certainly Mr. Eisenhower's well-known devotion to the cause of world peace, and his stature in both civilian and military matters, should make him the best of choices.

And above all, formation of a disarmament body such as this in these troubled times would show the world our sincerity in seeking peace, even in a world torn by cold war and threats of a nuclear conflict. Such a move would make Khrushchev's propaganda peace moves pallied in comparison, and might even put the pressure on him to act constructively, too, toward relaxing world tensions.

[From the Seattle (Wash.) Times, Aug. 17, 1961]

ESSENTIAL TO MANKIND'S SURVIVAL

Impressive bipartisan support is developing in Washington, D.C., for a high-level Disarmament Agency. This Agency, proposed by President Kennedy, would keep our Government advised at all times on possibilities for disarmament moves.

Particularly important in the Republican support for this proposal is the testimony of Henry Cabot Lodge, who headed this country's delegation to the United Nations in the Eisenhower administration.

Equally interesting is the recent statement by John J. McCloy, now a Presidential adviser on disarmament, that the United States is planning a new presentation of Government position on this issue.

Throughout the years of the cold war repeated crises have developed—Quemoy and Matsu, Cuba, the Congo, Laos and now Berlin—to name only a few of the most recent.

On every occasion Premier Khrushchev seems able to interject the argument that disarmament should be the world's objective.

The stock American rejoinder is that any promise of disarmament without inspection would be meaningless. This is a perfectly valid point. But the manner of our statement has tended to become negative.

And since the dialog tends to bog down at this point, millions of persons in uncommitted nations, who have not heard the earlier detailed discussion or have forgotten it, hardly can be blamed if they get the idea that Russia is for disarmament and we are against it.

If the disarmament issue is to be reduced to simplest terms, a fairer statement would be:

"The United States wants disarmament. The Communists block it."

Unfortunately this country and its allies, over too long a period, have allowed Russia and its partners to take the affirmative position.

It is also true that changing conditions require constant reappraisals. Today's means of offense and defense are so varied and complex that if the world's wisest men, all dedicated to universal peace, and with full authority to take action, were to sit down together, many months probably would elapse before they could develop an effective disarmament plan.

In one way or another, however, the West should take the affirmative with a new, dynamic and realistic presentation of its position.

Broad-scale, effective disarmament may or may not be possible in the foreseeable future. McCloy, on the basis of his recent personal discussions with Khrushchev, apparently feels that the Russians may be softening somewhat their almost pathological objections to inspection. Arthur Dean, this country's representative in nuclear-test discussions, is less hopeful.

If there is any possibility of fruitful negotiations it should be seized.

There are skeptics who say disarmament never will be possible. Similar skepticism undoubtedly met Moses when he descended from the mountain with the Ten Commandments.

The Commandments still are being broken today. But over the centuries most individuals have learned to live under the laws that apply in their respective lands and substantial starts have been made in the field of international law.

It may be a long while before a feasible disarmament plan can be developed. But mankind had better be getting at the job if it wants to survive.

[From the Sharon (Wis.) Reporter, Aug. 17, 1961]

DISARMAMENT STUDY GIVEN WIDE SUPPORT

As all nations and peoples of the world continue to be primarily concerned these days with the subject of war and peace, it is encouraging to note that bipartisan support has been pledged in favor of the President's proposal to create a U.S. Disarmament Agency for World Peace and Security. The Foreign Affairs Committee of the Senate soon will begin hearings on the proposal, and the Republican and Democratic backers of the measure hope for congressional consideration before the end of the month.

In essence, the bill will create an agency which will conduct a continuing study of ways and means of reducing the terrible armament burden being borne by the nations of the world. The almost inestimable costs of armaments are depriving the peoples of most nations of the wherewithal to improve their standards of living. If only a portion of the amount spent for devices of war could be turned to peaceful pursuits, the needs of most of the unimproved nations could be satisfied.

Encouraging to all is the fact that some of our Nation's leaders believe that some effort should be expended in determining the ways by which the cost of armaments can be reduced. They should be given the support of all in this worthwhile endeavor.

Mr. HUMPHREY. Madam President, I thank the Senator from Arizona for his cooperation and courtesy. A little later I shall discuss his amendment.

Mr. GOLDWATER. Mr. President——

The PRESIDING OFFICER (Mr. PELL in the chair). The Senator from Arizona is recognized.

Mr. GOLDWATER. First, Mr. President, I wish to thank the Senator from Minnesota [Mr. HUMPHREY]. This has been one of the most delightful 20 minutes I have ever sat through. [Laughter.]

Mr. HUMPHREY. Let me say that with the cooperation of my colleagues, we were able to give the matter generous treatment.

Mr. GOLDWATER. I would say decidedly so.

Mr. President, it may surprise some Members of the Senate to learn that our national purpose today, at least as propounded by the distinguished chairman of the Senate Foreign Relations Committee, is the advancement of a process, rather than a victory to be won. From all I can gather from the remarks of my esteemed colleague before the National War College on August 21, the very thought of winning over an enemy bent on our destruction has become official anathema to the Kennedy administration; it is not to be thought about, much less mentioned by anyone in official capacity.

But if we cannot even think in terms of victory over the forces of international communism, perhaps we had better examine the process which our purpose is to advance. In what direction is it headed? How fast is it moving? And will it get anywhere in this enlightened age of so-called foreign policy maturity before the Communists enslave more of the world's people and take over what remains of freedom's land mass? If we heed the advice of the Foreign Relations Committee chairman and put away the toys of our reckless youth—such as strength, vigor, determination, courage, and resourcefulness—can we expect the tide to turn in our favor? Can we expect the uncommitted nations of the world to ignore Communist arms and threats and elect to join a process, recognizing that it is propelled by the mature judgment and foreign policy wisdom of peaceful coexistence?

Mr. President, the process with which the Foreign Relations Committee chairman would replace our historic and time-proven purpose of fighting to win over enemies dedicated to our destruction has been variously described. We are told that this process is "the defense and expansion of our democratic values, the furtherance of which rest ultimately on the wisdom, the mature judgment, and the moral fiber of a society of free individuals." We are told that this process is one "of civilizing international affairs." We are told that it is a process of making "a society rather than a set of barbarians out of the governments of the world."

This is a noble purpose. It presupposes that we can change the nature of man through spreading foreign aid around the world for the announced purpose of bringing about economic and social reform. It envisions a world of sweetness and light in which the Castros and the Khrushchevs bow meekly to our wisdom, maturity, and purpose of process.

Of course, it does not seem to bother the proponents of this well-intentioned dream that the purpose to which they blithely commit us has not gotten us anywhere, although expenditures in its name have run nearly $100 billion. But we must move on in the same rut, according to the self-anointed adherents of maturity. Why? Because, to quote the Foreign Relations Committee chairman, "The purpose of our foreign policy is the very gradual improvement of human life on earth."

Mr. President, I am sure that there is no Member of this body nor any other conscientious American who would oppose the improvement of human life on earth, any more than they would oppose mother love as a proper institution. But I wonder how many agree that in the promoting of this lofty aim we are to reject the spirit which has always led Americans to stand up to their enemies, no matter what the odds. In his War College speech, the chairman referred to the minutemen, the Alamo, the winning of the West, and to the charge up San Juan Hill as "exhilarating adventures," and he added this:

But that was in the days of our youth, and we live now in a far more difficult and more dangerous world—a world in which we must come of age.

I would remind our Foreign Relations Committee chairman that valor has no age and that youth, even among nations, is not the sole residing place of courage. If we must "come of age" in the world by sacrificing our national honor, our ability to act, our determination to defend freedom, then we shall be coming of age with a vengeance—we shall be coming to such an advanced age that we will die. In fact, when I hear national leaders referring to past American victories as "exhilarating adventures" associated with our brash youth, it makes me wonder if they have not already advanced to the stage of forgetting the courage needed in a world whose problems can only be solved with the Alamos, the San Juan Hills, and the minutemen.

Mr. Prcsident, the nature of man does not change with the passage of time, or with the alteration of conditions and tactics. It has remained the same down through the centuries. Let me refer to the words of a man who has studied the question very deeply over a prolonged period of time. I refer to the noted British historian, Arnold Toynbee, who, in a recent interview printed in Think magazine, observed as follows:

"If you want to understand the Sumerians in 3000 B.C., Kennedy and Khrushchev help bring them alive. I think human nature and the ways human beings deal with each other are the same as they have always been, at least as far back as records allow us to judge.

In this context it would seem that the actions of the minutemen and the men who fought and died in the Alamo and on San Juan Hill have a vital relationship to how we think and act in the crisis that confronts us today. Those men met threats and insults and aggression with strength. They fought when the need arose, and they fought to win, regardless of the risk and regardless of the odds stacked against them. They did not waste time trying to civilize a foe who held a knife to their throats.

They did not wait, as the Foreign Relations chairman would have us do, for what he terms "deeply rooted trends and gradually changing circumstances to foster conditions for solutions and accommodations." When an enemy confronted them with a fight-or-die ultimatum, they did not waste time trying to figure out how to reform the enemy's neighbors so that they could in turn convince the bully he was in the wrong. No; they saw clearly what their inter-

ests and America's interests demanded of them and they met the challenge without holding worldwide consultations to make sure that if they took action nobody's feelings would be hurt.

What is more, they did not think in terms of "accommodations." They realized just as all Americans realize today that, when one "accommodates" a sworn enemy he is yielding to a momentary demand that eventually will blossom into more and more demands and more and more accommodations. The end result of this kind of appeasement is surrender.

Now we are faced with such a problem in Berlin. In that situation, the Soviets have laid down a challenge. And they have been implementing that challenge almost daily with a series of moves all of which apparently have taken the New Frontier by surprise. If they had not, there would be no need for the endless series of hastily called White House conferences following the announcement of each new Communist move. While we are catering to what the administration calls world opinion and attempting to bring about the social, economic, and monetary reform of backward nations, the Communists are engaging in a calculated program of aggressive moves. They are making maximum use of their psychological warfare mechanism. They are "rattling their missiles." They are utilizing nuclear terror. They are flaunting world opinion in a fashion that certainly should lead American officials to reexamine their attitude on the entire question of international prestige or worldwide respect.

Mr. President, I feel compelled to ask, What are we engaged in, anyway—a popularity contest or a struggle to the death between freedom and slavery? That the Soviets are not bemused with the idea that they have to cater to world opinion is certainly evident. They made that very clear when they decided to announce their resumption of nuclear testing. And, let me add, that while the New Frontier is consoling itself with the idea that the Communists lost ground in the international popularity contest, it would be well advised to consider another effect of that nuclear testing bombshell. The effect is the fear that it has spread through the ranks of the world's so-called uncommitted nations and the results of that fear in terms of pressure on the United States.

I believe the President's decision to announce resumption of our own nuclear tests was the only course he could take under the circumstances. He had to do it or give the free world cause to wonder if we planned to keep up our capability in this all-important military sphere. Among other things, it was needed to overcome some of the damage caused by men like Chester Bowles who have been hinting that the United States was abandoning its policy of massive retaliation. And, Mr. President, let me emphasize that, if the adherents of sweetness and light succeed in selling this line at a time when the Russians are placing more and more emphasis on nuclear weapons, then the free world will find itself defenseless.

I want to emphasize, as strongly as I possibly can, that our present policy, which forecloses the idea of gaining victory over communism, which conditions every move with an exaggerated concern over risking war, which bleeds for worldwide social and economic reform at a time when there is a conflagration to be extinguished, which fears to act from strength because somebody's feelings might be hurt—this policy is giving us a posture of weakness. It is encouraging Khrushchev in the belief that he can do as he likes in any area of the world and we will not challenge him. The end result of such a policy is disaster for the United States and the entire free world.

From all I can gather, Mr. President, our official concern seems to be exclusively tied up with how Russia fares in the world of public opinion. And Khrushchev's concern is exclusively devoted to the total victory of international communism and the final destruction of freedom.

In assessing the situation we find ourselves in today, I find myself, perhaps strangely, in agreement with Mr. Chalmers Roberts of the Washington Post, who wrote on September 1 as follows:

> Power and a willingness to use it are fundamental to great nations. That the United States has the power is not doubted in Moscow, by every sign available here. But Khrushchev's latest actions indicate that he doubts the President's willingness to use it.

And Mr. President, this brings us right to the crux of what I am saying today, and what I have been saying for many months past. Unless we develop, once and for all, a willingness to win this struggle and a willingness to use the power we possess to that end—unless we convince the Russians beyond all question of a doubt that this willingness and determination exist—we are lost.

Not long ago we had the instrument to bring this home to the Russian dictator in a fashion he could understand. We had then the ability to take the initiative in resumption of nuclear tests in the face of Soviet bad faith and in the face of a strong suspicion that the Russians were engaging in clandestine testing. And if we had taken that initiative we would have served strong notice on Mr. Khrushchev that we meant business, that we were not completely preoccupied with the development of lesser weapons, that foreign economic aid was not the only weapon we were prepared to bring to bear on the world situation. The opportunity was there for the taking, but nothing was done because we were paralyzed in a phony disarmament stance assumed for the sake of world opinion.

Yes, I claim that we lost an advantage and the Russians gained one on the nuclear testing question. It is all well and good for the administration to talk gleefully about the Kremlin mistake, about how the world will hold the Russians responsible for increasing nuclear tension, about how stunned the neutral nations were at the Soviet test announcement. But after we note these things, then what? Can we expect the neutral nations to veer sharply to the Western position and go all out for the cause of freedom? Of course not. That is already apparent. What the uncommitted nations are doing now is exerting pressure on the United States to ease the Berlin tension by making concessions to Khrushchev. They want us to negotiate a situation where negotiation can only mean yielding to Communist terror tactics. In this situation, President Kennedy would be well advised to listen to his friend, President de Gaulle of France, and stand firm, regardless of what it takes to maintain that position.

Mr. President, allow me to say that if the world opinion which the New Frontier is courting is the kind of opinion which hails our humanitarian posture and at the same time urges us to accommodate our sworn enemy, then we shall either have to forget it or let it lead us down the miserable road to final appeasement. This is a kind of world opinion that applauds our good intentions and then suggests that we surrender on vital points. It is a kind of world opinion that weakens the United States and strengthens communism. We cannot afford it at this critical time in the history of the world.

That we cannot afford it is amply demonstrated by the attitude of people from Latin American countries with whom I come into contact. They are asking, in effect, "Have not you Americans really lost the struggle with communism?" They just assume that we have because we have failed to do anything but talk. We have not followed up our words with the action that befits them. And this is having a damaging effect. Contrary to what Mr. Adlai Stevenson reported after his 21-day orbit of South America, our friends down there would welcome the opportunity to applaud strong action in Cuba. They know that we cannot tolerate a Communist regime 90 miles off our southern shores forever without seeing the Latin countries reject us as a world leader—at first in a whispering way, and ultimately in a thundering departure from what they regard as a lost cause.

Mr. President, the removal of communism from Cuba, by whatever means required, would be the quickest and surest cement we could apply to freedom's structure in the Western Hemisphere. No people hold more respect for courage or more contempt for cowardice than do our friends to the south. No people are more determined to be free. And, even though we, in our processes, have difficulty envisioning a situation where the military engages in protecting democratic methods in a civil situation, that is precisely what the Brazilian army is doing today. It is meeting the challenge of communism with realism, an action which is likely to gain for the Brazilian military the appreciation of the entire free world.

Mr. President, I wish to call up the amendment which I submitted earlier, and have it read.

The PRESIDING OFFICER. The amendment offered by the Senator from Arizona will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 8, line 14, to strike out, after the word "disarmament" all through the period following the word "act" on line 23.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I shall be as brief as I can in explanation of the amendment. It strikes out the authorization to grant the Disarmament Agency the right:

(1) to conduct research, development, and other studies in the field of disarmament; (2) to make arrangements (including contracts, agreements, and grants) for the conduct of research, development, and other studies in the field of disarmament by private or public institutions or persons; and (3) to coordinate the research, development, and other studies conducted in the field of disarmament by or for other Government agencies in accordance with procedures established under section 34 of this Act.

Mr. President, if the Congress passes S. 2180, with the language contained in the bill which I am attempting to strike, it will set up one more agency of the Government with the power to conduct research and development in practically any field. I would go so far as to say the Agency could conduct research and development in any field in which it cares to engage, even though the amendment was passed this morning as offered by the Senator from Georgia [Mr. RUSSELL], which stated, on line 2 of page 9, "and other studies shall be limited to." In my opinion, that would not affect the other language in section 31.

Mr. President, about what are we talking? We are talking about giving to the Agency power to authorize contracts, to authorize expenditures of money, and in my opinion to grant fellowships and to grant study funds. I see no limitation placed on the amounts of money to be used for those purposes.

I suggest that this is clearly a duplication, and probably a triplication, of what the Government is doing.

Information which I have before me shows that in the new budget the expenditures for research and development under the Government will be over $10 billion. This is a vast amount of money, $10 billion for research and development. I do not like to go back into history, but it is an amount far greater than annual budgets of the United States only a few years ago.

I suggest we should be able to find out enough by having expenditures by the Defense Department of $6½ billion, by the Atomic Energy Commission of over $1 billion, by NASA of over $1 billion, by the Departments of Labor and Health, Education, and Welfare of nearly a half billion dollars, by the Department of Agriculture of a little over $154 million, by the National Science Foundation of $119 million, and by other agencies of $331 million. That totals over $10 billion. If we cannot learn enough from those expenditures, then these other agencies which are charged with research and development are not doing their jobs properly.

Mr. President, in addition to the amounts I mentioned previously, I understand that about $13 million is provided under the Office of Civil and Defense Mobilization for research and development.

These funds to which I refer are to be used not only for research but also for development.

In the language contained in the bill, which the amendment would strike, are included the words "research, development, and other studies in the field of disarmament;".

Mr. President, I wish to cite a few of the areas the Agency would be given authority to research, develop, and study "the detection, identification, inspection, monitoring, limitation, reduction, control, and elimination of armed forces and armaments."

Mr. President, I do not know how much study has to be done in order to come to the realization that one can do away with armed forces by agreement to do away with them or one can do away with them by conquering them and thereby destroying them. I see nothing new to be discovered. This is a subject which is as old as man. "Disarmament" is not a word which was thought up in the last century. It relates to the days when men first hit each other with their fists. There have been attempts to disarm and do away with warfare ever since.

The authority would also include "the thermonuclear, nuclear, missile, conventional, bacteriological, chemical, and radiological weapons."

The next field in which the Agency could work is "the techniques and systems of detecting, identifying, inspecting, and monitoring of tests of nuclear, thermonuclear, and other weapons."

If we eliminate the "other weapons," which I assume are the conventional type weapons, the United States already does this. We are spending a vast sum of money to establish devices around the world to detect the thermonuclear testing and atomic weapons testing by our enemies. These systems are very well developed and have been doing a good job. Why should we spend money to repeat this work, in a field in which we are already expert?

The next area is "the analysis of national budgets, levels of industrial production, and economic indicators to determine the amounts spent by various countries for armaments."

This is a very lofty idea. I wish it would work. It probably would work in every country except the country about which we wish to know something, which is Russia. I suggest that the economic figures put out by Russia are completely undependable. Whenever a dictator puts out information about his economy, the information will be only to his advantage. The truth of the matter is that in this particular field we have heard a lot of talk in the past year or so about the great economic strides made by Russia, yet in Khrushchev's latest manifesto he admits the Russian economy has not been producing for the people in the way it should.

We still observe the fact that 50 percent of the people of Russia are required to work on the farms in order to feed and to clothe the other 50 percent. A country which has not advanced any farther than that in economic standards, which at the same time puts out glowing figures as to what is being done, is not a country upon which we can depend for any kind of accurate figures.

I ask the question: How shall we determine the extent of the Russian economy, how much industrial production there is, and what the Russians are spending for armaments? This is an absolute impossibility, with the Government of Russia what is is today.

The next field in which the agency can work is "the control, reduction, and elimination of armed forces and armaments in space, in areas on and beneath the earth's surface, and in underwater regions."

Mr. President, if NASA and the agencies of the military are not devoting themselves to this problem today, I do not know what they are doing. I have heard briefing after briefing after briefing in which there has been a discussion of this subject, as I have mentioned—the elimination of armed forces and armaments in space. I think that is one of the most important fields on which the space scientists are working today.

Another field the Agency would get into is "the training of scientists, technicians, and other personnel for manning the control systems which may be created by international disarmament agreements."

Mr. President, we have the scientists. We have many others who are training them. There has been no shortage. They are available when we need them. I suggest, again, this would probably be a triplication, in such an area, when it is suggested that the Disarmament Agency should be authorized to spend money in this field.

The next area it is suggested the Agency get into is "the reduction and elimination of the danger of war resulting from accident, miscalculation, or surprise attack, including—but not limited to—improvements in the methods of communications between nations."

I read some interesting testimony in the report concerning the dangers of miscalculation and the possible urge to "push the button" to see what would happen. That is something which relates to human nature. I suggest that all the research and development we could do will not change man's personal habits or his personal nature.

The last part relates to "improvements in the methods of communications between nations." If I am not mistaken, both private and Government agencies are working very hard in that field already.

I am told that when the large reflectors are erected, a great step forward will be made in the area of world communications. This is an activity that is taking place. It is being done not only by one agency of the Government, but also probably by all the armed services. It is of extreme interest to NASA. It is of extreme interest to private communications systems.

I shall skip so as not to take too much time. Another study is proposed: "the

scientific, economic, political, legal, social, psychological, military, and technological factors related to the prevention of war with a view to a better understanding of how the basic structure of a lasting peace may be established."

If that is not one of the assignments of the State Department, I do not know what the State Department is supposed to do. In effect, we would have a subagency in the State Department repeating the work that is supposed to be done by the State Department. If they are not doing it—and many times some of us have questioned what they are doing—they ought to be asked about it. Certainly peace and the methods of obtaining peace are subjects which should interest the State Department, more than any other agency of our Government.

Then appears the catchall phrase: "such related problems as the Director may determine to be in need of research, development, or study in order to carry out the provisions of this Act."

I suggest that under that provision we could establish Federal aid to education, scholarships, and fellowships. There is no end to the study that could be made under that provision of the bill.

I know that the authors of the bill are sincere in wanting to provide the Agency with knowledge, but it is my suggestion that the information is available.

If I am correct in my memory of what the distinguished Senator from Minnesota has said, our men went to Geneva unprepared. They should not have gone unprepared, because the needed information in technical, nontechnical, theoretical fields and scientific fields was available.

If we must have a special agency for this problem, our present agencies have not been performing their jobs the way they should.

I know of no other country which has an agency for disarmament. There may be some. There may be one or there may be many. But I have not heard of it. Their representatives march up the hill to Geneva, but somehow they seem to come prepared.

I admit that our representatives go to such conferences with high hopes and strong hearts. Sometimes it seems that they go unprepared so that they are not equal to meeting the preparation of the representatives from other countries.

The crux of my argument is that by leaving the language in section 31, with the exception of the language I am trying to strike, which is all following the period on line 14 after "disarmament" down to the period following the word "act," on line 23, we would allow the Agency to work with other agencies of the Government, and we would not provide another bureau or agency with unlimited spending and expansion authority. We would still retain the provision that:

> The Agency is authorized and directed to exercise its powers in such manner as to insure the acquisition of a fund of theoretical and practical knowledge concerning disarmament.
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> In carrying out its responsibilities under this Act, the Agency shall, to the maximum extent feasible, make full use of available facilities, Government and private. The authority of the Agency with respect to research, development, and other studies shall include participation in the following insofar as they relate to disarmament.

Mr. President, I have stated my argument. I believe that the proposed Agency represents a repetition or duplication. We are asked to do something which we are already doing in many fields. I doubt the wisdom of it. In fact, I believe it would be a very bad mistake at this time to establish the proposed superagency with the suggested power.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. GOLDWATER. I am happy to yield.

Mr. CASE of South Dakota. I point out that on page 14, section 34, of the committee amendment there appears language which represents a great improvement in the bill and would be particularly important in the event the amendment of the Senator from Arizona were agreed to.

Section 34, page 14 of the original bill, was quite general and referred to the Director consulting with other appropriate agencies to develop suitable procedures to obtain cooperation.

The committee amendment, however, would strengthen that provision very importantly, by providing that the "President is authorized to establish procedures to (1) assure cooperation, consultation, and a continuing exchange of information between the Agency and the Department of Defense, the Atomic Energy Commission, the National Aeronautics and Space Administration, and other affected Government agencies, in all significant aspects of U.S. disarmament policy and related matters, including current and prospective policies, plans, and programs, and (2) resolve differences of opinion between the Department of State and such other agencies which cannot be resolved through consultation."

The specific direction to the several agencies that are working in this field—NASA, AEC, the Department of Defense, and other affected Government agencies—would make available to the contemplated new Agency the very information which the Senator from Arizona has mentioned, and would make it possible for the Director of the new Agency to count upon receiving the benefit of the information developed by existing agencies.

Mr. GOLDWATER. I agree with the Senator that the new section 34, which would replace the old section 37, is a decided improvement in the bill, and to strengthen the argument of the distinguished Senator from South Dakota, I point out that the language at the bottom of page 8, starting with line 23:

> In carrying out its responsibilities under this act, the Agency shall, to the maximum extent feasible, make full use of available facilities, Government and private.

I think the intention is stated strongly in two parts of the bill. I see no reason to establish another research and development agency in our Government to cover fields which are already covered. If the proposal were to cover some new areas, there might be some argument for it.

Mr. CASE of South Dakota. I agree with the Senator. I think the sentence he has read should be considered in relationship to the possibilities established by the amended section 34 on page 14.

Mr. GOLDWATER. Mr. President, I have no further argument to offer in behalf of my amendment. I am prepared to yield the floor.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. GOLDWATER. I yield.

Mr. SALTONSTALL. I was called to the telephone while the Senator was speaking. He emphasized the amount of research money available in the various departments. I invite his attention to the fact that in the Department of Defense alone, if my figures are correct, including the Army, Navy, and Air Force, a total of $1,154 million is provided for research and development, test and evaluation of space activities.

The Senator quite correctly used the figure of $10,679 million in the 1962 figures of research and development in the Defense Department, Atomic Energy, NASA, HEW, Agriculture, Science Foundation, and so on. So if we create another division in the State Department, and give it research authority, I cannot help but feel that there will be a great duplication.

As the Senator has pointed out, if we go one step further, as indicated on page 9 under subsection (f), reference is made to the training of scientists, technicians, and other personnel for manning the control systems which may be created by international disarmament agreements. Presumably that is what we are doing with other research funds. It seems to me that rather than duplicate those activities with personnel in the State Department, those in the State Department could get their information from those other departments and go forward from there rather than build up a large new research organization of their own.

Mr. GOLDWATER. The Senator is correct.

One further advantage comes to my mind. If we were to create another agency with research and development powers, it would mean one more agency to add to the evident troubles we now have in exchanging information between departments and agencies that are engaged in research.

If we add to the confusion, if we want to use that word, we are not going to help. It would be extremely simple for this Agency to acquire the information it needs in a most cooperative way from the agencies which are now engaged actively in research and development.

Mr. SALTONSTALL. If I may ask another question, the Senator's amendment cuts out on page 8 of the bill the wording from line 14 down through line 23. In other words, the Agency is authorized to conduct research and development on all these subjects that are mentioned on page 9. It has just occured to me during the course of this

debate why, rather than to have it conduct research alone, should we not require it to ask for authority to get information on these subjects from agencies which are now conducting such research?

Mr. GOLDWATER. I believe that is very strongly implied in the language starting in line 23:

> In carrying out its responsibilities under this Act, the Agency shall, to the maximum extent feasible, make full use of available facilities, Government and private.

On page 14, in section 34, the whole intent is to provide this.

In other words, if it does not exist, the President is authorized to establish procedures to assure cooperation, consultation, and so forth.

Mr. SALTONSTALL. So that the Senator's amendment would cut out not only the direction of research but also the development of these different subsections which are mentioned on page 9.

Mr. GOLDWATER. Yes; in addition to that, it would do away with the possibility of the Director getting into such related problems as he may determine, which, in my opinion, opens the barn door wide.

Mr. SALTONSTALL. That would mean that we would not hurt the work of the Agency, because it would be permitted to coordinate and cooperate and get the knowledge it needs on these specific subjects from the other departments in the Government.

Mr. GOLDWATER. It would not hurt it. In fact, I believe it would be helping it. I cannot think of a more healthy situation than to put an agency concerned with the control of armaments to work with the military and to work with the AEC and NASA with the domestic departments, such as Health, Education, and Welfare, and Labor, and Agriculture, and the National Science Foundation, and so forth, and it certainly would be a very healthy thing to do it that way.

What I am afraid of is that if we set it up as a separate authorized agency to conduct research and development, the first thing we know it will have a separate building someplace, detached from the State Department, and they will have their own little kingdom being built, with their own research and development. There is nothing that they cannot get into under the language of the bill, because everything is related to disarmament. There is not anything that I can think of that they could not get into that would not be related in some remote way, at least, with disarmament.

Mr. SALTONSTALL. I see on the floor the Senator from Kentucky, a former Assistant Secretary of State. Would it not put into the State Department the responsibility of doing research in an undertaking that would become completely apart from the State Department's duties which, except for the new purpose of disarmament, it could get elsewhere?

Mr. GOLDWATER. There is no question about it. It would be transferring to the Department something that has always been foreign to it. It is something that it has never been called upon to do.

Mr. SALTONSTALL. I agree that the Senator's amendment is a sound amendment.

Mr. GOLDWATER. I thank the Senator.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. CASE of South Dakota. It would convert the State Department into an action agency, rather than into a policy agency.

Mr. GOLDWATER. That is correct.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. MORTON. What disturbed me most about the bill when it was introduced was that I was afraid it would be a sort of fifth wheel. If a man had the responsibility of turning to either the Secretary of State or the President, he would obviously take his problems to the President.

The bill has been improved by putting the head of it under the Secretary of State. It is still referred to as an independent agency. The functions of the Agency, however, do not gear in with the operations of the State Department, especially in the field of research. The argument of the late great John Foster Dulles against including ICA in the State Department's operations was that the State Department was not the type of agency that could deal with the letting of contracts, and the development of projects; that it was a policy development agency of Government.

The same thing applies here. I admit I want to see it put in the State Department, but I would like to strike from it certain operations and functions, such as research and some of these other things enumerated on page 9. For example, I read subparagraph (f):

> The training of scientists, technicians, and other personnel from making the control systems which may be created by international disarmament agreements.

That is clearly a military function. We would not only be putting up a new building, but we would be adding a new department and having the State Department operate it. The Senator's amendment is an excellent amendment. Certainly, from my point of view, if the amendment could be adopted, it would make it much easier for me to support the bill.

Mr. SALTONSTALL. Mr. President, will the Senator yield, so that I may ask a question of the Senator from Kentucky?

Mr. GOLDWATER. I yield.

Mr. SALTONSTALL. As a former member of the Department of State, would the Senator from Kentucky say that it would be just as easy for the new Agency in the Department of State to carry out its responsibilities without having to go into a great deal of research and development, rather than saying we will set up a new agency and we will define how it will hear when there is a missile coming over, and all that sort of thing?

Mr. MORTON. The technical aspects of research should be left in the agencies where they are now. It is nothing new for the State Department to rely on many departments on research.

Mr. SALTONSTALL. It does not have any of these powers now.

Mr. MORTON. No. It would have to start from scratch. The talent in these fields, so far as the Government is concerned, would have to be recruited. It would mean stripping them from another department or recruiting them from private industry, where they are very much in need.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. McCARTHY. Can the Senator advise me whether all the authority which is suggested for this Agency is not already in existence and possessed by some other agency of Government?

Mr. GOLDWATER. In my opinion, it is.

Mr. McCARTHY. It is not taking away any authority that is now in existence. It is a question of whether it shall be continued to be exercised by those who possess it, or, if it is not now assigned to an agency, the President could assign that responsibility.

Mr. GOLDWATER. That is correct. I invite the Senator's attention to section 34 on page 14 of the bill, which replaces the former section 37. That section strengthens this concept. It makes it clear that the President is authorized to encourage cooperation. I believe it would be a healthy thing to have them working among existing agencies, rather than starting out on their own. That would create jealousies and complications, particularly in the field of missile development, and complications in other areas where we have a conflict.

Mr. McCARTHY. I believe it would conform with what should be the theory of a disarmament agency. With our whole effort in the Government being directed toward peace, the effort of every agency, including the Department of Defense, should have in mind the objective of advancing and furthering disarmament.

Mr. GOLDWATER. The Senator has made a very valuable addition to the argument. I thank the Senator.

Mr. McCARTHY. We often hear it said that we cannot have peace without disarmament. That is not quite accurate, and does not state the whole truth. We can have peace without disarmament, but we cannot have disarmament without peace.

Mr. GOLDWATER. The Senator is absolutely correct.

Mr. McCARTHY. We should put first things first. If the Agency is to be effective, it is important that we do not put this great burden upon it and ask it to assume responsibilities and obligations that we could not ask a similar agency to assume, when these purposes rest upon the whole Government. The Senator's amendment is a good amendment.

Mr. GOLDWATER. I thank the Senator from Minnesota.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. HRUSKA. I think it is fine that the Senator from Arizona is making a record on this particular point. I wish to ask the Senator whether the effort to coordinate the talents of the many existing agencies would not be facilitated by the appropriations processes of the House and Senate.

Mr. GOLDWATER. Oh, certainly; and not only through that avenue, but also through the avenue of legislation and the avenue of congressional opinion. This is not an impossible objective to achieve. I think there are many examples of interdepartmental relationships in Government which will bear out the fact that we can and do get along, even though there is duplication. I do not like to see us turn our order into disorder through another agency which will have all the powers of research and development which seven or eight other agencies now have.

Mr. HRUSKA. I appreciate that. Apprehensions have been expressed that the creation of a new agency will be followed by the desire to expand it into an independent organization. The authorization for appropriation in this instance is only $10 million. That amount will not promote a large-scale program. If any large-scale program is envisioned by the Director of the new Agency, he will be compelled to come to Congress and say, "I want a new building; I want a larger research staff; I want this and other activities undertaken. The price tag for these things is so much."

At that time congressional policy can be expressed by saying, "Consult the other agencies which have those facilities. See what they already have on hand."

If expansion is needed, it can be done in the regular order, rather than by promoting out of hand a new bureaucracy.

Mr. GOLDWATER. The Senator from Nebraska is correct. We are developing a new mother-love type of agency, a U.S. Disarmament Agency for World Peace and Security. That is kind of hard to vote against. If the Agency comes to Congress and asks for an appropriation of $1 billion or $2 billion, and we vote against it, our constituents will say, "You are against peace."

It is the same with national defense. I think some 21 bills have been introduced in Congress bearing somewhere in the title the words "national defense." I believe 18 of them have passed. I doubt that any of them was worthy of passage. But if we voted against them, the cry was heard, "Oh, you are against national defense."

So the Senator from Nebraska is saying that Congress theoretically will take control through its control of the purse strings. This type of Disarmament Agency for World Peace and Security will make it mighty difficult for Congress to turn down requests when the Agency comes to Congress and asks for new buildings and additional tens of millions or hundreds of millions, and ultimately billions of dollars. This is one of the things about which I am fearful. The very name lends itself, one might say, to overcrowding with demands.

Mr. HRUSKA. One of the first concerns of any advocate of such a bill is to search for the most appealing or attractive title for the Agency that it is possible to get. However, it has been my observation that the Senator from Arizona was not too inhibited when the title of National Defense Education came up. He was quite frank in his expression concerning that bill, notwithstanding the fact that he ran the risk of incurring the displeasure of some persons who accused him of being against education simply because he was critical of that program. That is one of the things we meet with constantly. However, I feel that by requiring the Agency to run the gauntlets of the Committees on Appropriations we will have a good safeguard against the Agency's "overdevelopment."

Mr. GOLDWATER. I should like to remind the Senate, in considering whether to remove the authorization to give this Agency the power to spend funds in these fields, that we are already spending more than $10,500 million now for research and development.

Mr. HRUSKA. The Senator from Nebraska is in full sympathy with the proposal of the Senator from Arizona.

Mr. GOLDWATER. I thank the Senator.

Mr. President, on my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. GOLDWATER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Arizona. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Illinois [Mr. DOUGLAS], the Senator from Arkansas [Mr. FULBRIGHT] the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Arizona [Mr. HAYDEN] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ], and the Senator from New Mexico [Mr. ANDERSON] are absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Arizona [Mr. HAYDEN] would each vote "nay."

On this vote, the Senator from Illinois [Mr. DOUGLAS] is paired with the Senator from Utah [Mr. BENNETT].

If present and voting, the Senator from Illinois would vote "nay," and the Senator from Utah would vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent on official business.

The Senator from Utah [Mr. BENNETT] and the Senator from North Dakota [Mr. YOUNG] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kansas [Mr. CARLSON] are absent because of illness.

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Illinois [Mr. DOUGLAS]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Illinois would vote "nay."

The result was announced—yeas 43, nays 46, as follows:

[No. 190]

YEAS—43

Allott	Ervin	Prouty
Beall	Goldwater	Robertson
Boggs	Holland	Russell
Butler	Hruska	Saltonstall
Byrd, Va.	Jackson	Schoeppel
Cannon	Jordan	Scott
Capehart	Kerr	Smathers
Case, S. Dak.	Kuchel	Smith, Maine
Cotton	Lausche	Stennis
Curtis	Magnuson	Talmadge
Dirksen	McCarthy	Thurmond
Dodd	McClellan	Tower
Dworshak	Miller	Williams, Del.
Eastland	Morton	
Ellender	Mundt	

NAYS—46

Bartlett	Hickenlooper	Morse
Bible	Hickey	Moss
Burdick	Hill	Muskie
Bush	Humphrey	Pastore
Byrd, W. Va.	Javits	Pell
Carroll	Johnston	Proxmire
Case, N.J.	Keating	Randolph
Church	Kefauver	Smith, Mass.
Clark	Long, Mo.	Sparkman
Cooper	Long, Hawaii	Symington
Engle	Long, La.	Wiley
Fong	Mansfield	Williams, N.J.
Gore	McGee	Yarborough
Gruening	McNamara	Young, Ohio
Hart	Metcalf	
Hartke	Monroney	

NOT VOTING—11

Aiken	Carlson	Hayden
Anderson	Chavez	Neuberger
Bennett	Douglas	Young, N. Dak.
Bridges	Fulbright	

So the amendment was rejected.

Mr. DIRKSEN. Mr. President, I submit a motion.

The PRESIDING OFFICER. The motion submitted by the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. The Senator from Illinois [Mr. DIRKSEN] moves to refer the pending bill to the Senate Committee on Armed Services.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I shall take only 1 minute on the motion. I point out that on page 3 of the bill, line 17, under "definitions," in section 3 appears this language:

As used in this Act—

(a) The term "disarmament" includes the elimination, reduction, control, limitation, inspection, verification, or identification, of armed forces and armaments of all kinds under international agreement, including the necessary steps taken under such an agreement to establish an effective system of international control or to create and strengthen international organizations for the maintenance of peace.

Mr. DIRKSEN. Mr. President, I cannot imagine that the Senate would vote on this bill unless it first had the benefit of the views of the Committee on

Armed Services of the Senate. I think, properly speaking, it should have been referred there before it ever came to the floor of the Senate. That is all I need say, I think, in view of the definition of "disarmament," as to why the motion to commit to the Committee on Armed Services of the Senate should prevail.

Mr. BUSH and Mr. MANSFIELD addressed the Chair.

Mr. DIRKSEN. I yield first to the Senator from Connecticut.

Mr. BUSH. Would the Senator accept a modification of his amendment, that the Armed Services Committee report by a date certain?

Mr. DIRKSEN. I would have no objection. My only desire is to see that those who are dealing essentially with the security of the country have a chance to consider this bill, call in those persons whom they think can offer testimony of value, and then send it back to the Senate.

Mr. BUSH. Would the Senator be willing to modify his amendment by providing that the Armed Services Committee shall report back to the Senate not later than February 1, 1962, let us say?

Mr. DIRKSEN. I have no objection.

Mr. BUSH. It is up to the Senator to modify his motion.

Mr. DIRKSEN. If the clerks will take note of the language, because my motion is a simple one to refer the bill to the Committee on Armed Services, the additional language would be, "with instructions to report back on or before the first of February 1962."

Mr. MUNDT and Mr. MANSFIELD addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Illinois so modify his motion?

Mr. DIRKSEN. I so modify it.

I yield to the Senator from South Dakota.

Mr. MUNDT. Mr. President, as one who would like to vote for this type of disarmament bill with some perfecting amendments. I hope the Senate will follow the deferment proposal of Senator DIRKSEN, for two valid reasons. I think the Armed Services Committee should have a look at the bill; but, even more important, if we were to pass this proposed legislation today, it would go down in history as the masterpiece of bad timing by the U.S. Senate in all of our American history. At a time when Russia is exploding atomic bombs almost every day and trying to intimidate the free world, I would dislike having the report go out that the U.S. Senate is voting for a disarmament program which could be misinterpreted to be an indication of appeasement and weakness on our part. As of February 1, I hope we can enact legislation on disarmament in a better world climate and without the likelihood that our action will be interpreted as just one more timid reaction to Communist boldness and aggressive activity. Let us not permit it to appear that the United States of America is once more being pushed around.

Mr. DIRKSEN. Mr. President, it is a very simple motion. It requires very little discussion. I am prepared to ask unanimous consent that the time on the motion be limited to 10 minutes, 5 minutes on the side, or whatever time is agreeable.

Mr. CASE of South Dakota. Mr. President, reserving the right to object, I shall want a little time, because I shall want to present the amendment which I had intended to offer. At least, I shall want some time.

Mr. BUSH. On the amendment?

Mr. CASE of South Dakota. Before the motion is voted upon.

Mr. DIRKSEN. Before the motion is voted upon.

The PRESIDING OFFICER. Does the Senator desire time on the motion?

Mr. CASE of South Dakota. I should like to have some time before a vote is taken on the motion.

Mr. DIRKSEN. Mr. President, I modify the request and suggest that the time be limited to 20 minutes, 10 minutes to a side, on this motion alone.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. GOLDWATER. I agree with the distinguished Senator from South Dakota [Mr. MUNDT] in the observation that today would be a most unfortunate day for the Senate of the United States to pass the proposed legislation. Mr. Khrushchev has said today that he is willing to talk. How will this look to the people of the United States and to the people of the world? We know there is no concession, but this could be very easily misunderstood by our friends around the world as a part of the yielding process to Khrushchev—as a part of the deal, we might say.

I am extremely hopeful that the Senate will send the bill to the Committee on Armed Services for its study, so that we will not make the unfortunate mistake of passing it today.

Mr. BUSH. Mr. President, reserving the right to object——

Mr. MANSFIELD. We will give the Senator from Connecticut some time.

Mr. BUSH. Very well. I should like to have 1 minute.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

Mr. HICKENLOOPER. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HICKENLOOPER. I shall not object.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. BUSH. Mr. President, will the Senator yield me 1 minute?

Mr. DIRKSEN. I yield 1 minute to the Senator from Connecticut.

Mr. BUSH. Mr. President, I think this is an appropriate motion. I came to the Senate this morning intending to vote for the bill as reported. I have listened carefully to the debate. I listened to the Senator from Georgia, the distinguished chairman of the Committee on Armed Services, express his view on the bill and his thought that the bill ought to go to the Committee on Armed Services.

The more I have thought about it, the more I think it is correct that the bill should be reviewed by the Committee on Armed Services. As a member of that committee, I shall be glad to have it referred to the committee.

I still intend to vote for the bill, and I hope we can have a satisfactory bill reported by the committee. I am delighted the Senator from Illinois has accepted the modification, to require that the bill be reported to the Senate by February 1 of next year.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from Iowa [Mr. HICKENLOOPER].

Mr. HICKENLOOPER. I thank the Senator from Illinois.

As I said earlier today, I supported the bill as it came from the committee. The bill was reported unanimously.

I think there are certain things which are wrong with the bill. However, it is a much better bill than when it was sent to the committee. It was corrected a great deal by the committee.

I feel very deeply that the bill cuts across all kinds of lines in our Government; atomic energy, Armed Forces, various scientific organizations, and others.

I said to the Senator from Georgia this morning that if a motion were made to refer the bill to the Committee on Armed Services I would support the motion, because I think the Committee on Armed Services should take a look at the bill from the standpoint of the Armed Forces of the United States. That does not mean I am necessarily against the bill. I voted to report the bill. I expect to vote for the bill on the question of passage, if that question comes before the Senate.

I think the Senate owes it to the country and owes it to our national security to permit the Committee on Armed Services of the Senate to take a look at the bill from the standpoint of the military security of the country and what the bill would do.

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays on the motion.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, we have heard arguments this afternoon that the proposal now before the Senate should be referred to the Committee on Armed Services. I was surprised to hear some of my colleagues express support for that suggestion. I do not refer to the distinguished minority leader.

I know that members of the Committee on Armed Services did make their views known to the Committee on Foreign Relations. I know that the Subcommittee on National Policy Machinery made its views known to the Committee on Foreign Relations. I know the distinguished chairman of the Committee on Armed Services indicated an intense interest, until quite recently, in having the proposal referred to the Committee on Armed Services.

But on the basis of what was done by the Committee on Foreign Relations, the chairman of the Committee on Armed Services this morning stated that he would not ask to have the bill referred to his committee. The chairman of the Committee on Armed Services made that statement on the floor this morning.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. RUSSELL. The Senator has in effect quoted me correctly, but I stated that it was because of the amendments and because of the fact that I did not think the committee could report the bill back at this session of the Senate. If the Senator will look at the RECORD, he will see that that was my statement.

Mr. MANSFIELD. The Senator is correct.

The Senator will agree with me, I believe, that on the basis of the bill and the reports which have been brought to his attention in the last several days, a great change has been made in the original proposal which was advancd to the Committee on Foreign Relations.

Mr. President, the Committee on Foreign Relations heard compelling testimony in behalf of the bill. The bill was reported by a vote of 17 to nothing. The committee heard testimony from Frederick M. Eaton, former Ambassador to the Ten Nation Conference on Comprehensive Disarmament; Trevor Gardner; Thomas Gates, former Secretary of Defense; Roswell L. Gilpatric, present Deputy Secretary of Defense; Gen. Alfred M. Gruenther; Christian A. Herter: Arthur Larson; Gen. Lyman L. Lemnitzer; Henry Cabot Lodge; Robert Lovett; John J. McCloy; Dean Rusk; C. M. Stanley; James J. Wadsworth; as well as a number of others; all of whom unanimously advocated the reporting of the proposal.

I point out, Mr. President, that the Senate Committee on Foreign Relations is on trial, on the basis of the motion made. What Senators should take into account is the fact that for many days the committee met, heard numerous witnesses, and then arrived at a unanimous decision. What confidence do Senators have in the committees they have set up to do the work for them in specialized fields? Either the Committee on Foreign Relations has done a good job or it has not. If it has, the bill is entitled to a vote—not a vote on referral or committal, but a vote on the basis of the facts which the members have brought to the attention of the Senate and have stated in the report as a result of their hearings.

The committee is made up of both Republicans and Democrats, who are good men. The committee has spent much time on this proposal. I think the very least the committee is entitled to is the courtesy of a "yea" or "nay" vote, not on the motion to commit, but on the question of passage.

It is understood that with the limitations placed in the proposal it will not be used to such an extent as to thwart, to estop, or to hinder in any way the continued strengthening of the defenses of this country.

Much work is being put before the Senate for its consideration. If, on the basis of 20 minutes' discussion, Senators are going to vote to refer the bill to another committee, then I think there is something wrong with the committee system and it ought to be looked into.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Minnesota.

Mr. McCARTHY. Mr. President, I have grave reservations about the proposal to establish the new Agency. I do not know that the subject should be committed to the Committee on Armed Services. But, as I have read the statements of the authorities, experts, and advocates whose statements are cited in the report of the Committee on Foreign Relations, I note that almost everyone has made some reference to the need for better organization. I cite the following authorities who have stated:

John J. McCloy: "* * * there are incidents in the arms race that do create a certain instability and * * * it is imperative of statesmen to * * * bring the best talents to bear that we know how to find and produce to cope with this problem."

Roswell L. Gilpatric: "* * * the Joint Chiefs of Staff recognize the need for centralized control and direction of U.S. arms control efforts."

Robert A. Lovett: "* * * I believe that the present method of dealing with disarmament problems is far too dispersed and fragmentized to make possible the orderly planning, policymaking, and supervisory procedures which, * * * are increasingly necessary as man's ingenuity in killing himself continues to outrun his self-restraint."

Alfred M. Gruenther: "I favor * * * the type of organization that will conduct the necessary research and study to give us a sound position and to remove the propaganda disadvantage under which we work on various occasions."

Frederick M. Eaton: "* * * we must promptly establish a Disarmament Agency with adequate authority to coordinate and direct the activities of the numerous Government agencies involved, so that we may be in a position to advance and consider every proposal in this critical area."

Christian A. Herter: "* * * continuity is very important in a matter that is as complex as that of disarmament."

Again, the question of procedure arose. So on down through the list. I doubt whether the Committee on Foreign Relations should have been assigned the responsibility of considering the bill. It seems to me that the Committee on Government Operations should have studied the bill, because questions of procedure are involved. It is proposed to establish a new agency of Government, and the bill should have been referred to the Senate Committee on Government Operations.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. MANSFIELD. It is my understanding that originally the bill was referred to the Committee on Government Operations, and that subsequently it was rereferred to the Committee on Foreign Relations. Is that correct?

Mr. HUMPHREY. That is correct.

Mr. McCARTHY. In that case, if the bill is being passed around, perhaps it should be passed to the Committee on Armed Services.

Mr. MANSFIELD. If that is the manner in which we are to carry on the operations of the Senate, I think we had better overhaul the committee procedure. If the Senate has a committee which has a certain responsibility, we had better call upon that committee to discharge its responsibility. If we are to pass legislation from committee to committee, I think there is something wrong with our committee system; and clearly something should be done to bring about a reorganization of it.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from South Dakota.

Mr. MUNDT. This bill was never considered by the Committee on Government Operations. It may have been referred to our committee and later referred to the Committee on Foreign Relations. But the Committee on Government Operations never considered it at any time.

We have something to consider today, however, which is much more important than arguing about committee jurisdiction, something also much more important than the question whether or not the vote will be considered to be a pat on the back or some kind of imaginary criticism of the Senate Committee on Foreign Relations. It certainly will not be that.

The Committee on Foreign Relations reported a bill. I would have been prepared to vote for that bill as it is 2 or 3 weeks ago. But on this 8th day of September 1961, on the 4th or 5th day of successive atomic bomb tests by the Soviet Union, after they had succeeded in waging psychological warfare against the neutralized conferees in Belgrade to the point that that body enacted resolutions that dealt with the perils of the 18th and 19th centuries and almost completely ignored the dangerous situation created by Khrushchev in the 20th century, I do not think the Senate should take any action which the Communist world might misinterpret through its reports and propaganda to indicate to all the world that a feeling of appeasement or fearfulness is creeping over this body and pervading America.

We are not asked to recommit the bill. We would refer it to another committee which has a rightful interest, because the bill deals with the whole problem of national defense and with our armed services. The Committee on the Armed Forces is the committee that is most intimately related to that particular problem and by delaying action until February 1. We shall lose nothing except the dangerous consequences to peace which could very well flow from the propaganda opportunities we shall present the Communist overlords if we vote affirmatively on this measure today. I wholeheartedly support the purpose of this bill but I heavyheartedly warn against the wisdom of injecting this element into the international situation at this specific and significant time.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUNDT. I hope the motion will be agreed to.

Mr. MANSFIELD. Mr. President, I yield 2 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I fully recognize the right of any Senator to advocate referring a bill to any committee he desires. I merely wish to clarify the RECORD. When the bill was first referred to the Committee on Government Operations, of which the Senator from Arkansas [Mr. MCCLELLAN] is the chairman, the chairman of the Committee on Foreign Relations [Mr. FULBRIGHT] and the chairman of the Committee on Government Operations [Mr. MCCLELLAN] had a discussion, and the bill was rereferred to the Committee on Foreign Relations.

Mr. MUNDT. Without any consideration by our committee.

Mr. HUMPHREY. Without any consideration by the Committee on Government Operations.

Mr. MUNDT. The Senator is correct.

Mr. HUMPHREY. The bill could have been referred to one, two, or three different committees. Many other bills are so referred. For example, consider a bill which deals with tariffs. The question of tariffs surely affects foreign relations, but tariff bills are considered by the Committee on Finance, and the members of the Committee on Foreign Relations rely upon the decision of the Committee on Finance in the field of tariffs. Yet is there any question more vital to our foreign policy than tariffs?

When we enter the area of defense, questions related to defense affect our foreign policy. Oversea bases surely affect our foreign policy. But who would think of transferring a military construction bill from the Committee on Armed Services to the Committee on Foreign Relations?

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LONG of Louisiana. Actually the whole reciprocal trade program is referred to the Committee on Finance, as the Senator well knows. Questions related to social security, as well as questions related to public welfare, are referred to the Committee on Finance. Logically, such questions should be referred to the Committee on Labor and Public Welfare, because subjects related to the original Social Security Act are referred to that committee.

Another example is the Sugar Act. The Sugar Act is nothing more or less than a tariff, containing quotas. That measure has been referred to the Committee on Finance. Logically one might say that it should be considered by the Committee on Foreign Relations. There are a number of hiatuses in the rules, but we know that such bills are referred to one committee or another.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, I do not wish to cast any reflection or pass judgment upon the ability or jurisdiction of any committee. The bill was referred to the Committee on Foreign Relations. Hearings were opened by the Senator from Arkansas [Mr. FULBRIGHT]. The hearings were continued by the Senator from Alabama [Mr. SPARKMAN]. There were several days of hearings. We had days of markup. We reported what we thought was a reasonably good bill. The bill does not vest new authority. The bill does what every witness who came before the committee requested. It provides machinery to coordinate the vast activities of the Government in the fields of disarmament research and disarmament negotiations.

When President Eisenhower, President Kennedy, Secretary of Defense McNamara, Secretary of Defense Lovett, Secretary of Defense Gates, Secretary of State Herter, Secretary of State Rusk, and other witnesses said that we needed this Agency, and many responsible people testified for it, I think it would have looked foolish for us to act contrary to their recommendations.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. Mr. President, I yield myself 1 minute. I know the answer to the question I am about to ask, but I would like to get it from high authority. I shall ask the chairman of the Committee on Armed Services whether it is unusual to refer a bill, particularly one of the nature of the bill before the Senate, to another committee which has jurisdiction over a part of the subject matter.

Mr. RUSSELL. Mr. President, will the Senator yield at least 1 minute?

Mr. DIRKSEN. I yield 1 minute.

Mr. RUSSELL. Of course, there is nothing unusual about that procedure. I have often observed three committees studying a bill. In this case, when the bill was first introduced, the question of jurisdiction was raised. I discussed it with the Senator from Minnesota [Mr. HUMPHREY] and the Parliamentarian, and insisted that the bill should go to the Committee on Armed Services. After examining the rules, the Parliamentarian decided that the bill should be referred to the Committee on Government Operations. I examined the rules and decided that such a referral was appropriate; and that, inasmuch as the bill would create a new agency, it should go to the Committee on Government Operations.

I do not know how the bill got out of the Committee on Government Operations and into the Committee on Foreign Relations. But the question of jurisdiction was raised at that time; and inasmuch as I agreed that the bill should be referred to the Committee on Government Operations, I do not make a fight for jurisdiction now.

In answer to the question of the Senator, every Senator who has served for any length of time has seen bills considered by two committees, and I have seen them considered by as many as three.

Mr. DIRKSEN. Mr. President, I shall use the remainder of my 1 minute to read one sentence on page 2 of the bill, which is an amendment written in by the committee:

> Disarmament policy, being an important aspect of foreign policy, must be consistent with national security policy as a whole.

If that language does not bring the bill within the orbit of the Committee on Armed Services, then I do not understand the English language.

I yield 2 minutes to the distinguished Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, the bill was before the Committee on Government Operations for 1 month and 4 days. It was introduced on the 29th of June. On the 3d of August the Committee on Government Operations was discharged and the bill was referred to the Committee on Foreign Relations. It was before that committee for a month and 3 days, being reported on the 6th of September.

As a member of the Committee on Armed Services, naturally I feel that it would be appropriate that the bill should be referred to or considered by that committee in order that the full compass of the bill might be properly studied. However, the dilemma in which we now find ourselves is due to the fact that the committee in charge of the bill fails to take note of the point I tried to make earlier in the day. That point was that after the speech by Khrushchev on disarmament last night, our position before the world would be misunderstood if we should pass the bill today and leave it as a bill for disarmament. That is why I proposed that the title be changed and that the name of the Agency be changed to "U.S. Advisory Agency on Arms Control, Peace, and Security."

The distinguished Senator from Iowa has suggested that he would like to join in the amendment and make it "the Advisory Agency on Arms Control, Disarmament, Peace, and Security."

Mr. President, our national policy has not been that of total disarmament.

We have talked about arms control. If the bill is referred to the Committee on Armed Services, I shall attempt there to effect this amendment. If the present motion is rejected, I shall offer an amendment from the floor.

Mr. DIRKSEN. I yield the remaining minute to the Senator from Texas.

Mr. TOWER. Mr. President, in the present conflict against the forces of imperialistic communism, the battle will go to the strong. There will be a time when the uncommitted nations will commit themselves. They will not commit themselves necessarily to the side they believe to be morally right. They will commit themselves to the side they believe to be strongest. If we pass the bill at this time, it will be interpreted all over the world as an act of conciliation, weakness, and perhaps even capitulation.

Mr. HUMPHREY. Does any time remain?

The PRESIDING OFFICER. No time remains on either side. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. CAPEHART (after having voted in the affirmative). On this vote I have a pair with the Senator from Illinois [Mr. DOUGLAS]. If he were present and voting he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withdraw my vote.

Mr. TALMADGE (after having voted in the affirmative). I have a pair on this vote with the Senator from Arkansas [Mr. FULBRIGHT]. If he were present and voting he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withdraw my vote.

Mr. HUMPHREY. I announce that the Senator from Illinois [Mr. DOUGLAS], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], and the Senator from Massachusetts [Mr. SMITH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from New Mexico [Mr. CHAVEZ] are absent because of illness.

On this vote, the Senator from New Mexico [Mr. ANDERSON] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Utah would vote "yea."

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], the Senator from Arizona [Mr. HAYDEN], and the Senator from Massachusetts [Mr. SMITH] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent on official business.

The Senator from Utah [Mr. BENNETT] and the Senator from North Dakota [Mr. YOUNG] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kansas [Mr. CARLSON] are absent because of illness.

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from New Mexico [Mr. ANDERSON]. If present and voting, the Senator from Utah would vote "yea," and the Senator from New Mexico would vote "nay."

The result was announced—yeas 33, nays 54, as follows:

[No. 191]

YEAS—33

Allott	Eastland	McClellan
Beall	Ellender	Mundt
Bush	Fong	Prouty
Butler	Goldwater	Robertson
Byrd, Va.	Hickenlooper	Russell
Cannon	Holland	Saltonstall
Case, S. Dak.	Hruska	Schoeppel
Cotton	Jackson	Smith, Maine
Curtis	Kerr	Stennis
Dirksen	Kuchel	Thurmond
Dworshak	Lausche	Tower

NAYS—54

Bartlett	Ervin	Kefauver
Bible	Gore	Long, Mo.
Boggs	Gruening	Long, Hawaii
Burdick	Hart	Long, La.
Byrd, W. Va.	Hartke	Magnuson
Carroll	Hickey	Mansfield
Case, N.J.	Hill	McCarthy
Church	Humphrey	McGee
Clark	Javits	McNamara
Cooper	Johnston	Metcalf
Dodd	Jordan	Miller
Engle	Keating	Monroney
Morse	Pell	Symington
Morton	Proxmire	Wiley
Moss	Randolph	Williams, N.J.
Muskie	Scott	Williams, Del.
Neuberger	Smathers	Yarborough
Pastore	Sparkman	Young, Ohio

NOT VOTING—13

Aiken	Carlson	Smith, Mass.
Anderson	Chavez	Talmadge
Bennett	Douglas	Young, N. Dak.
Bridges	Fulbright	
Capehart	Hayden	

So Mr. DIRKSEN's motion was rejected.

Mr. SPARKMAN. Mr. President, I move that the Senate reconsider the vote by which the motion to commit was rejected.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE PROGRAM — ORDER FOR ADJOURNMENT TO MONDAY AT 9 A.M.

Mr. DIRKSEN. Mr. President, while many Senators are in the Chamber, I wish to make inquiry of the distinguished majority leader concerning the program for the remainder of the day and for the remainder of the week, in the hope that there may be good news for the Senate so far as Saturday is concerned.

Mr. MANSFIELD. Mr. President, upon the conclusion of action on the bill now before the Senate, it is the intention to bring up Calendar No. 734, S. 1563, to authorize the conveyance of certain lands within the Clark Hill Reservoir, Savannah River, Georgia-South Carolina, to the Georgia-South Carolina Council, Inc., Boy Scouts of America, for recreation and camping purposes. The Senator from Georgia [Mr. RUSSELL] and the Senator from Oregon [Mr. MORSE] have an interest in the bill. I understand that its consideration can be finished in about 15 minutes.

Following the conclusion of action on that bill, it is the intention of the leadership to bring up Calendar No. 592, H.R. 2010, the so-called Mexican labor bill, and to remain in session until it is disposed of.

Then, if the Senate is willing and agreeable, it is the intention of the leadership to suggest that at the conclusion of the action on the Mexican labor bill the Senate go over until 9 o'clock on Monday morning next.

Mr. DIRKSEN. Mr. President, I know the entire Senate will be grateful to the majority leader for his affability and for thinking of the convenience of the Members, so many of whom have speaking engagements at home, and who are always grateful for his kindness and consideration.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it adjourn until 9 o'clock on Monday morning next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I wish to query the majority leader about the measures which will come up for consideration on Monday.

Mr. MANSFIELD. It is hoped that at the conclusion of the consideration of the Mexican labor bill we may lay before the Senate Calendar No. 719, S. 2393, so that at the conclusion of morning business on Monday next, the Senate may embark on a discussion of aid to schools in impacted areas.

Mr. DIRKSEN. I thank the majority leader.

U.S. DISARMAMENT AGENCY FOR WORLD PEACE AND SECURITY

The Senate resumed the consideration of the bill (S. 2180) to establish a U.S. Disarmament Agency for World Peace and Security.

Mr. BUSH. Mr. President, have the yeas and nays been ordered on the passage of the disarmament agency bill?

The PRESIDING OFFICER. Not as yet.

Mr. BUSH. Mr. President, on the passage of the bill, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ROBERTSON. Mr. President, I wish to offer an amendment, beginning on page 25 of the bill, to restore the language relating to the audit by the Comptroller General. The amendment is to restore the language commencing on line 17 and continuing through line 13 on page 26.

I consulted with the Honorable John J. McCloy, who submitted a draft of the bill and is very much interested in the proposed legislation. He told me it was essential that the bill pass.

I asked him about the denial of the right of the Comptroller General, who reports to Congress, to audit, and he said he did not know the provision had been taken out.

Then I conferred with the distinguished Senator from Ohio [Mr. LAUSCHE], who is always alert to economy measures, and he said he did not know it had been taken out.

Then I conferred with the patron of the bill, and he said he did not know it had been taken out.

Then I conferred with the distinguished Senator from Alabama, my desk mate, and he said he did not know it had been taken out. So, evidently it came out by some mistake. Therefore, I have moved to restore the language.

Mr. SPARKMAN. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. SPARKMAN. I have made some inquiry since I first spoke with the Senator from Virginia. I think I can give him an explanation now as to how the language was taken out.

After the committee had reached agreement, and had agreed definitely that the agency was to be within the Department of State, under the direction of an Under Secretary of State, when the bill was redrafted the language was taken out, for the simple reason that all the functions of the Department of State are already subject to the control act; and therefore an audit of this agency would be duplication.

Certainly so far as I am concerned I would have no objection to putting it

back in. But it was felt it would be a duplication.

Mr. ROBERTSON. If it is just a question of drafting——

Mr. HUMPHREY. That is right.

Mr. ROBERTSON. Then I shall withdraw my amendment.

Mr. HUMPHREY. Mr. President, I wish the Senator from Virginia would not withdraw his amendment. After I went to the cloakroom and examined the language, I recalled very well why the language was omitted; and the reason was as the Senator from Alabama has stated.

But I believe it should be put back in. I think it provides for the kind of precaution that is necessary.

So I hope the amendment of the Senator from Virginia will be adopted.

Mr. ROBERTSON. Then, Mr. President, I ask for a vote on my amendment.

The PRESIDING OFFICER. The amendment of the Senator from Virginia will be stated.

The CHIEF CLERK. On page 25, after line 16, it is proposed to insert lines 17 through 25, and, on page 26, lines 1 through 13, as follows:

COMPTROLLER GENERAL AUDIT

SEC. 46. No moneys appropriated for the purpose of this Act shall be available for payment under any contract with the Director, negotiated without advertising, except contracts with any foreign government, international organization, or any agency thereof, unless such contract includes a clause to the effect that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment, have access to and the right to examine any directly pertinent books, documents, papers, and records of the contractor or any of his subcontractors engaged in the performance of, and involving transactions related to such contracts or subcontracts: *Provided, however,* That no moneys so appropriated shall be available for payment under such contract which includes any provisions precluding an audit of the General Accounting Office of any transaction under such contract: *And provided further,* That nothing in this section shall preclude the earlier disposal of contractor and subcontractor records in accordance with records disposal schedules agreed upon between the Director and the General Accounting Office.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia.

The amendment was agreed to.

Mr. CASE of South Dakota. Mr. President, I call up the amendment which I have at the desk. The amendment is offered by me, on behalf of myself and the Senator from Iowa [Mr. MILLER].

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 1, it is proposed to amend the title so as to read: "To establish a United States Agency on Arms Control, Peace, and Security".

And in lines 6 and 7, strike out the words "Disarmament Act for World Peace and Security" and insert in lieu thereof "Act for Arms Control, Peace, and Security".

On page 4, line 12, strike out the words "Disarmament Agency for World Peace and Security" and insert in lieu thereof "Agency for Arms Control, Peace, and Security".

On page 5, line 2, strike out the words "United States Disarmament Agency for World Peace and Security", and insert in lieu thereof "United States Agency on Arms Control, Peace, and Security", and make the same change in lines 5, 6, and 7 on page 5.

And in line 17 on page 5 and in line 1 on page 6, strike out the word "Disarmament" and insert in lieu thereof "Arms Control" so that the head of the Agency shall be known as the "Under Secretary for Arms Control".

Mr. CASE of South Dakota. On page 2, the committee amendment in line 10 reads as follows:

Disarmament policy being an important aspect of foreign policy, must be consistent with national security policy as a whole.

It is because of my belief that that is true that I have offered this amendment. The national policy of the United States is not for a capitulation or for throwing away all our arms tomorrow or for complete abandonment of our strength. Instead, the national policy of the United States is for arms control with adequate inspection.

In view of the speech made by Premier Khrushchev, as reported today by the news services, it seems to me it is important that we make clear that this Agency is to be one for arms control, peace, and security.

Mr. HUMPHREY. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. HUMPHREY. Mr. President, I have talked to the majority leader, and I understand that he has indicated to the Senator from South Dakota that, in the judgment of the majority leader, such an adjustment might well be made in the bill—because I believe we have the identical objective.

Mr. CASE of South Dakota. I think so, too.

Mr. HUMPHREY. Earlier today, I argued with the Senator in regard to what I believe is the value of these words. Will he be willing to modify his amendment, so that the title would read: "To establish a U.S. Arms Control Agency"—and eliminate the word "Disarmament"—"for World Peace, Disarmament, and Security."

After all, the ultimate objective is controlled disarmament; is it not?

Mr. CASE of South Dakota. That is correct.

Mr. HUMPHREY. That is the objective; and in the title we are referring, first of all, to establishing an arms control agency, and its purpose would be world peace, disarmament, and security.

Mr. CASE of South Dakota. Mr. President, I modify my amendment accordingly.

Mr. COOPER. Mr. President, will the Senator from South Dakota yield?

The PRESIDING OFFICER (Mr. HART in the chair). Does the Senator from South Dakota yield to the Senator from Kentucky?

Mr. CASE of South Dakota. I yield.

Mr. COOPER. I intervene because I was very much interested in the colloquy earlier today between the Senator from Minnesota and the Senator from South Dakota [Mr. CASE] and their present colloquy.

I agree with the Senator from South Dakota that our policy has been one of arms control and limitations. Perhaps we have never said we would completely disarm; but for all practical purposes, if we ever achieved disarmament with effective controls—it would be disarmament in the sense that no country would be able to start, or carry on a total war, and certainly not a nuclear war; and in that sense it would be true disarmament.

I have talked to Mr. John McCloy and to others who have worked in the field of disarmament negotiations, and they say the word "disarmament" is important; and that is what the Senator from Minnesota said a while ago.

Mr. HUMPHREY. Yes, indeed.

Mr. COOPER. The term "disarmament is important. We seek a true disarmament in the sense that arms would be limited, inspected, and controlled in such a way that neither the United States nor the Soviet Union nor any other country would be able to wage a total war to destroy mankind.

If that is the real essence of the meaning of disarmament—rather than the strict definition—and it is—and if that is what we are trying to say to the world, why not say it? Why abandon the word "disarmament?" Why become so afraid of this word? Why change it to words of literal definition, which will not mean anything to the world.

Mr. CASE of South Dakota. Mr. President, I think the amendment will mean something to the world. But no Senator will be able to understand the full force of the argument I am about to make in connection with the amendment unless he first has read the news reports about the statement made last night by Premier Khrushchev. He is proposing disarmament to the world.

The action taken today by the Senate, if limited to disarmament, and without emphasizing the arms control aspects, will, I fear, be subject to the interpretation which earlier today the Senator from South Dakota [Mr. MUNDT] and the Senator from Texas [Mr. TOWER] put on it; namely, that if the Senate today were to propose disarmament, the proposal would seem to amount to capitulation or acceptance of the Khrushchev proposal.

My amendment, as modified in accordance with the suggestion made by the Senator from Minnesota [Mr. HUMPHREY], will change the title of the bill to such an extent that the title then will be, "To establish a U.S. Arms Control Agency for World Peace, Disarmament, and Security."

Mr. CLARK. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. CLARK. Will the Senator agree with me that arms control is the first step on the road to disarmament?

Mr. CASE of South Dakota. Yes, it is.

Mr. CLARK. I thank the Senator. With that understanding, I would not oppose his amendment.

Mr. COOPER. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. COOPER. I have always had the greatest respect for the Senator from South Dakota [Mr. CASE] and for his care and precision. He is always constructive, and I have the greatest respect for his proposals.

I recognize that the term "disarmament" may not be a precise description of what we have offered to do in the past and what we still propose in negotiations. But I say that this bill, in its broad meaning, does deal with true disarmament. A true disarmament that the Soviet Union has never proposed, a true disarmament which the Soviet Union has cynically resisted. So let us use the words "Disarmament Agency."

Earlier today a number of distinguished Senators—among them the Senator from Arizona [Mr. GOLDWATER] and the Senator from South Dakota [Mr. MUNDT]—stated that in view of what Khrushchev is reported to have said today—that he is willing to negotiate about Berlin—that if we were to pass this bill today or if the bill as passed is entitled a "disarmament bill," Khrushchev would seize on our action or the world might do so as an indication of weakness on our part. I do not accept this view. To the contrary I believe it derogates of the strength of our country.

President Kennedy—and he has been supported by former President Eisenhower and former President Truman—has stated the rights and commitments of the United States with respect to Berlin. They are the right of the United States to maintain its presence in Berlin, rights of access, and our commitment to protect the freedom of West Berlin. We have stated that we are willing to fight, and go to war and die for these commitments. What more could we do? But if the whole world thinks the United States is frightened by the passage of this bill and that we have nothing else in our policy, I say we need to enlarge and improve our policy respecting Berlin.

In these last days we have had to take military steps to protect our security and commitments—because of the Soviet Union's wrongful acts in Berlin and because of its resumption of tests; but day by day, and week by week, when these steps are taken, and follow each other, it is necessary to take a new initiative, or they will lead us closer and closer to war with the Soviet Union. We have said we would go to war with the Soviet to defend our rights and commitments. Why are we afraid to take a new initiative? I think the world is looking for the United States to take a new initiative toward an honorable negotiation. The passage of a bill is a reaffirmation of our willingness to make new efforts toward an honorable peace. I deny that it is an expression of weakness. I hold it to be an affirmation of our strength and purpose.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. HUMPHREY. Again I want to associate myself, very openly and clearly and unmistakably, with what the Senator from Kentucky has just said. If we in this body are going to have our votes governed by what are the latest utterances of Khrushchev, then we ought to go home. We are unworthy of being U.S. Senators if we permit the man in the Kremlin to drive us from one end of this country to another. If we are going to stand here and react, like Pavlov's dog, or like trained seals, to what Mr. Khrushchev says and vote in reaction to what he utters, we had better go home. I suppose if Mr. Khrushchev said "peace," we would vote "war." Of course, we will remember what he said. Of course, we will try to understand and fathom the Soviet propaganda line and what the purposes are. But we know what their purposes are and we know exactly what they are doing.

Mr. President, the stature of the Senator from Kentucky has risen again. Some people talk about Russians being 10 feet high, but when I see a Senator stand up as the Senator from Kentucky has stood, and speak with such statesmanship and moral courage, he ought to be saluted.

When we have the Members of this body who are willing not only to put their lives on the line, in terms of the defense of their country, and put their reputations on the line for the purpose of seeking justice and lasting peace, it is a remarkable thing. Let America never get in the position where everything it will do will be governed by the latest utterance of the man in the Kremlin.

Mr. CASE of South Dakota. Mr. President, I certainly hope the Senator from Minnesota and the Senator from Kentucky are not implying that I had been governed by what Mr. Khrushchev has said. So far as that is concerned, I think we have to take into consideration the public opinion of the world. I want the public opinion of the world to believe that the United States is strong, and that we are not going to throw away our arms because Mr. Khrushchev talks about disarmament. I want us to have a policy which is consistent with the position of strength we have taken in the proposal before the United Nations. We have said the thing to do is to have arms control with inspection before we talk about disarmament.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. BUSH. I regret that I find myself in disagreement with the Senator from South Dakota, with whom I so often agree in the Armed Services Committee; but it seems to me if there is one significant word in the bill, it is the word "disarmament."

Mr. CASE of South Dakota. That word is not eliminated from the bill or from the title by the amendment.

Mr. BUSH. I had understood it was eliminated.

Mr. CASE of South Dakota. No, it is not, as modified and as presently at the desk.

Mr. BUSH. May we have it read? I thought it was eliminated.

Mr. CASE of South Dakota. The Senator from Minnesota [Mr. HUMPHREY] asked for the revision.

Mr. HUMPHREY. I asked the Senator to modify it to read "to establish a U.S. Arms Control Agency for World Peace, Disarmament, and Security."

Mr. BUSH. How does page 1 read?

Mr. HUMPHREY. That would be the title on page 1.

Mr. BUSH. How do lines 6 and 7 read?

Mr. HUMPHREY. "This act may be cited as the 'Arms Control Act for world peace, disarmament, and security.' "

Mr. BUSH. The word "disarmament" is in?

Mr. HUMPHREY. It must be kept in.

Mr. BUSH. It must be kept in.

Mr. MORSE. Mr. President——

Mr. CASE of South Dakota. Does the Senator from Oregon want me to yield?

Mr. MORSE. I want the floor in my own right.

Mr. President, I have a couple of disarmament matters to discuss.

Mr. President, I wish to join the Senator from Minnesota in his high commendation of the Senator from Kentucky [Mr. COOPER]. I consider the Senator from Kentucky one of the great statesmen of my time. I have said so in many places in the United States. I have said so as a Democrat in the State of Kentucky on more than one occasion. I think the Senator from Kentucky again demonstrated here this afternoon the soundness of the statements I have made from time to time about his statesmanship.

I also rise to commend the Senator from Minnesota for the great leadership he has extended to the Senate and to the people of the country in regard to the matter of disarmament.

For years the Senator from Minnesota has been one of the outstanding leaders of this country in the whole matter of the arms race, and in trying to get the world to see, before it is too late, that if we continue this mad nuclear armaments race, it will mean the end of all, including the United States as well as Russia.

I wanted to make this statement this afternoon before we came to a vote on the bill, because I think the Senator from Minnesota [Mr. HUMPHREY] is deserving of the recognition of the great debt of gratitude that the entire Senate, the Congress, and the people of this country owe to him.

Turning to another matter, which I think may be referred to as a disarmament matter——

Mr. CLARK. Mr. President, will the Senator yield at that point, before he goes to another matter?

Mr. MORSE. Briefly.

Mr. CLARK. I should like to express my strong concurrence with the statement made by the Senator from Kentucky. He states my views. So do the Senator from Oregon and the Senator from Minnesota. I would strongly oppose this amendment if I believed it made any real change in the meaning and title of the bill. I concur again with

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what the Senator from Connecticut has said. All it means is that arms control is a first step to disarmament. Disarmament is still desirable.

Mr. MORSE. Does the Senator agree that arms control has to come first, as the first step to disarmament?

Mr. CLARK. Yes.

DISTRICT OF COLUMBIA REVENUE BILL

Mr. MORSE. Mr. President, I now turn to another matter that might properly be referred to as a disarmament matter, too.

I have made a great discovery, or perhaps it should be called a rediscovery, but it is a discovery which the chairman of the House District of Columbia Committee needs to recognize; namely, that this is a bicameral form of government. It is not a unicameral form of government. As a member of the Senate District of Columbia Committee, I want to let the chairman of the House District Committee in on a great big secret, and that is, here is one Member of the Senate who does not propose to have the chairman of the House District of Columbia Committee lay down a mandate to the Senate of the United States and tell us that we will take the House revenue bill or there will be no revenue bill passed, not even a conference.

I let the chairman of the House District of Columbia Committee in on a secret. I never felt better in my life. I am in perfect health, my doctors tell me; and there will be no revenue bill for the District of Columbia passed in this session of Congress if I can prevent it.

I have, in the last hour, obtained some associates who will join with me. We will go to conference on a revenue bill, or there will be no revenue bill.

Let me say to the Senate I have also made an investigation to ascertain that we can go along without a revenue bill well into March and the District of Columbia will continue to function.

This is not the first time we have had this kind of a threat presented to the Senate of the United States by various committees in the House. It is also true in connection with the question of aid to education legislation. The senior Senator from Oregon is all fed up with it.

I happen to believe I have taken an oath to sustain this form of government of ours, and it is bicameral in nature, not unicameral.

I know why there are powerful forces which would prevent the bill from going to conference. It is because the senior Senator from Oregon got some liquor amendments adopted in the Senate, and the liquor lobby does not like that. I am perfectly willing to find out whether the liquor lobby is the stronger, between now and the time we recess.

The senior Senator from Oregon has served longer on the District of Columbia Committee than any other Member of this body, and does not have to take a second place to anyone in respect to dedicated service to the citizens of the District of Columbia. I do not propose to have the House tell the Senate we shall take their bill or leave it. I am ready to leave it now. We can go over into the next session of Congress, and let the public react to the position being taken by certain people in the House in regard to a District of Columbia revenue bill.

I do not propose to have a sales tax crammed down my throat that way, without at least an opportunity to take a bill passed by the Senate into conference with the House, to let the conference procedure of our form of government operate on that bill.

I am making no threats. I am stating a fact, Mr. President, because that is the way it is going to be. I hope due notice of it will be taken by the chairman of the House Committee on the District of Columbia.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. MORSE. I am glad to yield.

Mr. THURMOND. Do I correctly assume, from the remarks of the senior Senator from Oregon, that he is not making any insinuations against the chairman of the Committee on the District of Columbia of the House, the Representative from the Sixth District of South Carolina?

Mr. MORSE. I have not the slightest idea what the motivations of the Representative are.

Mr. THURMOND. I simply wished to have the RECORD show whether the Senator is doing so or not.

Mr. MORSE. My reply is, I have not the slightest notion as to what are the motivations of the Representative in taking the position he is taking.

Mr. THURMOND. Is the Senator imputing bad faith to the Representative from South Carolina?

Mr. MORSE. Not bad faith; only a lapse of good judgment.

Mr. THURMOND. This is the opinion of the Senator from Oregon, with whose judgment a great many people may not agree, however.

Mr. MORSE. Including the Senator from South Carolina.

Mr. THURMOND. That is correct.

Mr. MORSE. That is correct. I have made my statement, and I shall stand on it.

BERLIN: AN INTERNATIONAL CITY?

Mr. MANSFIELD. Mr. President, this morning's New York Times contains a most interesting column by James Reston, the distinguished commentator on national and international affairs. Mr. Reston reports a widespread interest in diplomatic circles on the possibility of an alleviation of the Berlin situation through internationalized control of the entire city—Communist East and free West—with routes of access guarded by an international force of some kind. Mr. Reston neither endorses nor rejects this approach. Nevertheless, he has performed a significant service by bringing it to the attention of the public. It may not hold any great promise at this time, but certainly the slim possibility of a decent rational solution which the approach contains ought not to be overlooked even at this late date.

I ask that the article be included in the RECORD, at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Sept. 8, 1961]

AN INTERNATIONAL CITY—BERLIN?

(By James Reston)

WASHINGTON, September 7.—In the discussions of Berlin in the embassies here these days there is considerable talk about the possibility of internationalizing that city under the United Nations.

Various ideas along this line are being explored as an alternative to the present stalemate and crisis, but all of them envisage negotiations with the Russians for a new Berlin status and a United Nations "presence" in Berlin pending eventual unification of the two Germanys.

One suggestion, for example, is that both East and West Berlin should actually be administered by the international organization as a kind of trust territory, with the routes of access to it internationalized as well.

Another is that the U.N. would not actually govern the city but merely supervise the administration of a new freely elected Berlin government and replace Soviet and Western troops there with a United Nations force.

A third is that the United Nations should reinforce its presence in Berlin by moving some of its specialized agencies, such as the International Refugee Agency, to Berlin, and there is even some discussion of the possibility of moving the permanent headquarters of the U.N. from New York into Berlin.

KENNEDY INTERESTED

The U.S. Government has not taken a position on any of these ideas, but they are known to the President, they have been discussed at the highest levels of this administration, and more will undoubtedly be heard about them if Khrushchev ever stops jumping up and down.

For the time being nobody here wants to talk above a whisper about any new formula for Berlin. Adenauer is engaged in a West German election that is almost as silly as the New York campaign, and until he disposes of Willy Brandt he does not want to take on Emperor Nik.

Of course, all this talk about turning Berlin over to the U.N., or vice versa, rests on the assumption that Khrushchev really is prepared to guarantee free access to a free city. If he is, the U.N. presence in one form or another is at least a method of tesing his sincerity.

The U.N. has established its presence, with varying degrees of success, in Korea, Lebanon, the Gaza Strip, and the Congo. If it can provide a military service in one area, presumably it can provide a civil service in another; so at least runs the argument in the embassies here in Washington.

Khrushchev himself has indicated a willingness to have the United Nations play an unstipulated part in the supervision of any new Berlin and German settlement, but he has not, of course, gone as far as backing a wholly internationalized Berlin.

He has always talked not about the whole of Berlin as a free city but only of West Berlin. As usual in these negotiations, he wants to hold on to what he's got and negotiate for what we've got. Nevertheless, responsible diplomats here think the U.N. may in the end be the instrument for a new approach to the problem.

The principle of allied policy is that the freedom of the people of West Berlin must be maintained. This means that they must have political freedom and economic freedom which rests on uncontrolled access to the West. These things are now being maintained precariously by the presence of Western troops and money.

CONFLICTING ESTIMATES

The question is whether these freedoms could be maintained under a new international agreement in an internationalized city with internationalized corridors to the West. Some officials and diplomats here think they might; others think they could not even if the U.N. itself were moved to the Brandenburg Gate.

Oddly enough, there is more talk here about the most controversial aspect of the idea than anything else. This is the transfer of the U.N. to the former German capital. The argument for this is that the Communists would scarcely try to capture the U.N. itself. The argument against it is that it would make the U.N. a hostage of the Communist world and by moving it behind the Iron Curtain symbolize the rising influence of Moscow.

Accordingly, the idea of internationalizing the city under some form of U.N. supervision is more likely to get serious support in Washington. The President is going to New York to address the U.N. He will emphasize there the importance of increasing the role of the U.N. in the settlement of international disputes. He will offer the U.N. the long-range prospect of moving toward the rule of law and propose a new disarmament plan based on this principle. Whether he will actually suggest using the U.N. as an instrument for reaching a new accommodation in Berlin remains to be seen.

The point is merely that, despite all the noise from Moscow and the apparent indifference to new ideas here, there is some discussion of new approaches in Washington, and the U.N. is very definitely a part of them.

U.S. DISARMAMENT AGENCY FOR WORLD PEACE AND SECURITY

The Senate resumed the consideration of the bill (S. 2180) to establish a U.S. Disarmament Agency for World Peace and Security.

Mr. RANDOLPH. Mr. President, there have been few proposals to come before this body which offer more prospect of hope for mankind than S. 2180, the measure which would establish a U.S. Disarmament Agency for World Peace and Security. It is not only with this thought in mind, but also with a deep sense of personal responsibility that I speak in support of the pending legislation.

Sixteen years ago, as a Member of the House of Representatives, I first introduced a bill, with our esteemed colleague, the senior Senator from Wisconsin [Mr. WILEY], introducing a similar measure in the Senate, to create a Department of Peace. The intervening years have seen a serious deterioration in our relations with the Soviet Union, some 18 or 20 armed conflicts throughout the world, and an acceleration of the nuclear armaments race among the major world powers. Thus, the urgency of such an agency as that proposed in the pending legislation has increased rather than diminished since the Senator from Wisconsin [Mr. WILEY] and I initially acted.

It may seem paradoxical to some that this body would deliberate the establishment of a Disarmament Agency at a time when both the Soviet Union and the United States have announced the resumption of nuclear testing and military buildups. Certainly the prevailing political and psychological climate in our relations with the Soviet-Sino bloc lends small prospect for early advancements in the field of disarmament. But there is little likelihood that the immediate future will bring forth a more auspicious and hospitable environment for our hopes.

In the meanwhile there is much solid and substantive work which can be done in laying the foundations for arms control and eventual disarmament. Our efforts in this field have been spasmodic and lacking in coherency. Without exception, the most knowledgeable witnesses in this field who testified before the Foreign Relations Committee expressed the need for a continuous and coordinated approach to the problems of disarmament. The proposed Agency would provide the administrative framework necessary for continuity and coordination in this field.

Sixteen years ago, even the most prophetic minds could not have foreseen the variety and complexity of the problems which we now face in disarmament. And even today, we really know very little regarding the scientific, technological, economic, and psychological factors relating to arms control and disarmament. The eminent biologist, Dr. Bently Glass, has recently estimated that if the doubling time of scientific knowledge is 10 years, "then there is 64 times as much to know now as in 1900; and by the year 2000, there will be over 2,000 times as much to know."

This prospect staggers the imagination, Mr. President, and yet we know that we cannot halt the advances of scientific knowledge, and we know also that these advances are in themselves morally neutral—that they may be used for the benefit or to the detriment of mankind, depending upon the social and political framework which guides their utilization. Though time may be running out on us, it is still not too late for the United States to take the lead in providing a new foundation for the hopes and aspirations of humanity.

The pending measure, of which I am a cosponsor, under the leadership of the Senator from Minnesota [Mr. HUMPHREY], offers a modest beginning in this direction. It is my hope therefore that this body will approve the bill and that the House of Representatives will act with equal dispatch to establish a U.S. Disarmament Agency for World Peace and Security during the present session of the 87th Congress.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. HUMPHREY. I thank the Senator for his fine support, for his cosponsorship of the bill, and for his lifelong endeavors in this area. I merely wished to have the RECORD show quite clearly that this is no recent act on the part of the Senator from West Virginia.

Mr. RANDOLPH. The Senator from Minnesota is most thoughtful. He is exceedingly gracious. I am grateful to him.

Mr. President, I have discussed the need for and some of the functions of the proposed agency in more detail in an article written for the fall issue of World Affairs magazine. I ask unanimous consent that the article be reprinted in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD as follows:

A NEW DISARMAMENT APPROACH ON THE NEW FRONTIER

(By JENNINGS RANDOLPH)

"An ultimate goal of the United States is a world which is free from the scourge of war and the dangers and burdens of armaments; in which the use of force has been subordinated to the rule of law; and in which international adjustments to a changing world are achieved peacefully. It is the purpose of this act to provide impetus toward this goal by creating a new agency of peace to deal with the problem of disarmament."

So reads the first paragraph of section 2, S. 2180, which was introduced in the Senate on June 29 of this year by Senator HUBERT HUMPHREY, a bill which would seek to establish a U.S. Disarmament Agency for World Peace and Security. Among the cosponsors of this measure initiated by the Kennedy administration are Senator ALEXANDER WILEY, of Wisconsin, and the writer, each of us having been among the first congressional proponents of the concept of a Department of Peace headed by a full Secretary of Cabinet rank.

Briefly, to trace the history of those early efforts: on July 7, 1943—when we had only begun to see the early glimpses of victory against the Axis Powers, Senator WILEY first made his suggestion on the floor of the Senate for a Department of Peace.

On June 29, 1945, as a Member of the House of Representatives, I introduced H.R. 3625, to create such a Department, with Senator WILEY introducing a slightly different measure in the Senate on July 6 of that year.

During the hearings on my bill conducted by the House Foreign Affairs Committee in November 1945, I stated my conviction "that it is utter folly to believe that we can keep secret the atomic bomb and other devices of warfare, because it would raise a suspicion among other countries and cause them to develop substitutes which will be just as deadly, perhaps more deadly, within a matter of a very few years." A similar view, of course, was the guiding premise of the Baruch plan to place atomic energy under control of an International Atomic Development Authority, a proposal which in the words of William R. Frye, U.N. correspondent for the Christian Science Monitor "was and is hailed as one of the most generous offers ever made in international negotiations." Little did any of us realize, I believe, the full and dreadful accuracy of our fears regarding an attitude of international laissez faire toward the development of nuclear weapons. These fears, however, had been confirmed when I again introduced my bill, in the Senate, on my return to Congress in 1959.

Senator WILEY, in discussing the proposed Peace Department in 1945, stated that it "would not be a vast propaganda headquarters. Rather, it would be staffed by a small group of experts—specialists—who would assist the Secretary in concentrating on maintaining world peace. I would like to see," stated Senator WILEY, "this great Nation be the first on earth to establish a Department of Peace. And I would like to see the world peace capital on free American soil, not at Geneva, Vienna, or the scene of past failures, hates, fears, and intrigues."

Though the United Nations headquarters today hardly fulfills Senator WILEY's hopes for a world peace capital, it offers the world's best hope for realizing that goal, and its location in New York—to the displeasure still of some Americans—is further evidence of the growing maturity of the American sense of responsibility in world affairs.

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Among the criticism voiced in 1945—as now also—against the proposed Department of Peace was that it was already the function of the Secretary of State to maintain the peace, and that a Secretary of Peace would be a mere bureaucratic redundancy. While we may gratefully acknowledge the dedication of Secretary Rusk to the quiet but continuous search for honorable conditions for peace, this has not always been characteristic of all our Secretaries of State.

To look no closer, one could hardly say that Secretary Lansing was the best exemplar of peaceful ways in the conduct of our policy toward Mexico in 1915. Nor could it have been said of Secretary Seward with respect to his belligerent posture toward Maximilian in Mexico in 1864 or his pursuit of American "manifest destiny" in the Pacific and the Caribbean at the same time and during the years immediately following.

But discounting the personal records of individual Secretaries, the chief function of the Department of State is to advance the national interest in world affairs as conceived and formulated by the administration in power. Though we like to believe that the actions of the United States have always been in the interest of world peace, a candid view can hardly maintain this. It is thus, within the present world climate, not only the necessity to maintain a frequently combative, or at least assertive, posture within the Department of State, but also the day-to-day concern for its prescribed tasks that to some extent, disqualifies it as the ideal mechanism for introducing fresh insights to the problems of disarmament and achieving viable conditions for world peace.

One illustration will suffice to indicate the role played by the vested interests of our foreign policy and defense strategy in the obstruction of serious efforts at disarmament. In May 1952, when pressed to specify acceptable armed force levels, Britain, France, and the United States suggested for illustrative purposes ceilings of 1 million to 1,500,000 for the United States, the Soviet Union, and China (which though not stipulated, obviously implied Red China), and 700,000 to 800,000 for Britain and France.

In August 1955, by which time the United States was completely committed to the doctrine of massive retaliation and the maintenance of bases throughout the world, Presidential Disarmament Assistant Harold E. Stassen withdrew previous U.S. arms proposals, except for the "open skies" plan, and among other proposals, suggested an Armed Forces ceiling of 2,500,000 for the United States, the Soviet Union, and China—this being the minimum figure necessary to maintain our oversea airbases.

Despite the rapid obsolescence of this policy due to the advancing missile technology in both the Soviet Union and the United States, these figures still represent the official position of the United States with respect to armed force levels. I would hope that within the present Disarmament Administration of the State Department, alternative views are being developed consistent with the present technology of war, and that these may be advanced at the appropriate time. But until then, one must cite our present force level proposal as an instance of disarmament thinking which, in large measure, is still guided by strategic concepts which have not yet assimilated the growing significance of Polaris submarines, Minuteman missiles, and other intercontinental ballistic missiles.

The reversal of our proposals in 1955 has, of course, caused us no little embarrassment and has added to the urge within our own Government to score propaganda victories over the Soviet Union in disarmament negotiations. Thus, we have on occasions advanced proposals which we knew to be unacceptable to the Soviet Union, and which had no realistic chance of being considered seriously, though to our credit, we have not proffered anything so patently propagandistic as Premier Khrushchev's suggestion for complete and universal disarmament in 4 years.

It is not, however, my intent in this article to discuss the technical proposals and machinery of disarmament or arms control. These infinitely complex problems require a degree of specialization which I do not presume to possess.

But it would not be presumptuous to indicate some days in which a separate peace agency might contribute toward attainment of the conditions for which the world so desperately yearns. Though it may seem paradoxical, at a time when the President has announced a military buildup in response to Soviet pressures, I believe the proposed measure for a U.S. Disarmament Agency for World Peace and Security will bring us closer to the effective and systematic treatment of problems of disarmament than we have been at any time during recent years.

There are several reasons for entertaining a guarded optimism, the first being, I believe, a growing awareness among the leaders of the Soviet Union—and well developed in President Kennedy—that we must begin to make some concrete advances toward arms control before the nuclear club is further enlarged.

In the past 15 years the world has experienced some 18 to 20 international conflicts of arms, involving a total of approximately 9 million men and ranging in scope from the bloody and protracted conflicts of Korea, Indochina, and Algeria to the weekend war between Israeli and Egyptian forces in the Sinai Peninsula. Several of these contests might conceivably have erupted into the horror of general thermonuclear war. And it is a further chilling thought to consider what might emerge in such instances when nuclear capability is achieved by the Chinese, either on the mainland or on Formosa, or Iraq or Egypt—to mention but a few of the more obvious trouble spots of the world.

But these dangers have long been apparent, and until recently had not moved American or Soviet negotiators far from the dead center of what Harold Stassen once referred to as "congealed cynicism."

In passing, and without commenting critically upon any of the principal personalities involved we might find instruction in the history of Mr. Stassen's tenure as Presidential disarmament assistant. Though with a President completely dedicated to the effort of achieving peaceful solutions to the world's problems, with a Presidential assistant of unquestioned ability and energy, and with a conscientious and resolute Secretary of State, this was nonetheless one of the less glorious chapters in our disarmament efforts, beset as it was by conflicting lines of authority and responsibility. Much of the difficulty experienced during this period was, I am convinced, the result of the lack of statutory authority of Mr. Stassen—his authority not having been clearly defined by the Congress, but merely that of a Presidential assistant with all of the potential power conflict that the position implies.

It is principally for this reason that I am most heartened by the new priority which President Kennedy has assigned to disarmament problems and by the realism manifested in the drafting of S. 2180 as a means of implementing a new approach.

Although the bill does not provide full Cabinet status—as did the preliminary measures introduced by Senator WILEY and myself—it places the Director at the level of an Under Secretary and clearly establishes him as the President's principal adviser on disarmament matters, working solely under the direction of the President and the Secretary of State.

There are two important aspects of the relationship between the proposed Disarmament Agency and the State Department, which, in a sense, pull in opposite directions. First, as a result of some 15 years of disarmament negotiations in the nuclear age, the Department of State has developed a large reservoir of knowledge, experience, and expertise below the Cabinet and subcabinet level. At the time that Department of Peace proposals were first introduced in Congress, we had not had such experience nor had the problems of disarmament and arms control become so technically complex. No disarmament or peace agency today, however, could afford not to avail itself of the cumulative knowledge of the past decade and a half. It is therefore my view that the proposed measure contains some basic legislative wisdom in retaining final direction in this field in the hands of the Secretary of State, while creating the Director as the principal adviser to the President and the Secretary.

A second feature, which would argue for retaining close rapport between the proposed Disarmament Agency and the State Department is the wealth of information which daily comes in over the wires from American embassies and missions abroad. Any major peace agency could hardly do without such information, and yet it would be a needless duplication of effort to attempt to gain it from independent sources. For this reason also, there is merit in the provision to retain close contact between the Disarmament Agency and the State Department and superior authority in the hands of the Secretary of State.

However, equally compelling is the argument that the Director of the Disarmament Agency must not become enmeshed in the bureaucratic structure of the Department of State itself. He must have immediate access to counsel with the President and the Secretary, and he must have freedom to explore new and possibly controversial avenues of exchange without being burdened by the weight of the past or torn by the conflicts of contending schools of thought within the Department of State.

It is proposed in the measure introduced for the administration by Senators HUMPHREY, SPARKMAN, WILEY, COOPER, HART, CLARK, ANDERSON, MCGEE, and myself that the Disarmament Agency would perform four primary functions:

1. The conduct, support, and coordination of research for disarmament policy formulation.

2. The preparation for and direction of U.S. participation in international negotiations in the disarmament field.

3. The dissemination and coordination of public information concerning disarmament.

4. The preparation for, operation of, or as appropriate, direction of U.S. participation in such control systems as may become part of U.S. disarmament activities.

It is to the first of these activities, the "conduct, support, and coordination of research" that I shall direct the remainder of this article. For it is in this field that we face the greatest void.

The present debate within our Government and among the American people regarding the question of resumption of nuclear testing is in itself an indication of the limitations of our knowledge in the field of detection and monitoring devices. And because of our ignorance in this respect, participants in the controversy are characterized as "hard" or "soft" on the question of resuming nuclear tests. Surely this is the ultimate absurdity in nonsense labeling.

The need for research in this area becomes dramatically evident when one reflects on some of the remarks in these pages in the spring issue by even such an eminent authority as Mr. Thomas E. Murray, a former member of the Atomic Energy Commission. Referring to the concept of a new "third

generation" weapon in an entirely different category from that of the H-bomb, Mr. Murray states that "all that may be said of it here is that it is primarily antipersonnel in destination and effect. Hence it is apt for properly military uses. * * * And it need not create suicidal hazards for the country that employs it. Therefore, a moral argument for the use of the new weapon is possible."

Apart from the curious implication in the last sentence that homicide is more acceptable morally than suicide, Mr. Murray would advocate that we resume testing now basing such a decision on the pure assumption that the Soviet Union has been secretly testing, and on the further assumption that the Soviet Union is moving toward a technological breakthrough on a weapon which is still in the conceptual stage in the United States. And though Mr. Murray does not so indicate, I am informed that there is serious question among many of our most eminent physical scientists regarding the basic theoretical feasibility of the projected weapon.

When policies of such national and international significance are advocated by responsible and reasonable men on grounds of pure assumption, then I suggest it is time for fundamental research in the field of detection and monitoring devices which will eliminate some of the element of guesswork and assumption in policy formulation.

It is to be expected that the proposed Disarmament Agency would offer a new departure in this respect, possibly by initiating serious efforts to have the Soviet Union join with us in an internationally controlled series of nuclear tests for the purpose of perfecting monitoring and detection devices.

Until that time, however, the decision unilaterally to resume testing is primarily a political one, in the absence of conclusive or strongly supporting scientific and intelligence information. It is thus a decision to be made by our political leaders, and ultimately by the President. I was heartened, therefore, that on the day of my completing this article (August 1) the decision by the administration not to resume early testing was reported by the New York Herald Tribune wire service, one of the reasons offered by the writer, Rowland Evans, Jr., being that "there is still no evidence, even with the expert report of the special scientific committee named by President Kennedy on June 28, to show that the Soviet Union has been testing secretly. Nor it there evidence to show that during the nearly 3-year moratorium they have scored significant technological breakthroughs."

A more immediate problem even than developing better detection systems is that of achieving a communications system which would function reliably to lessen the possibilities of nuclear war occurring through accident, mistaken identity, or misinterpretation of data from our warning systems. The hypothetical "flock of geese" or "meteorite shower" which might be misinterpreted by either the Soviet Union or ourselves as aggressive actions by the other must be compensated for by a more reliable communication system between the two powers. We have an elaborate system of safeguards against unintentional bombing or use of missiles, and we may reasonably assume that the Soviet Union has also. Yet situations are easily conceivable in which these precautions might break down.

To avert such a catastrophe, it would seem to me that one of the first efforts of the Disarmament Agency might be to explore the feasibility of having selected American and Soviet radar stations staffed by members of the Armed Forces of both countries, with direct communication lines to their respective strategic bombing headquarters. We would perhaps encounter the same Russian fear of espionage which has met our other inspection proposals, but this would be a more limited concession, and the potential value of such a system certainly justifies our making a serious move in this direction.

A more long-range research function also suitable to the proposed Disarmament Agency would be in the use of the tools and methods of social psychology and cultural anthropology to explore the basic cultural attitudes on which we seek to build the foundations of peace. It is still a matter of considerable pain and discomfort to some of our policy planners that American actions in other parts of the world are not universally acclaimed by millions of Hindus and Buddhists who take a very different view of life from ours.

In a pluralistic world the cultural attitudes of others—regardless of whether they please or displease us—have a factual existence independent of our desires. If our foreign policy, whether in disarmament and the quest for peace, or in any other respect, is to be endorsed by a large part of the world, it must be formulated and communicated with these attitudes in mind.

This conception has been advanced with explicit references and with scientific and theoretical explanation by the noted philosopher, F. S. C. Northrop, in his recent work "Philosophical Anthropology and Practical Politics." It would make instructive reading for many of our policy planners in the Department of State.

In final reference to one of the research functions which might best be carried out by the disarmament agency, we need to know much more than we now do about the economics of disarmament. It is a frequently voiced popular assumption that if only the United States and the Soviet Union could come to terms on disarmament then we would immediately have billions of dollars more for schools, hospitals, roads, and other worthy purposes.

On the contrary, disarmament enforcement itself will be a complex and expensive process, some highly reputable economists having estimated that our annual Defense Department expenditures might mount to $100 billion in order to maintain the detection and control systems necessary to assure disarmament. But these are merely informed guesses, for we have not yet made any fundamental, systematic, and comprehensive studies in this field.

Of more long-range consideration is the need to know more about the problems of economic adjustment and allocation of resources after disarmament. With military costs amounting to some 9.5 to 10 percent of the gross national product in the United States and 12 to 15 percent in the Soviet Union—both of which ratios have become deeply imbedded elements in their respective national economies—it is evident that research and planning in this field are required if we are to grapple seriously with the problems of disarmament.

These are but a few of the areas in which a new disarmament agency may function to move the world with painstaking and careful effort toward more viable and lasting conditions of peace. It is a cruel irony that the quest for peace which so enlists the hopes of the world's millions has become so heavily burdened by the present multitude of hard, complex, and highly technical problems. But desire and good will are not enough; they are necessary but not sufficient conditions. The tasks ahead will also require the utmost in patience, determined effort and disciplined and professional intelligence. President Kennedy is, I know, anxious that Congress authorize the establishment of the Disarmament Agency for World Peace and Security this year. If questioned, I believe the readers of this article and the American people would respond in the terms of the President's inaugural address, "Let us begin."

Mr. SALTONSTALL. Mr. President, I have been working with the distinguished Senator from Minnesota [Mr. HUMPHREY], who is the Senator in charge of the bill, and the Senator from South Dakota [Mr. CASE] on his amendment. I wonder if the distinguished Senator from South Dakota would modify his amendment in this manner: "To establish a United States Agency for World Peace, Disarmament, and Security," and use that language through in the other places in the bill referred to by his amendment.

Mr. CASE of South Dakota. Mr. President, the basic objection to the title of the bill concerns the word "Disarmament"—"to establish a United States Disarmament Agency." We thought that such a title might be misinterpreted. I think if the title were made to read, 'To establish a United States Agency for World Peace, Disarmament and, Security," and make consistent changes on lines 6 and 7 and on pages 4 and 5, I would have no objection. I would offer a modified amendment in that form.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. HUMPHREY. The Senator from Alabama [Mr. SPARKMAN] is present. On behalf of the committee, I should be happy to accept the modified amendment. I think it would meet the requirements that many Senators have expressed today. I hope that a vote can be had on the amendment and that it can be accepted.

Mr. MILLER. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MILLER. The Senator from Iowa is a little concerned about the use of the term "Disarmament." Originally my thought was that we might make the term "Arms Control and Disarmament," so that the phrase preceding the enacting clause would read: "to establish a United State Arms Control and Disarmament Agency for World Peace and Security."

Following that, the Senator from Iowa then proceeded to go through the bill and try to couple with the word "Disarmament" the phrase "Arms Control" so that the language would read, "Arms Control and Disarmament" throughout the bill.

Then the Senator from Iowa was advised informally that some thinking was expressed on the part of the proponents of the bill to the effect that perhaps we should exclude the word "Disarmament" and make the language read "Arms Control."

I think one or the other approach should be used. Either we should strike out the word "Disarmament" and substitute in lieu thereof the words "Arms Control," or we should add to the term "Arms Control" the word "Disarmament," so the language would read "Arms Control and Disarmament" throughout the bill.

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The term "Arms Control and Disarmament" would really cover the problem. But I feel that the word "Disarmament" would not.

As has been said on the floor of the Senate earlier today, in view of Mr. Khrushchev's statement last night, I think that, standing alone, the word "Disarmament" rather than being coupled with the term "Arms Control" would look a little timid on our part.

I am not trying to interfere with the functioning of the Agency at all. The Senator from Iowa voted against referring the bill to the Committee on Armed Services. I believe the bill should be passed. But I must confess great misgivings over the phrase "Disarmament" agency and the use of the word "Disarmament" throughout the bill, without coupling it at least with the words "Arms Control," so that the bill would read "Arms Control and Disarmament" throughout.

I ask the Senator from Minnesota if he would object to such a modification of the amendment.

Mr. HUMPHREY. The whole concept that we have of disarmament is what we call effective and controlled disarmament. During consideration of the bill, time after time we placed in the bill the word "Control," so there is no doubt as to what the purpose is. We know that there will be no complete disarmament, at least in the next few months.

The Senator from Wisconsin [Mr. WILEY] addressed himself to this subject today. I think he made quite clear that what we are doing is establishing machinery. We have hope of accomplishment. But for anyone to envision that within the foreseeable weeks, months, or even a few years that there should be universal disarmament would be perhaps slightly utopian thinking.

Mr. SPARKMAN. Mr. President, will the Senator yield at that point?

Mr. MILLER. I yield.

Mr. SPARKMAN. I suggest that the Senator from Iowa address his request to the Senator from South Dakota [Mr. CASE], whose amendment is pending, and to the Senator from Massachusetts [Mr. SALTONSTALL]. If the proposed modification of the amendment is acceptable to them, we ought to be willing to accept it, take it to conference, and solve the problem in conference.

Mr. MILLER. I ask the Senator from South Dakota [Mr. CASE] if he would acquiesce in the amendment. I have drawn up an amendment, which I had labored over, going through the bill. The word "Disarmament" appears in many places. I had drawn up an amendment to provide in those many places that the word "Disarmament" be changed to read "Arms Control," but it can be very easily modified so that the phrase "Arms Control and" will be inserted before the word "Disarmament."

Mr. HUMPHREY. Mr. President, I ask the Senator from Massachusetts to state his views on that subject.

Mr. SALTONSTALL. I do not quite agree with what the Senator from Iowa has said, but I think the word that we have heard so much about and which is well known is the word "Disarmament." We all know that we will not disarm today. We all know and feel strongly, as the Senator from Minnesota has so well expressed, that we will not be guided by what Mr. Khrushchev says we should do.

If the Senator will turn to page 3 of the bill, section 3, line 18, he will observe the language:

> The term "Disarmament" includes the "elimination, reduction, control," and so on.

I think the Senator from Iowa has in mind the language to read—"The term 'Disarmament and Arms Control' includes."

In that way we would be putting the language in the title. I would like to leave the title as it is. Arms control is one subject, but disarmament is another subject. If we say only "Arms Control," we will satisfy no one, including ourselves. I think we must go further than that so far as the title is concerned.

Mr. MILLER. Mr. President, will the Senator from Massachusetts yield at that point?

Mr. SALTONSTALL. I yield.

Mr. MILLER. I do not know whether my friend from Massachusetts understood. I said that originally my thought was to eliminate the word "Disarmament" and to insert in lieu thereof the term "Arms Control." But in view of what has taken place in the last few minutes, my suggestion now is that we retain the word "Disarmament," but that we add the words "Arms Control and" before the word "Disarmament." I think that expression would be more inclusive. I think it would better express what we are really driving at. Granted that we can define the term on page 3, I think we ought to say what we mean throughout the bill.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. HUMPHREY. We need some clarification in two places on page 1. First, in the title, "To establish a United States Agency for World Peace, Disarmament, and Security," which, as suggested by the Senator from Massachusetts, would be the headline of the bill. But when we come to definitions, we can provide in section 1 of the bill:

> This act may be cited as the "Disarmament and Arms Control Act for World Peace and Security."

Mr. MILLER. Mr. President, I had that point in mind, but I can see no objection to changing the title to read:

> To establish a United States Arms Control and Disarmament Agency.

Mr. HUMPHREY. I personally have no objection.

Mr. SALTONSTALL. I have no objection.

Mr. MILLER. And we would use the phrase throughout the bill.

Mr. CASE of South Dakota. Mr. President, I modify my amendment in accordance with the suggestion made by the Senator from Iowa [Mr. MILLER] and concurred in by the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Massachusetts [Mr. SALTONSTALL].

Mr. HUMPHREY. The appropriate adjustments will be made in the text.

Mr. MILLER. Throughout the bill.

Mr. HUMPHREY. Yes.

The PRESIDING OFFICER. The Senator modifies his amendment accordingly.

Mr. CASE of South Dakota. Mr. President, may we vote on this amendment?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. CASE] as modified.

The amendment was agreed to.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

U.S. AMBASSADORS

Mr. MANSFIELD. I ask that the Senate proceed to the consideration of the nominations of ambassadors on the Executive Calendar.

The PRESIDING OFFICER (Mr. HART in the chair). The clerk will state the nominations.

The legislative clerk read the name of Charles F. Darlington to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Gabon.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the name of Lincoln Gordon to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

U.S. DISTRICT JUDGES

Mr. MANSFIELD. It is my understanding that there is also a judgeship nomination of a district judge in South Carolina, which was reported today. I ask that that nomination be stated.

The PRESIDING OFFICER. The nomination will be stated.

The legislative clerk read the nomination of James Robert Martin, Jr., of South Carolina, to be U.S. district judge for the eastern and western districts of South Carolina.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. JOHNSTON. Mr. President, there is also a judgeship nomination of a U.S. district judge for Florida.

Mr. MANSFIELD. I ask that that nomination also be laid before the Senate.

The PRESIDING OFFICER. The nomination will be stated.

The legislative clerk read the nomination of David W. Dyer, of Florida, to be U.S. district judge for the southern district of Florida.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. I ask unanimous consent that the President be imme-

diately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. I move that the Senate return to the consideration of legislative business.

The motion was agreed to; and the Senate proceeded to consider legislative business.

TV SPECTACULAR AT BERLIN LINE OF DIVISION

Mr. MANSFIELD. Mr. President, I have been reading several newspapers this morning, and to say that I am disturbed by what I have been reading relative to a certain incident in Berlin is an understatement. I feel, however, that a statement should be made, even though it means added publicity to an incident which I think could have been harmful, and is, to say the least, unpleasant to discuss.

There is a front-page story in the New York Herald Tribune this morning which disturbs me deeply. It deals with the appearance along the wall of division in Berlin of an American TV comic and his party, apparently to shoot some scenes for the folks back home. According to the Tribune story, the appearance was accompanied by immediate convergence of a large American and an East German Communist military detachment at the line of division, with our force apparently in proper stage makeup for the occasion. The forces included soldiers, antitank guns, and jeeps equipped with machineguns.

I do not know, Mr. President, what press agent, in or out of the Government, or both, dreamed up this one. I do not know what commander sanctioned the use of military personnel for this questionable purpose. It does not matter very much. What really matters is that we bear in mind that what is transpiring in Berlin is not a TV spectacular. It is a matter which has the overtones of a profound tragedy and it is not to be made into some kind of game for the personal profit of personalities from the entertainment world. Comic relief may have a place even along the Berlin wall, but one would hope that it might be in better taste than the incident described in the Herald Tribune story. One would hope that the Berlin wall, where so much is at stake for this Nation, does not now become the new Mecca for the jaded of the entertainment world.

I ask unanimous consent to insert this article previously referred to, be printed at this point in the RECORD.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, Sept. 8, 1961]

ARMY'S BIGGEST TURNOUT FOR TV STAR—WITH PAAR IN BELEAGUERED BERLIN

BERLIN.—Fifty American soldiers yesterday moved rapidly down the rain-splattered street, and took possession of buildings overlooking the East-West Berlin border.

A jeep mounting a 106 mm. recoilless antitank gun and others mounting machineguns went into position at the Friedrichstrasse crossing.

One jeep with machinegun had a front wheel planted on the white stripe that indicates the border.

SITUATION LOOKS GRIM

Two colonels arrived.

The situation looked grim.

It was the biggest turnout the American Army had yet made along the wall that divides Communist from free Berlin—and it was all for Jack Paar.

Mr. Paar, a maestro of American nighttime TV, had arrived to film a show. It was unclear whether the Communists recognized who he was.

An American civilian employed by the U.S. Berlin Command Public Relations Office was at great pains to explain the arrival of the soldiers, the antitank gun, and the jeeps with machineguns, after a newsman commented loudly:

"Never seen this many troops for a proper incident."

"Also, please note we did not move up any armor for this exercise."

A soldier of C Company, 3d Battle Group, 6th Infantry, carefully shifted his rifle, bayonet, tear gas grenade, smoke grenade, gas mask, entrenching tool, canteen, first-aid pouch, armored vest, steel helmet, and 80 rounds of ammunition and remarked:

"We get many representatives of the arts and of the theater down here. We find it's best to put on our makeup before we get into our armored vests."

The rain finally ended, cameramen became active.

"God is with us," Mr. Paar said, squinting up at the sun. "Unfortunately, all we have so far is bad light."

The Communist People's Police on the East Berlin side of the line watched carefully. Communist cameramen, either sensing an incident or just plain puzzled, moved right up to the border.

Mr. Paar and Comedienne Peggy Cass moved around, talking fast, pointing at various sights along the border. These included some girls hanging out of windows on the Communist side of the border, and some GI's standing in the ruins of a five-story building on the Western side.

REDS TAKE PICTURES

The Communist cameramen took pictures of everything Mr. Paar pointed out—except a billboard offering a reward of 10,000 marks ($2,500) for the capture of a Communist policeman who last week murdered a fleeing refugee.

After much more talking and interviewing of American officers and soldiers, Mr. Paar and Miss Cass sat down on a traffic island right on the border, and went into their closing. They finished the show without having spoken to a single Berliner.

As Mr. Paar and company drove off, 3d Battle Group Commander Col. Wayne M. Winder, of Sheridan, Ill., thumbed his steel helmet onto the back of his head, and sighed, "This was as bad as sweating out an enemy attack."

Mr. SALTONSTALL and Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Montana yield; and, if so, to whom?

Mr. MANSFIELD. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. As a member of the Committee on Armed Services, I was extremely surprised to read the statement to which the majority leader has referred. It was a shock to note that American troops were brought up to a line of demarcation between the East and the West at this time, for it might have led to a shooting scene, even though it may have been staged. It was for a stage show of some kind, but an extreme result might have occurred.

I commend the Senator from Montana for putting the article into the RECORD. I was disturbed when I read it. I could not believe it when I first heard of it.

I read the entire article, because it surprised me so much that our officials could lend themselves to such a show. I do not see how it could help to achieve understanding by our citizens in the United States of the problems which face us in Berlin. It puts the problems in a different tone from that we should think about.

I hope no further incident such as this will follow the one we have read about in this morning's newspapers.

Mr. MANSFIELD. I appreciate the remarks of the distinguished senior Senator from Massachusetts, the ranking minority member of the Committee on Armed Services.

Before I yield to my friend, the distinguished majority whip, Madam President, I should like to read several excerpts from the United Press International report as carried in the Herald Tribune:

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Two colonels arrived.

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It was the biggest turnout the American Army had yet made along the wall that divides Communist from Free Berlin—and it was all for Jack Paar.

Mr. Paar, a maestro of America nighttime TV, had arrived to film a show. It was unclear whether the Communists recognized who he was.

An American civilian employed by the U.S. Berlin Command Public Relations Office was at great pains to explain the arrival of the soldiers, the antitank gun, and the jeeps with machineguns, after a newsman commented loudly:

"Never seen this many troops for a proper incident."

And so forth and so on. I think it was disgraceful.

Mr. SALTONSTALL. Will the Senator permit an addition?

Mr. MANSFIELD. Yes.

Mr. SALTONSTALL. Ever so often Mr. Paar said, "Now we will turn the program back to New York," which put the whole thing, to me, on a very commercial and joking basis, though it should have been a very serious thing.

Mr. MANSFIELD. The Senator is correct. I do not have that part of the comment in this particular clipping, but I intend to include other clippings in the RECORD.

I now yield to the Senator from Minnesota.

Mr. HUMPHREY. I commend the majority leader for his statement. I read the story in the morning newspapers. I

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could not believe it. I thought it must have been a happenstance occurrence, that somebody happened to be at the scene with a movie camera taking some pictures.

The Associated Press story and the United Press International story fully corroborate what the Senator has stated. The AP story goes on to say that:

There were seven jeeps, one armed with the new 106 recoilless rifle, another with loudspeaking equipment, several with machineguns.

Two U.S. Army colonels appeared with one lieutenant colonel, one major, one captain, two lieutenants and about 50 soldiers including an impressive array of sergeants. One squad drew up on the sidewalk to provide a background for the filming. Others stood in a war-wrecked building overlooking the scene—in good range of the cameras

It rained during much of the show, which will be presented in segments on Paar's U.S. show 3 nights next week.

The sudden appearance of so many officers and men at Friedrichstrasse apparently mystified Communist police across the border. A high People's Police officer came down to look over the situation. There was much peering through binoculars.

It soon became clear what was up, however, when Paar's cameras got into position.

I must say that the Government of the United States has something else to do besides provide a backdrop for television shows. If ever there was a chauvinistic action, this was it. This is the very kind of thing Mr. Khrushchev seizes upon, to say that America is warlike and to beat us over the head from one end of the world to the other.

I think the Congress of the United States ought to express its indignation as to this action, and call to the attention of the President, of the Secretary of Defense, and of the commanding officer the fact that this sort of thing is intolerable and should not be condoned.

Mr. HICKENLOOPER. Madam President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HICKENLOOPER. I heard the last portion of the remarks made by the Senator from Minnesota, and I heartily agree with him as I understand what he said. I endorse what the Senator has said.

I read the same story. I was utterly shocked that at a time of tension, which is probably one of the greatest we have had, the Government of the United States, some agency of the Government, or some individuals in the Government, apparently have lent themselves to the advancement of a commercial program, in which the individual operates in the particular situation for personal revenue. I think it should be condemned. There is no reason for one man, though he is, of course, a prominent public figure in the publicity field, to be given preference or support on a commercial venture. He has no more reason for support than any other columnist or radio man in the United States who might wish to go to Berlin and crowd the border, because one has as much right to profit personally out of such a thing as any other—but none of them has a right to profit personally from it.

I do not object in the least to legitimate and proper and full news coverage of the Berlin operation, but I do not think a person should be permitted to advance his own material and monetary interest in specialized programs of this kind. That ought to be condemned. It should be discontinued.

Such things have happened before over the last several years. It has happened periodically, but it is reprehensible.

Mr. MANSFIELD. The Senator is absolutely correct. I hope further incidents will not occur.

I am glad to note a story published in today's Evening Star, which has a headline "Probe Slated of Jack Paar Berlin Stunt."

The article says:

An investigation of the Jack Paar-Berlin border incident was ordered today by Assistant Secretary of Defense Arthur Sylvester.

"If the newspaper reports are accurate, it was a disgraceful episode," Mr. Sylvester said. "If Army officers were responsible they showed very poor judgment."

In the last paragraph it says:

Mr. Sylvester could not say what disciplinary action might be taken, but he believed the incident as reported was potentially dangerous and reflected poorly on the American Army.

Madam President, I ask unanimous consent that this article, by Richard Fryklund, published in today's Evening Star, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PROBE SLATED OF JACK PAAR BERLIN STUNT

(By Richard Fryklund)

An investigation of the Jack Paar-Berlin border incident was ordered today by Assistant Secretary of Defense Arthur Sylvester.

"If the newspaper reports are accurate, it was a disgraceful episode," Mr. Sylvester said. "If Army officers were responsible they showed very poor judgment."

The Associated Press in Berlin reported yesterday that a number of officers and soldiers, with equipment including machineguns and a 106-mm. recoilless rifle, had been brought up to the edge of the border apparently as the supporting cast to a television show.

TV performer Jack Paar and his staff set up four cameras at a spot on the border normally guarded by a squad of GI's, the Associated Press reported. But while the cameras recorded the scene yesterday, seven jeeps with various armament, two colonels, a lieutenant colonel, a major, a captain, two lieutenants and about 50 enlisted men rolled up for the big show. While Mr. Paar interviewed officers and watched the equipment roll up and down the border, Communist TV cameramen also filmed the operation from their side of the wall.

Mr. Sylvester said today he knew of no authorization for Army participation in the border TV program. White House Press Secretary Pierre Salinger agreed with Mr. Sylvester on the need for an investigation.

Mr. Sylvester could not say what disciplinary action might be taken, but he believed the incident as reported was potentially dangerous and reflected poorly on the American Army.

Mr. MANSFIELD. It had been my intention to write a letter to the Secretary of Defense, Mr. McNamara, asking him to look into this situation, but in view of the fact that the Defense Department is on top of it I shall not do so.

Mr. HUMPHREY. I wish to make it clear that I can well understand that Mr. Paar, who is an outstanding television star, and really a very leading man in terms of news analysis, might very well wish to go to Berlin and to get all the information he could. I am not really critical of Mr. Paar.

The Army of the United States, however, has a responsibility which is a public responsibility. The lining up by the Army as a special backdrop for a man with his television cameras on the Berlin border is the situation about which I complain. Mr. Paar apparently is a pretty good operator. He even got the Army on his side.

Mr. CASE of South Dakota. Does the Senator not think we should send him a bill?

Mr. MANSFIELD. A certain amount of blame should attach to Mr. Paar, however.

Mr. HUMPHREY. Yes, indeed. I think he went far beyond what a person ought to do.

No commanding officer, no Army officer, had to do this. The Army should have something else to do, besides that.

Mr. PELL. Madam President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Rhode Island.

Mr. PELL. I associate myself completely with the remarks of the Senator from Montana. In this Chamber there are at least three who have been to Berlin within the last couple of months, and perhaps more. We all recall the care which was taken, if one wished to go to East Berlin, to see that it was done quietly, to avoid incidents. One can imagine, however, that Mr. Paar may have hoped the Soviets would respond, as they responded earlier to what some may have thought to be provocative actions, with the use of water guns, so that there would have been a real, full-scale incident, which would have promoted Mr. Paar's show and increased his Hooper rating by a considerable amount.

Perhaps this discussion in the Senate will increase Mr. Paar's Hooper rating also. I hope not. But in any case this very beneficial Senate discussion will discourage other producers, on the basis of free enterprise and free competition, from depending on the Army for the same support, cooperation, and assistance, and will discourage similar future provocative actions. In any case, it is not Mr. Paar who is to be condemned, but the inexcusably poor judgment of those who permitted this horseplay.

I ask unanimous consent, in order to complete the RECORD, that the AP story that was published in this morning's newspapers be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. ARMY PUTS ON SHOW OF FORCE AT BERLIN BORDER—FOR PAAR TV

BERLIN, September 7.—The U.S. Army moved in reinforcements today to make sure that American television cameras got a proper slant on activities at Friedrichstrasse, one of the restricted border crossings between East and West Berlin.

This has been the scene of several tense situations in the last 3 weeks. One day the U.S. Army sent three tanks and four weapon carriers there as a show of strength when an Army car was detained in East Berlin.

But the tanks were withdrawn last week and the guarding of the border point was left usually to six or eight soldiers.

Today Jack Paar, the U.S. TV master of ceremonies who made it to sergeant in World War II, turned up with four cameras.

An array of Army brass and equipment turned up too.

There were seven jeeps, one armed with the new 106 recoilless rifle, another with loudspeaking equipment, several with machineguns.

Two U.S. Army colonels appeared with 1 lieutenant colonel, 1 major, 1 captain, 2 lieutenants, and about 50 soldiers, including an impressive array of sergeants. One squad drew up on the sidewalk to provide a background for the filming. Others stood in a war-wrecked building overlooking the scene—in good range of the cameras.

It rained during much of the show, which will be presented in segments on Paar's U.S. show 3 nights next week.

The sudden appearance of so many officers and men at Friedrichstrasse apparently mystified Communist police across the border. A high People's Police officer came down to look over the situation. There was much peering through binoculars.

It soon became clear what was up, however, when Paar's cameras got into position. One was mounted on a huge hydraulic lift used to repair street lamps. Another was on a platform in Friedrichstrasse. Two others were on the ground.

Newsmen, struck by the unusually large array of officers and men on hand, asked for the reason. An Army officer said tonight:

"There was an operational changeover of units in progress this afternoon. In an effort to be accommodating, we permitted Mr. Paar to film these activities. Mr. Paar took advantage of this situation."

Mr. JAVITS. Madam President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. JAVITS. It has been announced that an inquiry will be conducted. My instinct as a lawyer tells me that perhaps we ought to leave a very small, but nonetheless clear, place in our minds for whatever the factual answers may be. I know Jack Paar and other members of the show, naturally. It originates in my home city. I can understand why they should feel as strongly as they do. I would undoubtedly join them. But I am a little concerned because there have been instances in which we have become very much exercised over some incident and have later found that the facts were not quite as they were pictured to us.

I suggest only one word of caution. I can understand our indignation. I sympathize with it and can agree with it in terms of policy. But in all fairness I feel that perhaps we should make one reservation. We should see the report before coming to a final condign judgment as to who was at fault and precisely how the incident occurred.

Mr. MANSFIELD. The reports received from both AP and UP seemed to have a good deal in common. It seems to me that they are authoritative. I do not think we ought to spend too much time on Jack Paar and his troupe. We ought to think a good deal more about the 6,000 American soldiers who are stationed in Berlin and what could happen if an incident should occur. That is the important thing. It is not a question of a particular individual.

Mr. CASE of South Dakota. Madam President, I agree wholeheartedly with the Senator from Montana that troops and army equipment ought not to be used in such a situation as this for a little comic relief. Moreover, I think the practice of making the facilities of the Defense Establishment available for any private ownership, for commercialization and commercial profit, is one to be examined, and should be permitted only in a situation in which their use would not in any way endanger the security of the United States. This kind of incident, on the border in Berlin today, is inexcusable from any standpoint.

Mr. MANSFIELD. Madam President, I thank the Senator.

Mr. JAVITS. Madam President, will the Senator yield so that I might complete my remarks?

Mr. MANSFIELD. I yield.

Mr. JAVITS. I was not thinking of Paar, but the Army. I took seriously what the Senator from Minnesota [Mr. HUMPHREY] said, because obviously this incident could not have occurred without the cooperation of our military forces. That is the only point I had in mind. I hope that the Senator will clearly understand the point.

Mr. MANSFIELD. I understand.

Mr. JAVITS. I thoroughly agree with the statement as to any other consideration, but when we involve the question of discipline and the judgment of our officers, I think there is a case to be made for saying, "Let us get a report as to their side of the incident."

Mr. MANSFIELD. Madam President, I had made the statement that it was my intention to write a letter to Secretary of Defense McNamara, but on the basis of a story carried in today's Star, I should say that the Department of Defense is on top of the problem. I am sure it will make a thorough, complete, and impartial investigation, that it will not be looking for scapegoats. I am quite certain also that it will not permit an incident of this kind to happen again. It is highly dangerous.

Mr. JAVITS. I agree with the Senator.

Mr. YOUNG of Ohio. Madam President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. YOUNG of Ohio. I compliment the majority leader and the majority whip for speaking out in this Chamber, calling to the attention of the country a shocking action on the part of high officers in our Armed Forces.

It is evident again, as it has been through the years, that the makers of our Constitution, exercised intelligence and foresight in providing that at all times civilian authority should be supreme over the military, without any reservation whatever.

The fact is that a comic, an entertainer, caused this incident. Without any comment whatever with respect to him, I assert, along with others, that it was a shocking thing for high officers in our Army to risk creating an incident in the exceedingly tense situation in Berlin.

In recent days we have been reading of the misdeeds—as in my judgment they have been—of high officers of the Army, from generals on down. It is a good thing that in this grave hour of international anarchy, the Senate has again reaffirmed the supremacy of civil over military authority.

The conduct of our Army officers in West Berlin was amazing, inexcusable, and highly reprehensible. They should be disciplined.

Americans must have a feeling of concern and have grave reason to doubt the capacity of our military leaders upon learning of this incident following reading that Maj. Gen. Edwin Walker tried to influence the voting in last year's elections of troops he commanded. In doing so, he made derogatory statements regarding President Truman and directed them to read lunatic diatribes of Robert Welch and his John Birch Society.

General Walker has been justifiably rebuked and reprimanded. Any military leader who attempts to indoctrinate his men politically and set himself up as a political oracle has no right to command American troops.

We must not permit colonels, generals, or leaders in whatever capacity in the military, to go outside their proper sphere and permit a shocking performance such as we have heard about today.

I wholeheartedly agree with everything that has been said by the majority leader and the majority whip.

Mr. CANNON. Madam President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. CANNON. I associate myself with the views expressed by the majority leader, the majority whip, and other Senators who have spoken out on this very important subject.

In the past 2 days the Committee on Armed Services has heard the testimony of Secretary of Defense McNamara. He explained the investigative procedures that have been followed as a result of actions on the part of another officer in the European theater, General Walker.

It seems to me that a substantial amount of time of those in authority and responsibility is required to investigate items of this nature and of the nature of the so-called Walker incident, when our efforts and energy would be better directed toward the real problem at hand. We should not go off on tangents and disrupt our military effort, and thus spread it in areas where it should not legitimately be spread.

I join in the condemnation of the action of those in authority in permitting the type of sideshow that developed, which could well have resulted in an extremely serious incident to the detriment of all our forces and to the detriment of the NATO shield.

Mr. MANSFIELD. I thank the Senator from Nevada.

Mr. KEATING. Madam President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. KEATING. Supplementing what the Senator from Nevada has said—and I am quite sure he would agree with

me on this point—this requires investigation, and, if necessary, disciplinary action. It apparently shows a gross lack of judgment on the part of military officers. In fact, it shocks those of us who have been in positions of some responsibility in the military to think that officers of relatively high rank would lend themselves to an exhibition of this kind. I am much more critical of them than I am of the individual who is trying to make a living by producing a show. I do not agree with his method of doing it, but it seems to me that this occurrence requires investigation at a high level in the Defense Department.

Mr. MANSFIELD. Madam President, I thank the Senator from Minnesota for yielding.

Mr. HUMPHREY. Madam President, I commend the majority leader for his initiative and courage.

I ask unanimous consent that all this comment on this subject come at the end of my remarks with respect to the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS subsequently said: Madam President, in connection with the debate earlier today about the Jack Paar show in Berlin, the National Broadcasting Co. has telephoned to my office a message which I believe should, in all fairness, be inserted in the RECORD, because, as I stated this morning, certainly, judging from the news reports from the Associated Press and the United Press, I thoroughly agree with my colleagues as to the implications and the dangers we see in so sensitive an area as the Berlin border. I suggested only that at least we keep the lines open, in order to determine what both the Army personnel concerned and Jack Paar himself had to say about that matter.

So the National Broadcasting Co. has telephoned to my office a statement which, in all fairness, I shall read into the RECORD. In this connection, I ask unanimous consent that these remarks be printed in the RECORD following the debate earlier today in regard to this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. The statement which was telephoned to my office by the National Broadcasting Co. reads as follows:

Jack Paar has informed NBC by telephone from Berlin today that the taping of his television show in West Berlin took place with the full cooperation and permission of the U.S. Army. Mr. Paar explained that the presence of more than the normal complement of men and equipment arose from the fact that at the time he taped his program, the guard was being changed; both the group being relieved and the new group assuming duty were on hand, and the taping attracted other military personnel who came out of curiosity.

At the conclusion of the taping, Paar informed NBC, he was thanked by the officers in charge for the manner in which he handled the presentation and particularly for including close-up views of a number of the men on duty so that their families can see them when the tape is presented next Tuesday night.

Paar states to NBC that one of the officers in charge thanked him for making available to the American public an informative and moving view of the Berlin situation as it affects the men on duty today.

That is the end of the statement from the broadcasting company.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. BUSH. I did not hear the discussions this morning concerning this matter, but I was very much disturbed to read the news accounts of the Jack Paar "invasion" of Berlin. I do not think I can blame Paar particularly for wanting to go to Berlin to "shoot a show" on the border of East Berlin, but I do think it is most unfortunate that a military commander would take it on himself to select one performer, like Jack Paar. He must have known that, if he has given one man in the commercial show business a chance to commercialize the situation in Berlin, other performers will ask similar privileges. It seems to me this is a most unfortunate piece of bad judgment on the part of the commanders who may have approved of the taping for broadcast.

The situation in Berlin is a serious one, one that involves the lives not only of American soldiers in Berlin, but people all over the United States and all over Europe. It is a very tense situation, and I do not think it is the type of situation that should be lent for commercial exploitation by any performer.

I do not hold any prejudice against Jack Paar. I do not stay up late enough to see his television shows, frankly. If I did, I might not see them very often. Nevertheless, I hope the Secretary of Defense will take cognizance of this situation and that appropriate instructions will be given to Army commanders not to cooperate with the exploitation of a serious military situation for the use of performers in commercial enterprise or broadcasting.

I do not know how the Senator from New York feels about it, and I am not asking him, but I thank him for giving me an opportunity to make these observations. I feel quite strongly about it.

Mr. JAVITS. For the information of the Senator from Connecticut, I identified myself this morning with the views expressed by a number of Senators, under the general leadership of the majority leader, who expressed himself very strongly on the question. I feel precisely as he does. I made the point, as a lawyer, that we certainly ought to be willing to hear what was to be said on the other side. Here is a statement of NBC. We expect, as the Defense Department has announced, that we will have its report. This matter, as suggested by the Senator from Minnesota, relates, however, more to the discipline of our troops than to the fact that a commercial performer like Jack Paar obtained a "scoop." That is a very serious matter, aside from the danger of incidents on the border. My colleague from New York made a statement on that point. I identify myself with those views.

This is what NBC has said about it. Let us see what the Army will say about it. I can say that, after all that has occurred on the floor, this is the last time it is likely to happen. For that we must all be grateful.

Mr. BUSH. I hope the Senator is correct.

Mr. JAVITS. I join with the Senator in that expectation. I think we have a right to feel that way, considering how strongly so many of us feel on the subject.

U.S. DISARMAMENT AGENCY FOR WORLD PEACE AND SECURITY

The Senate resumed the consideration of the bill (S. 2180) to establish a U.S. Disarmament Agency for World Peace and Security.

Mr. THURMOND. Mr. President, we are faced here today with a proposal to establish a new congressional agency designed to study all possible ways in which the United States, in cooperation with the other nations of the world, can successfully disarm itself. The end which is sought to be achieved by this Agency is indeed desirable, but is highly idealistic. Under the executive branch of our Government, there has been established such an agency, and the notable lack of success which they have enjoyed should lead us to examine the probable success of the Agency which we are now asked to establish.

The maintenance of strong armaments by any nation must of necessity weigh heavily against the settlement by peaceful means of a dispute with another country. To this extent, the arms race which the nations of the world have experienced during the past years is self-perpetuating.

The increased danger of war attributable to the existence of strong armaments, as great as it be, is not the only tragic result of the arms race. The concentration of the wealth of nations on armaments decreases immeasurably the enjoyment by each individual of the fruits of his own labor and God's bounty. None can deny that the service of man and his posterity is far from enhanced by the devotion of so much of the world's resources to the creation and maintenance of weapons of destruction.

Disarmament is an ancient and elusive goal that has been sought by civilized societies since groups of people first equipped themselves for combat. The prophet Isaiah recognized the wisdom of disarmament, but relegated the time of fulfillment, when "they shall beat their swords into plowshares and their spears into pruninghooks," to the "last days."

Throughout history, efforts to achieve disarmament have been more notable for their loftiness of purpose than for their effectiveness. Such steps toward disarmament as have come about through international agreements have been unilateral in application, usually against a prostrate and defeated nation at the end of a war. Even these forced disarmaments have been temporary in nature, and enforced more by economic conditions within the defeated country than by the dictates of victor nations.

In post-World War II years, disarmament has been promoted as never before as an ultimate solution of the world's political problems and disagreements.

Some seem to think that actual disarmament is just beyond our grasp, with agreement among nations prevented merely by differences over concepts and techniques of inspections to assure compliance. This same school of thought anticipates solution of the inspection barrier through the continued development and perfection of such scientific achievements as the observation satellite and seismographic instruments of increased sensitivity.

As pleasing as are the temptations to join in the utopian dreams of a world unarmed lying just over the horizon, both the lessons of history and the cruel practicalities of the current political status of international relations reveal with stimulating clarity the opiate unrealism of such dreams.

Just as the development of defensive weapons never quite catches up with the development of offensive weapons, the development of observation and detection devices will never match the devices of subterfuge used to conceal the development, test, and buildup of new and advanced weapons. The design of observation and detection devices is necessarily dictated by the nature of the object or activity to be detected or observed, just as the defensive weapon's design is dependent on that of the offensive weapon.

The failure to achieve enforceable agreements for disarmament stems, however, not from the inadequacies of scientific devices with which to assure that such agreements are being adhered to, but rather from a failure in basic approach to the problem. The approach to disarmament which has been exclusively adopted in international negotiations, both in the past and in the current crisis, has been premised upon the mistaken assumption that the tremendous emphasis on armaments by the various nations of the world is a cause, rather than an effect, of the political differences which exist among those nations.

Prospects for disarmament are no better and no worse than—but indeed are identical to—the prospects for peaceful resolution of the controversies among nations. So long as any nation or group of nations harbors ambitions of aggrandizement at the expense of other nations, hope is futile for the development of the international good will which is a prerequisite for cessation of the arms race.

Unfortunately, national and bloc aggrandizements still exist as the foundation of the political system which holds sway in countries behind the Iron Curtain. Peaceful expressions of intent by the leaders of these countries are belied by their actions as well as by the words of their counterparts in other nations of their bloc.

Although the scientific instruments devised by freemen may be inadequate to detect the breach of disarmament agreements which might be reached, the minds of freemen can always detect the inconsistencies of peaceful words with the subjugation and enslavement of millions of people and the patently aggressive aims underlying the incitement of others to rebellion and revolution. No disarmament and no resolution of the conflicting aspirations of the several nations, which constitute the cause of the arms race, is probable or possible so long as deception and aggression are the goals of one or more governments; for freemen will not willingly jeopardize, even for the preservation of life itself, their even more precious possession—individual liberty.

Mr. President, I do not wish to give the impression that I am not in favor of the lofty ideals of world peace and security which this bill expresses as its goal. However, I certainly feel that world peace and security can be maintained only if the free nations of the world keep themselves capable of resisting aggression by the Communists and their satellite nations. The United States has in all good faith done everything possible to decrease tensions in the world. This effort has been met on every front by Communist subversion within countries and Communist forces in the form of open aggression. The Communists have thwarted every attempt to establish an effective nuclear international inspection and control system.

The United States has gone out of its way to avoid any show of hostility toward communism in an effort to draw to our side the unalined nations of the world. The results of such a policy have been catastrophic. With the exception of the countries which have come under the influence of the Communists, these unalined nations remain unalined. It should now be clear that such policies of appeasement have in no way influenced these neutral nations to become our allies. It is only natural that any person should aline himself, or nation itself, with the side which offers the most protection and support. An article by Joseph Alsop entitled "Power or Purity," published in this morning's Washington Post, graphically illustrates the proposition that it is impossible merely to buy friends. I ask unanimous consent that the article be included in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MATTER OF FACT—POWER OR PURITY

(By Joseph Alsop)

The atmosphere in Washington, which was quite somber enough already, has now been darkened a bit further by the pangs of disappointment. The source of the disappointment is the reaction of what is usually called "world opinion" to the Soviet nuclear tests.

With cool calculation, in order to avoid offending world opinion, President Kennedy had put off his country's resumption of nuclear testing long after he had lost all hope of Soviet agreement to a workable test ban.

With the most precise timing, the President had even sent U.S. test negotiator Arthur Dean to Geneva, to plead once again for a test ban, and thus to underline America's good will in the eyes of world opinion, at the very moment when he foresaw the Soviets would begin testing again.

To do these things, a serious price had to be paid. It was not easy to resist the strong domestic political pressure for earlier resumption of American testing. But the price was thought to be worth paying, because of the forecast that the Soviets would thus be driven to make the first tests—and would therefore be judged guilty in the court of world opinion.

In short, it is not easy to recall an occasion when risks have been more astutely weighed, and Soviet behavior has been more correctly anticipated. The risks, it must be understood, were very real indeed. If the U.S. had been the first to resume nuclear testing, the whole world would have been deafened by the screams, shrieks, wails, and moans of self-righteous indignation from the professed voices of world opinion assembled at the neutralist conference in Belgrade.

In this event, American freedom of action in the Berlin crisis would have been greatly hampered, by sympathetic movements of public opinion in Britain, France, and other Western European countries. What was avoided, in fact, was well worth avoiding.

Yet the pangs of disappointment are still pretty sharp in Washington, especially in the group that shares the viewpoint of Adlai E. Stevenson, because what was gained by the shrewd management of the nuclear test problems has proved to be so downright trifling.

With the most arrogant brutality, the Soviets not merely took the lead in resuming nuclear testing (which Khrushchev had sworn he would never do), they also resumed testing above ground, using the method that does real damage by fallout. But among the voices of world opinion, Nehru hardly audibly mumbled his regrets; Gamal Abdel Nasser said this was a bad thing; and the rest were ostentatiously silent.

Judging by the other actions of the Belgrade meeting, moreover, Khrushchev has actually gained by his brutality. The main result will be neutralist pressure on President Kennedy to negotiate with Khrushchev on Khrushchev's chosen terms and ground, about the Berlin problem.

Khrushchev treated the neutralist leaders with open contempt. Almost every great man at Belgrade had said again and again, that it would be a dreadful crime to do what Khrushchev did. The pride of all of them had been grossly affronted. But the fear which Khrushchev's brutality inspired far outweighed the hurt pride it caused.

These points are unpalatable, but they badly need to be underlined because of the wrong weight that is given to world opinion, so-called, by enormous numbers of persons in this country, including too many leading policymakers. If you listen to persons of this school of thought, you might suppose that foreign policy could be conducted on the principle of Sir Galahad—"My strength is as the strength of ten, because my heart is pure."

Consider the aid that this country has given to most of the Belgrade neutralists. This ought to prove that America's heart, if not pure, is at least reasonably generous. Then consider the response of the neutralist leaders, not just to the Soviet nuclear test series, but also to the Hungarian massacre and several other comparable episodes, in recent years. These episodes certainly ought to prove that the Kremlin's heart is as black as ink.

The comparison does not mean that the aid has been given in error. If it serves America's interests to strengthen India—as it does—we should not worry about the degree of gratitude implied by Nehru's public prating. But the comparison does mean that the system of ideas behind such phrases as "the battle for the uncommitted nations" is a ludicrously, transparently false system.

The truth is, alas, that naked power counts far more in this sad world than virtuous intentions. And if the military

power balance is neglected at the Pentagon, as it was for 8 years, the voices of world opinion will always speak from a double standard unfavorable to the United States.

Mr. THURMOND. Mr. President, the Communists at this time are applying to the United States almost every pressure possible. We are faced with a crisis in Berlin, with a controversy over our naval base in Cuba, and ever-increasing attempts on the part of the Communists to force us to recognize diplomatically Outer Mongolia and Red China and admit them to the United Nations.

In view of the many crises which the Communists have manufactured it would be a slap in the face of our allies for the Senate to give favorable consideration to the pending bill. It would be the same as abolishing the police department in the face of an intense crime wave.

For these reasons, I am opposed to passage of the bill.

Mr. CLARK. Mr. President, I call up my amendment which is at the desk and ask that it be stated.

The PRESIDING OFFICER (Mr. HART in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. On page 10, line 21, after the word "peace" it is proposed to insert the words "under world law".

Mr. CLARK. Mr. President, this is a simple amendment. It makes an insertion in the powers of the Commission or Director. I hope the Senator from Minnesota will be willing to take it to conference.

Mr. HUMPHREY. Mr. President, the amendment merely extends itself to a study of the problems of international law. I certainly have no objection to the amendment and shall be happy to take it to conference.

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania.

The amendment was agreed to.

Mr. JAVITS. Mr. President——

Mr. CLARK. Mr. President, I still have the floor.

Mr. JAVITS. Mr. President, I sought recognition before the amendment was acted on.

Mr. CLARK. I beg the Senator's pardon. I thought he desired to address himself to another subject.

The PRESIDING OFFICER. The Chair had recognized the Senator from Pennsylvania.

Mr. JAVITS. Mr. President, I make the point of order that a vote cannot be taken on an amendment while its proponent has the floor.

Mr. CLARK. The Senator from New York is quite correct. If the Senator wishes to proceed to some nongermane matters, he is entirely within his right to obtain the floor.

Mr. JAVITS. I have no desire to delay action on the Senator's amendment or to delay any other Senator who wishes to be recognized. I simply say that sometimes we get into a situation in which a Senator holds the floor, and it is impossible for another Senator to gain the floor.

Mr. President, I ask unanimous consent that the amendment of the Senator from Pennsylvania may be acted on; and I also ask unanimous consent that I may yield to the Senator from Kansas, who desires to deal with some other matters. I have no desire to intrude in any way. I was simply seeking to obtain the floor in my own right.

Mr. YOUNG of Ohio. Mr. President——

Mr. CLARK. Mr. President, I have another simple amendment. I believe the Senator from Minnesota, who is in charge of the bill, will accept the amendment. If he will do so and if the Senate will act on the amendment, I shall be grateful.

Mr. JAVITS. The Senator from Ohio [Mr. YOUNG] is seeking recognition; other Senators also desire recognition. I have no desire to intrude upon my friends. Those Senators are more than welcome to precede me. I simply wish to get the floor sometime.

Mr. President, I ask unanimous consent that I may yield to the Senator from Kansas, to the Senator from Ohio, and to the Senator from Pennsylvania, and that I may then have the floor.

Mr. SPARKMAN. Mr. President, I wish very much that the Senator from New York, if he does not wish to offer an amendment to the bill, might permit the disposition of the simple amendment which the Senator from Pennsylvania proposes, and then let the Senate move to the third reading of the bill, before the Senator from New York begins to yield the floor for other purposes. I think that would make for expeditious action.

Mr. JAVITS. Mr. President, I shall be glad to take my seat if it is clear that I may get the floor at some time.

Mr. SPARKMAN. I am certain that that can be done.

Mr. JAVITS. Mr. President, I ask unanimous consent that after the action on the second amendment of the Senator from Pennsylvania, after the third reading of the bill, after the Senator from Ohio [Mr. YOUNG] has been recognized, and after the Senator from Nebraska has been recognized, I may obtain the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CLARK. I ask for a vote on my amendment, unless some other Senator wishes to speak to it.

The PRESIDING OFFICER. The question is on agreeing to the first amendment offered by the Senator from Pennsylvania.

The amendment was agreed to.

Mr. CLARK. Mr. President, I call up my amendment designated "B" and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 7, line 17, after the word "act," it is proposed to add the following sentence:

The Committee shall meet at least twice each year. It shall from time to time advise the President, the Secretary of State, and the Disarmament Director respecting matters affecting disarmament, world peace, and world law.

Mr. CLARK. Mr. President, this simple amendment gives slightly more power to the Advisory Committee, in the hope that by so doing it will be possible to induce distinguished citizens to serve on the committee.

Mr. HUMPHREY. Mr. President, on behalf of the committee, I am happy to accept the amendment and to take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania.

The amendment was agreed to.

Mr. MORTON. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. MORTON. Do I understand that the setting up of the Committee is permissive?

Mr. CLARK. The language creating the Committee is in the bill. The amendment merely requires the Committee to meet twice a year.

Mr. MORTON. There is no requirement that the President take any action?

Mr. CLARK. No; the amendment merely provides that the Committee shall report twice a year and may proffer advice in this area.

Mr. RUSSELL. Mr. President, since the Republican Party has apparently admited its disillusion, I point out that this important Commission will be established without any requirement that there shall be any division of membership as between the parties. I suppose that is the accepted order of things.

Mr. HUMPHREY. The intention of the Committee was that the Commission would be bipartisan. I am delighted that the Senator from Georgia has made this clear and that we shall have his statement as a matter of legislative intent that the commission will be broadly represented.

Mr. CURTIS. Is there any requirement that the members of the Commission shall be citizens of the United States?

Mr. HUMPHREY. Yes; and also that they shall be subject to a full field investigation by the Federal Bureau of Investigation.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. JAVITS. Mr. President, I yield to the Senator from Ohio.

Mr. YOUNG of Ohio. Mr. President, I thank the distinguished Senator from New York.

Almost 190 years ago, a great American patriot, Patrick Henry, said:

There is but one lamp by which my feet are guided, and that is the lamp of experience. I know of no other way to judge the future except by the past.

Bitter experience has taught us that every armament race since the turn of the century has resulted in a world war. We should profit by that bitter experience.

Approximately 1 month ago, the Senate voted, without dissent, to appropri-

ate more than $46 billion to build our military strength, first, as a deterrent to war, and second, to be fully ready in the event of war.

Since the beginning of my service as junior Senator from Ohio, I have voted for every appropriation to strengthen the Armed Forces and military might of our country.

I was glad to vote for the Defense Department appropriation bill which strengthened our retaliatory power and our military strength, so that in negotiating with Khrushchev we would be dealing from strength. Mr. President, as you know, the only language a dictator understands and the only power he respects is the language and the power of force and strength.

Today, we are considering, and we are about to vote upon, a bill authorizing the appropriation of an amount not to exceed $10 million for a disarmament agency to plan for peace. Therefore, we are considering authorizing an appropriation for peace which is only one five-thousandths of the amount we unanimously appropriated in order to be ready for war and to defend ourselves against aggression from Communist Russia.

Mr. President, I do not think one American would prefer war in the nuclear age to an honorable, just, and enduring peace.

No claims have been made that a disarmament agency would solve all the tangled international problems which have led the world to the brink of war on countless occasions in the past 15 years.

It is simply that such an agency is needed to coordinate and stimulate research in the vital field of disarmament—or arms control, if we choose to phrase the matter in that way.

Such an agency could recruit talented and dedicated people who, working together, could provide answers to many of the scientific, economic, and political problems relating to disarmament under workable controls and adequate safeguards.

Further, Mr. President, and also of utmost importance, establishment of this agency would further prove to the world that America is sincere when we declare we want peace.

The Soviet Union has renewed its testing of nuclear weapons, thus further polluting the atmosphere of the world. Reluctantly, under the order issued by our President, who is Commander in Chief of our Armed Forces—and we are glad to have him in that position of great leadership during this grim period of international anarchy—we are obliged to improve our own nuclear arsenal. The President has thus directed that we resume underground nuclear testing.

At the same time, Mr. President, today, by our vote, we can show again our deep desire for peace and disarmament—by establishing the proposed Agency and authorizing for its use an appropriation not to exceed $10 million. Surely, that is little enough cost for the potential good which may result. Mr. President, as one Senator representing a sovereign State of 10 million people, I shall be very happy to cast my vote in the affirmative.

Mr. CURTIS. Mr. President, in a short time we shall be called upon to vote on this measure. This bill is not one either for or against the load of carrying armaments; it is not a bill either for or against war. This is a proposal to create another Government agency. If this one will work, why not create five or six more, and thus set the world at peace?

The entire objective of the United States is to maintain peace with honor, so that we can conduct our commerce in the world. That is the main objective of our State Department. But the mere creation of an additional agency will not bring that about.

I strenuously object to the enactment of a measure of this importance without first having had it studied by our Committee on Armed Services. I believe we could proceed with much more confidence if the motion of the distinguished Senator from Illinois [Mr. DIRKSEN] had prevailed, so that we could have had the recommendations of our Armed Services Committee, which throughout the years has endeavored to make the United States strong, to protect the liberties of our country, and to secure the continuation of our great Republic.

Today, it is proposed that we create a new agency. If it has any purpose at all, it will affect the defense posture of the United States. Regardless of whether that should or should not be done, we should have the answer of the Armed Services Committee before we proceed.

THE FISCAL POSITION OF THE U.S. GOVERNMENT

Mr. CURTIS. Mr. President, many thoughtful Americans are concerned over the fiscal position of the U.S. Government. I share that concern. The concern is justified when viewed either from the standpoint of our increasing Federal expenditures or from the standpoint of the tax philosophy that may be incorporated into our revenue system. The tax burdens on our private enterprise system are so heavy that it is imperative that those who formulate our tax program have a sympathetic understanding of our private enterprise system and a desire to see it grow and expand.

Today, I wish to speak concerning the tax theories of the New Frontier. In attacking these theories I do not wish to make a personal attack on any individual. My remarks are unfriendly to proposals, not to persons.

In the medley of high praise for Douglas Dillon, Secretary of the Treasury, currently being sung by administration-minded columnists and writers, there is a strange unanimity of silence on the Treasury's tax bill fiasco of 1961. This silence is to be regretted; otherwise, the Kennedy administration may not learn by the colossal mistakes it has made in the legislative field of taxation so vital to every citizen and every business and professional activity.

On April 20, the President sent to the Congress a special message and gave us a detailed outline of his major tax bill for 1961, and promised a second and more far-reaching measure in 1962. The tax-writing committee of the House proceeded with hearings on the President's message.

President Kennedy, in selecting his official family, named Prof. Walter W. Heller, of the University of Minnesota, as Chairman of the Council of Economic Advisers; Prof. Mortimer M. Caplin, of the University of Virginia, as Commissioner of the Internal Revenue Service; and Prof. Stanley S. Surrey, of Harvard University, as Assistant Secretary of the Treasury in charge of Federal tax programs. All three, who were destined to have major influence in the administration's tax program, were known to be advocates of rewriting the Federal tax laws so as to incorporate therein a vast number of theories which in the past the Congress had repeatedly refused to accept. Professor Surrey was recognized as the leading spokesman for this group of theorists. The President had induced Douglas Dillon, a Republican high in the Eisenhower administration, to become Secretary of the Treasury.

But when the Surrey nomination came before the Senate Finance Committee, it encountered difficulties. Several Members, including half a dozen from the majority, registered strong opposition to Professor Surrey's tax theories. The outlook for confirmation was ominous. But Secretary Dillon saved the situation by writing to the distinguished and justly respected committee chairman, the senior Senator from Virginia, an unprecedented and rather tortured letter in which he promised to take full personal responsibility for tax proposals coming from the Treasury. As a result of that letter, the nomination of Professor Surrey was confirmed, despite misgivings on the part of many members of the committee and also many of the other Members of this body.

Then came the President's tax message, which was a Surrey production. Secretary Dillon presented it to the Ways and Means Committee of the House. It looked as though these tax theorists "had it made." They had a former Republican official fronting for them. But the Congress and the public soon learned how poorly equipped Mr. Dillon was to mastermind major tax changes. He presented a program that was ill-conceived, ill-timed, and ill-starred. It was heralded by its sponsors as a first step in reforming the Federal tax structure; but it failed in every particular to come to grips with the fundamental weaknesses of our revenue system. Instead of dealing realistically with the great need for reform of depreciation policies, the administration would have tried to cultivate, under bureaucratic supervision, a little hothouse economic growth with a complicated tax credit for certain kinds of investment. Any possible beneficial effect of such a peculiar approach was immediately vitiated by a companion proposal to reimpose the full thrust of double taxation on dividend income, and thereby discourage equity investment.

The Treasury made a special effort to obtain favorable press comment in connection with a proposal in the program to curb business expenses. There was

handed out a Treasury booklet reciting special cases in detail, encouraging columns of antibusiness propaganda. It seemed easier to distort or misrepresent, rather than attack Tax Court decisions directly.

We all know the Internal Revenue Service has adequate enforcement machinery for use when fraudulent tax deductions are made in attempts to avoid Federal income taxes. The criminal code is available, and the record shows that courts and juries are not hesitant to convict and punish the guilty. But Professor Surrey's goal in this area was to transfer business judgment from the management of business to the Federal Government.

One particular area of the proposals would have served a pet theory on curbing certain types of business expenditures for good will. Professor Surrey's insistence on his viewpoint that business expenditures for good will should not be deductible prompted one administration supporter, a member of the majority side of the House Ways and Means Committee, to tell the Harvard professor some of the facts of life in regard to our free American competitive system. He pointed out that in countries where the government owns all business, good will may not be a factor; but in this country, he said, it is vital and essential.

From the prolonged hearings and executive sessions of the committee, it became generally evident that controversy existed between committee members and Secretary Dillon. Eventually several of the more controversial and questionable items were postponed until next year; and on most other items in the program the committee ignored the counsel of Secretary Dillon and his alter ego, Professor Surrey, and produced its own tentative versions. And finally the House committee discarded the entire 1961 effort, and the majority members of the committee informed the President they would have to tackle it again next year. One would be very naive indeed not to know exactly what that meant.

All is not lost if the administration, especially the President, will profit by the experience learned from the tax fiasco of 1961. The administration can provide the urgently needed leadership in promoting sound tax reform only if the administration will apply practical understanding and wisdom in the development of its tax recommendation. Let me quote a few paragraphs from an authoritative speech on the suggested legislation, made in the House of Representatives on May 9 of this year by the experienced Representative JOHN W. BYRNES, of Wisconsin, a capable and esteemed member of the House Ways and Means Committee:

> Mr. Speaker, the conclusion is inescapable that the New Frontier tax policies are designed to add to the tax burdens on productivity, employment, and capital formation. The administration would reverse certain considered policy decisions of previous administrations and Congresses, both Democrat and Republican, by characterizing those decisions as loopholes. They would substitute therefore an investment giveaway that makes considerably less sense in terms of equity and efficacy than the provisions the administration attacks.
>
> The inconsistency and conflicting purposes of the administration recommendations comprise an ill-conceived concoction that will do nothing to strengthen business confidence. These proposals are not new but never before have they ever been muddled together in such a self-defeating mishmash. Specific examples of inconsistencies in administration policy are:
>
> First, the tax credit proposal to increase capital investment is contrary to the proposal to reimpose a double tax on investment income;
>
> Second, the foreign income proposal designed to make it more difficult for American private enterprise to engage in foreign commerce contradicts the administration's request for more foreign aid appropriations; and
>
> Third, the President acknowledges that our tax structure "must encourage efficient use of our resources" but proposes tax changes that would increase bureaucratic control of our private enterprise economy.
>
> Mr. Speaker, in its tax recommendations the New Frontier fails to measure up to the challenge of an urgent subject.
>
> Because the administration has not provided the called-for leadership, the task necessarily must be assumed by the Congress. Our goal must be an objective of fiscal responsibility that provides restrained Government spending fully paid for under a taxing system that fairly distributes the required tax burden at the lowest possible tax rates. In this way our free enterprise system can flourish at home and operate as our best ambassador abroad with minimum Government intervention in private economic affairs.
>
> Tax revision is both desirable and necessary but in revising our tax structure we must be certain that we are moving ahead—and not backward.

Secretary Dillon has been completely assimilated, according to one liberal writer. In other words, he has shed any taint of Republicanism he had. He ignored sound and proven tax principles, and became the top salesman for Professor Surrey's theories. He also joined wholeheartedly the ardent advocates of deficit spending in this administration. His voice has been muted while the administration has been increasing the budget for the current fiscal year by $6.8 billion, of which only $3.7 billion is to go for new military spending. Nor did he counsel fiscal responsibility when the administration increased budgeted spending from January to June of this year by $2.6 billion, although less than $800 million of that $2.6 billion was for the military.

As we look ahead, we anticipate deficits, increased Federal expenditures, and pressures which ultimately will raise the present debt ceiling. I am disappointed at an apparent profligacy which transfers to some future day any reckoning of fiscal fact. A balanced budget has merely become a hobgoblin of little minds.

During the hearings on Mr. Dillon's nomination, I engaged him in the following colloquy:

> Senator CURTIS. What is your notion as to the necessity, the desirability of a yearly balanced budget?
>
> Mr. DILLON. I think on that, Senator CURTIS, I made my position clear. I think the objective is to keep a balance over a reasonably short period of time, because the economy undulates up and down. It would not be practicable to increase expenditures very drastically one year because we had a lot of income, and decrease them equally rapidly when our income fell off. So I think what we should aim for is a surplus that will bring some reduction in our debt over a period. I think that is a generally accepted theory and I think it is fiscally sound.
>
> Senator CURTIS. You would not favor that and attempt to bring the budget into balance every year?
>
> Mr. DILLON. Not in a time of extreme recession, no, Senator.
>
> Senator CURTIS. I understand the philosophy back of that, and it appears in many places in the Government. It seems to me that that invites a national attitude that we ought to balance the budget but not now.

Hearings in June of this year on the bill to increase the public debt limit reflected from members of the Senate Finance Committee the same concern which I expressed in that colloquy with Mr. Dillon.

The lofty declarations about an expanding gross national product and the debt thereby growing smaller in relation to it are soothing platitudes, but they do not reduce the debt or alter the fact that 11 percent of each taxpayer's dollar received in revenue this year goes to pay interest on the national debt.

A few weeks ago Mr. Dillon represented this country in Latin America at a multination meeting dedicated to an alliance for progress. In his remarks Mr. Dillon stated:

> Looking to the years ahead, and to all sources of external financing—from international institutions, from Europe and Japan as well as from North America, from new private investment as well as from public funds—Latin America, if it takes the necessary internal measures, can reasonably expect its own efforts to be matched by an inflow of capital during the next decade amounting to at least $20 billion. And most of this will come from public sources. The problem, I am convinced, will no longer lie in shortages of external capital, but in organizing effective development programs so that both domestic and foreign capital can be put to work rapidly, wisely, and well.

While there is an expression of financial help coming from other quarters, is this pledge a moral commitment that our Government will provide this 20 billion during the next 10 years—if other sources do not provide? I should like to know what portion of this 20 billion is expected to come from sources other than the U.S. Government.

Mr. Dillon has pointed out that land reform is one of the most acute of Latin American problems—that 5 percent of the population there owns 80 percent of the land. Will these reforms be made by local effort and local desire to improve internal situations? Or will these reforms be made under some system of reform underwritten by the U.S. Government?

In summary, the fiscal policies of Mr. Dillon will need a sounder base and a more reasonable interpretation if they are to gain the support they must have from Members of Congress.

The end results will be crucial decisions in 1962 by the tax-writing committees of the Congress. It is very ap-

parent that these committees and the Congress are not going to accept the theories of Professor Surrey, whether carrying the imprimatur of the Secretary of the Treasury or not. This is not the time knowingly to set up an impasse between the Treasury and the Congress on revenue legislation. President Kennedy should enlist as his major advisers on Federal tax policies a man or two who understand our American economy. Then the administration can work intelligently with the committees of the Congress and can enable us to meet the needs of tax revision in a spirit of mutual trust and understanding.

U.S. DISARMAMENT AGENCY FOR WORLD PEACE AND SECURITY

The Senate resumed the consideration of the bill (S. 2180) to establish a U.S. Disarmament Agency for World Peace and Security.

Mr. CLARK. Mr. President, I rise in support of S. 2180, a bill to create a Disarmament Agency.

In my judgment, the bill would make a great contribution to peace in the world and to the posture of the United States among all the nations of the world.

Mr. President, in my judgment, there should be three main prongs to our foreign policy: First, an adequate defense to enable our U.S. forces to move quickly and effectively anywhere in the world where peace is threatened.

I have joined with my colleagues in the House and Senate in doing my share in that regard in voting for the defense appropriation bill on which action has recently been completed.

The second prong of our foreign policy should be an adequate foreign aid program, in order to take such steps as we can alone and in conjunction with other nations to render the lot of the underdeveloped part of the world more bearable, and thus to sustain peoples of those countries in their fight for freedom. This we are on our way to accomplish.

The third—and to my way of thinking equally, if not more important—prong of our foreign policy should be the passage of this bill, S. 2180, in order that the United States may show to all the world the sincerity of its belief in its search for peace under freedom and under world law.

In my judgment, the passage of this bill at this time is of comparable importance to the defense bill and the foreign aid bill because by taking this step the Congress will become involved itself in the important search for total and permanent disarmament, under enforcible world law, and will show not only to our own people but to peoples all across the world and, in particular, to the peoples behind the Iron Curtain and Bamboo Curtain that we mean what we say when we assert that our national goal is a peaceful world under freedom.

This bill can be of enormous impact in making that clear to the entire world as well as giving us a sensible type of organization in which to pursue that most important national goal.

NO SECURITY IN ARMS RACE

Surely, it must be clear to all the world that there can be no security in a continuation of the arms race; there can be no peace, no freedom, unless in some way, in some manner, governments are able to bring an end to the arms race and to proceed by gradual stages, if you will, but to proceed nonetheless actively, energetically, and forcefully toward that total and permanent disarmament under the rule of law which is the only real hope for survival in the world today.

PERFECT TIMING OF S. 2180

I suggest that the timing of this bill is perfect. It comes at exactly the right time. It comes at a time when the world is concerned on the potential of war in Berlin, when we are terribly upset about conditions in Cuba and in Laos, and the Soviet resumption of nuclear tests.

The time to act is when the clouds are blackest and not when the sun is shining, in this area of peace and disarmament.

I envisage within the next 3 months a continuing crisis over Berlin with the German elections September 19, the meeting of the Soviet Communist Party Congress in October, and then hard-fought negotiations to settle, we hope, not only the Berlin question but the German question, and this bill can be of the greatest possible impact in assisting our search for a peaceful and just solution to the current crisis.

Mr. Khrushchev has stated as recently as Wednesday of this week that he is in favor of total and permanent disarmament under strict international controls; that he would waive the veto, that he is prepared to sit down and negotiate a meaningful agreement.

What better evidence can we give to him and the rest of the world that we mean business, too, in this regard, and that we intend to put the best brains of America to work in searching out for that objective.

Now, it may well be that Mr. Khrushchev does not mean what he said. He has a long record of broken promises, the most recent being his resumption of nuclear testing.

But it occurs to me it is our obligation, as a peace-seeking nation, to put the Soviet leader to the test, to call his bluff if bluff it be, and in any event, to assert our own strong will to pursue this objective, and to bring him and, in due course, the Chinese Communists as well, into the world of peace-loving nations where clearly they are not now, and where our country in my judgment should take the initiative.

So I say again, in my judgment the timing of this bill is perfect.

NEED FOR ADEQUATE ORGANIZATION FOR DISARMAMENT EFFORT

It must be clear that our present search for disarmament has been inadequately organized. I can describe only as chaotic the efforts of the State Department to manage this disarmament question during most of the administrations of President Truman and President Eisenhower. In fact, the Acheson-Lilienthal-Baruch plan might well be said to be the last real initiative which our country has taken in the search for peace.

Since then we have been largely on the defensive, and it is not without significance, in my judgment, that disarmament has been so downgraded in the State Department that when Mr. Eaton asked representatives of four of our allies to come to Washington to discuss the Western position prior to the 10-nation talks in Geneva last year, he was never able to tell them the U.S. position because the State Department and the Defense Department had been unable to resolve their differences. This in itself would occur to me to be convincing evidence of the need for this particular Agency, whose Director would have direct Presidential access on certain questions.

NEED FOR ADEQUATE STATUS FOR DISARMAMENT EFFORT

I turn now to the bill and I point out the importance of having adequate status for this disarmament effort. I am the principal sponsor on the bill creating a Department of Urban Affairs. We know that the status of the needs of our cities at the Federal level in Washington is one of the most important reasons for advancing that proposal to give our urban citizens the same status at the Cabinet table as our citizens living on farms have had a hundred years.

I am glad that the President has also recommended an adequate status for the office entrusted with the study and implementation of disarmament.

DISARMAMENT NOT UTOPIAN GOAL

I deplore the attitude of some citizens and some of our friends with regard to this bill and with regard to total disarmament. In fact, nothing does this country more harm than to have responsible citizens suggest that disarmament is a utopian goal, to suggest this is a hypocritical goal. This does the country no good. It does freedom no good, and the world at large no good.

I hope by passing this bill Congress will give convincing evidence that we are not cynical about disarmament; we do not consider disarmament utopian, we consider it a hard-boiled realistic goal which is within the capacity of living men to achieve within the foreseeable future.

So I am happy with the status which has been given to this Agency.

NEED FOR COUNTERVAILING DISARMAMENT PERSONNEL

I would point out, not in derogation of any able and dedicated public servants, but as a fact that many of our Government officers have a natural conflict of interest with regard to disarmament; high-minded, able, sincere, dedicated, patriotic Americans though they may be. The officers of the Defense Establishment both in and out of uniform, who must think in terms of the use of military force, those who are engaged in the work of creating even more dreadful atomic weapons under the jurisdiction of the Atomic Energy Committee and finally, the permanent Foreign Service, skilled in diplomacy and the use of existing institutions—none are

trained to think in terms of disarmament and the creation of essential peacekeeping machinery.

I submit there ought to be a countervailing power at a high level in the executive branch of our Government trained in the search for peace and the search for disarmament, and that its status should be identical in terms of the power it can exert on the Executive and the extent to which it can carry out the legislative policy of the Congress as the other agencies I have mentioned.

Therefore, I think it quite important that the disarmament director should have direct access to the President. Under the bill as amended by the committee it is clear that he will.

USIA DIRECTOR'S RELATIONSHIP TO PRESIDENT AND SECRETARY OF STATE

I point out that there is quite a close analogy, although not a complete analogy, in this regard of direct access to the President on the part of the Administrator to the new AID agency proposed in the pending foreign-aid bill and the Director of the Information Agency.

I ask unanimous consent to have a memorandum on this point printed herewith in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

RELATIONSHIP OF THE DIRECTOR, U.S. INFORMATION AGENCY, TO THE PRESIDENT AND THE SECRETARY OF STATE

The U.S. Information Agency was established by Reorganization Plan No. 8 of August 1, 1953.

The plan provides in section 1(b) that "There shall be at the head of the Agency a Director of the U.S. Information Agency, hereinafter referred to as the Director, who shall be appointed by the President by and with the advice and consent of the Senate and shall receive compensation at the rate of $21,000 a year. The Secretary of State shall advise with the President concerning the appointment and tenure of the Director."

The plan further provides as follows:

"(c)(1) The Secretary of State shall direct the policy and control the content of a program, for use abroad, on official U.S. positions, including interpretations of current events, identified as official positions by an exclusive descriptive label.

"(c)(2) The Secretary of State shall continue to provide to the Director on a current basis full guidance concerning the foreign policy of the United States.

"(c)(3) Nothing herein shall affect the functions of the Secretary of State with respect to conducting negotiations with other governments."

In his letter transmitting the proposed reorganization plan to the Congress, the President said: "I have likewise instructed that the new U.S. Information Agency shall report to the President through the National Security Council, or as the President may otherwise direct." In practice, this has meant only the submission of an annual agency status report to the National Security Council. As a general rule, policy and operating problems have been discussed with the President rather than their being submitted through or discussed by the National Security Council.

Since the inception of the Agency the President has invited the Director of the Agency to participate in National Security Council meetings as an observer. This practice has continued to the present administration where Mr. Murrow attends National Security Council meetings.

Mr. CLARK. Mr. President, note that the USIA Director sits with the National Security Council, and he has direct access to the President; yet he receives policy direction from the Secretary of State.

So I think we have plenty of precedents for the type of organization put forward in the bill as amended.

CONTINUITY GAINED BY AGENCY WITH STATUTORY STATUS

Of course, one of the most important things about giving statutory status to this Agency is that it will have continuity.

It has been said, and I infer it may be true, that really able men are becoming increasingly unwilling to come down here and involve themselves on an ad hoc basis in this search for peace through disarmament, and one only has to look at the unhappy record of the many, many individuals who have been brought down here on an ad hoc basis to take a temporary run for their money in this disarmament field to note how important continuity is.

It is important not only for the Director of the Agency but also for the employees and personnel, for the Assistant Director, the other top level policymakers called for by this bill. Many of them, I am sure, will be drawn from the rolls of the State Department; many of them, I am sure, also will come from the Defense Department; some of whom will come from the Atomic Energy Commission to give a close-knit coordinated team of permanent officials to this Agency. Although I hope we are going to get disarmament within your lifetime and mine, it is very apt to be a permanent agency, at least for the foreseeable future, and we might as well recognize that fact.

An Executive order agency would not be the same thing. Congress must get involved in this. I think this is one of the most important reasons for the bill. In my judgment—and I know this is not a popular statement to make—we have a pretty substantial political, social, and economic lag in the Congress of the United States. We are behind the best current thinking in a host of different efforts, and probably behind further in the search for disarmament and peace than in any other aspect of our national policy.

If we could get this bill through right now before we go home, Congress would be involved in the search for peace and this, I think, would be a splendid thing, from the point of view of our Nation's success in the trying days which lie ahead.

The Disarmament Agency should be a line, not a staff agency.

At the moment Mr. McCloy, whose incredible abilities are indicated by the drafting of this bill, and the enormous support which he, with the help of the President and some of the rest of us, has been able to summon behind this bill, is working with one hand tied behind his back, because he is working in a staff capacity.

He should have a command, as the head of a statutory agency, just as the Cabinet officers have that limited command under the President of the United States which is so essential to their acting in the national interest. They make decisions which are implemented by action.

Mr. McCloy can only make recommendations which somebody else has to approve. This, I think, is a vital difference between what we need to have and what we presently have.

I note also, for the benefit of the press, that this resolution is identical with Senate Concurrent Resolution 83 of the last Congress of which resolution President Kennedy, then Senator Kennedy, was a cosponsor, so we can rest assured that the objective of the resolution has had the approval of John F. Kennedy.

IMPORTANCE OF WORLD OPINION

Two more points and I shall be done. General Gruenther testified during the hearing, and Under Secretary of State Chester Bowles, in a recent press conference, stressed the importance of our world image, of our world opinion, and pointed out that people abroad just do not believe us when we say we search for peace and freedom.

This is unfortunate. The Lord alone knows why they do not, but it does indicate that we have not been successful in persuading those people that our own revolutionary precepts, based on freedom, are still the policy of our National Government.

I can think of no one bit of legislation that could do more to dispel that illusion on the part of the peoples throughout the rest of the world than the passage of this bill.

ISSUE RAISED BY THE BILL

In the end, Mr. President, and I now conclude, the issue raised by this bill is whether the Congress of the United States takes seriously the search for peace, the search for security, or whether we think, as some cynical persons do, that this is a utopian idea, which is fundamentally hypocritical.

I think the Congress does take it seriously, and the best way to evidence it is by passing this legislation as the committee has reported it.

In my judgment, we are engaged in a struggle in this country, as important as any since the Founding Fathers first persuaded a reluctant electorate to accept the Constitution of the United States as their framework of government, a struggle between those leaders of the community who are creative, and those who are merely dominant.

We see it on the floor of the Senate day after day after day.

Here is one of the best opportunities we have had in a long, long time to prove to the country and to the world that the creative forces in the Congress of the United States are able to overcome the merely dominant forces who look back in a sterile way to a past that is dead. This will be concrete evidence that those in the Senate and those in the House who believe that the United States must take the initiative in moving forward in a constantly changing world are in control of the legislative process.

Mr. DODD. Mr. President, I supported this bill in committee and intend to vote for it today.

I have no illusions about Soviet intentions. Accepting their intentions for what they are, I am a firm believer in military preparedness. Unless a miracle happens, I do not believe that it will be possible to negotiate with them any measure of disarmament or arms control, providing for a system of inspection that protects the interests of both sides.

And yet I believe that there is much to be gained from setting up the proposed Agency.

First of all, we must recognize the fact that there are hundreds of millions of people throughout the free world who do not understand the total implacability and the total dishonesty of world communism.

For very human and proper reasons, they fear war and would like to see the world moving in the direction of reduced and controlled arms, rather than in the direction of stepped-up armaments on both sides.

I believe that there is everything to be gained and nothing to be lost from taking the stand that we earnestly share this desire and that we are prepared at any time to sit down and discuss practical proposals that might produce an abatement in the arms race.

But if we take this stand, we must be prepared to submit practical proposals—proposals which make sense intrinsically, which the world community will find persuasive, and which, at the same time, protect our national interests.

The establishment of the proposed Disarmament Agency would, I am convinced, help to persuade free world opinion of our own earnestness on the issue of disarmament, and it would at the same time provide us with a machinery we have not heretofore possessed for research and policy planning in this area.

Let me emphasize again that, so long as international communism is what it is, a meaningful arms control agreement, with inspection, will not be possible. But if we constantly emphasize our own willingness to reduce arms, and if we submit proposals that are soundly and honestly conceived on our side, it will, at the very least, serve to unmask the fraudulence of the perennial Soviet proposals for universal and complete disarmament.

These proposals must be realistic and honest, and must not simply be conceived as propaganda, because we cannot exclude in perpetuity the possibility of an arms control agreement. I believe that arms control might become possible if, through a combination of Western firmness and discontent in its satellite empire, Soviet aggression could be so chastened that the Kremlin was obliged to withdraw to its prewar frontiers.

I am always concerned about the vesting of too much power, in any field, in a single, centralized Government agency. One of the great bulwarks of freedom and one of the great protections against carrying too far any grave mistake is the diversification of power, the checks and balances that run throughout our governmental institutions.

The bill before us provides in section 34 that the President is authorized to establish procedures to assure consultation among the various agencies that have a real interest in this problem of disarmament, including the Atomic Energy Commission, the Department of Defense, the National Aeronautics and Space Administration, and other affected agencies.

Section 34 also provides for the establishment of procedures to resolve differences of opinion between the Department of State and the other agencies which cannot be resolved through consultation.

I take this to mean, and I would like it to be a part of the legislative history of this bill, that this new agency is by no means to have the last, sole word about disarmament policies and that it is to operate in cooperation with other agencies of Government that have a vital interest in this field.

I feel that these provisions satisfy my misgivings to the point that I can support this bill and I gladly do so.

This is a measure which should be approved. Conceived in the spirit of realism, and without any pipedreams about Soviet intentions, it can only serve the cause of the free world in the grave crisis which now confronts us. Let us hope that it will also serve the cause of peace.

SANITARY MILK FOR NEW YORK CONSUMERS

Mr. JAVITS. Mr. President, yesterday the Senator from Wisconsin [Mr. PROXMIRE] and the Senator from Minnesota [Mr. HUMPHREY] spoke out with respect to the desirability of national milk sanitation standards, and they particularly leveled their fire at New York's Governor Rockefeller for his recent remarks in Syracuse, N.Y., about the possible effect of national sanitation standards on New York's dairy producers and New York's vast milk consuming public. I shall not attempt to deal with the political aspects of the Senators' attack on Governor Rockefeller, for these were partisan matters and quite proper, but nevertheless not germane to the principal and substantive issue of national milk standards. However, I think it is incumbent upon me, as a Senator from New York—and my colleague, the Senator from New York [Mr. KEATING], intends to make some comments on this subject—to put into perspective the claim that New York's milk consumers are disadvantaged because sanitary standards in New York are State and local standards.

Milk consumers, whether they be in New York, Wisconsin, Minnesota, Florida, or California, are entitled to protection in two equally important regards: first, assurance of having a reliable supply of sanitary milk; and second, a price reasonably within the reach of every pocketbook. It is, I submit, unfair to play upon the consumer's natural desire for the lowest possible milk price by ignoring the vital interest of local authority in the health and safety of its citizens. Implicit in the remarks of our two colleagues, representing just as I do large dairying States, is the promise that the adoption of national milk sanitation standards, will, if anything, assure higher quality milk at lower prices—in other words, something for everybody. I believe, Mr. President, that when one can offer something for everybody it behooves him to come forward with detailed, factual justification for the panacea held out.

And in examining the panacea in this instance, the controlling issue, I submit, is simply this:

New York State has a right to, and indeed must, protect its New York milk consumers by establishing the highest practicable sanitation standards. This is New York's obligation; it is a function for which New York State's various health officials are uniquely and particularly qualified. Because milk is produced in other parts of the country does not mean that New York should abandon its supervision over milk to be consumed in the New York area unless it can be affirmatively shown that New York's consumers will benefit in price without any relaxation of sanitary standards. It is not enough for midwestern interest to assert, without more, that Wisconsin milk or Minnesota milk will be equally sanitary, nor is it enough to imply that somehow Wisconsin milk on the table of the New York consumers will be cheaper. The burden of proof is on those who would replace high local standards effectively administered with other broader standards. If and when midwestern milk producers can affirmatively demonstrate health and cost benefits to New Yorkers then it is time for New York to reevaluate its own position with respect to national milk sanitation standards.

There are six reasons why I believe enactment of national milk sanitation standards are not practical or desirable at this time:

First. We do not need compulsory national milk sanitation standards.

It is generally conceded that the milk supply for the various markets of the country is of high quality and is entirely safe. We feel quite certain that is true in New York State and we believe that it is true in most of the United States.

Second. Local authorities can best determine what regulations are necessary to safeguard their own milk supplies.

Milk is produced under varying conditions. A regulation which is necessary for one area, may not be necessary or may even be impractical for another area. For example, it might be desirable to have a regulation in some of the southern areas that milk stables be washed daily. Such a regulation in northern New York in the wintertime would seem quite impractical.

Local authorities can best determine what regulations are necessary to assure a safe supply of milk for their area, whereas a national code would not give the same recognition to local conditions.

Third. Local regulations may be changed quickly to meet changing conditions.

New problems in milk sanitation are constantly arising. A local regulation can be quickly changed to meet these changing conditions. The mere mechanics of amending a national code and putting the changes into effect would be very time consuming. It is entirely

within the realm of possibility that a strictly local condition might arise that needed a change in regulations. It might not be considered of sufficient importance to change the national code, and the particular locality might suffer as a result.

Fourth. Local authorities have adequate means for enforcing their regulations.

Local regulatory agencies have the authority to enforce their regulations and can do so quite effectively. In New York State we can effectively enforce our milk sanitation regulations.

The national standards which have so far been proposed contain little in the way of enforcement provisions other than those to compel the States and municipalities to accept milk from plants which ship milk in interstate commerce which have been listed as in compliance. While plants which do not comply with the proposed code may be removed from the listed plants, they may continue to ship milk if someone will accept it.

Fifth. Enforcement of milk sanitation regulations can best be done by the regulatory agency in the market where the milk is used, rather than by the Federal Government or by the State where the milk is produced.

A health regulatory agency will naturally tend to be more thorough in the enforcement of regulations to protect the supply of milk for its own people than it would in enforcing regulations to protect the people of some distant market.

Under proposed national standards a State or a municipality cannot insist upon requirements higher than those in the proposed code, on milk moving in interstate commerce. If they wish to raise the standards they must first get the code changed.

Residents of New York State are accustomed to a high quality milk as are residents of many other areas. If our milk supply needs improving we want the right to send our own inspectors out to find out what is wrong and to correct it.

Sixth. The proposed national standards will tend to lower the quality of milk in some markets.

There are a number of instances in which local health regulations are more strict than in a proposed national code. In those respects the local regulations would have to give way to a national code on interstate shipments. In that way local milk supplies could be lowered in quality.

While the national regulations do not purport to apply to intrastate shipments, to impose higher requirements on the producers within the State, than is imposed upon the producers of milk shipped into the State, would tend to be discriminatory.

As an example, in New York City we have distributors of milk who have their own country plants at which they receive milk from producers. Some of these distributors have such plants both in New York State and in other States. It would be difficult to impose more strict sanitary requirements at those plants inside the State than they have to meet at the out-of-State plants.

I am not saying that national sanitation standards are per se bad—neither did Governor Rockefeller. We are saying that the health and welfare of New York consumers is adequately protected now, and it is entirely proper that we should examine very carefully proposals to alter our effective and orderly policy.

In this connection, I ask unanimous consent that there be printed in the RECORD at this point in my remarks an article by Paul Corash of the City of New York Department of Health which appeared in the June 1961 issue of the Journal of Milk and Food Technology. Mr. Corash has, I believe, apprehended the real issues and set them forth honestly and objectively. I recommend the article to all who have a genuine interest in the welfare of the American milk consumer.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IS FEDERAL MILK REGULATION THE ANSWER?

In the October 1960 issue of the Journal of Milk and Food Technology, Dr. J. C. Olson, Jr., raised and answered affirmatively the question: "Are we ready for a nationwide system of effective milk control?" There is, however, another aspect of this problem which raises the question whether it is desirable to have Federal laws governing the sanitary aspects of milk control of the type introduced into the 86th Congress under the title, "The National Milk Sanitation Act."

The basic justification presented by proponents of Federal control is that some local regulations are designed as trade barriers to protect the local dairy interests. Certainly it is not our purpose here to defend this type of regulation. However, to impute such motives generally to all States and municipalities which have regulations different from the U.S. Public Health Service milk ordinance and code or different from those of other jurisdictions, is a completely unworthy indictment of numerous boards of health and other local and State legislative bodies which have enacted their own milk sanitation regulations.

The Public Health Service ordinance and code which would presumably be the basis of any Federal milk regulation is an admirable instrument and serves an excellent purpose. It is designed to give guidance to local and State authorities in their formulation of milk regulations and wherever desired, it provides a complete code. The code, however, was never designed or intended to be forced upon any community against its will.

Giving full recognition to the merit of the code does not mean, however, that it has the infallibility of the Ten Commandments, that it takes care of all eventualities in the best possible manner or that it is heretical to believe that other milk regulations may also have their proper place. It would be the sheerest arrogance to assume this, to contend that there can be no honest difference of opinion regarding milk regulations, or that there may not be a peculiar need for a certain type of regulation in one area as against another. Our country is vast and the variations in our environmental, social, and economic conditions cover wide extremes. It is obviously unreasonable to maintain, for example, that a town of 500 people in the arid Southwest requires the same type of milk control program as a city of 8 million people in the Northeast. Yet the effect of the National Milk Sanitation Act would be to impose the same milk regulations over both localities.

It should be remembered that the application of the proposed National Milk Sanitation Act is not restricted to the regulation of raw milk supplies but is applicable as well to the interstate shipment of pasteurized milk. The requirements of the Public Health Service milk ordinance and code are satisfied if the control agency makes a minimum of two inspections per year of each pasteurizing plant. No one experienced in large municipal control could possibly feel safe with such limited supervision in the light of the many things which can go wrong in the operation of a pasteurizing plant. Most large cities make far more frequent inspections to assure the safety of the milk supply. Yet, under the proposed law, a city or State would be required to accept shipments of pasteurized milk from any approved plant outside the State, provided, it was subject to a meager two inspections per year. It may be well to point out here that the right given the receiving areas to make tests is virtually a meaningless gesture. The milk would be consumed before the results of bacterial determinations were completed and a negative phosphatase test result would not be an adequate indication of proper pasteurization if the HTST process was used.

The argument that the law would not be applicable to intrastate milk control is obviously unrealistic because most States and large cities obtain some milk supplies from both intra- and inter-state sources and economic necessity would force the adoption of the Federal code since it would obviously be impossible for a State to operate under two different codes.

Is there any person with a wide experience in the field of milk sanitation brash enough to insist that there is only one proper way to regulate the sanitary aspects of milk control? The answer to this question is obviously "No," and yet, if the National Milk Sanitation Act were to be adopted, the entire country would have forced upon it a single set of procedures and requirements which conceivably might not meet all of the particular needs of a given locality.

Nobody will deny the merit of a certain degree of uniformity but there is also great danger of making a fetish of this concept, and placing our control programs in a straitjacket of mediocrity. Progress in milk control, as in every other endeavor, has been made by people who were not shackled by conformity and were able to strike out in new directions.

The objection to the use of milk regulations for trade barrier purposes is completely valid and such regulations should not be tolerated. Fortunately, there are highly effective remedies available to deal with this problem without the need of imposing upon the country a national milk control law. The record is replete with cases where both State and Federal courts have stricken down milk control statutes which were held to be arbitrary and in restraint of the free flow of commerce. Boards of health are generally aware by now that there must be bona fide reasoning behind their legal actions and it would indeed be a hardy board that would attempt a trade barrier type of regulation in this day and age.

It is interesting to note that a very recent decision by the Supreme Court of the State of Kansas held that the U.S. Public Health Service milk ordinance and code which was in vogue in that State, was in itself a type of trade barrier regulation because the court held in part that "if it becomes apparent that the statute, under the guise of a police regulation, does not tend to preserve the public health, safety or welfare but tends more to stifle legitimate business by creating a monopoly or trade barrier, it is unconstitutional as an invasion of the property rights of the individual." [1]

While the proponents of a National Milk Sanitation Act argue the need for improving the public health as the foundation for

[1] Nebraska Supreme Court, *Lincoln Dairy Co.* v. *Finigan*, July 15, 1960.

their position, perfect frankness compels the recognition that they are primarily interested in economic considerations. The midwestern producer groups who market so much of their milk at relatively low manufacturing prices, visualize the sale of their supplies at eastern fluid milk prices and this prospect looks very pleasing. However, the trade barrier argument seems to lose some of its potency when the proponents are perfectly willing to coerce the rest of the country by imposing an unneeded and undesired law to obtain an economic advantage. Any State or local jurisdiction which desires to obtain milk supplies from distant areas may voluntarily avail itself of the facilities provided under the interstate milk shipment program. The wrongs of trade barrier legislation are not neutralized by the greater wrong of the proposed coercive National Milk Sanitation Act.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to my colleague.

Mr. KEATING. I am very happy my colleague from New York has brought up this subject, and I commend him for a very fine statement.

My distinguished colleague and friend, the senior Senator from Minnesota [Mr. HUMPHREY], yesterday made a statement on the floor of the Senate on which I should like to comment. His statement was a refutation of the farm views of a prominent New Yorker, whom the Senator referred to as an "alleged national figure." I rise today to defend this "alleged national figure," who also happens to be the distinguished Governor of my State, Nelson A. Rockefeller.

The Senator from Minnesota challenged the Governor with the suggestion: "He ought to speak as a national figure." I say this. He did speak as a national figure. He spoke on behalf of the consumer, taxpayer, and nonsubsidized farmers of America who oppose the multibillion dollar farm program of the Government of the United States. I stand foursquare with the Governor. It is about time we turned the tables on this foolishness.

I shall not make a point by point refutation of the Senator's remarks, because both of us have been through this a number of times. I should prefer to branch out on one of the subjects dear to the heart of the Senator, the feed grains program, with a new piece of information which I think is very relevant.

Just 8 days ago, on September 1, 1961, Secretary Freeman issued the statement which beats them all. I am not a great fan of the feed grains program. I have pointed out on several occasions that this program has been shrouded in more misleading figures and more misleading information than any I have ever seen. For example, the Secretary has been paying out good taxpayer dollars to retire corn on 5 million acres of farmland that never existed before, and probably does not exist now. The cost of this program has gone up higher than the temperature in July, and at the same time the Secretary's estimates as to the amount of corn which would be kept out of production have gone down and down.

The Department estimated in August that the still unharvested crop of corn will be 3,352,037,000 bushels. This is an increase in the corn crop of 176,860,000 bushels over the July figure. To put it all together, the 716-million bushel cut estimated in July is a 539-million cut, as estimated in August. The widely heralded cut in feed grain production has been sliding down hill at a very significant rate.

The Department has now come out with a new angle. They have a feed production estimate they call the "no control" estimate. This estimate was issued on September 1. It purports to show how much grain we would have had, if we had not enacted the feed grain program.

I am no statistician, but I understand that there are many ingredients to such an estimate which would be very difficult to assess. Estimated "no control" production would have been 71.5 million acres. How do we know this? From where did it come? I should like to know. I have therefore addressed a letter to Secretary Freeman which I shall read into the RECORD:

I note with great interest your press release of September 1 in which you state that the 1961 crop of corn is expected to be about 650 million bushels lower than the "no control" estimate. I am very much interested in how you arrived at what the acreage would have been without a feed grain program and the probable yield per acre.

I am sure that you made a careful State-by-State estimate prior to issuing this statement. I would appreciate it if you would send me a State-by-State tabulation showing the estimated acreage and probable production in the absence of the feed grain program. I am especially interested in the New York State figures, but am sure that other Senators would be interested in their respective States. Any assumptions used in this analysis would be appreciated.

I shall look forward to hearing from the Secretary on this matter. I agree with the distinguished Senator from Minnesota that the Crop Reporting Service of the Department of Agriculture is an important and very essential service. Therefore, it is also very important that full information be available as to how they work, where they get their information, and just what the information means. So many people are confused and bewildered by farm statistics, that a lot of these big issues are decided by default. I think that if we put these facts together, it will be shown without a doubt that the feed grain program has not accomplished what was initially acclaimed in terms of its probable success.

The question now is, how has the feed grain program not done what it was supposed to do? The Secretary has given us an answer in the September 1 statement to which I just referred:

The continued upward trend in fertilizer application per acre and the closer plant spacing, has raised the estimated yield per acre for corn by three bushels for 1961 over 1960.

Imagine that? Yield per acre in 1960 was 54.5 bushels. With the feed grain program in 1961 it is going to be 57.5 bushels. This statement should have been entitled: "How to beat the Government and get extra dollars from Uncle Sam: A do-it-yourself handbook." In essence, what the Secretary has said is the way to beat the program—and it is clearly being done—is to put your corn plants a little closer together and apply a little extra fertilizer. There it is.

Mr. President, the evidence is piling up, the feed grain program has missed the mark. We are getting a lot of detailed explanations as to how it is succeeding, when it really is not. The fact remains that we desperately need new ideas in agriculture. The Governor of New York is right.

Now, let me briefly touch on another subject that is dear to the heart of the Senator from Minnesota, as well as to the junior Senator from Wisconsin. Both Senators criticized the Governor for his position on the National Milk Sanitation Act. The Governor clearly disagreed with Secretary Freeman, the former Governor from Minnesota, who threw the administration's support behind this legislation.

Mr. President, I ask unanimous consent to include at this point in the RECORD a statement which I prepared on this issue for hearings of the House Committee on Commerce.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR KENNETH B. KEATING ON NATIONAL MILK SANITATION LEGISLATION BEFORE HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, AUGUST 30, 1961

Mr. Chairman, I appreciate this opportunity to express my views for the record. As a Senator from a State in which the dairying industry is of great importance, I am, of course, interested in your deliberations on legislation to establish nationwide milk sanitation standards.

Although the bill before your committee is commonly referred to as the National Milk Sanitation Act, it does not have truly national sponsorship or support. It is backed by a single regional economic interest which seeks to advance its own competitive position.

I want to call the attention of your committee to an article written by an expert in this field, Dr. Paul Corash, of the New York City Department of Health. Dr. Corash opposed the National Milk Sanitation Act in an article dated June 1961 which appeared in the Journal of Milk and Food Technology. He pointed out, and this makes good sense to me, that it is unreasonable to maintain that a town of a few hundred people in the arid Southwest would require the same type of milk control as a city of 8 million people in the Northeast.

I quote from Dr. Corash's article: "It would be the sheerest arrogance to assume this, to contend that there can be no honest difference of opinion regarding milk regulations, or that there may not be a peculiar need for a certain type of regulation in one area as against another."

Dr. Corash also noted that the National Milk Sanitation Act, as submitted to the Congress, requires only two inspections of pasteurizing plants per year. As almost every large city in the country makes many more inspections to insure that it will have a safe milk supply, Dr. Corash contends that this provision would be very unsatisfactory.

The legislation before your committee directly challenges our basic system of milk marketing. The several Federal and State milk marketing orders which assure the orderly distribution of milk in New York State have, I believe, worked very effectively. These orders represent a realistic and sensible policy for this sector of our agricultural economy. The establishment of milk marketing orders has permitted the farmer

to receive a fair and honest return for his products and have been administered in such a way as to protect the consumer's interest as well. Compared to the farm programs which we have implemented on our basic commodities, this program has involved very little cost to the taxpayer. To summarily cast aside this longstanding system of distribution, would in my mind be a serious error. It could very well invite the type of oversupply problems that we have had with other farm commodities, which have resulted in the excessive and, I believe, totally unnecessary subsidization of basic crop prices.

Let's face it. The people who want this legislation want to receive the higher eastern seaboard price for their milk. I do not begrudge them this; but I question their motives in putting this legislation forward as a measure to protect health, safety, and nutrition. These producers already have significant markets. Their production area has become a center for the manufactured uses of milk. Furthermore, I think that they are fooling themselves in that the transportation costs for the shipment of milk into the markets which they consider vulnerable would very likely preclude the sale of their dairy products in the East.

The sponsors of this legislation have produced a pat answer. It has been volleyed around in the political mill for years. But it is not a good answer. It does not deal with the many detailed and important factors which affect the dairying industry.

I oppose this encroachment of the power of the Federal Government in an area in which the States do and should have the basic responsibility. I regard the so-called National Milk Sanitation Act as a brazen attempt to sell eastern agriculture down the river.

There are no simple answers to the problems which have been conjured up by the interests that support this bill. I hope that the committee will carefully scrutinize this legislation and will avoid hasty action. This is not just a matter that affects the Northeast. It affects the entire country, and it affects every sector of our agricultural economy. We have so many bad farm policies, that I shudder to think we could take another step as foolish and unwise as enacting the National Milk Sanitation Act.

Mr. KEATING. Mr. President, it will be noted that I stressed five points.

First, the National Milk Sanitation Act is not national in its sponsorship or support.

Second, many experts, including the New York City Department of Health, claim that individualized and localized milk standards are necessary, to deal with different conditions throughout the Nation.

Third, the National Milk Sanitation Act is not the whole answer for the Midwest. Shipping costs are prohibitive, and this factor, in itself—even if we passed the National Milk Sanitation Act—would prevent milk from traveling all over the country in the way that many proponents suggest it would.

Fourth, the act would undermine the existing, orderly milk marketing arrangements, which have permitted farmers a fair and honest return, insured consumer interests and protection, and have involved no cost to the taxpayer. There are no big subsidy programs for milk.

Fifth, this is a matter for States and not the Federal Government, to decide.

I think these points are important and should be carefully weighed in any consideration of sweeping new programs to overturn existing and satisfactory marketing programs.

I am not alone. Many sound and reliable experts support this position, and therein, support the position taken by Governor Rockefeller.

My colleague has already requested that there be printed in the RECORD the statement by Dr. Paul Corash of the New York City Department of Health, which is mentioned in my statement before the House Commerce Committee.

I have a brief by Phillip Alampi on behalf of State departments of agriculture, which I ask unanimous consent to have printed at this point in the RECORD.

There being no objection, the brief was ordered to be printed in the RECORD, as follows:

BRIEF OF PHILLIP ALAMPI ON BEHALF OF NORTHEASTERN ASSOCIATION OF STATE DEPARTMENTS OF AGRICULTURE AT THE HEARING ON THE NATIONAL MILK SANITATION BILL BEFORE THE HOUSE INTERSTATE AND FOREIGN COMMERCE COMMITTEE, HEALTH AND SCIENCE SUBCOMMITTEE, APRIL 26–28, 1960, AT WASHINGTON, D.C.

My name is Phillip Alampi and I am secretary of agriculture of the State of New Jersey. My address is 1 West State Street, Trenton, N.J. I am appearing here today as president of the Northeastern Association of State Departments of Agriculture. The States represented in this organization are Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Delaware, Pennsylvania, and Maryland.

The dairy division of this organization has studied in detail H.R. 3840, known as the National Milk Sanitation Act. We have contacted the States in this region and have obtained their opinions as to the need for and the effect of the proposed legislation.

In the interest of agriculture in the northeastern States, as well as the general public, and more specifically the northeastern dairymen, this organization is opposed to the enactment of H.R. 3840. This position represents the thinking of all of the above mentioned States. In opposing this legislation, we are supporting the position of the vast majority of milk producer organizations in the northeast.

REASONS

1. The milk markets in the Northeast already have very adequate milk sanitation regulations. These markets can most effectively determine what health standards best serve the interests of the people of their area. The consumers look to their local authorities for the protection of their milk supply.

2. H.R. 3840 completely nullifies any State or local milk sanitation program that is not based on the recommended ordinance and code of the U.S. Public Health Service. The bill provides that the only means of certifying the milk supply which is shipped in interstate commerce are those criteria established by the Surgeon General. This means that the milk ordinances or codes of an individual State or local municipality would become ineffective as far as they relate to the interstate supply of milk. In many instances this would tend to lower the quality of milk shipped into the various receiving States.

The proposed act does not require any State or municipality to adopt the U.S. milk code, nor is there anything to prevent milk shipped in interstate commerce from such State having to meet higher requirements than those of the proposed code. Nevertheless, the States cannot set up standards higher than those of the proposed act without discriminating against their own plants. Therefore, the proposed legislation would inevitably downgrade the quality of milk for fluid use in all of the major northeastern markets.

3. H.R. 3840 is entitled "A bill to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce without unduly burdening State commerce." As far as the Northeast States are concerned, this bill does not carry out the mandate of its title.

It has been shown that the standards of quality would be lowered. Therefore, the bill becomes an economic measure rather than a quality measure. Furthermore, lowering the quality standards is detrimental to the promotion and expansion of market outlets for milk and milk products which is not in the interest of the entire dairy industry.

4. The intent of the proposed legislation will fall short of its major goal. The basic purpose of H.R. 3840, as we see it in the Northeast, is for one purpose only: namely, to permit the shipment of milk for fluid use from States of surplus production into distant markets where it may be sold at a higher price than that currently received by the producers of such milk. Proponents of the bill assume that prices for fluid milk—particularly here in the East—are established at a level which would permit the movement of milk from midwestern areas to the East at a price somewhat lower than the prices prevailing here now, but still higher than the return midwestern producers would realize on such milk if it were used for manufacturing. It is our considered opinion that the proponents of H.R. 3840 are doomed to disappointment because this legislation cannot possibly achieve this major purpose in the long run. The price differential between surplus milk producing States, such as Wisconsin and Minnesota, and the northeast importing States, is not sufficient to induce the movement of a permanent supply of milk from the surplus producing areas.

Consumers in the Northeast will not benefit as has been suggested by the proponents of this act and actually they could receive lower quality milk.

5. No appropriation should be made from the General Treasury for the administration of H.R. 3840. Section 814 provides for a direct appropriation of $1,500,000 per annum to the Public Health Service of the Department of Health, Education, and Welfare to administer the act. Inasmuch as H.R. 3840 is designed to benefit a small segment of the U.S. population, it seems rather inequitable that a direct appropriation should be made from the General Treasury to administer such a bill. Moreover, there is nothing in the bill which would benefit consumers in the Northeast. Hence, if Congress deems it advisable to enact such legislation, then the individuals who are the chief beneficiaries should bear the cost of administering the entire program.

We from the Northeastern States have pointed out in the above five reasons why we believe that this proposed legislation is unnecessary and detrimental to the dairy industry and the consuming public.

However, if in the wisdom of Congress, this bill should be enacted into law, we strongly recommend that the following principles be incorporated into the act:

1. The receiving State should be permitted and authorized to make inspection of the milk being shipped in interstate commerce to the market.

The shipping plant desiring to ship the milk should pay the cost of inspection of the producers and the plant.

2. All milk and milk products for all purposes should be included in the proposed legislation.

3. The administration of the law should be vested in the Department of Agriculture rather than in the Department of Health, Education, and Welfare. The purpose for this recommendation is that the Department of Agriculture is more keenly aware of milk production and marketing problems.

On behalf of the Northeastern Association of State Departments of Agriculture, I wish to take this opportunity to thank the members of this committee for permitting us to give you our views on the legislation now under consideration.

Mr. KEATING. Besides those statements, I point out that there is no partisan disagreement in New York State on this question. Mr. Paul Smith, chairman of the New York State Farmers for Kennedy-Johnson, in the 1960 campaign opposed the Sanitation Act and sought to blame the National Milk Sanitation Act on former Vice President Nixon. A letter was written to New York State dairy farmers in October of 1960 by Mr. Paul Smith, which may come as quite a shock to the Senators from Minnesota and Wisconsin. It reads as follows:

To my fellow dairy farmers:

Senator Kennedy has met in Syracuse with our dairy leaders since my first letter to you and he left no doubt that our best interests will be served if he is elected to the Presidency.

To report to you correctly on that meeting, here is what Alan S. Emory, Washington correspondent of the Watertown Daily Times wrote in his paper of September 30:

"Senator John F. Kennedy has promised New York dairy leaders that if he wins the Presidency he will hold a full dress discussion of their problems with them prior to inauguration.

"The Senator said he wanted a more intimate knowledge of these issues at hand when and if he moves into the White House. And he assured the dairyman that if he wins they will be able to see the Secretary of Agriculture, or the President, when they want to talk over their problems.

"The Senator and the dairymen agreed that there were better ways of correcting present dairy problems than lower prices. The Democratic Presidential nominee said he would tell his farm Secretary to be more practical in meeting the situations as they arose rather than adopting a rigid, inflexible policy.

"He expressed sympathy with a proposal for a thorough study of New York, New Jersey milk marketing order."

This is the kind of positive thinking that has been lacking in Washington for the last 8 years and that is why I am supporting the Kennedy-Johnson ticket.

Senator Kennedy is on the record but so far Mr. Nixon has declined a request of our dairy leaders that he also meet with them. The reason is clear: Mr. Nixon has no intention of breaking away from the policies of Ezra Taft Benson which have cost dairy farmers money year after year.

What promise, then, does the Nixon-Benson alliance hold for the dairy farmers? It is the promise of a ruinous National Milk Sanitation Act. Governor Rockefeller, who wrote the Republican platform, appeased the Minnesota-Wisconsin lobby which has long been trying to invade our fluid milk markets. The adoption of this National Milk Sanitation Act could cost New York State dairy farmers $40 million a year. Why? Because it would disregard the health requirements of our local communities and permit our fluid markets to be flooded with midwestern milk where production costs are much lower than ours.

And let us remember that Mr. Nixon has done nothing about the hearings that Mr. Benson has called for December 6 (after election) in New York State to tie our food prices to the cheap prices in the Midwest. The result of this could only be to put a ceiling on our fluid milk prices. In other words, our prices could go lower but never higher.

Sincerely yours,

PAUL SMITH.

In other words, Mr. Paul Smith, on behalf of the candidate whom he was supporting and who was elected, called it the "ruinous Milk Sanitation Act." Now, his Secretary of Agriculture, undoubtedly with his approval and support, is urging that the national milk sanitation bill be enacted into law.

Mr. President, the letter from Mr. Smith is misleading on two counts. First, Governor Rockefeller has consistently opposed the milk sanitation bill. He has never favored it. The letter implies that he did.

Also the letter refers to a promise made by President Kennedy that, if elected, he would hold "a full dress discussion" of the problem of the New York dairy industry. To the best of my knowledge this discussion has not been held.

The Governor of New York was thoroughly justified in the remarks which he made at Syracuse on this issue. I support him fully.

Mr. JAVITS. Mr. President, I thank the Senator for his remarks. I ask unanimous consent that excerpts from the speech to which my colleague and I referred, made by Governor Rockefeller at the Syracuse Chamber of Commerce on September 5, 1961, be printed at this point in my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS OF REMARKS BY GOVERNOR ROCKEFELLER PREPARED FOR DELIVERY AT ANNUAL FARM DINNER, SYRACUSE CHAMBER OF COMMERCE, HOTEL SYRACUSE, SYRACUSE, N.Y., TUESDAY, SEPTEMBER 5, 1961

I made a bet with the Governor of Michigan the other day that says a lot about how highly I think of New York's agricultural products—and the New York Yankees.

The bet was 3 bushels of New York apples against 1 bushel of Michigan apples that the Yankees would win the American League pennant. Someone promptly objected that I wasn't being fair—that I was giving Governor Swainson only 3-to-1 odds when the odds favoring the Yankees were really 6-to-1. Nothing of the kind: Three bushels of New York apples against 1 bushel of any other apples is a 6-to-1 bet because New York apples are twice as good as any other apples. So Governor Swainson has a 6-to-1 bet, after all—even though he may not realize it.

Besides we are sending a dozen of New York's unsurpassed eggs and a pound of New York's superb butter to every one of the Detroit Tigers including the bat boy. That should give the Tigers enough extra energy to improve the odds in their favor somewhat—and it also gives us an alibi in the unthinkable event that the Yankees should lose. We can always claim the Tigers would never have made it if it hadn't been for New York's farmers, their chickens, and their dairy cows. But to tell the truth, I think my 3 bushels of apples are perfectly safe.

What I'm really looking forward to losing is the New York dairy calf I promised to send Governor Swainson if either Roger Maris or Mickey Mantle breaks Babe Ruth's homerun record.

New York's agriculture is, of course, much more than a matter of pride. It is a most vital element of this great State's economy—and stimulating the economic growth of New York is a main objective of my administration.

And so tonight I would like to discuss some recent developments affecting the agricultural economy of New York—and I refer to developments at both Federal and State levels.

So far as national farm policy is concerned, the point which troubles me most is the philosophy of artificial scarcity being brought to bear on farm production—and particularly with respect to feed grains. In spite of the solid opposition of the New York congressional delegation, Republicans and Democrats alike, we now have and will have again next year a so-called emergency feed grain program designed to slash feed grain production drastically. The program this year alone will cost the taxpayers $800 million in administrative expense and payments to feed grain producers who cut back their acreage at least 20 percent.

The big question in New York is how much more it will cost our dairymen, poultrymen and livestock feeders in higher prices for feed. It remains to be seen how effective this program actually will be in achieving its intended goal of cutting back feed grain production sharply. Feed prices are not so bad in New York at the present, but everyone is holding his breath about what will happen in the future if the philosophy of scarcity underlying the Federal program takes full effect.

And the real question in my mind is whether any such drastic feed grain program is necessary. Senator AIKEN of Vermont, certainly a leading authority in the field of agricultural legislation, makes these points:

1. The present carryover in feed grain supplies is only about 3 months more than a normal safe supply.

2. This carryover has accumulated in a period of declining total number of farm animals but the number of animals is now increasing and must continue to increase.

3. In view of the fact that the Nation's population is increasing by 3 million persons a year, the real need is to concentrate on maintaining or even increasing our feed grain production through the 1960's.

Not only do future demands challenge the necessity for any such drastic feed grain program, but weather conditions this summer have an important bearing. This was dramatized recently by two contradictory actions of Secretary of Agriculture Freeman: in April, he started a program to reduce directly the supply of corn and grain sorghum and indirectly the supply of barley and oats; but in July, just 90 days later, he reversed himself by imposing limitations on sales of Government stocks of oats, barley and corn to conserve supplies for drought plagued livestock farmers in the northern Great Plains.

A philosophy of scarcity in feed grains may be good short-term farm politics in certain areas of the country, but I can't for the life of me see how it is good for the Nation or good for New York.

Another aspect of Federal farm policy that troubles me greatly—and this is of direct concern to our dairy farmers whose products account for half the total farm income of New York State—was Secretary Freeman's recent espousal of a Federal milk sanitation law. In the first place, our State milk sanitation standards are already higher than any Federal law would provide—therefore no public health problem is involved. In the second place, a Federal law superseding State law would open the milk markets of New

York's dairymen to a periodic flood of surplus milk from the upper Midwest with disastrous economic results for our dairymen. In the third place, there would be no long-run benefit for our consumers. New York dairymen cannot be expected to supply our milk needs just for the lean months of production—and if you drive more New York milk producers out of business, you create a shortage of milk here in the lean production months causing pressures for higher consumer prices in the end.

In short, it seems to me that Secretary Freeman is pushing legislation favoring his home State of Minnesota and its immediate neighbors at the expense of the rest of the country—and threatening to disrupt our existing system for orderly milk marketing which has been working very satisfactorily for producers, consumers and all others concerned.

As to State action, I have appointed a special committee on milk marketing to study the class I milk-pricing formula affecting New York's dairy farmers—a formula which has undergone no basic revision since 1950. The cost-price squeeze on our dairy farmers has been a matter of serious concern to me. I joined with New York Congressmen in a plea to Secretary Benson last year which won temporary relief, but it is evident that the basic formula itself is in need of updating in the light of changing conditions. The special committee under the distinguished chairmanship of Dr. Glenn W. Hedlund, of Cornell, has its study well underway. We expect a report early next year recommending solutions for problems in this area.

In addition, State legislation enacted this year provides these additional protections for New York farmers:

1. Protection against unfair picketing in labor disputes:

Legislation which became effective last Friday empowers the courts to issue 5-day temporary injunctions in certain labor disputes involving perishable farm products. This opportunity to obtain speedier court relief in labor disputes is vital to the farmer because his production cannot be controlled. The farmer's products are subject to spoilage, and interruption of his harvesting, production, and distribution cycle can be economically disastrous.

The application of this legislation is restricted to disputes involving production at the farm, shipment from the farm, first storage or first processing. In addition, the labor union involved must be given an opportunity to be heard and the court must make findings on the basic facts of the dispute.

2. Protection against losses in marketing:

Brokers and dealers in farm products will be required to obtain licenses from the Department of Agriculture and Markets, and to be bonded by the Department. This will give farmers protection against the default or insolvency of a broker or dealer to whom the farmer has sold his crops. Commission merchants and net-return dealers handling farm products have previously been licensed and bonded by the Department. Extension of these requirements to brokers and dealers, effective next year, will substantially broaden the area of protection for the farmer when he sends his crops to market.

During the fiscal year which ended last March 31, the State vaccinated over 329,000 calves against brucellosis. This is the largest number of vaccinations in any year, and represents 95 percent of the calf population of the State—one of the highest percentages in the Nation.

In conclusion, a few words about the productivity of American agriculture. This productivity is the wonder of the world—and one of our greatest national assets.

Ten percent of our population is on the farm—and we worry about surpluses of food. Fifty percent of the Soviet population is engaged in food production—and Khrushchev urges his people to eat horsemeat. Severe famine is sweeping Red China, food shortages plague the satellites—and we are exporting food throughout the free world.

These contrasts tell us much about the industry and ability of the free American farmer. They also dramatize the folly of the notion that agriculture works best as a creature of bureaucracy.

Russia, Red China, the satellites all have heavily managed agricultural economies—and all have shortages of food. The answer for America is not more power for bureaucrats but more freedom for the American farmer.

Incentives, protections, and programs to conserve the land, increase technical efficiency in both production and use of agricultural products, and to retire unneeded and marginal acreage while providing new economic opportunities for the lowest income segment of the rural population are all legitimate objectives of government.

But I submit that an underlying philosophy of scarcity and tight controls geared to the agricultural problems created by World War II and the Korean war will not truly serve the future in a growing America.

RESOLUTION TO PRINT HEARINGS ON COMMUNIST FORGERIES IN FOREIGN LANGUAGES

Mr. KEATING. Mr. President, I am delighted that the Judiciary Committee has reported a resolution, which I strongly support, to print 2,000 copies in each of 3 foreign languages of hearings recently conducted by the Senate Internal Security Subcommittee on Communist Forgery Tactics. This publication is an effective antidote to the poison the Communists are trying to spread abroad as well as among American citizens who speak foreign languages. Under the resolution, congressional hearings would, for the first time, be printed in French, Italian, and Spanish.

At these hearings, which were held on June 2, 1961, testimony was presented by Mr. Richard Helms, Assistant Director of the Central Intelligence Agency. Mr. Helms documented 32 known instances in which the Communists have forged Government documents. Among the best known of these forgeries are: A letter from Governor Rockefeller to President Eisenhower calling for more aggressive and warlike American policies, a forged report from Vice President Nixon along the same lines, a letter from Chiang Kai-shek to President Eisenhower stating that many Chinese Nationalists were disloyal, and several letters from American pilots who were reported to be planning to drop an atomic bomb in the North Sea to dramatize the horror of nuclear warfare.

The Americans who are most seriously subjected to these forgeries are foreign speaking groups. I firmly believe that solid and responsible information should be available both in the United States and overseas on the methods the Soviets have used in attempting to authenticate false propaganda about American policies and intentions.

The Italian speaking population of the United States is estimated to number over 4½ million; Spanish, over 2 million; and French, about one-half million. These hearings deserve the widest possible circulation among these groups. It is my hope that, despite the limited amount of time remaining before Congress adjourns, final approval can be obtained this year.

OUR OPPORTUNITY AGAINST RED IMPERIALISM

Mr. HRUSKA. Mr. President, the progress of recent events leads one to conclude that the Kremlin's blind power, by its very blindness, must in the long run lose to the united power of a free world firmly dedicated to human freedom and respect for the dignity and rights of the individual.

This thought is developed in a striking editorial advertisement appearing in the New York Times on September 7, 1961, by Mr. A. N. Spanel, founder of International Latex Corp. It defines the sealed entombment of East Germany and its forced conversion into a Red prison colony. It does more, for it offers sound and practical answers that merit attention by our State Department and the free world embassies to the United Nations.

For over two decades Mr. Spanel, chairman of International Latex Corp., has performed a herculean labor on behalf of our country and the entire free world. To our total unity he and his corporation are completely dedicated.

For this, they certainly deserve the greatest recognition and respect.

I, therefore, ask unanimous consent that Mr. A. N. Spanel's editorial which appeared in the New York Times September 7, 1961, entitled, "Our Opportunity Against Red Imperialism," be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OUR OPPORTUNITY AGAINST RED IMPERIALISM

(By A. N. Spanel)

We have become so accustomed to the Kremlin's big lies that we notice them, if at all, only to shrug them off. Our responses have been so enfeebled by familiarity that new Communist deceptions, or variations on old ones, leave us unimpressed.

Unfortunately this indifference plays into the enemy's hands, in that we fail to expose his lies with the vigor and the anger they deserve. Moscow can be utterly reckless in its grand falsifications because it has come to count on our indifference.

Consider, for instance, the Kremlin's pose as the leader and spokesman of anticolonial movements. In the light of its own expanding colonialism—the most dynamic and ruthless in today's world—that self-assumed role is an insult to commonsense. Its sheer impertinence is staggering.

But no one is staggered. We accept it casually and seem unable or unwilling to exploit the obvious opportunities for counteraction and counterpropaganda.

In East Berlin in recent weeks the world has witnessed arrogant, brutal colonialism in action. The Soviets and their German puppets, on August 13, sealed off East from West Berlin with barbed wire, stonewalls and military cordons. On a border cut through the living flesh of a great city, Red imperialism at its ugliest was dramatized again, as in Hungary 5 years ago, for all to see and shudder.

Since then the Communists have plugged one possible escape route after another. They have shot and killed East Germans who tried to swim to freedom, then celebrated the murders with gleeful backslapping. They have arrested hundreds of "dissidents"—with maximum publicity to deepen the pervasive fears. They have promulgated decrees prescribing forced labor and deportation from their homes for those daring to criticize their masters.

The entrapment of the East Germans and the open terror with which the illegal action is being reinforced are acts of colonial violence. Any intelligent child knows this. One would suppose that, against this foul background, Moscow would hesitate just now to raise issues of "anticolonialism." But evidently there are no limits to their contempt for mankind. If there be any who doubt this, let them ponder the Kremlin's latest brazen resumption of nuclear testing, boasting that they now have hydrogen bombs equal to 100 million tons of TNT. This they did on the very eve of the meeting of the world's neutral bloc in Belgrade.

We should never permit these neutrals to forget that even poisoning the world's atmosphere by the Communists is no deterrent to their brinkmanship or their blackmail. Perhaps they may now be able to see the Berlin picture more realistically since Khrushchev's design also perilously affects them.

Even while Red troops are hunting down would-be East German refugees, the Soviet Union, in the words of a New York Times dispatch from Moscow, "called upon the United Nations Assembly to establish a deadline for the abolition of colonialism." There are no words to describe such monumental gall. It's the "Stop thief!" technique carried to a shocking extreme.

The U.N. Assembly will convene on September 19. Khrushchev and his man Gromyko have formally demanded that the "colonialism issue" be placed on its agenda. Far from trying to keep it off the agenda, the United States and other democracies should exploit the opportunity to the limit. It is their chance, in view of world awareness of the Berlin crime, to puncture and annihilate Moscow's shameless pretensions to anti-colonial and anti-imperialist leadership.

Will we have the courage and the intelligence to make uninhibited use of the opportunity? Or will we again soft-pedal the issue of Red imperialism in order to "relax tensions"?

Everyone remembers Khrushchev's table-thumping tantrums at a previous Assembly meeting. But too few recall what precisely it was that touched off his fury. On the first occasion he took to banging with his fists when a Philippine delegate alluded to Soviet colonialism. A few days later he improved the technique by using his shoe instead of fists, and that was when the Premier of Australia attacked Soviet colonialism.

That happens to be the most tender spot in the Soviet anatomy. Touch it, and the Communists shriek in pain. Khrushchev's reaction in frenzy a few years ago to an official American resolution on captive nations was another such cry of pain. Let's make the most of this Communist vulnerability.

The revival of the colonial issue, as Moscow sees it, confronts the United States with a "dilemma." It is supposed to give us only a choice between offending our Western allies and alienating Afro-Asian nations.

But it's a Moscow-made dilemma which Americans have tended to accept too readily. There are other choices. Without condoning colonial sins and errors of the past, we can emphasize the far-reaching breakup of colonial systems by Western nations. We can champion peaceful, ordered, stage-by-stage approaches to freedom for "emerging" peoples, as against an irresponsible independence-now policy which foists nationhood too soon upon unprepared populations.

A comparison of Western and Red imperialisms—not in a defensive but in a boldly offensive spirit—cannot but redound to the benefit of the West. We need only insist upon defining colonial areas to include the Red varieties. We need only see to it that every U.N. resolution for "abolition of colonialism" applies also to the captive nations in the Red empire.

The Soviet pose of champion of unfree peoples can thus be turned into a fallen soufflé. The whole obscene story of Communist colonialism, including the episodes of uprisings drowned in blood in East Germany, Hungary, and Tibet—and the current barbed wire imprisonment of the East German people—should be spread on the record in detail, day after day if necessary. Even the newly independent Afro-Asian countries will then begin to see through the Kremlin's big lies and demagogery.

If there is an area in which the West and its friends can afford to take the initiative, it is colonialism. The Kremlin pushes for independence-now in Africa because it wants the chaos that follows. Chaos is the climate in which Red imperialism can best extend its slave empires.

This fundamental truth can and must be made crystal clear to Africans, Asians, and the rest of humankind. For once let us meet the challenge of an impertinent Communist deception head on. We can turn it into a deadly boomerang against its authors.

U.S. DISARMAMENT AGENCY FOR WORLD PEACE AND SECURITY

The Senate resumed the consideration of the bill (S. 2180) to establish a U.S. Disarmament Agency for World Peace and Security.

Mr. BUSH. Mr. President, some time ago I discussed with the Senator from Minnesota [Mr. HUMPHREY] a possible amendment to the pending measure. He then told me that the bill had been read the third time. The third reading apparently took place while I was working on the amendment, and I was not aware that there had been a third reading.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. LONG of Missouri in the chair). The Senator will state it.

Mr. BUSH. Has there been a third reading of the pending bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. BUSH. I shall suggest the absence of a quorum in order to locate the Senator from Minnesota, because he asked me to discuss this subject on the floor of the Senate with him.

Mr. GORE. Mr. President, will the Senator withhold his request while insertions in the RECORD are made?

Mr. BUSH. Mr. President, the discussion will take only a moment.

(At this point Mr. HUMPHREY entered the Chamber.)

Mr. BUSH. Mr. President, if I may have the attention of the Senator from Minnesota, I remind him of our conversation of a few moments ago and direct his attention to page 7, section 26 of the bill, with reference to the general Advisory Committee. The section calls for a Presidential appointment, with the advice and consent of the Senate, of 15 members, but it does not provide how long such members shall serve and what their terms shall be. I told the Senator I had intended to offer an amendment in order that the subject might be considered carefully in conference.

My amendment would read:

On page 7, in line 13, after the period, insert the words "the members shall serve at the pleasure of the President."

Mr. HUMPHREY. That is the intent of the section. I hope that the legislative history that we can build upon this particular section will clearly indicate that such is the intention.

Mr. BUSH. I offered that amendment particularly in order that the subject might be considered in conference. I am not sure that that is the best way the committee could be appointed, or whether it should be appointed for a 5-year term, or on a staggered term. I believe the subject should be considered carefully by the conferees so that when the bill comes back to the Senate we shall know what the terms of the members will be.

Mr. HUMPHREY. Yes.

Mr. BUSH. And whether they are to serve at the pleasure of the President. I thank the Senator for his suggestion, even though it cannot be offered as a formal amendment.

Mr. HUMPHREY. We also made it quite clear, both in committee and in the debate on the floor, that this is to be a bipartisan Commission and advisory body, to serve at the pleasure of the President so far as the terms are concerned, the members to represent a good cross section of American life, composed of individuals who are competent in this particular area.

Mr. BUSH. I am glad the Senator has mentioned that point. The Senator from Georgia [Mr. RUSSELL] previously called attention to the fact that there is no mention in the bill about any bipartisanship. I believe that his comments on that score should be considered by the conferees, along with those that I have made on the question of the terms.

Mr. HUMPHREY. I say to the Senator in all good humor that that section was drawn up by a good Republican, Mr. McCloy, a great American. I am glad that the Senator from Georgia [Mr. RUSSELL] brought it up, because it might be presumed, otherwise, that all the appointees were to be Republicans. I hope that some of them will be Democrats.

Mr. BUSH. Even a great man of the stature of Mr. McCloy is capable of lapsus mentis on an important matter.

Mr. HUMPHREY. The same is true of some of us of lesser stature.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. KUCHEL. Why is it that my able friend from Minnesota suggests that there is anything humorous when he indicates that one of our party contributed to the verbiage of legislation?

Mr. HUMPHREY. It is an example of what happens from fatigue.

PROPOSED AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES AND THE GOVERNMENT OF THE FRENCH REPUBLIC

Mr. GORE. Mr. President, yesterday President Kennedy forwarded to the Congress a proposed agreement for cooperation between the Government of the United States and the Government of the French Republic for cooperation in the operation of atomic weapons systems. The proposed agreement is similar to a number of agreements previously entered into between the United States and individual NATO allies. It is similar, for example, with agreements for cooperation which the United States entered into in 1959 with the Federal Republic of Germany, the Kingdom of the Netherlands, the Government of Turkey, and the Government of Greece and through which we have been cooperating during the past 2 years with those nations for mutual defense purposes. It is likewise similar to the agreement for cooperation with the Government of Italy which the President submitted to the Congress in January of this year and which is now in the process of being implemented.

These agreements provide that the United States will exchange with each country classified information necessary to the development of defense plans; the training of personnel in the employment of and defense against atomic weapons and other military applications of atomic energy; the evaluation of the capabilities of potential enemies in the employment of atomic weapons and other military applications of atomic energy; and the development of delivery systems capable to carry atomic weapons. In addition the proposed agreements permit the United States to transfer to each country nonnuclear parts of atomic weapons systems.

Article IV of the proposed agreement with France, similar to the other mentioned agreements, makes clear that under the agreement there will be no transfer of atomic weapons, nonnuclear parts of atomic weapons or special nuclear material.

The proposed agreement with France, is accordance with section 123 of the Atomic Energy Act of 1954, as amended, together with the approval and determination of the President, has been referred to the Joint Committee on Atomic Energy. Under section 123 the proposed agreement cannot become effective until a period of 60 days has elapsed while Congress is in session, during which period the Congress, by concurrent resolution, may disapprove it.

In his message to the Congress, forwarding the proposed agreement for cooperation with France, the President stated that he believes that the gravity of the current international situation compels special action to permit this agreement to come into effect promptly. He, accordingly, has requested appropriate action by the Congress to permit the agreement to take effect during the current session of the Congress.

The Joint Committee on Atomic Energy will hold an open public hearing beginning at 10 a.m., Tuesday, September 12, in room P–63, the Old Supreme Court Chamber, U.S. Capitol, to receive testimony from representatives of the State Department, Department of Defense, and the Atomic Energy Commission concerning this proposed agreement. In order that all members of the Congress and the public may have knowledge of the details of the proposed agreement, I ask unanimous consent to enter into the RECORD, at the conclusion of my remarks, a copy of the proposed agreement along with the accompanying correspondence and message from the President. Subsequent to the public hearings, I would expect that the Joint Committee will issue a report as to its recommendations concerning the proposed agreement and as to any action on the part of the Congress to expedite implementation of the proposed agreement.

There being no objection, the agreement was ordered to be printed in the RECORD, as follows:

To the Congress of the United States:

For some time members of the North Atlantic Treaty Organization have been taking steps toward the introduction of the most modern weapons into NATO forces. Among these measures is the introduction into forces of our NATO allies of weapons capable of delivering nuclear warheads. Such steps have been proceeding for some time following the considered judgment and agreement of the NATO governments. The objective is to achieve the most effective pattern of NATO military defensive strength. In view of the well-known purely defensive purposes of the alliance, the introduction of modern weapons into NATO forces to take account of technological developments is in no way a cause for legitimate concern on the part of other countries.

Article III of the North Atlantic Treaty calls upon the members of the alliance to maintain their capacities to resist armed attack through effective self-help and mutual aid. As part of its contribution to the strength of the alliance, the United States has entered into a number of agreements through which we cooperate with NATO allies in the uses of atomic energy for mutual defense purposes. These agreements have been concluded pursuant to the Atomic Energy Act of 1954, as amended. All of these agreements are designed to implement the NATO objectives for maintaining the most modern weapons and techniques in NATO forces.

We have just concluded an agreement with the Government of France which is essentially the same as agreements previously concluded with a number of other NATO Allies for cooperation in the uses of atomic energy for mutual defense purposes. This agreement will make possible effective cooperation with France in NATO mutual defense planning and in the training of French NATO forces. Training of certain French NATO forces which play a significant role in European defense cannot proceed to conclusion until this agreement becomes effective. This agreement should be brought into effect as quickly as possible, in order that we can promptly and fully utilize the potential of French military forces in the development of our NATO defensive strength. In light of the probable time remaining for this session of the Congress and in view of the provisions of section 123d of the Atomic Energy Act of 1954, as amended, it appears that normally it would not be possible to bring this agreement into effect until the next session of the Congress. Accordingly, I would appreciate action by the Congress during the current session which would permit the agreement to come into force promptly.

I understand and respect the importance of mature consideration in the Congress of agreements of this sort, but I believe that in the present case there are compelling reasons for rapid action. The gravity of the international situation, and in particular the Soviet threat to the freedom of West Berlin, have made it a matter of first importance that the unity of the North Atlantic nations should be sustained. The Government of France, in this crisis, has behaved with great firmness, and the stanch and determined position of President de Gaulle, in particular, has reinforced the West. In these circumstances, I deem it of great importance that we should proceed promptly with such a joint undertaking as this one, carefully matured in prolonged negotiation. As has already been explained in informal discussions with interested Members of the Congress, the present agreement provides for a limited release of information to carefully selected personnel. Careful arrangements have been made to insure that all necessary security requirements are met, and the inclusion of France among NATO countries participating in this general undertaking is an important step forward at a moment in which such a step has a wider significance than usual. It is for these reasons that I urge upon the Congress appropriate special actions to permit the agreement to come into force.

In accordance with the Atomic Energy Act of 1954, as amended, I am submitting to each House of the Congress an authoritative copy of the agreement with the Government of France. I am transmitting also a copy of the letter from the Secretary of State which forwarded to me an authoritative copy of the agreement, a copy of the joint letter from the Deputy Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of the agreement, and a copy of my memorandum in reply thereto which contained my approval.

JOHN F. KENNEDY.

THE WHITE HOUSE, *September 7, 1961.*

THE SECRETARY OF STATE,
Washington, August 3, 1961.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: I have the honor to lay before you with a view to its transmission to the Congress, pursuant to the Atomic Energy Act of 1954, as amended, an authoritative copy of an agreement between the Government of the United States of America and the Government of the French Republic for cooperation in the operation of atomic weapons systems for mutual defense purposes, signed at Paris on July 27, 1961.

This agreement was signed on behalf of the United States pursuant to the authorization granted in your memorandum of July 21, 1961, to the Secretary of Defense and the Chairman of the Atomic Energy Commission. A copy of this memorandum was transmitted to the Department of State.

Faithfully yours,

DEAN RUSK.

(Enclosures.)

THE SECRETARY OF DEFENSE,
Washington, July 20, 1961.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: There is hereby submitted for your consideration and approval a proposed agreement between the Government of the United States of America and the Government of France for cooperation on the uses of atomic energy for mutual defense purposes.

The proposed agreement will permit, under the authority of sections 91c and 144b of the Atomic Energy Act of 1954, as amended,

the transfer of classified information and certain equipment necessary for the purpose of improving the state of training and operational readiness of the armed forces of France. The December 1957 NATO heads of Government meeting established the concept of a stockpile of arms for the strengthening of NATO's defenses, and this present agreement is an important part of the implementation of this concept. The carrying out of this agreement should do much to advance our mutual defense interest, including the vital cause of strengthening the NATO defensive alliance, and will thereby aid materially in the defense of the United States.

Article II of the agreement provides for the transfer of classified information, including "restricted data" and "formerly restricted data," necessary to the development of defense plans; the training of personnel in the employment of and the defense against atomic weapons and other military applications of atomic energy; the evaluation of the capability of potential enemies in the employment of atomic weapons and other military applications of atomic energy; and the development of delivery systems capable of carrying atomic weapons.

Article III of the agreement provides that the United States will transfer nonnuclear parts of atomic weapons systems involving restricted data (other than nonnuclear parts of atomic weapons) for the purpose of improving the state of training and operational readiness of the armed forces of France. However, in view of section 91c of the Atomic Energy Act, the applicability of which is reflected in article IV of the agreement, no transfer can be made if it would contribute significantly to the recipient nation's atomic weapon design, development or fabrication capability. It is not possible to determine at this time the types, quantities and conditions of transfer, whether by sale, lease or loan, of those parts which it will become necessary to transfer for our mutual defense during the period of the agreement. Accordingly, under the terms and conditions of the agreement, it will be necessary to determine from time to time the types, quantities and conditions of transfer and such determination shall be submitted for your approval.

The agreement would remain in force until terminated by agreement of both parties, thus assuring continued protection for the information and equipment transferred in accordance with the provision of the agreement. However, cooperation for the transfer of information and equipment under articles II and III of the agreement may be discontinued by either party in the event of the termination of the North Atlantic Treaty.

In accordance with the provisions of sections 91c and 144b of the Atomic Energy Act of 1954, the agreement specifically provides in article I that all cooperation under the agreement will be undertaken only when the communicating or transferring party determines that such cooperation will promote and will not constitute an unreasonable risk to its defense and security. Article I of the agreement also provides, in accordance with the act, that all cooperation under the agreement will be undertaken only while the United States and France are participating in an international arrangement for their mutual defense and security and making substantial and material contributions thereto. Cooperation under articles II and III of the agreement would be undertaken only when these conditions prevail.

Article IV of the agreement stipulates that the cooperation under the agreement will be carried out by each of the parties in accordance with its applicable laws. Article IV also makes clear that there will be no transfer under the agreement of atomic weapons, nonnuclear parts of atomic weapons or special nuclear material.

In addition to the foregoing provisions on the terms, conditions, duration, nature and scope of cooperation, the agreement provides that the parties will maintain agreed security safeguards and standards. The agreement also contains particular commitments that the recipient of any equipment or information that is obtained pursuant to the agreement will not transfer it to unauthorized persons and will not transfer it beyond the jurisdiction of the recipient party, except in limited circumstances specifically provided in the agreement.

France is now participating with the United States is an international arrangement pursuant to which France is making substantial and material contributions to the mutual defense and security. It is the view of the Department of Defense and the Atomic Energy Commission that this agreement is entirely in accord with the provisions of the Atomic Energy Act of 1954, as amended. It is the considered opinion of the Department of Defense and the Atomic Energy Commission that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States.

Accordingly, it is recommended that you (a) approve the program for the transfer of nonnuclear parts of atomic weapons systems involving restricted data under the terms and conditions provided in this letter and the proposed agreement; however, types, quantities and conditions of transfer of such parts are subject to your later approval; (b) determine that the performance of this agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and (c) approve the proposed agreement and authorize its execution for the Government of the United States in a manner specified by the Secretary of State.

The Secretary of State concurs in the foregoing recommendations.

Sincerely,

GLENN T. SEABORG,
Chairman, Atomic Energy Commission.
ROSWELL L. GILPATRIC,
Deputy Secretary of Defense.

(Enclosure: Proposed agreement.)

THE WHITE HOUSE,
Washington, July 21, 1961.

Memorandum for the Secretary of Defense, the Chairman, Atomic Energy Commission.

In your joint letter to me of July 20, 1961, you recommended that I approve a proposed agreement between the Government of the United States of America and the Government of France for cooperation on the uses of atomic energy for mutual defense purposes.

France is participating with the United States in an international arrangement pursuant to which it is making substantial and material contributions to the mutual defense and security. The proposed agreement will permit cooperation necessary to improve the state of training and operational readiness of the armed forces of France, subject to provisions, conditions, guarantees, terms and special determinations, which are most appropriate in this important area of mutual assistance, in accordance with the agreement in principle reached in December 1957.

Having considered your joint recommendations and the cooperation provided for in the agreement, including security safeguards and other terms and conditions of the agreement, I hereby (1) approve the program for the transfer of nonnuclear parts of atomic weapons systems involving restricted data under the terms and conditions provided in your joint letter and the proposed agreement; however, types, quantities, and conditions of transfer of such parts are subject to my further approval; (2) determine that the performance of this agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and (3) approve the proposed agreement and authorize its execution for the Government of the United States in a manner designated by the Secretary of State.

JOHN F. KENNEDY.

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE FRENCH REPUBLIC FOR COOPERATION IN THE OPERATION OF ATOMIC WEAPONS SYSTEMS FOR MUTUAL DEFENSE PURPOSES

The Government of the United States of America and the Government of the French Republic,

Considering that they have concluded a Mutual Defense Assistance Agreement, pursuant to which each Government will make available to the other equipment, materials, services, or other military assistance in accordance with such terms and conditions as may be agreed;

Considering that their mutual security and defense require that they be prepared to meet the contingencies of atomic warfare;

Considering that they are participating together in an international arrangement pursuant to which they are making substantial and material contributions to their mutual defense and security;

Recognizing that their common defense and security will be advanced by the exchange of information concerning atomic energy and by the transfer of certain types of equipment;

Believing that such exchange and transfer can be undertaken without risk to the defense and security of either country; and

Taking into consideration the United States Atomic Energy Act of 1954, as amended, and all applicable statutes of France, which were enacted or prepared with these purposes in mind;

Have agreed as follows:

ARTICLE I

General provisions

While the United States and France are participating in an international arrangement for their mutual defense and security and making substantial and material contributions thereto, each Party will communicate to and exchange with the other Party information and transfer non-nuclear parts of atomic weapons systems involving Restricted Data to the other Party in accordance with the provisions of this Agreement, provided that the communicating or transferring Party determines that such cooperation will promote and will not constitute an unreasonable risk to its defense and security.

ARTICLE II

Exchange of information

Each Party will communicate to or exchange with the other Party such classified information as is jointly determined to be necessary to:

A. the development of defense plans;

B. the training of personnel in the employment of and defense against atomic weapons and other military applications of atomic energy;

C. the evaluation of the capabilities of potential enemies in the employment of atomic weapons and other military applications of atomic energy; and

D. the development of delivery systems compatible with the atomic weapons which they carry.

ARTICLE III

Transfer of nonnuclear parts of atomic weapons systems

The Government of the United States will transfer to the Government of the French Republic, subject to terms and conditions

to be agreed, non-nuclear parts of atomic weapons systems involving Restricted Data as such parts are jointly determined to be necessary for the purpose of improving the French state of training and operational readiness.

ARTICLE IV

Conditions

A. Cooperation under this Agreement will be carried out by each of the Parties in accordance with its applicable laws.

B. Under this Agreement there will be no transfer by either Party of atomic weapons, non-nuclear parts of atomic weapons, or special nuclear materials.

C. The information communicated or exchanged, or non-nuclear parts of atomic weapons systems transferred, by either Party pursuant to this Agreement shall be used by the recipient Party exclusively for the preparation or implementation of defense plans in the mutual interests of the two countries.

D. Nothing in this Agreement shall preclude the communication or exchange of classified information which is transmissible under other arrangements between the Parties.

ARTICLE V

Guarantees

A. Classified information and non-nuclear parts of atomic weapons systems communicated or transferred pursuant to this Agreement shall be accorded full security protection under applicable security arrangements between the Parties and applicable national legislation and regulations of the Parties. In no case shall either Party maintain security standards for safeguarding classified information and non-nuclear parts of atomic weapons systems, made available pursuant to this Agreement, less restrictive than those set forth in the applicable security arrangements in effect on the date this Agreement comes into force.

B. Classified information communicated or exchanged pursuant to this Agreement will be made available through channels existing or hereafter agreed for the communication or exchange of such information between the Parties.

C. Classified information, communicated or exchanged, and any non-nuclear parts of atomic weapons systems transferred pursuant to this Agreement shall not be communicated, exchanged or transferred by the recipient Party or persons under its jurisdiction to any unauthorized persons or, except as provided in Article VI of this Agreement, beyond the jurisdiction of that Party. Each Party may stipulate the degree to which any of the information and non-nuclear parts of atomic weapons systems communicated, exchanged or transferred by it or persons under its jurisdiction pursuant to this Agreement may be disseminated or distributed; may specify the categories of persons who may have access to such information or non-nuclear parts of atomic weapons systems; and may impose such other restrictions on the dissemination or distribution of such information or non-nuclear parts of atomic weapons systems as it deems necessary.

ARTICLE VI

Dissemination

Nothing in this Agreement shall be interpreted or operate as a bar or restriction to consultation or cooperation in any field of defense by either Party with other nations or international organizations. Neither Party, however, shall so communicate classified information or transfer or permit access to or use of non-nuclear parts of atomic weapons systems made available by the other Party pursuant to this Agreement unless:

A. It is notified by the originating Party that all appropriate provisions and requirements of the originating Party's applicable laws, including authorization by competent bodies of the originating Party, have been complied with which would be necessary to authorize the originating Party directly so to communicate to, transfer to, permit access to or use by such other nation or international organization; and further that the originating Party authorizes the recipient Party so to communicate to, transfer to, permit access to or use by such other nation or international organization; or

B. The originating Party has informed the recipient Party that the originating Party has so communicated to, transferred to, permitted access to or use by such other nation or international organization.

ARTICLE VII

Classification policies

Agreed classification policies shall be maintained with respect to all classified information and non-nuclear parts of atomic weapons systems communicated, exchanged or transferred under this Agreement.

ARTICLE VIII

Responsibility for use of information and non-nuclear parts of atomic weapons systems

The application or use of any information (including design drawings and specifications) or non-nuclear parts of atomic weapons systems communicated, exchanged or transferred under this Agreement shall be the responsibility of the Party receiving it, and the other Party does not provide any indemnity or warranty with respect to such application or use.

ARTICLE IX

Patents

The recipient Party shall use the classified information communicated, or revealed by equipment transferred hereunder, for the purposes specified herein only. Any inventions or discoveries resulting from possession of such information on the part of the recipient Party or persons under its jurisdiction shall be made available to the other Party for all purposes without charge in accordance with such arrangements as may be agreed and shall be safeguarded in accordance with the provisions of article V of this Agreement.

ARTICLE X

Definitions

For the purpose of this Agreement:

A. "Atomic weapon" means any device utilizing atomic energy, exclusive of the means for transporting or propelling the device (where such means is a separable and divisible part of the device), the principal purpose of which is for use as, or for development of, a weapon, a weapon prototype, or a weapon test device.

B. "Classified information" means information, data, materials, services, or any other matter with the security designation of "Confidential" or higher applied under the legislation or regulations of either the United States or France, including that designated by the Government of the United States as "Restricted Data" or "Formerly Restricted Data" and that designated by the Govern- of the French Republic as "Atomic."

C. "Non-nuclear parts of atomic weapons" means parts of atomic weapons which are specially designed for them and are not in general use in other end products and which are not made of, in whole or in part, special nuclear material; and "non-nuclear parts of atomic weapons systems involving Restricted Data" means parts of atomic weapons systems, other than non-nuclear parts of atomic weapons, which contain or reveal atomic information and which are not made of, in whole or in part, special nuclear material.

D. As used in this Agreement, the term "atomic information" means:

1. So far as concerns information provided by the Government of the United States, information which is designated "Restricted Data" and "Formerly Restricted Data".

2. So far as concerns information provided by the Government of the French Republic, information which is designated "Atomic".

ARTICLE XI

Duration

This Agreement shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all legal requirements for the entry into force of this Agreement, and shall remain in force until terminated by agreement of both Parties except that either Party may terminate its cooperation under Articles II or III upon the expiration of the North Atlantic Treaty.

In witness whereof, the undersigned, duly authorized, have signed this Agreement.

Done at Paris, in duplicate, in the English and French languages, both texts being equally authentic, this 27th day of July 1961.

For the Government of the United States of America:

CECIL B. LYON.

For the Government of the French Republic:

ERIC DE CANBONNEL.

Certified to be a true copy of the original.

ELEANOR C. MCDOWELL,
Office of the Assistant Legal Adviser for Treaty Affairs, Department of State.

RESOLUTION BY AMERICAN VETERINARY MEDICAL ASSOCIATION PRAISING COMMITTEE PRINT BY COMMITTEE ON GOVERNMENT OPERATIONS

Mr. HUMPHREY. Mr. President, on August 10, 1961, there was published the 11th committee print in a series issued by the Senate Government Operations Subcommittee on Reorganization and International Organizations. This print was entitled "Veterinary Medical Science and Human Health."

It was published pursuant to a series of resolutions, the latest of which is Senate Resolution 26, 87th Congress, providing for studies of interagency coordination.

I am pleased to report that the print has met with an outstanding reaction from the scientific community.

A resolution was passed at the recent convention of the American Veterinary Medical Association in Chicago, endorsing the report. A copy of this resolution was conveyed by H. E. Kingman, Jr., D.V.M., executive secretary, to the Honorable JOHN L. MCCLELLAN, chairman of the Committee on Government Operations and member of its Reorganization Subcommittee.

As chairman of the subcommittee, I send to the desk the text of this resolution and ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION 24

Whereas many activities and programs of veterinary medicine contribute directly to the maintenance and improvement of human health and well-being; and

Whereas the role of veterinary medicine in the total national health picture becomes

increasingly significant as the rapid growth of our population continues; and

Whereas many important biomedical discoveries affecting man have had, and are having, their origin in veterinary medical research; and

Whereas increased veterinary medical research is needed to speed solutions to cancer, heart disease and other problems common to man and animal; and

Whereas the success of America's man-in-space experiments hinges in considerable part on the findings of animal-in-space experiments; and

Whereas these aspects of veterinary medicine have been forcefully and comprehensively stated in a 244-page report, entitled "Veterinary Medical Science and Human Health," prepared by a Senate Government Operations Subcommittee of which Senator HUBERT H. HUMPHREY, Democrat of Minnesota, is chairman: Therefore be it

Resolved, That the American Veterinary Medical Association, in convention assembled, commend Senator HUMPHREY and all members of the Subcommittee on Reorganization and International Organizations for their excellent presentation of the need for long-range, well-funded and coordinated Federal-State research efforts cross-seeding the biomedical research findings in both human and veterinary medicine; and be it further

Resolved, That a copy of this resolution be forwarded to the chairman and members of both the Committee on Government Operations of the U.S. Senate and its Subcommittee on Reorganization and International Organizations.

August 20, 1961.

FAIR COMPETITIVE PRACTICES

Mr. HUMPHREY. Mr. President, I call to the attention of the Senate a letter which was printed in the Washington Evening Star on Saturday, July 29, 1961. This letter was written by Mr. Herman Morton, a druggist from the District. It is a well-thought-out, well-reasoned statement explaining why our economy needs the Fair Competitive Practices Act, S. 1722, of which I am the sponsor. I ask unanimous consent that this article be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FAIR TRADE

There is a bill now pending in Congress known as the Fair Competitive Practices Act and identified as S. 1722 and H.R. 7685. In the past, the press, in general has opposed similar measures. This bill, if and when enacted, will bring fair competition and honesty in the marketplace. It will benefit the consumer and at the same time prevent the extinction of thousands of small businessmen. It will curb retail price juggling—a form of deceitful, unfair competition which tricks the consumer, destroys small business, and cheapens valuable trademarks.

Price-juggling merchants use deception to make money. They destroy competitors and eventually create a monopoly. The price juggler offers popular brands as bait bargains to make the consumer think everything he sells is a bargain. He thus tricks customers into buying other items at hidden high prices which more than cover his losses on the bait bargains. His bait prices for popular brands make his competitors look like price gougers. He uses this trick to put small stores out of business. This puts the consumer at the mercy of giant retail monopolies, once the competition of small business is destroyed. And by weakening the small business economy, it operates against the general public interest.

Scientific research has proved that consumers pay less under fair competitive practice for leading national brands even though retailers in nonfair trade areas can sell such brands at any price they choose. Surveys show that consumers in fair trade States pay less overall for leading brands of drugstore products than consumers in nonfair trade areas paid for the same products at the same time. Fantastic statements have been made that fair trade costs the consumer money. These statements are based on spurious surveys in which carefully selected items were bought in certain stores at certain times when these items were being used as loss leaders.

The Fair Competitive Practices Act recognizes both the social and economic contribution of the small businessman. He is the symbol of freedom of opportunity. He is your friend and neighbor.

HERMAN MORTON.

U.S. DISARMAMENT AGENCY FOR WORLD PEACE AND SECURITY

The Senate resumed the consideration of the bill (S. 2180) to establish a U.S. Disarmament Agency for World Peace and Security.

Mr. HART. Mr. President, the thought has been expressed several times in the debate that in view of the present tense world situation and the sacrifices we are being called upon to make to build up our military strength, this is no time to be creating an agency to study arms control.

I do not "buy" this argument. Of course we need to be strong militarily. But does any thoughtful person believe that the piling of weapon upon weapon, in endless crescendo, is the answer to mankind's desire for peace, or even to his desire for national security? In testifying before the Committee on Foreign Relations on the bill, Mr. Frederick Eaton, our Ambassador to the 10-nation disarmament conference under the previous administration, made a point which I should like to see made in the RECORD before the vote on the bill. I therefore ask unanimous consent to have printed in the RECORD Mr. Eaton's statement as it appears on page 151 and 152 of the hearings.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Mr. EATON. Even though we are successful in keeping ahead in the arms race, security does not lie on this line.

The proliferation of huge weapons of mass destruction of certain countries will increase rather than decrease our lack of security. Even though Congress would give the military the budget they need, the military is highly successful in their research, and we have the best weapons in the world, as a result they would not assure peace and security today.

We must find other means. My own belief is that they lie in the area of disarmament, and that we have waited too long to set up in our Government an effective Disarmament Agency.

This bill, it seems to me, sets up one. Research development must be coordinated. A future negotiator should not be put in the position in which our delegation found itself in January of last year when we were scheduled to sit down on the 15th of March in a multination conference. We were without an agreed-upon position within our own Government, let alone an agreed-upon position with our allies.

I am hopeful that that situation has improved today, and I am convinced, under the leadership that we have had here, that it has. However, nothing will take the place of a centralized control where directions and lines of authority are clear. I urge this although I believe that this is not the moment for fruitful discussion with the Soviets.

* * * * * *

We should, by diplomatic channels, continually impress upon the Soviets our desire to have agreement in the area of disarmament. Let them choose any area they wish for discussion; so long as we can have commensurate inspection, we should be prepared to go ahead with it.

The risks that we are taking in not disarming are far, far greater than the risks which we will incur by a successful armaments effort.

Mr. HART. Additionally, it has been my privilege to be a cosponsor of the bill. I have followed the debate today. It has, I believe, been most helpful in establishing a concern and purpose which is shared by all mankind, that we seek just as earnestly for peace as we seek to prepare for war.

A thoughtful editorial entitled "Agency for Peacemaking," published in the Muskegon Chronicle of August 21, accurately, eloquently, and persuasively sets forth the reasons which I hope will move the Senate to pass the bill.

I ask unanimous consent that the editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AGENCY FOR PEACEMAKING

At first glance, the new Disarmament Agency being considered by Congress would seem about as unproductive an undertaking, in this particular period, as any that could be imagined. But it has an intrinsic merit that cannot be ignored.

The President has asked authority to appoint a Disarmament Director responsible jointly to himself and the Secretary of State. He would be the President's principal adviser on disarmament, would sit with the National Security Council during disarmament negotiations, conduct studies, and prepare policy recommendations.

Current circumstances in Germany and elsewhere are not exactly ideal for the birth of a new peace agency. In fact, there is no thought of immediate success being achieved by the new agency in the present atmosphere.

Still it is necessary to keep the whole picture in perspective, and to keep alive whatever momentum can be maintained toward peace, however dim and distant it may seem.

We should have a firm grip on our proposals in this respect. It was an outstanding revelation, for example, to learn from Ambassador Dean, our present disarmament negotiator, that the United States had no firm position of its own, and neither did England, France, or any of our other allies, at the time he entered the last round of disarmament negotiations with the Russians in January. Here again we were ad libbing our way waiting to react to Communist moves instead of having a firm policy of our own.

The proposed new agency is in a sense a minor step—a technical rearrangement to help the principal architects of foreign policy, the President, and the Secretary of State, to plan better and more clearly.

If it does that, it is worth the price. It will be even more valuable if it can help to

convey to the world that this country still regards the pursuit of peace as its day-to-day business. At some time there is going to have to be disarmament, because disarmament under proper safeguards would mean improved living conditions for many millions.

Mr. PASTORE. Mr. President, now more than ever before, when we are building up our power in view of the international developments of the past few days, it becomes ever so important to pass this type of legislation. This action proves to the world that while we are determined to do everything that needs to be done to build up our military power to meet any onslaught of communism; nevertheless, we stand ready, at all times, to reach agreement on the control of armaments under proper international standards of control and inspection.

I shall therefore support S. 2180.

Mr. PELL. Mr. President, I am proud to be a cosponsor and a fervent supporter of S. 2180 for I firmly believe that at this crucial time it is more important than ever before that we have an agency in our Government solely concerned with disarmament.

Recent aggressive moves on the part of the Soviet Union have required this Nation to step up its defenses and to resume underground nuclear tests. We have all supported increased appropriations for our Armed Forces and rightfully so. Given the horrors of today's weapons I believe we have just as compelling an obligation to continue our search for controls over all types of weapons. The American eagle has in its left talon the arrows of defense and of war, and in its right the olive branch of peace. Both are equally important. Therefore, to my mind it is not at all unreasonable to seek $10 million for a Disarmament Agency when we have appropriated over $47 billion for arms.

Mr. President, we all know arms control is a most complex subject. It is not solely a military question—there are vast political and economic implications involved. Moreover, arms control involves highly trained scientists who must seek out new methods of scientific inspection. Therefore, I believe that the logical and most effective way to pursue the goal of arms control is to have a Disarmament Agency, with trained specialists who can concentrate on a coordinated approach to this most complicated challenge.

Mr. President, there is another important reason why we must have a Disarmament Agency. We must continue to demonstrate to the world our true dedication to the cause of peace. During the past week we have been disappointed by the public reaction of the Belgrade Conference to the Soviet resumption of nuclear tests in the atmosphere. However, Mr. President, the public reaction of the uncommitted nations, or lack of it, is not necessarily an indication of the severe setback which the Soviets suffered in the eyes of world opinion. The leaders of the uncommitted nations obviously feel that they cannot publicly criticize, with impunity, the Soviet Union. Nevertheless, the contrast between the swaggering, blistering approach of the Soviet Union and the genuine concern of the United States for the future of mankind is becoming more evident daily to important segments of opinion in the uncommitted nations. By establishing a Disarmament Agency we have another opportunity to demonstrate to all the peoples of the world our unrelenting dedication to the cause of peace. Mr. President, the time to act is now. We cannot in good conscience leave any stone unturned which could contribute to controlling the weapons of terror which confront mankind today. The search must go on.

In conclusion, I want to pay tribute to men like Senator Humphrey, Senator Clark, John J. McCloy, and all others who have labored so heroically to produce what is perhaps the most momentous piece of legislation we have to consider this session.

Mr. KEATING. Mr. President, I shall support the bill to create a U.S. agency to study arms control, disarmament, world peace, and security—not because I think this is the moment for disarmament—not at all—but rather because I believe we must coordinate our efforts at research and study in the field of weapons control. This is the principal aim of the bill.

We all realize that a stronger, not weaker, military posture is necessary at the moment to block the Soviet threat to world peace. We all realize that disarmament at the moment is out of the question. It would be suicidal. Even arms control is temporarily impossible.

But it is important that whatever studies and research are conducted on the ultimate possibility of some degree of weapons control be done under the jurisdiction and control of the Secretary of State and in coordination with the rest of our foreign policy. In the long run, we can benefit from a system of arms control which would guarantee protection through international control and checks. It would be the job of this Agency to do the spadework, to lay the foundation for an effective arms limitation system, which, we sincerely hope, may one day be possible—after we have clearly demonstrated to Khrushchev that we do not intend to be pushed around, that we do not intend to start any unilateral disarmament, and that we do not intend to limit our own armaments without ironclad guarantees and inspection provisions to insure that all other nations do the same.

Moreover, the passage of this bill will make clear beyond doubt that it is the Soviet Union not the United States which is blocking progress toward control of armaments. The United States seeks a world of peace, order, and law in the ultimate hope that some kind of arms control can be devised without jeopardizing our own security. This bill makes our aims clear. But it is up to the Communists and the rest of the world to make this hope a reality.

This bill has the support of the Secretaries of Defense, under both Republican and Democratic administrations. It is supported by former President Eisenhower and by former U.N. Ambassador Henry Cabot Lodge. It has the support of past and present Secretaries of State. It will strengthen our overall capacity to combat communism, in peace as well as war, at the conference table as well as in world propaganda forums.

Mr. MUSKIE. Mr. President, I rise to add my support for the bill S. 2180, which will create a new Agency for Arms Control and Disarmament.

The United States has been meeting with the Soviet Union and other countries for many years now in an effort to work our effective and workable arms control and disarmament agreements. Progress has yet to be made. The main obstacle has been the lack of willingness on the part of the Soviet Union to accept reasonable and effective controls. But there also has been an obstacle in that the United States has not been well prepared always for the disarmament negotiations. We have often been disorganized in our efforts. Occasionally different agencies have not agreed as to what our policy should be, and in the absence of any coordinating agency to work out our policy the United States has often appeared indecisive. Furthermore, we have not pursued an aggressive information program to carry our story on disarmament to the nations of the world. As a result the picture has sometimes been blurred as to what our policy was.

The bill before us today presents us with an opportunity to remedy some of the problems which I have just described. This bill sets up an agency, under the direction of the Secretary of State, to assure that the United States will be well prepared for the disarmament negotiations of the future.

The bill will establish a group within the Government with the responsibility of coordinating disarmament policy. The executive branch will now be equipped to do the necessary research, policy planning, and coordination to the end that the chances for progress toward arms control and disarmament may be increased. Our policy machinery will now be modernized. We should now be in a position to formulate effective policies and present them in a clear and forthright manner to the nations of the world.

I am pleased and delighted to know that the Senate has passed this bill. I hope that the House will soon do likewise so that the new Agency may be organized as soon as possible.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SMATHERS. On this vote I have a pair with the senior Senator from Illinois [Mr. DOUGLAS]. Were he present and voting he would vote "yea." Were I at liberty to vote, I would vote "nay." I therefore withold my vote.

Mr. HUMPHREY. I announce that the Senator from Illinois [Mr. DOUGLAS], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], the Senator from Wyoming [Mr. MCGEE] and the Senator from Massachusetts [Mr. SMITH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from New Mexico [Mr. ANDERSON] are absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], the Senator from Wyoming [Mr. MCGEE] and the Senator from Massachusetts [Mr. SMITH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent on official business.

The Senator from Utah [Mr. BENNETT] and the Senator from North Dakota [Mr. YOUNG] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kansas [Mr. CARLSON] are absent because of illness.

If present and voting, the Senator from Utah [Mr. BENNETT] and the Senator from Kansas [Mr. CARLSON] would each vote "yea."

The result was announced—yeas 73, nays 14, as follows:

[No. 192]

YEAS—73

Allott	Gruening	Miller
Bartlett	Hart	Monroney
Beall	Hartke	Morse
Bible	Hickenlooper	Morton
Boggs	Hickey	Moss
Burdick	Hill	Muskie
Bush	Holland	Neuberger
Butler	Humphrey	Pastore
Byrd, W. Va.	Jackson	Pell
Cannon	Javits	Prouty
Capehart	Johnston	Proxmire
Carroll	Jordan	Randolph
Case, N.J.	Keating	Robertson
Case, S. Dak.	Kefauver	Saltonstall
Church	Kerr	Scott
Clark	Kuchel	Smith, Maine
Cooper	Lausche	Sparkman
Cotton	Long, Mo.	Symington
Dirksen	Long, Hawaii	Wiley
Dodd	Long, La.	Williams, N.J.
Dworshak	Magnuson	Williams, Del.
Engle	Mansfield	Yarborough
Ervin	McCarthy	Young, Ohio
Fong	McNamara	
Gore	Metcalf	

NAYS—14

Byrd, Va.	Hruska	Stennis
Curtis	McClellan	Talmadge
Eastland	Mundt	Thurmond
Ellender	Russell	Tower
Goldwater	Schoeppel	

NOT VOTING—13

Aiken	Chavez	Smathers
Anderson	Douglas	Smith, Mass.
Bennett	Fulbright	Young, N. Dak.
Bridges	Hayden	
Carlson	McGee	

So the bill (S. 2180) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SHORT TITLE, PURPOSE, AND DEFINITIONS

Short title

SECTION 1. This Act may be cited as the "Arms Control and Disarmament Act for World Peace and Security".

Purpose

SEC. 2. An ultimate goal of the United States is a world which is free from the scourge of war and the dangers and burdens of armaments; in which the use of force has been subordinated to the rule of law; and in which international adjustments to a changing world are achieved peacfully. It is the purpose of this Act to provide impetus toward this goal by creating a new agency of peace to deal with the problem of arms control and disarmament.

Arms control and disarmament policy, being an important aspect of foreign policy, must be consistent with national security policy as a whole. The formulation and implementation of United States arms control and disarmament policy in a manner which will promote the national security requires a central organization charged by statute with primary responsibility for this field. This organization must be so placed within the Government that it can provide the President, the Secretary of State, other officials of the executive branch, and the Congress with recommendations concerning United States arms control and disarmament policy, and can assess the effect of these recommendations upon our foreign policies, our national security policies, and our economy.

This organization must have the capacity to provide the essential scientific, economic, political, military, psychological, and technological information upon which realistic arms control and disarmament policy must be based. It must be able to carry out the following primary functions:

(a) The conduct, support, and coordination of research for arms control and disarmament policy formulation;

(b) The preparation for and management of United States participation in international negotiations in the arms control and disarmament field;

(c) The dissemination and coordination of public information concerning arms control and disarmament; and

(d) The preparation for, operation of, or as appropriate, direction of United States participation in such control systems as may become part of United States arms control and disarmament activities.

Definitions

SEC. 3. As used in this Act—

(a) The phrase "arms control and disarmament" includes the elimination, reduction, control, limitation, inspection, verification, or identification of armed forces and armaments of all kinds under international agreement, including the necessary steps taken under such an agreements to establish an effective system of international control or to create and strengthen international organizations for the maintenance of peace.

(b) The term "Government agency" means any executive department, commission, agency, independent establishment, corporation wholly or partly owned by the United States which is an instrumentality of the United States, or any board, bureau, division, service, office, officer, authority, administration, or other establishment in the executive branch of Government.

(c) The term "Agency" means the United States Arms Control and Disarmament Agency for World Peace and Security.

TITLE II—ORGANIZATION

United States arms control and disarmament agency for world peace and security

SEC. 21. There is hereby established within the Department of State an agency to be known as the "United States Arms Control and Disarmament Agency for World Peace and Security".

SEC. 22. The Agency shall be under the direction of an Under Secretary of State for Arms Control and Disarmament, who shall serve as the principal adviser to the Secretary of State and the President on arms control and disarmament matters. In carrying out his duties under this Act the Under Secretary of State for Arms Control and Disarmament shall, under the supervision and direction of the Secretary of State, have primary responsibility within the Government for arms control and disarmament matters. He shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $22,500 per annum. For the purposes of this Act, he shall be referred to as the "Director".

Deputy director

SEC. 23. A Deputy Director of the Agency shall be appointed by the President, by and with the advice and consent of the Senate. He shall receive compensation at the rate of $21,500 per annum. The Deputy Director shall perform such duties and exercise such powers as the Director may prescribe. He shall act for, and exercise the powers of, the Director during his absence or disability or during a vacancy in said office.

Assistant directors

SEC. 24. Not to exceed four Assistant Directors may be appointed by the President, by and with the advice and consent of the Senate. They shall receive compensation at the rate of $20,000 per annum. They shall perform such duties and exercise such powers as the Director may prescribe.

Bureaus, offices, and divisions

SEC. 25. The Director, under the supervision and direction of the Secretary of State, may establish within the Agency such program and staff bureaus, offices, and divisions as he may determine to be necessary to discharge his responsibilities under this Act, including, but not limited to, an Office of Public Affairs and an Office of the General Counsel.

General advisory committee

SEC. 26. The President, by and with the advice and consent of the Senate, may appoint a General Advisory Committee of not to exceed fifteen members to advise the Director on arms control and disarmament policy and activities. The President shall designate one of the members as Chairman. The members of the committee may receive the compensation and reimbursement for expenses specified for consultants by section 41(d) of this Act. The Committee shall meet at least twice each year. It shall from time to time advise the President, the Secretary of State, and the Disarmament Director respecting matters affecting disarmament, world peace, and world law.

TITLE III—FUNCTIONS

Research

SEC. 31. The Agency is authorized and directed to exercise its powers in such manner as to insure the acquisition of a fund of theoretical and practical knowledge concerning disarmament. To this end, the Agency is authorized and directed (1) to conduct research, development, and other studies in the field of arms control and disarmament; (2) to make arrangements (including contracts, agreements, and grants) for the conduct of research, development, and other studies in the field of arms control and disarmament by private or public institutions or persons; and (3) to coordinate the research, development, and other studies conducted in the field of arms control and disarmament by or for other Government agencies in accordance with procedures established under section 34 of this Act. In carrying out its responsibilities under this Act, the Agency shall, to the maximum extent feasible, make full use of available facilities, Government and private. The authority of the Agency with respect to research, development, and other studies shall be limited to participation in the following insofar as they relate to arms control and disarmament:

(a) the detection, identification, inspection, monitoring, limitation, reduction, control, and elimination of armed forces and armaments, including thermonuclear, nuclear, missile, conventional, bacteriological, chemical, and radiological weapons;

(b) the techniques and systems of detecting, identifying, inspecting, and monitoring of tests of nuclear, thermonuclear, and other weapons;

(c) the analysis of national budgets, levels of industrial production, and economic indicators to determine the amounts spent by various countries for armaments;

(d) the control, reduction, and elimination of armed forces and armaments in space, in areas on and beneath the earth's surface, and in underwater regions;

(e) the structure and operation of international control and other organizations useful for arms control and disarmament;

(f) the training of scientists, technicians, and other personnel for manning the control systems which may be created by international arms control and disarmament agreements;

(g) the reduction and elimination of the danger of war resulting from accident, miscalculation, or surprise attack, including (but not limited to) improvements in the methods of communications between nations;

(h) the economic and political consequences of arms control and disarmament, including the problems of readjustment arising in industry and the reallocation of national resources;

(i) the arms control and disarmament implications of foreign and national security policies of the United States with a view to a better understanding of the significance of such policies for the achievement of arms control and disarmament;

(j) the national security and foreign policy implications of disarmament proposals with a view to a better understanding of the effect of such proposals upon national security and foreign policy;

(k) methods for the maintenance of peace and security during different stages of arms control and disarmament;

(l) the scientific, economic, political, legal, social, psychological, military, and technological factors related to the prevention of war with a view to a better understanding of how the basic structure of a lasting peace under world law may be established;

(m) such related problems as the Director may determine to be in need of research, development, or study in order to carry out the provisions of this Act.

Patents

SEC. 32. No appropriated funds may be expended pursuant to authorization given by this Act for any technological research or development activity unless such expenditure is conditioned upon provisions effective to insure that all information, uses, products, processes, patents, and other developments resulting from that activity will (with such exceptions and limitations as the Director may determine to be necessary in the interest of the national defense) be made freely and fully available to the general public. Nothing contained in this section shall be construed to deprive the owner of any background patent relating to any such activity of any right which he may have under that patent.

Policy, negotiations and related functions

SEC. 33. Under the supervision and direction of the Secretary of State—

(a) the Director shall prepare for the President, the Secretary of State, and the heads of such other Government agencies as the President may determine, recommendations concerning United States arms control and disarmament policy.

(b) the Director, for the purpose of conducting negotiations concerning arms control and disarmament or for the purpose of exercising any other authority given him by the Act, may (1) consult and communicate with or direct the consultation and communication with representatives of other nations or of international organizations and (2) communicate in the name of the Secretary with diplomatic representatives of the United States in this country and abroad.

(c) the Director shall perform functions pursuant to section 2(c) of Reorganization Plan 8 of 1953 with respect to providing to the United States Information Agency official United States positions and policy on arms control and disarmament matters for dissemination abroad.

(d) the Director is authorized (1) to formulate plans and make preparations for the establishment, operation, and funding of inspection and control systems which may become part of the United States arms control and disarmament activities, and (2) as authorized by law, to put into effect, direct, or otherwise assume United States responsibility for such systems.

SEC. 34. The President is authorized to establish procedures to (1) assure cooperation, consultation, and a continuing exchange of information between the Agency and the Department of Defense, the Atomic Energy Commission, the National Aeronautics and Space Administration and other affected Government agencies, in all significant aspects of United States arms control and disarmament policy and related matters, including current and prospective policies, plans, and programs, and (2) resolve differences of opinion between the Department of State and such other agencies which cannot be resolved through consultation.

TITLE IV—GENERAL PROVISIONS

General authority

SEC. 41. In the performance of its functions, the Agency is authorized to—

(a) utilize or employ the services, personnel, equipment, or facilities of any other Government agency, with the consent of the agency concerned, to perform such functions on behalf of the Agency as may appear desirable. Any Government agency is authorized, notwithstanding any other provision of law, to transfer to or to receive from the Director, without reimbursement, supplies and equipment other than administrative supplies or equipment. Transfer or receipt of excess property shall be in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, as amended;

(b) appoint officers and employees, including attorneys, for the Agency in accordance with the civil service laws and fix their compensation in accordance with the Classification Act of 1949, as amended, except that, to the extent that the Director deems such action necessary to the discharge of his responsibilities, not to exceed forty-five scientific, technical, administrative, and professional personnel may be appointed, compensated, and removed without regard to the provisions of any other law, of whom not to exceed twenty may be compensated at annual rates not more than $500 in excess of the compensation now or hereafter fixed by law for grade 18 of the General Schedule, and of whom not to exceed two may be compensated at annual rates not more than $1,500 in excess of that now or hereafter fixed by law for grade 18;

(c) enter into agreements with other Government agencies, including the military departments through the Secretary of Defense, under which officers or employees of such agencies may be detailed to the Agency for the performance of service pursuant to this Act without prejudice to the status or advancement of such officers or employees within their own agencies;

(d) procure services of experts and consultants or organizations thereof, including stenographic reporting services, as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed $100 per diem for individuals, and to pay in connection therewith travel expenses of individuals, including transportation and per diem in lieu of subsistence while away from their homes or regular places of business, as authorized by section 5 of said Act, as amended (5 U.S.C. 73b–2): *Provided*, That no such individual shall be employed for more than one hundred days in any fiscal year unless the President certifies that employment of such individual in excess of such number of days is necessary in the national interest: *And provided further*, That such contracts may be renewed annually;

(e) employ individuals of outstanding ability without compensation in accordance with the provisions of section 710(b) of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2160), and regulations issued thereunder;

(f) establish advisory boards to advise with and make recommendations to the Agency on United States arms control and disarmament policy and activities. The members of such boards may receive the compensation and reimbursement for expenses specified for consultants by section 41(d) of this Act;

Contracts or expenditures

SEC. 42. The President may, in advance, exempt actions of the Director from the provisions of law relating to contracts or expenditures of Government funds whenever he determines that such action is essential in the interest of United States arms control and disarmament and security policy.

Conflict of interest and dual compensation laws

SEC. 43. The members of the General Advisory Committee created by section 26 of this Act, and the members of the advisory boards, the consultants, and the individuals of outstanding ability employed without compensation, all of which are provided in section 41 of this Act, may serve as such without regard to the provisions of section 281, 283, 284, or 1914 of title 18 of the United States Code, or of section 190 of the Revised Statutes (5 U.S.C. 99), or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of individuals, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States Government, except insofar as such provisions of law may prohibit any such individual from receiving compensation from a source other than a nonprofit educational institution in respect of any particular matter in which the Agency is directly interested. Nor shall such service be considered as employment or holding of office or position bringing such individual within the provisions of section 13 of the Civil Service Retirement Act (5 U.S.C. 2263), section 212 of the Act of June 30, 1932, as amended (5 U.S.C. 59a), or any other Federal law limiting the reemployment of retired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities.

Security requirements

SEC. 44. (a) The Agency shall establish such security and loyalty requirements, restrictions, and safeguards as it deems necessary in the interest of the national security and to carry out the provisions of this Act. The Agency shall arrange with the Federal Bureau of Investigation for the conduct of full-field background security and loyalty investigation of all the Agency's officers, employees, consultants, persons detailed from other Government agencies, members of its General Advisory Committee, advisory boards, contractors and subcontractors, and their officers and employees, actual or prospective. In the event the investigation discloses information indicating that the person investigated may be or may become a

security risk, or may be of doubtful loyalty, the report of the investigation shall be turned over to the Office of Security of the Department of State for final determination. No person shall be permitted to enter on duty as such an officer, employee, consultant, or member of advisory committee or board, or pursuant to any such detail, and no contractor or subcontractor, or officer or employee thereof shall be permitted to perform any services under the contract or to have access to any classified information relating thereto, until he shall have been investigated in accordance with this subsection and the report of such investigation made to the Agency, and it shall have been determined that such person is not a security risk or of doubtful loyalty. Standards applicable with respect to the security clearance of persons within any category referred to in this subsection shall not be less stringent, and the investigation of such persons for such purposes shall not be less intensive or complete, than in the case of such clearance of persons in a corresponding category under the security procedures of the Government agency or agencies having the highest security restrictions with respect to persons in such category.

(b) The Atomic Energy Commission may authorize any of its employees, or employees of any contractor, prospective contractor, licensee, or prospective licensee of the Atomic Energy Commission or any other person authorized to have access to Restricted Data by the Atomic Energy Commission under section 2165 of title 42, to permit the Director, or any officer, employee, consultant, person detailed from other Government agencies, member of the General Advisory Committee or of an advisory board, contractor, subcontractor, prospective contractor, or prospective subcontractor, or officer or employee of such contractor, subcontractor, prospective contractor, or prospective subcontractor, to have access to Restricted Data which is required in the performance of his duties and so certified by the Director, but only if (1) the Atomic Energy Commission has determined, in accordance with the established personnel security procedures and standards of the Commission, that permitting such individual to have access to such Restricted Data will not endanger the common defense and security, and (2) the Atomic Energy Commission finds that the established personnel and other security procedures and standards of the Agency are adequate and in reasonable conformity to the standards established by the Atomic Energy Commission under section 2165 of title 42, including those for interim clearance in subsection (b) thereof. Any individual granted access to such Restricted Data pursuant to this subsection may exchange such data with any individual who A is an officer or employee of the Department of Defense, or any department or agency thereof, or a member of the Armed Forces, or an officer or employee of the National Aeronautics and Space Administration, or a contractor or subcontractor of any such department, agency, or armed force, or an officer or employee of any such contractor or subcontractor, and B has been authorized to have access to Restricted Data under the provisions of sections 2163 or 2455 of title 42.

Comptroller General audit

SEC. 45. No moneys appropriated for the purpose of this Act shall be available for payment under any contract with the Director, negotiated without advertising, except contracts wih any foreign government, international organization or any agency thereof, unless such contract includes a clause to the effect that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment, have access to and the right to examine any directly pertinent books, documents, papers, and records of the contractor or any of his subcontractors engaged in the performance of, and involving transactions related to such contracts or subcontracts: *Provided, however,* That no moneys so appropriated shall be available for payment under such contract which includes any provisions precluding an audit of the General Accounting Office of any transaction under such contract: *And provided further,* That nothing in this section shall preclude the earlier disposal of contractor and subcontractor records in accordance with records disposal schedules agreed upon between the Director and the General Accounting Office.

Transfer of functions to agency

SEC. 46. (a) The United States Disarmament Administration, together with its records, property, personnel, and funds, is hereby transferred to the Agency. The appropriations and unexpended balances of appropriations transferred pursuant to this subsection shall be available for expenditure for any and all objects of expenditure authorized by this Act, without regard to the requirements of apportionment under section 665 of title 31.

(b) The President, by Executive order, may transfer to the Director any activities or facilities of any Government agency which relate primarily to arms control and disarmament. In connection with any such transfer, the President may under this section or other applicable authority, provide for appropriate transfers of records, property, civilian personnel, and funds. No transfer shall be made under this subsection until (1) a full and complete report concerning the nature and effect of such proposed transfer has been transmitted by the President to the Congress, and (2) the first period of sixty calendar days of regular session of the Congress following the date of receipt of such report by the Congress has expired without adoption by either House of the Congress of a resolution stating that such House does not favor such transfer.

Use of funds

SEC. 47. Appropriations made for the purposes of this Act, and transfers of funds to the Agency by other Government agencies for such purposes, shall be available to the Agency to exercise any authority granted it by this Act, and shall also be available for the following uses to carry out the purposes of this Act including, without limitation, expenses of printing and binding without regard to the provisions of section 11 of the Act of March 1, 1919 (44 U.S.C. 111); purchase or hire of one passenger motor vehicle for the official use of the Director without regard to the limitations contained in section 78(c) of title 5 of the United States Code; entertainment and official courtesies to the extent authorized by appropriation; expenditures for training and study; expenditures in connection with participation in international conferences for the purposes of this Act; and expenses in connection with travel of personnel outside the United States, including transportation expenses of dependents, household goods, and personnel effects.

Appropriations

SEC. 48. (a) There are hereby authorized to be appropriated not to exceed $10,000,000, to remain available until expended, to carry out the purposes of this Act.

(b) Funds appropriated pursuant to this section may be allocated or transferred to any agency for carrying out the purposes of this Act. Such funds shall be available for obligation and expenditure in accordance with authority granted in this Act, or under authority governing the activities of the agencies to which such funds are allocated or transferred.

Report to Congress

SEC. 49. The Agency shall submit to the Secretary of State, for transmittal to the Congress, not later than January 31 of each year, a report concerning activities of the Agency. The Agency shall include in this report, and shall at such other times as the Secretary of State deems desirable submit to the Congress, recommendations for additional legislation deemed necessary or advisable.

Mr. HUMPHREY. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. KUCHEL. Mr. President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Without objection, the title will be appropriately amended, so as to read: "An act to establish a U.S. Arms Control and Disarmament Agency for World Peace and Security."

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Senate bill 2180 as passed today by the Senate be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, on behalf of the Senate Foreign Relations Committee, I wish to express to the members of the committee staff our sincere thanks for their valuable assistance—and particulary to Miss Hansen, for the preparation of the report on the Disarmament Agency bill.

MEXICAN FARM LABOR PROGRAM

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 592, House bill 2010.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 2010) to amend title V of the Agricultural Act of 1949, as amended, and for other purposes which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert:

That section 502(2) of the Agricultural Act of 1949, as amended, is amended to read as follows:

"'(2) to reimburse the United States for essential expenses incurred by it under this title, except salaries and expenses of personnel engaged in compliance activities, in amounts not to exceed $15 per worker; and'.

"SEC. 2. Clause (3) of section 503 of such Act is amended to read as follows: '(3) reasonable efforts have been made to attract domestic workers for such employment at wages, standard hours of work, and working conditions comparable to those offered to foreign workers'.

"SEC. 3. Sections 504 through 509 of such Act are renumbered sections '506' through '511' respectively; the reference to 'section 507' in section 508, renumbered as section '510', is changed to section '509'; and the following new sections '504' and '505' are inserted after section 503:

"'SEC. 504. No workers recruited under this title shall be made available to any

employer or permitted to remain in the employ of any employer—

"'(1) for employment in other than temporary or seasonal occupations, except in specific cases when found by the Secretary of Labor necessary to avoid undue hardship; or

"'(2) for employment to operate or maintain power-driven machinery, except in specific cases when found by the Secretary of Labor necessary for a temporary period to avoid undue hardship.

"'SEC. 505. No workers recruited under this title shall be made available to any employer or permitted to remain in the employ of any employer unless the employer offers and pays to both domestic and foreign workers not less than the prevailing wage paid in the area to domestic workers engaged in similar work, as determined by the Secretary of Labor, and unless the Secretary of Labor determines pursuant to section 503(2) that such prevailing wage rate is not adversely affected by the employment of Mexican workers.'

"SEC. 4. Paragraph (1) of section 507 of such Act, renumbered as section '509' is amended by changing the comma after the words 'Internal Revenue Code, as amended' to a period and deleting the remainder of the paragraph.

"SEC. 5. Section 509 of such Act, as amended, renumbered as section '511', is amended by striking 'December 31, 1961' and inserting 'December 31, 1963'."

UNITED NATIONS POLICY IN THE CONGO AND THE DANGER OF A COMMUNIST TAKEOVER

Mr. DODD. Mr. President, while the eyes of the free world have been focused on Berlin, world communism has, since the beginning of this year, scored significant advances in Asia, in Africa, and in Latin America.

In Asia, because the Communists acted in Laos, and we did not act, they now have us negotiating, virtually on their terms, for the creation of a coalition government. It was a victory in a faraway country, which the Communists achieved with small forces and at relatively little cost. But it is a victory which may nevertheless provide them with the key to southeast Asia.

In Latin America on August 21, international communism won its first continental beachhead when Cheddi Jagan, the pro-Communist candidate, triumphed in the British Guiana elections. Again this was a small victory in a remote country, about which we know little. But it was a victory which may provide the Kremlin with the possibility of subverting all or most of Latin America.

I rise to speak now, Mr. President, because there is a serious danger, unless we act with courage and expedition, that the Communists will take over in the Congo and thus secure for themselves a base for operations that will affect the whole of central Africa. I have reason to believe, Mr. President, that we may have only months or weeks in which to salvage this situation.

I recently had occasion to call attention to the fact that the United States had actually abetted Cheddi Jagan in the British Guiana election by approving a $1,250,000 loan by the World Bank in the critical preelection period.

Earlier this year, we made another financial contribution to the expansion and consolidation of Communist power by approving a grant of $1,157,600 to the Castro regime by the United Nations Special Fund.

As is common knowledge, the United States put up the lion's share of the money for both of these international financial organizations.

But our folly does not yet seem to have exhausted itself. For more than 1 year now we have been paying the better part of the bill for the U.N.'s operations in the Congo. The cost of these operations to date is estimated at $100 million, of which our own share is approximately 50 percent. But while we have been paying the bill, United Nations policy in the Congo has, for all practical purposes, been determined by Prime Minister Nehru of India, or to be more precise, by his unspeakable adviser on foreign affairs, Mr. Krishna Menon, who calls himself an Indian, but who invariably talks with the voice of Moscow.

Under the guise of assisting the central government and reestablishing parliamentary rule, the United Nations, although it may not recognize this fact, has been preparing the way, step by step, for a Communist takeover in the Congo.

The United Nations first gave its unconditional support to the regime of Patrice Lumumba.

When Lumumba was dismissed by President Kasavubu in September 1960, his chief aid, Antoine Gizenga, a Prague-trained Communist, set up an independent regime in Stanleyville, the capital of Oriental Province.

The U.N. did nothing to interfere with Gizenga's action in setting up this independent, Moscow-oriented regime.

It did nothing to curb the reign of terror which Gizenga instituted against the white residents of Oriental and Kiwu Provinces and against anti-Communist political opponents.

It did nothing to prevent the massive influx of Communist arms to Gizenga, via Cairo.

To round out the picture, it did everything in its power to prevent and restrain President Kasavubu from reasserting the authority of the Central Government over Oriental Province.

Within recent weeks, the U.N. has fostered the creation of a so-called coalition government, so heavily weighed in favor of the Communists that, unless we do something to reverse the course of U.N. policy, the outcome is virtually a mathematical certainty.

The Prime Minister, Adoula, is, by reputation, not a Communist but simply a neutralist. The Vice Premier, however, is Antoine Gizenga, a cadre Communist, while the key position of the Ministry of the Interior has been awarded to Gizenga's most notorious henchman, Christophe Gbenye, also a Prague-trained Communist. Gbenye, incidentally, as Minister of the Interior in the pro-Communist regime in Oriental Province, was directly responsible for instigating the murder and rape and terror against the white residents of the province.

Just as disturbing as the measures it has taken to expand the influence and power of the Communists are the measures the U.N. has taken and is today taking to undermine and destroy the Government of President Tshombe of Katanga Province, the most solid bulwark against communism in the Congo, and, indeed, in central Africa.

Katanga is the richest province of the Congo. It provides 60 percent of the world's cobalt output and 7.5 percent of its copper output. Its capital, Elisabethville, has been described by American businessmen as a potential Chicago of central Africa.

Katanga is the one province of the Congo where law and order has been maintained.

It is the only province that has enjoyed an efficient administration and that has been able to improve its economic position since independence.

President Tshombe has, according to competent American observers, demonstrated that he is a man of rare intelligence, courage, and dedication. He and most of his cabinet members are devoutly religious men whose profound enmity toward communism springs from their adherence to moral values. His record proves that he is anything but a Belgian puppet. He is a man of rare character who has remained loyal to the free world despite the indignities he has suffered at the hands of the U.N., acting with the apparent support of the free world.

In the light of these considerations, it is easy enough to understand why the Communists are bending every effort to undermine the government of President Tshombe, to destroy his army and to promote economic chaos. The downfall of Tshombe, after all, would leave a vacuum that only the Communists could fill.

What I cannot understand is why or how the U.N. has converted itself into an instrument of Communist policy in central Africa, and why the United States should be supporting and footing the bill for the United Nations military and police state operations against the anti-Communist government of President Tshombe.

Mr. President, incredible things are taking place in the Congo today under the flag of the United Nations, and with the apparent approval and support of the American authorities on the spot, and of our Department of State.

The United Nations Army, for which we are paying, has invaded Katanga and has taken over key powers from the legal government of the area. Of the 20,000 U.N. troops in the Congo, 14,000 have now been moved into Katanga, while less than 2,000 are stationed in the Oriental Province stronghold of Vice Premier Gizenga and his Communist cohorts.

On Monday, August 28, at dawn, the United Nations forces surrounded the barracks of the Katanga Army, and informed the 200 Belgian officers who had been serving with this well-trained and disciplined army that they would have to leave the country within 24 hours.

They were ordered—I quote—"to surrender" themselves to the U.N. command before the end of the day. Several hundred noncommissioned officers of Belgian and other nationality were also affected by this order.

Mr. President, I want to read to my colleagues a few paragraphs from the current issue of Time magazine, describing the brutal intervention of the U.N. Army against the army and Government of Katanga. I do not know whether the U.N. had a code name for this operation, but if it did not, I would suggest that it consider calling it Operation Decapitation.

Here are the words of Time magazine:

At dawn, blue-helmeted U.N. troops swarmed into action at Elisabethville, capital of the Congo's breakaway Katanga Province. Without any warning to the Katangans, platoons of Indians seized the studios of Radio Katanga; Swedish infantry occupied the transmitter site on the outskirts of the city. At Katanga army headquarters, Irish troops intercepted Belgian officers on their way to work. Most of Katanga's 634 white officers surrendered expeditiously and were promptly put under U.N. detention pending expulsion from Katanga. Others prudently went underground or sought asylum at Elisabethville's foreign consulates. The 11,600 black Katanga troops remained passive, possibly because U.N. soldiers staged ferocious public bayonet drills and small-arms exercises in a pointed show of power. Remarked one senior Indian U.N. officer: "We have these soldiers scared witless."

A delegation of U.N. officers went to see President Moise Tshombe, who between dawn and breakfast suddenly found himself deprived of most of his army's officer corps. Only a fortnight ago, Tshombe vowed to fight "unto death" any U.N. interference in his province. After listening to the delegation's tough talk, Tshombe meekly went on the air to appeal for calm. "The government bows to the decisions of the U.N.," he said. Then he took to his bed with a "mild heart attack."

It is a miracle that the Katanga army did not fall apart as a result of this sweeping action by the U.N. command. That it did not do so is a tribute both to the discipline and training of the army and to the personal authority enjoyed by President Tshombe.

The U.N. command has also ordered out of the country many Belgian civilians who were serving as technicians and administrators in various capacities. In view of the present lack of trained Africans, this is a very cruel blow against the administration, the economy and general stability of the country.

In ordering the Belgian officers and technicians out of the Congo, the U.N. command was basing itself on a resolution approved by the United Nations Security Council on February 21, which called for the withdrawal of all white advisers from Katanga. The United States, I regret to say, voted for this resolution.

This resolution did not endow the U.N. commander with police powers, nor did it define what was meant by an "adviser," nor did it establish any procedures. But the United Nations command in the Congo has not been deterred by this lack of specific directives.

It has interpreted the word "adviser" to mean any Belgian holding a technical or administrative position of importance.

It has arrested people or ordered them expelled from the country, with no notification of charges, and no provision for legal procedure or appeal.

It has, in effect, established a police state on the territory of a government friendly to the United States and the Western nations.

Its next move, it is predicted, will be against the Belgian and other foreign officers serving with the Katanga police.

Already it is endeavoring to force Tshombe to capitulate completely to the central government in Leopoldville, with its Communist Vice Premier and its Communist Minister of the Interior.

Already, too, it is exercising pressure to force President Tshombe to reduce the size of his 10,000 man army. But there is no record of any parallel effort to persuade Gizenga to reduce the size of his Communist-armed force of 7,000 men.

Mr. President, I believe that for the actions the U.N. is now taking in the Congo, there is no authority in the Charter of the United Nations, or under international law.

I believe that the only consequence of these actions will be the establishment not of a parliamentary and neutralist regime, but of a Communist and anti-Western regime in the Congo.

This is a situation which is all the more scandalous because all of the cards were in our favor, and, for that matter, still are in our favor if we choose to play them intelligently.

The Congo is not Berlin. The Congo is in our sphere of operations, geographically and logistically. If we choose to act affirmatively to support the forces of independence and anticommunism, there is absolutely nothing the Soviets can do to interdict our policy.

If the Congo goes Communist, it will not be because of Soviet intervention, but because of intervention by a United Nations army, created by American policy, and paid for by American money.

I believe that select committees of Congress should be set up only on rare occasions. But I find the situation in the Congo so outrageous, and I consider the danger so great and so imminent, that I favor such dramatic action by Congress as the one measure which may conceivably salvage the Congo for the Congolese people and for the free world.

I plan to submit during the first part of next week a resolution calling for the establishment of a select committee of the Senate to investigate the situation in the Congo.

I shall ask that this resolution be acted on with all possible expedition, because there is no time to waste. Meanwhile, I would urge the Department of State to insist on a stay of further U.N. action in the Congo until there has been time to reappraise the situation. In particular, we should insist that the U.N. authorities suspend all action against white officers and technicians serving in Katanga, and release those now under detention, pending a final decision.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the following articles dealing with developments in the Congo since the beginning of this year:

First. "Will Africa Go Communist?" by Stewart Alsop, Saturday Evening Post, February 18, 1961.

Second. "Too Many Cooks in the Congo," by Marguerite Higgins, New York Herald Tribune, March 20, 1961.

Third. "The Excited Nations," by Marguerite Higgins, New York Herald Tribune, March 27, 1961.

Fourth. "The Congo's White Men," by Marguerite Higgins, New York Herald Tribune, April 3, 1961.

Fifth. "The Disunited Nations," by Marguerite Higgins, New York Herald Tribune, April 17, 1961.

Sixth. "United States Jeopardizes Congo Gains by Surrendering on Tshombe," by Smith Hempstone, Washington Post, June 3, 1961.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Saturday Evening Post, Feb. 18, 1961]

WILL AFRICA GO COMMUNIST?—HOW DEEPLY HAVE THE REDS PENETRATED THE FRENZIED POLITICS OF THE CONGO AND OTHER NEW AFRICAN NATIONS? HAVE WE LOST OUT WITH A DO-NOTHING POLICY? A POST EDITOR REPORTS FROM THE SCENE

(By Stewart Alsop)

It is tempting to start this report on a long journey of inquiry through Africa by recalling some of the more startling and bizarre sidelights on African politics which were encountered along the way.

For example, the last chief of state I met on my travels was the President of one of the little countries which have emerged from former French West Africa. When his country was under French rule, the distinguished President of this now sovereign nation spent a stretch in jail for selling his mother-in-law into slavery. Or there was the high official of the Katanga Government, who was impeccably dressed, spoke elegant French and hated all white men. The reason, I was told, was that a couple of years ago his aged father had got into trouble with the Belgians for eating a small child in a vain attempt to regain his youth.

Aside from being startling, such episodes have a perfectly serious meaning. For it is easy for Americans to forget that Africa south of the Sahara is only a generation or so removed from the prehistoric past—literally prehistoric, since there was no writing and thus no written history. The witchcraft, slavery, cannibalism, and tribalism which marked that recent unrecorded past still strongly color the political present. Thus the worst mistake we in the West can make is to see Africa through Western eyes, to judge Africa by Western standards.

There are other ways in which a report on Africa might well begin. For example, there is the unforgettable contrast between Lagos, capital city of Nigeria, the biggest black African state, and Johannesburg, chief city of the white-dominated Union of South Africa. Johannesburg is a prosperous city, blessed with a climate to make a Californian green with envy. Lagos is a hideously ugly city, filled with bad smells, and not long ago it was known as "the white man's grave," since white men rarely survived there more than 6 months. But Lagos today is a city of hope. Johannesburg is a city of hate and fear, and it may one day prove the grave of many more white men than ever died in Lagos. This contrast also has a serious meaning.

But I think instead that I shall begin this report on a trip of more than 19,000 miles unconventionally—and against all the best rules of reporting—by listing certain conclusions I reached during my African travels. They are:

First, the talk we heard a little while ago about "keeping the cold war out of Africa" is blithering nonsense. The Communist bloc is now making a determined, carefully planned play for power throughout Africa. The only real question is whether we should let the Communists win the African cold war by default, or whether we should try seriously to meet the Communist challenge in Africa.

Second, if we are to meet the challenge successfully, we must try to see Africa as it is, rather than in terms of time-hallowed cliches and liberal slogans. If we insist on maundering on about democracy where there is none, if we try to substitute noble phrases about "supporting the United Nations" for an effective American policy, and if we attempt to convince the Africans of our noble intentions by kicking our European allies in the teeth, then we certainly will not meet the challenge.

Finally if we base our policies on the realities instead of on noble cliches, the position of the United States and of the West in Africa south of the Sahara is very far from hopeless. Indeed, throughout most of Africa, if we of the West have any sense and any guts, the odds are all in our favor. That is true even in the Congo.

As for the first of these three conclusions, surely no sensible man doubts that the cold war has come to Africa. Last November, in my first week in Africa, to cite one example, no less than six distinct Communist-bloc missions descended on Bamako, capital of the Mali Republic. (Interestingly enough, the Russians and the Chinese Communists, although crowded into the same small hotel, never exchanged a word or a nod.) Low-interest loans, guns and planes, heavy equipment, sports stadiums, jet runways, scholarships, "dash" (African for bribes) for important politicians and jewels for their mistresses—these are a few of the weapons with which the Communist bloc is fighting the African cold war.

The Congo is, of course, the heart of the African cold war. That is one reason why this first report on Africa will center on the Congo. Another reason is that I found in the Congo one of those queer, unexpected, little-understood situations which a wandering reporter comes across once in a blue moon. The moral to be drawn from this odd situation was once neatly summed up by Mr. Leo Durocher: "Nice guys finish last."

Those who hoped to "keep the cold war out of Africa" pinned their hopes on the U.N. force which was sent to the Congo after the Congolese army revolted. But the Soviets very quickly made it clear that they had no intention at all of being nice guys about the Congo. They bypassed the U.N. to send in relays of Ilyushin planes, filled with materiel and with more than 400 "technical advisers" for the paranoiac pro-Communist Premier, Patrice Lumumba.

Then when things began to go wrong for them, and especially after Lumumba was first "neutralized" and then arrested by anti-Communist Joseph Mobutu, Soviet Premier Khrushchev demanded the scalp of U.N. Chief Dag Hammarskjold and threatened to destroy the U.N. itself if he did not get his way. The "positive neutralists" who follow the Soviet lead, including the Egyptians, the Guineans, and the Ghanaians, threatened to withdraw their troops from the U.N. command in the Congo. With Communist help and advice—and no interference whatsoever from the U.N.—a rump pro-Lumumba regime under Communist-lining Antoine Gizenga, was established in Stanleyville, in the Congo's Oriental Province. All this hardly sounds like an attempt to "keep the cold war out of Africa."

While the Soviets and their friends have been busy playing the bad guys in the Congo, we have been dutifully playing the good guys. Last September James Wadsworth, then U.S. Ambassador to the U.N., summarized the policy laid down by former President Eisenhower: "U.S. policy in the Congo is simple. We support the U.N. wholeheartedly." In accord with this "simple" policy, when the Soviets refused to contribute a ruble to the expensive U.N. operation in the Congo, the American taxpayer dutifully picked up most of the tab.

The result, perhaps inevitably, is that the bad guys seem to have a lot more influence with the U.N. command in the Congo than the good guys. As one Western ambassador in Leopoldville remarked in honest bewilderment, "I just don't understand you Americans. Here you are paying the piper. And yet you let Nehru call the tune."

The man who has been calling the U.N. tune in the Congo, as of this writing, is a pipe-smoking Indian intellectual-aristocrat named Rajeshwar Dayal, who was chosen by Hammarskjold to run the U.N. operation in the Congo. An able and highly articulate man, Dayal is a follower of India's Prime Minister Nehru, and shares Nehru's leanings toward "positive neutralism."

In Dayal's eyes, his chief antagonist is not Gizenga or Lumumba or the Communist or neutralist politicians who have bitterly attacked his U.N. command. Dayal's enemy is—as of this writing—young General Mobutu, recently appointed commander in chief of the Congolese army by President Joseph Kasavubu, U.N.-recognized chief of state of the Congo. It is not too much to say that Dayal and Mobutu hate each other's guts, as both instantly made clear when I talked to them.

I saw Mobutu in a big white house on the banks of the Congo, which he had taken over as his command post after his anti-Lumumba coup. By the time this is published, Mobutu may be out of his big white house, since his position gets shakier every day—thanks largely to Dayal.

It is fashionable among reporters in Leopoldville to write about Mobutu in deprecatory quotes as "the so-called Congo strongman." When I met him, he seemed to me, in a quiet way, a strong man. He is nervous, and very thin, but he seemed to have a certain inner force. He was only 29 when he marched into the Leopoldville radio station last September and announced that the army was taking over from Lumumba. He had discovered, he said, that the Russian technicians sent to Lumumba were really "Russian officers disguised as civilians." He added, "I have expelled them all." This hardly seems the action of a weak man.

Strong or weak, Mobutu was certainly a sad and harried man when I saw him. If the U.N. under Dayal had not actively obstructed every move he made, he said, he could have dealt in fairly short order with the Stanleyville dissidents. After that it would have been possible to come to some sort of accommodation with the other two secessionist regimes, Tshombe's in Katanga and Kalonji's in the Kasai. But, he said, as long as the United Nations pursued "la politique Nehru"—meaning the Dayal policy—nothing could be done in the Congo.

Dayal was just as unhappy as his enemy Mobutu, when I saw him in his air-conditioned office in the junior skyscraper the U.N. had taken over in Leopoldville. The trouble was, he said, that "you people don't really believe in democracy." If certain Western embassies (meaning the able American Ambassador, Clare Timberlake) had not had "an obsession about Lumumba," a legitimate democratic government could have been established (meaning almost certainly a government headed by pro-Communist Lumumba). Now, instead, Mobutu's army of rapists was completely unleashed. The situation was, therefore, totally out of control, and chaos threatened.

This extremely somber estimate of the situation surprised me. Some reporters have the luck to resemble Joe Btfspik, the small man in "L'il Abner" who is accompanied by a permanent black cloud and whose every step is dogged by disaster. This makes for vivid reporting. Alas, wherever I go, a great calm descends. It would make better copy if I could write, as others have written, that the jungle is rapidly taking over Leopoldville and Elisabethville; that the people are reverting to savagery; and that the Congolese Army is using visiting journalists as human pincushions. Instead, I found the two big Congo cities the handsomest and best kept in Africa, and with the best restaurants. And I found the Congolese people, in uniform and out, in the Katanga bush country and in Leopoldville's African "cité," unfailingly courteous and even jolly.

No doubt these impressions were one-sided. Some very ugly things have certainly happened in the Congo. But the fact is that Dayal, both as a Nehru neutralist and as the U.N. chief in the Congo, has had an understandable impulse to portray the situation in lurid terms. Since three-quarters of the news from the Congo emanates from the U.N. command, Dayal's views have also had a considerable influence on the press.

Dayal has described the Mobutu army as a disorderly rabble and accused it in an official report of acts of lawlessness. Actually, in the view of qualified observers, in his first few weeks in power Mobutu did a rather remarkable job of bringing the army in the Leopoldville area under control. But to Dayal, the Congolese army is, and always will be, a disorderly rabble. If it were not a rabble, it might be difficult to justify certain of the policies laid down by Dayal as U.N. chief in the Congo.

For the U.N. policy has been, in essence, to immobolize the forces controlled by the Kasavubu-Mobutu regime, in the name of preventing violence and maintaining law and order. Dayal has ruled that Mobutu's army should be permitted to make only "minor troop movements." Otherwise the "rabble" might get out of hand, and bloodshed might result.

With the Kasavubu-Mobutu forces thus effectively hamstrung, and with help from the Egyptians and Iron Curtain money and technicians, Gizenga's rump pro-Communist regime quickly consolidated its position in Oriental Province. Gizenga's forces then began moving on neighboring Kivu and Katanga provinces. The troop movements were by no means minor by Congolese standards, but the U.N. did nothing, or nothing much. Immobilized by the U.N. Mobutu could do nothing, or nothing much. Being powerless to act, Mobutu's prestige has been eaten away, which is why he may be out of the picture even before these words are printed—and why the Communist-lining Lumumba may be back in the picture.

Surely this is a very queer business. U.N. forces largely subsidized by the United States have been used to prevent a moderate, pro-Western, anti-Communist regime, headed by the U.N.-recognized chief of state, from consolidating its position in the heart of Africa. Meanwhile, a pro-Communist regime has been established and allowed to extend its power in the heart of Africa without effective opposition from those forces. How did we get into this odd situation?

Part of the answer, to be candid about it, is that when our simple policy was first conceived, the U.N. looked like the best bet for preventing Lumumba from consolidating his position. Another part of the answer is that

the U.N. troops are largely concentrated near Léopoldville, and it is thus physically easier to control the Léopoldville regime than the Stanleyville regime. But another part of the answer surely derives from our tendency to be carried away by noble-sounding phrases.

The U.N. in the Congo is widely advertised as being neutral and above politics, for example. It is neither. There is no such thing as neutrality in a situation like that in the Congo, if only because, if you prevent A from shooting at B, you are obviously helping B. Moreover, because they are working for the U.N., people are not mysteriously transmuted into supranational beings without political views of national allegiance. Being both an Indian and a subordinate of Nehru, Dayal is quite naturally responsible to la politique Nehru. By the same token, the commanders of the Egyptian or Ghanaian or Guinean forces in the Congo quite naturally have an ear cocked to the ambitions and desires of Nasser or Nkrumah or Sékou Touré.

All this may be quite natural and understandable, but from the point of view of American and Western interests, the present situation is an impossible one. For why should we subsidize the U.N. in the Congo, while the U.N. in turn engages in a continual vendetta with the pro-Western regime which we recognize and support? Kasavubu has demanded that Dayal be replaced. That demand certainly deserves the quiet support of the new administration. And if quiet support is not enough, then Adlai Stevenson, our new Ambassador to the U.N., must bring himself to bang his shoe on his desk, at least figuratively. We who pay the piper ought to begin to do a little tune calling.

We ought also now to recognize, once and for all, what the U.N. can and cannot do. Where there is danger of a great power clash, the U.N. can usefully freeze a situation until tempers cool. But to freeze a situation is not to resolve it, as the Congo has abundantly proved. That is why the "simple" policy of "wholehearted support for the U.N." is really no policy at all. The beginning of a sensible policy in the Congo, and indeed in black Africa as a whole, is to recognize the realities, to see things as they are and not as they ought to be.

The first reality to recognize is very simple—Africa is not America. Every time an American uses American standards to judge an African situation, he falls flat on his face. Consider, for example, the way a shrewd American public relations man came a cropper in Nigeria.

The public relations expert was hired for the Nigerian elections by Chief Awolowo, the big chief of the western region of Nigeria. Awolowo hoped his party, the Action Group, would score sufficient gains, especially in the largely Moslem northern region, to make him the obvious choice for prime minister of the federal government. The public relations man had a bright idea. He persuaded Awolowo to get himself a helicopter for pamphlet dropping and campaigning purposes—in the United States; after all, helicopters have been used most effectively in political campaigns. But the emirs in the north put out the word: "The sky belongs to Allah, and the droppings of the great bird are poison," and Awolowo ended up low man on the Nigerian political totem pole.

The second reality we must recognize if we are not to end up low man on the African totem pole is that countries are not countries in Africa—not by American or European standards. Countries aren't real in Africa. Tribes are real.

Take the Congo. Like every other country in black Africa, the Congo is a geographical accident. Its frontiers are simply lines drawn on a map by white men in the bad old days when the Europeans were slicing up Africa like a juicy pie. These lines are not real or meaningful to the African who lives in the bush or the rain forest, or even—except for a thin layer of detribalized évolués—to the African who lives in the crowded African quarters of the European-built cities. What is real and meaningful to the African is his tribe.

It is quite impossible to make head or tail of what is going on in the Congo unless you understand the power of tribalism in African politics. A few examples:

The Baluba tribesmen in northern Katanga have made all sorts of bloody trouble for Moise Tshombe, the moonfaced, Belgian-backed president of copper-rich Katanga, in the southeastern Congo. The Katanga Balubas are allied to the pro-Communist, pro-Lumumba forces in Stanleyville. But this is not because the Balubas are close and approving students of the doctrines of Karl Marx. It is because Tshombe is a Balunda, and so are most of the members of his government. The Balubas and the Balundas are ancient enemies.

The Balubas of south Kasai, on the other hand, are fiercely anti-Lumumba. But this is not because they find communism abhorrent, but because their ancient enemies, the Luluas, are pro-Lumumba. Or consider the triumph enjoyed by President Kasavubu last December, in New York, when the U.N. Assembly voted to seat his delegation, which was a big setback for Lumumba and his Soviet friends. Kasavubu owed his triumph to small, smiling President Fulbert Youlou of the neighboring former French Congo, who rallied the other former French territories to back Kasavubu. The reason: Youlou and Kasavubu are both members of the Bakongo tribe.

Tribalism is the main reason—though not the only one—why the fragmentation of Africa has proceeded at such a pace. When the French ruled French West Africa, for example, the area consisted of two huge administrative districts. These 2 districts have now become 12 nations, some so small or so economically unviable as to be geographical bad jokes. The same fragmentation is going on in the Congo, and for the same reasons. Aside from the U.N.-recognized Kasavubu regime in Leopoldville, there are the three secessionist regimes, and there may well be more to come.

This may be very deplorable. But it is silly to talk about our objective in the Congo being unity, when in fact real unity could only be imposed by an iron Communist regime. The best we can hope for in the Congo is a loose federation of tribal satrapies, and since that is the best we can hope for, that is what we ought to aim for.

The third reality we must recognize in Africa is that although within the tribal system there is democracy of a peculiar sort, it has very little in common with our kind of democracy. Philip Crowe, American Ambassador to the Union of South Africa, found out something about the African version of democracy when he paid an official call on the paramount chief of Barotseland, a vast British-administered enclave in southern Africa.

The conversation touched on political matters, and the paramount chief volunteered that he was a strong believer in democracy. For example, he said, he regularly consulted with his six counselors, who were the voice of the people. "I will show you," he said, and clapped his hands. Immediately six men crawled in on their bellies and prostrated themselves before the paramount chief and the startled Ambassador. "Are my people happy?" asked the paramount chief. The six counselors, grinning fiercely, vied with each other in protestations of popular content. "You see," said the paramount chief, and clapped his hands again. The six counselors crawled out backward on their bellies, still grinning fiercely.

The kind of democracy practiced elsewhere in Africa is not fundamentally very different from the Barotseland version. Everywhere you find the same pattern—one big chief, one monolithic party without serious opposition. The pattern derives from the tribal system, and it is a natural reflection of the African realities. It is silly in any case to suppose that our kind of democracy could flourish in countries in which 90 percent of the people are illiterate and live in mud or palm huts in the bush or the jungle. It is especially silly to look for our kind of democracy in the harried Congo.

Much has been made by the Communists, the neutralists and some plain fatheads of the fact that Lumumba is the "democratically elected" Premier of the Congo. It is quite true that the Congolese Parliament voted to make Lumumba Premier. But this triumph of parliamentary democracy was achieved by a judicious mixture of threats and bribery. In Lumumba's heyday he bought members of the Congolese Parliament at the going rate of $2,000 a head. There was never much of a secret about where this money came from either. The Russians, the Czechs, the Chinese Communists, the Ghanians, the Egyptians and both the Belgian bankers and the Belgian Communists all bought a slice of Lumumba preferred on the Lumumba bull market.

This, then, is how Lumumba became the democratically elected Premier of the Congo. And this suggests how meaningless high-sounding words are likely to be, measured against the African realities. There is not going to be any democracy in the Congo, not our kind of democracy. The best we can hope for is the kind of regime that will at least keep things ticking in a loose federation, and again, because this is the best we can hope for, it is what we ought to aim for.

This suggests the fourth reality which we must recognize in Africa—that the people who are most experienced at keeping things ticking in tropical Africa are those horrid people, the former colonial powers. The British, the French and even the unpopular Belgians have forgotten more about Africa than we Americans are ever likely to learn. Moreover, their knowledge of Africa and their continuing influence there are among the central assets of the West in the struggle for Africa which has now been joined.

This is not to suggest that we must defend the colonialism of the distant past—although it does happen to be true that the cities and industries of tropical Africa were all built with European money and European skills. Even in the very recent past the European powers have certainly done some stupid things in Africa, as when the French in a fit of pique threw Guinea to the Communist wolves, or when the Belgians cast the Congo loose with totally inadequate preparation.

But the British and French are now doing a remarkable job in West Africa, which is kept ticking largely thanks to British and French advisers and technical experts, and money from the pockets of British and French taxpayers. And it is also largely thanks to the Belgians that much of the Congo, including the big cities of Leopoldville and Elisabethville, are kept ticking today. It is because of the Belgians that the light goes on in your hotel room; that the government finances are kept in some kind of working order; that the Katanga mines, on which the livelihood of many thousands of Africans depends, are still functioning efficiently.

The Belgians are no doubt difficult people. But would it be a good thing if the thousands of Belgian technicians in the Congo were replaced by Russians or Czechs or Chinese Communists? For that matter, would it be a good thing if they were replaced by Americans?

We Americans must get over the notion that we necessarily do everything better than anybody else. As one knowledgeable American official remarked in Brazzaville, "The French are shelling out around half a billion dollars a year in this part of Africa. If we ever had to take over from them, it would cost about six times as much, and we'd do about half as good a job."

Africa is no vacation wonderland. It is hot and smelly, and an American, limply wandering about in Africa, is likely to have the tempting thought, Why not just let the Europeans handle the job here, and keep our noses out of it? Alas, although we should certainly encourage the British, the French, and the Belgians to handle that part of the job they are already handling, we Americans cannot keep our noses entirely out of Africa.

The immense African continent is the world's greatest reservoir of untapped resources. That is the main reason why the Soviets are now making a carefully planned power play, the purpose of which is to make the Soviet bloc the dominant power in Africa. By the inexorable laws of power politics, the Soviet power play will succeed, unless American power is introduced as a counterweight. For in Africa, as in other parts of the world, power is the key factor in the equation. And if the struggle for Africa comes to a showdown in the Congo, the United States and its allies hold for once the high cards in terms of available military power—and the other side must know that this is so.

Look at the map, and you will see why it is so. In Korea, and in almost every other major Communist expansionist drive in the last 15 years, the Communist bloc supported an established Communist regime with direct supply routes from contiguous territory. (Cuba is the exception, but one suspects that the Communist triumph in Cuba surprised the Kremlin.) In the Congo the undependable pro-Communist Stanleyville regime is a long, long way from its Communist base. To supply it in case of a showdown the Soviets would have to mount a massive airlift, overflying such pro-Western countries as Greece, Turkey, and Iran. Both the United Arab Republic and the Sudan would have to take the risk of playing the Soviet game to the hilt.

By contrast, to supply both Leopoldville and Elisabethville from the West is no problem, while a Soviet airlift to the Congo would be easily subject to an effective air blockade. Suppose Kasavubu, as recognized chief of state of the Congo, asked for such an air blockade. Would it not be imposed, in one form or another? That is a question that the Soviet planners must be asking themselves. It may suggest why, as of this writing, the Soviets have not officially recognized the Stanleyville regime, and why their aid has been limited to technicians, advisers, and counterfeit Congolese francs.

In short, if it came to a showdown in the Congo, with the Soviet supporting and supplying Stanleyville while the West supported and supplied Leopoldville and Elisabethville, the military and logistic high cards would be in our hands. Essentially the same military-logistic equation holds true elsewhere in Africa. Showdowns are dangerous in the nuclear age, and must be avoided if possible. But the best way to avoid a showdown is to let the other side know you will play your high cards if you must. And the fact that those high cards exist is a main reason why the position of the West in Africa south of the Sahara is very far from hopeless.

Mind you, everythig is not going to be jim-dandy in the Congo, or elsewhere in Africa—not in our lifetimes. All Soviet and Communist influence cannot possibly be excluded from the Congo. But we can prevent the establishment in the Congo of a totally disciplined, unitary, Communist satellite state, which could only come into being as a result of civil war and which would be like a cancer in Africa's belly.

By the same token, Soviet-Communist influence is now paramount in three very small, very noisy states in black Africa—Ghana, Guinea, and Mali. We cannot hope to prevent such Communist infections from developing from time to time—and indeed, for reasons to be discussed in another report, we must be prepared sometimes to let them develop, rather than to submit to blackmail. But we and our European allies do have the means—military, political, and economic—to prevent the Soviet bloc from becoming the dominant power throughout black Africa. That is what we can do, and that is what we must do.

[From the New York Herald Tribune, Mar. 20, 1961]

TOO MANY COOKS IN THE CONGO

(By Marguerite Higgins)

LEOPOLDVILLE.—What the Congo desperately needs is to be let alone.

To the visitor conditioned by high-flown oratory about the turbulent Congo, the strangest thing about Leopoldville and the area directly controlled by the Kasavubu regime is its lack of turbulence. This correspondent, for instance, walks every night the 5 blocks to the Congolese telegraph office, which is more than she would do in New York City if the route took her through Central Park. The Congolese people are friendly and helpful—once it is established that the visitor has nothing to do with the United Nations.

Only in the provinces controlled or semicontrolled by the Red-recognized Stanleyville regime has racism been official policy. And with regard to the outrages against Americans trapped in remote Kindu it must be stressed again and again that the terror perpetrated there against both white and Congolese is caused by leaderless bands of Congolese soldiers who were transported there by the late Patrice Lumumba when he started his abortive civil war. And one of the lonely bright spots in this all-dark picture in Kindu is the way in which the civilian population has tried to help the hard-pressed whites, giving them food—and, more important, hiding them.

In the Leopoldville area the only real tension is between the United Nations and the Congolese authorities. For the United Nations, whose public relations here are abominable, has for too long allowed the impression to stand that it intended to use armed force if necessary to disarm the Congolese. And indeed the highhandedness, arrogance, even contempt with which the reigning U.N. Commander Rajeshwar Dayal of India treated the Kasavubu regime would give ground for fury on the part of any government.

An example of how factors completely beyond the scope of the Congo national interest are injected into decisions affecting this country is afforded by Secretary General Dag Hammarskjold's bland insistence that Dayal is to come back to the Congo whether the Congolese like it or not.

Dayal is now on several week's consultation leave in New York.

Why? Because according to high sources Hammarskjold fears to offend Dayal's countryman and boss, Prime Minister Nehru of India.

But what is good for Nehru is not necessarily good for the Congo. The fact is that the temporary chief of the U.N. here, Mekki Abbas of the Sudan, has done much to ease the explosive situation created by Dayal's aloofness from the Congo's leaders. Instead of confronting them with accomplished facts he has even bothered to explain the reasons behind certain actions. (Mr. Abbas is trying to keep in mind that this country does, after all, belong to the Congolese, explained a U.N. official, completely missing the irony of his statement.)

The Congolese also need to be understood in the perspective of all Africa. It must, for instance, be understood that President Kwame Nkrumah has no more right to speak on Congolese affairs and be treated as the true voice of Africa than Premier Fidel Castro would have the right to speak on Venezuelan affairs and be considered the voice of the Americas.

Indeed, Ghana is disliked by the overwhelming majority of West African states for its territorial ambitions and its hypocrisy in calling for measures in other countries it has no intention of applying in its own. It amazes the Congolese that some Americans expect them to listen respectfully to Ghana.

Thus when you ask Prime Minister Ileo of the Congo or leaders in Nigeria, Brazzaville, the Cameroons, Dahomey, etc., about Ghana the comments have significant similarities.

"Ghana tells us to get rid of our white advisers, especially the Belgians," Premier Ileo said the other day "Why doesn't the U.N. tell Ghana to get rid of its whites, particularly those of the former colonial power, Great Britain? In Ghana the British hold far more important jobs than Belgians will ever be allowed to hold here—such jobs as held by General Alexander, the Ghanaian chief of staff, plus the many British political and technical advisers including an Australian director of the Volta River project. As to democracy, why does America even listen to Ghana? Don't you know that Nkrumah has put all his opposition in jail, corrupted the judiciary and established a police state?"

Continued Ileo: "Is it illogical then that we do not feel that it helps the Congo for Ghana to serve on Hammarskjold's Congo Advisory Committee when the country presumably most concerned—the Congo itself—is not admitted?"

President Kasavubu has been the first to admit that much needs urgent correction inside this country, including the discipline of his troops. But he has insisted that the reorganization of his army be done by the U.N. in cooperation with the Congolese national army instead of unilaterally. Is this so much to ask? The new Congolese Confederation decided on by the various Congolese leaders at Tananarive is a hopeful sign of new-found unity. It is not the end of troubles but perhaps the beginning of their end.

[From the New York Herald Tribune, Mar. 27, 1961]

THE EXCITED NATIONS

(By Marguerite Higgins)

LEOPOLDVILLE.—Soviet blasts at U.N. Secretary General Dag Hammarskjold are, of course, built on lies and intended to destroy the world organization. But it is also obvious that the nefarious intentions of the Russians are no reason to rule out another and necessary kind of criticism—criticism aimed at the exposition of mistakes with a view to their correction if possible.

It should not come as a surprise to the American people that the United Nations here, being made up of countries with differing—often clashing—interests, and led by human beings whose fallibilities do not vanish with the donning of the U.N.'s blue hats, can and often does do wrong.

And the greatest mistake made by the United Nations has been to incur the hostility of the Congolese people, the Congolese Army, and the Congolese Government of President Joseph Kasavubu. The hostility is bound to continue so long as the United Nations is guilty of the attitude that brought the reaction on in the first place—its attempt to ram decisions down the throat

of this government without consultation and whether the government likes it or not.

The comment most often heard around here from the U.N. officials is a revealing one: "The only way to handle the Congolese is to treat them as children."

Therein lies the clue to mistake No. 1. For the Congolese violently object to being treated as children, confronted with accomplished facts and actions taken in defiance of this allegedly sovereign regime's best estimate of its own national interest.

The dispatch here of Prime Minister Nehru's Indian troops is an example of an action taken by the U.N. in defiance of the publicly expressed opposition of President Kasavubu and every one of his ministers. The Congolese object for the simple reason that they believe that India, being allied to left-leaning Ghana, this country's bitter enemy, simply is not neutral.

The question of attitude begins with the reign here as director of the U.N. of Rajeshwar Dayal, an Indian national. According to dispatches printed in the local Congolese press, Mr. Dayal in a speech to U.N. correspondents described the Congolese army as a rabble and called General Mobutu, army chief of staff, "a bandit." This press dispatch does not come as a surprise as Mr. Dayal has said the same thing often in private in Leopoldville.

And General Mobutu, who happens to be intense, hard working, intelligent and about as far from banditry as is Dayal himself, has had this to say about the news dispatch: "I had always thought it was the function of a diplomat to be diplomatic. But perhaps it is just as well that Mr. Dayal's thoughts are on the record. Perhaps it will make it clearer why his return would be most unwelcome."

Before coming to this part of Africa, this correspondent had the occasion to interview statesmen of every single one of the new African states admitted to the U.N. The leadership of Leopoldville from President Kasavubu on down compares favorably with the best of them. Even George Washington, Alexander Hamilton, Thomas Jefferson and Abraham Lincoln all put together would have had an incredibly difficult time trying to master the chaotic circumstances confronting this government and in many ways the wonder is that the Kasavubu regime has survived at all.

According to General Mobutu, "The mutual suspicion between ourselves and the U.N. does not need to exist. In the days when Ralph Bunche was here there was real cooperation and I am not saying that just because you are an American. But this neocolonialism—this imposition of the U.N. will irrespective of either our wish or our knowledge—can you think of any nation in the world that would welcome this? And if you Americans blindly and unconditionally go along with this policy, it cannot help in the long run but to undo the good relations we want so much to have. Has Washington really thought through the meaning of this precedent the U.N. is trying to set? Are you going to insist on carrying out a mandate from the Security Council if this mandate is against the will of the nation most concerned—the Congolese themselves? Are you Americans really anti-Communist? If you are, why do you ask us to surrender our guns to a U.N. force that so often has sided with the leftists? The whole world knows that it was the U.N. that let the rebel [Stanleyville] forces into our Kindu Province and then prohibited us from counterattacking. And you ask us not to be suspicious."

Of late the U.N. headquarters here has been dubbed the "excited nations" because of dire pronouncements about the perils of letting the Congolese run such things as the unloading of U.N. vessels at the port of Matadi. Yet even though the U.N. officials have not been permitted back into Matadi, the supplies including those of the U.N. are coming off the ships right on schedule under purely Congolese management.

Observed a Western diplomat: "One way of fostering a sense of sovereignty and responsibility is to treat a nation as both sovereign and responsible. It is not too late to begin."

[From the New York Herald Tribune, Apr. 3, 1961]

THE CONGO'S WHITE MEN

(By Marguerite Higgins)

WASHINGTON.—The most candid—and possibly the most significant—thing said in a recent interview by Red-recognized Antoine Gizenga, boss of the Congo's rebel Stanleyville regime, came in answer to this question: "Why have you delayed in giving the Belgians and other Europeans exit visas?" (At least 300 Europeans, including British, Germans, Dutch, and some Greeks, have been held virtual hostages in Stanleyville over the winter.)

"Because we need them," said Mr. Gizenga. "Without them our economy, which is in any case under a strain, might collapse."

Mr. Gizenga, who ascribed the white man's impulse to flee his province as due to panic that would subside with a return to normalcy, added that even if every one of the whites saw the light and decided voluntarily to stay on the job in Stanleyville they wouldn't fill the need for skilled technicians, accountants, bankers, engineers, etc. So added Mr. Gizenga, "it will be necessary to send recruiting teams abroad to obtain skilled help."

"But," said this correspondent, mindful of the Gizenga press attacks on Moise Tshombe, boss of the Congo's Katanga Province, for employing Belgians, "surely you are not going to recruit in Brussels?"

"Why not?" said Mr. Gizenga coolly. "French-speaking experts are, of course, our greatest need. But if we do hire any more Belgians you may be sure that they will be those that are loyal to and take orders from us."

Mr. Gizenga was asked how, in light of his own plans, he could justify denouncing Mr. Tshombe for hiring Belgians.

"The whites hired by Mr. Tshombe are Fascists," said Mr. Gizenga. "Mr. Tshombe is a tool of the imperialists."

The utter ridiculousness of Mr. Gizenga's charge—and it is ridiculous—need not obscure the central point, which is that all emerging African countries must temporarily depend in some degree on assistance from skilled white technicians and it is natural for them to turn—on an individual basis—to people they know, usually the representatives of the former colonial power.

But all of this illustrates the sticky wicket on which the United Nations finds itself when it seeks to dictate which whites, including Belgians, the Stanleyville or anti-Stanleyville Congolese may or may not hire. If former colonials are bad for the Congo why aren't they bad for Ghana, the Cameroons, Dahomey, and the other places where skilled Europeans abound?

Observed a Nigerian diplomat: "Certain great powers seem to interpret the Security Council resolution of February 21 as a mandate to throw all non-U.N. Europeans out of the Congo. This in itself betrays a kind of racial snobbism. The basic assumption seems to be that if whites work for Africans like Mr. Tshombe they will automatically dominate. I think that you whites—whether Russians or Americans—underestimate the African leaders. I happen to think Mr. Tshombe is perfectly capable of using white advisers for his own purposes and getting rid of those who do not take his orders. The whites are not all that clever so that their mere presence means their control."

An interesting point—coming as it did from an African diplomat who went on to add: "As for President Kasavubu, there are a lot of outsiders—including U.N. officials—who have sought to belittle him. But he has a knowledge of his own people—and a sense of timing. The U.N.—which has guns to back it up—has tried to dictate to Kasavubu. For instance, the Irish General McKeown (of the U.N.) has not—despite all his guns—had his way. Do you think some little Belgian secretary would succeed where a General McKeown failed?"

If the U.N. could suddenly find enough French-speaking technicians (which they can't) to fill the gap, it might be possible in the Congo to get rid of all Europeans, including Belgians, if one other condition obtained. This condition is that the non-Communist Congolese could trust the U.N. not to act against their national interest. Such trust does not exist and cannot exist so long as the U.N. stands idly by when Gizenga troops advance but reacts (as happened Friday in Katanga) by sending 1,000 Indian soldiers when the non-Communist Congolese try to take back the area seized by Stanleyville.

Meanwhile, it remains true in the case of both Gizenga and Kasavubu that any outright exodus of Europeans would add more economic chaos to political tension. The Russians are, of course, in favor of this because chaos is their political black magic in the Congo. Fortunately, this time they are likely to be thwarted for the practical reason that the only way the U.N. can successfully intervene against whites employed by the Congolese is to use force; in effect, to go to war against the respective Congolese armies of the north and south. And surely there is no way to square this with a mission of peace?

[From the New York Herald Tribune, Apr. 17, 1961]

THE DISUNITED NATIONS

(By Marguerite Higgins)

WASHINGTON.—On the New Frontier, as elsewhere, the urgent is often the enemy of the important. And in the supposed urgency of actions on the Congo (where the situation today is infinitely calmer than the cacophony in New York of rival back-seat drivers would let anyone suppose) the New Frontier has for the most part stuck to the Eisenhower policy of unqualified public support for the United Nations as if its deeds were morally good simply because perpetrated by the United Nations.

In this atmosphere, where virtue and the U.N. are so absolutely equated, the broadside against the U.N. by General de Gaulle came as a shock. And indeed by couching his attack on the U.N.'s "scandalous" behavior in uncharacteristically bitter, even ill-tempered language, the French President may have delayed what is important: a realistic reappraisal of what the U.N. may logically be expected to do in light of its sudden enlargement (120 members in the near future) and the clear—and perfectly logical—Communist hostility to letting the U.N. keep the peace in the many areas where violence works to Moscow's and Peiping's advantage.

In the case of the Congo, both the United States and the Russians voted in favor of the February 21 Security Council resolution to give the U.N. the right to use force if necessary (whatever that means) to keep the peace, meaning to tame and retrain the Congolese Army. The resolution also tells the Congolese leaders that they have to fire all the Belgians working for them as advisers or in the military and whether they like it or not.

Now the plain fact is that the U.N. can enforce these intimate interventions in the life of the Congo only if the U.N. is prepared to go to war against the Congolese. Now, having the U.N. go to war against President Kasavubu (who is recognized by the U.N. as head of the Congo), General Mobutu, King Kalonji and President Tshombe would admirably serve the purposes of the Communist-bloc nations because these are the gentlemen who threw the Russians out of the Congo in the first place.

A summary Belgian exit from the Congo would also suit the Communist purposes (in this case chaos) because it is the Belgian technicians, engineers, sanitation experts, teachers, that keep the electricity going, the bridges in repair, the plants working and the schools open even to the limited extent that they are.

The reason that the U.N. could not enforce the February 21 resolution without war stems from the Congo's implacable hostility to the U.N. administration because of its deliberate and often contemptuous defiance of the expressed will of the sovereign government headed by Kasavubu. President Kasavubu simply is not going to permit his troops to be disarmed by Ghurkhas from India because the acid attacks on him by Mr. Nehru of India have given him the idea that India is not particularly friendly. Thus surrender to a Ghurkha is surrender to an enemy.

And this leads to one of the most astonishing precedents yet set by the U.N. in the Congo. This is the doctrine that the sovereign government that asked assistance can have no voice in what armed forces are flown into its country.

But consider what this precedent means.

Consider if some Latin American country—Venezuela, for instance—were at some future date to find itself in need of U.N. assistance. Under the Congo precedent, the Venezuelan regime of Betancourt would not be able to prevent the arrival in his country of troops of his bitter enemy (and would-be assassin) Dictator Trujillo of the Dominican Republic if the U.N. "for administrative reasons" decided to incorporate them into its troubleshooting force. For the same reasons that Betancourt would want to veto the import of forces of his arch-enemy Trujillo, so did Kasavubu try—unsuccessfully—to veto the arrival of Mr. Nehru's forces.

As to the Belgians, perhaps it is good policy for all white men belonging to a former colonial power to get out of Africa even if, ironically, the Africans want them so badly that they are sending recruiting teams to French-speaking Europe in an effort to get help. But if getting rid of the Belgians is good for the Congo, why isn't getting rid of the British good for Ghana? If President Kasavubu is to be forced (how?) to get rid of the Belgian colonel who stood loyally by him during the troubles, why shouldn't Ghana's Nkrumah be forced to get rid of British Major General Alexander, his chief of staff? These, in any case, are questions that are being asked through much of non-Communist Africa which this reporter has just visited.

They ought to be answered (even if put by people not hostile to the West) and even if the answers might show that in actual practice the February 21 resolution supported by the United States does the opposite of what was intended—creates more tension rather than less.

[From the Washington Post, June 3, 1961]

UNITED STATES JEOPARDIZES CONGO GAINS BY SURRENDERING ON TSHOMBE

(By Smith Hempstone)

ELISABETHVILLE, KATANGA, June 2.—A pattern is forming in the Congo.

The deployment of Indian garrisons throughout north Katanga, the arrest of Moise Tshombe, the accord signed last month between President Joseph Kasavubu and the United Nations, the Kasavubu-Ileo government's decision to reconvene the Congolese Parliament, all point to some basic power shifts in the Congo.

It is now clear that:

The United States has given up on Maj. Gen. Joseph Mobutu and his student council.

The U.N., with the backing of the United States (which will pay half of this year's $120 million Congo bill), has accepted the idea of a Federal Congolese state.

Belgium has been persuaded to drop its support of jailed Tshombe's breakaway government in Katanga.

In return for cooperation from Kasavubu, the U.N. (and, by implication, the United States) has agreed to help the Leopoldville government subdue Katanga, by force if necessary.

Although Tshombe was becoming increasink troublesome to the U.N., there is no evidence to suggest that he was arrested on April 26 at the U.N.'s suggestion. But it is equally clear that Kasavabu would not have arrested Tshombe unless he had unofficial assurances that the U.N. would not interfere.

Neither the U.N. nor the United States has registered any serious complaint, although Tshombe's arrest at Coquilhatville, to which he had come to attend a political conference, was clearly a violation of international practice.

Both the difficulties and the risks in reconvening the Congolese Parliament are immense.

At least 15 deputies are dead (9 slain by Lumumbists and 6, including Prime Minister Patrice Lumumba, by anti-Lumumbists). Perhaps as many more are missing or in prison, while the rest have retreated to their regional strongholds.

Others, such as the Katangan deputies, might be excused if they place little faith in any safe-conduct guarantees offered by the Leopoldville government.

But assuming that a caucus can be found, what can be expected of the Parliament? As was the case last June, there is no one man who can be expected to command the loyalties of the great majority of the deputies.

The question then gets down to which candidate can buy or intimidate the most delegates. Kasavubu's prime minister, Joseph Ileo, is an honest, intelligent, and moderate man but not a forceful one.

In any blackjack-and-bribery contest with Red-leaning Antoine Gizenga, Lumumba's Stanleyville-based heir apparent, it is more than likely that the latter would come out on top.

The United States would then find itself in the position of having either to wreck the U.N. operation by withdrawing its financial support and thus provoking new chaos in the Congo, or of supporting a pro-Communist Gizenga regime.

The gain, of course, would be great if a government similar to that of Ileo should be approved by Parliament, but that is a very long shot.

In coming around to the point of view that a Federal constitution with considerable local autonomy is desirable, the U.N. and the United States are finally recognizing what many observers and the majority of the Congolese have said all along: that the only solid foundation upon which to build a Congolese constitutional framework is the authority of tribal and regional leaders.

It was Tshombe who gave practical recognition to this last July when he declared Katanga independent. It was Tshombe, again, who led in the reconciliation of the tribal groupings at the Tananarive (Malagasy) conference earlier this year.

The abandonment of Tshombe by Belgium (and by this, one means both the Belgian Government and the all-powerful mining interests) appears to be based on the simple conviction that the Katangan leader is a losing horse.

By throwing their full support behind the Leopoldville government, some mining company executives apparently believe they can preserve their privileged economic position in Katanga under a stronger central government.

What appears both immoral and impractical is the U.N.-U.S. insistence of a shotgun wedding between Katanga and the rest of the Congo.

The thinking seems to be that the creation of a unified Congo, by force if necessary, will ease the pressure on the West from the radical Afro-Asian powers (which have vigorously supported the Lumumbists) and provide the Congo with sufficient revenue to get it on its feet.

To this end, one finds U.N. garrisons being reinforced here, where all is peaceful, in an apparent attempt to force Katanga's hand, while the blue berets are withdrawn from South Kasai, where the tribal warfare, in the U.N.'s words, is endemic.

In addition, the U.N. forces have done virtually nothing to reestablish order in Kivu and Equator provinces, where near-chaos provoked by anti-Western leaders exist.

It is impossible to erase tribal and regional differences by fiat.

No solution that does not have the support of Katanga's people and leaders (Tshombe and Interior Minister Godefroid Munongo) can be a lasting one, unless the U.N. is willing to stay forever in Katanga or to impose a dictatorship from Leopoldville.

Rather than pouring troops into Katanga, the U.N. might be better employed in restoring a modicum of order where disorder exists, in effecting Tshombe's release, and in promoting a reconciliation between Leopoldville and Elisabethville. Tshombe is not an easy man to deal with. But he is shrewd, articulate, brave, and pro-Western. The United States cannot be the winner through his eclipse.

CALIFORNIA ADMISSION DAY—SEPTEMBER 9

Mr. KUCHEL. Mr. President, I should like to call attention to an important vote cast in this body 111 years ago tomorrow, on September 9, 1850. It was significant for this Nation, particularly for the beautiful State which I call my home. I refer to the vote, which concurred in a House vote 2 days earlier, granting statehood to the golden region of California. As citizens proud of their State, Californians look back with pride on that day.

Today, we are only a phone call away from the west coast. But in 1850, news had to go by way of Panama—leaving the Californians woefully isolated from the momentous decision at the Capitol. They did not know until October 18 that they were already represented in the U.S. Senate by our first two Senators, John C. Fremont—the great American explorer—and W. M. Gwin. They had already been elected in anticipation of this great event. It had been the steamship *Oregon* that had sailed into San Francisco Bay, carrying the tidings that it was the 9th of September which would forever be California's greatest day.

California came to the Union with a rich heritage. It had more flags flown over it than any other State. The Spaniards, the Mexicans, the Russians, the English all had claim to it at one

time. They left behind a variety of culture, ideas, and even names. It was by the Treaty of Guadalupe-Hidalgo, on February 2, 1848, that legal cession was finally granted to the United States.

California's heritage was rich in another sense: It was the home of stalwart pioneers who had braved long journeys across rough and uncivilized terrain. They had uprooted themselves from all parts of our own country, and from nations around the world, to create a new State. They were imbued with the spirit of progress and liberty. They were anxious to share these excellent characteristics with the sisterhood of American States.

Today, new generations celebrate our fortune. They would do well to pause and reflect on history, drawing lasting inspiration from the pioneer fervor that created our illustrious State.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a news article from the New York Tribune, of September 13, 1850.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Tribune, Sept. 13, 1850]

We are at last enabled to send the news so long waited for by our fellow citizens on the Pacific coast. California is admitted into the American confederacy; and today takes rank as the 31st State of the Union.

The bill for her admission was brought up in the House, on Saturday, and after a short discussion, passed as it came from the Senate. The 57 votes against the bill, were all from the ultrasouthern Members.

The Representatives of California, who have been so long in waiting, will probably take their seats today.

The news has been received everywhere, with the most unbounded satisfaction. At Washington, 100 minute guns were fired on Saturday evening, followed by a display of fireworks.

In this city, many of the hotels and public edifices hoisted the national flag in token of rejoicing.

The Utah and New Mexico bills have also passed, and the organized members of our confederacy now span the continent in one unbroken arch, whose base is washed by the world's two great oceans. May it so stand through the coming centuries.

CONVEYANCE OF CERTAIN LANDS TO THE GEORGIA-CAROLINA COUNCIL, INC., BOY SCOUTS OF AMERICA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 734, Senate bill 1563.

There being no objection, the Senate proceeded to consider the bill (S. 1563) to authorize the conveyance of certain lands within the Clark Hill Reservoir, Savannah River, Ga.-S.C., to the Georgia-Carolina Council, Inc., Boy Scouts of America, for recreation and camping purposes.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. MANSFIELD. Mr. President, I understand that the Senator from Oregon [Mr. MORSE] has a few remarks to make on the pending measure.

Mr. MORSE. Mr. President, ordinarily I would postpone my remarks on the bill until we had heard from the proponents. However, I am willing to proceed at this time; and then I shall offer an amendment.

Mr. RUSSELL. Mr. President, I shall be glad to make a brief explanation of the bill, if the Senator desires that I do so.

Mr. MANSFIELD. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. MANSFIELD. I ask unanimous consent that during the further consideration of the pending measure, there be allotted a total of 30 minutes—15 minutes to a side.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

Mr. RUSSELL. Let me ask who will control the allotment of the time.

Mr. MANSFIELD. The Senator from Georgia [Mr. RUSSELL] and the Senator from Oregon [Mr. MORSE].

Mr. RUSSELL. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from Georgia is recognized for 4 minutes.

Mr. RUSSELL. Mr. President, this bill involves 282 acres of land adjacent to the Clark Hill Reservoir, a great Federal project lying in the States of Georgia and South Carolina. The bill would convey that land to the Georgia-Carolina Council, Inc., Boy Scouts of America, for recreational purposes, with the inclusion of a clause that if it is not developed or if it is ever used for any other purpose, the land shall revert to the Government.

At the present time this council has this land under lease. But the law does not permit a lease exceeding 25 years. The people in charge of the Boy Scout movement find it difficult to raise the large sums of money necessary to build messhalls and necessary structures under a 25-year lease.

A similar bill passed the Senate unanimously in September 1957, conveying 526 acres of land in the Old Hickory Reservoir on the Cumberland River, Tenn., to the Middle Tennessee Council, Inc., Boy Scouts of America, under identical terms and conditions that the pending bill conveys the land.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MORSE. If the Senator is willing to change the part of his statement in which he used the word "unanimously," I will agree with him.

Mr. RUSSELL. I was not aware of the fact that the Morse formula had been established. Yes, I think it was. But the Morse formula was breached in the case of the Boy Scouts of Tennessee, and I do not believe the Morse formula should be applied in the case of the Boy Scouts of Georgia-Carolina Council.

I reserve the remainder of my time and shall resume when the Senators from Georgia and South Carolina have concluded.

Mr. MORSE. Mr. President, I yield myself such time out of my 15 minutes as I shall need.

As the Senator from Georgia has pointed out, S. 1563 would authorize the conveyance, without consideration, of approximately 282 acres of land located in the Clark Hill Reservoir to the Georgia-Carolina Council, Inc., Boy Scouts of America, for recreation and camping purposes.

The bill provides for a reverter with immediate right of entry, if the grantee has not commenced development of the property for recreation and camping purposes within 3 years from the date of enactment of the act, or if the land ceases to be used for recreation and camping purposes.

No one is more aware than is the senior Senator from Oregon of the magnificent work that has been done for many years by the Boy Scouts of America. They deserve encouragement and assistance throughout the Nation, because under their fine program, we are molding many of the Nation's leaders of tomorrow.

Regardless of the very worthwhile cause for which this gratuitous conveyance of approximately 282 acres of Federal land would be made, I am at a loss to understand why the taxpayers of the United States should donate a piece of property to the Boy Scouts of America and not make similar donations to other equally meritorious programs relating to the youth of our country. The difficulty of this type of case lies in the fact that when we set this type of precedent, we open the floodgates for such gratuitous conveyances to other deserving organizations. In other words, the purpose is extremely good, but the consequences may be bad.

It does not take much of a stretch of the imagination, Mr. President, to contemplate the possibility that a youth organization of the Friends might wish similar assistance—that, too, is a great organization—or, again, the Catholic Youth Organization, or a Presbyterian Brotherhood might apply for a similar grant, or the Young Hebrew Boy Scouts—all very worthwhile organizations in the training of the youth of America, along with others of their kind.

It is my opinion that we must keep these great movements separate from the Government or we should pass a law of general applicability, making such property available to organizations such as the Boy Scouts, the 4–H Clubs and other youth groups on a uniform and impartial basis.

I am in complete agreement with the Secretary of the Army who informs us that the Department of the Army is opposed to the enactment of this bill. His letter of August 14 addressed to the chairman of the Senate Public Works Committee appears at pages 4 and 5 of Report No. 757 on S. 1563. He points out that Boy Scout Council now enjoys a long-term lease of the property for a nominal consideration and it is not anticipated that there will be any substantial changes in the lease which will interfere with a satisfactory camping program of the Boy Scouts.

The Secretary of the Army emphasizes, and I agree with him completely, that "the enactment of this measure

would create an undesirable precedent which would encourage the many other worthy organizations leasing sites at Clark Hill and other reservoirs throughout the country" to seek comparable grants under special legislation. He also observes "it would result in the loss to the Government of the value of the property to be conveyed thereunder."

In view of the foregoing, Mr. President, I offer an amendment to provide for the payment of 50 percent of fair appraised market value in this case. In so doing, I am proceeding on the assumption that we can justify this conveyance as one which is designed to achieve a public purpose. The payment of 50 percent of fair appraised market value would make the conveyance unobjectionable under the Morse formula.

The distinguished Senator from Georgia [Mr. RUSSELL] is quite correct when he points out that there has been a breaching of the Morse formula. I take note of the fact that he recognized it was a breach of the Morse formula. I remember very well the debate on the Tennessee Boy Scout case. The RECORD will show that in that case I warned the Senate that, if it made an exception to the Morse formula in the case of the Tennessee Boy Scouts, there would be demands for similar appeals in the future. This is the second one.

There is a vital question of public policy involved here. I think it is a mistake to set up a formula and then breach the formula, unless we want to throw the whole formula out.

I hope no one will think I am making an improper personal statement when I say that in 1946 we adopted the Morse formula, growing out of the work of a subcommittee of the Committee on Armed Services, consisting of the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Virginia [Mr. BYRD], and myself, when we laid down the general principle of the Morse formula in connection with the disposal of military surplus property. I then applied it to the disposal of all Federal property thereafter. Since that time and through the application of the formula we have saved many millions of dollars for the taxpayers of America.

Mr. President, it has not been easy. I do not like to stand here and oppose a gratuitous conveyance to the Boy Scouts or any other worthy group. But we cannot make exceptions, in my judgment, in such a matter.

Let me say to the Rotarians—and I speak as a Rotarian—I should like to suggest that Rotarians in the principal cities of Georgia in furtherance of their youth program, should buy some tin cups and dispense with their noon lunches for a couple of weeks and go out and raise the relatively small amount of money which would be required in this case and give it to the Boy Scouts. I think that would be a much better course of action than to ask the Senate to breach the Morse formula.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. RUSSELL. I can assure the Senator that the children involved in the youth movement of the Rotary Clubs will be permitted to use these facilities.

Mr. MORSE. I am sure they will be permitted to use them, but I want them to raise the money for that purpose. I think the suggestion I have made is a good one.

But, Mr. President, I know the situation in the Senate. My two good friends from Georgia have made an "end run" around me. They have gotten it off the unanimous-consent calendar. I have been in this position before, but let me say I am going to fight against it until the whistle blows in trying to stop the touchdown they are hoping to make in the next few moments.

So I send to the desk the same amendment I always send to the desk when there is a proposal to breach the Morse formula.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ERVIN. I should like to ask the Senator from Oregon if this is not one of those occasions when a man is strongly tempted to rise above principle.

Mr. MORSE. I suspect that is what is going to happen when a vote is taken, and a lot of Senators are going to rise against principle.

The PRESIDING OFFICER. The amendment offered by the Senator from Oregon will be stated.

The LEGISLATIVE CLERK. It is proposed, on the first page, line 5, beginning with the comma, to strike out all through "therefore" on line 6.

At the end of the bill it is proposed to add the following new section:

SEC. 6. The conveyance authorized by this Act shall be subject to the condition that the Georgia-Carolina Council, Incorporated, Boy Scouts of America, pay to the Secretary of the Army as consideration for the property conveyed an amount equal to 50 per centum of its fair market value as determined by the Secretary after appraisal of such property.

Mr. MORSE. Mr. President, I yield the floor, and ask for action on my amendment.

Mr. RUSSELL. Mr. President, I yield 4 minutes to my distinguished colleague [Mr. TALMADGE].

Mr. TALMADGE. Mr. President, I rise to support the bill and to oppose the amendment offered by the distinguished Senator from Oregon.

I have listened with much interest to the Senator from Oregon substantiate his argument by his famous formula. I am unaware of the fact that the formula has ever been codified either in national law or in the Constitution. I do not think it ranks with the Magna Carta as one of the immortal documents of history. I regard it accordingly, even though I have deep respect for my friend from Oregon.

What we are talking about is the munificent sum of $5,792. That is what the Government paid for the land we are requesting authority to have the Secretary of the Army transfer to the Boy Scout Council of the State of Georgia and of the State of South Carolina.

The reason the land is desired in fee is very simple. The land has been leased for a period of 25 years. The cause was so worthy that the cost of the lease was the munificent sum of $1.

The Boy Scouts of Georgia and South Carolina desire to improve this property by erecting thereon some permanent improvements, under an extensive building program, including permanent messhalls, bath and latrines, water supply, and additional camping and training facilities. The Boy Scouts do not wish to spend the money which the Boy Scout Council has unless they have fee title to the property.

The Army would gladly renew the lease for the munificent sum of $1 a year, but as my able senior colleague says, the law prohibits the lease for longer than 25 years, and one cannot erect permanent improvements on property on a 25-year basis.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield to my friend from North Carolina.

Mr. ERVIN. The question I shall ask the Senator is somewhat hypothetical. I ask the Senator. If secession had been a success instead of a failure, would not Georgia be a part of a foreign country at this time? That being so, there would be no great difficulty in having the proposal carried out under the foreign aid program, would there?

Mr. TALMADGE. None whatever.

I point out to my able friend that the Senate recently voted to give Chile the sum of $100 million, because there was an earthquake in Chile. All we are asking is land of the value of a little more than $5,000.

I also point out that the Senate has passed bills providing millions of dollars to combat juvenile delinquency.

I point out further that the Senate has passed bills to put the Government in the business of creating youth camps and financing them in full.

I do not know how the Senator from Oregon voted on those proposals, but I strongly suspect he voted for them.

All we are asking is to give the Boy Scouts title to certain property so that they may finance their own improvements, finance their own youth program, curtail juvenile delinquency, and not be on the Federal payroll while they are doing it. The proposal is as simple as that.

I hope the Senate will reject the amendment and pass the bill.

Mr. MORSE. Mr. President, I always find my two friends from Georgia very moving speakers, and usually convincing, but today they are not convincing.

As an old teacher, I think we have an opportunity to teach a great lesson in citizenship to the Boy Scouts, which is that they ought to be willing to pay for what they will get. I think it is pretty good to teach the boys and girls of our country that when one gets something for nothing, one usually does not get much, and loses something, too. We have an opportunity to teach the Boy Scouts a good lesson. After all, the property will mean much more to them if they pay for it.

It has been pointed out, if I correctly understood my friends, that the Boy Scouts do not wish to use their funds for such purpose. I make two sugges-

tions. Let the Rotarians of Georgia do the job, or let the Boy Scouts do it for themselves. Let the Boy Scouts have a benefit. That is a good project. They could have a benefit to raise 50 percent of the value of the property, which comprises some 282 acres. This would preserve what we ought to recognize as a pretty sound policy, which we have followed quite consistently in the Senate, by not giving away surplus property.

I have nothing further to say, except to ask for a vote on the amendment.

Mr. RUSSELL. Mr. President, I yield 3 minutes to the distinguished Senator from South Carolina [Mr. THURMOND], who served as a director of the Georgia-Carolina Scout Council.

Mr. THURMOND. Mr. President, I rise in support of the bill, S. 1563, and in opposition to the Morse amendment.

The leaders of the Boy Scouts in the Savannah River Valley, of which Augusta, Ga., is the center, are naturally interested in the passage of this bill.

Several years ago I served on the board of directors of the Georgia-Carolina Scout Council, and I am now a trustee of the trustee fund. We have been raising money for some time to erect permanent buildings for the various camps.

I point out to the distinguished Senator from Oregon that the Boy Scouts will certainly do their part in this project. The citizens in the area will, also. It will require a considerable amount of money to erect the needed buildings. Everything will not be given to the Boy Scouts.

The land to be conveyed to the Boy Scouts originally was valued at $5,792. This is indeed a paltry sum in comparison with the foreign aid bill, for example, and the usual welfare proposals that come before this body. The Boy Scouts do not feel justified in erecting permanent buildings on leasehold property. They cannot very well go to the people and request them to contribute to a fund to erect buildings on leased property. If they can say to citizens, "We own the property," they will have a much better chance of obtaining donations to erect the necessary buildings.

This is a very worthy cause. There is no point in arguing the fact that the Boy Scouts is a fine patriotic organization. I know that Senators are thoroughly familiar with this great American organization.

There would be little, if any, juvenile delinquency in the United States if every young boy were a member of the Boy Scouts. During the 8 years I served as a judge in South Carolina there appeared before me only one young person charged with a crime who was a member of the Boy Scouts. The Boy Scouts have an outstanding record. They build good citizens.

I cannot imagine a better purpose to which the Government could devote the land than to convey it to the Boy Scouts.

The land is located on the Georgia side of the river, but the Boy Scouts of both States in the Savannah River Valley will utilize the property and benefit to full advantage.

I hope the Senate will pass the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. MORSE. Mr. President, I yield back the remainder of my time.

Mr. RUSSELL. Mr. President, I yield back any remaining time I have.

The PRESIDING OFFICER. All time has been yielded back. The question is on the engrossment and third reading of the bill.

The bill (S. 1563) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army is authorized and directed to convey to the Georgia-Carolina Council, Incorporated, Boy Scouts of America, without monetary consideration therefor, but subject to the conditions of this Act, the area or areas he determines to be available for conveyance within the two hundred and eighty-two acres of land leased to the said Boy Scouts Council at the Clark Hill Reservoir, Savannah River, Georgia-South Carolina, under lease granted January 1, 1961, numbered DA-09-133-CIVENG-61-316.

SEC. 2. Title to property authorized to be conveyed by this Act shall revert to the United States, which shall have the right of immediate entry thereon, if the Georgia-Carolina Council, Incorporated, Boy Scouts of America—

(1) has not commenced the development of such property for recreation and camping purposes within the three-year period beginning on the date of enactment of this Act; or

(2) shall ever cease to use such property for recreation and camping purposes.

SEC. 3. The Secretary of the Army is authorized to grant to the Georgia-Carolina Council, Incorporated, Boy Scouts of America, such rights-of-way for public access and utility lines across any property of the United States as may be necessary to facilitate the development and use of the property conveyed under authority of this Act for recreation and camping purposes.

SEC. 4. The conveyance of the property herein authorized shall be subject to the right to flood due to the fluctuation of the water level of the Clark Hill Reservoir project and to such other conditions, reservations, and restrictions as the Secretary of the Army may determine to be necessary for the management and operation of said Clark Hill Dam and Reservoir project.

SEC. 5. The cost of any surveys necessary as an incident of the conveyance authorized herein shall be borne by the Georgia-Carolina Council, Incorporated, Boy Scouts of America.

MEXICAN FARM LABOR PROGRAM

The Senate resumed the consideration of the bill (H.R. 2010) to amend title V of the Agricultural Act of 1949, as amended, and for other purposes.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. What is the pending business?

The PRESIDING OFFICER. H.R. 2010, to amend title V of the Agricultural Act of 1949, as amended, and for other purposes.

Mr. JORDAN. Mr. President, I shall make a brief explanation of H.R. 2010. I was chairman of the subcommittee which held hearings on the bill, and I am thoroughly familiar with the testimony offered; therefore, I wish to give a brief explanation.

This bill would extend the Mexican farm labor program for 2 years and make a number of improvements in the program.

The Mexican farm labor program was authorized in 1951 by Public Law 78 of the 82d Congress. Under this program the Secretary of Labor, pursuant to an agreement with the Republic of Mexico, recruits workers in Mexico for agricultural employment in the United States. Pursuant to this agreement, as well as the law, a number of assurances are provided for the protection of the Mexican workers, including a guarantee by the Secretary of the payment of wages and transportation by farm employers. Employers who employ Mexican workers are required to indemnify the United States for its guarantee of their contracts and to pay into a revolving fund a fee for each worker to support the program financially. The program is self-supporting, except for compliance activities and certain executive functions. The workers are greatly needed during the periods of peak employment, such as at harvest time, when the crops must be either harvested or lost and there are not a sufficient number of domestic workers available. The program also provides a number of safeguards to prevent any importation of Mexican workers which might have an adverse effect on the employment of domestic agricultural workers. The program has been extended on various occasions to December 31, 1955, June 30, 1959, June 30, 1961, and December 31, 1961.

Hearings were conducted by the Subcommittee on Agricultural Research and General Legislation on three bills dealing with extension or amendment of the program. H.R. 2010, as passed by the House of Representatives, provided for a simple extension of 2 years. S. 1466 and S. 1945 provided for various amendments of the law designed to provide greater protection for the domestic workers. The committee gave very careful consideration to all of these bills, and to the differing points of view presented at the hearings, and have recommended amendment of H.R. 2010 to include some additional protection for the domestic workers. These changes should, in the opinion of the committee, prove adequate to protect fully the American worker without imposing such restrictions on the program as would necessitate the loss of crops on account of the inability to obtain workers from any source.

The law already contains a number of provisions designed to protect the American worker from any adverse effect as a result of the program. In the first place, the Secretary of Agriculture must determine that the Mexican workers are needed to assist in certain production. Second, the cost of bringing the worker from Mexico, including subsistence, medical care, and burial expenses, where

necessary, must be borne by the employers, in addition to the payment of prevailing wages and the furnishing of other benefits which the employer might ordinarily make available to domestic workers. Third, the law prohibits any Mexican worker from being made available for employment in any area unless the Secretary of Labor has determined and certified that the following situations exist:

(1) Sufficient domestic workers who are able, willing, and qualified are not available at the time and place needed to perform the work for which such workers are to be employed;

(2) The employment of Mexican workers will not adversely affect the wages and working conditions of domestic agricultural workers similarly employed; and

(3) Reasonable efforts have been made to attract domestic workers for such employment at wages and standard hours of work comparable to those offered foreign workers.

Both S. 1466 and S. 1945 would have prohibited the employment of Mexican workers recruited under the program unless employers—or, in the case of S. 1945, the specific employer—had made reasonable efforts to attract workers not only at comparable wages and hours, but also at comparable terms of employment. It appeared to the committee that this would result in a very complex and difficult situation. The terms of employment provided for Mexicans under the arrangements with Mexico provide for transportation from points in the interior of Mexico, burial expenses, work guarantees, housing in barrack-type dormitories with other single male workers, cooking facilities, sanitary facilities, laundry facilities, Mexican social security benefits, protection from immoral and illegal influences, worker representation, insurance, and other terms resulting from agreement with the Mexican Government. These terms simply do not apply to domestic workers who may or may not be migrants, may or may not be single workers, may go wherever they please in the United States, and accept any type of employment. Of course, under the proposal advanced, the employer would not have to offer identical terms of employment, but rather would be required to offer comparable terms of employment. But what term would be comparable, let us say, to the cost of transportation from Mexico where the employee is a citizen of the community in which the work is performed. Perhaps the employer would be required to pay a higher wage to a local worker, but the agreement with Mexico provides that the Mexican worker shall be paid not less than the prevailing wage rate paid to domestic workers. If the domestic workers' wages are raised to compensate for transportation and the prevailing wage is thereby raised, the Mexican worker's wage would have to be raised. The two provisions could never be in perfect balance since an increase in either the prevailing wage or the wage paid the Mexicans would require an increase in the other. Of course such a spiral could not possibly be intended. Presumably the provision would be administered in some manner worked out by the Secretary of Labor in some way that he might consider suitable. The committee was not able to determine what this might be.

Rather than require employers to furnish benefits to domestic workers comparable to benefits which, by their very nature, are inapplicable to domestic workers and cannot be made applicable to them, the committee restricted this proposal to cases where the domestic and foreign workers were in comparable situations. In addition to "wages and standard hours of work" comparable to those furnished the Mexican workers, the committee amendment provides that employers must offer "working conditions" to domestic workers comparable to those offered foreign workers. Thus employers would have to offer domestic workers at least as good wages, hours, and physical conditions of safety and sanitation, as would be provided the Mexican workers. The employers would not have to offer domestic workers anything comparable to transportation from Mexico or to the other terms peculiar to the importation of Mexican workers.

Another provision of S. 1945 would have prohibited the employment of Mexican workers in other than temporary or seasonal occupations, except when necessary to avoid undue hardship. The committee felt this recommendation to be a good one. The purpose of the act is to meet temporary and seasonal labor needs. It is not intended to provide workers for permanent employment or with jobs which should be filled by domestic workers on a year-round basis. This recommendation has been included in the committee amendment.

Another proposal of S. 1945 would have prohibited the use of Mexican workers for employment involving the operation of power-driven machinery, except when necessary to avoid undue hardship. The committee felt that this proposal was an excellent one, but that its language might be construed to prohibit employment in which the worker neither operated nor maintained the machinery, but merely loaded it or did some other manual task in connection with the machinery, which required no special skill or training. The committee amendment therefore prohibits the employment of Mexican workers recruited under the program to "operate or maintain" power-driven machinery, except where necessary to avoid undue hardship. The committee felt very strongly that there is no shortage of American workers to perform the jobs requiring greater skill or training, and that there is therefore no need for the recruitment of Mexican workers and their transportation here to perform such work.

Another provision of S. 1945, which was favored by some of the witnesses before the committee and opposed by others, would have required employers to pay Mexican workers recruited under the program and domestic workers not less than the lowest of the following:

(a) The average farm wage in the State;
(b) The national farm wage average; or
(c) Ten cents per hour above the highest wage rate prevailing during the last previous season in which workers recruited under the program were employed in the area.

This appeared to the committee to be a rather haphazard method of providing for a constantly self-escalating minimum wage for agricultural workers. In the past, Congress has specifically exempted agricultural employment from the minimum wage laws. If, at some time in the future, it should appear desirable to establish minimum farm wages, the method should be carefully worked out by Congress after the most thorough consideration. The proposal advanced in the hearings was not such a carefully worked-out plan, but provided for three different criteria. The first of these was the average farm wage in the State for all types of farm employment, including the highest paid type of farm work. Such an average can hardly be an appropriate measure of fair wages for the least skilled type of labor. The second criterion suggested was the national farm wage average. This not only includes the wages for the highest paid and most skilled types of agricultural employment, but it covers types of employment which may not even exist in the State where the labor is being performed, and includes wages paid in areas where living conditions and costs may be entirely different from those in which the labor is being performed. This also did not appear to the committee to be a fair measure. The third criterion proposed was 10 cents per hour above "the highest wage rate prevailing during the last previous season in which workers recruited under this title were employed in the area and in the activity involved." This criterion therefore looks to some past year which may not be representative of the situation prevailing during the year in which the employment is performed and uses not the average wage rate, but the highest wage rate prevailing at any time during that season for any type of employment. All three of these criteria would, of course, be self-escalating. As wages might be increased to meet the criteria, the criteria would also rise, either for the current season or the succeeding season. The committee gave very careful consideration to the testimony on this point and particularly to the allegations in the hearing that in some cases domestic workers were being paid less than Mexican workers, while in other cases the Mexican workers were being discriminated against. Of course, some domestic workers will always be paid more than some Mexican workers, and some Mexican workers will be paid more than some domestic workers. However, to prevent any discrimination between workers in this respect, the committee has recommended an amendment to require employers of Mexican workers recruited under the program to pay both their domestic workers and their Mexican workers not less than the prevailing wage rate for similar work in the area of employment.

The committee amendment also adopts another provision recommended in S. 1945, which would amend the definition of agricultural employment for the purpose of the program to prohibit the furnishing of Mexican workers for some processing activities.

A further provision of S. 1945 of a technical nature is contained in the com-

mittee amendment. This provision would make no change in the substance of the program, but would include in the basic act covering the program an existing appropriation act requirement that employers reimburse the United States up to a $15 maximum for all expenses of the program, except salaries and expenses of personnel engaged in compliance activities.

With the protection now provided in the law and the additional protection provided by the committee amendment, the Secretary of Labor should be able to administer the program in a way which will provide complete protection for domestic workers, while insuring sufficient workers whenever and wherever needed to perform the work that must be done.

I recommend that the Senate accept and pass the bill as amended and reported by the committee.

Mr. ELLENDER. Mr. President, for a number of years it has been necessary to bring in agricultural workers to help during harvest and other peak periods. In 1948, the United States and Mexico entered into an agreement, under which, without cost to the Federal Government, agricultural employers unable to obtain adequate domestic farm labor recruited workers in Mexico under the supervision of the United States and Mexican Governments. The employer paid the cost of transporting the worker from Mexico and return and the cost of his supplies and subsistence during the period of movement. The employer was also required to post a bond of $25 for each worker to guarantee his departure from the United States when his work was completed. The 1948 agreement was terminated in October 1948, and a new similar, but improved, agreement became effective August 1, 1949.

A number of difficulties were encountered under both the 1948 and 1949 agreements. Since employers did their own recruiting, it was cheaper for them to recruit as close to the border as possible. Mexicans who desired work converged on the border in great numbers, creating problems for the border towns and for the Government of Mexico. Large numbers of Mexicans crossed the border illegally to obtain employment. These illegal entrants could not obtain the wage guarantees provided for by the agreement with Mexico. Their employment was having an adverse effect on domestic farm wages, and they created special problems for our Spanish-American population, for the Immigration and Naturalization Service, and for other law enforcement and welfare agencies. The employers in turn had problems with departure bond forfeitures and the Mexican Government had problems arising from employers' failure to fulfill their contracts.

Because of these difficulties in the operation of the 1948 and 1949 agreements, representatives of the United States and Mexico met in conference beginning January 26, 1951. I served as an adviser to the U.S. delegation at that conference. During the conference, the Mexican Government gave notice that it was terminating the 1949 agreement; and it was suggested that private recruitment be replaced by recruitment by an agency of the United States which could guarantee compliance with individual work contracts. On February 27, 1951, I introduced S. 984, to authorize such a recruitment program by the Secretary of Labor, and subsequently that bill was approved as Public Law 78 of the 82d Congress on July 12, 1951.

The program provided by Public Law 78 was not designed as a subsidy to employers in any way. It provided that the employer would indemnify the United States against loss by reason of its guarantee of the work contracts, that the employer would reimburse the United States up to $15 per day for the transportation and subsistence of workers, and that the employer would either return or pay the cost of returning the worker to the reception center in the United States. The $15 limit was imposed not with the idea that the United States might have to share any of the cost, but rather to keep administrative officials from spending excessive funds in the transportation and maintenance of workers. Testimony indicated that private employers were transporting Mexican workers from recruitment points in Mexico to the border and return for about $5 per worker. Allowing another $5 per worker for maintenance at reception centers, the House Committee on Agriculture recommended a maximum reimbursement of $10. In conference the sum of $15 was agreed upon. At present the employers are required to pay all of the expenses of the program, except compliance activities. The cost was $10.41 per worker in fiscal 1960, and is estimated at $13.04 per worker in fiscal 1961 and $11.84 in fiscal 1962. Employers are currently charged a fee of $12 for the initial contract of a worker, and $5 for recontracting a worker previously contracted for use in another State. The amounts charged employers are increased or decreased as necessary to pay the costs of the program. Amounts received from employers are deposited in the Farm Labor Supply Revolving Fund and subsequently paid out for program expenses. Expenses paid out of the revolving fund amounted to approximately $5 million in fiscal 1959, $4.5 million in fiscal 1960, and $4.1 million in fiscal 1961.

Mr. President, I ask unanimous consent to insert in the RECORD at this point a tabulation of the program expenses for fiscal 1959, 1960, and 1961 which are met from employer contributions to the revolving fund.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Costs of Mexican farm labor program borne by employers

	Fiscal years		
	1959	1960	1961
Transportation of workers	$1,662,000	$1,495,000	$1,213,000
Meals	738,000	701,000	603,000
Medical care	669,000	610,000	577,000
Rent	155,000	186,000	161,000
Other	93,000	120,000	109,000
Administrative costs	1,674,000	1,337,000	1,404,000
Total	4,991,000	4,449,000	4,067,000

Mr. ELLENDER. Mr. President, Public Law 78 has done much to solve the problems which gave rise to its enactment. Mexican workers are recruited in an orderly fashion by the Secretary of Labor in the interior of Mexico. The workers are sure of proper housing, transportation, and medical care. The performance of work contracts are guaranteed by the United States, which in turn is entitled to indemnity from the employer.

Except for compliance activities, all program costs are borne by the employers. This includes the cost of administering the program, as well as transportation of the workers from Mexico and back, rent of reception centers, medical care, and other expenses.

The act provides protection and assistance for the Mexican worker, the domestic worker, and the employer.

The Secretary of Agriculture must determine the need for the Mexican workers, and then they can be brought in only if the Secretary of Labor determines that there are not sufficient domestic workers available, that the wages and working conditions of domestic workers will not be adversely affected, and that reasonable efforts have been made to obtain domestic workers.

Public Law 78 was originally made effective for 2½ years. It has been extended on a number of occasions, and I hope that Congress shall see fit to extend it again.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The question is on agreeing to the committee amendment in the nature of a substitute. [Putting the question.]

Mr. KUCHEL. What was the statement of the Chair?

The PRESIDING OFFICER. The question is on agreeing to the committee substitute.

Mr. KEATING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KEATING. If the committee substitute were adopted, would it then be open to amendment?

The PRESIDING OFFICER. The bill would then not be open to further amendment.

Mr. KEATING. Several Senators have amendments to offer. We had better protect our rights at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute. [Putting the question.]

Mr. KEATING. I understood that the Senator from Minnesota [Mr. MCCARTHY] had an amendment. If the committee amendment in the nature of a substitute is adopted, will he be foreclosed from offering his amendment?

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HOLLAND. I understand that the committee amendment has been adopted, and that the Chair has so ruled.

The PRESIDING OFFICER. The Chair has not announced the vote.

Mr. HOLLAND. I ask for the regular order.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. What is the status of the committee amendment?

The PRESIDING OFFICER. The amendment is open to amendment. If there be no amendment to be proposed, and no Senator wishes to speak, the question will be on the adoption of the committee amendment. Its adoption will foreclose any further amendment.

Mr. McCARTHY. We had an understanding with the Senator from North Carolina, who is handling the bill on the floor, that amendments might be offered. I am sure he did not intend to preclude us from offering amendments.

The PRESIDING OFFICER. The committee amendment is open to amendment.

Mr. JORDAN. The Senator from Minnesota is correct. I did not intend to preclude him from offering an amendment.

Mr. McCARTHY. I call up my amendment, which is at the desk.

The PRESIDING OFFICER The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, lines 1 through 9, it is proposed to strike out all of section 505 and insert in lieu thereof the following:

SEC. 505. (a) No worker recruited under this title shall be made available to any employer or permitted to remain in the employ of any employer unless the employer offers and pays to such workers wages at least equivalent to 90 per centum of the average farm wage in the State in which the area of employment is located, or 90 per centum of the national farm wage average, whichever is the lesser.

(b) The determination of the average farm wage in a State and the national farm wage average required in (a) above shall be made by the Secretary of Labor, after consultation with the Secretary of Agriculture. In making these determinations, the Secretary of Labor shall consider, among other relevant factors, the applicable average farm wage rate per hour for workers who do not receive board and room, or such other appropriate information and data as may be available.

Mr. McCARTHY. Mr. President, the amendment is quite clear. It provides that no Mexican worker recruited under this title shall be made available to any employer or permitted to remain in the employ of any employer unless the employer offers and pays such worker wages at least equivalent to 90 percent of the average farm wage in the State in which the area of employment is located, or 90 percent of the national farm wage average, whichever is lesser.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. MANSFIELD. I wish to propound a unanimous-consent request. I have discussed the question with Senators who intend to offer amendments, and with the leadership on the other side, as well as with the Senator in charge of the bill, and other Senators interested in the proposal before us.

I ask unanimous consent that debate on all amendments be concluded tonight, with the understanding that on any amendment on which a yea-and-nay vote is requested, the yea-and-nay vote shall be postponed until Monday; that the time then be limited to 10 minutes on each amendment, 5 minutes to a side, before the vote is taken; and that the time shall begin to run immediately at the conclusion of morning business on Monday next.

The PRESIDING OFFICER. Is there objection?

Mr. McCARTHY. Reserving the right to object, do I correctly understand that the majority leader proposes a limitation of 10 minutes on each amendment on which a rollcall is requested this evening, 5 minutes to a side?

Mr. MANSFIELD. That is correct.

Mr. McCARTHY. Any other amendments would not be debated within the 10-minute limitation?

Mr. MANSFIELD. No; but if any other amendments were forthcoming, we would try to give them all the consideration possible, and we would hope that the Senators who offered such amendments would not ask for too much time for their consideration, due to the length of the debate before us.

Mr. HOLLAND. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. I yield.

Mr. HOLLAND. I wonder if the distinguished majority leader would consider amending his requiest so as to require a yea-and-nay vote on such amendments as are important—I do not know which ones they are—so that Senators who are not interested in the minor amendments, which will not require yea-and-nay votes, can return to their offices. I understand there are two or three amendments which are of importance, and that the offerers will ask for yea-and-nay votes on them. Would the majority leader include those particular amendments in his request?

Mr. MANSFIELD. Those are the amendments I have in mind. I understood that the Senator from Minnesota [Mr. McCARTHY] intended to ask for a yea-and-nay vote. Will the Senator from New York request a yea-and-nay vote on his amendment?

Mr. KEATING. I intended to wait, to see what would happen on the yea-and-nay vote on the amendment of the distinguished Senator from Minnesota. I am inclined at present to ask for a yea-and-nay vote, if that statement is helpful to the majority leader.

Mr. MANSFIELD. It is.

Mr. HOLLAND. I wonder if the distinguished Senator from Minnesota is ready to ask for a yea-and-nay vote on his amendment. I will support his request, if he wishes a yea-and-nay vote.

The point is that unless we know that the important amendments will be submitted to yea-and-nay votes, unless we know that they will not be subject to voice votes or division votes, while many Senators are not in the Chamber, we would not be safe in leaving the Chamber.

Mr. MANSFIELD. To the best of my knowledge, after making inquiry, I find there are only two amendments to be offered. On the basis of those inquiries, it would appear that both the Senator from New York [Mr. KEATING] and the Senator from Minnesota [Mr. McCARTHY] wish to have yea-and-nay votes on their amendments. Therefore, if the unanimous-consent request is agreed to, it will mean that at the conclusion of the morning hour on Monday next the Senate will proceed, at 10-minute intervals, to vote on those two amendments.

Mr. KUCHEL. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. KUCHEL. Under those circumstances, I wonder if it would be agreeable to all Senators to ask for the yeas and nays on both amendments. If there is no objection to the unanimous-consent request, and if the amendment of the distinguished Senator from Minnesota were disposed of in such fashion as to indicate to the Senator from New York that he might not wish to have a yea-and-nay vote on his amendment, the opportunity would always be available to him to ask unanimous consent to withdraw his amendment.

Mr. JORDAN. Does the Senator mean on the amendments?

Mr. KUCHEL. Yes.

Mr. MANSFIELD. That was the procedure I had in mind proposing, if we could first have the unanimous-consent request agreed to.

Mr. KEATING. In order that the Senator from Florida [Mr. HOLLAND] and other Senators may be reassured, I announce that I will not endeavor to obtain a vote tonight, by division or otherwise. Although it does not require unanimous consent, I ask unanimous consent that at the time the yeas and nays are ordered on the McCarthy amendment, they may at the same time be ordered on my amendment, although that would not be in order until the amendment was before the Senate.

Mr. MANSFIELD. Every Senator would be protected, and nothing in the way of an unknown amendment would be offered, thereby catching off guard Senators who may leave the Chamber in the expectation that there will be no votes this evening.

Mr. HOLLAND. I am certain the distinguished Senator from Montana would make certain that such a procedure was followed. However, it is not only the Senator from Florida who is concerned. Numerous other Senators, who are not now in the Chamber, would like to be assured by the staff if an agreement is entered into that there will be no voting tonight.

Mr. President, I ask unanimous consent that there be no voting on any amendment tonight.

Mr. MANSFIELD. Mr. President, will the Senator from Florida withhold that request until action has been taken on the request I have made?

Mr. HOLLAND. I withhold my request.

Mr. JORDAN. Was the Senator's request for 10 minutes on each amendment?

Mr. MANSFIELD. Ten minutes on each amendment, 5 minutes to a side.

Mr. JORDAN. Would the Senator mind making that 20 minutes to each amendment, 10 minutes to a side?

Mr. MANSFIELD. That is agreeable.

Mr. JORDAN. I believe some of us would like to take more than 5 minutes.

Mr. McCARTHY. The point of my reservation was to ask the majority leader whether it would be possible, if there were any other business to be considered which would take a limited amount of time, that it might be taken up after the morning hour on Monday, so that the debates and the votes which may be agreed to which would take place about 12 o'clock. I think 10 or 10:30 o'clock on Monday morning might be a little too early for some Senators who will be out of the city over the weekend and will be returning to the Senate on Monday.

Mr. HOLLAND. I remind the distinguished majority leader that two treaties are on the executive calendar. Probably they will be agreed to in a perfunctory way, but necessarily by yea-and-nay votes. It may be that they will provide the answer to the Senator's suggestion.

Mr. McCARTHY. The time for consideration of the treaties may prove to be adequate for the purpose I have suggested.

Mr. MANSFIELD. Mr. President, I do not mind being elastic, but I do mind being stretched too far. The Senate has already agreed to an order to convene at 9 o'clock on Monday morning. Now we are being asked to postpone action on the amendments for 3 hours. I am willing to agree to a time limitation beginning at 10 o'clock on Monday morning, but I think that is as far as I can go. Someone must exercise responsibility. I hope the Senator from Minnesota will give me that much leeway, because another very important bill is scheduled to be taken up on Monday, and it will require much debate.

Mr. McCARTHY. I was not so much concerned with yea-and-nay votes, because Senators are somewhat familiar with what my amendment seeks to do. I think the Senate has become preoccupied with yea-and-nay votes during the past 2 or 3 months. It has been suggested that there be one every hour on the hour, no matter what is before the Senate. It is a little like professional basketball, where it is necessary to shoot every 20 seconds, or else the ball will be taken away.

Members of the Committee on Agriculture and Forestry, including the distinguished Senator from Louisiana [Mr. ELLENDER], and the distinguished Senator from North Carolina [Mr. JORDAN] know the purpose of my amendment. Many other Senators do not know about it. Many have asked, "What is the McCarthy amendment?" I believe there should be time enough to study the RECORD.

Mr. KUCHEL. Nevertheless, time for debate tonight will be available. The distinguished majority leader has suggested that the time limitation on Monday begin at 10 o'clock. That makes sense to me. That is better than beginning at 12. It would be reasonable to assume that the 2 hours between 10 and 12 o'clock would not be crucial, so far as the vote is concerned.

I urge the distinguished Senator from Minnesota to accept what I think is a reasonable suggestion by the distinguished majority leader.

Mr. McCARTHY. I have some views about the format of the CONGRESSIONAL RECORD. I believe it contributes much toward keeping Senators well informed. The argument that Senators will not go to the RECORD does not carry a great deal of weight.

I hope, since the Senator from Florida observed that two treaties will have to be brought up on Monday——

Mr. MANSFIELD. They do not have to be brought up on Monday.

Mr. HOLLAND. The voting on the treaties will be by yea-and-nay vote.

Mr. McCARTHY. If that is the case, if the majority leader did not have in mind bringing up the treaties very soon, and if his schedule would otherwise be interfered with, I am quite willing to agree to his unanimous-consent request.

Mr. MANSFIELD. I thank the distinguished Senator from Minnesota. I suggest, then, that beginning at 11 o'clock on Monday morning there be a 20-minute limitation of debate on each of the two amendments.

Mr. McCARTHY. That is better than I had expected.

Mr. KEATING. Will the majority leader yield for a clarification of the parliamentary situation?

Mr. MANSFIELD. I yield.

Mr. KEATING. After the Senator from Minnesota offers his amendment, if it is not acted upon, I assume it will be in order for me to call up my amendment, in order that I may discuss it.

Mr. JORDAN. I think the amendments ought to be generously debated, because the Senate passed a bill when the Senator walked away a while ago.

Mr. HOLLAND. Mr. President, I wish, not simply for my own convenience, but for the convenience of many other Senators, to propound a unanimous-consent agreement that the Senate not vote tonight on any amendment to the bill.

Mr. MANSFIELD. May my proposal be agreed to first?

Mr. CLARK. Mr. President, is it the intention to bring the treaties to a vote on Monday morning, or can we rely on the understanding that the first yea-and-nay vote will come at 11 o'clock?

Mr. MANSFIELD. I wish Senators would allow me to discuss that question with the chairman of the Committee on Foreign Relations.

I will do what I can.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Will the Senator from Montana inform the Chair whether the proposed unanimous-consent agreement is to be in the regular form and whether any provision is to be made for yielding time on the bill?

Mr. MANSFIELD. It will be in the regular form; and on Monday there will be 20 minutes for debate on each amendment, beginning at 11 o'clock; and the time will be under the control of the Senator in charge of the bill [Mr. JORDAN] and the Senator from New York, on his amendment, or the Senator from Minnesota, on his amendment.

Mr. HOLLAND. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. HOLLAND. Since the Senator from Montana says the agreement will be in the regular form, let me ask whether that includes a provision to the effect that no amendment not germane to the bill may be considered?

Mr. MANSFIELD. That is correct; that is the regular form.

The PRESIDING OFFICER. Will the Senator from Montana inform the Chair whether the agreement is to provide for the allowance of any time on the bill?

Mr. MANSFIELD. No.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement? Without objection, it is so ordered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Monday, September 11, 1961, beginning at 11 a.m., during the further consideration of the bill (H.R. 2010) to amend title V of the Agricultural Act of 1949, as amended, and for other purposes, debate on the two amendments (designated as: the McCarthy amendment, numbered 8–25–61A, and the Keating amendment, numbered 8–29–61A) shall be limited to 20 minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Mr. HOLLAND. Mr. President, if the Senator will yield, I wish to propound an inquiry, although if any Senator expects to have a vote taken tonight, I certainly will not propound this inquiry. I understand that Senators wish to have no votes taken tonight. Therefore, I ask unanimous consent that the Senate not vote tonight, either by record vote, standing vote, or voice vote, on the pending bill or any other measure which may be brought up.

Mr. MANSFIELD. I see no objection to that, because I know of no vote that will be requested tonight.

Mr. DIRKSEN. Mr. President, reserving the right to object, I must say that such a request; namely, that there be no record votes—is rather unusual. I would prefer to rely on the assurance of the majority leader, rather than to have such a precedent established, because at a future time it might present some real difficulties to the Senate. So I hope the Senator from Florida will not press for adoption of his request.

Mr. HOLLAND. I first said that I would not request it if any Member objected.

However, it has been said that there are to be only two amendments to the bill, and that no Senator wishes to have a vote taken tonight, and that the votes will be taken on Monday. So all I am asking is that it be agreed that no votes will be taken tonight.

I hope the Senator from Illinois will withdraw his objection.

Mr. DIRKSEN. Mr. President, I could not withdraw my objection.

Mr. JORDAN. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. JORDAN. I have before me an amendment which I am prepared to accept; and I have discussed it with the chairman of the committee and with the Senator from Minnesota [Mr. McCARTHY]. It would do away with the necessity of paying double insurance on Mexican workers who are brought in, who are covered by an agreement with the Mexican Government. If there is no objection, I am prepared to accept that amendment.

Mr. DIRKSEN. Mr. President, I may have misunderstood the request of the Senator from Florida. I thought his request applied to record votes, which have already been covered. But the majority leader informs me that the Senator from Florida was referring also to voice votes, in order to make sure that no action would be taken before Monday.

Mr. HOLLAND. As I understand, the request of the Senator from Montana covered only two yea-and-nay votes.

Mr. MANSFIELD. That is correct.

Mr. HOLLAND. I was trying to provide assurance, for the benefit of Senators who are not present at this time—although so far as I am concerned, I can remain here until midnight, if that is necessary or desirable; but certainly there is no use in doing so if we know that no votes will be taken tonight. I was merely trying to clarify that question for the RECORD.

Mr. DIRKSEN. I have no objection, if the Senator has in mind an amendment, to agree that there shall be no voice votes.

Mr. HOLLAND. I have no amendment in mind. I do not want any amendment similar to the ones we are talking about, or even more sweeping amendments, taken up and acted on, either by voice vote or any other vote, when many Senators are not present.

Mr. MANSFIELD. Mr. President, will the Senator from Florida accept the assurance of the minority leader [Mr. DIRKSEN] and myself that there will be no votes tonight, except on the amendment—to be offered by the Senator in charge of the bill [Mr. JORDAN]—which, I understand, is satisfactory to everyone?

Mr. HOLLAND. I gladly accept that assurance.

Mr. MANSFIELD. Mr. President, on the question of agreeing to the two amendments which will be voted on on Monday, I ask unanimous consent that it be in order to ask that the yeas and nays be ordered on each even though one of them is not yet before the Senate.

The PRESIDING OFFICER. Without objection it is so ordered.

The yeas and nays were then ordered on each.

Mr. JORDAN. Mr. President——

Mr. McNAMARA. Mr. President, will the Senator from North Carolina yield?

Mr. JORDAN. I yield.

Mr. McNAMARA. The Senator made an announcement about an amendment. Do I correctly understand that the amendment would require that American employers rely upon a Mexican insurance firm for protection?

Mr. JORDAN. No. But let me read the amendment. It would insert certain language on page 3 of the bill, between lines 9 and 10.

Probably it will be best if at this time I submit an explanation of the amendment.

Mr. President, I submit to House bill 2010 an amendment dealing with a special problem which has arisen in the State of California since the time when the Senate Committee on Agriculture and Forestry considered the bill.

Recently, the California Temporary Disability Insurance Act was extended to cover agricultural workers. It did not exclude Mexican nationals employed in California under Public Law 78. It is my understanding that any benefits which Mexican nationals would enjoy under the California law are already provided for under Public Law 78.

Unless the amendment is adopted, it will mean that Mexican nationals employed under Public Law 78 will be paying for benefits similar to those already provided for under Public Law 78.

As soon as this matter came to my attention I asked for a report on it from the Department of Labor, and I ask unanimous consent that a copy of that report be included in the RECORD at the conclusion of my remarks on the proposed amendment.

It is my understanding that both the Government of the Republic of Mexico and the California Department of Employment have requested that the amendment be adopted in order to avoid a great deal of confusion and repetition in the operation of the Mexican farm labor program in the State of California.

The amendment provides that workers recruited under Public Law 78 shall not be subject to any Federal or State tax levied to provide illness or disability benefits for them. I want to make clear that Public Law 78 requires the employers of Mexican nationals to provide this type of benefit for all employees employed under Public Law 78.

Mr. McNAMARA. Have we assurance that employers will not be relying upon Mexican insurance firms under any circumstances?

Mr. JORDAN. The amendment does not affect American employers in any way whatever.

Mr. KUCHEL. Mr. President, will the Senator from North Carolina yield to me?

Mr. JORDAN. I yield.

Mr. KUCHEL. For the benefit of the Senator from Michigan, let me read the text of a telegram bearing on this subject, which I received on August 28 from the director of the California State Board of Employment:

SACRAMENTO, CALIF., *August 28, 1961.*
Hon. THOMAS H. KUCHEL,
U.S. Senator,
Senate Office Building,
Washington, D.C.:

May I urge support of amendment to Public Law 78 which would exclude Mexican nationals from California disability insurance coverage. As the administrator of this program I believe that we will experience great difficulty and near impossibility in the administration of this law.

IRVING H. PERLUSS,
Director, California Department of Employment.

Under those circumstances I say to the Senator that it is exclusively designed to cure this defect.

Mr. ENGLE. Mr. President, will the Senator from North Carolina yield?

Mr. JORDAN. I yield.

Mr. ENGLE. The purpose is to keep them from being insured twice.

Mr. JORDAN. That is exactly what the amendment does; and I have discussed it with the Senator from Minnesota and with the chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER], and the amendment is acceptable to all Members concerned.

The PRESIDING OFFICER. Will the Senator from North Carolina send the amendment to the desk, so that it may be read?

Mr. JORDAN. Yes. Mr. President, I offer the amendment which I send to the desk; and I ask that it now be read.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. On page 3, between lines 9 and 10, it is proposed to insert the following:

SEC. 4. Section 505 of such Act, as amended, renumbered as section "507", is amended by adding at the end thereof the following:

"(d) Workers recruited under the provisions of this title shall not be subject to any Federal or State tax levied to provide illness or disability benefits for them."

And to renumber the succeeding sections accordingly.

Mr. JORDAN. Mr. President, I ask unanimous consent that the pending amendment of the Senator from Minnesota [Mr. McCARTHY] be temporarily laid aside, so that the Senate may proceed to consider the amendment I have sent to the desk, which has just now been read by the clerk.

Mr. McCARTHY. Mr. President, I am glad to yield for that purpose.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The question now is on agreeing to the amendment offered by the Senator from North Carolina.

The amendment was agreed to.

Mr. LONG of Hawaii. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. LONG of Hawaii. Mr. President, the Senate now has under consideration the extension of the Mexican Farm Labor Act. It is, I believe, imperative that we take this opportunity to correct some of the demonstrated evils of the law. It is time that we face the problem as it is, and recognize that continuation of the present system will be a continuation of the degradation of America's farm labor force.

I support the efforts of the junior Senator from Minnesota to improve the working conditions of American and Mexican farm laborers alike. I am most pleased that I am joined in this support by many of the leading citizen organizations in this country, as an example of

which I cite a letter I recently received from Mr. Andrew J. Biemiller, director, Department of Legislation, American Federation of Labor and Congress of Industrial Organizations. I think Mr. Biemiller's letter is a concise and accurate statement of the situation, and I request unanimous consent that it be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 25, 1961.

Hon. OREN E. LONG,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: The Mexican farm labor importation program, Public Law 78, has been extremely harmful to American farmworkers who are undoubtedly the most poverty stricken single working group in our country. Public Law 78 has been a means of depressing the wages of our farmworkers and of cutting down job opportunities.

Under Public Law 78, 315,000 Mexican farmworkers were imported into the United States in 1960. This mass importation has been a major factor in maintaining the average farm labor wage well under $1,000 a year and in keeping the average number of days of farm labor employment around 138 days a year.

The Senate will shortly consider H.R. 2010, a bill to extend Public Law 78 for 2 years. This measure would make some minor changes in Public Law 78 but it would do nothing about the major abuses of this law. H.R. 2010, as reported, would still do serious harm to the wages and job opportunities of our citizen farmworkers.

We understand that Senator EUGENE MCCARTHY will offer two amendments to H.R. 2010 to combat the harmful effects of Public Law 78. One amendment would require growers who use imported Mexican workers to pay them at least the State or national average farm labor wage, whichever is the lower. The second amendment would provide that domestic workers employed on farms using Mexican workers would get comparable benefits to those provided the Mexican workers.

We urge you to support the McCarthy amendments. They are extremely necessary. Without them, H.R. 2010 would be so detrimental to several millions of our fellow citizens that it should not pass the Senate.

Sincerely yours,

ANDREW J. BIEMILLER,
Director, Department of Legislation,
AFL–CIO.

Mr. MCCARTHY. Mr. President, my amendment is offered as a substitute for section 505 of the committee bill. That section reads as follows:

> No workers recruited under this title shall be made available to any employer or permitted to remain in the employ of any employer unless the employer offers and pays to both domestic and foreign workers not less than the prevailing wage paid in the area to domestic workers engaged in similar work, as determined by the Secretary of Labor, and unless the Secretary of Labor determines pursuant to section 503(2) that such prevailing wage rate is not adversely affected by the employment of Mexican workers.

The committee amendment is intended to assure, or at least the declaration is made that it will assure, that an employer who employs both Mexican and domestic labor does not pay either of them less than the prevailing wage for domestic workers similarly employed.

On the face of it, this sounds significant, but in a realistic application it becomes almost meaningless.

The amendment adds little to the existing condition, and the Department of Labor holds that, at best, it has no practical value. The prevailing wage in some areas is as low as 30 cents an hour for American domestic workers performing agricultural work. The Mexican Government will not permit its nationals to work in the United States for less than 50 cents an hour.

So in this case the wage demanded and received by the Mexican nationals who come here under contract is 50 cents an hour. The prevailing wage paid to domestic workers performing similar work is 30 cents an hour. In some cases, there are no Americans, either migrant or nonmigrant performing the work, so the prevailing wage of the Mexican worker becomes the prevailing wage for that area.

The key problem is not the prevailing wage or whether the prevailing wage is being paid, but the fact that in many areas the prevailing wage for similar work is so low. In these cases the use of Mexican nationals has frozen wages of domestic workers at these low levels. The 50-cents-an-hour minimum required by agreement with Mexico, plus the fact that most of the workers are Mexican nationals, establishes in effect a ceiling on what is paid American workers in those areas.

My amendment is designed to correct in some small degree the depressing effect of the Mexican farm labor program on wages and employment opportunities of domestic workers.

My amendment would not terminate the Mexican farm labor program. It would have no effect at all in States which have been paying migrant and domestic workers wages which are reasonable, at least in a relative sense, and which are higher than the national hourly farm wage.

In California and other States where the prevailing wage is already above the national hourly farm wage it will have no bearing. The amendment simply provides that an employer must offer and pay Mexican nationals who are imported into the United States wages at least equal to 90 percent of the State or National average rate for hourly farmwork, whichever is the lesser.

In those States which have a record of relatively low wages paid to agricultural workers, my amendment would not require growers to pay 90 percent of the national average, but only 90 percent of the State average.

The table which I will include in the RECORD is clear evidence that if my amendment were now in force, the effect of the amendment would be moderate, and that it would not impose any undue hardship upon persons who employ Mexican nationals.

I would like to cite one or two examples to indicate what would happen if this amendment were in effect. In the State of Arizona, for example, where in 1960 some 14,000 Mexican nationals were employed at the peak of their employment, and overall some 19,000 were employed, the lowest wage rate which was paid to U.S. workers for work in which the Mexican nationals were also employed was 70 cents an hour. This was the lowest wage paid to them, and it was also the most common wage paid to them.

The average hourly farm wage rate without room and board paid in Arizona in 1960 was 97 cents an hour.

The effect of my amendment would be to require employers to pay Mexican nationals at least 90 percent of 97 cents an hour, which would be about 87 cents an hour, instead of the 70 cents an hour which many have been paid in recent years.

This is not an unreasonable request, and it would have, at best, only a slight effect upon improving the competitive position of the American farmworker who may be available in that area or who might otherwise make himself available.

In the State of Arkansas, which is one of the States in which the problem is very serious, the average which is paid to Mexican nationals is approximately 50 cents an hour, the minimum which is required under the law.

The effect of my amendment would be to require, taking into account 90 percent of the average rate in Arkansas of 73 cents an hour, payment to Mexican nations of 65 cents an hour, instead of the 50 cents an hour rate now being paid to them.

In the State of Texas, which contracted in 1960 for the employment of 112,000 Mexican nationals, the lowest rate paid to Americans performing similar work was 40 cents an hour, and the most common rate paid to Americans was 50 cents an hour.

The average hourly farm wage rate without room or board in Texas was 78 cents in 1960. My amendment would have the effect of requiring the growers in Texas to pay Mexican nationals at least 70 cents an hour, or 90 percent of the prevailing rate for agricultural wages in the State of Texas.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table which gives an indication of what wage rates would actually have to be paid to Mexican workers if my amendment were adopted. This table of estimates of the minimum offer for Mexican nationals if my amendment were in effect this year is evidence, I believe, that this is a moderate proposal.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[Lowest wage for Mexican workers permitted by the amendment [1]]

Arizona	$0.87
Arkansas	.65
California	.87
Colorado	.87
Georgia	.59
Illinois	.87
Indiana	.87
Iowa	.87
Kansas	.87
Kentucky	.73
Michigan	.87
Minnesota	.87
Missouri	.87
Montana	.87
Nebraska	.87
Nevada	.87
New Mexico	.76
North Dakota	.87
Oregon	.87

See footnote at end of table.

[Lowest wage for Mexican workers permitted by the amendment [1]]—Continued

South Dakota	$0.87
Tennessee	.56
Texas	.70
Utah	.87
Washington	.87
Wisconsin	.87
Wyoming	.87
United States	.87

[1] 90 percent of the average farm wage in the State or 90 percent of the average farm wage in the Nation, whichever is the lesser.

Mr. McCARTHY. Mr. President, it is my opinion that this formula is clear and objective. For many years the Department of Agriculture has been maintaining a quarterly series of farm wage rates by States. The Department gathers data on several types of farm labor arrangements. It compiles data on farm labor rates per month with house, per month with board and room, per week with board and room, per week without board and room, per day with board and room, per hour with house, per hour without board and room. These rates are published in a report "Farm Labor," issued by the Statistical Reporting Service of the Department of Agriculture.

Of these categories the hourly rate without board and room is a reasonable equivalent of rates paid to seasonal agricultural workers, and where piece rates are paid, these rates are converted to the hourly equivalents. Seasonal labor is almost universally paid either piece rates or hourly rates. The weekly and monthly rates are generally paid to regular hired men engaged in nonseasonal activities.

However, since the average hour wage rate series also includes some skilled workers, I have modified my amendment to take this into account and to provide that payment of 90 percent of the average hourly farm wage rate is the minimum the growers could pay the Mexican workers.

At the same time, this provision of 90 percent takes into account the fact that the Mexican nationals who are brought into this country have been given many fringe benefits which are not available to American migrants.

I wish to note for the RECORD some of the special benefits which, under the agreement with Mexico, must be provided for Mexican nationals.

It is a fact that Mexican nationals have much more in the way of protection. They have many more fringe benefits than are granted to American migrants. We can assume that these benefits are worth approximately 10 percent of the total wage which is paid to the Mexican nationals.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from California.

Mr. ENGLE. I have before me the amendment submitted by the distinguished Senator on August 25, 1961, which provides:

On page 3, lines 1 through 9, strike out all of section 505 and insert in lieu thereof the following:

I shall not quote the language, but I rise to inquire whether this is the amendment as to which the distinguished Senator is speaking at this time?

Mr. McCARTHY. The amendment to H.R. 2010?

Mr. ENGLE. Yes.

Mr. McCARTHY. That is the amendment. It is the only amendment I intend to offer to the bill.

Mr. ENGLE. I assume the amendment does not apply any standard to domestic labor which relates to the wages paid to the Mexican bracero; is that correct?

Mr. McCARTHY. The amendment applies only to Mexican nationals brought in under contract. It has no direct application to domestic migrants or to American workers. It merely requires that the Mexican nationals who are brought in—who now must be paid at least 50 cents an hour under the agreement with the Mexican Government—must be paid 90 percent of the average hourly farm wage rate in the State or the Nation, whichever is lower.

Mr. ENGLE. Will the Senator yield for a further question?

Mr. McCARTHY. I yield.

Mr. ENGLE. Why does the Senator think the language he proposes is preferable to the language in section 505 of the bill as amended and reported by the Committee on Agriculture and Forestry?

Mr. McCARTHY. Section 505 of the bill as reported by the committee provides that such laborers must be paid the same wage rates as are paid for similar work, which means, in effect, that there is really no standard. In many areas the standard is established by the Mexicans employed, since few, if any, American workers are employed in many types of work.

I cited figures earlier to show that in some States Americans working in the same area were paid only 30 cents an hour. In such a case, Mexican nationals, under existing agreements and arrangements, are paid 20 cents an hour more than Americans are paid.

If the committee amendment is agreed to, without a 50-cent minimum—which is now a matter of agreement between our country and Mexico—it would be necessary in these areas to pay only 30 cents an hour to Mexican nationals. The committee amendment deals with "prevailing wage" in the area. My amendment takes as a standard 90 percent of the State or National hourly farm wage, whichever is the lesser.

Mr. ENGLE. But not necessarily for workers engaged in similar work.

Mr. McCARTHY. The standard takes into account all hourly agricultural employment.

Mr. ENGLE. What the Senator is providing in the amendment he has offered is that there must be paid 90 percent of the national farm wage average, or 90 percent of the average for the area in which the person is employed, whichever is lower?

Mr. McCARTHY. In the Nation or in the State.

Mr. ENGLE. In the State. That is different from the amount prescribed in section 505, inasmuch as in section 505 it is stated that there must be paid not less than the prevailing wage in the area to domestic workers engaged in similar work.

Mr. McCARTHY. The Senator is correct.

Mr. ENGLE. The Senator believes that the language he has proposed in the amendment is better than the language which is in the bill at the present time, because "similar work" is frequently not very precisely defined and actually the State average for farmwork might be higher; is that correct?

Mr. McCARTHY. In every case, I think, the general State average rate for hourly farmwork is higher than that which is paid for Americans engaged in work similar to that which the Mexican migrants normally perform.

Sometimes Americans who are employed in the same field of work are paid less than Mexicans are paid.

Mr. ENGLE. If Mexicans are getting paid more than the domestic workers are paid, why is there a need for the amendment?

Mr. McCARTHY. The amendment is needed for two reasons.

If Mexican workers are being exploited that in itself is a sufficient cause to try to bring about some improvement in the situation.

The second point is that Mexican workers in some cases can be brought in under economically advantageous circumstances.

I shall state the situation for the Senator. There are about 500,000 migrant American workers in this country who to some degree compete with Mexican nationals. This is especially true in Texas. Some 300,000 Mexican workers were brought in last year and about 122,000 of those were employed in Texas.

Perhaps not most of them, but a large percentage of what we call domestic American migrants are displaced Texans. One can imagine a displaced Texan.

Mr. ENGLE. California is full of them.

Mr. McCARTHY. California is full of displaced Texans. What is set up is a kind of chain reaction. When a Mexican laborer is brought into this country, he may displace a Texan, and he in turn goes on up through the various routes that migratory workers follow.

Mr. ENGLE. In California our farmers pay the Mexican bracero more, and it costs the California farmer more for the Mexican bracero than it costs him for the domestic laborer. What the Senator is proposing in his amendment—and this is what puzzles me—is the payment to the bracero of 90 percent of the State average for State farm labor.

It seems to me as though the Senator from Minnesota is backing downhill.

Mr. McCARTHY. If there are people who are backing down, the Californians should back down and pay what is paid in Texas. However, because of a combination of forces, they are not able to back down.

Mr. ENGLE. I suppose that if I am for the braceros I should be opposed to the amendment of the Senator from Minnesota. If I am for the farmer, I should vote for the amendment. Is that correct?

Mr. McCARTHY. I do not think that is right. I think the Senator must take a stand so far as either the braceros or the growers in California are concerned.

I am sure that the Senator's humanitarian concern reaches beyond the borders of California. If the Senator is concerned about the braceros and also the domestic agricultural workers in the State of Texas, in the State of Arkansas, and in two or three other States adjoining California, he probably should support my amendment.

If the Senator wishes me to appeal to him on a selfish basis, I suppose I should say that he should be for the amendment, so as to force up wages paid to workers in Texas, some of whom are used to produce crops which compete with the crops produced in California, where relatively decent wages are paid—that is, relative to what is paid in this particular area of Texas. Producers in California may compete to some degree with the crops produced in Arkansas Some cotton is produced in California, is it not?

Mr. ENGLE. A very good quality.

Mr. McCARTHY. I could argue in terms of the Senator representing his State and, in doing so, eliminating unfair competition. On that basis the Senator from California should support my amendment.

I have stated two arguments, one of which is a selfish argument and the other an unselfish argument; one argument is humanitarian, the other more selfish.

Mr. ENGLE. Do I come out with an answer?

Mr. McCARTHY. Yes; the Senator from California can come out in favor of the amendment.

Mr. ENGLE. I thank the Senator. He has made a persuasive presentation.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. COOPER. I shall not argue the humanitarian objectives of the bill, but I should like to ask a question. Am I correct in my understanding that at the present time farm laborers are exempted from the application of the Wage and Hour Act?

Mr. McCARTHY. Domestic farm labor is exempt. Mexican nationals brought in under Public Law 78 are protected by a 50-cents-an-hour minimum wage under the agreement with Mexico.

Mr. COOPER. But under the Minimum Wage Act, all foreign labor is exempt. Agricultural workers are exempt.

Mr. McCARTHY. The Senator is correct.

Mr. COOPER. The amendment of the Senator from Minnesota would enable the Secretary of Labor to fix wages.

Mr. McCARTHY. It would enable him to fix the floor of wages for Mexicans, but no one else. It would not apply to Americans.

Mr. COOPER. The amendment would enable the Secretary of Labor to fix wages for agricultural workers employed in the United States.

Mr. McCARTHY. Yes, but not for Americans. We would not give him that privilege. In the long run it may be determined that standards that are good for Mexicans may be considered to be good standards for Americans also, but we have not yet reached that point.

Mr. COOPER. The Secretary of Labor does not have such power at present.

Mr. McCARTHY. The minimum wage rate for Mexicans is now established at 50 cents an hour. The Secretary cannot change the rate of 50 cents an hour. He cannot reduce it.

Mr. COOPER. My friend is saying that the Secretary of Labor has no authority today to fix wages for agricultural workers.

Mr. McCARTHY. The Senator is correct. He has the authority to decide whether or not farmers are paying prevailing wages, and whether, on that basis, such farmers may hire Mexicans. He cannot lower the 50-cent wage rate paid to Mexican nationals.

Mr. COOPER. I do not deny the humanitarian objectives of the Senator from Minnesota in supporting his amendment, but I oppose the amendment and all such provisions because I oppose the power of the Secretary of Labor to enter into the field of fixing wages for agricultural workers. If the wages of agricultural workers are to be fixed, I suggest that the question be decided by the Committee on Labor and Public Welfare, and let the wages be brought under the Minimum Wage Act.

Mr. ENGLE. Mr. President, will the Senator yield for a question?

Mr. McCARTHY. I yield.

Mr. ENGLE. Is it not a fact that when the State Department has an opportunity to negotiate agreements such as are now negotiated, in which wages are fixed, in effect we have given him, rather than the Secretary of Labor, the power to fix wages? Are not labor standards fixed through negotiations by the Secretary of State rather than the Secretary of Labor?

If we are entering into a program on the basis that we believe minimum wages should be established for agricultural labor—and the bracero program does so—Senators should oppose the amendment. The Senate ought to vote against the whole program now and forever. Any time the Secretary of State can negotiate a wage agreement, he fixes the wage. Any time a bracero is paid a particular wage, as he is in the State of California, that fact has a tendency to fix agricultural wages. There is no question about it.

The argument is made that domestics may not be paid less than Mexicans are paid.

In California we do not do so. It is the fringe benefits—the cost of the transportation, the bonding, and all the other costs that are incident to the Mexican program that make it more expensive for farmers.

Relative to what my good friend from Kentucky has said, I think I would prefer to have the Secretary of Labor, rather than the Secretary of State, fix the wage rates for braceros if anyone were to fix the rate. But I wish to make clear that I do not believe wages should be fixed in this country by any executive officer.

Mr. McCARTHY. What I am about to say does not apply to what the Senator from Kentucky has said, but it has been somewhat difficult for me to understand Senators who support this project, which I believe involves—I shall not say exploitation—but at least the employment of imported workers at wages which are lower than the average wages paid to American workers. When we move from the field of agriculture to the field of industry and talk about tariffs, quotas, and keeping out unfair competition, one argument among many is always raised that foreign producers do not pay their workers enough.

What is the difference in principle between bringing in finished goods which have been produced through labor which has not been properly paid and bringing in workers, paying them improperly, and then throwing the same product into competition with other products produced for which adequate wages have been paid?

I fail to see the distinction. I am against unfair competition from goods which are produced abroad by labor which is inadequately paid, and I am opposed to bringing in farmworkers who are paid depressed wages—wages below the average which is paid in this country—employing them in competition in this case with approximately 500,000 domestic migratory workers.

In the hearings, cases involving cucumber producers were cited. Pickle manufacturers came in with tears in their eyes and explained to us how they had tried to bring unemployed workers from Detroit into the cucumber-producing area. The explanation was that a producer brought a man up into the cucumber-producing country. He worked for 10 hours. When he had finished, he had earned very little. He quit and returned to Detroit.

It was said, "This proves he did not want to work."

It proved he did not want to work for comparatively low wages, but that is different from proving that he would not work if he were paid an adequate wage.

This witness was an expert. I did not know that anyone in America knew as much about cucumbers and pickles as did that man.

Mr. HART. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. HART. In fairness, the witness was a Michigan cucumber raiser, and in America no one else knows as much about the cucumber as does a Michigan producer—and properly so. We produce the best.

Mr. McCARTHY. How many varieties are there? Fifty-six? I thought there were some varieties that were not represented at the hearings.

Mr. JORDAN. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. JORDAN. I heard the testimony of the cucumber growers from the State of Michigan. As the testimony in the hearings will indicate, the farmer who hired braceros to pick cucumbers furnished the land, planted the crop, furnished the fertilizer, then gave the

braceros or the domestic workers one-half of the price he received for the cucumbers for picking them. That is a pretty fair price. The testimony was that they made considerably more than a dollar an hour. When a man gives anyone half of the price of the crop to pick it, the worker is doing pretty well, I think.

Mr. McCARTHY. It depends on what the crop amounts to. Fifty percent of nothing is not very much.

Mr. JORDAN. Producers do not plant pickles for fun.

Mr. McCARTHY. No; they do not plant pickles for fun, but they seem to think that picking cucumbers is great exercise. I should say that this man, after all, did not know everything about cucumbers. I was somewhat reassured when he could not tell me what the per capita consumption of cucumbers was. He said he did not know. He did tell us about what sensitive work it is to pick cucumbers. He told us about how delicate the vines are, and how it is necessary to pick up the vine very gently and to pick off the small cucumbers without bruising them; then let the vine down; then come back the next day and pick up the vine gently again to see whether any little cucumbers may have grown a little bigger.

At one point I suggested to him that perhaps the only people who could be trusted to do this kind of work, would be the celloist or the first violin of the Detroit Symphony, because it was necessary to have such a fine touch, such a sensitive hand, to be successful at this business of picking cucumbers. After he told me all about the work involved in picking cucumbers I was inclined to think that this was the kind of work that ought to bring a man $4 or $5 an hour, because it is really specialized work, and requires the hand of a truly rare genius to handle cucumber vines properly to—I was about to say to pick a pickle—to pick a cucumber.

Low or inadequate wages are not justified in order to provide the American people with a supply of pickles. This involves a crop that is not really a necessity, it is also true to a certain extent of other crops.

Mr. JORDAN. When the Senator gets away from cucumbers, I hope he will not forget that in California, Oregon, Washington, and other States other crops are grown in connection with which Mexican workers are also employed. The bill does not deal exclusively with cucumbers. Other producers are also involved.

Mr. McCARTHY. The Senator is quite correct. But in many cases they are used in the production of crops which are really not necessities. Perhaps I have used an extreme example in order to make my case. I should like to follow through a little further on the nature of the competition.

It has been said that the effect of this amendment is to set a minimum wage for agricultural workers, something the Congress has never legislated. This, I believe, is a misunderstanding of the language of the amendment. The amendment simply states what must be paid to Mexican workers before they can be contracted for work in this country. I believe that Senators who come from industrial States, who have constituents who work in factories, in steel mills, in textiles, would be concerned if several hundred thousand foreign workers were brought in to work in these industries. If there were a shortage of labor they would undoubtedly favor such a program. But I believe they would also be most careful to make certain that such workers were not brought in to work for 50 cents or 75 cents or even a dollar an hour.

This is not a minimum wage. It is rather a standard to indicate to the Department and to the growers the minimum which must be paid to citizens of another nation before they are added to our domestic labor force. This is a perfectly reasonable condition.

A minimum wage lays down a uniform level of hourly rates. It applies to all the employers in the same category. It guarantees the uniform rate to all the workers in that category.

My amendment does none of these things. It does not lay down a uniform rate, but one which can vary from State to State and year to year, depending upon economic conditions and trends in the particular State.

It does not apply to all employers of farm labor. In fact, it does not apply to any of them. Rather, it is simply the condition for the use of the offices of the U.S. Government to secure workers from another country. No farm operator who does not use Mexican nationals is required to pay any wage as a result of this amendment—and thus at the start over 98 percent of the American farms are excluded from direct effect by the amendment.

It does not apply to all migratory workers or to all farmworkers. It does not apply to any domestic worker who is employed by a grower who uses only domestic labor.

Of course, the amendment is intended to have some indirect effect on the farm labor market. If it were without indirect effect, there would be little purpose in it. It is intended to set a sufficiently high standard so that growers will be motivated to attempt some recruitment of domestic workers. It will have the effect of encouraging growers to offer more attractive conditions to domestic workers, unless, of course, there is no shortage, and in that case, growers may continue to secure domestic workers for 30, 40, and 50 cents per hour without any effect whatsoever from this amendment.

Mr. President, it should be clear that this is a moderate amendment. Where there is a shortage, growers will be able to secure Mexican nationals as before. In fact, it will clarify the program and remove the source of disagreement and litigation which has clouded the operation of this program and which has aroused a great number of religious and civic groups to oppose it.

Mr. President, I believe that few would deny that the unhappy conditions of work and living of migratory workers make a special claim on our conscience. This amendment will not solve all their problems or perhaps even their most serious ones, but it is a modest step in the proper direction.

I think this is a reasonable and fair proposal. I hope this minimum improvement in the farm labor program will be adopted by the Senate.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. WILLIAMS of New Jersey. Mr. President, I wish to express my strongest support of the amendment to H.R. 2010, proposed by the most able junior Senator from Minnesota. The Senator's amendment is a wisely conceived, equitable means of enabling farm employers to continue using Mexican citizens as farmworkers, while simultaneously preventing the use of such workers from lowering the wages and damaging the job opportunities of our own farmworkers.

I should like to emphasize that the amendment does not curtail the use of Mexican workers where there is a bona fide farm shortage. It merely draws a line—a most reasonable line, in my judgment—beyond which the use of Mexican workers will not be allowed to do damage to the American economy.

In our consideration of this matter, there is no need for an extensive elaboration of the workings of a free competitive labor market. We all know that a labor shortage causes an upward wage adjustment in a free labor market. Unfortunately, the operation of this basic economic principle has been stultified by the importation of large numbers of Mexican workers for U.S. farmwork. This has come about because Public Law 78 does not contain sufficient safeguards to prevent the use of Mexican workers from adversely affecting the wages and job opportunities of American workers.

Senator McCARTHY's amendment offers a constructive means of correcting the wage part of this problem. The amendment would affect only those areas where the use of braceros has caused wages of American workers to stagnate or decline. Its practical effect would be that, in these areas, before braceros could be made available, there must be a showing that employers have offered to them a wage rate equal to 90 percent of the State or National farm wage rate, whichever is lower.

This is a most reasonable proposal, Mr. President, for it is designed to restore free enterprise principles to our farm labor market without imposing an undue burden on employers of bracero workers. Affected employers are not even required to offer wages equal to those offered by other farmers in their same State. It does not require them to offer wages equal to those offered by other farmers throughout the Nation. It only requires them to pay 90 percent of the average farm wage rate of their State or 90 percent of the national average—whichever is lower.

The amendment would not have any affect at all on the approximately 3.7 million American farmers who would not use Mexican workers. It would affect only those less than 50,000 farms that do request Mexican workers.

Even for these 50,000 employers the proposed amendment would not make mandatory the payment of any specific wage. Employers always have the alternative of doing without Mexican labor; large farm employers who follow this course are to be found in even the areas in which Mexican workers are most highly predominant.

No one will deny, I am sure, the necessity of preventing foreign workers from undercutting wages of American citizens. Let us look then at the evidence on this question: it shows that the wages of American workers are in fact being undercut by Public Law 78.

U.S. Department of Labor wage rate data for 1960 clearly demonstrate that damage has occurred to wages of American farmworkers. These data, covering the same State and the same work performed by Mexican nationals, show that the most common hourly wage rate paid American workers was about an average of 21 cents lower than the average hourly farm wage rate for the whole State. Piece rates in these States were also generally lower.

The national wage-rate decline of 10 percent in cotton harvesting since 1952 is even more significant—for more braceros are used during cotton harvesting season than in any other crop. At the height of the season in October of 1960, for example, more than 40 percent of all Mexican nationals employed in the United States were employed in this crop.

Viewed in its local context the low wages of American workers in heavy bracero-using areas becomes even more apparent. Surveys in some of these areas in Arkansas in 1960 and 1961 disclosed that American farmworkers were being paid rates between 30 and 40 cents an hour. These rates compare with that State's own average hourly rate of 73 cents for farmwork in 1960.

This comparison, it should be emphasized, is not between a low State average and a high national average. The comparison is between a low rate paid an American worker in a particular county in Arkansas with the average rate for all farm workers in that State.

A comparable situation exists in the Rio Grande Valley of Texas. Wages of 40, 45 and 50 cents an hour for American farm workers were found to prevail extensively while the State average hourly farm rate stood at 78 cents an hour last year.

The decline in wage rates of the American migratory farm worker provides another valuable yardstick in measuring the harmful effect of Public Law 78. U.S. Census Bureau and Department of Agriculture data, during the period generally parallel to the bracero program, 1952–59, show a marked decline in the daily earning of our migratory workers. These daily earning figures, which include both hourly and piece rates, show a decline from $6.90 a day in 1952 to $6 in 1959. The full data for this period are:

Year:	*Daily earning figures*
1952	$6.90
1954	6.40
1956	8.05
1957	6.45
1959	6.00

Coupled with Public Law 78's adverse effect on wages is the serious unemployment and underemployment problem in this country today, particularly in rural areas.

The extent of unemployment is considerably greater among farmworkers than among other workers in the labor force. During 1960, the average annual rate of unemployment for farmworkers was 8 percent. This compares with an average of 5.6 percent for nonagricultural workers. During the first quarter of 1960, when seasonal farmwork was at its low point, the rate of unemployment among farmworkers was 14.1 percent. Even in the third quarter of the year, when farm employment was at its peak, the unemployment rate for farmworkers was higher than the rate for other workers.

Underemployment, like unemployment, also affects farmworkers more seriously than it does nonfarmworkers. In 1960, for example, the monthly average of unemployed farmworkers stood at 11.5 percent. The comparable figure for nonfarmworkers was a low of 4.6 percent.

In view of these high rates of rural unemployment and underemployment, it seems clear that many jobs now filled by braceros could be performed by domestic farmworkers. In fact, studies indicate that some of this unemployment and underemployment is directly related to the bracero program. A 1959 USDA survey of southern Texas migrant farmworkers revealed that these migrants worked an average of 131 days during 1956 and were unemployed for 70 days. Male heads of households worked an average of 174 days and were unemployed for 89 days.

I would add here that there is good reason to believe that many of these Texas workers join the migrant stream northward, because of the importation of Mexican workers into areas that would normally be their year-round homes. When this occurs, there is real damage to their wages and job opportunities; they have no choice but to move away from their home area to search for work.

It has been said by some opponents of reform of Public Law 78, that domestic workers will not accept the bracero type jobs no matter what is done to improve their working conditions. The point seems to be that American farm workers will not perform stoop labor. This is contrary to the facts. More foreign workers are used in the cotton harvest, involving primarily stoop labor, than in any other crop in this country. Yet about four-fifths of the entire peak seasonal labor force in this activity is comprised of domestic workers.

Domestic workers account for approximately 64 percent—64,200—of all the workers employed at the peak of the tomato harvest, the second largest crop in which foreign workers are used. Even in Texas, California, Arkansas, and Arizona, domestic workers constitute the majority of the peak farm labor force—during the same time, in the same States, in the same areas and in the same work, as braceros.

We know also that innumerable American workers are employed in a variety of difficult and unpleasant jobs, such as the stoop farm labor already mentioned; mining, a most hazardous occupation; operation of garbage trucks, sewer maintenance, cesspool workers, and many others.

Where reasonable wages and working conditions prevail, domestic workers are often available in sufficient numbers for stoop labor, as well as other activities. For example, the States of Idaho, Ohio, Oklahoma, Oregon, and Washington hire virtually no foreign workers. But all of these States have substantial stoop labor requirements and pay the national average wage rate of 97 cents or above.

Ohio had a peak employment figure of 28,320 domestic workers in August 1960, of which more than 12,000 were employed in harvest activities involving stoop labor. Ohio paid an average farm wage rate of $1.08 last year.

Oklahoma paid an average of 97 cents an hour, and had almost 29,000 domestic workers involved in stoop labor harvest activities, with a peak of 34,875 in farm work for the State in October 1960.

Direct evidence on this point was reported by the Sunday New York Times of July 16, 1961. The Times article noted that Robert E. Brewington, an Arkansas cottongrower in a heavy bracero-using area, stopped using Mexicans 2 years ago. Mr. Brewington said that with adequate supervision domestic crews performed well and that "I can always get enough day-haul labor any time I need it."

We must use our domestic rural manpower; we must offer employment opportunities to these people. We cannot hope to do so by allowing the situation under Public Law 78 as it exists now to continue. We should accept this amendment, or we should not extend the Mexican labor program.

Many knowledgeable people concerned with this problem have strongly urged reform in this area; some have, in fact, urged repeal of Public Law 78. The Department of Labor, the administrators of Public Law 78, believe reform of the program is essential, and the present administration is backing them fully in this position.

Is it not true that the administration has indicated, through the Secretary of Labor, that the Senator has support from that source for his amendment?

Mr. McCARTHY. That is true. The administration has indicated support for my amendment. It recommended a somewhat broader amendment than the one I am proposing. My amendment is somewhat reduced, really, in its effect and in its extent as compared with what the administration originally proposed.

Mr. WILLIAMS of New Jersey. While it is true that the amendment has application primarily to the braceros coming into the country, would it effect an improvement in the wage situation for our domestic migratory workers?

Mr. McCARTHY. I would hope that it might have at least an indirect effect in that direction. If the lowest wage paid to a Mexican migratory worker were raised from 50 or 60 cents to 75 cents, it might move the employer to search a

little harder for an American farmworker who might be available at a little higher wage.

Mr. WILLIAMS of New Jersey. I believe I heard the Senator say that where Mexicans were used, their wage frequently became the ceiling for all wages in the area.

Mr. McCARTHY. Yes, for similar work in the area.

Mr. WILLIAMS of New Jersey. I thank the Senator.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. CASE of New Jersey. Mr. President, H.R. 2010 is clearly inadequate as a solution to the problem of preventing the competition of Mexican bracero labor from disastrously undercutting wage standards and employment conditions of seasonal farm labor in the United States.

When Public Law 78 was enacted in 1951 for the regulation of Mexican farm labor in this country, it was designed to provide a means of replacing the large numbers of domestic farm workers who were drafted during the Korean conflict. The law provided for minimal wage and housing standards for bracero labor, and at the same time created U.S. Government machinery for the transportation and placement of this labor. The measure was not intended to create a permanent pool of inexpensive Mexican labor to the detriment of American workers, but was rather a temporary measure to fill the gap caused by the increased draft.

The Korean conflict is long since over, the domestic farm labor force has regained its former proportions, the farm labor shortage is all but non-existent, the Nation is in a period of unusually high unemployment, yet Mexican labor is still widely used at wage levels which are economically impossible for most American workers. Because of the low level of the Mexican economy in relation to that of the United States, Mexican farm labor accepts wages which are substandard for American workers. In fairness to both Mexican and American farm labor, the law must be changed.

H.R. 2010, I repeat, is inadequate to the problem. The amendment to that bill which Senator McCARTHY has proposed would go a considerable way toward alleviating the situation. His amendment was originally included in S. 1945, which I sponsored with him. If incorporated in the bill now before the Senate, the proposed amendment would accomplish two highly worthwhile objectives: First, it would require that bracero labor receive payment at a rate approximately equivalent to prevailing domestic wages, and second, it would thus enable domestic American farm labor to compete on more even terms with Mexican migratory labor.

With unemployment at an unconscionably high level nationally, and American domestic farm labor afflicted with chronic unemployment and underemployment, I believe we have no alternative but to adopt this amendment.

Of course the McCarthy amendment, important as it is, deals with but one facet of the complex problem of migrant labor in this country. Recently the Senate approved legislation providing for improved health services and educational opportunities for migrant workers and their families and for the registration of employers of migrant workers. There is much more to be done, and no single measure will solve the entire problem. But the McCarthy amendment would be a real forward step. I urge its adoption by the Senate.

Mr. HART. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. HART. As was the case in the discussions in the Committee on Agriculture and Forestry, I am delighted to support the position and the amendment proposed by the Senator from Minnesota.

This I do not do lightly, because, as has already been indicated, it is my privilege to represent, in part, a State which is a very large user of migrant and foreign labor. Certainly it is a source of labor supply which is essential to the Michigan farm economy.

Last year, at the peak, more than 11,000 Mexican nationals were employed on Michigan farms. At the same time, more than 66,000 domestic seasonal workers were employed on Michigan farms. These included many migratory workers from as far distant as Texas.

My study of the labor situation in Michigan agriculture and the sum total of the advice which I have been able to obtain from informed experts within the State persuade me that the Mexican labor program should be continued, and I support its continuance. However, I am gratified that the administration and the Secretary of Labor support the continuation of this program at this time.

Nevertheless, as I did in committee, and do now, I strongly support the attempt of the distinguished Senator from Minnesota and other Senators to obtain significant amendments to the bill reported by the Committee on Agriculture and Forestry. I note for the RECORD two reasons for so doing.

First, I support the amendment to establish wage standards for Mexican labor because it is right that such standards be incorporated in the law. I am aware of the fact, as are other Senators, that a decrease in the supply of labor, other things being equal, would create a rise in the wage level. We are also aware that an increase in the supply of labor, other things being equal, would result in downward pressure on wage rates. It is clear to me that the Mexican labor supply made available by Public Law 78 constitutes the type of increase in labor supply which exerts a downward pressure on wage rates. Thus I understand and agree with the administration's contention that the Mexican labor program has in fact produced an adverse effect upon the wages of U.S. farmworkers; and I believe it only proper that the continuation of this law be premised upon wage standards which will substantially prevent the depressing effect that has occurred in the past.

Certainly I see nothing unreasonable in requiring that the farmer who desires Mexican labor should pay them average wages. The average hourly wage in Michigan as published by the U.S. Department of Agriculture was $1.07 in 1960. However, the national average in this same year was only 97 cents, and 90 percent of that level—which is the target established by the McCarthy amendment—would amount to only 87 cents. This would be the lowest wage which Michigan farmers could pay Mexican nationals if the McCarthy amendment is accepted. I believe that this is a moderate—perhaps even excessively moderate—wage standard for such a foreign worker program, and I believe that Michigan agriculture and the representatives of the agriculture of most other States in the Nation will agree.

As I have said, I support this principle because I believe it is justified and morally right. I wish to make clear, however, that I also support the amendment because I believe that its passage is essential to preserving the Mexican labor program. It has now been well documented that the availability of Mexican labor has been very harmful to U.S. workers, in some parts of the country through the 10 years in which this program has been in existence. It has been documented that in many areas the wages offered to our own farmworkers have been frozen at ridiculously low levels, 35 to 50 cents per hour, through operation of the Mexican labor program.

This is but one of numerous evidences that the Mexican labor program is verging on a scandal in some parts of the country. This is becoming widely recognized among the influential, opinion-setting groups of the population. I am convinced that any failure to correct these evil results which flow from the Mexican labor program will lead to the complete elimination of this program. This I would think unfortunate and I suggest to the Senate that the substantial reform which would make the extension of this program tolerable to its responsible and respected critics is the way to preserve the Mexican labor program.

This has been recognized also by the administration in its recommendation that the program be extended if, and only if, it can be corrected to avoid the serious defects found in it.

The agricultural industry, it seems to me, has a special interest in bringing itself into conformity with labor standards that are found acceptable by other elements in our society. Agriculture, with its special economic problems, has been particularly dependent upon the assistance of other elements of the population in working out the legislative remedies for overproduction and price problems. The elected representatives of all elements of the population have been aware of agriculture's needs and have reacted affirmatively to those needs through support of a great body of legislation. However, the fact that the elected representatives of urban and industrial areas have in fact taken this view consistently through the last 25–30 years does not mean that this cooperation is automatically assured. The representatives of urban and industrial constituencies are particularly aware of the need to protect and preserve and develop proper labor standards, and to wipe out exploitation of working men whatever their national origin. I believe that leadership of the farm community is

coming to realize that it cannot on the one hand close its eyes to the pressing need for improved labor standards in agriculture while on the other hand continuing to receive the unstinting support of the representatives of nonagricultural interests.

In summary, I call for support of the amendment of the Senator from Minnesota in the interest of common decency, in the interest of cutting out the cancer that can and will destroy the Mexican labor program if we permit its continuance, and in the interest of preserving wide support including the support of urban representatives in the continuation of enlightened farm support programs.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a summary of Mexican labor as it affects Michigan agriculture, prepared by the Department of Labor.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

MICHIGAN

MEXICAN-WORKER EMPLOYMENT

At the peak of 1960 there were 11,151 Mexican nationals employed in Michigan. They were used in all but two of the nine agricultural reporting areas of the State, with the largest concentration in the four central areas.

At the peak of Mexican employment (August 15), 66,546 domestic seasonal workers were employed in all agricultural activities in the State, and 17,426 were employed in the same areas and activities as Mexicans. These included many migratory workers from Texas.

ACTIVITIES AND EMPLOYERS OF MEXICAN NATIONALS

Most of the Mexicans were used in the cucumber harvest, while smaller numbers were employed in a variety of activities including the harvest of tree fruit, miscellaneous vegetables, and the cultivation of sugarbeets.

Mexican workers were employed on 3,921 individual farms in 1959, 3.5 percent of the 111,817 farms in the State according to 1959 Census of Agriculture.

WAGE DATA

Approximiately 80 percent of the Mexican nationals work in the cucumber harvest where their pay is based on a special piecerate formula. A Department of Labor survey of Mexican earnings in 1960 found the average hourly equivalent of these piece rates to be 87 cents per hour. In other crop activities where small numbers of Mexican workers were employed in 1960, the most common hourly wage rates paid were 85 cents and $1.

The U.S. Department of Agriculture average hourly farm wage without room or board in 1960 was $1.07 in Michigan, and 97 cents nationally.

EFFECT ON PROPOSED LEGISLATION

In picking cucumbers, where most of the Mexican nationals are used, the principal effect of the proposed legislation on piecerates paid would be an adjustment yielding an increase in earnings of 10 cents per hour the first year, and none in the year following.

In other crop activities, employers paying $1 per hour would not be required to increase the hourly rate since it exceeds the national average hourly wage. Growers paying 85 cents per hour would be required to increase the hourly wage 10 cents per hour the first year and 2 cents the year following.

EFFECT ON FARMERS GENERALLY

As commercial producers of vegetable and fruit crops, many Michigan growers are affected indirectly by the conditions under which braceros are used in other States. These Mexican workers comprise about 25 percent of the Nation's peak hired work force in vegetable harvesting, and around 10 percent in fruit production. The additional production and marketings made possible by these additional workers undoubtedly exerts downward pressure on the prices received by other fruit and vegetable producers.

Mr. HART. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a list of individuals and organizations which have expressed in letter form, to me, their support of the amendment offered by the Senator from Minnesota, which is now pending.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Department of Christian Social Relations, Maryland Council of Churches.
Young Christian Workers Movement of the United States.
Department of Rural Education, National Education Association.
United Papermakers and Paperworkers, AFL–CIO.
American Veterans Committee.
League of Catholic Women, Gratiot County, Mich.
Michigan Migrant Ministry, Division of Home Missions, National Council of the Churches of Christ.
Young Women's Christian Association of San Antonio, Tex.
National Board of the Young Women's Christian Association.
Amalgamated Meat Cutters and Butcher Workmen, AFL–CIO.
National Consumers League.
National Farmers Union.
National Sharecroppers Fund, Inc.
Bishops' Committee for Migrant Workers.
Workers Defense League.
Michigan Farmers Union.
American GI Forum of New Mexico.
Woman's Division of Christian Service, Board of Missions, the Methodist Church.
Commission on Christian Social Action, Evangelical United Brethren Church.
League of Catholic Women, Saginaw County, Mich.
United Church Woman of Michigan.
Bishops' Committee for the Spanish Speaking.
Spanish Catholic Action, Archdiocese of New York.
Council of Catholic Women, Saginaw Diocese, Michigan.
American GI Forum of the United States.

Mr. KUCHEL. Mr. President, will the Senator yield for a question at this point?

Mr. McCARTHY. I wish to make an observation before yielding to the Senator from California.

I may say to the Senator from Michigan that I did not intend to single out Michigan for any special attention. It so happens that the witnesses were from Michigan; and on the record, Michigan employers have done relatively well in this field. They have been paying Mexican nationals about 87 cents an hour, which is what they would be required to pay them if my amendment were adopted.

I now yield to the Senator from California.

Mr. KUCHEL. Is it not true that under the law the State government must first determine that there is insufficient domestic labor available to harvest the crops before any Mexican nationals may be made available for temporary assistance to the farmers of such a State?

Mr. McCARTHY. So far as I know, the determination is made by the Secretary of Labor, not by the State.

Mr. JORDAN. That is correct.

Mr. KUCHEL. Does not the Secretary of Labor consult with the State government before making such a determination?

Mr. McCARTHY. I do not know that he is required to do so. I assume he probably does, because one of the determinations which must be made is the existence of a shortage of domestic labor which can perform this work and which is willing, able, and available. So I assume he would have to consult with State employment officials.

Mr. KUCHEL. Is it not a fact that that is precisely what the Secretaries of Labor under Democratic administrations and under Republican administrations have done?

Mr. McCARTHY. I assume they have.

Mr. HART. Mr. President, will the Senator from Minnesota yield for a question with respect to the statement of the Senator from California.

Mr. McCARTHY. I yield.

Mr. HART. I think the key point is the realization that if the obligation with respect to wages is such that the offer to domestic laborers is too low to attract responsible domestic labor, the gate is open for the Mexican. The purpose of the McCarthy amendment is to insure an offering sufficiently high to attract domestic labor which is responsible, if it seeks this opportunity; and then, and only then, will the Secretary permit the machinery of the Immigration Service to bring in Mexican labor.

Mr. McCARTHY. The Senator from Michigan is quite correct. The changes which I am proposing, as well as some of those which we are not offering, were recommended by Mr. Mitchell, Secretary of Labor in the previous administration, and are again recommended by Mr. Goldberg, the Secretary of Labor in this administration, the argument being that some standard such as this is necessary to administer the program effectively.

Mr. JORDAN. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. JORDAN. In answer to the question just propounded by the junior Senator from Michigan, the very thing which he says would permit the Secretary of Labor to fix the wages of a domestic worker would be the same as if he carried out the very policy which the Senator has discussed.

Mr. HART. I would have no qualm or resistance if that were the effect; but I think it is not the effect. It does not fix the domestic wage. It takes the domestic wage and provides that if the farmer wishes to use the immigration route to bring in labor in competition with American labor, he shall offer 90 percent of whatever the domestic wage is.

Mr. McCARTHY. That is the effect of my amendment.

Mr. JORDAN. If the Senator will read the report, he will find that before Mexican labor can be brought into this country at all, it is necessary to offer comparable wages. The bill provides that now.

Mr. HART. I think the Senator from Minnesota, in developing his opening argument in support of his amendment, has made the response which I shall adopt to the Senator's statement. In the judgment of those who signed the minority views, this is a delightful recital in the bill but does not seek an objective of the kind we seek.

Mr. JORDAN. The Secretary of Labor cannot certify Mexican labor until it has been determined that domestic labor cannot be obtained. That provision is in the law, and it has been in the law all the time. The bill spells it out again.

Mr. McCARTHY. The Senator is correct.

That is the point at issue. It is necessary to get domestic workers who are willing to work at the prevailing wages. Those wages are frequently so low that even when domestic labor is available, or when American workers are unemployed, they will not accept such wages. We are attempting by the amendment to obtain a standard which can be used by the Secretary of Labor in deciding whether to permit Mexicans to come into this country, and as a guide for an employer to decide whether he wishes to bring in Mexican workers.

Mr. JORDAN. The bill also provides that the employment of such workers shall not adversely affect the wages or working conditions of domestic agricultural workers employed in similar work. If bringing in Mexican workers would affect domestic migrant labor, the farmer may not bring in Mexicans.

Mr. McCARTHY. That is correct. The key words are "similar work." In Arkansas, where American workers are paid 30 cents an hour for similar work, bringing in Mexican workers could not possibly have an adverse effect upon the workers in Arkansas; it might have a good effect. It could not possibly adversely affect them, because they are getting 20 cents an hour less than would have to be paid Mexican nationals.

Using that standard would not have a depressing effect on their wages.

Mrs. NEUBERGER. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mrs. NEUBERGER. The Senator from Minnesota has shown real concern for workers in the United States, both American and Mexican, and I congratulate him.

Mr. President, in dealing with the Mexican farm labor program, the question is, How temporary is "temporary"?

Often a temporary building carries a "temporary" designation even though it may be 40 or more years old. I think specifically of some of the governmental office buildings in Washington, D.C.

And sometimes a temporary piece of legislation, written during a time of crisis, is extended and reextended for many years. I hope we can stop this practice in one area.

I refer to the Mexican farm labor program.

When this bill, H.R. 2010, was reported from the Committee on Agriculture and Forestry with some minor amendments, five of us on the committee signed supplemental views. My able colleague from Minnesota [Mr. McCARTHY] has worked hard to point up the deficiencies in the existing law.

In our supplemental views we noted:

> Public Law 78 was enacted in 1951 at a time of labor shortage during the Korean conflict. It began as a temporary program, but it has been extended by Congress four times. During this period the farm labor force has declined, technological change in agriculture has continued at a rapid rate, and unemployment and underemployment have increased as rural problems. Yet at the same time the Mexican farm labor program has expanded greatly.

On page 8 of the report on the bill, table I shows that the total number of Mexican nationals contracted by year from 1951, when there were 192,000, to 1960, when there were 315,846, has increased by 123,846.

During this 10-year period the number of farm operators and unpaid family workers has decreased more than 2 million. At the same time the number of hired workers employed has decreased from 2,236,000 to 1,869,000. The loss is 367,000.

There is no labor shortage in our Nation, either in the vast cities of the East and Midwest or in towns or on farms. The purpose for enacting Public Law 78 has passed.

Out in my home State of Oregon there are fewer than 350 Mexican farm laborers. They help harvest our pear crop. They are paid $1.44 per hour.

The Department of Labor believes this hourly wage of $1.44 in Oregon is the highest received by Mexican farm laborers in this country. And I am thankful that in my State the wage scale is that high.

But this is not the case elsewhere. The Department of Labor estimates the national average wage is around 70 cents per hour. It can be less.

In our minority report on the bill we said:

> We do not believe that anyone can accurately establish the extent of the need for this program under the existing practices.

We do know that low wages paid Mexican nationals in turn depress the salary level for domestic workers. The Department of Labor may authorize the hiring of Mexican nationals when local workers cannot be obtained at the prevailing wage in the area for the type of work.

The Department of Labor has found that in some counties this year the hourly wage is 30 to 50 cents per hour.

If we apply the provisions of Public Law 78 there is no incentive for an employer to pay higher wages.

In my July newsletter to Oregonians, I asked:

> Is it an insult to our Mexican neighbors that they will do work which Americans won't do, or is it an insult to American farm workers that Mexicans are given working conditions and emoluments that they do not receive?

Under the treaty negotiated with Mexico, nationals from that country are assured adequate housing, transportation costs and health care and insurance. Farmworkers who are U.S. citizens do not receive equal treatment.

If we should vote to continue this program—as Senator McCARTHY has asked—we should amend H.R. 2010 so that it contains a provision limiting the use of Mexican nationals to employers who have made reasonable efforts to attract domestic workers at terms and conditions of employment reasonably comparable to those offered Mexican nationals. We should insist that the minimum wage paid imported and domestic migratory workers be 50 cents per hour or more.

And we should seriously consider amending legislation which will assist the Secretary of Labor in determining whether Mexican nationals should be certified. It is a responsibility of Congress that it should provide the Secretary of Labor with guidelines within which he can work.

The Washington Post editorial, "Peonage," which appeared in that newspaper August 24, 1961, had pertinent observations on Public Law 78. It says, in part:

> In its present form, the law is a depressant to the whole agricultural economy. The peonage it imposes ought not to be perpetuated.

Mr. President, I ask unanimous consent that the editorial be reprinted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PEONAGE

We hope that the Senate, under pressure for adjournment, will not join the House in extending Public Law 78 for another 2 years without amendments. This law, due to expire at the end of 1961, fixes the conditions under which several hundred thousand itinerant farmworkers from Mexico—braceros they are called—are allowed to cross the border and harvest crops in the western and southwestern States of this country.

Public Law 78 was a most useful statute when it was first adopted. It put a floor under the starvation wages which were then being paid to the desperate Mexican peons who were willing to work at any price. But that floor—50 cents an hour—has now become a ceiling for wages paid to American farmworkers in the same area. It is a wage ceiling which has the effect of condemning thousands of American farmworkers to peonage—to a condition of hopeless destitution for themselves and homeless ignorance for their children.

Public Law 78 needs to be brought up to date—by lifting that long outdated 50-cent minimum to a level, as Senator EUGENE McCARTHY has proposed, no less than the average farm wage in the State or in the Nation, whichever is the lesser. In its present form, the law is a depressant to the whole agricultural economy. The peonage it imposes ought not to be perpetuated.

Mr. McCARTHY. Mr. President, Public Law 78, of the 82d Congress, was enacted in 1951 as a temporary emergency measure, to ease the labor shortage which existed at the time of the

Korean conflict. But this law has been renewed four times since then; and now we are in the year 1961, 10 years later. Almost every time the question of renewal of the law has been under consideration, it has been argued that it would be well to extend it for only a few years more, and by the end of those few years the emergency would be over. However, 10 years have elapsed, during which time there has been no significant change—certainly no significant legislative change. The only change has been that the Mexican Government has suggested that unless certain concessions were made, it would cut off the flow of Mexican nationals into the United States; so, in a sense, the improvements have been dictated from Mexico, rather than on our part, and thus have taken into account chiefly the welfare of Mexican farmworkers, but not the welfare of American nationals who engage in this form of labor.

Mr. MUSKIE. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. MUSKIE. It has been argued that the Senator's amendment in effect undertakes to establish a minimum wage for agricultural workers; that that has never been done in this country; and that if it is to be done, it should be done by means of an amendment to the minimum wage law, which should be referred to the Committee on Labor and Public Welfare and considered there as such.

Until I read House bill 2010, it seemed to me that that argument had some merit. But I ask the Senator from Minnesota whether, on the basis of the argument which has been made, he can distinguish between his amendment and the language of the bill we are considering, which itself, it seems to me, undertakes to establish a minimum wage.

Mr. McCARTHY. The difference is really one of procedure. The substance of my amendment is essentially the same as the substance of the language of the bill, except that it would be limited to employment in similar work, which would be used as a basis for establishing a standard. I propose that 90 percent of the average hourly wage paid for all agricultural workers in the State or the Nation be the standard used. But in terms of the question of principle which has been raised, the bill as reported by the committee is as much in violation of what has been described here a principle as is my amendment.

Mr. MUSKIE. In other words, Senators who oppose this amendment on the basis that it undertakes to establish a minimum wage for agricultural workers ought also to oppose the pending bill?

Mr. McCARTHY. Or at least section 505 of the Committee bill.

Mr. MUSKIE. Yes.

Mr. McCARTHY. The question is one of the method or procedure for determining what the wage shall be, rather than a difference in principle.

Mr. MUSKIE. I thank the Senator.

Mr. McCARTHY. I thank the Senator from Maine for making that point. Those who wish to act on the basis of principle in connection with matters of this kind should be able to act somewhat more freely, now that the Senator from Maine has clarified the point.

Mr. PROXMIRE. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. PROXMIRE. Is it not true that the Secretary of Labor has testified that the experience of 10 years with the operation of this program—that is, the importation of hundreds of thousands of Mexican agricultural workers—shows that the program has adversely affected the wages, employment, opportunities, and working conditions of domestic migrant laborers?

Mr. McCARTHY. That is quite correct; that was the testimony of the Secretary of Labor.

Mr. PROXMIRE. So, on the basis of that testimony, it seems to me that insofar as the employment of American citizens is concerned, serious consideration might be given to a proposal to abolish this entire program.

If we attach great weight to the welfare of hundreds of thousands of persons, as to whom the documentation has been overwhelming—so much so, that the Columbia Broadcasting Co. has referred to this situation as a "Harvest of Shame"—it would be proper to abolish the whole program, unless it were substantially improved, would it not?

Mr. McCARTHY. The Senator from Wisconsin is quite correct.

The consultants appointed by President Eisenhower stated in their report:

> There is reason to believe that the real or presumed shortage of domestic agricultural labor could in large measure eventually be eliminated if more satisfactory wages and conditions of work were offered to domestic farmworkers and if the farm labor market operated on a more rational basis.

Mr. PROXMIRE. So it is conceivable—and perhaps, on the basis of simple economic principles, very likely—that if 300,000 Mexican nationals did not come into the United States to compete with domestic agricultural workers, the wages, working conditions, and certainly, the employment opportunities for American agricultural workers would significantly improve. Is not that true?

Mr. McCARTHY. That is entirely correct; and in this respect the point of view of the Senator from Wisconsin is shared by the Committee appointed by President Eisenhower, who said:

> However, the committee doubts whether it is possible to prevent adverse effect on our citizen agricultural work force by such use of imported workers until and unless the law provides the necessary enforceable authority to prevent adverse effect.

The committee stated that it was its opinion that such importations had had an adverse effect upon wages and general working conditions and opportunities for employment among domestic agricultural workers.

Mr. PROXMIRE. Is it not true that that position was also taken by Secretary of Labor Mitchell when he indicated, as I understand, that he would oppose extension of the law and the entire program unless substantial reforms were made, reforms similar to the very modest kind the Senator from Minnesota is calling for?

Mr. McCARTHY. That is correct. The quotations I have most recently submitted for the RECORD are from the list of recommendations of the committee of consultants to Secretary of Labor Mitchell. This committee of consultants included Mr. Glenn E. Garrett, Msgr. George G. Higgins, Mr. Edward J. Thye, and Dr. Rufus B. von Kleinsmid.

I ask unanimous consent to have the recommendations of the consultants printed at this point in the RECORD.

There being no objection, the recommendations were ordered to be printed in the RECORD, as follows:

EXTENSION OF MEXICAN FARM LABOR PROGRAM—RECOMMENDATIONS

(A review and discussion of the factual background led to the following recommendations. Six of these involve the law itself, and one relates to the procedures by which the law is administered.)

A. CONTINUATION OF PROGRAM

The Mexican farm labor program, administered under the terms of Public Law 78, has always been thought of as an emergency program designed to meet a temporary need for supplementary agricultural labor. Although the law was amended several times, its basic purpose was never changed. It is still intended to relieve temporary shortages of unskilled labor.

Do the original arguments in favor of the "Bracero" program still apply? In the judgment of the committee, it is impossible to give a definitive and unqualified answer to this question. On the one hand, it can be argued that all of the labor needs of American agriculture are not, and in the foreseeable future will not be available from domestic sources. On the other hand, it can be contended that the shortage of domestic agricultural labor does not constitute a real emergency, except in certain crops and areas and that, even in these specific cases, the shortage is not unavoidable. More specifically, there is reason to believe that the real or presumed shortage of domestic agricultural labor could in large measure eventually be eliminated if more satisfactory wages and conditions of work were offered to domestic farmworkers and if the farm labor market operated on a more rational basis.

Furthermore, the renewal of Public Law 78 without changes in 1961 would almost certainly tend to postpone the adoption of necessary reforms and would tend to increase rather than diminish the shortage of domestic farm labor.

The arguments for and against the renewal of Public Law 78 are not entirely conclusive. As a practical judgment, however, the committee has concluded that, on balance, the case in favor of renewing Public Law 78 on a temporary basis is more conclusive than the arguments against its renewal.

However, the committee doubts whether it is possible to prevent adverse effect on our citizen agricultural work force by such use of imported workers until and unless the law provides the necessary enforceable authority to prevent adverse effect. Part II of this report shows clearly the continuing problems in administering the law as presently written. In order to provide effective tools by which the Secretary of Labor may continue to authorize the orderly importation of Mexican nationals only where necessary and justified, the committee has incorporated in this part of the report its recommendations for changes in Public Law 78. The committee's support of a temporary renewal of Public Law 78 is conditioned on its being substantially amended so as to prevent adverse effect, insure utilization of the domestic work force, and limit the use of Mexicans to unskilled seasonal jobs.

To overcome the shortcomings of Public Law 78, several basic principles need to be established and incorporated into the legislation. This may be done in a preamble, or by means of amendments to specific sections of the law. These principles are included in the recommendations in items "B" through "F" listed below.

B. LIMITATIONS ON USE OF MEXICAN NATIONALS

The legislation should clearly confine the use of Mexicans to necessary crops in temporary labor shortage situations and to unskilled, nonmachine jobs. To accomplish this, the committee recommends that the law be amended to: (a) prohibit employment of Mexicans in specific occupations involving year-round employment such as ranch hands, general farmhands, and other types of nonseasonal employment; (b) prohibit employment of Mexicans in machine operations such as sorting and packing machines, tractors, irrigation equipment, etc.; and (c) delete present provision authorizing the Secretary of Agriculture to designate "necessary" crops on which Mexicans can be used, unless this provision can be clarified and implemented. To avoid undue hardship to growers who have been employing Mexicans in categories (a) and (b), provision might be made for a gradual termination of such employment over a 1-year period.

C. RECRUITMENT AND AVAILABILITY OF DOMESTIC LABOR

1. The law should authorize the Secretary of Labor to take such action as may be necessary to insure active competition for the available supply of domestic agricultural workers. The objective of the Secretary should be to reduce reliance on Mexican labor. Some ways in which this could be done include: (a) limit the ratio of Mexicans to domestic workers on individual farms, (b) and limit the number of Mexicans in any particular crop-area to a specific proportion based upon previous years' experience.

2. Sections 503(1) and 503(3) of Public Law 78, both of which relate to the availability of domestic labor, should be combined. The test of availability of domestic labor, which must be made before the use of foreign workers may be authorized, should be clarified and strengthened. The law should clearly stipulate that the primary responsibility for the recruitment of domestic workers rests with the employer himself. The law should direct the Secretary of Labor not to certify as to the unavailability of domestic labor unless: (a) Employers have undertaken positive and direct recruitment efforts in addition to the efforts of the public employment offices. Such efforts should be made sufficiently in advance of the need. They might include, but not be restricted to, publicizing needs, participation in dayhauls, providing adequate housing and transportation. (b) Employment conditions offered are equivalent to those provided by other employers in the area who successfully recruit and retain domestic workers; (c) domestic workers are provided benefits which are equivalent to those given Mexican nationals, i.e., transportation, housing, insurance, subsistence, employment guarantees, etc.; (d) employers of Mexican nationals offer and pay domestic workers in their employment, no less than the wage rate paid to Mexican labor.

D. ADVERSE EFFECT CRITERIA

The test of adverse effect on wages and employment, which, if threatened, precludes authorization of Mexican workers, should be more specific. The Secretary should be directed to establish specific criteria for judging adverse effect including but not limited to: (a) Failure of wages and earnings in activities and areas using Mexicans to advance with wage increases generally; (b) the relationship between Mexican employment trends and wage trends in areas using Mexican workers; (c) differences in wage and earning levels of workers on farms using Mexican labor compared with nonusers.

E. WAGES

The Secretary should be authorized to establish wages for Mexicans at no less than the prevailing domestic farm rate in the area or in the closest similar area for like work; and no less than a rate necessary to avoid adverse effect on domestic wage rates.

F. GENERAL RULE

While there is inherent authority to issue implementing regulations, Public Law 78 should be amended to include specifically a provision authorizing the Secretary to promulgate such rules and regulations as he deems necessary to effectuate the requirements of the law.

G. ADMINISTRATIVE PROCEDURE

Although many of the problems in connection with the Mexican farm labor program can be resolved only by changes in Public Law 78, there is much that can be done through administrative procedures.

1. It is believed that additional progress could be made if adequate staff resources were available so that the Secretary could make the fullest use of the authority he does have to evaluate carefully all requests for foreign labor. Emphasis should also be given to developing procedures and regulations which will avoid, to the greatest extent possible, adverse effect in their employment.

2. It is recognized that many facets of the Mexican importation program have been decentralized and that other parts of the program are administered through the affiliated State agencies and their local offices. While this undoubtedly results in economies, there is also a serious danger that local pressures and considerations may distort the original intent of the program. It is therefore suggested that sufficient controls and checks be developed to offset this possibility.

3. For more effective administration of the compliance aspects of the importation program, consideration should be given to the possibility of punitive action against violators which would be less severe than complete withdrawal of Mexicans. Failure to provide less severe penalties often results in no punitive action at all.

4. It is recommended that a tripartite advisory committee be established to advise the Secretary on the Mexican farm labor program. The committee should consist of representatives of management and labor in equal numbers and of public members.

In recommending changes in Public Law 78, and in the administration of the law, the committee is mindful that these proposed changes will not, of themselves, solve the long standing and complicated manpower problems of American agriculture and may not substantially improve the wages and working conditions of domestic farm labor. These recommendations should therefore be considered minimal in nature.

Mr. GLENN E. GARRETT,
Msgr. GEORGE G. HIGGINS,
Mr. EDWARD J. THYE,
Dr. RUFUS B. VON KLEINSMID,
Consultants to the Secretary.
Mr. WILLIAM MIRENGOFF,
Executive Secretary.

Mr. JORDAN. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. JORDAN. I should like to point out to the Senator that any defect in this law can be charged back to the Secretary of Labor, because he cannot certify any Mexican worker until he has found that no domestic labor is available to do the work. So if he has certified that such Mexican labor is needed in order to do the work, the fault is his.

Mr. PROXMIRE. The answer is that no American agricultural labor is available if the wage offered to be paid is 35 cents an hour—which the record shows is the amount that is paid in Arkansas—and the same is true when any of the other very low wages are offered; and they are documented on page 8 of my supplemental views.

If people are to insist on paying wages this low, they are not going to find Americans able to work at such low wages. On the other hand, if working conditions are improved and wages are increased, the pool of persons who are willing to work will increase.

In the State of Wisconsin last year we employed more than 1,000 Mexican nationals, and we employ many others. I am convinced that if wages were higher in my State, many American farmworkers would be willing to work.

Mr. JORDAN. Mr. President, if the Senator will yield, so long as they are drawing as much in unemployment compensation or relief as they could make while working, they would rather do that than work for the money.

I should like to refer to a State which has the most braceros; namely, California. I think California is at the top of the list.

Mr. PROXMIRE. California and Texas.

Mr. JORDAN. California is just under Texas. According to the Secretary of Agriculture, the average rate in California for the braceros and domestics is $1.25 an hour. California is next to the top State in the use of braceros, and it now pays 10 cents higher than the minimum wage. So it is not a question of how much is paid to those persons; it is a question of how many are available to work.

North Carolina does not use any braceros, so there is nothing selfish about this.

Mr. McCARTHY. The cucumber growers of North Carolina manage without importing workers.

Mr. JORDAN. We are not large producers of cucumbers, but we have many small cucumber producers, and the total amounts to a fair-sized production. Domestic workers do that work.

Mr. PROXMIRE. The Senator from North Carolina is very fairminded, and he is an expert in this area.

It seems to me what the Senator from Minnesota is trying to do is provide a wage standard for the Secretary of Agriculture to apply which is a little higher; and, after all, it is very modest. It is still the fact that the average State or national wage for the farmworker is low. This is not a prohibitive level. This is the level that would be preferred by the Secretary of Labor who will administer the program? Is that correct?

Mr. McCARTHY. The Senator is correct. I wish to quote from the testimony of the Secretary of Labor, Mr. Goldberg, with regard to standards to be applied in determining what the wage rates should be. He said:

We now know, however, that the prevailing wage principle applied to a massive foreign worker program tends to prevent wages from rising. That this has actually oc-

curred over the last 8 years, to a serious extent in many areas, is now a matter of common knowledge.

The Secretary continued:

In areas where a large number of Mexicans are used, it is difficult to arrive at a valid method for determining the prevailing wage required to be paid Mexicans so as not to reflect merely the wage received by those workers from year to year.

Where there are only Mexicans, or a large percentage of the work force in similar work is made up of Mexican nationals there is no other base on which to determine what they should be paid.

I continue to quote:

The Department has made strenuous efforts during the last few years to avoid this. These efforts have not met with success. And in some areas the employers of Mexican labor have initiated wage increases designed to overcome adverse effects of the Mexican labor importation. Unfortunately, these have been in the minority.

In numerous other areas the wage rates in the specific activities in which Mexican workers are employed have remained static or even declined. To illustrate, Mexican nationals were employed in 1951, after Public Law 78 was enacted, at an hourly wage of 50 cents per hour in Arkansas, Missouri, Texas, and New Mexico. Ten years later, in 1960, this was still the rate normally paid braceros in most areas in these States. In the meantime, of course, the average wage rate for all hourly paid farmworkers in these States as well as in the Nation as a whole was increasing significantly.

Secretary Goldberg continued:

The availability of braceros at these static rates throughout this 10-year period has tended to place a ceiling upon the wage offered U.S. workers engaged in similar work in the areas where braceros are employed.

Secretary Goldberg went on to summarize the problem—which I think is of concern to us—of administrative difficulty, and asked that we clarify and establish workable standards:

In far too many areas employers have not, since the inception of this program, voluntarily introduced any wage increases and have vigorously opposed any efforts of the Department to give meaning and effect to the statutory responsibility of the Secretary not to make Mexican workers available under circumstances which would adversely affect the wages and working conditions of our own agricultural workers. We have found ourselves in endless litigation challenging the validity of the Department's policy and criteria to prevent such adverse effect even where the policies of the Department would require the payment of wages which would produce minimum earnings of 50 cents per hour.

In the light of this experience and in view of the unrelenting resistance to the Department's efforts to carry out its responsibilities under Public Law 78, we have concluded that statutory standards should be prescribed by the Congress to avoid the continuous and irksome friction that has characterized the program; and which has in effect tended to impair the safeguards which the law purports to provide.

To this end—

The Secretary concludes—

the administration recommends an amendment, as contained in S. 1945, which would require employers with labor shortages sufficient to warrant bringing in foreign workers to offer to such workers wages at least equal to the statewide or national average rate for hourly paid farm labor, whichever is the lesser.

This is essentially the amendment which I am offering, though I have modified it to read 90 percent of the statewide or national average.

We have gone beyond that and say, since in the average we take into account the higher paid farmworkers and the fact that Mexican nationals are paid fringe benefits—by way of medical aid, housing, transportation costs—90 percent of the average paid in the State is a wholly fair standard to apply.

I ask unanimous consent that the statement given to the Senate Subcommittee on Agricultural Research and General Legislation by the Secretary of Labor, Mr. Goldberg, on June 13, be printed in the RECORD at this point, and also a letter from Secretary Goldberg to me stating his position on the committee bill.

There being no objection, the statement and the letter of Secretary Goldberg was ordered to be printed in the RECORD, as follows:

EXTENSION OF MEXICAN FARM LABOR PROGRAM, TUESDAY, JUNE 13, 1961, U.S. SENATE, SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION OF THE COMMITTEE ON AGRICULTURE AND FORESTRY

STATEMENT OF HON. ARTHUR J. GOLDBERG, SECRETARY OF LABOR

Secretary GOLDBERG. Senator JORDAN and Senator HART, I have a prepared statement which I will deviate from, so I would like at this time to offer it for the record. I will not read it verbatim, but I will make comments about it, if that meets with your approval.

Senator JORDAN. Yes, sir.

The prepared statement of Secretary Goldberg is as follows:

"I welcome this opportunity to present the views of the administration and to express my personal views on legislation which this committee is considering for improving the Mexican labor program and for its extension for an additional 2 years.

"To remove any doubt as to the administration's position, I would like to state at the outset that we are not advocating the termination of the program. On the contrary, fully mindful of the uncertainty of meeting the labor requirements at this time of our agricultural producers entirely from our own labor supply, we recommend the extension for a 2-year period of Public Law 78—the law which provides the basic authority for the Mexican labor program.

"But it should be equally clear that the administration opposes any extension of this law unless it is appropriately amended to provide sorely needed protection for our own workers; protection against the rampant competition for available jobs from an almost inexhaustible reservoir of foreign workers accustomed to work for wages and under conditions which compared with ours are substandard and which we have long relegated to the past.

"The basic question is—do we not have a solemn responsibility to our own workers to provide safeguards against the adverse impact upon their wages, working conditions, and employment opportunities that must inevitably flow from the large scale use of foreign supplemental labor.

"There are two bills presently before this committee, H.R. 2010 and S. 1945.

"H.R. 2010 would merely extend Public Law 78 for an additional 2 years without amendment. S. 1945 would extend the program for 2 years but with basic amendments to protect the interests of domestic agricultural workers. The amendments are as follows:

"1. Authorize the Secretary of Labor to limit the number of Mexican nationals that may be employed by any one employer to the extent necessary to assure active competition for domestic workers.

"2. Require growers to offer conditions of employment to domestic workers comparable to those they must provide Mexican workers.

"3. Prohibit the employment of Mexican workers in other than temporary or seasonal work or in work involving the operation of power-driven machinery.

"4. Provide that employers using Mexican workers must pay them wages at least equivalent to the statewide or national average rate for hourly paid farm labor, whichever is the lesser. The maximum increase in any one year would be the equivalent of 10 cents per hour.

"The administration supports S. 1945.

"Programs for the admission of Mexican agricultural workers have been with us for almost 20 years. The present program stems from governmental arrangements concluded during World War II. At no time during the war years did the numbers exceed 175,000 in any one year. With the cessation of hostilities the program tapered off until the Korean emergency again created manpower stringencies. The need was felt for an orderly method of supplementing available domestic workers, and in 1951 Public Law 78 was enacted. The law, implemented by an international agreement with Mexico in the same year, has been extended, with minor amendments, from time to time since then.

"Under Public Law 78 approximately 200,000 Mexicans were brought in annually between 1951 and 1953. From that time it increased until it reached a peak of approximately 445,000 in 1956. In 1960 due to mechanization of the cotton harvest the number decreased to about 315,000.

"During the House consideration of similar legislation this year, considerable argument was advanced designed to show the need for a continuation of the program. Since the administration is not opposing an extension of an improved law, such arguments are not relevant. The sole question which we are now considering is what terms and conditions are necessary, when admitting Mexican workers, to avoid undermining the economic conditions of our domestic farmworkers.

"Approximately 2,200,000 American farmworkers who depend for their livelihood on farm employment are in some measure affected by the Mexican labor program. But the impact of mass importation of foreign agricultural workers falls with the greatest severity upon our migrant agricultural workers—the segment of our labor force whose shocking living and working conditions have increasingly become the subject of public scrutiny in the press, over the radio, on television, in the pulpit, and in the Halls of Congress.

"The majority of American migrants, moving in vast streams out of the South and Southwest each spring, exist for the most part in a shadowy world of poverty, privation, lack of opportunity and living conditions intolerable by any standards. Each year approximately 500,000 American farmworkers migrate with their families in order to avoid either unemployment or low wages at home. All too frequently they are quartered in unsanitary and substandard housing; transported in unsafe buses and trucks which has subjected them to a high incidence of accidents resulting in death and serious injury. Because they are constantly on the move, their children are denied the opportunity to receive a minimal education, while restrictive residence requirements deny them public health and welfare services. The conditions of these families are an affront to American concepts of human dignity.

"The unpleasant truth is that the migratory labor system in the United States is based on underemployment, unemployment, and poverty. This is not a small problem. The Department of Agriculture estimates that underemployment alone in rural areas of our Nation is the equivalent of 1,400,000 fully unemployed people. The earnings of agricultural workers average barely over $1,000 a year.

"Farmworkers are excluded from minimum wage, unemployment insurance, almost all workmen's compensation legislation and most other social legislation. In addition, they are excluded from legislation which protects the right of workers to organize and bargain with their employers.

"We, as a nation, take pride in our concern for the dignity of the individual; but the apathy that has been demonstrated toward this lingering social problem seems to us to be an abdication of our responsibilities. At a time when we are engaged in a a bitter struggle to advance the cause of democracy throughout the world this social and economic blight at home has become a matter of embarrassment to the United States.

"The emphasis in our foreign aid policy is reflecting a greater concern for the individual in the underdeveloped countries throughout the world. We are accenting the need for improving the standard of living of these poverty ridden people. While we have necessarily expended hundreds of millions of dollars in this effort, we must equally measure up to our responsibilities toward our own agricultural workers who, in our midst live in poverty and degradation. The conditions under which these men and women live and work is contrary to our democratic institutions and ideals. In the interest of simple humanity we should not tolerate these conditions.

"The present administration is firmly of the view that the time for studying the migrants' problem is past; the time for remedial action is long overdue. This blemish in our social order must be eradicated. While some progress has been made it is not nearly enough.

"For its part, the Department of Labor is now considering ways and means of improving and extending existing programs for farmworkers in order to assure greater continuity in employment and higher earnings.

"To me it appears highly inconsistent, however, to attempt to improve the lot of the migrant workers through the series of bills which the Congress is now considering while requiring these workers to complete, without adequate legal protections to safeguard their interests, with an inexhaustible supply of foreign workers.

"The nature and size of the Mexican labor program substantially interfere with the normal operations of the law of supply and demand in the labor market. The inexorable result is to stabilize or depress the wages of our own farmworkers in areas where Mexican braceros are employed. My concern over this problem was shared by my predecessor in office, the distinguished James P. Mitchell. It has been highlighted in a report of a committee of prominent consultants who were appointed by Secretary Mitchell to study the matter.

"Although we are concerned with the impact of the Mexican labor program on the economic conditions of domestic farmworkers, we are in no way critical of the Mexican workers as individuals. We value them highly as respected neighbors. They have proved to be dependable and competent workers and have contributed a great deal to the Nation's agricultural production.

"To meet these problems, the administration recommends the enactment of Senator McCarthy's bill, S. 1945. This bill is designed to assure that the Mexican labor program remains a truly supplemental labor program rather than a program to substitute Mexican workers for U.S. workers.

"We have been urged by many groups and individuals to oppose any extension of Public Law 78. This position, we believe is too extreme. The administration's proposals would extend the program for 2 years with reasonable and moderate amendment.

"First, the Secretary of Labor would be provided with authority, in connection with his certifications under section 503, to limit the number of foreign workers who may be employed by any employer to the extent necessary to assure active competition among farmers for the services of U.S. farmworkers.

"As I indicated above, we find that because of the Mexican labor program, there has been a substantial deterioration of employer recruitment programs and of the labor relations practices designed to maintain a stable and productive work force. The results are that employers of Mexican workers frequently pay lower wages to domestic workers than the employers in the same activity and area who depend upon U.S. agricultural workers. They are under no real compulsion to attract additional U.S. farmworkers, with results that are clearly adverse to the interests of our own farmworkers.

"The most tangible result of the ready supply of Mexican workers is its depressing effect upon wages. The failure to make the special effort to offer other working conditions that are necessary to maintain a satisfied work force, however, may be even more detrimental to U.S. farmworkers and a significant factor in the failure to obtain them.

"All efforts to protect our farmworkers from these effects of the Mexican labor program in a meaningful manner heretofore have been unsuccessful. Clearly, employer responsibility to recruit and retain U.S. farmworkers is required in the law. The incentive for employers of Mexican workers to do a better job of domestic recruitment and labor relations will be increased under this amendment. Where necessary, each employer of Mexican workers will be required to maintain a fair, specified proportion of domestic agricultural workers in his work force.

"In this connection, I am somewhat disturbed by allegations that our domestic workers are an unstable and unreliable source of labor; that employers experience, notwithstanding their best recruitment efforts, large turnover in their domestic labor force. In my judgment this is a most unjust characterization of our domestic agricultural labor force.

"Thousands of farmers throughout the country depend exclusively upon domestic agricultural labor to plant, cultivate, and harvest their crops. It is evident that when dealing with a large number of domestic workers or foreign workers there will be those in both categories who will not fulfill their obligations. In varying degrees, some Mexican workers have failed to complete their contracts without justifiable reasons. I think it is significant that approximately 500,000 domestic migrant workers year by year leave their homes in search of employment. It is inconceivable to me that these people would be willing to subject themselves to the privations and hardships under which they live and travel if they were not sincerely and genuinely interested in obtaining remunerative employment. We should also take note that to a great extent they move from the low wage areas to seek better employment opportunities.

"My experience convinces me that the stability of a work force is directly related to the efforts and interests of the employer in providing the worker with satisfactory employment. A dependable work force is obtained not alone by the payment of transportation. While this may be a significant factor in obtaining the workers in the first instance, whether a worker is satisfied with his employment depends in a large measure upon day-to-day treatment accorded him by his employer; it depends upon the interest the employer manifests in his welfare; it depends upon the wages and working conditions, the housing provided him and a variety of other factors which employers who successfully recruit and retain workers have learned are important in assuring themselves of a competent and dependable work force.

"I would like to point out that generally where decent wages and working conditions are offered, domestic labor is available. It is available, for example, in the State of Washington where wages are $1.25 an hour, as compared to 50 cents an hour in other areas and, where growers participate in an annual worker plan, and sometimes advance transportation costs to American migrants. It is available in the State of Oregon where the State legislature has enacted legislation improving conditions for American farmworkers. It is available in northern California, where American workers can earn as much as $1.50 an hour on some tree crops. On the other hand, we cannot expect to attract domestic workers to areas which pay less than 50 cents per hour.

"I have also heard from time to time the complaint that domestic workers will not accept certain agricultural employment, such as 'stoop labor,' regardless of the wages and working conditions offered. This contention does not square with the facts. Good cases in point are the States of Mississippi and Louisiana. In the early days of the Mexican labor program, these States used a substantial number of Mexican workers. The employers in these States, however, decided that it was in the best interest of the local economy to utilize domestic agricultural workers and are no longer employing Mexican labor. In these States, as in many other States, domestic agricultural workers are performing 'stoop labor.' For example, More foreign workers are used in the cotton harvest than in any other crop. In this activity which involves exclusively 'stoop labor' four-fifths of the entire labor force is comprised of domestic agricultural workers.

"Approximately 64 percent (70,000) of all the workers employed at the peak of the tomato harvest, the second largest crop in which foreign workers are used, are domestic agricultural workers. Approximately 39,000 Mexicans are used in this activity at peak, almost all in the State of California.

"Even in Texas, California, Arkansas, Arizona, and New Mexico, the five States using the greatest number of Mexican workers, the majority of the total hired agricultural labor force during the same time, in the same States, in the same areas and in the same activities, are domestic workers.

"The theory that domestic agricultural workers will not accept work which is unpleasant or undesirable is not supported by the facts. Innumerable American workers are employed in a variety of difficult and unpleasant jobs, such as mining, operation of garbage trucks, sewer maintenance, cesspool workers, sand hogs, boiler stokers, blast furnace workers, and others.

"It is thus apparent that the allegations that domestic workers will not accept the type of employment for which Mexicans are used is without foundation.

"For the reasons I have stated I believe that the administration's proposal to permit the Secretary of Labor to limit the number of Mexican workers employed in the United States is necessary to stimulate more vigorous recruitment programs to the end that there will be a greater utilization of the domestic labor force.

"The second substantive amendment provided in S. 1945 would make Mexican workers available only to employers who have made reasonable efforts to attract domestic

workers at terms and conditions of employment reasonably comparable to those offered to foreign workers.

"Under existing law, the Secretary of Labor must certify, before foreign workers may be made available, that domestic workers have been offered wages and standard hours of work comparable to those offered to Mexican workers. No provision is made for offering to domestic workers the other material benefits which, under the Migrant Labor Agreement, are provided the Mexican workers. These include workmen's compensation or occupational insurance coverage for the Mexican farmworkers, as well as free transportation, free housing, subsistence when work is not available, written contracts, and work guarantees.

"S. 1945 would condition the availability of the Mexican workers to any employer on the employer's offer to domestic farmworkers, not only of comparable wages and standard hours of work, but also of other comparable benefits.

"The effect of this amendment is that the available job offers would be made more attractive for domestic workers at costs for such benefits generally the same as those the employer now incurs when he obtains Mexicans. It would also remove the anomaly and injustice that has done so much to arouse public sentiment against Public Law 78, its maintenance of higher labor standards for foreign workers than those accorded our own workers.

"The amendment does not require precisely the same terms and conditions to be offered as are extended to Mexicans. It is contemplated that appropriate recognition would be given to the differences between the situation of the domestic workers and the foreign workers.

"For example, for local workers who have their own homes in the area of employment, it would not be reasonable to require the employer to offer free housing. Local workers would be reimbursed with monetary allowances in lieu of housing and of daily transportation to the job when these benefits are not provided. The requirements that local workers be offered a written contract, the three-quarter guarantee of employment, and subsistence payments would be waived in instances where they are clearly inappropriate.

"The principal impact of certain features of the amendment relates thus to recruitment of nonlocal workers. Those assurances should make acceptance of out-of-area seasonal farm employment a feasible choice for many more unemployed and underemployed.

"The provision of comparable benefits to domestic migrants poses some special problems as it relates to housing. The obligation to provide free housing, as is provided Mexican nationals, should not be expanded, on a mandatory basis, to the free provision of family housing for dependents not part of the work force. Here again a monetary allowance of roughly equivalent to the cost of housing a single worker can be provided.

"We are, of course, aware of the complaint filed by some employers of unsatisfactory results from their recruitment of distant workers. Cases have been cited in which workers transported at the employer's cost have not completed the work required for the harvest. Here I would like to advert to my previous observation that generally the dependability of a work force has a direct relationship to the treatment accorded the workers and the terms and conditions of their employment. For example, a study made by the State of Washington in 1958 disclosed that approximately 100 crew leaders with 3,600 workers were recruited in Texas through the annual worker plan, directed and coordinated by the Department of Labor, for employment in the State of Washington. Farmers in the State of Washington advanced more than $110,000 to those crew leaders by sending cashiers' checks or Western Union money orders to them in care of the Texas Employment Commission's local officers. All but two of these crew leaders reported for work with crews and proved eminently satisfactory—the total loss $250. This is only one illustration which, I am sure, can be duplicated throughout the country.

"While the experience of many other employers who provide transportation to workers has been gratifying, the Department recognizes that many employers are honestly and legitimately concerned with the uncertainties involved. Accordingly, we propose to provide that the employer who chooses may, in lieu of providing transportation in advance, agree rather to reimburse workers for their transportation costs, after the fact, in proportion of the agreed contract which the worker fulfills. However, this should not permit practices that are less liberal than those prevailing in the area. This will, I believe, remove any reasonable objection on the part of employers to paying for domestic workers, as they do for Mexican workers, the cost of transportation to the job and of their return home on completion of the contract.

"Fear has been expressed by some that the Department of Labor, in proposing that domestic farmworkers be afforded terms and conditions reasonably comparable to those provided Mexican workers, is seeking broad discretionary power which might be exercised in an arbitrary manner. The area of uncertainty seems to be centered around a method of converting transportation and housing allowances in cash payments.

"I find it rather strange that this same fear has not been manifested in connection with a present provision of Public Law 78. Under that provision, in any case in which a Mexican worker is not returned to the reception center, the employer is required to pay an amount determined by the Secretary of Labor to be equivalent to the normal cost to the employer of returning other workers to the reception center. The administration of this provision involves the exercise of discretion on the part of the Department. Although thousands of dollars have been paid by the growers to the United States on the basis of estimates made by the Department of Labor, there has been no accusation of any arbitrary or capricious action on the part of the Department. As a matter of fact the Department on its own initiative in 1954 proposed and obtained an amendment which provided authority to relieve employers of double assessments which were required in some cases under the provisions of the law.

"In the light of this experience, fear of arbitrary action on the part of the Department is certainly not well founded. Far from granting new undefined authority to the Secretary, of the 'comparable terms and conditions' principle is specific and limited. The terms and conditions provided the Mexicans are spelled out in considerable detail in the agreement with Mexico. These would provide a specific outer limit upon what the employer would be required to offer to domestic workers. To me, it is indeed, anomalous that a citizen of the United States who presents himself for employment in this country can under the law be told that foreign workers are entitled to greater benefits when employed in the United States than he can obtain. U.S. citizenship thus becomes a liability in the United States.

"We also recommend an amendment contained in S. 1945 to prohibit generally the employment of Mexican workers admitted under Public Law 78 in other than temporary or seasonal work or in work involving the operation of power-driven machinery. The Secretary could grant temporary exceptions where he believes this necessary to prevent undue hardship. He would use this authority to permit gradual adjustment where farmers are now dependent upon Mexican workers for year-round or machine jobs.

"Although we believe that the Mexican labor program when initially enacted was viewed as a means of meeting seasonal shortages of unskilled field hands, this purpose was not specified in the law. Consequently, we now have substantial numbers of braceros employed on mechanical equipment and additional thousands in year-round jobs. In view of the substantial underemployment and unemployment characteristics of our own farm work force, the alleged shortage of U.S. workers for skilled and year-round jobs are believed to reflect problems of wage levels and employee relations rather than true shortage of labor. We believe that the Congress should so conclude, leaving the Secretary with discretion only to grant temporary exceptions in specific hardship cases. We are not now even considering the question of stoop labor but of employing braceros to operate costly machinery and in year-round occupations. In my opinion, there is no question but that domestic workers will accept such employment provided that the wages and conditions of work are reasonable. Whenever there is a need for additional workers for year-round employment which cannot be met from our domestic labor force, they should be admitted under the provisions of the Immigration and Nationality Act which deals with the permanent admission of workers for employment in the United States.

"The administration's recommendations for legislation extending the Mexican labor program, as contained in S. 1945, would also enact into law a definite policy with respect to wages of Mexican workers that must be offered and paid by employers seeking authorization to employ such workers.

"The prevailing wage principle that has been our basic guide in this matter is a proper protection for Mexican workers and must continue to be used for this purpose. We now know, however, that the prevailing wage principle applied to a massive foreign worker program tends to prevent wages from rising. That this has actually occurred over the last 8 years, to serious extent in many areas, is now a matter of common knowledge.

"In areas where a large number of Mexicans are used, it is difficult to arrive at a valid method for determining the prevailing wage required to be paid Mexicans so as not to reflect merely the wage received by those workers from year to year.

"The Department has made strenuous efforts during the last few years to avoid this. These efforts have not met with success. And in some areas the employers of Mexican labor have initiated wage increases designed to overcome adverse effects of the Mexican labor importation. Unfortunately, these have been in the minority.

"In numerous other areas the wage rates in the specific activities in which Mexican workers are employed have remained static or even declined. To illustrate, Mexican nationals were employed in 1951, after Public Law 78 was enacted, at an hourly wage of 50 cents per hour in Arkansas, Missouri, Texas, and New Mexico. Ten years later, in 1960, this was still the rate normally paid braceros in most areas in these States. In the meantime, of course, the average wage rate for all hourly paid farmworkers in these States as well as in the Nation as a whole was increasing significantly.

"The availability of braceros at these static rates throughout this 10-year period has tended to place a ceiling upon the wage offered U.S. workers engaged in similar work in the areas where braceros are employed.

"To these illustrations of static wages in the presence of substantial Mexican employment can be added many others. Of the 123 wage surveys made in 1960 in specific areas and activities employing Mexican workers,

it was found that the wage prevailing among U.S. workers had remained static from the previous year in 67 percent of the cases. It had actually declined in 15 percent. In the face of generally rising farm wages, this tendency to remain stable or decline where Mexican workers are employed is, in my view, a direct outgrowth of the Mexican labor program. This is a central problem in the way the Mexican program operates today, and the reason why we urgently need corrective guidelines of the type proposed in S. 1945.

"In far too many areas employers have not, since the inception of this program, voluntarily introduced any wage increases and have vigorously opposed any efforts of the Department to give meaning and effect to the statutory responsibility of the Secretary not to make Mexican workers available under circumstances which would adversely affect the wages and working conditions of our own agricultural workers. We have found ourselves in endless litigation challenging the validity of the Department's policy and criteria to prevent such adverse effect even where the policies of the Department would require the payment of wages which would produce minimum earnings of 50 cents per hour.

"In light of this experience and in view of the unrelenting resistance to the Department's efforts to carry out its responsibilities under Public Law 78, we have concluded that statutory standards should be prescribed by the Congress to avoid the continuous and irksome friction that has characterized the program; and which has in effect tended to impair the safeguards which the law purports to provide.

"To this end, the administration recommends an amendment, as contained in S. 1945, which would require employers with labor shortages sufficient to warrant bringing in foreign workers to offer to such workers wages at least equal to the statewide or national average rate for hourly paid farm labor, whichever is the lesser. This would be applicable only to those employers who are seeking to obtain Mexican workers. Where employers requesting Mexican workers are not offering at least this much, they would be expected to bring their wage offers up to this level. In no case would employers be required to increase their wages by more than the equivalent of 10 cents per hour in any 1 year. We believe that this formula will prevent the stagnation and/or depression of farm wages in some areas where large numbers of braceros are employed; it would simply cause wages in these activities to keep pace with farm wages generally. No employer willing to offer average wages would be deprived of needed braceros by this amendment.

"We are of the view that we presently have the authority under existing legislation to require this; that the adoption of this formula by the Department would be a reasonable exercise of the Secretary of Labor's statutory responsibility under title V of the Agriculture Act of 1949 (Public Law 78) not to make Mexican workers available unless he can certify that their employment will not adversely affect the wages and working conditions of domestic workers similarly employed. We believe that this is a fair and appropriate standard by which to test such adverse effect.

"The simple fact is that whenever the Department of Labor has adopted any measure to give meaning and effect to this statutory requirement, the authority of the Secretary of Labor has been vigorously contested, in and out of court. In fact in the most significant cases in which such restraining orders have been issued, even though set aside at a later date, it has been due only to the action of the Mexican Government in withholding their nationals that the adverse effect has not been greater. Because we have been subjected to restraining orders and to other litigation that vitiates that authority, we believe that the time has come to remove any doubt as to the validity of the Secretary's actions through a specific legislative standard.

"This is not, I believe, contrary to a resolution passed in December 1960 by the American Farm Bureau Federation favoring extension of the Mexican labor program. This resolution read, in pertinent part:

" 'We favor the establishment of statutory standards for the exercise of the broad discretionary authority now delegated to the Secretary of Labor. We strongly oppose the delegation to the Secretary of discretionary authority even broader than he now has.'

"I am somewhat perplexed by the dilemma in which the Department finds itself. On the one hand, when it endeavors to establish standards to give effect to its responsibilities under the law, its authority to adopt such standards is forthwith challenged on the grounds that the Secretary of Labor is attempting to usurp congressional prerogatives. On the other hand, the same groups are here opposing a proposal on the part of the Department to avoid such problems in the future by requesting an amendment which would provide statutory standards and remove any further questions as to whether or not the standards are within the congressional contemplation.

"During the House debates on H.R. 2010 and the amendments introduced similar to those contained in S. 1945, it was repeatedly argued that the Department of Labor already has authority under present law to put into effect the recommendations of the administration. We do not concur in this conclusion, at least with respect to some of the amendments. To the extent that such authority presently exists, the purpose in requesting statutory guidelines is to eliminate any further question as to the propriety of action taken by the Department to protect the interests of our domestic agricultural workers within the contemplation of Public Law 78.

"To meet these problems adequately, the administration recommends that if Public Law 78 is to be extended for 2 years, it should be amended as provided in S. 1945.

"In closing I would like to observe that there is general recognition of the fact that we are confronted with a serious problem of underemployed and unemployed farmworkers; that these workers and their families live and work under conditions which we cannot in good conscience continue to ignore. We have an obligation to these workers to extend every effort not to aggravate an already intolerable situation by placing them in competition with foreign workers without safeguarding them against the impact of this vast foreign supplemental labor supply.

"The time has come for a more realistic approach to this problem. It is time that we cease finding reasons why we cannot utilize more fully our own labor resources. It is time that we begin to think in terms of developing affirmative programs which will bring dignity, social and economic well-being to our own underprivileged agricultural labor force."

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, August 8, 1961.

Hon. EUGENE J. MCCARTHY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCCARTHY: I have carefully studied the draft bill, H.R. 2010, approved by the Senate Agriculture Committee, providing for a 2-year extension of the Mexican farm labor program, Public Law 78. Although this measure would make some minor improvements over the present law, it falls far short of providing the needed reforms which the administration had sought in order to protect our citizen farmworkers.

The committee bill includes two amendments from among those recommended by the administration. One prohibits the employment of Mexican braceros in jobs involving the operation or maintenance of power-driven machinery. The other prohibits the employment of braceros in year-round occupations. In addition, the committee bill includes an amendment with respect to working conditions offered to U.S. workers. The meaning of this term is so circumscribed by language in the report as to have no practical value. The problems do not lie in the limited area to which this amendment is directed.

Finally, the committee's bill includes a new provision, section 505, the purport of which is that both domestic and foreign workers shall be paid not less than the wage prevailing for similar work in the area. Although the prevailing wage principle has always been a part of the Migrant Labor Agreement with Mexico, it has never before been stated in Public Law 78, and its inclusion now appears to have no practical value. Unfortunately, the amendment fails to corrrect the important wage problems which, uncorrected, threaten to make this program inconsistent with the public interest. I refer here to Public Law 78's serious adverse effect upon the wages of U.S. farmworkers and to its effect in some areas of enabling employers to pay U.S. workers less than they pay Mexican workers doing the same work.

The committee bill did not incorporate any of the most important amendments which the administration had requested, and which were before the committee in the form of S. 1945, which you introduced. Among the omissions are:

1. Limitation of eligibility to employ braceros to growers who will pay Mexican nationals at least average farm wages, the average for the State or for the Nation, whichever is lower.

2. Limitation of eligibility to employ Mexican workers to growers who offer and actually provide benefits and conditions of employment to U.S. farmworkers comparable to those they are required by law to provide to Mexicans. (This includes work guarantees, insurance, and free housing and transportation, as well as wages.)

We do not believe that the bill as reported by the committee reaches the basic problems which stem from the large-scale use of Mexican workers, that is, the adverse impact that their employment has on the wages, conditions of employment, and employment opportunities of our own workers. The committee's failure to accept your amendment which would require growers using Mexican labor to pay them the average farm wage of their particular state or of the Nation, whichever is lower, is much to be regretted. This provision is the keystone of the administration's reform requests. As you know, the effect of the Mexican program in many areas has been to place a ceiling on the wages offered to U.S. workers, at the wage level at which Mexican workers are made available. Where an ample supply of workers (Mexicans) are available at 50 cents per hour, for instance, employers do not voluntarily offer to pay higher wages. The consequence of this system is that it has established a wage ceiling for U.S. workers often at only 50 cents per hour. In many areas using a significant number of Mexican workers this wage ceiling has remained frozen at this level for 10 years, as the direct

result of the Mexican labor program. This is the fundamental vice of the present Mexican labor program and the committee bill, H.R. 2010, does nothing to correct it.

I have every confidence that, once this is understood, the Senate will vote to remove this wage ceiling. This can be accomplished simply by adoption of your wage amendment. What is involved here is not, as has been erroneously stated, the enactment of a minimum wage floor; it is rather the breaking of a wage ceiling imposed by Public Law 78 upon many of our lowest paid workers. None of the Administration proposals embodied in your bill was designed to or in fact would establish a minimum wage in agriculture.

The sole impact of your wage amendment is upon those farm employers who would take advantage of the special privilege of bringing in an ample supply of foreign labor under contract. To these growers this amendment would say merely that this special privilege is conditioned upon your paying at least average wages to the workers thus recruited. No employer willing to pay average wages would be deprived of foreign labor by this amendment.

It is our hope that the Senate will see fit to add the remaining amendments of S. 1945 and, in particular, the average wage amendment during its consideration of the bill providing for the extension of Public Law 78.

Yours sincerely,

ARTHUR GOLDBERG,
Secretary of Labor.

Mr. PROXMIRE. Mr. President, I think one of the most shocking economic statistics I have seen—and it should be made available to everybody in America—is the average farm wage. We are not talking about the average wage in a factory, an automobile plant, or a steel mill, but the average farm wage, which is very low. In virtually every State it is less than $1 an hour. In many States it is far less than that.

We are not asking in the McCarthy amendment for a high standard; we are talking about a wage which is barely enough to eke out an existence on.

In conclusion, I may say to the Senator from Minnesota, on the question of consultation with State authorities in this kind of situation, we must recognize that, while we have great faith in the Governors of our States, and they are wonderful men, they have an obligation to the producers in their States, and the people we are trying to protect, by and large, are not people who are citizens of those States. They are migratory workers. By definition, they do not live in the States where they work. Occasionally they do. They do not have a vote or any political influence in the State. They do not have an assemblyman or State senators or State representation at all. They do not have any kind of local representation. The Governor is not their Governor. They cannot vote for him.

That is why reliance on local officials has broken down, and why it is so important that the Congress and the administration act the conscience of the country, and look out for the welfare of all of our citizens, whether they are migratory workers or domiciled in the area where they work.

I ask unanimous consent, with the permission of the Senator from Minnesota, to have the supplemental views printed in the RECORD at this point, starting on page 7 and continuing to the top on page 10.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

SUPPLEMENTAL VIEWS

H.R. 2010 as amended by the Senate Agriculture Committee does improve Public Law 78 by prohibiting the use of Mexcian nationals for employment in other than temporary or seasonal occupations or for employment in the operation and maintenance of power-driven machinery except in those cases in which prohibition would cause undue hardship.

Although these amendments improve the basic law, they will do little toward solving the economic, social, and moral problems raised by the operation of the Mexican farm labor program.

Migratory workers are among the most neglected and underprivileged groups in the American economy. Their wages are low, they suffer much from unemployment, they are not covered by unemployment compensation laws or by minimum wage laws, and they are generally denied the benefits of workmen's compensation laws. Because their work requires them to move from one area to another, they and their families do not have the advantage of services and facilities that normally go with stable membership in a community.

The basic difficulties of American migrants are intensified by the annual importation of 300,000 Mexican nationals under the Mexican farm labor program. The experience of 10 years of operation of the program has demonstrated that it does affect adversely wages, employment opportunities, and working conditions of domestic workers. This is the unqualified testimony of the Secretary of Labor, Mr. Goldberg, who has the responsibility for the administration of the program. He and the administration have supported extension of Public Law 78 on the condition that substantial reforms such as provided in S. 1945 are adopted. Secretary of Labor Mitchell last year opposed extension of Public Law 78 unless substantial reforms were approved.

Public Law 78 was enacted in 1951 at a time of labor shortage during the Korean conflict. It began as a temporary program, but it has been extended by Congress four times. During this period the farm labor force has declined, technological change in agriculture has continued at a rapid rate, and unemployment and underemployment have increased as rural problems. Yet at the same time the Mexican farm labor program has expanded greatly (table I).

TABLE I

Year	Total number of Mexican nationals contracted, by year, 1951–60 [1]	Average number of workers employed on farms, United States, 1951–60 (in thousands) [2]		
		Farm operators and unpaid family workers	Hired workers	Total
1951	192,000	7,310	2,236	9,546
1952	197,100	7,005	2,144	9,149
1953	201,380	6,775	2,089	8,864
1954	309,033	6,579	2,060	8,639
1955	398,650	6,347	2,017	8,364
1956	445,197	5,899	1,921	7,820
1957	436,049	5,682	1,895	7,577
1958	432,857	5,570	1,955	7,525
1959	437,643	5,459	1,925	7,384
1960	315,846	5,249	1,869	7,118

[1] Administrative reports, Bureau of Employment Security.
[2] U.S. Department of Agriculture, Statistical Reporting Service, Farm Labor.

About 70 percent of the Mexican nationals are contracted for by growers in two States, Texas and California. Only five other States reported employment of more than 3,000 Mexican nationals at the time of peak employment of these workers in 1960. The average hourly wage paid domestic workers for work in which Mexican nationals are also employed indicates that the presumed shortage of labor has hardly been tested by the offer of premium rates (table II).

TABLE II.—*Selected employment and wage data for major Mexican-using States, by State, in 1960*

Major Mexican-using States [1]	Employment of Mexican nationals, 1960		Hourly wage rates paid U.S. workers in work in which Mexican nationals were employed		Average hourly farm wage rate without room or board, 1960 [3]
	Contracted [2]	Employed at peak	Lowest rate	Most common	
Texas	122,755	103,680	$0.40	$0.50	$0.78
California	112,995	73,430	.75	1.00	1.23
Arkansas	27,413	31,296	.35	.50	.73
Arizona	19,324	14,312	.70	.70	.97
New Mexico	10,404	11,257	.60	.60	.85
Michigan	4,815	11,151	.75	.85 and 1.00	1.07
Colorado	8,492	6,539	.65	.75	1.09
Montana	2,438	2,563	(4)	(4)	$1.13
Nebraska	2,255	2,310	$0.85	$0.85	1.10
Georgia	(5)	1,264	(4)	(4)	.66
Wyoming	1,215	1,213	(4)	(4)	1.12
Wisconsin	528	1,004	.80	1.00	1.09
Tennessee	1,138	659	.50	.50	.63
Indiana	65	612	.75	.80	1.06

[1] 500 or more Mexican nationals employed at peak. Other States with fewer than 500 are: Missouri, Utah, Oregon, Illinois, North Dakota, South Dakota, Kentucky, Iowa, Nevada, Minnesota, Washington, and Kansas.
[2] In addition to Mexican workers contracted at reception centers, 64,535 were recontracted or reassigned from one employer to another, sometimes in another State. For example, Michigan contracted 4,815 and recontracted 6,486 for a total of 11,301.
[3] U.S. Department of Agriculture. The U.S. average hourly farm wage rate without board and room, 1960, was 97 cents per hour.
[4] No hourly rates reported in 1960.
[5] All of the workers employed in Georgia were recontracted from other States.

Source: Bureau of Employment Security.

We do not believe that anyone can accurately establish the extent of the need for this program under the existing practices. The Department of Labor authorizes Mexican nationals when a sufficient number of workers cannot be obtained at the prevailing wage in the area for the type of work. Where the prevailing wage is very low, the number of workers who are able and willing to work under those conditions is likely to be reduced. The most recent figures (June 1961) of the Department of Labor show several counties in which wages of 30 to 50 cents per hour have been found to prevail among domestic workers. These rates are in areas and for work in which Mexican nationals are likewise employed.

The employer seeking additional employees at a time of labor shortage normally offers higher wages and better working conditions. Under Public Law 78 there is little incentive to do this.

We do not know what percentage of those who have left the farm labor force in the past 10 years would be willing to work in positions now filled by Mexican nationals if wages and working conditions were improved. As long as the present criteria are used to authorize the use of Mexican nationals, we cannot know the extent of the need.

The committee had before it a bill (S. 1945) which incorporated the recommendations of the Department of Labor and was supported by the Secretary of Labor and the administration. It contained major provisions which were not adopted by the committee.

One of these provisions would have limited the use of Mexican nationals to employers who have made reasonable efforts to attract domestic workers at terms and conditions of employment reasonably comparable to those offered Mexican nationals. Under the international agreement between the United States Government and the Republic of Mexico, Mexican nationals coming to this country under contract are guaranteed transportation costs, employment on three-fourths of the workdays in the contract period, subsistence when underemployed, housing, medical care, and compensation for injuries on the job, and health and accident insurance at reasonable cost. In addition, they are assured the wage rate that prevails among U.S. workers similarly employed and a minimum wage of 50 cents per hour. These are benefits not enjoyed by most domestic migratory workers.

S. 1945 also proposed a new test for adverse affect. Under terms of this provision, the employer would have been required to pay Mexican nationals no less than the average hourly farm wage in the State, or the national hourly farm wage average, whichever is the lesser. This would establish a clear, objective, and reasonable minimum base to assist the Secretary of Labor in determining whether Mexican nationals should be certified.

These two provisions should be adopted to provide very limited protection for American migrant workers. They are clearly consistent with the fundamental policy and intent of Congress as stated in section 503 of Public Law 78 which requires that the Secretary of Labor before approving the importation of Mexican nationals certify that there is a shortage of domestic workers and that "the employment of such workers will not adversely affect the wages and working conditions of domestic agricultural workers similarly employed."

The experience of the past 10 years has demonstrated that this intent has not been achieved. In large part the difficulty has resulted from the absence of a formula or of guidelines to determine when adverse effect has taken place. We do not believe Public Law 78 should be extended without providing the Secretary of Labor with additional directives necessary to protect domestic workers from such adverse effects.

EUGENE J. MCCARTHY.
WILLIAM PROXMIRE.
STEPHEN M. YOUNG.
PHILIP A. HART.
MAURINE B. NEUBERGER.

Mr. MCCARTHY. Mr. President, I should like to comment, and then yield to the Senator. The Senator has made an important point with regard to migratory farmworkers, both domestic and Mexican. In a report of the U.S. Department of Labor, dated July 11, 1961, reference is made to certain information about wages, and I ask unanimous consent that the letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 11, 1961.

Hon. EUGENE J. MCCARTHY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCCARTHY: I am presenting herewith the information requested by your letter of June 30 with respect to areas in which Mexican nationals are being employed despite wage levels lower than 50 cents per hour among U.S. workers.

The areas and activities of Mexican employment in which a wage of less than 50 cents per hour has been found to prevail among domestic workers thus far in 1961 are as follows:

State, area, and activity	Date of wage finding	Prevailing wage rate
ARKANSAS		
Crittenden County: Cotton chopping	June 9	$0.30
Mississippi County: Cotton chopping	do	.40
Phillips County: Cotton chopping	June 7	.30
TEXAS		
Lower Rio Grande Valley:		
All crops, hoeing	Apr. 27	.40–.45
Cucumber, picked-bulk	May 3	.45
Maverick County: Cauliflower, cut-pack in field	Feb. 14	.40

There may, of course, be other areas in which wages paid on a piece-rate basis are yielding less than 50 cents per hour to average U.S. workers.

I am also enclosing the full list of areas and activities of Mexican employment in which the prevailing wage rate among U.S. workers is 50 cents per hour or less.

With regard to your final question, we are unable to conclude that wages in the very low-wage Mexican-employing areas are showing marked improvement. So far this year 18 area wage surveys have revealed prevailing wage rates lower than on the comparable date a year ago. All but four of these wage declines were in States where the typical hourly rate is 50 cents or less. Furthermore, in three out of the six exceptionally low-wage areas listed above (including both of the 30-cents-per-hour areas) the latest wage finding represents a decline from the prevailing wage rate in the preceding year. In short, it appears that wage-depressive tendencies in areas using Mexican labor are strongest and most harmful in the areas in which wages are already exceptionally low.

Yours sincerely,

ARTHUR J. GOLDBERG,
Secretary of Labor.

Farm wage rates of 50 cents per hour or less in 1961 in activities employing Mexican contract workers by State and area [1]

State, area, and activity	Date of wage finding	Prevailing wage rate
ARKANSAS		
Craighead County: Cotton chopping	June 9	$0.50
Crittenden County: Cotton chopping	do	[1].30
Mississippi County: Cotton chopping	do	[1].40
Phillips County: Cotton chopping	June 7	[1].30
Poinsett County: Cotton chopping	June 19	.50
TENNESSEE		
Lake County multicrop: Cotton and soybean chopping	June 6	.50
TEXAS		
Lower Rio Grande multicrop:		
All crops, hoeing	Apr. 27	[1].40–.45
Asparagus, cut-bulk	Mar. 10	.50
	Mar. 22	.50
	Apr. 7	.50
Cabbage, cut-bulk	Jan. 26	.50
	Feb. 9	.50
	Feb. 24	.50
	Mar. 10	.50
Cauliflower, cut-bulk	Jan. 26	.50
	Feb. 9	.50
	Feb. 24	.50
Celery, cut-pack in field	Feb. 9	.50
	Mar. 10	.50
Cucumber, picked-bulk	May 3	[1].45
	May 17	.50
	May 31	.50
Lettuce:		
Cut-pack-load	Feb. 24	.50
Cut-pack-seal-load	Jan. 12	.50
	Jan. 26	.50
	Feb. 24	.50
	Mar. 10	.50
Onions, dry, pull only	Apr. 22	.50
	Apr. 7	.50
	Apr. 20	.50
Peppers, bell, cut-bulk	May 3	.50
Squash, bulk	May 17	.50
Maverick County multicrop:		
All crops, hoeing	June 14	.50
Cauliflower:		
Cut-bulk	Jan. 17	.50
	Feb. 14	.50
Cut-pack	Jan. 17	.50
Cut-pack in field	Feb. 14	[1].40
	Mar. 1	.50
Winter Garden multicrop:		
All crops, hoeing	May 24	.50
Broccoli, cut-bulk	Feb. 21	.50
Cabbage, cut-pack in field	Jan. 10	.50
	Jan. 25	.50
	Mar. 29	.50
Cauliflower:		
Cut-bulk	Jan. 25	.50
Cut-pack	Jan. 10	.50
Lettuce, cut-bulk	Mar. 29	.50
Onions, dry, pull only	Apr. 27	.50
	May 11	.50
Onions, dry (medium), pull only	Apr. 12	.50
Onions, green, pull-bulk	Feb. 21	.50

[1] Hourly wage rates paid Mexican nationals cannot be lower than 50 cents per hour.

Mr. MCCARTHY. Those were the prevailing wage rates in those counties when the spotchecks were made. There may, of course, have been other rates in other areas. There is no effort to say that these are the only areas involved. There may be other areas where the rate is 30 cents, 40 cents, or 50 cents an hour.

Another report bearing upon that subject is the Department of Agriculture report on the annual income of migratory farmworkers. For the year 1959, the latest available figures, the average

wages earned were $710 a year in farmwork. This was supplemented by $201 from other sources. By putting the two together, the workers were averaging $911 a year in income.

Mr. PROXMIRE. $911 a year in net income?

Mr. McCARTHY. Yes. Of that sum, $710 was from migratory farmwork, and the work on the average was 119 days in agricultural labor. Additionally, there were 24 days of other work, which supplemented the income by $201.

Mr. PROXMIRE. That compares with an average factory wage today in America of nearly $2.50 an hour, which results in an income of about $5,000 a year.

Mr. McCARTHY. The Senator is correct.

Mr. PROXMIRE. In other words, the wage is five times as great for factory work as for the farm laborer the Senator from Minnesota is talking about.

Mr. McCARTHY. Yes.

Mr. PROXMIRE. Since the amendment of the Senator from Minnesota would use farm—not factory—wages as the standards, it seems to me it is a very modest proposal. We cannot say that these people really would join the American way of life economically, as we wish they could. It seems to me that the proposal is a wholly justifiable step to take. I am proud to have an opportunity to support it.

Mr. McCARTHY. Opponents are making the same arguments against raising wages for farmworkers as were made against raising wages for factory workers 50 years and 100 years ago. The arguments have no more validity now, in my judgment, either economically or ethically, with regard to the farmworkers of today than they had 100 years ago with respect to the factory workers of that time.

Mr. JORDAN. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. JORDAN. I am looking at a table on costs and returns from farmwork in all States. This is table 18, showing production, costs, and returns, for dairy-hog farms in the southeastern Minnesota operation.

The other table from Farm Labor gives information on what the farmers must pay for outside labor when they hire laborers without room and board. The rate is $1.12 an hour.

The man who owns the farm, who does all the remainder of the work, gets a return of 40 cents an hour. I am worried more about the farmers in Minnesota than about the folks whom they hire.

Mr. McCARTHY. We are working on that problem by other means.

Mr. JORDAN. Are these farmers to be put out of business?

Mr. McCARTHY. No; they will not be put out of business. The Minnesota farmer is willing to pay his workers a just wage. The Minnesota farmer would rather do that and suffer some hardship himself than to profit as a result of exploitation of workers.

I think those statistics indicate that the people of Minnesota are highly moral and responsible.

Mr. JORDAN. I suppose it is necessary not only for the farmer to work, but also for his wife to work, and to work at night, so that he can pay $1.12 an hour to hire a laborer in the daytime.

I have before me a table showing the wages paid to workers who work for farmers in Wisconsin on dairy farms. This is for eastern Wisconsin, and shows production, costs, and returns. The return is only 23 cents an hour for the owner of the farm. I am beginning to worry about the farmers in Wisconsin.

Mr. PROXMIRE. I have been concerned about the income of our Wisconsin farmers for a long time. I am delighted to have the Senator from North Carolina join me. This situation is disgraceful.

As the Senator from North Carolina points out, the farmers own their farms. They have made investments in their farms. They have taken great risks as a result of their investments. They have increased their efficiency greatly. They work long hours.

Yet this is the kind of reward and return the Wisconsin farmers are getting. It is a disgrace. However, I cannot see that it would be a justification for hammering down the wages of migratory workers.

The fact is that on most Wisconsin dairy farms there are no hired men. Farmers cannot afford them. They do not have hired men. The work is done by the farmer, his wife, and his children.

I believe the figure which the Senator from North Carolina read includes the work done on the farm by the farm family.

There is no question that the return is too low.

Mr. JORDAN. The table also shows that the people the farmer hired, without board or room, received $1.12 an hour. The man who owned the farm received only 23 cents an hour.

I think we ought to worry a little more about the one who owns the farm, who hires the other man. Otherwise, before long he will not be able to hire anyone.

Mr. PROXMIRE. What happens on most of Wisconsin farms is that there are no hired laborers. The farmers do not have hired help.

There are a few farms where the farmers have incomes much higher. These farms have the best land, the biggest herds, the latest equipment, and so forth. On those farms the owners are able to hire a man, or two, or perhaps even three. On those farms the owner has a far better return. Of course, it can afford to pay far more for a hired man.

That is the peculiarity with reference to the statistics. One will not find very many people actually receiving 23 cents an hour return who have any hired men working for them.

Mr. JORDAN. It is a peculiarity of statistics to note what has been stated by the Senator from Minnesota about a rate of 30 cents an hour being paid in many places. That is not an average, because regular wages at that rate are not paid. If that were the wage rate, there would be no one who would work at all.

I would advise the farmers to sell out and to go to work for the man to whom they sold the farm. If I were an owner and making 23 cents an hour and hiring some fellow at $1.12 an hour, I would join him, after selling the farm.

Mr. McCARTHY. Mr. President, since this point has been raised, I believe it might be helpful to the farmers in Wisconsin if they did not have to compete with some large commercial forms which do use and exploit farm labor.

Another point should be made. This program is not one of general benefit to the farmers of the United States. In 1959 the Mexican nationals were used on about 50,000 farms, less than 2 percent of the farms of the Nation. In fact, about half of the U.S. farms use no hired labor at all.

In 1954 only 5 percent of the farms reported an annual wage bill of $2,000 or more. This 5 percent accounted for more than 70 percent of all the expenditures for hired farm labor that year. The Department of Labor reports, preliminary releases from the 1959 Census of Agriculture, show that these percentages remain about the same.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from New York.

Mr. KEATING. Mr. President, I wish to express my support for the amendment offered by the distinguished Senator from Minnesota.

I ask the Senator if it is not a fact that the previous Secretary of Labor, Mr. Mitchell, recommended at least as much protection as would be afforded by the amendment offered by the Senator from Minnesota?

Mr. McCARTHY. Yes. I think that is an accurate statement. I could not say that the previous administration recommended protection in quite the same form in which I propose it, but the total pattern of recommendation I think would have had at least the same effect—slightly different, but certainly a comparable effect.

Mr. KEATING. I invite attention to this, particularly in order that my colleagues on this side of the aisle who will read the RECORD will be aware of the fact that the previous administration, as well as the present administration, recommended the adoption, in substance, of the amendment offered by the Senator from Minnesota. I also point out that the present administration recommends adoption of the amendment which I offer, which is correlative and relates to American laborers on farms which employ Mexicans.

Mr. President, since I understand that the committee, or a majority of the committee, will also oppose the amendment which I intend to offer, and since we are acting under a rather unusual parliamentary situation with only a few of us here listening to these arguments with a vote to be taken at some future date, if the Senator from Minnesota has concluded, it might be an appropriate time for me to seek recognition for the purpose of explaining the amendment which I shall offer. This amendment will, I assume, be voted upon on Monday, following the vote on the amendment offered by the Senator from Minnesota.

Mr. McCARTHY. The Senator from New York has made a pertinent point.

Before yielding the floor, I ask unanimous consent that there be printed at this point in the RECORD two additional tables which are pertinent to the Mexican farm labor program.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

Major Mexican-using States [1]	Employment of Mexican nationals, 1960	
	Contracted [2]	Employed at peak
Texas	122,755	103,680
California	112,995	73,430
Arkansas	27,413	31,296
Arizona	19,324	14,312
New Mexico	10,404	11,257
Michigan	4,815	11,151
Colorado	8,492	6,539
Montana	2,438	2,563
Nebraska	2,255	2,310
Georgia	(3)	1,264
Wyoming	1,215	1,213
Wisconsin	528	1,004
Tennessee	1,138	659
Indiana	65	612

[1] 500 or more Mexican nationals employed at peak. Other States with fewer than 500 are: Missouri, Utah, Oregon, Illinois, North Dakota, South Dakota, Kentucky, Iowa, Nevada, Minnesota, Washington, and Kansas.

[2] In addition to Mexican workers contracted at reception centers, 64,535 were recontracted or reassigned from one employer to another, sometimes in another State. For example, Michigan contracted 4,815 and recontracted 6,486 for a total of 11,301.

Source: Bureau of Employment Security.

TABLE II.—*Selected wage data for major Mexican-using States, by State, in 1960*

Major Mexican-using States [1]	Hourly wage rates paid U.S. workers in work in which Mexican nationals were employed		Average hourly farm wage rate without room or board, 1960
	Lowest rate	Most common	
Texas	$0.40	$0.50	$0.78
California	.75	1.00	1.23
Arkansas	.35	.50	.73
Arizona	.70	.70	.97
New Mexico	.60	.60	.85
Michigan	.75	.85 and 1.00	1.07
Colorado	.65	.75	1.09
Montana	(2)	(2)	1.13
Nebraska	.85	.85	1.10
Georgia	(2)	(2)	.66
Wyoming	(2)	(2)	1.12
Wisconsin	.80	1.00	1.09
Tennessee	.50	.50	.63
Indiana	.75	.80	1.06

[1] U.S. Department of Agriculture. The U.S. average hourly farm wage rate without board and room, 1960, was 97 cents per hour.

[2] No hourly rates reported in 1960.

Source: Bureau of Employment Security.

Mr. KEATING. Mr. President, I think the suggestion made by the Senator from Minnesota and the request he made to have printed in the RECORD certain charts and graphs is a very desirabie request, because we are speaking mostly for the RECORD under the situation which presently exists. However, I will say to my friend from Minnesota that we do not have as much of a vacuum as I have sometimes encountered in this Chamber. I am not alone tonight. I appreciate the close attention which is being paid by Senators who are present.

I should like to discuss briefly my amendment, which is designated "8–29–61—A."

Mr. President, I ask unanimous consent that the text of the amendment appear at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment of Senator KEATING is as follows:

On page 2, line 7, after the term "working conditions", add the words "and other terms and conditions of employment".

On page 2, line 8, after the term "foreign workers", add the following:

"For the purposes of this section the term 'other terms and conditions of employment comparable to those offered foreign workers' includes only—

"workmen's compensation or insurance against occupational hazards reasonably comparable to those afforded Mexican workers;

"guarantee of the opportunity to work during at least three-quarters of the workdays in the agreed term of employment;

"provision of basic subsistence when the opportunity to work is not available for extended periods;

"provision of transportation (for the worker only) from place of recruitment and return, or provision of reimbursement for such cost, in the ratio that the number of weeks worked bears to the total agreed term of employment and not to exceed a maximum of $3 per week of employment."

Mr. KEATING. The amendment is similar to a bill which I introduced this year (S. 1466) and to an amendment which I suggested last year when Public Law 78 was extended for 6 months.

Very frankly, former Secretary of Labor Mitchell had talked to me about this subject, and it was with his assistance and cooperation that the amendment was discussed last year.

This amendment requires that before Mexican workers can be employed, efforts must be made to attract domestic workers by offering them conditions of employment comparable to those offered Mexicans. The amendment is specifically limited to transportation, subsistence payments when work is unavailable, insurance, and work guarantees. The law already requires that comparable wages be offered domestic workers.

In answer to a point made in connection with the discussion of the McCarthy amendment, let me say that my amendment would in no way place in the hands of the Secretary of Labor any opportunity to fix wages or conditions for American farmworkers except on farms where Mexicans are employed. Offering comparable conditions of employment to domestic workers before Mexican workers, who possess these benefits, are hired seems to me a matter of elemental justice.

The offer of such benefits should increase the number of domestic workers willing and able to accept farm employment. If these benefits are not offered, we have no means of judging the size of the true labor shortage on the basis of which Mexican workers are admitted to the United States.

Section 2 of H.R. 2010 as reported out by the Senate committee adds the requirement that Mexican workers shall be made available only after efforts to attract domestic workers have been made by providing "working conditions" comparable to those offered to foreign workers.

This might sound all right on its face, and it might indicate that there is no need for the amendment which I propose. But in its report accompanying this legislation, the committee indicated that the term "working conditions" refers to physical conditions, and that it does not include "other terms and conditions of employment" such as transportation, subsistence, insurance, and work guarantees, which my amendment would include. In defining these "other terms and conditions" my amendment calls for specific items which are set forth in the amendment, beginning at line 9 of the first page.

The amendment does not require that precisely the same terms and conditions be offered as are extended to Mexicans. It is contemplated that there would be some recognition of the differences between the situation of the domestic workers and foreign workers. For example, where employees have their own homes in the area of employment, it would not be reasonable to require the employer to offer free transportation to domestic workers. Under the amendment, however, an employer could be required to offer workmen's compensation or on-the-job insurance to the domestic worker, just as he offers it to the Mexican worker.

When Public Law 78 was being considered on the floor of the Senate in the twilight hours of the 86th Congress, I stated my position that there should be no further extension of the law unless it is amended to provide that growers who use Mexican labor be required to offer domestic workers benefits and conditions of employment similar to those they must by law offer and actually provide Mexican labor.

My position has not changed.

To me, it is inconceivable that we treat foreign workers better than we treat our own domestic farmworkers. I fail to understand how growers can claim that domestic labor is not available to do the job if they do not, first, make sincere attempts to recruit U.S. workers. By sincere attempts, I mean actually finding out what incentives would attract U.S. workers and basing recruitment efforts on the results of these findings. The availability of a vast potential labor supply south of the border has reduced competition for domestic workers in labor shortage areas and has caused many growers to make only token recruitment efforts.

Growers are presently required to furnish transportation for Mexican nationals to and from reception centers. Mexican nationals are guaranteed the opportunity to work at least three-fourths of the work days in the contract period, which usually has a minimum of 6 weeks. If Mexican workers are offered employment for less than 64 hours in any 2-week period, they are entitled to subsistence during idle days at the employer's expense.

Mexicans must be provided with free housing. Because of the complication of computing housing costs and conditions and because the Mexicans who come into the United States under Public Law 78 are single men, I have specifically excluded this requirement from my amendment.

Employers of Mexicans are required to pay insurance against occupational injuries and to pay for the workers' subsistence during days of illness or injury. California State law now requires this for domestic workers. Employers must also carry occupational health insurance for Mexican workers, but the cost of this item is paid by deductions from wages.

In sum, my amendment is a compromise in that it excludes housing and health insurance, in that it limits the definition of "other terms and conditions" to those stated above and in that it places what is certainly a reasonable $3 maximum per week on the transportation costs paid by employers of domestic workers who also employ Mexicans.

Mr. President, Public Law 78 was initially adopted as a temporary program under emergency Korean war labor shortage conditions. I urge the adoption of my amendment, for without it, I think Public Law 78 has outlived its usefulness and should be permitted to expire.

With unemployment increasing, there is simply no justification for permitting the steady rise of Mexican workers to take jobs which should be made available, at least on an equal basis, to American workers. My amendment would see to it that a true labor shortage was the basis for admitting foreign workers and not the unwillingness of employers to make reasonable job offers to Americans.

I want to add one point. In addition to the fundamental fairness of treating domestic workers as well as we treat Mexican workers, there is another factor, which should be important to some. Unless we limit the number of Mexicans to a reasonable amount, production in some States, which therefore have very low wage rates, places real pressure on producers in States, such as New York, which pay more reasonable and fairer wages to domestic workers and to workers brought in from outside.

The competitive argument should be very important to Senators from States which have taken steps to improve conditions for migrant farm workers.

I shall try to condense these remarks into a capsule form on Monday when we reach the limited time area. I yield the floor.

Mr. TOWER. Mr. President, getting to the heart of this matter, if the McCarthy and Keating amendments are adopted, they will have a devastating effect on the bracero program. According to the largest farm organization in my State, it would have the effect of drastically curtailing the bracero program, perhaps even killing it outright. I believe we should consider the consequences of killing the bracero program. There is no question that it would be harmful to the economy of my State and, indeed, to the economy of all southwestern States.

However, there is another aspect which has not been mentioned this evening, but which was brought out in committee testimony by the distinguished Senator from Arkansas [Mr. FULBRIGHT], chairman of the Foreign Relations Committee. He sees an aspect in this program that perhaps we have not seen. I should like to quote from his testimony. He testified:

> The Mexican labor program is equipped with safeguards for everyone involved—the worker, his employer and the domestic laborer whose livelihood could be endangered by unregulated importation of Mexican nationals. Farmers pay all the expenses incurred in the operation of this program through payments to the farm labor supply revolving fund from which the Department of Labor is then reimbursed for its expenses. In addition to the fees paid by the farmers for the Department of Labor's cost in operating the fund, the farmer pays the cost of transporting the worker from the migratory station to the place of employment and then back again. In 1960, the Phillips County Farmers Association in my State found that the cost for this transportation was $47.32 per worker. Regulations backed up by strict enforcement insure that the Mexican laborers are paid fair wages and are furnished with adequate housing while they are in this country. The wages which the braceros earn in the United States not only provide a living for the laborers and their families but also furnish the Republic of Mexico with its second most important source of American dollars. Our continuing favorable balance of trade with Mexico indicates the importance to American business of maintaining this program. Mexico is one of our most important customers and in 1960 our exports to that country were $807 million compared to imports of $443 million.
>
> Statutory provisions give full protection to domestic workers and protect their jobs from possible competition from Mexican laborers. Before a farmer can obtain Mexican laborers, certification must be made by the Department of Labor that an adequate supply of domestic workers is not available. I do not mean to imply that there is always full employment in areas where Mexican laborers are used, since it often happens that domestic workers will not do the type of work required. If our farmers could get sufficient domestic laborers at the time they are needed and at wages which the farmer could afford to pay, I am sure they would be happy to do so. The Mexican labor program is in reality a program of necessity.

I should like to associate myself with the remarks of the distinguished Senator from Arkansas. It points up a very important aspect of this whole subject, the necessity of not shutting off the flow of dollars into Mexico, so that it may continue to trade with us. As the Senator notes, we have a very favorable balance of trade with the Republic of Mexico.

A great many misconceptions about this program could be summed up by a paragraph from an editorial published in the Evening Monitor, published in McAllen, Tex., on August 26:

> The bracero is no bargain worker. He must be recruited, transported, insured, housed, fed and returned. He is brought "hog round," as the cotton men say. That is, sight unseen, ungraded, unknown. He may never have seen a boll of cotton. He may have arthritis, or the sleeping sickness. But you "rent" 50 of them from the Mexican Government and you take the first 50 out of the chute.

This says very succinctly and effectively what should be understood, that is, that wages are not the sole cost of the bracero worker. There is also transportation, insurance, housing, and feeding. We can understand the concern of the southwestern farmer for this program and its future, when we note the cost involved.

These amendments represent a further intrusion of the Department of Labor in affairs in which the Department of Labor should not be involved. The program in reality should be administered by the Department of Agriculture, not by the Department of Labor. We seem to be bestowing a great many powers on the Secretary of Labor these days.

We are going to give him power to go into a conflict with the farmers at the very administrative level in the Department of Labor. In the Committee on Labor and Public Welfare, we are going to give him more specific power with respect to supervising pension disclosure, and all that sort of thing. Pretty soon we will be able to abolish the Presidency and let the Department of Labor take over and run the country.

I do not believe that the Department of Labor can be said to have a proagriculture orientation.

This has never been true. It is not true now. We are placing the farmer at the mercy of a Department which is not cognizant of his problem, a Department which is not familiar with his problems, and is not necessarily in sympathy with him.

The enactment of the proposed amendment would plunge the Department of Labor at every level of administration into constant conflict and controversy with farmers, since every decision would be a question of judgment as applied to the particular circumstances.

Whether or not the local official of the Department in a particular area was lenient or autocratic, cooperative or dictatorial, would be a matter of major significance to the farmers in an area.

No farmer would know where he stood, what would be required of him, until some official of the Department told him, and when he was so told that would be the law so far as he was concerned.

It is one thing for people to be required to comply with a law which they can read and understand. It is quite another thing for people to be required to do what a Government official tells them to do. The difference is basic—the difference between freedom and totalitarianism.

This would be in exaggerated form the substitution of government by man for government by law.

State and National average farm wages are an average of wages paid to a work force ranging from the highly skilled and experienced to the unskilled and inexperienced. Averages include such skilled workers as dairy herdsmen and milkers, machine operators and repairmen. They include many full-time farmworkers whose abilities and responsibilities may equal and even exceed those of the farmer himself.

To use such averages as a criteria to which workers engaged primarily in routine harvest and cultural operations should be raised is an inequitable burden to place on farmers.

We do not believe the present upward trend in farm wages can be disregarded in this connection. Since 1950, farm wages have increased 46 percent in contrast to the trend in farm incomes. Farm wages are inreasing in all areas. They are continuing to increase. We expect

they will continue to increase in the years ahead without any stimulant from Government action. The restrictions on the employment of braceros provided for in the bill reported by the Senate Agriculture Committee will operate to force farm wages upward.

It appears to me that an attempt is being made here to apply industrial labor standards to agriculture. The industrial economy and the agricultural economy are strikingly different in many respects and must be treated differently. The law and the courts have long recognized this difference.

I quote from the case of *Tigner* v. *State of Texas* (318 U.S. 141), in the Supreme Court of the United States, in which the Court said:

> An impressive legislative movement bears witness to general acceptance of the view that the differences between agriculture and industry call for differentiation in the formulation of public policy.

I urge the defeat of the two amendments proposed to the extension of Public Law 78.

THE IMPORTANCE OF BASIC RESEARCH—DEFENSE DEPARTMENT STILL LAGS IN SUPPORTING LONG-RANGE QUEST FOR KNOWLEDGE

Mr. HUMPHREY. Mr. President, I invite the attention of Senators to certain information which I believe is of importance to this body.

The United States still has a long way to go in order to assure success in surpassing the Soviet Union's long-range scientific objectives.

Thanks to the leadership of President Kennedy, a great many sound steps have been taken to assure U.S. leadership in the immediate, short-range scientific and technological contest.

But in the long run, in the upcoming decades of the 1970's and the 1980's, the race will be won on the basis—not of the dramatic gadgets of the 1960's—but through the long-range science education and the basic research—with which we build for tomorrow.

STUDY BY GOVERNMENT OPERATIONS SUBCOMMITTEE

It is for this reason that for some months, I have been exploring, as chairman of the Senate Government Operations Subcommittee on Reorganization and International Organizations, the issue of Federal support of basic research.

My view has been and remains that this Nation has been "penny wise and pound foolish" in starving basic research.

Facts have been compiled on this subject in great depth, particularly as regards the Department of Defense.

The subcommittee has enjoyed splendid cooperation from Dr. Harold Brown, Director, Office of Defense Research and Engineering, who testified at our subcommittee hearing on July 26, and in particular from Dr. Orr Reynolds and the Office of Science.

DEPARTMENT OF DEFENSE REPLY OF SEPTEMBER 1

I have now received a comprehensive reply from Dr. Brown to a series of supplementary questions which I had directed to the Department. The reply is very valuable for anyone seeking an understanding of the problems of science in our Nation. It contains information never before generally released. As a matter of fact, in some instances, it contains data which have never before even been compiled. This has been due partly to the fact that the respective armed services have tended to utilize differing definitions and systems of reporting on basic research. Even now, considerable progress is still to be made to standardize armed service reporting, so as to make sure that the figures which are given are really comparable. We must not add apples and potatoes and call them oranges.

POLICY STATEMENT EXPECTED FROM SECRETARY M'NAMARA

Most important, I am expecting to receive shortly a policy statement on the part of Secretary of Defense Robert McNamara, as to future DOD support of basic research. From what I understand of the Secretary's enlightened attitude, unlike one of his predecessors, Mr. Charles E. Wilson, the study of a fundamental question such as "Why plants are green," far from being dismissed as unimportant, is now regarded as highly significant for the Nation's scientific future.

Mr. Wilson had said "basic research" is being done "when you do not know what you are doing."

But the fact is that many, if not most, of the greatest discoveries in history have been made when men did not know what they were doing.

As I stated to the Senate on August 3, to underestimate or misunderstand the value of basic research is the height of folly; it could lead to national suicide as well.

The situation as regards basic research is not a dramatic one. It is not one which is likely to get into the Nation's headlines. Yet it is one which goes to the very heart of the issue as to whether this Nation will endure.

UNANIMOUS APPROVAL OF PREVIOUS STATEMENT

In order to sound out additional authoritative judgment, my statement of August 3 was circulated to a number of leading scientists, including many distinguished members of the esteemed National Academy of Sciences-National Research Council. I am gratified to report that I have received an enthusiastic and unanimously favorable reaction.

I ask unanimous consent that the excerpts from several of their messages be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM COMMENTS BY SCIENTIFIC LEADERS ON SENATOR HUBERT H. HUMPHREY'S STATEMENT OF AUGUST 3, 1961, ON BASIC RESEARCH

A scientist associated with the National Academy of Sciences, National Research Council, Washington, D.C.: "I agree with every comment you have made and congratulate you for your effort in increasing the funding for this essential activity.

"In view of the pressing demand for hardware on the part of the operating and field personnel, there is always the tendency to divert funds from basic work to applied research and development. This is true even though most engineers and scientists recognize that development proceeds faster and more economically the greater the attention to basic and fundamental research.

"Your campaign is especially important at the moment when the U.S. Chamber of Commerce has a research committee represented by several of the prominent scientists and technologists of the country. This committee has actually made the preliminary recommendation that no Government agency should be allowed to do inhouse basic research. If such a procedure is encouraged it would wreck the work of most of the defense laboratories as well as many other Government institutions such as the Bureau of Standards. The chamber is not opposing basic research but apparently has the mistaken idea that such work should be conducted exclusively by the universities through governmental financing.

"Actually in the interest of public welfare basic research should be encouraged and conducted wherever the talent exists for creative work, whether this be in a university, a private foundation, or a Government institution.

"Your efforts on behalf of basic research are deeply appreciated by scientists who understand the significance of such development and what it means to the economic welfare and security of the Nation."

A scientist at Rice University, Houston, Tex.: "May I congratulate you on your vigorous support of basic research within the Defense Department appropriation. As a member of (a Defense Department advisory group), I have tried to do what I could to support increases in basic research support by the Defense Department. As you have said very effectively, the Defense Department has the prestige, the size of general appropriation, and the overall point of view to carry the case for a larger basic research appropriation if it would present the case effectively. It is clear that Dr. Brown agrees with this point of view, and I hope that he will be effective in the years ahead in obtaining Defense Department action in this direction."

A professor at the College of Agriculture, University of Wisconsin, Madison, Wis.: "Congratulations on your stand in relation to the importance of basic research. It is from this source that the important breakthroughs are most likely to come. One of the greatest handicaps in research, particularly in applied research, is that men are concerned too much with the soiled dishes of yesterday and not enough on tomorrow's ideas."

An authority on the role of State agricultural experimentation station, New Haven, Conn.: "You mentioned under the head, 'The Price of Neglect in Prior Years,' that the country is going to pay the price for not doing basic research earlier. You might, therefore, be interested in my appraisal of this, quoting the Broadway show, 'The Music Man,' which makes such a devastating criticism of a salesman, 'he doesn't know the territory.' Our rocketeers are certainly devastated with criticism right now because 10 years ago 'they didn't know the territory.' I go further to say that we in agricultural science do not want to have it said of us that in 1961 'we did not know the territory.'

"More power to you in your efforts to explain to your colleagues the nature of basic research and the need for it.

"I am convinced that many, many nonscientific people do not understand the sort of scientific climate that has to be provided if creative basic research is to go on. You, from your background, are in an excellent position to be able to explain this matter to your colleagues in Congress."

A chemist, University of California, Los Angeles, Calif.: "I was very pleased to receive the excerpts. Basic research is the source of our technical well-being. The engineers are right on the tails of the research men, and the limiting factor in many areas is our fundamental knowledge. I therefore hope you keep the pressure on the Department of Defense and other agencies as well, though many of them are well aware of the situation and do what they can to see that the Federal funds are spent for this purpose whenever scientists capable of this arduous and difficult kind of endeavor appear on their contract roles."

A life scientist at the University of Michigan, Ann Arbor, Mich.: "Thank you very much for sending me the memorandum on the need for increased basic research in the Department of Defense. While much of this refers to weapons and heavy materials, the problem has become extremely acute in the area of the medical sciences and the military.

"I would like, then, to express again our warm appreciation and approbation of your effective presentation."

A member of department of chemistry, University of Arizona, Tucson, Ariz.: "I am pleased to learn of your ardent advocacy of basic research support by the Department of Defense. It is my opinion that in this country we cannot place a dollar limit on the support for basic research but should supply whatever money is necessary to keep all really able scientists engaged in fundametal work. We do not have so many topflight research men that that would put an unnecessary burden on the Treasury. Thanks for sending me your comments."

NSF, DOD, NASA, AEC, AND BUDGET BUREAU

Mr. HUMPHREY. Mr. President, to these comments could be added innumerable others, particularly from those scientific leaders associated with the U.S. agency which is most familiar with the needs, opportunities and challenges of basic research—the National Science Foundation.

Upon NSF, DOD, National Aeronautics and Space Administration, Atomic Energy Commission and others' support of basic research depends much of mankind's future.

I hope that the Bureau of the Budget will not forget that fact when it scrutinizes agency budget presentations for the 1963 fiscal year.

I mention this because we have been reviewing the budget forecast and the budget for what might be called long-term planning on research. I have been concerned over the failure of the Bureau of the Budget during recent years to take into consideration the actual needs in the vital area of basic research.

KEY FACTS IN DEPARTMENT OF DEFENSE REPLY

The facts within the Department of Defense's most recent reply provide so much food for thought that they will require extended analysis.

Let me, however, cite but three highlights:

First. For the 1962 fiscal year DOD reports it expected that the armed services would spend for basic research a total of 4.5 percent out of the total allocation of $4.7 billion for research, development, testing, and evaluation. This 4.5 percent target will not, however, be attained, since less funds were provided by the Congress for basic research than had been originally anticipated.

The 4.5-percent ratio is, in my judgment, shockingly low. In report after report, defense advisory committees and other expert groups, including authorities of the President's Science Advisory Committee, have urged that the proportion of basic research be far higher.

The taxpayers invested in these advisory reports, but the reports have become dead letters. The question is "Why"? Why does the U.S. Government continue to ignore the judgment of the greatest representatives as well as the rank and file of the scientific community?

Second. In many specific installations of the Department of Defense, the amount provided for basic research is incredibly small.

It must be recalled that many of these installations are, by their very nature, highly specialized engineering and testing grounds where it might not be expected that much, if any, pure research might be conducted.

Nevertheless, a serious question prevails as to whether it is satisfactory to have 99 percent of a major facility completely divorced from fundamental research.

I note, for example, that at Huntsville, Ala., the famed Army Rocket and Guided Missile Agency received in the 1961 fiscal year $345 million. But its basic research funds aggregated only $255,000.

Third. There is a tremendous disparity between applications for basic research and the DOD funds available to support them. For example, in the 1961 fiscal year, the three armed services and the Advanced Research Projects Agency received $114 million in meritorious proposals for which funds were not available.

CONCLUSION

The entire situation commands continued intensive study. As a member of the Committee on Appropriation, I intend to do my part, in addition to my work on the Government Operations Committee.

I ask unanimous consent that the full text of the Department of Defense reply be printed at this point in the RECORD.

There being no objection, the reply was ordered to be printed in the RECORD, as follows:

DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING,
Washington, D.C.

Hon. HUBERT H. HUMPHREY,
Chairman, Subcommittee on Reorganization and International Organizations, Committee on Government Operations, U.S. Senate.

DEAR MR. CHAIRMAN: The Secretary of Defense has asked me to acknowledge your letter of July 28 concerning basic research in the Department of Defense.

After discussion of the matter of the Defense Department policy on basic research with the Secretary, I would summarize the policy as follows. The Department of Defense recognizes the great importance of an adequate program of basic scientific research to the Nation as well as to the specific requirements of the Department of Defense and intends to continue to develop and implement specific policies on personnel, financing, etc., that will promote a strong national defense program in cooperation with other responsible agencies of the Government, such as the Department of Health, Education, and Welfare, the National Science Foundation, and the Atomic Energy Commission.

The Department of Defense is at the present time considering a new formal statement of policy on basic research to take account of legislative and organizational changes that have occurred since the last policy directive was issued in November 1957. The remaining questions contained in your letter are answered in the inclosure to this letter.

May I take this opportunity to thank you for your courtesy to me on the occasion of your hearing July 26 and for the opportunity to submit the specific information you requested at that time.

Sincerely,

HAROLD BROWN.

INFORMATION CONCERNING DEPARTMENT OF DEFENSE SUPPORT OF BASIC RESEARCH

2. Definitions: There have been many comments on statistical variations in Government reporting, because of ambiguity in the term "basic research." I understand that ODDR & E has made a study as to whether differences in definition do account for substantial differences in DOD assigning projects to the category of either "basic" or "applied" research. Please describe the results of such review and comment on the definition problem as it concerns DOD reporting to the National Science Foundation.

Answer: Although ODDR & E has made no formal study of the problem of ambiguity in the term "basic research," the matter is one which is under almost constant discussion; and many of its consequences are well known. The Department of Defense adheres to the National Science Foundation definition; i.e., "Basic research is that type of research which is directed toward increase of knowledge in science. It is research where the primary aim of the investigator is a fuller knowledge or understanding of the subject under study * * *" so no conflict exists. However, this really constitutes only agreement on the shape of a pigeonhole—the problem arises when different people, for different purposes, attempt to sort out the appropriate items to be placed in that pigeonhole.

Research which appears quite fundamental or "basic" to those concerned with the building of extensive systems may be regarded as distinctly applied by a university scientist. On the other hand, there are many instances in which research which is superficially indistinguishable from the purest academic investigation is being conducted in the course of a search for solutions to pressing development problems.

Without reading the mind of every investigator to ascertain his motives, there is probably no absolutely reliable way of distinguishing between basic and applied research. Following up discussions by the Coordinating Committee on Science, my Office is at the present time endeavoring to select disciplinary categories into which basic research may appropriately be classified, a measure which should make the work of the three military departments more readily comparable.

"Basic research" seems to be a generally appealing name, and there has been a tendency to assign it to work which is, in some instances, closer to engineering than research. As illustrated by the recent reevaluation of the Army's research program, with a more stringent application of the definition of basic research mentioned above, the cognizant agencies of the Department of Defense are alert to the serious consequences of misidentification in this area and are actively attempting to improve the situation where necessary.

3. Extramural applications to services: The Coordinating Committee on Science has apparently made a study as to the extent of extramural applicants' duplication in basic

research proposals to the respective services. Please provide a brief statement as to the results of the review.

Answer: In 1958 the Coordinating Committee on Science made a study of all meritorious basic research proposals that were received in fiscal year 1957, but were not funded. These proposals from the military departments totaled $44,669,026 and included duplicate proposals totaling $2,877,199 or 6.4 percent.

4. Basic research proportions: Please indicate over the period of the last 5 fiscal years the amounts and proportions of their total research, development, testing, and evaluation obligations, assigned for basic research by the three services and (since its inception) by ARPA.

Answer: Attachment A shows the amounts and proportions of the total R.D.T. & E. obligations assigned for basic research by the three services and ARPA from fiscal year 1958 through fiscal year 1962.

5. Extramural basic research: Please list the names of the respective major offices and facilities in the services and in the Department which receive and pass upon unsolicited, extramural proposals for basic research.

To the extent available, please indicate for each of these respective offices, in dollar figures and in percentages of the extramural total, the obligations for basic research for fiscal year 1961.

Answer: In the Department of the Army, all the facilities engaged in basic research, as well as the technical services, may receive unsolicited extramural proposals for basic research. However, a majority of these proposals in the physical sciences are reviewed by the Army Research Office, Durham, and a majority of proposals in the life sciences are reviewed by the Army Medical R. & D. Command. The Office of Naval Research is primarily responsible for receiving and passing upon unsolicited extramural basic research proposals in the Department of the Navy. A majority of the unsolicited basic research proposals received in the Air Force are submitted to the Air Force Office of Scientific Research. The following table indicates the total extramural program and the basic research extramural program of these four offices.

[Dollar amounts in thousands]

	Total extramural program	Basic research extramural program	Percent
Army Research Office (Durham)	7,287	7,287	100
Army Medical Research and Development Command	7,000	6,300	90
Office of Naval Research	66,600	37,941	57
Air Force Office of Scientific Research	21,551	21,551	100

6. Research institutions: Please cite the total number of extramural facilities and institutions of various types in (a) the United States and (b) abroad, in which DOD supported basic research in fiscal year 1961.

Answer: In fiscal year 1961, the Department of Defense supported basic research in approximately 560 facilities and institutions in the United States and 263 abroad.

7. Intramural basic research: Please provide a list showing for DOD's own principal research and development facilities the dollar amounts represented by basic research in fiscal year 1961 and (at least the approximate) proportion which this effort may have represented of the total work performed at the respective facilities.

Answer: Attachment B is a list of the Department of Defense facilities engaged in basic research showing the fiscal year 1961 R.D.T. & E. allocations and the basic research funds for each.

8. Turnover: Please provide information and comment as to the turnover rate of DOD basic research contracts per year, e.g., including an indication as to the proportions of money which are (a) precommitted and (b) available for new contracts.

Answer:

	Percent
Percent of extramural basic research funds obligated for contracts and grants which were in effect in previous years:	
Fiscal year 1960	67.0
Fiscal year 1961	68.2
Percent of extramural basic research funds obligated for new contracts and grants:	
Fiscal year 1960	33.0
Fiscal year 1961	31.8

It is expected that approximately 30.5 percent of extramural basic research funds will be placed in new contracts and grants in fiscal year 1962.

9. Trend by discipline: What is the trend of DOD basic research support by major category and by intramural, extramural breakdown? Thus, please specify—in a table, broken down by (a) intramural, extramural; (b) the 14 (or so) disciplines or fields of basic research for which records may be available; (c) for a recent base year, e.g., fiscal year 1958, if available; and (d) fiscal year 1961—the total obligations in absolute figures and in percentage form, e.g., for astronomy, physics, chemistry, etc.

Answer: The following table showing the DOD basic research program broken down by disciplinary divisions includes all funds that can be identified as supporting basic research. Other contributions to research, such as military salaries, portions of maintenance and operations funds, etc., cannot be separated as between basic research, applied research, and development and, therefore, are not included.

Increased requirements for a better knowledge of the composition of the basic research program of the Department of Defense, both for internal purposes and for exchanges of information with such agencies as the National Science Foundation, require delineation of basic research in terms of subfields of the major areas. The Coordinating Committee on Science, at its 15th meeting on August 19, 1959, agreed that a mutually acceptable classification system should be established for reporting basic research. When this has been accomplished we will be able to answer future inquiries regarding the Department of Defense basic research program in more detail.

[Dollar amounts in thousands]

	1958		1959		1960		1961	
	Obligations	Percent	Obligations	Percent	Obligations	Percent	Obligations	Percent
Biology and medicine	$19,853	18.0	$23,755	17.0	$28,190	15.6	$32,207	17.1
Environmental sciences	9,479	8.6	19,248	13.8	27,570	15.3	28,624	15.2
Mathematical sciences	4,816	4.4	7,442	5.3	8,154	4.5	8,396	4.5
Physical sciences	73,407	66.5	84,760	60.7	112,524	62.2	114,544	60.7
Psychology and social sciences	2,815	2.5	4,476	3.2	4,329	2.4	4,840	2.5
Total	110,370	100.0	139,672	100.0	180,776	100.0	188,611	100.0

10. Meritorious applications: Please provide for fiscal year 1961 a statement as to (a) the amounts of funds made available by the Congress for basic research in relation to (b) the total amount of dollars represented by meritorious applications.

Answer:

[Millions of dollars]

1961 DOD basic research obligations, including ARPA	188.6
1961 basic research funds obligated for new contracts and grants (including ARPA)	44.0
Dollar value of meritorious proposals received in fiscal year 1961 by the three military departments and ARPA, but not funded	[1] 114.8

[1] See question 3 for estimate of duplication contained in this total.

ATTACHMENT A

Proportion of R.D.T. & E. budget assigned to basic research, fiscal years 1955–62

[Dollar amounts in millions]

	Army	Navy	Air Force	ARPA	Total
Fiscal year 1958:					
R.D.T. & E. allocation	$530	$760	$940	----------	$2,230
Basic research funds	$34.9	$41.1	$34.0	----------	$110.1
Percent	6.6	5.4	3.6	----------	4.9
Fiscal year 1959:					
R.D.T. & E. allocation	$1,040	$1,170	$1,370	$179	$3,759
Basic research funds	$37.4	$54.1	$40.7	$7.4	$139.6
Percent	3.6	4.6	3.0	4.1	3.7
Fiscal year 1960:					
R.D.T. & E. allocation	$1,102	$1,311	$1,468	$330	$4,211
Basic research funds	$44.2	$61.8	$44.6	$29.8	$180.4
Percent	4.0	4.7	3.0	9.0	4.3
Fiscal year 1961:					
R.D.T. & E. allocation	$1,147	$1,345	$1,584	$189	$4,265
Basic research funds	$48.7	$60.6	$43.1	$36.4	$188.8
Percent	4.2	4.5	2.7	19.3	4.4
Fiscal year 1962: [1]					
R.D.T. & E. allocation	$2,205	$1,306	$1,943	$186	$4,790
Basic research funds	$58.1	$69.7	$52.5	$37.3	$217.6
Percent	4.8	5.3	2.7	20.1	4.5

[1] Budget estimates fiscal year 1962 revised. (Reductions recommended by the House Appropriations Committee have not been deducted.)

ATTACHMENT B

Department of Defense facilities engaged in basic research

[In thousands]

Installation	Fiscal year 1961	
	Total R.D.T. & E. allocation	Basic research funds
Department of the Army:		
Chemical Corps R. & D. Laboratories	$24,174	$462
Chemical Corps Biological Laboratories, Fort Detrick, Md	22,529	831
Walter Reed Army Institute of Research, Washington, D.C	3,582	600
Medical Research Laboratory, Fort Knox, Ky	1,154	465
Medical Research and Nutritional Laboratory, Denver, Colo	460	75
Quartermaster Research and Engineering Command, Natick, Mass	12,775	1,223
Army Rocket and Guided Missile Agency, Huntsville, Ala	345,000	255
Aberdeen Proving Grounds, Aberdeen, Md	17,043	750
Detroit Arsenal	42,338	50
Frankford Arsenal, Philadelphia, Pa	7,561	1,100
Springfield Arsenal, Springfield, Mass	671	100
Ordnance Materials Research Office, Watertown, Mass	7,975	890
Diamond Ordnance Fuze Laboratory, Washington, D.C	7,339	490
Picatinny Arsenal, Dover, N.J	24,676	740
Watertown Arsenal, Watertown, Mass	1,064	600
Watervliet Arsenal, Watervliet, N.Y	1,480	50
Rock Island Arsenal, Rock Island, Ill	918	100
Transportation Research and Engineering Command, Fort Eustis, Va	16,615	714
Signal R. & D. Laboratories, Fort Monmouth, N.J	121,629	8,556
White Sands Missile Range (signal only), Las Cruces, N. Mex	13,409	290
Army Electronic Proving Ground, Fort Huachuca, Ariz	27,960	330
Engineer Research and Development Laboratories, Fort Belvoir, Va	16,771	856
Cold Regions Research and Engineering Laboratory, Wilmette, Ill	1,934	500
Department of the Army—Continued		
Geodesy, Intelligence, Mapping R. & D. Agency, Fort Belvoir, Va	$4,909	$30
Engineer Waterways Experiment Station, Vicksburg, Miss	1,631	250
Department of the Navy:		
Naval Research Laboratory, Anacostia, D.C	38,072	10,640
Navy Electronics Laboratory, San Diego, Calif	14,727	706
Naval Medical Research Institute, Bethesda, Md	1,624	1,624
Naval Medical Research Laboratory, New London, Conn	485	485
Naval Medical Field Research Laboratory, Camp Lejeune, N.C	262	262
Navy Medical Research Unit No. 1, Berkeley, Calif	46	46
Naval Medical Research Unit No. 2, Taipei, Taiwan	146	146
Naval Medical Research Unit No. 3, Cairo, Egypt	362	362
Naval Medical Research Unit No. 4, Great Lakes, Ill	226	226
Naval School of Aviation Medicine, Pensacola, Fla	467	467
Navy Medical Neuropsychiatric Research Unit, San Diego, Calif	156	156
Naval Air Development Center, Johnsville, Pa	23,512	825
Naval Air Material Center, Philadelphia, Pa	20,544	315
Navy Missile Center, Point Mugu, Calif	8,814	285
Naval Ordnance Laboratory, Corona, Calif	12,648	700
Naval Ordnance Laboratory, White Oak, Md	33,070	2,000
Naval Ordnance Test Station, China Lake, Calif	55,056	2,020
Naval Underwater Ordnance Station, Newport, R.I	8,446	255
Naval Weapons Laboratory, Dahlgren, Va	10,255	275
Department of the Air Force:		
Air Force Office of Aerospace Research, Washington, D.C	48,483	1,857
Air Force Cambridge Research Laboratory, L. G. Hanscom Field, Mass	27,161	11,068
Aeronautical Research Laboratory, Wright-Patterson AFB, Ohio	8,651	2,500

THE FREE COMPETITIVE ENTERPRISE SYSTEM

Mr. HART. Mr. President, the distinguished chairman of the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary, the Senator from Tennessee [Mr. KEFAUVER] long has emphasized the need for broad understanding of the place the antitrust laws play in the maintenance of the system of competitive enterprise. His most recent expression was in the role of guest columnist in the New York Herald Tribune of September 1, in a column entitled "Suicidal Industry." The column, written by the distinguished Senator, with whom I have the privilege of serving as a member of the Antitrust and Monopoly Subcommittee, is well worth the widest attention. I ask unanimous consent that it may be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SUICIDAL INDUSTRY

(By Senator ESTES KEFAUVER)

(Financial Editor Donald I. Rogers is on vacation. His column today is by Senator ESTES KEFAUVER, Democrat of Tennessee.)

To businessmen the realization that the United States is something of an island of free enterprise in a world of collectivism always comes as something of a shock. In the Communist world, from central Europe through Russia and across Red China the idea of private ownership of industry is anathema. But, even outside the Communist sphere, industry has been nationalized, socialized, and subjected to one form or another of direct governmental control.

That the United States has been able to maintain the free competitive enterprise system, where everywhere else it has given way to one form or another of collectivism, is directly traceable to the existence of that unique American institution, the antitrust laws.

It is apparently a law of history that men must have some philosophy of government to live by. Put very briefly, the philosophy of collectivism is that monopoly is inevitable, and in private hands intolerable, and that therefore it must be taken over or directly controlled by the State. Prices will not be unreasonable because they will be set, directly or indirectly, by the government.

In contrast, under the philosophy of competition, monopoly is not regarded as inevitable. Prices will be reasonable, not because they are determined by governmental fiat, but by the rivalry of competing producers in the market. This rivalry will, in turn, result in the best use and development of resources.

But to perform its function of acting as the "invisible hand" or "automatic regulator," competition must be protected. The unique contribution by this country has been the development of a means of keeping competition alive and vigorous. It is not just an accident that, where in other lands competition has come to be replaced by collectivism, antitrust laws of any real force and effect have never existed.

As a former member of the House Judiciary Committee and the House Small Business Committee and now chairman of the Senate Subcommittee on Antitrust and Monopoly, I have always been astonished by the vigor, and sometimes the ferocity, of the attacks on the antitrust laws by those who have the most to gain from their existence.

For some reason, too, many businessmen seem incapable of realizing that the alternative to the antitrust laws is something which they would regard as utter anathema—direct Government control over prices, profits, etc. If they view such controls as beyond the realm of possibility in this country, they should pay attention to a growing body of opinion which holds that the antitrust laws have had their day, that they are no longer capable of dealing with the huge corporations and high levels of concentration of today and that some more direct form of protecting the public interest must be devised.

Personally, I do not subscribe to this point of view, and, as a consequence, I find myself regarded in some quarters as being rather old-fashioned and behind the times. But to me competition has a dynamic force and creativity that no form of governmental intervention in the price-setting process can possibly replace.

Just as competition must be protected by the antitrust laws, the antitrust laws must in turn be given reality by the antitrust agencies and the committees of Congress having jurisdiction in this field. If there is a more difficult and thankless job anywhere, I do not know what it is.

What makes it so taxing is the myopia on the subject by large segments of the business community. Not only do businessmen fail to realize that those engaged in this work are the real preservers of the free enterprise system, they all too often regard antitrust activity as something which must be stamped out by any means—fair or foul.

Being the target of vilification, smear campaigns, personal attacks (in newspaper columns and elsewhere), intensive attacks on one's job must be the accepted lot of all who enter this form of public service.

These attacks stem from an attitude of mind toward the antitrust laws within much of the business community which ranges from indifference to contempt.

The attitude of too many businessmen toward these charters of economic freedom was dramatically revealed during the course

of hearings on the electrical machinery industry. To certain officials of General Electric and Westinghouse the antitrust laws were traditionally something to be ignored, and where this was not possible, to be evaded.

If they were aware of the inconsistency between praising the free enterprise system and violating the antitrust laws the record fails to disclose it.

Another unhappy manifestation of the business attitude toward the antitrust laws has been a lowering of the intellectual level of the rationalizations for their behavior offered by even the largest and presumably best informed corporations.

A case in point is the steel industry. During our hearings, we were informed that one company must raise its price to meet another's in order to meet competition, and that competition exists only when all prices are the same and all price increases are identical.

Yet 20 years ago, when United States Steel was called before the temporary National Economic Committee, the corporation presented an excellent analysis of the underlying issues, prepared under the direction of Dr. Theodore Yntema, now vice president of Ford Motor Co.

It is saddening indeed to compare that careful study—which one may disagree with but still admire—with today's cliches, public relations gimmicks, personal attacks and such inanities as "raising prices to meet competition."

Big business can discuss complex economic issues with depth and on their merits, because it has done so in the past. It is high time in public discussions for our large corporations to stop putting their worst foot forward.

There can be no gainsaying the fact that in many industries the managers of large corporations possess tremendous economic power. With power inevitably goes responsibility.

The preservation of the free competitive system should not be regarded solely the responsibility of Government. It is also the responsibility of those who direct the activities of our great corporations.

This is a responsibility which they should feel because of both moral considerations and enlightened self-interest. To do otherwise will be to commit economic hara-kiri.

NEED BY SMALL BUSINESS FOR LONG-TERM EQUITY CAPITAL

Mr. PROXMIRE. Mr. President, a very few years ago the Senate recognized the great need by small business for long-term equity capital. This recognition was based on studies which have taken place over a period of some 25 or 30 years. The study had been made by industry, by financial institutions, by Government institutions, by the Federal Reserve Board, and others. There is no question that small business has such a need.

The SBIC was established with the idea that little business was unable to get equity capital from banking houses or elsewhere, and had to have some institution from which to get it. In creating the SBIC, Congress provided for substantial tax advantages. We also provided a substantial amount of Government money. We provided that for every $2 of Government money, private investors in small SBIC's would put up $1 of their own money. The purpose of permitting use of Government money and tax privilege was in order that small business—really small business—would have the opportunity to get the long-term capital, which has been so badly needed.

This morning the Wall Street Journal published a very alarming article on this issue, written by Kenneth Slocum.

The article reads in part as follows:

RISE OF THE SBIC'S—FEDERALLY AIDED UNITS TRIPLE IN NUMBER, POOL FUNDS FOR BIGGER LOANS—THEY AID HELICOPTER SERVICE, BOATMAKER; UNDER $50,000 LOANS GROW LESS POPULAR—A FLORIDA LENDER SPECULATES

(By Kenneth G. Slocum)

CHICAGO.—Bomb shelter builders, fishing tackle producers, helicopter service operators, and ballpoint penmakers are among the businessmen benefiting from a new trend in small business financing.

Within the past 12 months, the number of Government-aided small business investment companies has roughly tripled, to 354. Helping this growth has been a trend by the SBIC's to split their processing costs by combining their capital to make bigger loans.

"A year ago the little guys in this business—

That is, the little small-business investment companies—

didn't have a chance, but now we're teaming up, says Philip E. Freed, a Chicago attorney who serves part time as secretary of the Mid-North Capital Corp., one of the small-business investment companies. The smaller SBIC's biggest loans in many cases used to be too small to offset costs of finding, investigating and servicing them. Now joint investments, besides cutting costs and offering little SBIC's an interest in bigger companies with greater potential, are attracting even the bigger SBIC's because they provide more safety through diversification, both geographically and by industry.

A little later the article describes an investment made by a California company, as follows:

The mechanics of SBIC joint investments are relatively simple. For instance, the Cambridge Fund of California, Inc., Long Beach, developer of shopping centers and service stations, needed some $850,000 recently to finance planned expansion. Inquiries in financial circles led the firm not to local bankers, but to an SBIC in New York City, the Small Business Capital Corp.

This SBIC had capital of $400,000, qualifying it for a maximum loan of $80,000 to any one firm, but it set about lining up other SBIC's willing to take part of the investment. In late July, 19 SBIC's, headquartered in such scattered points as New York City, New Haven, Philadelphia, Washington, D.C., Monticello, Ill., and Los Angeles, concluded an agreement for a 10-year loan for $810,000 at 10 percent interest, along with purchase of a 25 percent stock ownership (10,000 shares) for $40,000. The agreement also grants the SBIC's voting control of 50 percent of the stock and four directors on the eight-man board of the Cambridge Fund.

And in the article it is stated that many of the SBIC's are getting in on this development.

Mr. President, I think it is wonderful that people are making money. But we should remind the SBIC's and the Small Business Administration that this sort of money is being made on the basis of a program designed and enacted for the purpose of providing equity capital to small business. But certainly the program is not providing equity capital to small business when it results in providing capital of $810,000 to only one concern.

I have studied this matter, and I find that there have been cases in which loans of over $1 million have been made in connection with this program, which supposedly was intended to operate and provide help in the name of small business. So it is most important that Congress take a look at the actual operation of the program.

After all, both the Senate and the House, in acting on an SBIC bill this week, included a provision for a maximum of $500,000 for such loans. But we find that "the boys" get around that limitation by pooling 20 or more together; and, as a result, even with the $500,000 limitation, they are thereafter able to wind up with an investment of $10 million in one so-called small business. Mr. President, this is not supposition; it is the sort of activity that is described in this article in the Wall Street Journal, which states that such things are now being done, and that Congress should be concerned about them.

I ask unanimous consent that the entire article from the Wall Street Journal be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Sept. 8, 1961]

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This new technique is important to the success of the SBIC program, for some 90 percent of these companies are minimum firms, which have only $300,000 in capital and can lend no more than $60,000 to any one borrower. And the growth in the SBIC program is providing new sources of capital for a wide variety of businesses. Some 150,000 manufacturing businesses and another 30,000 service concerns are considered prime candidates for SBIC funds, according to the Small Business Administration.

Unhappily, however, the joint-loan trend speeds an already marked move away from small loans of $5,000 to $50,000 to the little

businessman. These little—and often unprofitable—loans were a major aim of the whole program, SBIC officials concede.

PROGRAM GROWS FAST

The capital of the SBIC's now totals some $280 million, compared with $44 million a year ago. And the SBA figures funds available or already loaned to business will top $500 million before the end of the year.

SBIC's provide unsecured funds for 5 years or longer to businesses with under $5 million in assets on their balance sheets. The SBIC's often buy stock in the companies to which they make loans. The 3-year-old program enables private investors to form an SBIC with a minimum of $150,000, which the Government matches through 5-percent debentures. After the $300,000 is loaned out, the SBIC can borrow additional funds from the SBA or other sources or sell stock in unlimited quantities.

Tax breaks are a major inducement: Dividends received by an SBIC on an investment are 100 percent tax free; most other corporations must pay a Federal tax on 15 percent of the amount of dividends received. SBIC capital losses are treated as operating losses and are fully deductible from ordinary income, which is taxable at rates up to 52 percent. Most other corporations must use capital losses to offset capital gains, taxable at a maximum rate of 25 percent.

The mechanics of SBIC joint investments are relatively simple. For instance, the Cambridge Fund of California, Inc., Long Beach, developer of shopping centers and service stations, needed some $850,000 recently to finance planned expansion. Inquiries in financial circles led the firm not to local bankers but to an SBIC in New York City, the Small Business Capital Corp.

This SBIC had capital of $400,000, qualifying it for a maximum loan of $80,000 to any one firm, but it set about lining up other SBIC's willing to take part of the investment. In late July, 19 SBIC's, headquartered in such scattered points as New York City, New Haven, Philadelphia, Washington, D.C., Monticello, Ill., and Los Angeles, concluded an agreement for a 10-year loan for $810,000 at 10 percent interest, along with purchase of a 25 percent stock ownership (10,000 shares) for $40,000. The agreement also grants the SBIC's voting control of 50 percent of the stock and four directors on the eight-man board of the Cambridge Fund.

"We experimented with one participation (joint) venture last year and found it so rewarding that we're putting about 25 percent of funds invested this year into group deals," comments Irve L. Libby, president of the First Miami Small Business Investment Co., Miami, "and we'll probably put an even bigger share into them next year."

BIGGER SBIC'S TEAM UP

"We didn't join with other SBIC's in any deals last year," says John M. Breiner, president of the First Connecticut Small Business Investment Co., Bridgeport. "But we figure that about $500,000 of the roughly $1.7 million we'll invest this year will be in joint investments."

While such joint investments were almost nonexistent last year, they probably accounted for about 10 percent of funds extended to businesses by SBIC's in July and August, estimates George J. Miller, chairman of the participation committee of the National Association of Small Business Investment Companies. Mr. Miller also is president of the Baltimore Business Investment Co.

Among the SBIC officials who stress the cost-cutting advantages of "pool" investments is Robert E. Johnson, a consumer credit company official who is also vice president of the Morris Plan Business Investment Co., Cedar Rapids, Iowa. "The biggest cost in this whole program is that involved in finding suitable investments," he says. "So when an SBIC offers us a $50,000 piece of a big loan, our expenses are practically nil in comparison with finding and processing a $50,000 loan by ourselves."

Expenses surrounding an investment vary widely with the SBIC and with the company being investigated and in many cases the borrower must absorb most of them. But an official of a New York SBIC estimates that its costs of making a loan, not including those fees passed on to the borrower, average 5 percent of the amount of the loan. "We make practically nothing on an investment during the first year, if we handle it alone," the official says.

HOW EXPENSES ARE SPLIT

The SBIC's in a joint investment handle the expenses in a variety of ways. In some cases, several SBIC's split expenses equally. In others, the sponsor absorbs all costs, with the understanding other SBIC's participating without expense will later offer the sponsor similar opportunities.

"Pooling capital with others is the only means by which a minimum SBIC can overcome the limitations of its size," says Stewart Devore, president of the Fort Worth Capital Corp., Fort Worth. "By teaming up, we can accommodate the larger size business concern that offers greater profit potential."

"We're only a minimum company but we have a chunk of money in convertible debentures of a company that's going to sell stock to the public in the next few weeks," says the president of a Florida SBIC. "We should be able to sell our stock at a good profit and we couldn't have swung such a deal without participating with others in the big investment."

As this official's comment suggests, some SBIC's are more interested in making capital gains on the stock of companies they help than in earning interest income. Such stock, of course, is often highly speculative.

The SBIC program is still much too new to permit any firm judgments on the soundness of SBIC loans and investments. Although the borrowers are carefully investigated, the element of risk remains sizable in lending to companies that cannot qualify for regular bank loans. The Government, with its holdings of SBIC debentures, has a large stake in the future of the investment companies. This stake is likely to grow as more SBIC's are formed; legislation pending in Congress would permit the SBA to invest bigger sums in each SBIC than it now can.

SBIC officials say the safety of their portfolios is considerably enhanced when they pool funds to achieve diversification by industry. For instance, Allied Small Business Investment Corp., Bethesda, Md., with capital of $1.5 million, is negotiating with three other SBIC's for an investment in National Research Associates, Laurel, Md., which has orders to produce 18 boats that will travel above the water on jets of air, according to Gus Levathes, Allied executive vice president. The boats are designed for use by commercial carriers and the Government.

Allied also has pool investments in a helicopter service, a weather instrument maker, a producer of oil well equipment and a ballpoint penmaker. Allied also is negotiating with a borrower who wants to build bomb shelters. "When we operate alone, investment often runs from $250,000 to $300,000 and this limits the number of loans and thereby the amount of diversification we can accomplish," notes Mr. Levathes. "Now, by joining others on the same investments, we can put in only $100,000 and spread ourselves into more industries for safety's sake."

GEOGRAPHIC DIVERSIFICATION

Some SBIC's also are eager for diversification geographically. "While we used to operate mostly in the New York City area, participation loans have now given us investments in Florida, Pennsylvania, Arizona, and California," says Harry L. Schein, president of Small Business Capital Corp., New York. "It enables a New York company such as we are to invest in areas such as southern California, where growth is the greatest."

Growth in the SBIC field has been encouraged not only by the sunnier prospects for smaller SBIC's but by brisk entry of banks, usually considered the most conservative of financial institutions. Some 114 banks now own all or part of 55 SBIC's.

One bank which recently entered the field is the First National Bank of Chicago, which put up $3 million capital to form the wholly-owned First Capital Corp. "The basic reason for our interest in the SBIC program is to build future customers," comments Clarence B. Jennett, president of the First Capital Corp. and a retired vice president of First National. "We plan to wet-nurse the most promising little men to the point where they are good customers for First National's conventional banking operations."

Also, many banks are convinced the SBIC program is a needed adjunct to the Nation's financial institutions. "There's no doubt that we have a gap in our economic structure," maintains Lee Davis, president of the Southeastern Capital Corp., Nashville, an SBIC formed by 54 State and National banks. "Commercial banks are not geared to handle long-term loans and most institutional lenders such as insurance companies and pension funds want only the blue-chip borrowers."

While laws of many States now prohibit State banks from joining the SBIC program, there are indications that many of these States will alter the laws, as did Tennessee. "The potential loss of business to National banks will force State banks to influence legislators to pass enabling legislation," predicts a spokesman for the Small Business Administration. Illinois voters soon will be asked to approve such enabling legislation.

While prices of the stocks of many publicly owned SBIC's fell from spring highs as investor fever cooled, average bid prices August 30 of 12 key stocks was $16.35, compared with initial offering prices of $11.25, according to SBIC Evaluation Service, Chicago, an industry newsletter. The high for the year was $22.10 on May 31. Bid price on Electronics Capital Corp., San Diego, this week is about $35, compared with an issue price of $10 in June 1959. Growth Capital Corp., Cleveland, has a bid price of $27.50, up from an issue price of $20 in June 1960. Bid on Florida Capital Corp., Palm Beach, is about $8.50, up from an issue price of $8 in July of last year.

SBA figures show that 77 SBIC's which had been in business for at least 1 year on December 31, 1960 (latest date available), had net income after taxes for the year of 10.8 percent on their investment portfolios. There have been no failures so far.

Small business concerns which have borrowed money from SBIC's are generally enthusiastic about the benefits. "Our suppliers offer 2 percent discounts for payment within 10 days and these discounts completely offset the interest charges of our SBIC financing," says Frank Etheridge, general manager of Miller Bearings of Orlando (Fla.), Inc., a bearing distributor. "In addition, the time I was spending for financial manipulations now goes in sales effort and we're also saving money through more efficient operation."

Mr. Etheridge says that he investigated regular bank financing but "found they weren't interested in a company only 4 years old."

A HELICOPTER SERVICE

"SBIC's played a big role in the birth of our company," says James G. Ray, president of the Washington-Baltimore Helicopter Airways, Inc., Washington, D.C., which is seeking approval for an air service in that area.

He reports that when a well-known SBIC, equipped to investigate loans, approved an investment in his company, local financiers were much quicker to put money in the transaction.

St. Croix Corp., a fishing tackle producer based in Park Falls, Wis., credits the sale of $200,000, 7.5 percent, 10-year convertible debentures to the First Midwest Small Business Investment Co. of Minneapolis with boosting its sales. "We were turning away business because we couldn't afford to maintain proper inventories of raw materials and finished goods," comments J. Douglas Johnson, president. "Our sales this year will increase to about $2,250,000 fron. $1,800,000 last year, mainly because of the new financing."

But financing is no corporate cure-all, of course. "We turn down most of the people who apply for money because capital is not the only thing these people need to succeed," observes Mr. Jennett of Chicago's First Capital Corp. "They also have to have judgment, special knowledge, opportunity and a whole lot of luck."

Mr. PROXMIRE. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a similar article, also expressing concern. The article was written by David R. Francis, and was published in the Christian Science Monitor.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"SMALL" FIRM INVESTMENT GROWS

(By David R. Francis)

NEW YORK.—"It was a baby 3 years, it's a stripling now, and in 3 years, it will be a young giant."

A spokesman for the investment division of the Small Business Administration (SBA) in Washington was speaking of the small business investment phenomenon.

Such companies make loans to "small" firms on a long-term basis; or buy equity in firms, squeezed by a "credit gap."

Harold C. Scott, president of Midland Capital Corp., presently the third largest small business investment company (SBIC), sees these "SBIC's" as "a great banking system of their own."

Mr. Stott adds: "They probably have a greater future than the Federal savings and loan associations."

These forecasts are an indication of the hopes held out for the fast-spreading firms, permitted to operate under terms of legislation passed by Congress in 1958.

A STIMULUS

The purpose of that legislation—as stated in the act—is "To improve and stimulate the national economy in general and the small business segment thereof in particular by establishing a program to stimulate and supplement the flow of private equity capital and long-term loan funds which small business concerns need for the sound financing of their business operations and for their growth, expansion, and modernization."

When Congress speaks here of small business, it isn't referring to the corner grocery store. It is talking about firms with less than $5 million in gross assets and fewer than 250 employees.

The Small Business Administration estimates that small business investment companies have 120,000 to 130,000 potential customers.

TAX INCENTIVES

In order to encourage the formation of SBIC's, Congress has offered several tax incentives—and more are in the offing probably.

"Who can be against small business?" asks an SBA official. "That's like being against home, family, and flag."

In this hothouse tax climate, 8 or 10 more SBIC's are springing up each week. They now number more than 350.

Minimum capitalization is $300,000, of which half may be lent by the Federal Government. But about 20 percent of SBIC's have a greater capitalization.

Total capital held in SBIC's for investment in small business is in excess of $275 million. This may not be a large sum, compared to the total capital available for investment in the Nation, but it is a total likely to increase rapidly.

STOCK ISSUED

Nearly every week some small business investment company becomes public, issuing stock and thereby enormously increasing its capital. Twenty-eight are now public. Another 15 are awaiting clearance from the Securities and Exchange Commission.

Last week, for instance, the Small Business Investment Co. of New York, Inc., announced that it plans a public offering of 875,000 of its shares at an estimated total price of $17,500,000.

The largest SBIC in the Nation, Electronics Capital Corp., raised a total of $34 million through the sale of ownership papers.

A significant fact about the Small Business Investment Co. of New York, Inc., is that the company is now owned by 17 banks in New York State. The largest holders are the Morgan Guaranty Trust Co., the Lincoln Rochester Trust Co., the Manufacturers & Traders Trust Co., and the National Commercial Bank & Trust Co.

BANKS AFFILIATED

Of the more than 350 SBIC's some 55 are bank affiliated, according to the Small Business Administration. Involved thus are about 114 banks, including the world's largest, the Bank of America, on the west coast. The chairman of the board of Mr. Stott's Midland Capital Corp., C. Edgar Schabacker, Jr., is also executive vice president of the Marine Trust Co. of western New York.

John W. Remington, president of the American Bankers Association in 1960, noted then that through an SBIC operation a bank for the first time in our history is enabled to enter the equity-financing field.

Banks would now be able to provide small business customers with a complete package of financial services, he said at that time.

OPPORTUNITY FOR BANKS

This is a great breakthrough for the banks.

The Glass-Stegall Act of 1933 prohibited them from any equity-financing operations. Now, under the Small Business Investment Act, they may invest up to 1 percent of their capital and surplus in a small business investment company.

And the SBIC in turn invests its money in small businesses. To date, most SBIC investment has been in equity capital, a small portion in loans.

A concern that banks would build enormous business empires by means of their immense money resources has apparently dwindled. Banks are able to indirectly invest in small businesses—which could grow up.

Mr. Remington pointed out that a bank can now provide a small business with necessary equity financing and in turn can then expand its own line of credit to the growing company.

Mr. PROXMIRE. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an article on the same matter, written by Vance Trimble, and published recently in the Washington News.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A $500,000 LOAN LIMIT ON WAY FOR SMALL INVESTMENT FIRMS

(By Vance Trimble)

Congress is putting a $500,000 limit on loans made by the suddenly flourishing small business investment companies.

This ceiling was expected to be adopted today by the House. The Senate voted it last week as part of an overhaul that both sweetened and restricted the Government-sponsored SBIC program.

The program began 3 years ago—with no limit on loans—to meet a need for equity capital and long-term loan funds for small business. By contrast, regular Government-financed Small Business Administration loans are for short terms. Limited to 5 or 7 years, they draw 5½ percent interest, are under $350,000.

EIGHT PERCENT

SBIC's, usually formed by a syndicate of investors, may lend for longer periods, get 8 percent.

Some of the 354 SBIC's now operating—with 250 others being organized—have made loans of as much as $1 million. Congressional critics say firms that can borrow that amount shouldn't qualify as "small" business.

Small Business Administrator John Horne counters that there are "few" $1 million loans. Most of those made by SBIC's, Mr. Horne said, are for under $500,000.

Senator WILLIAM PROXMIRE, Democrat, of Wisconsin, and other Congressmen take a cautious view of the boom in small business investment companies. Since January 1, 177 SBIC's have been licensed by the SBA.

That means that under the Kennedy administration licenses were granted in 7 months to nearly as many SBIC's as were authorized in 2½ years under the Eisenhower administration.

VIEW

Such a mushrooming of special lending facilities, in the view of informed Congressmen, requires diligent policing to avert an assortment of potential malpractices.

A chief lure to SBIC organizers has been special favorable treatment under tax laws. Additionally, the Government in effect, furnishes $2 of original capital for every $1 provided by SBIC organizers.

From a $250 million revolving fund, the SBA has been permitted to put up $150,000 of the minimum $300,000 needed to start an SBIC. The SBA can immediately provide another $150,000 to the new investment company.

The Kennedy administration wanted this limit on matching capital boosted from $150,000 to $1 million. The Senate raised it to only $300,000. The House legislation would make it $500,000.

NBC DESERVES COMMENDATION FOR SPLENDID TELEVISION POLITICAL SCIENCE COURSE

Mr. PROXMIRE. Mr. President, on Thursday, September 7, the Members of the Senate and House were invited to a special screening of the NBC–TV network's new "Continental Classroom" course on American Government. This is a new educational series which will appear on some 170 TV stations early weekday mornings starting on September 25.

This most interesting preview for the Congress was made possible by the network, the American Political Science Foundation, the National Council for the Social Studies, and the American Association of Colleges for Teacher Education, who are joined as professional sponsors in the presentation of the course. These organizations deserve our thanks for arranging this preview.

The TV series is conducted by Dr. Peter H. Odegard, the eminent professor of political science from the University of California at Berkeley. Over 300 colleges and universities throughout the country are offering full academic credit to students who complete the course. I am sure that the Members of Congress join me in the hope that this television course will bring to its viewers a greater understanding and appreciation of the affairs of American Government at every level.

Mr. President, I yield the floor.

EDUCATOR SAYS "WE REJECT FEDERAL AID"

Mr. HRUSKA. Mr. President, although Federal aid to education legislation is dead for this session at least—and many millions of Americans hope for a longer period of dormancy—it is bound to be resurrected. This has been so every few years since 1870, when the first bill on this subject was introduced in Congress.

Advocates of Federal aid are still hopeful.

It is heartening to know, however, that those who have great faith in the present non-Federal system of education are constantly, and even now, alert.

My attention has been called to a well considered article entitled "We Reject Federal Aid," written by Dr. Anthony Marinaccio, superintendent of public schools in Davenport, Iowa, since 1959. The article appears in this month's issue of Nation's Business.

The author has devoted 27 years of his life to education—as a college professor, school principal, and as superintendent or assistant superintendent of schools in three other midwestern communities, before coming to his present position in Davenport, Iowa.

FEDERAL AID TO EDUCATION IS UNNEEDED AND UNWISE

These two points are emphasized in Dr. Marinaccio's article.

The Senator from Nebraska has often pointed out that the first general Federal aid to education bill was introduced in Congress over 90 years ago—in 1870, to be exact.

That bill and every one since has been turned down. This fact in itself should prove the lack of need for such a measure. Each time one such bill was introduced, the cry of "Wolf! Wolf!" has been raised. It was asserted, each time, that without such a law education in America would suffer badly, and so would the country.

Yet, without Federal aid, the United States has fashioned and developed a splendid progressive educational system—the best in the world, and the envy of all nations.

It is not perfect. It is not totally adequate. It can be improved and developed. That is in the very nature of all truly democratic institutions.

But when we say that expansion and improvement are needed in our school system, it does not follow that these can be done or must be done only by the use of Federal funds.

The fact is that as to classrooms, teacher supply, teacher pay, and in many other respects, the present system is being vastly improved without Federal intervention and management. It is being done with locally generated or State generated funds, with retention of local control.

Moreover, the past decade's record and the future outlook prove that State and local governments are better able and better situated to provide for unmet needs of the school system than is the Federal Government. This is especially true in view of the national defense requirements of present days.

FEDERAL AID MEANS FEDERAL CONTROL

It is on this fact that Dr. Marinaccio scores most effectively.

He states:

> If we allow Federal aid to education to come on a big scale, we will be moving—perhaps slowly at first, but more rapidly later on—to centrally directed education that could take us down the same road traveled by Mussolini and Hitler and Stalin and all totalitarian countries of the past.

This is a strong statement. It forecasts an ugly thought. But it does speak the truth.

Virtually everyone who advocates the enactment of this type of measure disowns and repudiates the idea of favoring a law which would embrace Federal management or control of schools. Every bill for such aid contains express, clearly stated provisions to that effect. Such provision forbids the Federal Government or any of its officials or agents or employees from exercising "any direction, supervision, or control over the policy determination, personnel, curriculum, program of instruction, or the administration or operation of any school or school system."

This language is found in the Senate approved bill of 1961.

But it is a vain gesture. There are many reasons why this sharp statement is true.

First, it is just as easy to amend or repeal such a provision as it is to enact it into law in the first place.

Second, past and present experience proves that "control does follow aid," as Dr. Marinaccio declares.

He writes:

> Proponents of Federal aid to education continually assure us that there will be no control. In Davenport, Iowa, in Peoria, Ill., in Missouri, and in other places where I have had contact with public schools, I found the opposite to be true. Control does follow aid.
>
> Uncle Sam cannot hand out large sums of money without checking to make sure this money is properly spent. When you get to checking the spending you have to have a standard against which to check it. This becomes control.

He cites experience with the National Defense Education Act of 1958. He refers to his earlier experiences with vocational education.

In regard to those acts, the views of Dr. Marinaccio parallel the testimony of Dr. Allen P. Burkhardt, of Norfolk, Nebr., then superintendant of public schools, as given in the 1958 Senate hearings, and of Prof. Claude J. Bartlett, assistant professor of psychology in George Peabody College for Teachers, at Nashville, Tenn. In this connection, I refer to the May 24, 1961, CONGRESSIONAL RECORD, pages 8804 and 8805.

Mr. President, I ask unanimous consent that all of Dr. Marinaccio's article be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EDUCATOR SAYS: "WE REJECT FEDERAL AID"—HOW REDTAPE AND DICTATION RESULT WHEN CITIES GIVE IN TO THE LURE OF GOVERNMENT ASSISTANCE

(By Dr. Anthony Marinaccio)

Don't let anyone tell you that Federal aid to education won't lead to Federal control. I have been on the receiving end of Federal aid and I have seen the controls develop and grow.

It's a dangerous delusion—this notion that aid from the Federal Government does not lead to interference with the freedom of local schools to manage their own affairs.

In a Missouri community where I served as superintendent of schools I saw a dramatic example of how this can happen. The public schools there were receiving Federal funds for vocational home economics education.

Ostensibly, there were no strings attached. In fact, however, we were harassed by a school supervisor who, in her capacity as an inspector employed by the State—but actually paid by Uncle Sam—attempted to force changes in our curriculum and facilities which our own vocational training specialists knew to be inadvisable.

When we refused to accept her ideas, she said, "Well, I am not sure that I want to approve the funds you get for this program."

What did we do? We did what I feel every school system in America should do in a situation where its basic rights are threatened. We rejected the Federal program and ran our own.

There are other examples of the controls which come with so-called aid from Washington. But before I enumerate some of those which my 27 years in education have revealed, I want to make this point most emphatically to all Americans—and particularly those responsible for the training of our youth: America is in real peril of losing its freedom as a result of corrosion from within, and that corrosion, I am convinced, will be hastened if the Nation adopts large-scale programs in which the Central Government finances local schools.

Some will say that I am an alarmist, that I am painting the picture in unnecessarily dark colors. Let me say that I am not wearing blinders or fighting for a preconceived idea. I am, I think, a realist. I know that sometimes circumstances make it necessary for the Federal Government to help localities with their school problems.

One such special case is what is known as an impacted area. These are communities where, because of Federal installations, tremendous numbers of children come in suddenly and fill up the schools. Such communities should be given Federal help.

NEED FOR "AID" NOT WIDESPREAD

In most public school systems, there is no need for asking or expecting Federal help. The job can be done at the local level—where it should and must be done if we are

to preserve our freedom. America has been built out of this thing we call freedom. People can learn how to handle freedom—to be free—only if they have such powers as free education. Essential to free education is the power of the community to decide for itself what its schools should teach, and how to finance the teaching.

If we allow Federal aid to education to come on a big scale, we will be moving—perhaps slowly at first, but more rapidly later on—to centrally directed education that could take us down the same road traveled by Mussolini and Hitler and Stalin and all the totalitarian societies of the past. I don't want this to happen. But it could happen. It's precisely the danger which Washington and Jefferson and Benjamin Franklin were concerned about when they met at the inn in Williamsburg after the Revoluntionary War.

"Now that we have won this thing," they said in effect, "are we able to educate the masses of Americans to be free and to have responsibility for control of their freedom—or will chaos result?"

Proponents of Federal aid to education continually assure us there will be no control. In Davenport, Iowa, in Peoria, Ill., in Missouri and in other places where I have had contact with public schools, I found the opposite to be true. Control does follow aid.

Those who administer aid want to check the programs and courses of a study. They suggest programs. They suggest the type of personnel you should hire and what you should pay them. They suggest what you should teach and, through these suggestions, they are actually controlling the situation.

Uncle Sam cannot hand out large sums of money without checking to make sure this money is properly spent. When you get to checking the spending you have to have a standard against which to check it. This becomes control. It is really as it should be. Billions of dollars should not be loosely distributed and their use left unmonitored. So, you're in a vicious circle. If you're running a public school system which receives Federal tax dollars, you have to pay attention to what the Federal Government or its agents say, or you just won't qualify for the funds.

Look at the National Defense Education Act of 1958 which sets up grants for science and mathematics.

The preamble of this act disclaims any intention to control local schools, yet you should have seen the thick report which we had to prepare in Davenport if we wanted to qualify for NDEA funds. We had to spell out in detail our program, our organization, and so forth. If that isn't control, what is it?

I know of communities which are spending thousands of dollars on science equipment, language laboratories, additional guidance personnel and tests financed from NDEA funds before they are ready for these things and before they know what to do with the new facilities.

This is an outrageous drain on American taxpayers. Many such communities spend the money from NDEA simply because it is there and its availability invites someone to spend it.

WASTE CITED

In my earlier experience with vocational education, the supervisor wanted us to redo our home economics laboratory. Instead of having a limited number of areas in which to teach cooking and so on, she insisted on having enough for everybody.

Well, this would have been a tremendous waste. We knew we would have only so many students in there, and we didn't want to leave other areas idle. After we rejected the federally supported program, we split the student group so that some were cooking, some were sewing, and some doing other things. That way we saved a lot of money and—most important—did a better job of teaching.

We are now starting an electronics program under vocational training for adults. Federally connected people, through the State, worked with us in making out the courses of study, and the plans for the program. They made suggestions for the kind of person we should find, and how much we should pay him.

In their letter they said, "These are only suggestions." Well now, you probably know what "only suggestions" means coming from a superior office.

The drive for Federal aid to education has been gaining momentum in recent years because of a tremendous growth in the numbers of children to be educated and the teachers and facilities needed to do the educating. In addition, inflation has led to a rise in the cost of materials needed for school construction and, most important, in the salary requirements of teachers, many of whom are still underpaid. The net impact of all these pressures in many communities has been almost revolutionary. The average taxpayer sometimes can't see why his taxes should be so high.

We have to get across to the taxpayer—at the local level—that his higher taxes are buying better schools and better education. If he is tempted to think that running to the Federal Treasury will relieve the burden, he must be shown that nothing comes from Washington that doesn't originate in his own pocket.

Most communities can handle these increased needs locally if they will recognize the needs and have the initiative to do the job. In Davenport, where our board of education is on record as opposing Federal aid, we overcame the problem of teacher pay. Our school board spearheaded the campaign, starting about 3 years ago. The board enlisted the support of our local chamber of commerce, and other civic groups. Result: In 3 years—counting next year, which is already budgeted—the average classroom teacher will have realized a pay hike of from $1,000 to $3,000.

We did this by getting local support for a school tax increase. I am gratified by the result. It has raised the morale of our teachers. They have seen that the public recognizes their economic status and have thrown themselves into the job. They have organized new courses of study, invented new materials for the classroom, introduced language labs, including the teaching of foreign languages to children in the second grade. They work after school and on Saturdays.

LOCAL ACTION ESSENTIAL

This is the heart of the matter. Local action to solve local problems. Not enough communities are doing this, in my opinion. Too many bond issues are thrown out because of lack of understanding; too many tax levies are being voted down When that happens, the superintendent of schools and board of education run to the Federal Government for money.

We lost one bond issue last year but a committee came right back to push it and get the job done. One of the obstacles is the fact that the administration has come out for Federal aid. Many people in Davenport, meeting me on the street, say: "We're not against your program, but our taxes are high and we think we can get the money from the Federal Government."

One of the things which we should all recognize, realistically, is that if Federal aid is ever voted on a massive scale, many communities—including my own—will tend to think that they should apply for it, just to get their share. This is another reason why it is so important that the Federal programs be stopped before they get started.

I have studied history, and I am disturbed by the lessons it teaches. I see some ominous things in our society which emerged in past societies prior to their collapse. One of the most menacing signs is a drift into centralization, abandonment of individual responsibility.

What is happening in America today is comparable to what happened to Rome and Greece and Egypt. After the individual citizens of those States rose to great heights and everything became abundant, they forgot how they got the abundance. We are living better than we have ever lived, yet I wonder if we are not forgetting how we got there.

We got there through individual initiative, not by turning to someone else to solve our problems. If we let the centralization trend continue, we will wind up in the predicament described to me by a Russian teacher to whom I talked recently. I asked this teacher why Khrushchev and the other Soviet leaders are pushing so hard to surpass America.

"We won't have to fight you," this teacher replied with cold impersonality. "You will fall from within."

The reason why we are drifting toward the superstate and consequent loss of local initiative, stems, I feel, from widespread ignorance of our economic and political system. Our youngsters—for the most part—simply do not know what got us where we are today, and what makes our system tick. The same must be said about our teachers.

In our public schools you see very little in our curricula that even refers to our system of free enterprise. The student has to elect one economic course out of 12 years of work, one semester. We teach our economic system in only an incidental way.

Let me illustrate this: Say a youngster makes a pair of bookends in shop. He gets the mistaken notion that, since he paid 15 cents for the two pieces of scrap wood he used, and perhaps 15 cents for his shellac and what not, the bookends are worth less than a dollar. Then, when he sees a pair of bookends in a store window for $19.95, he assumes that somebody is making $19.

If our teachers understood our economic setup better they would say:

"Now look, boys, you are going to make a pair of bookends," and then they would study together how bookends are produced by industry; what the overhead cost is; how much goes for taxes; what it costs to supply the tools and to pay the workers. When you put it all together you might find a 2-percent margin of profit, or 3 or 4, and that would give the youngsters a more accurate grasp of competitive enterprise.

Why are our teachers so poorly equipped in economics? Many of today's teachers weren't taught economics when they were in school—or, at least, weren't motivated to study it. You must add to this the fact that some teachers feel they do not receive an adequate financial return from the society they serve.

RETURN TO OUR EARLIER VALUES

The challenge we face nationally has subtle aspects. When I was a boy, young people were quickly acquainted with the fact that they had responsibilities. We carried groceries, or sold door to door. The importance of hard work, initiative, and self-reliance was made plain to us not only in our own families but in our schools and in our communities.

We have slipped away from those principles, and we must get back to them. Our emphasis should not be on having "big government" do more and more for the individual, but on the individual doing more and more for himself.

If Federal aid to education becomes a reality, I am afraid it will mark the first step toward complete control of the education process by government. Dictation would move slowly, but surely, just as it did in Mussolini's Italy, where even the textbooks

were changed and Il Duce's picture finally showed up on about every fifth page. The schools would eventually become an agency of government, and many people would take their children out of them, leaving the public institutions to accommodate only the paupers and unfortunates whom no one else would take into their private schools. Even private schools would be drawn to the magnet of Federal aid.

We must not let these things happen. The public school is the basis of our strength. It's the bulwark of our society.

In the future we must teach our children to be able to make comparisons between our way of life and communism, but the only way we can teach these things is, first of all, to make sure that they understand what America stands for. Then we should try and teach the truth about communism as nearly as we can see it, and as nearly as we can tell the story. This becomes a difficult thing because our teachers, while they are well meaning and patriotic, generally don't have a foundation which would enable them to compare the American way of life with communism.

I would want to have an intense in-service education program so that our teachers would know. Out of this would come a strong desire to promote the American way.

For a long time I have felt rather comfortable about our relationships with Russia, thinking that someday the people would overthrow their government, but after talking with some Russians, I don't believe they are about to overthrow the government. They have a strong desire, almost a religious feeling, that their country is going to rise to tremendous heights.

They have been imbued with the idea that they are going to surpass America. They have been given a little more than they had—and they had nothing before—and this to them proves that they are making progress.

We must give our youngsters the same faith and strong desire to fight for and to promote American values, and I am afraid that is an area where we are falling down.

We face a difficult job, but we must get this job done, or we truly will fall from within.

LEGISLATION THE WHITE HOUSE FINDS WHOLLY SATISFACTORY

Mr. HRUSKA. Mr. President, last week, during debate on the conference committee's report on foreign aid, discussion centered around the curious fact that the White House had found "wholly satisfactory" a provision which only a few weeks earlier it had rejected as "not satisfactory." The implication was that when the administration sponsors certain "must" legislation, what it really means is, "well, almost 'must.'"

Another example of this strange policy is at hand now. The Senator from Nebraska received, as presumably did all Senators, a warm letter from the Secretary of Agriculture; it was dated August 25, and it expressed appreciation for the interest of Congress in farm legislation this year, and hailed the omnibus farm bill as "the most constructive and promising farm legislation in many years."

This statement by the Secretary is a complete 180° reversal of position, because the bill, as passed, left out the original title I, which the Secretary had previously and often described as virtually an indispensable part of his proposal.

Title I was deleted in spite of the Secretary's insistence that it be made into law.

But now he describes the omnibus farm bill, as enacted, "the most constructive and promising farm legislation in many years." Thus, he achieves a rewriting of history.

This, Mr. President, is in spite of the fact that the bill which was sent us by the President was described in Time magazine as being "gutted" by the Congress. The New York Times referred to the "dismantling" of the bill. The Wall Street Journal said it had been "reduced to a shell."

This is the bill which was stripped by the Congress of what the Omaha Stockmen's Journal called "the vicious title I which would have had the effect of eliminating Congress as the principal farm lawmaker and giving unprecedented power to the Secretary of Agriculture." It will be remembered that the Senator from Vermont [Mr. AIKEN] found 23 new grants of authority to the Secretary in that title alone. The Senator's tabulation was made after repeated assertions by the Secretary that his proposed bill would reduce his powers rather than increase them—a clearly erroneous statement.

That Secretary Freeman considered the ill-fated title I as indispensable and, in fact, as a cornerstone of his legislation is clear from the record which he made in campaigning for its inclusion. Let us review some of the actual declarations disclosed by the record.

When Secretary Freeman addressed the American Agricultural Editors Association, here in Washington, on April 28, the Associated Press quoted him as "predicting disaster for farmers if Congress did not pass his farm bill or something like it."

The Secretary repeated the warning on May 3, in testimony before the Senate Committee on Agriculture and Forestry, when, in arguing for the omnibus bill, he said:

> Delay or postponement now could have disastrous results.

The Secretary later testified that if his bill did not pass, we could expect "only economic disaster for the farmer, and a blight on our entire economy." He several times described the need for his bill as "urgent."

When the Senator from Kentucky [Mr. COOPER] asked Mr. Freeman whether it would not work just as well to have the Congress enact farm legislation in the usual way, the Secretary said he would "feel rather strongly" about getting the powers he sought. Later, in response to the same question, he said:

> Therefore, I feel that some kind of expedited procedure whereby we can get action, absolutely, is essential.

In an address to the National Press Club, on April 17, Mr. Freeman warned ominously:

> May I say quite frankly that I believe undue delay would be very serious—more serious than simply a postponement of the gains that we expect from the new program. In a real sense we are reaching the point of no return. Delay or postponement now could mean economic disaster. The time is running out.

In a speech at Urbana, Ill., on April 6, the Secretary used the word "essential" to describe the need for the procedures outlined in the administration bill.

Such is part of the record of the Secretary's efforts to brand title I as totally indispensable to a meritorious farm law. But now he has changed his mind. All is now different. Now it is with him "the most constructive and promising farm legislation in many years."

Even his Chief Executive, President Kennedy, engaged in the same tactics. He also made known to Congress and the Nation his belief that title I was virtually necessary. But after the "gutting" of that bill by the deletion of title I, he also joined in the ranks of those who describe the new law as satisfactory.

For example, in his farm message to the Congress, in March, the President stated that he "was deeply concerned," and asked that the Secretary of Agriculture be given the broad powers contained in title I because those he already had were not "sufficiently flexible for all contingencies."

But after having been denied by Congress the powers he asked, the President now calls this "gutted," "dismantled," "shell of a bill," "a major step toward a sound agricultural economy and a better life for the farmers of this country."

And the Secretary of Agriculture says it will "strengthen the economy of the entire Nation."

The Omaha World-Herald reported on June 4 that Mr. Freeman told a Des Moines audience that his bill "may be the last, best opportunity for farmers to secure from Congress the kind of broad, flexible enabling legislation under which good farm programs can be developed."

When the American Broadcasting Co. asked Mr. Freeman, last Friday, for his view on the water content of smoked hams, he replied: "A ham ought to be a ham." It seems strange that Mr. Freeman does not also feel that a farm bill ought to be a farm bill, especially one which was a last chance to prevent disaster for the entire American economy.

Mr. President, the Senator from Nebraska is gratified at the sense of satisfaction expressed by the White House on the foreign aid and farm bills. He is relieved that the earlier estimates of disaster and collapse have been revised, and that the outlook is not so gloomy, after all. It restores one's confidence in the wisdom of the Congress and the people we represent. It also is a body blow to two attempts to advance "government by crisis."

It is hoped that the lesson of these two bills, one labeled by the President as the "most important in the foreign field," and the other as the "No. 1 domestic issue," will not be lost on the Congress. When we and the Nation are told that there will be all manner of dire things ahead if we do not embrace the administration's proposals, if we do not surrender our constitutional responsibilities, if we do not blindly appropriate tremendous sums of money, we should remember these two bills.

Perhaps another way of putting it is that when the cry of "Wolf! Wolf!" is heard too often, there is a tendency to

ignore such a cry, and there is justification for doing so. And perhaps we can substitute for "Wolf! Wolf!" the words of the current cry, "Crisis! Crisis!"

Mr. President, in Gilbert and Sullivan's "H.M.S. *Pinafore*," there is a duet which goes:

Things are seldom what they seem. Skim milk masquerades as cream.

So it is with the administration's proposed legislation. What seemed to be "unsatisfactory" becomes "wholly satisfactory." What seemed necessary to prevent disaster and economic collapse turns out to be not so important, after all.

The strident clamor raised by the President and his associates when they asserted that we could never have a foreign-aid program without back-door financing, or that we could never have a farm program without providing sweeping powers for Mr. Freeman, is reminiscent of the chorus which asked the self-righteous captain of the *Pinafore*, "What, never?" and his cheerful reply, "Well, hardly ever."

WORDS CAN GET IN THE WAY

Mr. HRUSKA. Mr. President, it seems that sometimes words can muddy, rather than clarify, a basic issue. I think this has been happening in regard to our satellite communications policy.

Certainly everybody in the United States agrees that this country should be first in satellite communications. Most people agree that we have the resources and the know-how to be first. The question, it seems to me, is, Why have we not been moving ahead more rapidly?

I think words have been getting in the way.

For example, if we took out of the discussion, for the moment, the glamor words "space" and "satellite," there would be very little discussion as to who should own and operate a communications system. In this country it has been longstanding public policy that the responsibility for public communications rests with the privately owned common carrier industry under public regulation. Yet there has been prolonged debate and discussion about a satellite communications system, when the very purpose of such a system is to provide oversea communication for anybody who wants it. It is a job that the common carriers have been doing for years.

To properly serve all would-be users, a satellite system would have to be an extension of the present communications network—an additional facility. Only in that way could all users get the benefits. These carriers have for years been using radio and cable for oversea communications. No question has been raised about who should do the job when they open a radiotelephone circuit to Ankara, or when they lay an Atlantic cable. These are accepted as normal additions to the network.

But mention "satellite" and "space," and the Government agencies tread gingerly; and some say that manufacturing companies should be part owners of such a system, although they have not been common carriers, or regulated, and I presume they would not want to be classified legally as common carriers.

The discussions go on, and misunderstanding abounds.

I realize that the public interest has to be protected. In this area, it seems to me, the discussion boils down to who should be permitted to use the system and what type of regulation is needed. Here, again, it seems to me that everyone who wants to use it should have access to it, and it should be regulated by the Government. On this basis, I think it is clearly a common carrier job, for their facilities are open to all who want to use them, and they are regulated.

No question is raised regarding the competence of the international common carriers. Nobody questions their management ability, the quality of their research and operations, or their ability to mesh with foreign networks, or their ability to obtain the money necessary to finance such a venture. All this is acknowledged. It is proven by the record.

Nobody who understands the situation claims that putting a communications satellite system into space is any different in essence, from constructing a microwave system across the country. In effect, communications satellites will be microwave towers in the sky. They will carry communications: voice, high-speed data, television, as they do on land. And the most important components of any satellite system will be the inventions of private enterprise, such as the transistor and the Bell solar battery.

So it seems to me that there has been no need to debate any great new policy and there has been no need to be hesitant about moving, for in this country we have a longstanding policy that can be applied to this situation, and that policy has worked. It is the policy I mentioned previously—that the responsibility for public communications rests with the privately owned common carrier industry, under public regulation.

Here in Washington we frequently hear used—this is another case of words which get in the way—the phrase "the country's resources." There is nothing wrong with the phrase, but we hear it so often that I think we sometimes feel that all the country's resources are centered in the appropriation bills that come up before us. On reflection, of course, all of us realize that nothing would be further from the truth. All of us are aware that the production capacity and know-how of the private sector of the economy constitute our greatest resource.

We tell the world about the vigor of our private enterprise. In contrast to the Soviets, we say that where private enterprise can do a job, we not only permit it, but encourage it.

In the field of satellite communications, the international common carriers—regulated private businesses—are ready, willing, and anxious to take all the risks necessary to attain the objective we all seek—that is, to give this country the lead in satellite communications, and at no cost to the taxpayers. To those in Government, I respectfully urge that there be an end to the hesitancy, or else we in the United States may find ourselves chasing a communications sputnik.

GERMAN EXCHANGE STUDENT WRITES OF BERLIN CRISIS

Mr. HRUSKA. Mr. President, a fascinating newspaper article was brought to my attention recently by one of the page boys in the Senate, Kent Kammerlohr. Kent's home is Lexington, Nebr., which welcomed a Berlin student, Volker Claus, on an exchange program sponsored by the Methodist Church a year ago. During the past year he attended the high school in Lexington and stayed at the family home of Dr. P. Bryant Olsson.

On August 13, young Volker wrote a letter to Dr. Olsson, which was later printed in the Lexington, Nebr., Clipper, edited by my good friend, Lloyd Kain.

That letter is very revealing not only from the standpoint of a student who spent a year in this country learning the blessings of liberty but also from the perspective of a young man living in Berlin and experiencing those crises which confront East and West Berlin today.

I ask unanimous consent that the text of the letter from Volker Claus which was published in the Lexington Clipper be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GERMAN EXCHANGE STUDENT WRITES OF BERLIN CRISIS—LETTER TO DR. P. BRYANT OLSSON FAMILY TELLS OF CONDITIONS IN BERLIN

The following interesting letter was received here last week by the Dr. P. Bryant Olsson family from Volker Claus, a Berlin student who made his home with the Olssons while he attended his senior year in Lexington High School:

BERLIN, *August 13*.

DEAR OLSSON FAMILY: Tuesday, I guess, I received Mom's letter, for which I would like to thank you very much, and now I am going to answer it at once. As you probably will have read already in the newspapers, terror has begun to reign in East Berlin and East Germany, and just today we all begin to feel the tension, which has been mounting for quite some time.

A month ago the stream of fugitives had increased day by day. You will remember that I told you that about 700 fugitives came to West Berlin daily. Just yesterday came 2,700 and this stream will probably go on, we thought. But just today, the Communists have closed the border between East and West Berlin, in order to stop the people of the zone to flee. They have broken all of the treaties made in 1945 and we have to hear about shootings on the border. Today, my oldest brother and I tried to go to the East sector to take some pictures at Brandenburg gate. We just saw about 100 soldiers with machineguns, armored cars and tanks behind them.

Streets and the public traffic are interrupted and East German soldiers have begun today to lay barbed wire along the sector border. Just now I heard that only about 800 fugitives could reach West Berlin by swimming through lakes and rivers or going over rubble fields. Perhaps it isn't right to tell you all this in a personal letter like this is, but it is just so terrible, that I would like to send letters to all the world telling about this injustice.

I guess we all, in East and West, change between indignation and despair. East Germans can't even go to East Berlin. This

is the first time in history that a regime would not allow its people to go to the capital of the state. Actually, that is a joke, but the situation just doesn't allow laughing since 16 millions of Germans have been put in a Communist cage, which reminds us of the Nazis.

But we just can't do anything against this brutal rupture of our city. I guess I can't really tell you how we all feel. Please tell all of this to as many people as possible."

* * * * *

VOLKER.

The remainder of the letter was purely personal, and it closed with "Hoping to see you soon."

MEXICAN FARM LABOR PROGRAM

The Senate resumed the consideration of the bill H.R. 2010 to amend title V of the Agricultural Act of 1949, and for other purposes.

Mr. JORDAN. Mr. President, I wish to discuss the McCarthy amendment.

This amendment would establish a minimum wage for Mexican workers recruited under the act equal to the lower of first, 90 percent of the average farm wage for the State of employment, or second, 90 percent of the national farm wage average.

In determining such average farm wages the Secretary would consider, among other relevant factors, average farm wage rates for workers who do not receive board and room.

This would provide for an automatically self-escalating minimum wage, since any increase in the amounts paid to the Mexican workers would result in increases in the State and National average wages.

The criteria used are not reasonable ones. The Mexican workers are employed largely at stoop labor, the jobs which are least desirable and for which domestic employees cannot be obtained. The use of Mexicans for the higher paid jobs of operating or maintaining power-driven machinery would be prohibited by the bill. The Mexicans are, therefore, employed in the least skilled and least remunerative jobs in agriculture. Any average which includes the most skilled and most highly paid jobs in agriculture is not a fair criterion of what the wages should be for the lowest paid jobs.

The Mexican workers are to be provided with free housing under the terms of the agreement with Mexico. The wages paid workers who are not furnished housing would, therefore, not be a reasonable measure of what ought to be paid the Mexicans. Of course, in taking into consideration the wages paid without room and board, the Secretary might, and should be, expected to make some adjustment for housing, but the amendment does not so specify, nor does it suggest how such adjustment should be made. The criteria which would be established by the amendment are very indefinite and leave very great discretion with the Secretary as to what the measure will be.

At present a reasonable criterion is established by the agreement with Mexico. That requires the Mexican to be paid not less than the prevailing wage rate paid to domestic workers for similar work at the time the work is performed and in the manner paid within the area of employment. This ties the Mexican wage to the prevailing wage for similar employment, at the time and in the area of employment. There is no reason to superimpose upon this any requirement that he be paid at a rate fixed on the basis of wages paid for more skilled jobs in other places. That is what the amendment would do, and it does not appear to be a reasonable objective.

The amendment also strikes out a provision of the committee amendment which would require an employer of Mexicans to pay his domestic workers not less than the prevailing wages for similar work in the area of employment. The testimony before the committee was that some employers of Mexican workers were discriminating against domestic employees. By requiring employers to pay their domestic workers at least as much as they are required to pay their Mexican workers, the committee amendment was designed to provide additional protection for the domestic workers and prevent such discrimination. They are already protected in many ways by various provisions of the existing law. However, the committee felt that this additional provision might close a small loophole, and there is no good reason why it should be stricken.

I wish now to discuss the Keating amendment.

This amendment would prohibit Mexican workers from being made available in any area unless employers had offered domestic workers, first, workmen's compensation or occupational hazard insurance reasonably comparable to that afforded Mexican workers; second, a guarantee of work during at least three-quarters of the workdays during the agreed term of employment; third, basic subsistence when work is not available for extended periods; and fourth, transportation costs.

This amendment fails to take into account some of the basic differences between domestic employment and the employment of Mexican nationals. The Mexican farm labor program is designed to provide a supplementary labor force in times of peak labor needs when a sufficient supply of domestic workers is not available. No Mexican workers can be brought in under the program unless the Secretary of Agriculture finds that they are needed. No Mexican workers can be made available in any area under existing law unless the Secretary of Labor finds that there are insufficient domestic workers. No Mexican worker can be made available under existing law if the Secretary of Labor finds that the employment of Mexicans will adversely affect the wages and working conditions of domestic workers. The Secretary of Labor must make an affirmative finding and certification that such will not be the case.

Once all these determinations and certifications are made, the Mexican worker must be recruited in Mexico and brought to this country. He cannot cross the border to come up to seek work by his own act. When he is brought up, it is for definite needed work to be performed within a reasonably ascertainable time.

The domestic worker on the other hand may be a resident of the area of employment, a student, or a migrant worker who moves with the crop. He may be alone or with his family. He needs no entry permit and is not required to leave the country. He is free to take nonagricultural employment and to leave one employer for another, or not to work at all, without then being required to leave the area.

The States have considered the application of workmen's compensation laws to agricultural workers and have made differing provision therefor or exemption therefrom. The Senate recently gave consideration to a provision for absolute liability with respect to certain agricultural workers when it considered S. 1123, but abandoned that provision in view of the problems involved. On the other hand disability insurance provided by State law may not be appropriate to the Mexican national and it is likely that an amendment will be offered to exempt him from State disability insurance provisions applicable to domestic workers. Workmen's compensation and disability insurance for domestic workers who may be employed in either agricultural or nonagricultural employment at different times should be left to the States.

The agreed term of employment for a domestic worker may start when he shows up for work at the beginning of the day and end when he decides to leave, or at the end of the day, or it may be fixed in any manner that the employer and employee may agree upon. Terms as to a guaranteed number of workdays and provision for subsistence that fit into the standard work contract for a Mexican worker brought from Mexico to Michigan may not fit into an agreement with the worker who is temporarily laid off from industrial employment and seeks agricultural work only until he can get his job back.

Likewise provision for transportation for the Mexican worker brought up from Mexico with a number of other male workers does not involve the same problems as transportation provisions for domestic workers who may be from near or far, may be traveling with their families, or others, and may switch to nonagricultural employment at any time.

The domestic worker is already given the fullest protection possible. The Secretary of Labor must find that the employment of Mexicans will not adversely affect his wages or working conditions. The addition of fringe benefits such as insurance, guaranteed workdays, subsistence, and transportation benefits cannot make the Secretary's determination any easier, but can only serve to make the problem more difficult. It will not necessarily increase the worker's total compensation, but may result in his receiving less wages in the form he wants them and more fringe benefits of a kind which he may never realize and which may not be appropriate to his needs.

This amendment attempts to obtain fringe benefits for domestic workers based on the needs of Mexican workers. Such benefits are not likely to attract more workers than would be attracted by higher cash wages. If such fringe benefits must be provided during the peak

employment periods when Mexicans are employed, will they be eliminated when Mexicans are not employed, or will they be frozen into the employment system? If so, who is most likely to pay for these benefits, the employer or the employee? There is nothing at all in this amendment that requires the domestic worker's total compensation, including these fringe benefits, to be increased above what his total compensation might otherwise be. If we should at any time decide to impose upon agriculture, by legislation, terms and conditions of employment, regulating the term of employment, the number of workdays to be worked, provision for basic subsistence, and carfare, let us do so on the basis of the domestic worker's needs, rather than upon what may be comparable to what someone else may need. And let us at that time examine carefully the price the worker must pay for these legislatively imposed terms of employment.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement by the Senator from Arkansas [Mr. FULBRIGHT], chairman of the Committee on Foreign Relations. He could not be present, and he requested me to place this statement in the RECORD for him.

As Senators well know, he is chairman of the Committee on Foreign Relations. He is greatly interested in our dealings, not only with Mexico, but with all our neighbors around the world. He has attached to this statement a document entitled "The Value of the Bracero Program to Mexico," by Dr. Richard H. Hancock, which shows that the income of the Mexican braceros who work in the United States amounts to the third largest item of income for Mexico. It amounts to $120 million a year, which income is exceeded only by that from tourism and cotton exports. We export to Mexico a great deal more than we import from Mexico. It is the view of the Senator from Arkansas—and I go along with his views—that the bracero program is a good public relations program with our sister country of Mexico.

I ask unanimous consent that the statement of the Senator from Arkansas and the attached statement be printed in the RECORD at this point.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR J. W. FULBRIGHT ON H.R. 2010, A BILL TO EXTEND THE MEXICAN LABOR PROGRAM

We have spent considerable time this session in trying to devise appropriate ways to help the American farmer.

Early in the session we passed the emergency feed grain program. Later, we devoted a great deal of time to the omnibus farm bill. I did not agree with all of the administration's recommendations in the farm bill, but I was in thorough accord with the objective of trying to give the farmer a more equitable share in the fruits of our economy. Every Member of this body, whether they come from an agricultural State or not, understands that the farmer is the backbone of the Nation's economy, and when he suffers the general economy suffers.

A subcommittee of the House Committee on Agriculture, under the chairmanship of Congressman GATHINGS, of my State, held a series of very illuminating hearings this spring on the cost-price squeeze affecting farmers throughout the country. The hearings focused additional attention on the disastrous effects of rising costs and declining income on the agricultural sector of the economy. I hope that my colleagues will take the time to study these hearings and read what the farmers themselves say about the existing situation.

I received a report from the Department of Agriculture only a few days ago which contained startling statistics on the farm income situation. In Arkansas, for example, farm production expenses increased from $303.7 million in 1950 to $476.5 million in 1960—more than 57 percent. During the same period net farm income decreased by 14 percent from $318.3 million in 1950 to $274.7 million in 1960. These statistics while startling by themselves do not begin to portray the personal impact of the farm income problem on the individual farmer who is trying to raise a family and provide them with the amenities of life while faced with constantly increasing production costs and, in most cases, frozen acreage allotments.

I point this out as a preliminary to discussing the need for extending the Mexican labor program which is essential to the cotton farmers of Arkansas, and farmers in many other States. The extension of this program is one way we can help a sizable segment of agriculture. If the program is killed or saddled with restrictive provisions you will have caused a direct injury to thousands of farmers.

I realize that there is a great deal of controversy about this program. Unfortunately, the migratory labor problem has been brought into this issue in an uncalled for manner. Intense emotion has been generated at the expense of reasonable analysis. I hope that Senators will look behind the emotional arguments which have been advanced for placing unneeded and unworkable restrictions on this program and judge the issue on the merits.

The existing Mexican labor program was authorized in the Korean war as a noncontroversial way to obtain the hand labor needed by farmers to replace the domestic labor involved in the war effort. The program is still essential, but for different reasons. In the last decade vast population shifts have taken place which have seriously decreased the availability of domestic farmworkers. In my State, the farmers simply cannot obtain sufficient domestic farm labor to meet the short-term demands of the cotton crop cycle.

During 1960 over 31,000 Mexican nationals helped cultivate and harvest Arkansas' cotton crop. This heavy reliance on imported labor is due primarily to population shifts which have taken place in the last decade within the State and the nearby farm labor market. There has been heavy migration from rural to urban areas and also migration to other States. Arkansas had a net population loss of 6.5 percent from 1950 to 1960, and 57 percent of this loss occurred in the 18 counties of eastern Arkansas where 80 percent of our cotton is produced. At the same time there has been a growing disinclination on the part of many laborers to do the tedious work required in cultivating and harvesting a cotton crop. The net result is that we simply do not have enough domestic labor available in Arkansas or the surrounding areas to supply the farmer's need for hand labor.

It has been argued that mechanization will eventually do away with the need for hand labor on cotton farms. This may be true at some time in the distant future, but it is not true today. The soil and terrain conditions in many Arkansas cotton producing counties are such that picking machines cannot be used in the fields during unfavorable weather. There are also many small farms where use of machines is not practical or economical, and rental machines are not available for these farms until after the crops have been harvested on the larger farms. Another factor indicating continued need for hand labor is the preference shown by many cotton mills for hand-picked cotton over machine-picked cotton.

I do not want to leave the implication that the Mexican labor program is a one-way street designed solely to help our farmers. This is an important program to Mexico. It is her second most important source of American dollars. Mexico is one of our best customers, and in 1960 our exports to that country were $807 million compared to imports of $443 million. Our continued favorable balance of trade with Mexico indicates the importance to American business of maintaining this program.

An interesting analysis of the value of the bracero program to Mexico appears in the House committee hearings on this bill. I ask unanimous consent that there be printed in the RECORD following my remarks a copy of the statement of Dr. Richard H. Hancock which appears in the House hearings on page 42.

Aside from the economic importance of this program to Mexico, there are also important intangible benefits which accrue to both that country and ours. The program has been very effective in improving understanding between the peoples of our countries. The program, in my opinion, could be used to even greater advantage in improving relations between the United States and Mexico. I recently contacted Secretary Rusk and Secretary Goldberg about the possibility of doing something further along these lines. I have received reports from both Departments indicating that efforts will be made to do this. I intend to pursue this further with the officials responsible for administering the Mexican labor program.

The objections to extension of the Mexican labor program center about its effects on the domestic farmworker. I think that the protections which now exist are adequate to protect domestic workers from possible competition from Mexican laborers. Before a farmer can obtain braceros, certification must be made by the Department of Labor that:

1. Domestic workers, able, willing and qualified are not available.

2. Employment of Mexican workers will not adversely affect labor and working conditions of domestic workers similarly employed.

3. That reasonable efforts have been made to attract domestic workers for such employment at wages and standard hours of work comparable to those offered the Mexican workers.

These restrictions in my opinion are certainly adequate to minimize the impact of this program on the domestic worker. In fact, the Department of Labor has often gone overboard in their regulations implementing these statutory restrictions.

I do not mean to imply that there is always full employment in areas where Mexican laborers are used. It often happens that domestic workers will not do the type of work called for. If our farmers could get sufficient domestic laborers at the time they are needed and at wages which the farmer can afford to pay they would be happy to hire them. In reality the Mexican labor program is a program of necessity.

I might point out that the farmers pay practically all of the expenses incurred in the operation of this program. In addition to the fees paid by the farmers into the

farm-labor supply revolving fund, the farmer pays the cost of transporting the worker from the migratory station to the place of employment and then back again. In 1960 the Phillips County Farmers' Association in my State found that the cost for this transportation was $47.32 per worker. The regulations backed up by strict enforcement insures that the Mexican laborers are paid fair wages and are furnished with adequate housing while they are in this country. The entire program is equipped with safeguards for everyone involved—the worker, his employer, and the domestic worker whose livelihood could be endangered by unregulated importation of Mexican nationals.

I oppose the amendment sponsored by the junior Senator from Minnesota. On the surface the amendment appears to be fair and reasonable. But on close examination it is obvious that the effect of the amendment would be to establish a minimum wage for farm labor. The Senator's amendment would require the farmer to pay Mexican laborers a wage equal to at least 90 percent of the average farm wage in the State, or the Nation, whichever is lower. This means that the hard-pressed cotton farmer in Arkansas would be required to increase wage rates for Mexican laborers by 32 percent above the current rate. At the same time this will mean an automatic increase in the wages for domestic labor since Mexican labor cannot be obtained unless domestic labor is not available at comparable wages.

No one can argue that the current rate is a generous wage. I agree fully with the Senator's objective of trying to improve farm wages. But this cannot be done without corresponding increases in labor productivity and farm income which will put the farmer in a financial position to pay better wages. Farmers in Arkansas cannot afford this increase and if you want to take them out of the cotton business, passage of this amendment is a good way to do it.

I want to mention one other fault in the Senator's amendment. The use of the average hourly farm wage for the State does not take into consideration the fact that many farm jobs require a high degree of skill and training. And farmworkers with these skills naturally command higher wages than unskilled hand labor. Let's remember that the Mexican labor program involves only unskilled hand labor. And yet under this amendment there is no distinction between skilled and unskilled labor in setting up the base wage rate. This greatly distorts the resulting average.

The Senate passed a minimum wage bill earlier this year. The Labor and Public Welfare Committee considered all aspects of the bill at great length and did not see fit to recommend a general minimum wage for agricultural workers. The Senator from Minnesota's amendment is a giant step toward a minimum wage for agriculture and any legislation in this area should certainly be thoroughly considered by the Senate Committee on Labor and Public Welfare before coming before the Senate.

I urge that this amendment be rejected.

The Value of the Bracero Program to Mexico

(By Dr. Richard H. Hancock)

The most obvious benefit of the bracero program is the large amount of dollars it contributes to the Mexican economy. Mexico is a trade-deficient area, particularly in regard to trade with the United States. From 75 to 80 percent of Mexican imports are from the United States, while only 50 percent of its exports are to the United States.

Mexico's trade balance for the first 6 months of 1960 showed a deficit of $57,806,000. This deficit would be much greater if it were not for the annual inflow of bracero remittances, estimated at over $120 million annually.[1] Braceros constitute a source of dollars exceeded in importance only by tourism and cotton.

Throughout this calculation, the writer has attested to present bracero savings on the low side; for example, many contracting associations charge less than 7 cents a day for insurance instead of the 10 cents allowed. Further, $4.90 a week seems to be ample for the maintenance of a bracero in view of the fact that the U.S. Department of Agriculture found in the spring of 1955 that U.S. families with up to $2,000 income after taxes were spending only $4.42 per capita each week on food (House Committee on Agriculture, hearings on "Mexican Labor," p. 579).

Not only does the bracero program alleviate Mexico's balance-of-payment problems, but it also serves to lessen conditions of unemployment and underemployment. With a current population of 34.6 million people, Mexico has one of the world's fastest growing populations. In 1957, a year when Mexican President Ruiz Cortines cited Mexico's acute need for 350,000 to 400,000 more jobs, 4 percent of Mexico's entire economically active population—7 percent of those active in agriculture—found employment in the United States, while over 10 percent of the total rural population was directly dependent to varying degrees on bracero income. Bracero money greatly enhances consumer purchasing power, since nearly all this money goes into local trade channels and is not spent on luxury items, as is the case with a considerable portion of the money which comes from nearly all other sources. In Chihuahua the local storekeepers are greatly in favor of the bracero program.

There can be no doubt that braceros and their families are desperately in need of the opportunity to work in this country. According to an outstanding Mexican economist, Señora Ifigenia Navarrete, the average monthly earnings of the 20 percent of Mexican families which comprise the lowest income group in the nation declined from $22 per month in 1950 to $19.80 per month in 1957. The effect of this decline has been greatly accentuated by inflation. The cost-of-living index for workers in Mexico City reveals that living costs rose 80 percent from 1950 to 1957, 12.7 percent in 1957 alone. Surveying conditions in the State of Chihuahua in 1958, I found that the increase in the cost of living was much greater than the increase in rural wages. In representative municipios, rural wages had increased 350 percent since 1943, while the cost of living increased 570 percent based on five commodities (corn, beans, coffee, flour, and potatoes) which make up the bulk of the working class diet in Mexico. The fact that the cost of living has risen more rapidly than have rural wages was emphatically verified by all people questioned on the matter.

The following table shows that more money derived from braceros than from any other activity in the State of Chihuahua except mining, cotton, and beef cattle. Even though Chihuahua statistics are not entirely reliable, these figures show that the bracero program constitutes one of the big businesses of the State. In 1957 more men were employed as braceros than in any other category except agriculture. They comprised 11 percent of the total labor force and 21 percent of the total economically active agricultural population of the State. There are nine municipios in Chihuahua where bracero emigration absorbs some 30 percent of the total active population and 32 percent of the total agricultural labor force. General Trías has the State's highest level of emigration, with braceros constituting 44 percent of the entire economically active population and 47 percent of the total agricultural labor force. In the summer of 1958, I visited two Chihuahua villages where the inhabitants said they had no means of support other than the bracero program. While the effects of the program are not uniformly felt throughout the nation, a study of the dynamics of migration in the other States which contribute heavily to the outflow of migrants—Durange, Zacatecas, Guanajuate, Michoacán, and Jalisco—would doubtless reveal a migratory labor complex similar to that depicted for Chihuahua.

I do not propose that the bracero program be artificially perpetuated, but I do say that it would be extremely unwise to arbitrarily terminate this program on the uncertain premise that the domestic migrants' welfare would be greatly improved. The domestic migrant problem cannot be considered as pertaining exclusively to agriculture. This is a social problem in the United States similar, and in many cases identical, to that of caring for the alcoholic, the physically handicapped, the mentally ill, and the aged. In our Nation today, social derelicts, rejected for all other types of employment, are frequently considered to be apt candidates for agricultural positions. It is our duty as members of an enlightened and compassionate society to make strenuous efforts to succour these people, but we should not place all of this burden on agriculture.

There are many individual examples of the manner in which braceros have benefited from their labors in the United States. I will cite two which happened to come to my attention in February 1961. One man came into our office to cash $1,900 worth of checks, which he said represented his savings during the past 14 months. He said that he had consummated a deal to buy land in Mexico and needed the cash to make a down payment. On further inquiry, I found that this bracero had saved $800 to $1,000 annually during the past 8 years. With this money he had purchased a 30-acre farm, 8 span of oxen and various farm implements, and made miscellaneous improvements on his farm. He had also invested in some city property in Ciudad Juárez.

Another man, who had been working as a bracero since 1953, had spent his entire savings, approximately $6,000, on medical expenses for his ailing mother. Although she finally passed away after various operations and extensive hospitalization, he

[1] The average duration of contract of braceros is 3.5 months, according to the Labor Department (House Committee on Agriculture, hearings on "Mexican Labor," 1958, p. 452), and the average number of braceros contracted annually for 1956 and 1957 was 440,000. The average minimum was taken as $5 a day (the fact that some workers receive less than this amount is counterbalanced by the fact that others receive more than $5 a day). Calculations were as follows:

Average bracero earnings and expenses

	Item	Total
Contract of 100 days at $5		$500
20 days off (13 1½-day weekends)	−$100.00	400
5 days' time loss (inclement weather)	−25.00	375
5 days' subsistence wage ($1.50 per day)	+7.50	382
100 days' insurance ($0.10 per day)	−10.00	372
100 days' maintenance ($0.70 per day)	−70.00	302
General expenses (entertainment, clothes)	−27.50	275
Average amount of money taken or sent home		275
Total money sent or taken home by the 440,000 braceros contracted annually ($275 per man)		120,000,000

pointed out to me that without his bracero earnings her life could never have been prolonged so much, since she could have received little or no medical treatment. He seemed to derive a great deal of satisfaction from the fact that he had been able to provide his mother with the best of care during the final years of her life.

I wish to relate one other incident which has impressed me very strongly with the good effects of the bracero program. In 1958, I happened to meet a U.S. citizen who managed a combined store and post office in a small mountain village in Chihuahua. He said he was disturbed by the fact that substantial amounts of Communist propaganda were being distributed through the mail. He stated, however, that even though the United States was sending out no counterpropaganda, this Communist literature was in his opinion having little effect, since people were able to view the United States in its true perspective through the eyes of returning braceros.

In these days when the conflict between the free world and communism is so strongly contested, we cannot afford to ignore the welfare of our neighbors to the south. The bracero program is a critical factor in avoiding the economic chaos which is the feeding ground for communism. If we give no thought to the welfare of the 2,250,000 Mexicans who derive all or part of their livelihood from the program, we are inviting disaster.

The bracero program has improved the level of Mexican living. Braceros and their families eat better, wear better clothing, and live in better houses. Most important of all, they have the consciousness that their lot can be improved. They have what the sociologists call a higher level of aspiration. In the "Decline and Fall of the Roman Empire," Gibbon says: "In all pursuits of active and speculative life, the emulation of states and individuals is the most powerful spring of the efforts and improvements of mankind." In creating this spirit of emulation in braceroes, and through them in the Mexican nation as a whole, I believe that the bracero program may prove to be a significant factor in the social and economic development of Mexico as a responsible nation of the free world.

Value of production of the 10 principal economic activities in the State of Chihuahua in 1956 [1]

Item	Volume	Value	
		Pesos	Dollars [2]
Mining [3]		1,259,702,485	$100,776,228
Cotton	241,731 bales	355,861,188	[4] 28,468,895
Cattle [5]	262,853 head	237,913,844	19,033,025
Bracero earnings	36,623 braceros		[6] 10,071,325
Forest products		111,559,621	[7] 9,075,000
Maize	98,146 metric tons	62,422,128	4,993,770
Oats	63,027 metric tons	35,295,064	2,823,605
Beans	28,168 metric tons	31,226,480	2,501,318
Wheat	24,743 metric tons	20,982,064	1,678,565
Irish potatoes	26,969 metric tons	15,911,415	1,272,913

[1] Source for agricultural items is Mexico, Secretaría de Agricultura y Ganadería, Boletín mensual de la dirección de economía rural (1957–58); sources for other items are individually cited. Data is for 1956 unless otherwise stated.

[2] Conversion rate used is the official rate of $1 dollar, 12.50 pesos.

[3] From tables compiled by Leopoldo Hurtado Olín, director of the Department of Economics of the State of Chihuahua.

[4] If cottonseed is included, this total is $33,165,608.

[5] Since the variation in the number of cattle sold annually in Chihuahua is extremely wide, the annual average number of cattle sold from 1945 through 1957 was computed from Hurtado Olín, Compendio estadístico del estado de Chihuahua, 1956–57 (Chihuahua: By the author, 1958), p. 15. The value of sales was obtained using the average price received in Chihuahua for cattle on the hoof sold during 1956, with figures from the Boletín mensual de la dirección de economía rural of March 1957.

[6] Each bracero is estimated to have taken home $275 (see p. 37). The figure for the number of braceros contracted is for 1957, since complete and reliable data was available for that year. Moreover, Labor Department officials stated that 1957 was a typical year regarding bracero movement in Chihuahua.

[7] Figure is for 1954 and is the latest available. Figures for volume of production coincide almost exactly with those for 1956 and 1957. Mexico, Secretaría de Economía, Dirección General de Estadística, Anuario estadístico de los Estados Unidos Mexicanos, 1955–56 (México, D.F.: Talleres Gráficos de la Nación, 1957), pp. 508–518.

U.S. DISARMAMENT AGENCY

Mr. PROXMIRE. Mr. President, I was a cosponsor of the Disarmament Agency bill which passed the Senate earlier. I see the author of the bill is present in the Chamber. I wish to take advantage of that fact, because I understood opponents of the bill to say that this is the worst possible time to pass the bill, that it would be misinterpreted abroad, that it would indicate weakness on the part of the American people.

I wish to make it absolutely clear that, so far as this cosponsor is concerned, my cosponsorship of the bill and my vote for the bill, far from indicating any feeling of weakness or any willingness to appease Communist Russia, has precisely the contrary intention.

I feel very strongly that this is a time when we must be strong and firm, and a time when we must increase, not decrease, our armaments. This is a time when we must do all we can to strengthen our nuclear ability.

I am very proud to see that one of the four divisions called up by the Secretary of Defense is Wisconsin's great 32d National Guard Division.

I feel we must do all we possibly can to establish the greatest nuclear deterrent, the greatest Air Force, the most powerful Army, and the most powerful Navy in the world today.

However, I think that with every dollar we spend on defense, with every soldier who is alerted or called to active duty, every American must keep in mind that we do this to achieve peace in the world. As Churchill said on more than one occasion, "We arm to parley."

We are building up our defenses certainly not because we wish to use those defenses to inflict death and destruction. We have built up our defenses because we recognize that when one lives in a world with Khrushchev, when one lives in a world with the Communists, the only way one can negotiate is to negotiate from strength, to negotiate from power, to be in a position to command respect. One cannot command respect unless one has an air force, an army, navy, and nuclear power with which to command it.

It has been said in the history of mankind that every arms race has led to war. This arms race will be no exception if it continues as an arms race, with fantastic technological development. As the situation is developing, as one outstanding author, Mr. Hadley, has said, technology is now undergoing a complete revolution every 5 years. The H-bomb is spreading, and it will spread further within the next 10 years. The New York Times says that within 10 years 23 nations of the world will have nuclear power and nuclear weapons.

There is no question that unless we can begin to have arms control we shall have nuclear destruction, and the prospects for mankind then will be very dim.

It seems to me that only a strong country, only a self-confident country, can afford to have arms control or a disarmament program.

I say to the Senator from Minnesota, the author of the bill, that the reason why it is so important to have the bill enacted is that when we work out and develop an arms control program we shall know exactly what we are doing. Under no circumstances should we permit an inspection system which is faulty, which could result in the betrayal of America. Under no circumstances should we permit a disarmament system which could result in a preponderance of power in the hands of any enemy or any combination of enemies.

The purpose of the bill, as I understand it, is to give to the President of the United States and to the Congress of the United States the kind of intelligence and understanding not available to us today. Unless we have research to determine how feasible, how effective, how workable, how practical an arms control program will be, we shall not have any idea of what we are doing.

I ask the Senator from Minnesota if it is not true that a vote for his bill is not only a vote affirming faith in America but also a vote for a practical, workable, defensible arms control program which will safeguard the American people and not endanger them?

Mr. HUMPHREY. The Senator from Minnesota is more than happy to respond to the inquiry of the Senator from Wisconsin.

I never would have sponsored the bill unless I thought it would promote the national security. The President of the United States would never have sent his message to the Congress of the United States urging that this proposed legislation be acted upon favorably otherwise. A man of the patriotism, loyalty, ability, and dedication of John McCloy, the President's special adviser on disarmament, never would have asked the Congress to pass the bill unless he thought and knew it was a vital part of our national security.

I concur with the Senator's statement. He has made a brilliant statement. He has made a comprehensive and a very worthwhile statement not only as to

the need to be strong but also as to the need to search relentlessly for paths to peace which really lead to peace—not to appeasement, not to retreat, not to a fictitious and false peace, but to a genuine peace.

We know disarmament cannot be a one-way street. We are talking about multilateral international disarmament. We are talking about effective control mechanism; supervision and control so that we shall not be fooled, so that we shall not be led down some blind alley. That is why we need the Agency.

I remember what President Kennedy said about the American eagle as our symbol. That was referred to in the debate today.

In the claws of the eagle on one side are the arrows, and in the claws on the other side is the olive branch. The arrows indicate and signify our preparedness, our defense, our willingness to make the sacrifices necessary for our security. The olive branch, in the claws on the other side, indicates our search for peace.

This is not a contradiction. A well governed city has a police force, but it also has judges, social workers, schools, and churches.

A city could never be governed with police only. A city without a church would be a city which would never be governed well. A city without a spiritual leader would never have enough policemen to govern. One cannot have enough policemen to keep mankind in order and in line with police alone. There must be something else. There must be peace of mind. There must be peace of soul. There must be standards of conduct which are moral and ethical. That is what we are talking about.

The most courageous man in the world was known as the Prince of Peace. It has been said, "Peace be unto you," and "Peace on earth, good will toward men."

Is this a sign of weakness? I think it is a sign of the greatest courage man can have.

I do not think Hitler was courageous. I think he was a madman. He knew how to arm.

I do not think Khrushchev is courageous, either. He is imbued with the same kind of madness, the thinking that power comes from weaponry. That is what bandits think.

There have been men, like Gandhi, who have been able to stop a whole empire without even as much as raising a hand in defense or in violence.

When one talks about courage, about power, or about strength, it should be understood that the power of the spirit is sometimes greater than the power of the machine.

I was accused of being a visionary, as one of my colleagues said. I am happy to find myself in that very fortunate group of people. I accept that description. I am also a very practical man, I hope. I try to be.

I feel that one of the reasons why we need the Agency is to get down to exactly what the Senator is talking about. We must study this complex problem of arms control and disarmament with scientists, with engineers, with diplomats, with the most able, intelligent and brilliant people this country can bring to bear on the problem.

This is not something one can talk about in Utopian terms. One cannot merely wish peace for the world. One has to work for it, to plan for it, and to sacrifice for it.

When the American people understand that military preparedness and diplomatic preparedness are opposite sides of the same coin called "national security," then we shall start to make progress.

We have always failed at the conference table. We have never failed on the battlefield. We win the wars and lose the peace.

One of the reasons why we lose the peace is that we have never been able to get the Congress, until today, to stand up to say, "We must look ahead a long way, perhaps 25 years or perhaps 50 years. We have to plan for peace. We have to work for it. We have to study for it. We have to pay for it. We have to sacrifice for it."

The Senate passed a Defense Department appropriation bill of nearly $47 billion in less than 1 hour. We argued about a Disarmament Agency bill in the Senate from 10 o'clock this morning until 6 o'clock this evening, and it involved only $10 million. I wonder, sometimes, what people must think of us.

There is no answer, no solution to the world problems, in a nuclear war.

I am in favor of standing firm. I am in favor of preparedness. I voted for that every time. I voted for the NATO alliance, for foreign aid, for Defense Department appropriations.

I have three sons. One of them has gone through ROTC. He is of military age.

It is always somewhat bewildering to me that day after day the Congress can vote for fantastic sums for defense, because we need them, but cannot understand that we must have trained people working for peace. We cannot say to a vice president of an insurance company, "Negotiate with the Russians—over the weekend."

They do not like insurance companies and they do not particularly like vice presidents of insurance companies. We do not send someone over to fight our wars on the basis, "Well, there is a fellow who worked for the Remington Arms Co. He must know something about guns. Let us send him over as a commander in chief." We do not do that. We have academies in which to train our people. We spend billions on research for weaponry and many billions on projects which sometimes fail. No one ever complains when projects end on dead end streets and blind alleys. We search some other place.

What is the Disarmament Agency for? As I said, we will study, research, plan, look ahead, and recruit people to work in the area of disarmament, the best people that the Nation can produce.

The next time we go to the conference table we shall be prepared. By the way, we will either go to the conference table with Mr. Khrushchev or world war III is only hours away. I think it might be well for the Nation to ponder what world war III would mean. I think we could win it. We may not be around to know it. But I suppose someone will crawl out from under a rock and say, "I think we won the war." We liken the situation to that of a football game. We talk about nuclear weapons that can destroy all forms of life, not once but twice, if we never build another bomb. All of this we say is necessary.

But I suggest that Mr. Khrushchev, Mr. Kennedy, Mr. de Gaulle, Mr. Macmillan, and Mr. Adenauer all know, as well as we know here, that they will sit around a conference table one of these days. Again I ask Senators and fellow Americans, "Shall we be prepared?"

We can rest assured that the Soviets are. They have people who are prepared long in advance. Some of us have negotiated with them.

It is like having a high school football team playing Notre Dame when Notre Dame is at its best. If one is not prepared, he ought not to get into the same room and open himself to that kind of abuse.

All I say is that what we did today was to take a real step in preparedness for the defense of the Nation. I think we should look upon S. 2180 as a part of a great national security project, because it will relate to our national security in the days ahead in a very beneficial way.

I thank the Senator. I know of his deep concern, and I want him to know how much I appreciate his sponsorship, support, and interest in this work.

It means a great deal not only to the Senate but also to the people of Wisconsin who have in the Senator from Wisconsin a very fine public servant and one who is dedicated to peace through strength.

Mr. PROXMIRE. I thank the Senator from Minnesota for his magnificent answer. In conclusion I wish to say that the principle he has enunciated and underlined is one that my dad told me when I was a little boy, which is, "You get out of life what you put into it."

If we want peace, we must put something into it. As the Senator from Minnesota said, we must invest our intelligence, scientific understanding, and know-how into peace. The bill calls for such investment.

I congratulate the Senator from Minnesota on what I think may very possibly be the most important bill that will have passed the Senate of the United States this year or, I might say, even since I became a U.S. Senator. I, of course, recognize the overwhelmingly iron necessity of passing appropriation bills for defense and the necessity for passing some of our very wonderful and necessary domestic bills. But here is the kind of bill which can permit us to achieve a peaceful world. There is nothing on earth the people of America yearn for or want more than peace with freedom, peace with strength, and peace with justice.

Mr. HUMPHREY. The Senator will be interested to know that there is a

good deal of comment about what our generals say. There is talk on both sides of the aisle as to whether they say the right things or not.

Every military officer who testified on the bill before the committees in the House and the Senate was for it. I think one of the greatest testimonials to democracy is that the top military officers of our country, active officers or retired, have come to testify for the bill. The great Gen. Douglas MacArthur is today one of the greatest exponents of peace. He is like a spiritual leader. Former President of the United States, Dwight Eisenhower, was for the proposed legislation. Former President of the United States, Harry S. Truman, was for the proposed legislation. The present President, the Chief of Staff, the Chairman of the Joint Chiefs, the man who today has the destiny of our Nation literally in his hands, and is the chief military officer, came before the committee and said, "Pass it. It is urgent. We need it." The Secretary of Defense, the former Secretary of Defense, the former Secretary of State, the present Secretary of State, ambassadors and top people said that we need it.

I could not help but think that sometimes we came close today to rejecting those men. It would be like a man having heart trouble and going to all the heart specialists he could go to, every one of whom would advocate the same treatment. After the man had listened and received their professional counsel and advice, he would decide that what he really ought to do is to eat radishes. That is about what we almost did. But, thank goodness, we decided to take professional advice.

MEXICAN FARM LABOR PROGRAM

The Senate resumed the consideration of the bill H.R. 2010 to amend title V of the Agricultural Act of 1949, and for other purposes.

Mr. HUMPHREY. Mr. President, I wish to have the RECORD quite clear in reference to the pending legislation. I support wholeheartedly the amendment of my distinguished colleague from Minnesota [Mr. MCCARTHY]. I commend him for his diligence in presenting the amendment and the splendid case he made for it.

As a former member of the Committee on Agriculture and Forestry, I have given considerable attention to the Mexican farm labor program. I wish to say for the committee I think that he has presented this year a decidedly improved bill, and the committee ought to be commended on that.

I recognize the need for Mexican labor. I know that we have set some pretty good standards for the protection of the health and welfare of these laborers from the friendly Republic of Mexico who come to work in the United States.

What the Senator from Minnesota [Mr. MCCARTHY] seeks to do, however, is to give them a little better deal and also help to protect the domestic labor market.

I would have the RECORD note that we have unemployment in this country. We have some of it in the agriculture areas, and I think our first obligation is to our own.

What the junior Senator from Minnesota [Mr. MCCARTHY], as a member of the Committee on Agriculture and Forestry—who, by the way, conducted a nationwide study of unemployment problems only last year—seeks to do is to provide standards that will assure a fair wage for either a domestic worker or for a foreign worker who has been brought in for a limited period of time. It ought to be quite clear that every part of America does not use imported farm labor, only limited parts. I am not being critical of that situation. They have a specific need.

I wish to say that the Secretary of Labor has a definite responsibility to workers, whether they are in factories, on farms, in the forests, or on their jobs. I do not think we ought to look down upon him for the diligence that he gives to his job. I think we should commend him.

We get down to a kind of agriculture which is a factory type of agriculture. By the way, this is one kind of agriculture which uses imported labor. The dairy farmers of Wisconsin do not import 25, 50, or 100 Mexican laborers, or laborers from some other area, nor does the wheat farmer of North Dakota, the corn farmer of Iowa, or the wheat farmer of Kansas. But I assure the Senate that there are certain types of agriculture in which there is huge acreage, much of it in areas where what is called stoop labor is required. We import foreign labor for such jobs. I believe the best way to build a good foreign relations is to see that those foreign laborers are well protected, are paid good wages and, by the same token, our own people, who are looking for work, are given the first option.

I support the amendment of the Senator from Minnesota [Mr. MCCARTHY], and I compliment him on his leadership in this effort. I am hopeful that the amendment will be agreed to.

AID TO FEDERALLY IMPACTED SCHOOLS

Mr. HUMPHREY. Mr. President, I move that the Mexican labor bill, H.R. 2010, the unfinished business, be temporarily set aside. Under the unanimous-consent agreement, the Senate will vote on Monday on the bill. I also ask that Order No. 719, S. 2393, providing aid to federally impacted schools be made the pending business.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2393) to extend for 1 year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas and to provide for the application of such laws to American Samoa.

Mr. HRUSKA. Mr. President, may I inquire of the Senator from Minnesota if the suggestion he now makes will be subject to the unanimous consent agreement that at 11 o'clock a.m. on Monday the Senate will resume the consideration of the so-called bracero bill?

Mr. HUMPHREY. That is correct.

Mr. HRUSKA. If Calendar No. 719, S. 2393, is not disposed of by that time, it will be held in abeyance until the unanimous-consent agreement will be effectuated insofar as the bracero bill is concerned; is that correct?

Mr. HUMPHREY. The Senator is correct. He has been very helpful in explaining this parliamentary situation.

Mr. HRUSKA. With that understanding, I have no objection to the request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

There being no objection, the Senate proceeded to consider the bill.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL REPORTS OF A COMMITTEE

The following additional reports of a committee were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 310. A bill for the relief of Annie Tymochek Porayko (Rept. No. 911);

S. 899. A bill for the relief of Liu Shui Chen (Rept. No. 912);

S. 1793. A bill for the relief of Mrs. Alfia Alessandro Milana (Rept. No. 913);

S. 1947. A bill for the relief of Annemarie Herrmann (Rept. No. 914);

S. 2291. A bill for the relief of Paul James Branan (Rept. No. 915);

H.R. 1325. An act for the relief of Mrs. Seto Yiu Kwei (Rept. No. 916);

H.R. 1369. An act for the relief of Zsuzsanna Reisz (Rept. No. 917);

H.R. 1394. An act for the relief of Laszlo Hamori (Rept. No. 918);

H.R. 1399. An act for the relief of Mrs. Josefa Pidlaoan and daughter, Annabelle Pidlaoan (Rept. No. 919);

H.R. 1422. An act for the relief of Mrs. Agavni Yazicioglu (Rept. No. 920);

H.R. 1459. An act for the relief of EN/2 Hideo Chuman, U.S. Navy (Rept. No. 921);

H.R. 1496. An act for the relief of Aloysius van de Velde (Rept. No. 922);

H.R. 1532. An act for the relief of Jeanine Ruth Tabacnik (Rept. No. 923);

H.R. 1550. An act for the relief of Jesus Garza Lopez (Rept. No. 924);

H.R. 1551. An act for the relief of Kim-Ok Yun (Rept. No. 925);

H.R. 1569. An act for the relief of Isei Sakioka (Rept. No. 926);

H.R. 1581. An act for the relief of Maria Falato Colacicco (Rept. No. 927);

H.R. 1583. An act for the relief of Mrs. Chung-Huang Tank Kao (Rept. No. 928);

H.R. 1614. An act for the relief of Byran K. Efthimiadis (Rept. No. 929);

H.R. 1630. An act for the relief of Carma Pereira de Bustillos (Rept. No. 930);

H.R. 1646. An act for the relief of Joan Josephine Smith (Rept. No. 931);

H.R. 1714. An act for the relief of Nicholas J. Katsaros (Rept. No. 932);

H.R. 1898. An act for the relief of Isabel Brown (Rept. No. 933);
H.R. 1901. An act for the relief of Georgia J. Makris (Rept. No. 934);
H.R. 2136. An act for the relief of Hajime Misaka (Rept. No. 935);
H.R. 2145. An act for the relief of Joginder Singh Toor (Rept. No. 936);
H.R. 2655. An act for the relief of Mrs. Pamela Gough Walker (Rept. No. 937);
H.R. 2822. An act for the relief of Gregoire A. Kublin (Rept. No. 938);
H.R. 3133. An act for the relief of Mrs. Maria A. Schmoldt (Rept. No. 939);
H.R. 3393. An act for the relief of Istvan Zsoldos (Rept. No. 940);
H.R. 3404. An act for the relief of Elemer Christian Sarkozy (Rept. No. 941);
H.R. 3718. An act for the relief of Matthias Nock, Jr. (Rept. No. 942);
H.R. 4221. An act for the relief of Sylvia Abrams Abramowitz (Rept. No. 943);
H.R. 4384. An act for the relief of Richard Fordham (Rept. No. 944);
H.R. 4499. An act for the relief of Mrs. Margaret Ruda Daniel (Rept. No. 945);
H.R. 4553. An act for the relief of Zbigniew Ryba (Rept. No. 946);
H.R. 5136. An act for the relief of Compton Jones and Hulbert Jones (Rept. No. 947);
H.R. 5138. An act for the relief of Francisco Joaquim Alves (Rept. No. 948);
H.R. 5141. An act for the relief of Vito Recchia (Rept. No. 949);
H.R. 5735. An act for the relief of Steven Mark Hallinan (Rept. No. 950); and
H.R. 6158. An act for the relief of Adolphe C. Verheyn (Rept. No. 951).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 1560. A bill for the relief of Yasuko Otsu (Rept. No. 952);
S. 2012. A bill for the relief of Mrs. Moy York Che (Rept. No. 953);
S. 2163. A bill for the relief of Saifook Chan (Rept. No. 954); and
H.J. Res. 453. Joint resolution relating to deportation of certain aliens (Rept. No. 955).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 1076. A bill for the relief of Nancy E. Williamson (Rept. No. 956);
S. 1439. A bill for the relief of Sylvia Freda Karro and her three minor children, Allan Karro, Jennifer Karro, and Michelle Karro (Rept. No. 957);
S. 1685. A bill for the relief of Brigitte Marie Kroll (Rept. No. 958); and
S. 2337. A bill for the relief of Athanisia G. Koumoutsou (Rept. No. 959).

ADDITIONAL BILLS INTRODUCED

The following additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred, as indicated:

By Mr. ENGLE (for himself, Mr. MAGNUSON, and Mr. BUTLER):

S. 2524. A bill to amend the Shipping Act, 1916; to the Committee on Commerce.

By Mr. KEATING:

S. 2525. A bill for the relief of Ruth Philipp; to the Committee on the Judiciary.

AMENDMENT OF ACT RELATING TO ELECTIONS IN THE DISTRICT OF COLUMBIA—RESIDENCE REQUIREMENT—AMENDMENT

Mr. KEATING. Mr. President, I submit an amendment to the bill (H.R. 8444) to amend the act of August 12, 1955, relating to elections in the District of Columbia. I ask unanimous consent that the amendment be printed, and also that it be printed at the conclusion of my remarks.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table; and, without objection, the amendment will be printed as requested by the Senator from New York.

Mr. KEATING. Mr. President, this amendment provides a maximum residence requirement for voting of 90 days in the District of Columbia for presidential elections only. It does not affect the requirement in the bill for 1 year of residence to qualify to vote in other elections, which in the case of the District of Columbia just involves the selection of delegates to the national nominating conventions.

This amendment is very similar to a resolution (S.J. Res. 90) which I introduced this year to amend the Constitution to place a 90-day maximum on residence requirements for voting in presidential elections. It is also similar to a new and revised resolution which I introduced with the distinguished senior Senator from Tennessee, Senator KEFAUVER, placing a 90-day ceiling on resident requirements and, in addition, permitting voters, who are qualified on all other bases in both their old and new voting jurisdictions, to vote in their new jurisdiction for presidential and vice presidential electors. On September 1, this resolution (S.J. Res. 128) was reported favorably to the full Senate Judiciary Committee by the Constitutional Amendments Subcommittee.

Mr. President, the District of Columbia should have a model election code. The bill reported by the Senate District of Columbia Committee is progressive in many respects, and I commend the committee for the fine work which they have done on this subject.

The committee, however, recommends a District of Columbia residence requirement of 1 year, including presidential elections, which is far from being a model provision. I hope that when we consider this bill, the Senate will revise this section.

In presidential elections, there is no justification for disenfranchising otherwise qualified citizens just because they move from one place to another shortly prior to the election. Five States have already taken steps to lower residence requirements for voting for President and Vice President below 90 days. They are: Wisconsin, Ohio, California, Missouri, and Oregon. Six States have legislation pending to liberalize residence requirements for presidential elections.

Mr. President, 90 days is identical to the President's recommendation on residence requirements in the District for presidential elections. I am hopeful that the Senate will adopt this position, and in so doing follow the lead of the several States which have already modernized their residence requirements to meet the high mobility conditions of the 20th century.

The amendment submitted by Mr. KEATING is as follows:

On page 11, beginning with "(E)" on line 22, strike out all through the period on line 2, page 12, and insert in lieu thereof the following: "(E) who, for the purpose of voting in a presidential election under this Act, has resided in the District for the ninety-day period ending on the day of the presidential election, or for the purpose of voting in any other election held pursuant to this Act, has resided in the District for the twelve-month period ending on the day of such election."

ADJOURNMENT UNTIL 9 A.M. ON MONDAY NEXT

Mr. HUMPHREY. Mr. President, in accordance with the order previously entered, I move that the Senate stand in adjournment until 9 a.m. on Monday next.

The motion was agreed to; and (at 9 o'clock and 41 minutes p.m.) the Senate adjourned, under the order previously entered, until Monday, September 11, 1961, at 9 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate September 8, 1961:

MISSISSIPPI RIVER COMMISSION

Harold T. Council, of Mississippi, to be a member of the Mississippi River Commission, vice Harry L. Bolen.

DISTRICT JUDGE

Paul D. Shriver, of Colorado, to be judge for the District Court of Guam for the term of 8 years, vice Eugene R. Gilmartin, deceased.

IN THE NAVY

Fayette C. Root (civilian college graduate) to be a permanent lieutenant (junior grade) and a temporary lieutenant in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law.

The following-named (Naval Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

Kenneth C. Morley, Jr. Eugene D. VanHove
John P. Noury Calvin J. Willis

The following-named (Naval Reserve officers) to be permanent lieutenants in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

John E. Carr
Fred H. Tilock
Seymour J. Viener

George T. Fairfax (Naval Reserve officer) to be a permanent lieutenant and a temporary lieutenant commander in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law.

Theodore J. Trumble (Naval Reserve officer) to be a lieutenant commander in the Medical Corps of the Navy, for temporary service, subject to the qualifications therefor as provided by law.

Thomas E. Reynolds, U.S. Navy retired officer, to be reappointed a commander in the line of the Navy, subject to the qualifications therefor as provided by law.

John P. Prestwich, U.S. Navy retired officer, to be a permanent lieutenant and a temporary lieutenant commander in the Supply Corps of the Navy, subject to the qualifications therefor as provided by law.

Thomas J. Parker, U.S. Navy retired officer, to be reappointed a chief warrant officer W–3 in the Navy, for temporary service, subject to the qualifications therefor as provided by law.

Malcolm B. Moore (naval enlisted scientific educational program) to be an ensign in the line of the Navy, in lieu of Naval Reserve Officer Training Corps candidate as previously nominated.

Medical Service Corps

The following-named personnel to be ensigns in the Medical Service Corps of the Navy, subject to the qualifications therefor as provided by law:

Daniel W. Behling	Richard N. Prelosky
William H. Benedict	Douglas E. Rector
Robert F. Coxe	George W. Robinson
Joseph J. Drozd	Floyd D. Saine
Lester R. Funderburk	Forrest D. Stout
Frederick L. Holiman	James T. Tapp, Jr
Robert W. Horrobin	Leslie H. Turbiville
William F. Hoss, Jr.	John R. Turner
Marvin D. Lind	Robert K. Zentmyer
James C. Pickering	

The following-named enlisted personnel to be ensigns in the Medical Service Corps of the Navy, for temporary service, subject to the qualifications therefor as provided by law:

James R. Andrews	John R. Kozik
Joseph R. Barrows	John R. Lewis
Floyd E. Bennett	Thomas W. MacConnell
Lawrence L. Biesiadny	
William E. Branscum	Wessel H. Meyers
Dallas E. Cassell	Richard A. Morin
Elgin R. Christian	Norman K. Owen
John F. Connolly	David D. Palmer
Myron R. Corbett	George J. Palmer
George L. Dailey	Henry E. Parker
Neslund E. Denison	Herbert D. Pearson
James J. Dewhirst	Hudson B. Price
Alvin G. Ebert	William E. Royals
Lloyd J. Flewelling	Bobby G. Rutledge
Raeford E. Garriss	Patrick J. Scanlin
Eugene G. Gendron	Donald L. Schoenmann
James D. Gillentine	
Kenneth F. Glassford	Donald L. Siplon
Joe E. Goble	Jack W. Smith
Ronald K. Green	Jonathan C. Sparks
Billy L. Heller	Virgil E. Spruell
Ralph C. Hempey	Gerald R. Steiner
Cecil D. Hudson	Roger E. Stockman
Pedro Jimenez	David C. Tharp
Jack E. Johns	James M. Ulmer
Paul W. Johnson	Robert J. Wallace
John J. Kehoe	John P. Walsh
Patrick J. Kennedy	Billy R. Wesson
John R. Knight	Lee P. Williamson

The following-named enlisted personnel selected as alternates to be ensigns in the Medical Service Corps of the Navy, for temporary service, subject to the qualifications therefor as provided by law:

Richard E. Thomas	Alexander R. Duncan
Melvin W. Smith	John J. Hicks
Billy J. Fannin	Arvid C. Johansen
Nicholas T. Reitmeyer	Bernard L. Zettl

The following-named officers of the U.S. Navy for permanent promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated, subject to qualification therefor as provided by law:

LINE

Bishop, William J.	McCue, Jerome E.
Blanch, Robert F.	Powelson, Robert W.
Clarity, Michael G.	Quigley, Joseph M.
Edwards, Robert L.	Shiflett, Edward E.
Foster, Robert G.	Showman, Loyd C., Jr.
Fullerton, George E., Jr.	Smith, Samuel
	Smolnik, Daniel
Furminger, Harry C.	Swazey, John M.
Gilles, John M.	Truax, Robert C.
Glenn, Robert L.	Vanatta, Jerry L.
Hawes, John K.	Warmbir, Kenneth M.
Hogan, Thomas W.	Wendelen, Hilding E.
Lavender, Carlos F.	

SUPPLY CORPS

Goodman, Jack R.	Reed, David A.
Julian, Gerald P.	Stauffer, John L.

CIVIL ENGINEER CORPS

Smart, Robert D.

The following-named officers of the Navy for permanent promotion to the grades indicated:

Captains, Medical Corps

Andrew McKane, III
Jerry J. Zarriello

Commanders, Medical Corps

Paul Kaufman
Lynne T. Greene

Captain, Dental Corps

John F. Bucher

Commanders, Dental Corps

Robert R. Perkins
Harvey P. Webre

IN THE MARINE CORPS

The following-named (Army Reserve Officer Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Jon Miller

The following-named enlisted man for permanent appointment to the grade of chief warrant officer W–2 in the Marine Corps, subject to the qualifications therefor as provided by law:

Robert E. Smithwick

The following-named officers for permanent appointment to the grade of chief warrant officer W–4 in the Marine Corps, subject to the qualifications therefor as provided by law:

Edward H. Dupre, Jr.	Louis Schlesinger
Wilbur O. Hall, Jr.	Lamar P. Wallis

The following-named officers for permanent appointment to the grade of chief warrant officer W–3 in the Marine Corps, subject to the qualifications therefor as provided by law:

William P. Addington	Perry A. Irelan
Frederick A. Anderson	Lauris W. Jackson
George E. Antoine	Ralph K. Jackson
Clyde G. Baker	J. T. Jenkins
Archie G. Ballenger, Jr.	Franklin F. Judson
Clarence R. Beattie	William O. Koontz
Walter C. Bell	Frank A. Kulakowski
Thomas P. Birmingham	Martin Lachow
	Harold E. Larkin
Julius Blinkovitch	Cophes L. Lay
Kenneth C. Boston	Henry F. Lesem, Jr.
Perry S. Brenton	Wellington B. Long, Jr.
Billy Burks	
John J. Buron	Clyde C. Lynn
William C. Burrell	Robert E. Marks, Jr.
Howard L. Butler	Lawrence T. Martin
Edward W. Carter, Jr.	Sandy L. McLeod
Samuel R. Clapsadl	Leroy J. McVeigh
Robert A. Clement	Emmett L. Meadows
Amos C. Cochran, Jr.	William R. Mercer
Richard B. Colglazier	Harmon V. Mills
Joseph L. Comeau	Max M. Morgan
Thomas C. Crawford	Chilton Murphy
Charles H. Darr	George A. Nahhas
Roy F. Dawson	Anthony J. Nalisnik
John W. Donnelly	John E. New
Homer K. Drennen	Joseph A. Novobilski
Robert C. Fellows	Frank L. Pearman
Roger K. Fensler	Benjamin F. Peters
Thomas V. Ferguson	Walter P. Pettley
Paul C. Fichtle	James H. Pollock
Frederick E. Franks	Frank F. Posey
Henry K. Goeke	Ernest J. Rae
Frederick A. Gonzalez, Jr.	Leo E. Reynolds
	John H. Roberson
Chester A. Goodwin, Jr.	John L. Rogers
	George T. Ruhberg
Lillian M. Hartley	Alexander P. Ruskewitch
Henry A. Herrero	
Elmer D. Hill	Joseph Rypar
Robert F. Hill	Charles W. Servis
James R. Hollingsworth	Stewart J. Shaw, Jr.
	Fred J. Shisler
Walter L. Huber	Victor Shul
Robert R. Huff	Patrick L. Slavin
William R. Huntley	Joe W. Sparling
Howard S. Stephens	Robert I. Ward
Ellery L. Stickle	Clinton C. Waugh
William J. Sullivan	Elmer C. Wickstrom
Joseph H. Sutterley	James C. Williams
James C. Tabb	Lawrence L. Williams, Jr.
Arthur F. Terry	
Walter H. Thomas	Rex G. Williams, Jr.
Forrest H. Tyree	Cecil V. Winchester
Thomas C. Vanover	Ruth L. Wood
Thomas G. Waller	

The following-named officers for permanent appointment to the grade of chief warrant officer W–2 in the Marine Corps, subject to the qualifications therefor as provided by law:

Angelo P. Ciampa
Fred C. Miller, Jr.
Andrew M. Olesak

The following-named officers for permanent appointment to the grade of first lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Edward J. Banks	Walter R. Huf
Albert P. Berry	Gerald F. Kurth
Charles W. Blowers	William L. Mc Intyre
Edward C. Brinkley, Jr.	Thomas R. O'Donnell
	Eugene P. Richter, Jr.
Robert E. Burgess	Malcolm E. Smith
Vincent D. Caracio	John H. Strasser
Robert J. Elgaard	Francis J. Tague
Charles G. Gerard	Donald F. Tremmel
Leroy H. Gonzales	George A. F. Weida
George C. Hearn	Joseph J. Wheeler
Arthur E. Help	

CONFIRMATIONS

Executive nominations confirmed by the Senate September 8, 1961:

DIPLOMATIC AND FOREIGN SERVICE

U.S. AMBASSADORS

Charles F. Darlington, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Gabon.

Lincoln Gordon, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

U.S. ATTORNEY

H. Moody Brickett, of Montana, to be U.S. attorney for the district of Montana for the term of 4 years.

U.S. DISTRICT JUDGES

Albert Lee Stephens, Jr., of California, to be U.S. district judge for the southern district of California.

Raymond E. Plummer, of Alaska, to be U.S. district judge for the district of Alaska.

William H. Becker, of Missouri, to be U.S. district judge for the western district of Missouri.

James Robert Martin, Jr., of South Carolina, to be U.S. district judge for the eastern and western districts of South Carolina. (A new position.)

David W. Dyer, of Florida, to be U.S. district judge for the southern district of Florida. (A new position.)

HOUSE OF REPRESENTATIVES

FRIDAY, SEPTEMBER 8, 1961

The House was not in session today. Its next meeting will be held on Monday, September 11, 1961, at 12 o'clock noon.

Pursuant to an order of the House on Thursday, September 7, 1961, Mr. SHEPPARD submitted a conference report on H.R. 8302, making appropriations for military construction for the Department of Defense.

HOUSE OF REPRESENTATIVES

MONDAY, SEPTEMBER 11, 1961

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore, Mr. MCCORMACK.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

John 8: 32: *Ye shall know the truth, and the truth shall make you free.*

Eternal and ever-blessed God, as we enter upon the duties of a new week, make us more eager to appropriate and apply the principles of brotherhood and the golden rule to the many problems of human relationships.

Show us how to lead mankind into the bright domain of truth and freedom. Use us as Thy ministering servants and emancipators wherever men are held in social bondage; wherever minds are imprisoned in the darkness of ignorance and superstition and wherever hearts are bruised and broken. May our hearts go out in sympathy and in the spirit of the good samaritan to the citizens in the stricken areas of our country.

Above all may we pray and labor to release humanity from spiritual bondage and from those evil passions and ambitions which shackle its soul and are filling the world of our day with so much havoc and horror.

Hear us in the name of the Saviour who came to bring us truth, liberty, and peace. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, September 7, 1961, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1021. An act to extend for 2 years the definition of "peanuts" which is now in effect under the Agricultural Adjustment Act of 1938;

H.R. 2308. An act to amend the Ship Mortgage Act, 1920, with respect to its applicability to certain vessels;

H.R. 6302. An act to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes;

H.R. 7447. An act to amend the Strategic and Critical Materials Stock Piling Act to provide for the immediate disposition of certain waterfowl feathers and down;

H.R. 7622. An act to repeal sections 1176 and 1177 of the Revised Statutes of the United States relating to the District of Columbia; and

H.R. 8719. An act to amend the act of July 23, 1947, chapter 301, as amended, to extend for 2 years the authority to make temporary appointments and promotions in the U.S. Coast Guard.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2308. An act to amend the Ship Mortgage Act, 1920, with respect to its applicability to certain vessels;

H.R. 2585. An act relating to the credits against the employment tax in the case of certain successor employers;

H.R. 2883. An act to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes;

H.R. 4669. An act to amend the law relating to gambling in the District of Columbia;

H.R. 4670. An act to amend the law relating to indecent publications in the District of Columbia; and

H.R. 5852. An act to provide for the free entry of a towing carriage for the use of the University of Michigan.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 8666. An act to provide for the improvement and strengthening of the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FULBRIGHT, Mr. SPARKMAN, Mr. HUMPHREY, Mr. WILEY, and Mr. HICKENLOOPER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 476. An act to establish the Point Reyes National Seashore in the State of California, and for other purposes;

S. 502. An act to authorize the employment of retired personnel of the Federal Government by the Board of Education of the District of Columbia, and to authorize the employment of retired personnel of the Board of Education of the District of Columbia by the Federal Government;

S. 653. An act to provide for the presentation by the United States to the people of Mexico of a monument commemorating the independence of Mexico, and for other purposes;

S. 914. An act to provide for more effective administration of public assistance in the District of Columbia; to make certain relatives responsible for the support of needy persons, and for other purposes;

S. 1292. An act to amend the act of June 19, 1948, relating to the workweek of the Fire Department of the District of Columbia, and for other purposes;

S. 1528. An act to increase the relief or retirement compensation of certain former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service, and of widows and children of certain deceased former officers and members of such forces, department, or service;

S. 1563. An act to authorize the conveyance of certain lands within the Clark Hill Reservoir, Savannah River, Ga.-S.C., to the Georgia-Carolina Council, Inc., Boy Scouts of America, for recreation and camping purposes;

S. 1918. An act to extend benefits of the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 to widows and surviving children of former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, or the U.S. Secret Service Division, who were retired or who died in the service of any such organization prior to the effective date of such amendments;

S. 2180. An act to establish a U.S. Arms Control and Disarmament Agency for World Peace and Security;

S. 2299. An act to provide for the establishment of a juvenile division within or in connection with the District of Columbia Youth Correctional Center, and to authorize the judge of the Juvenile Court of the District of Columbia to commit to such juvenile division, subject to the provisions of the Juvenile Court Act, children 15 years of age, or older;

S. 2397. An act authorizing the National Capital Transportation Agency to carry out part 1 of its transit development program and to further the objectives of the act approved July 14, 1960 (74 Stat. 537); and

S.J. Res. 51. Joint resolution authorizing the creation of a commission to consider and formulate plans for the construction in the District of Columbia of an appropriate permanent memorial to the memory of Woodrow Wilson.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the follow titles:

S. 200. An act to amend the act entitled "An act relative to employment for certain adult Indians on or near Indian reservations," approved August 3, 1956;

S. 1719. An act to amend title 23 of the United States Code with respect to Indian reservation roads;

S. 1768. An act to provide for the restoration to Indian tribes of unclaimed per capita and other individual payments of tribal trust funds;

S. 1807. An act to authorize the disposition of land no longer needed for the Chilocco Indian Industrial School at Chilocco, Okla.; and

S. 2241. An act to donate to the Jicarilla Apache Tribe of the Jicarilla Reservation, N. Mex., approximately 391.43 acres of federally owned lands.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 902) entitled "An act to amend the Small Business Investment Act of 1958, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ROBERTSON, Mr. SPARKMAN, Mr. DOUGLAS, Mr. PROXMIRE, Mr. LONG of Missouri, Mrs. NEUBERGER, Mr. BEALL, Mr. BENNETT, Mr. JAVITS, and Mr. TOWER to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2237) entitled "An act to permit the entry of certain eligible alien orphans," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. EASTLAND, Mr. JOHNSTON, Mr. MCCLELLAN, Mr. ERWIN, Mr. DIRKSEN, Mr. KEATING, and Mr. FONG to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4317) entitled "An act to

amend the Internal Revenue Code of 1954 and incorporate therein provisions for the payment of annuities to widows and certain dependents of the judges of the Tax Court of the United States," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. KERR, Mr. LONG of Louisiana, Mr. WILLIAMS of Delaware, and Mr. CARLSON to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 7391) entitled "An act to promote the conservation of migratory waterfowl by the acquisition of wetlands and other essential waterfowl habitat, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. ENGLE, Mr. BARTLETT, Mr. MCGEE, Mr. SCHOEPPEL, and Mr. BUTLER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1540) entitled "An act to amend the law establishing the Indian revolving loan fund."

The message further requested that the House return to the Senate the bill (H.R. 8414) entitled, "An act to amend section 5011 of title 38, United States Code, to clarify the authority of the Veterans' Administration to use its revolving supply fund for the repair and reclamation of personal property."

The message also announced that the Vice President has appointed Mr. JOHNSTON and Mr. CARLSON members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the U.S. Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 62–6.

WATERSHED PROTECTION ACT

The SPEAKER pro tempore laid before the House the following communication, which was read, and referred to the Committee on Appropriations:

SEPTEMBER 8, 1961.

Hon. SAM RAYBURN,
The Speaker,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture on September 7, 1961, considered the work plans transmitted to you by Executive Communication 1227 and referred to this committee and unanimously approved each of such plans. The work plans involved are:

STATE AND WATERSHED

Kentucky, East Fork of Pond River; Massachusetts-New Hampshire, Souhegan River; North Carolina, Ahoskie Creek; Iowa, David's Creek; Iowa, Davis-Battle Creek; Iowa, Ryan-Henschal; Oklahoma, Cane Creek; Pennsylvania, Dunlap Creek; Georgia, Little Satilla Creek; Mississippi, Tallahalla Creek; Florida, Sarasota West Coast; and Wisconsin, Kickapoo Creek.

Sincerely yours,

HAROLD D. COOLEY, *Chairman.*

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY AND RELATED AGENCIES APPROPRIATION BILL, 1962

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a conference report on the bill H.R. 7371, making appropriations for the Departments of State and Justice, the judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

EXPORT-IMPORT BANK BILL

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, I take this time to advise the House that on Wednesday next the gentleman from Kentucky [Mr. SPENCE], chairman of the Committee on Banking and Currency, will call up the bill S. 2325, the Export-Import Bank bill, under a unanimous-consent request.

SALINE WATER CONVERSION PROGRAM

Mr. ASPINALL submitted a conference report and statement on the bill (H.R. 7916) to expand and extend the saline water conversion program being conducted by the Secretary of the Interior.

PEACE CORPS

Mr. DORN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN. Mr. Speaker, no one connected with our Foreign Service could officially and openly oppose the creation of a Peace Corps, particularly since it is already in being by Executive order. No one connected with our foreign-aid program could officially and openly oppose the Peace Corps under such circumstances; but, Mr. Speaker, everyone connected with our Foreign Service or our mutual security program with whom I have conferred privately express grave concern and misgivings about this hastily assembled organization of amateurs. Likewise, no official of a friendly nation is going to openly oppose the Peace Corps. As the recipient of our aid, it would be most inexpedient for them to do so. But the reports I receive from abroad indicate there is extreme skepticism of the Peace Corps and there is fear that it could cause serious damage to friendly relations with the United States.

As a Member of this House, you would not welcome amateur reformers into your district to tell your people what is wrong with their way of life. This is a dangerous, psychological approach to foreign, internal, and domestic problems. This House will make a grave mistake if we pass H.R. 7500 without a thorough investigation at home and abroad of the need and effect of this organization.

The establishment of the Peace Corps was a political decision made during the heat of a national political campaign without thorough investigation of its operation at the grassroots level in foreign lands. As a duplication of many of our foreign activities, it cannot possibly do any good, but may without thorough training do irreparable harm.

The time to prevent empire building is before it starts. The time to rid the world of this ill-advised Peace Corps is now. Our foreign friends are tired of this superior than thou attitude of swarms of Americans roving around the world telling them what is wrong with their way of life.

HURRICANE DAMAGE TO TEXAS AND LOUISIANA

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS of South Carolina. Mr. Speaker, during these hours of trial for the people of the States of Texas and Louisiana, our prayers should go out to the victims of this, one of the most severe storms ever to hit this Nation. The reason I take the floor and implore you, my colleagues, and everybody to join in prayer for those unfortunate people is because you who have never lived on the ocean, as I do, or on the seashore, you have never lived until you have endured a hurricane. It is composed of all of nature's hell in a single package.

I saw one come ashore in my district at Beaufort, and when it did, nothing survived its fury, nothing, even the roots of the grass vanished.

We are told by the radio and the newspapers that the eye of this storm which is now just about to hit the State of Texas, with its malevolent fury, will cause a reaction for hundreds of miles in each direction, and into Louisiana.

It will be the largest eye of a hurricane ever to hit this Nation, and where that eye hits Texas, God help Texas. The losses of human life, animal life, and property will be something that is conjectural. I hope that this Government—

and I would like to applaud the action of the President—will leave no stone unturned to help these people. Every Army combatant personnel or Army combat engineer or Navy engineer should be sent immediately, because this will be it.

I hope that the Lord in His omniscience, omnipresence, and omnipotence will spare these people. This is a tragedy that we will read about and our children will read about for many years to come.

I hope these courageous people will be spared.

THE TEXAS HURRICANE

Mr. THOMPSON of Texas. Mr. Speaker, I ask unanimous consent to address the House or 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMPSON of Texas. Mr. Speaker, I appreciate the words of the gentleman from South Carolina very deeply. This is my congressional district that is being hit. Thank God there is no loss of life known as yet, and so far the damage is all material. I want you to know that everything that can be done in Washington is being done. I myself will go down there as soon as we can get through and then if I need your help I will call on you.

ENTRY OF CERTAIN ALIENS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 2237, to permit the entry of certain eligible alien orphans, and agree to the conference requested by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

The Chair hears none and appoints the following conferees: Messrs. WALTER, FEIGHAN, CHELF, POFF, and MOORE.

THE 100TH BIRTHDAY OF THE BOSTON SUNDAY HERALD

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the Boston Sunday Herald and its many subscribers are celebrating the 100th anniversary of its service to the people of New England.

The Sunday Herald ranks among the best newspapers in the United States for the accuracy of its reporting, and for the high standards of its editorials. Although it is a traditionally conservative Republican paper that is published in the Democratic stronghold of Boston, it enjoys the respect of all. It has courage and conscience and style, documented by nearly 50 citations for public service and journalistic excellence.

Four times since 1923 it has won the highest national award among competing newspapers—the prestige of the Pulitzer Prize.

There are occasions when we take exception to the position of the Herald on State and National issues, but even then we acknowledge the sincerity of its views that may err in judgment, but never sacrifice principle to expediency. On international relations, this newspaper stands for a strong and alert United States that will take the initiative in promoting the practice of human rights and the participation in material progress that will be fair to the whole human family.

The increasing circulation testifies to the support of advertisers and readers in this newspaper that is distinguished by its objective coverage of events, and by the combination of intelligent interpretation and character in its editorials.

Congratulations to the Boston Sunday Herald on its century of service as a newspaper that lives up to the inspiring ideals of a free press.

THE HONORABLE CLARE E. HOFFMAN

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, I desire to call the attention of the House to the birthday of one of the oldest yet youngest members of this body in mind and spirit.

I speak of the gentleman from Michigan, the Honorable CLARE HOFFMAN, who, on yesterday, observed his 86th birthday.

Mr. Speaker, the gentleman from Michigan is serving his 27th consecutive year in the House of Representatives and through this more than a quarter of a century he has served and continues to serve the 4th Congressional District of Michigan with courage, distinction, and unfailing devotion to his constituents and the Republic.

Incidentally, Mr. Speaker, I am informed that in November of this year, Mr. and Mrs. Hoffman will celebrate their 62d wedding anniversary.

To my warm friend from Michigan I extend my compliments on the occasion of his 86th birthday. May he observe many more such occasions as a Member of the House. And to both Mr. and Mrs. Hoffman my very best wishes when, in November, they turn the corner on 62 years of married life.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from North Carolina.

Mr. JONAS. Mr. Speaker, I would like to join the gentleman from Iowa in extending greetings and felicitations to the gentleman from Michigan [Mr. HOFFMAN] who yesterday celebrated his 86th birthday. The gentleman from Michigan may be 86 years old but one would never know it to watch him in operation here on the floor from day to day. He not only remains young and vigorous in mind and body but equally so in spirit.

It has been my pleasure to work with the gentleman from Michigan on several subcommittees of the Government Operations Committee and that was an experience I shall never forget. He has one of the keenest legal minds in the House and the load he carries in committee and on the floor would not be undertaken by many Members half his age.

Mr. Speaker, I shall always cherish the friendship accorded me by the gentleman from Michigan, and wish to join my colleague from Iowa in extending to him sincere congratulations on the occasion of his birthday yesterday and to wish for him many happy returns of the day.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Florida.

Mr. HALEY. May I also join with my colleague in wishing him a happy birthday, and many, many happy birthdays in the future in rendering service to his country.

Mrs. ST. GEORGE. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. Mr. Speaker, I would also like to pay my respects to my distinguished colleague, the gentleman from Michigan [Mr. HOFFMAN]. But, I also want to pay my respects to Mrs. Hoffman.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Illinois.

Mr. MASON. Mr. Speaker, I want to join with the gentleman from Iowa in paying my respects to the gentleman from Michigan [Mr. HOFFMAN] who antedates me by 2 or 3 years, and to extend my sympathy to Mrs. Hoffman for having put up with him so long as she has.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Speaker, I am going to be very brief, but on behalf of the other members of the Michigan delegation I want to extend our birthday greetings to the dean of our delegation [Mr. HOFFMAN].

I am sure our colleagues in the House join us in extending best wishes for many, many more happy birthdays. During his more than a quarter of a century in the House he has made an outstanding contribution through his ability for keen analysis and brilliant debate. We wish for him a full measure of health and happiness in the years ahead.

Mr. KNOX. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. KNOX. Mr. Speaker, I appreciate my colleague from Michigan [Mr. CEDERBERG] interceding in my behalf.

However, I do want to personally congratulate my colleague from Michigan [Mr. HOFFMAN] on being blessed with the good fortune of spending 62 years with his most gracious wife.

My wish is that the union will continue and they will have many more years of a happy married life together.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Mr. Speaker, I make a point of order that the gentleman from Michigan is not in order. He is reading the Chicago Daily Tribune while we are transacting this very important business.

Mrs. CHURCH. Mr. Speaker, a further point of order.

The SPEAKER pro tempore. The gentlewoman will state the point of order.

Mrs. CHURCH. Mr. Speaker, I suggest the absence of a quorum.

The SPEAKER pro tempore. Will the gentlewoman from Illinois withhold the point of order until the gentleman from Iowa is through with presentation?

Mrs. CHURCH. Mr. Speaker, this is one quorum call I am sure the gentleman from Michigan will not make, and I cannot resist the opportunity to make it for him.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentlewoman yield?

I certainly would have made the point of order of no quorum if I had known what they were going to say.

The SPEAKER pro tempore. Does the gentlewoman withdraw her point of order?

Mrs. CHURCH. I withdraw my point of order, Mr. Speaker.

Mr. JONAS. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks following the remarks of the gentlewoman from Illinois [Mrs. CHURCH].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HOEVEN. Mr. Speaker, I congratulate my good friend CLARE HOFFMAN on the occasion of his 86th birthday and both Mr. and Mrs. Hoffman on the observance of their 62d wedding anniversary.

CLARE HOFFMAN is one of the most remarkable men I have ever known. He is a peer among rugged individualists. Forthright, brave, determined, sincere and honest are only a few words which typify CLARE HOFFMAN as we all know him. He fills a most valuable place in the daily deliberations of the House of Representatives.

May CLARE HOFFMAN enjoy many more birthdays and may he and his good wife share life's richest blessings in the days that lie ahead.

CALL OF THE HOUSE

Mrs. CHURCH. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 193]

Alger	Gavin	Morrison
Anderson, Ill.	Giaimo	Morse
Anfuso	Gilbert	Mosher
Arends	Glenn	Moulder
Ashbrook	Goodell	Multer
Ashley	Goodling	Nix
Ayres	Granahan	Nygaard
Barrett	Green, Pa.	O'Brien, N.Y.
Barry	Griffiths	O'Hara, Mich.
Bass, N.H.	Hall	O'Neill
Beermann	Halpern	Osmers
Bell	Hardy	Philbin
Bolling	Harrison, Va.	Pilcher
Boykin	Harsha	Poage
Brademas	Harvey, Mich.	Powell
Brewster	Healey	Rabaut
Bromwell	Hébert	Rains
Brooks, La.	Hemphill	Reece
Brown	Herlong	Reifel
Broyhill	Holland	Rogers, Tex.
Bruce	Holtzman	Rostenkowski
Buckley	Horan	Roudebush
Burke, Ky.	Ikard, Tex.	Rousselot
Cahill	Jennings	St. Germain
Celler	Joelson	Santangelo
Clancy	Jones, Ala.	Schadeberg
Cook	Jones, Mo.	Schenck
Cooley	Keith	Scherer
Corbett	Kilburn	Schhweiker
Curtis, Mo.	Kilday	Scranton
Dague	King, N.Y.	Shelley
Davis, Tenn.	Kunkel	Shriver
Delaney	Landrum	Sibal
Dent	Latta	Slack
Derwinski	Lindsay	Stafford
Devine	McCulloch	Staggers
Diggs	McSween	Stephens
Dole	McVey	Stratton
Dominick	Macdonald	Teague, Tex.
Donohue	MacGregor	Thompson, La.
Dooley	Machrowicz	Thompson, N.J.
Dulski	Martin, Mass.	Thomson, Wis.
Durno	Mathias	Toll
Dwyer	May	Tuck
Ellsworth	Meader	Tupper
Evins	Miller, Clem	Vinson
Farbstein	Miller, N.Y.	Wallhauser
Findley	Minshall	Westland
Finnegan	Monagan	Whalley
Fino	Moore	Widnall
Flynt	Moorehead, Ohio	Wilson, Ind.
Friedel	Moorhead, Pa.	Young
Gallagher	Morgan	Zelenko
Garland		

The SPEAKER pro tempore. On this rollcall, 278 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

AMENDMENT TO SMALL BUSINESS INVESTMENT ACT OF 1958

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 902) to amend the Small Business Investment Act of 1958, and for other purposes, with House amendment thereto, insist on the House amendment and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. SPENCE, PATMAN, RAINS, MULTER, MCDONOUGH, WIDNALL, and DERWINSKI.

AMENDMENT TO SMALL BUSINESS ACT TO INCREASE AMOUNT AVAILABLE FOR REGULAR BUSINESS LOANS THEREUNDER

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8762) to amend the Small Business Act to increase the amount available for regular business loans thereunder, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SPENCE, PATMAN, RAINS, MULTER, MCDONOUGH, WIDNALL, and DERWINSKI.

PROHIBITING TRAVEL OR TRANSPORTATION IN AID OF RACKETEERING ENTERPRISES

Mr. ROGERS of Colorado submitted the following conference report and statement on the bill (S. 1653) to amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises:

CONFERENCE REPORT (H. REPT. No. 1161)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1653) To amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That chapter 95 of title 18, United States Code, is amended (a) by adding the following new section at the end thereof:

"'§ 1952. Interstate and foreign travel or transportation in aid of racketeering enterprises

"'(a) Whoever travels in interstate or foreign commerce or uses any facility in interstate or foreign commerce, including the mail, with intent to—

"'(1) distribute the proceeds of any unlawful activity; or

"'(2) commit any crime of violence to further any unlawful activity; or

"'(3) otherwise promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on, of any unlawful activity

and thereafter performs or attempts to perform any of the acts specified in subparagraphs (1), (2), and (3), shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

"'(b) As used in this section "unlawful activity" means (1) any business enterprise involving gambling, liquor on which the Federal excise tax has not been paid, narcotics, or prostitution offenses in violation of the laws of the State in which they are committed or of the United States, or (2) extortion or bribery in violation of the laws of the State in which committed or of the United States.

"'(c) Investigations of violations under this section involving liquor or narcotics shall be conducted under the supervision of the Secretary of the Treasury.'

and (b) by adding the following item to the analysis of the chapter:

"'Sec. 1952. Interstate and foreign travel or transportation in aid of racketeering enterprises.'"

EMANUEL CELLER,
PETER W. RODINO, Jr.,
BYRON G. ROGERS,
WILLIAM M. MCCULLOCH,
GEORGE MEADER,
Managers on the Part of the House.
JAMES O. EASTLAND,
ESTES KEFAUVER,
OLIN D. JOHNSTON,
EVERETT MCKINLEY DIRKSEN,
ROMAN L. HRUSKA,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill, S. 1653, to amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommend in the accompanying conference report:

The House passed the Senate bill after amending it by striking out all after the enacting clause and inserting its own provisions. The Senate insisted upon its version and requested a conference; the House then agreed to the conference.

The conference report recommends that the Senate recede from its disagreement to the House amendment and agree to the same with an amendment, the amendment being to insert in lieu of the matter proposed to be inserted by the House amendment the matter agreed to by the conferees, and the House agree thereto.

In substance, the conference report contains the language of the House amendment with a few exceptions which are subsequently explained in detail.

The bill, as passed by the Senate, prohibited travel or the use of any facility for transportation in interstate or foreign commerce, including the mail, in furtherance of "extortion or bribery in violation of the laws of the State in which committed or of the United States." The amendment of the House, however, limited the coverage of the bill as it applied to extortion or bribery to "extortion or bribery in connection with gambling, liquor, narcotics, or prostitution." The version agreed to by the conferees accepts the Senate coverage so that the agreed amendment now covers "extortion or bribery in violation of the laws of the State in which committed or of the United States."

The Senate version also included in the definition of the term "unlawful activity" liquor on which the Federal excise tax had not been paid but the House amendment deleted this condition so as to include within the term "unlawful activity" liquor regardless of the payment of the Federal excise tax. The language adopted by the conferees is the language of the Senate version so as to limit "unlawful activity" on liquor on which the Federal excise tax had not been paid.

The Senate version of the bill was composed of two separate sections, viz., (1) relating to travel in interstate and foreign commerce, and (2) relating to the use of any facility for transportation in interstate or foreign commerce while the House version combined these two separate sections into a single section. On this particular matter, the House version was agreed to by the conferees so that the amendment to chapter 95 of title 18, United States Code, merely adds a new section at the end thereof designed as section 1952. Interstate and foreign travel or transportation in aid of racketeering enterprises.

Finally, the language which was contained in the Senate bill "after such travel" which related to the three specified acts involving travel or the use of any facility in interstate or foreign commerce to further unlawful activity is eliminated in the conference report in conformity with the House version which had eliminated the language as superfluous in view of the fact that the insertion of the word "thereafter" conforms the bill to the requirement that an act be performed subsequent to the travel in or the use of the interstate or foreign commerce facility. Thus, there is required the commission of an overt act after having traveled or after having used the facilities of interstate or foreign commerce.

EMANUEL CELLER,
PETER W. RODINO, Jr.,
BYRON G. ROGERS,
WILLIAM M. MCCULLOCH,
GEORGE MEADER,
Managers on the Part of the House.

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill S. 1653 just filed.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

Mr. HARRIS. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Colorado if there is any change in interpretation as affects certain businesses which we discussed on the floor of the House when the bill was before the House for consideration.

Mr. ROGERS of Colorado. As to the four categories, there is no change whatsoever.

Mr. HARRIS. It remains just as it was explained on the floor of the House when the bill was being considered over here?

Mr. ROGERS of Colorado. Yes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the statement.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

DEFENSE OF SUITS AGAINST FEDERAL EMPLOYEES

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2883) to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, strike out all after line 22 over to and including line 10 on page 3 and insert:

"(d) Upon a certification by the Attorney General that the defendant employee was acting within the scope of his employment at the time of the incident out of which the suit arose, any such civil action or proceeding commenced in a State court shall be removed without bond at any time before trial by the Attorney General to the district court of the United States for the district and division embracing the place wherein it is pending and the proceedings deemed a tort action brought against the United States under the provisions of this title and all references thereto. Should a United States district court determine on a hearing on a motion to remand held before a trial on the merits that the case so removed is one in which a remedy by suit within the meaning of subsection (b) of this section is not available against the United States, the case shall be remanded to the State court."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I wonder if the gentleman from Massachusetts [Mr. LANE] could tell us whether this has been cleared with the minority members on our committee, and whether it is agreeable to them?

Mr. LANE. Yes; it has been cleared. All parties are satisfied with the amendment as placed on this bill by the Senate. The amendment merely calls for an affidavit.

Mr. BYRNES of Wisconsin. I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL, 1962

Mr. FOGARTY. Mr. Speaker, I call up the conference report on the bill (H.R. 7035) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1154)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7035) "making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 10, 21, 34, 49, 56, 64, 65, 66, and 69.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 4, 5, 8, 13, 16, 18, 20, 22, 25, 27, 30, 32, 33, 35, 52, 53, 54, 58, 59, 61, 62, 67, and 68, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,796,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$500,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$405,000,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: Restore the matter stricken out, amended to read as follows: "including not to exceed $250,000 for temporary employees at rates to be fixed by the Secretary of Labor (but not to exceed a rate equivalent to that for general schedule grade 9) without regard to the civil service laws and Classification Act of 1949, as amended"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,307,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$23,000,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$211,557,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$11,594,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,000,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$10,000,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,000,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$203,000,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,800,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$127,637,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$142,836,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$108,876,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$132,912,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,340,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$81,831,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$56,091,000"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$70,812,000"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$9,000,000"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,401,200,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,442,000"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,607,000"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,265,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 15, 24, 29, 36, 41, 45, 46, 48, and 50.

JOHN E. FOGARTY,
WINFIELD K. DENTON,
CLARENCE CANNON,
MELVIN R. LAIRD,
JOHN TABER,
Managers on the Part of the House.

LISTER HILL,
RICHARD B. RUSSELL,
WARREN G. MAGNUSON,
JOHN STENNIS,
JOHN O. PASTORE,
MIKE MONRONEY,
THOMAS H. KUCHEL,
MARGARET CHASE SMITH,
GORDON ALLOTT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House, at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7035) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments; namely:

TITLE I—DEPARTMENT OF LABOR

Office of the Secretary

Amendment No. 1—Salaries and expenses: Appropriates $1,796,000 instead of $1,711,000 as proposed by the House and $1,811,000 as proposed by the Senate.

Bureau of International Labor Affairs

Amendment No. 2—Salaries and expenses: Appropriates $500,000 instead of $444,000 as proposed by the House and $510,000 as proposed by the Senate.

Office of the Solicitor

Amendment No. 3—Salaries and expenses: Appropriates $4,116,000 as proposed by the Senate instead of $3,616,000 as proposed by the House.

Bureau of Labor Standards

Amendment No. 4—Salaries and expenses: Appropriates $3,258,000 as proposed by the Senate instead of $3,208,000 as proposed by the House.

Bureau of Employment Security

Amendment No. 5—Limitation on salaries and expenses: Authorizes the expenditure of $10,500,000 from the employment security administration account in the Unemployment trust fund as proposed by the Senate instead of $9,600,000 as proposed by the House.

Amendment No. 6—Limitation on grants to States for unemployment compensation and employment service administration: Authorizes the expenditure of $405,000,000 from the employment security administration account in the Unemployment trust fund instead of $391,700,000 as proposed by the House and $406,700,000 as proposed by the Senate.

Amendment No. 7—Payment to the Federal extended compensation account: Appropriates $340,000,000 instead of $390,000,000 as proposed by the Senate.

Bureau of Labor Statistics

Amendment No. 8—Salaries and expenses: Appropriates $12,667,000 as proposed by the Senate instead of $12,167,000 as proposed by the House.

Amendment No. 9—Revision of the Consumer Price Index: Restores, with amendment, language proposed by the House and stricken by the Senate.

Amendment No. 10—Revision of the Consumer Price Index: Strikes language proposed by the Senate to make the funds appropriated available for obligation until June 30, 1963.

Wage and Hour Division

Amendment No. 11—Salaries and expenses: Appropriates $17,307,000 instead of $12,261,000 as proposed by the House and $17,761,000 as proposed by the Senate. This action was taken with the intention that the increase over the House allowance allow for not more than 500 additional positions.

TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

Amendment No. 12—Salaries and expenses: Appropriates $23,000,000 instead of $23,580,000 as proposed by the House and $22,000,000 as proposed by the Senate.

Office of Education

Amendment No. 13—Land-grant college aid: Appropriates $3,775,000 as proposed by the Senate.

Amendment No. 14—Defense educational activities: Appropriates $211,557,000 instead of $210,857,000 as proposed by the House and $211,707,000 as proposed by the Senate. The increase of $700,000 over the amount proposed by the House is composed of $500,000 for the fellowship program and $200,000 for counseling and guidance institutes.

Amendment No. 15—Defense educational activities: Reported in disagreement. It was agreed that a motion will be made for the House to recede from its disagreement to the language added by the Senate, and concur therein.

Amendment No. 16—Defense educational activities: Strikes language proposed by the House and inserts language proposed by the Senate.

Amendment No. 17—Salaries and expenses: Appropriates $11,594,000 instead of $11,364,000 as proposed by the House and $11,864,000 as proposed by the Senate. The increase over the amount proposed by the House will provide $65,000 for captioned films for the deaf; $20,000 for three additional positions for the library services staff; and $145,000 for fourteen positions to partially restore items disallowed by the House.

Amendment No. 18—Salaries and expenses: Deletes language proposed by the House.

Amendment No. 19—Cooperative research: Appropriates $5,000,000 instead of $5,500,000 as proposed by the House and $4,000,000 as proposed by the Senate. The committee of conference is agreed that no cooperative research project applications should be funded unless evaluated and approved by the Research Advisory Committee.

Office of Vocational Rehabilitation

Amendment No. 20—Research and training: Appropriates $20,250,000 as proposed by the Senate instead of $19,250,000 as proposed by the House. It is the intention of the committee of conference that $250,000 of the increase over the amount proposed by the House be applied for additional training of speech pathologists and audiologists.

Public Health Service

Amendment No. 21—Preamble: Strikes language proposed by the Senate to increase the maximum salary authorized to be paid certain personnel.

Amendment No. 22—Accident prevention: Appropriates $3,618,000 as proposed by the Senate instead of $3,368,000 as proposed by the House.

Amendment No. 23—Communicable disease activities: Appropriates $10,000,000 instead of $9,778,000 as proposed by the House and $10,028,000 as proposed by the Senate.

Amendment No. 24—Control of tuberculosis: Reported in disagreement. It was agreed that a motion will be made for the House to recede from its disagreement and concur in the language proposed by the Senate which will make $500,000 available for grants to States "in such amounts and upon such terms and conditions as the Surgeon General may determine."

Amendment No. 25—Control of tuberculosis: Provides that $3,500,000 of the funds appropriated shall be available for grants to States on a formula basis as proposed by the Senate instead of $4,000,000 as proposed by the House.

Amendment No. 26—Control of venereal diseases: Appropriates $6,000,000 instead of $5,815,000 as proposed by the House and $6,090,000 as proposed by the Senate.

Amendment No. 27—Dental services and resources: Appropriates $2,500,000 as proposed by the Senate instead of $2,182,000 as proposed by the House.

Amendment No. 28—Hospital construction activities: Appropriates $203,000,000 instead of $187,972,000 as proposed by the House and $212,972,000 as proposed by the Senate.

Amendment No. 29—Hospital construction activities: Reported in disagreement. It was agreed that a motion will be made for the House to recede from its disagreement and concur with an amendment which will make $140,028,000 available for part C instead of $125,000,000 as proposed by the House and $150,000,000 as proposed by the Senate, and will, in addition, authorize and direct the Surgeon General to transfer $9,972,000 from part G and section 636 to part C.

Amendment No. 30—Air pollution: Strikes language proposed by the House and inserts language proposed by the Senate.

Amendment No. 31—Air pollution: Appropriates $8,800,000 instead of $8,600,000 as proposed by the House and $8,900,000 as proposed by the Senate. The increase over the amount proposed by the House will provide an additional $100,000 for grants and an additional $100,000 for direct operations.

Amendment No. 32—Radiological health: Deletes language proposed by the House and inserts language proposed by the Senate.

Amendment No. 33—Radiological health: Appropriates $10,647,000 as proposed by the Senate instead of $9,147,000 as proposed by the House.

Amendment No. 34—Grants for waste treatment works construction: Strikes language proposed by the Senate.

Amendment No. 35—Foreign quarantine activities: Appropriates $6,084,000 as proposed by the Senate instead of $5,350,000 as proposed by the House.

Amendment No. 36—Foreign quarantine activities: Reported in disagreement. It was agreed that a motion will be made for the House to recede from its disagreement to the Senate amendment providing that $734,000 shall be available for construction of wharf facilities, and concur therein. The amount provided is to cover the entire cost of this construction.

Amendment No. 37—General research and services, National Institutes of Health: Appropriates $127,637,000 instead of $119,275,000 as proposed by the House and $140,000,000 as proposed by the Senate.

Amendment No. 38—National Cancer Institute: Appropriates $142,836,000 instead of $125,672,000 as proposed by the House and $160,000,000 as proposed by the Senate.

Amendment No. 39—Mental health activities: Appropriates $108,876,000 instead of $92,182,000 as proposed by the House and $125,570,000 as proposed by the Senate.

Amendment No. 40—National Heart Institute: Appropriates $132,912,000 instead of $105,723,000 as proposed by the House and $160,100,000 as proposed by the Senate.

Amendment No. 41—National Heart Institute: Reported in disagreement. It was agreed that a motion will be offered for the House to recede and concur in the Senate amendment which makes $1,000,000 of the appropriation available for plans and specifications for a gerontological research building and appurtenant facilities.

Amendment No. 42—National Institute of Dental Research: Appropriates $17,340,000 instead of $14,681,000 as proposed by the House and $20,000,000 as proposed by the Senate.

Amendment No. 43—Arthritis and metabolic disease activities: Appropriates $81,831,000 instead of $73,661,000 as proposed by the House and $90,000,000 as proposed by the Senate.

Amendment No. 44—Allergy and infectious disease activities: Appropriates $56,091,000 instead of $52,182,000 as proposed by the House and $60,000,000 as proposed by the Senate.

Amendment No. 45—Allergy and infectious disease activities: Reported in disagreement. It was agreed that a motion will be offered for the House to recede from its disagreement and concur in the Senate amendment which provides that $750,000 of the appropriation shall be available for modernization of the Rocky Mountain Laboratory, Hamilton, Montana.

Amendment No. 46—Neurology and blindness activities: Reported in disagreement. It was agreed that a motion will be offered for the House to recede from its disagreement and concur in the Senate amendment which authorizes the use of these funds to cooperate with State health agencies and others in the prevention, control, and eradication of these diseases dealt with under this appropriation.

Amendment No. 47—Neurology and blindness activities: Appropriates $70,812,000 instead of $57,624,000 as proposed by the House and $80,000,000 as proposed by the Senate.

No activity allocations of the appropriations for the various institutes were agreed to by the committee of conference.

Amendment No. 48—National Institutes of Health management fund: Reported in disagreement. It was agreed that a motion will be made for the House to recede and concur in the language proposed by the Senate.

Amendment No. 49—Grants for cancer research facilities: Restores appropriation of $5,000,000 proposed by the House and stricken by the Senate.

Amendment No. 50—Grants for hospital research facilities: Reported in disagreement. It was agreed that a motion will be offered for the House to recede from its disagreement and concur in the Senate amendment

with an amendment which will restore the matter proposed by the House and stricken by the Senate but making the appropriation pursuant to authorization of Section 636 of the Public Health Service Act rather than Section 433(a).

Amendment No. 51—Scientific activities overseas (Special foreign currency program): Appropriates $9,000,000 instead of $8,000,000 as proposed by the House and $10,084,000 as proposed by the Senate.

Amendment No. 52—Salaries and expenses, Office of the Surgeon General: Appropriates $5,375,000 as proposed by the Senate instead of $5,275,000 as proposed by the House.

SOCIAL SECURITY ADMINISTRATION

Amendment No. 53—Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance: Strikes language proposed by the House.

Amendment No. 54—Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance: Strikes language proposed by the House.

Amendment No. 55—Grants to States for public assistance: Appropriates $2,401,200,000 instead of $2,285,800,000 as proposed by the House and $2,501,200,000 as proposed by the Senate.

Amendment No. 56—Grants for training of public welfare personnel: Strikes appropriation of $2,000,000 as proposed by the Senate.

Amendment No. 57—Salaries and expenses, Bureau of Public Assistance: Appropriates $3,442,000 instead of $3,221,000 as proposed by the House and $3,663,000 as proposed by the Senate.

Amendments Nos. 58 and 59—Grants for maternal and child welfare: Appropriate $69,100,000 as proposed by the Senate instead of $67,100,000 as proposed by the House and earmark the $2,000,000 increase for maternal and child-health services.

Amendment No. 60—Research and training (special foreign currency program): Appropriates $1,607,000 instead of $1,000,000 as proposed by the House and $2,213,000 as proposed by the Senate.

Gallaudet College

Amendment No. 61—Salaries and expenses: Appropriates $1,256,000 as proposed by the Senate instead of $1,200,000 as proposed by the House.

Amendment No. 62—Construction: Appropriates $601,000 as proposed by the Senate instead of $127,000 as proposed by the House.

Office of the Secretary

Amendment No. 63—Salaries and expenses, Office of Field Administration: Appropriates $3,265,000 instead of $3,225,000 as proposed by the House and $3,345,000 as proposed by the Senate. The increase of $40,000 over the amount proposed by the House will allow for one additional secretary in each regional office whose primary responsibility will be to serve the regional representative on aging.

General Provisions

Amendment No. 64—Restores language proposed by the House and stricken by the Senate to limit, to fifteen per centum of the direct costs, the amount of funds that may be used to pay for indirect costs under research grants.

Amendments Nos. 65 and 66: Change section numbers.

TITLE III—NATIONAL LABOR RELATIONS BOARD

Amendment No. 67—Salaries and expenses: Appropriates $19,989,000 as proposed by the Senate instead of $18,213,000 as proposed by the House.

TITLE IV—NATIONAL MEDIATION BOARD

Amendment No. 68—Salaries and expenses: Appropriates $1,804,000 as proposed by the Senate instead of $1,604,000 as proposed by the House.

TITLE IX—GENERAL PROVISIONS

Amendment No. 69: Strikes language proposed by the Senate.

JOHN E. FOGARTY,
WINFIELD K. DENTON,
CLARENCE CANNON,
MELVIN R. LAIRD,
JOHN TABER,
Managers on the Part of the House.

Mr. FOGARTY. Mr. Speaker, when the House passed this bill last May 17, it carried a total of $4,327,457,000. A little over 2 months later on July 25, the Senate passed the bill with an increase to $5,161,380,000. It should be pointed out, however, that in the interim between the time the House passed the bill and the time of Senate action the President submitted amendments to the budget which added $722,133,000. In large part these amendments were due to new legislation passed by this Congress.

As agreed to in conference the total of the bill is $4,915,965,000. This is $245,415,000 less than the Senate bill; $588,508,000 over the House bill; $88,316,081 less than the revised President's budget for 1962 and is $72,451,331 less than the appropriations made for these departments for fiscal year 1961. The following table presents a more detailed tabulation of these comparisons:

Portion of the bill	Appropriations, 1961	Eisenhower budget	Budget amendments submitted to the House	Budget acted on by the House	House bill	Budget amendments submitted to the Senate
Department of Labor	$1,074,560,800	$264,357,000	$20,935,000	$285,292,000	$283,113,000	$497,700,000
Department of Health, Education, and Welfare	3,869,867,131	3,838,992,081	132,987,000	3,971,979,081	4,020,134,000	222,857,000
Related agencies	43,988,400	24,877,000		24,877,000	24,210,000	1,576,000
Total	4,988,416,331	4,128,226,081	153,922,000	4,282,148,081	4,327,457,000	722,133,000

Portion of the bill	Budget acted on by the Senate	Senate bill	Conference agreement	Conference agreement compared with—			
				Appropriations, 1961	Budget, 1962	House bill	Senate bill
Department of Labor	$782,992,000	$679,829,000	$629,350,000	−$445,210,800	−$153,642,000	+$346,237,000	−$50,479,000
Department of Health, Education, and Welfare	4,194,836,081	4,455,365,000	4,260,429,000	+390,561,869	+65,592,919	+240,295,000	−194,936,000
Related agencies	26,453,000	26,186,000	26,186,000	−17,802,400	−267,000	+1,976,000	
Total	5,004,281,081	5,161,380,000	4,915,965,000	−72,451,331	−88,316,081	+588,508,000	−245,415,000

As I have pointed out, the conference agreement which we bring you is substantially over the House bill—a total of $588,508,000. However, over 95 percent of this increase is made up by three items. The largest item of increase is $340 million for payment to the Federal extended compensation account. The House bill carried no provision for this item, but after the House acted, a budget amendment was submitted to the Senate. A minimum of this amount is necessary to enable the Department to carry out the Temporary Extended Unemployment Compensation Act of 1961, which was enacted by this session of Congress.

The second largest item of increase over the House bill is $115,400,000 for grants to States for public assistance. This increase is also in the bill as a result of an amendment to the budget submitted after the House acted on the bill. Again the need for these additional funds is occasioned by recently enacted legislation, in this instance, amendments to the Social Security Act.

The third large item of increase over the House bill is $97,335,000 for the National Institutes of Health. Since this is the only large item of increase, comparatively speaking, that was not occasioned by an amendment to the budget, which in turn resulted from additional recent legislation, I intend to discuss this in considerably more detail in a few moments. For the present, I will simply summarize the situation by saying that the conferees spent about as much time on the National Institutes of Health as all of the other items in the bill combined and we finally agreed on a 50–50 split. My position with regard to support for the work of the National Institutes of Health is well known.

It is hardly necessary for me to state that some of us would like to have seen more funds made available and of course there are those who think the amount agreed upon is entirely too high. The compromise agreed upon probably does not fully satisfy a single one of the conferees, but was agreed to unanimously as being a fair reconciliation of widely divergent opinions.

All of the other items that are over the House bill total to less than 5 percent of the total increase. Unless there are questions concerning them, I will not take the time of the House to discuss them at this time.

Now I should like to discuss in a little more detail the action of the conferees

on the appropriations for the National Institutes of Health. This section of the bill is certainly one of the most important and also one of the most difficult which the conferees had to consider.

Although there was substantial difference between the amounts appropriated by this House and by the Senate for each of the Institutes, there was complete agreement among the conferees on the importance and urgency of the NIH programs, on the objectives toward which they must be directed and on the philosophy underlying the attitude of the Congress toward medical research.

I have heard no dissent—and can imagine none—from the view that our Nation's most important national resource is its people, that good health is their most valuable possession, and that the preservation and advancement of the health of our citizens is, therefore, our foremost national policy and our first obligation as responsible legislators. During the past several years the Congress has given practical expression to this view by substantially increasing the appropriations for the National Institutes of Health which, as the research arm of the Public Health Service, have the primary operating responsibility for Federal participation in the advancement of the medical sciences.

The Congress has rightly taken the position that no opportunity for pressing the attack on the dread diseases should be lost or delayed because of lack of funds. This policy has wide and enthusiastic public support. The Members of the Congress, regardless of party, have insisted on a progressive and rapid expansion of the Nation's capacity for medical research. To this end the Congress has repeatedly made substantial increases in the appropriations with which the National Institutes of Health can support a wide range of promising research projects, the creation of additional research facilities and the training of research manpower.

As a result of these increases, the National Institutes of Health has become the foremost medical research organization not only in the United States but in the world and has become the most effective driving force behind our total national research effort in the medical and related sciences. The NIH now supports fully half of all the biomedical research done in this country. There is now no area of medical science which does not benefit directly from these programs. Virtually every major new contribution to medical knowledge now owes something to the support made available by these programs.

Federal support of programs that contribute so directly and so significantly to the health of every citizen is a most worthwhile expenditure of public funds. It is one of the few expenditures of tax dollars that can truly be described as a dividend paid to the taxpayer.

In fact, it makes little sense to speak of the appropriations for the National Institutes of Health as expenditures. They are investments—and I do not mean this figuratively, but literally. They are investments because they bring long-term returns not only in such important intangibles as health and happiness but in cold assets of dollars and cents. The actual return in national income and in tax revenue of every major advance in the prevention or effective treatment of a disease far exceeds the cost of even the most expensive and protracted research program.

Let me cite just one obvious recent example. I have seen no calculation of the amount of work time that used to be lost as the result of the many infectious diseases which can now be prevented or cut short by the use of antibiotics, but it does not require a statistician to conclude that the earned income and tax revenue restored to the economy by these wonder drugs completely overshadows the cost of their development, and more than pays for many years of research in areas which have not yet seen such dramatic results.

Economic losses due to diseases which doctors have not yet learned to control are staggering.

It is estimated that if the victims of arteriosclerosis—the major killer that is responsible for over half of all deaths in the United States—could live only one extra healthy year they would add a billion dollars to the national income and pay over $150 million in income taxes alone.

Arthritis and rheumatism, in addition to forcing many people to stop working prematurely, are responsible for the loss of 17 million working days by victims still in normal employment. Apart from the human misery caused by these crippling diseases, they cost the Nation over $2 billion a year and represent a loss of more than $250 million in taxes.

The common cold and other acute respiratory diseases have disabled as many as 6 million people on a single day and annually account for nearly 300 million illnesses. Most of these are short and more, uncomfortable than serious but they cost the Nation $2 billion each year.

It is conservatively estimated that cerebral palsy is responsible for a loss of $300 million in income taxes. About 90 percent of the adult victims of this tragic disease cannot support themselves. Merely to maintain them costs well over $200 million.

The total cost to the Nation of mental illnesses is incalculable. The maintenance expenses of non-Federal public mental hospitals alone is over $900 million. The mentally retarded, of whom there are nearly 5½ million or about 3 percent of the entire population, cost the national economy a billion dollars a year. The direct costs and indirect losses due to serious crimes, juvenile delinquency, alcoholism, narcotic addiction and other social maladjustment in which mental illness is a significant factor runs into astronomical figures.

There are over 356,000 blind persons in our country now compared with 230,000 in 1940. In 1958, 110,000 blind persons received $90 million from public funds for their support and it is estimated that the Federal Government lost $95 million in income taxes from the blind who are under 65 and so still in potentially productive years. It will be expected that the Institute for Neurology and Blindness substantially increase their efforts and activities in the field of blindness.

These are only the most dramatic examples of great economic losses due to specific diseases. The whole, long, heartrending list totals billions of dollars in lost earnings, loss of capital through depletion of savings, nonproductive expenditures on essential care—much of it at public expense—for the incurable, and loss of tax revenues at all levels of government.

These dread diseases are not only a drain on the economy and the cause of a serious loss of income for the Federal Government but they involve direct costs which completely overshadow the NIH appropriation. For example, care and compensation for veterans with neuropsychiatric problems cost the Veterans' Administration $900 million a year; compensation or pensions to veterans with arthritis or rheumatism cost another $200 million. Publicly financed aid to the blind last year cost more than $95 million, much of it from Federal funds. Altogether, actual out-of-pocket expenditures by the Federal Government directly attributable to disease total several billion dollars a year.

If one wants to measure the amount that can profitably be invested in medical research against these cold dollar figures, even a cursory calculation will show that every dollar spent for research to prevent or cure a disease will, when the breakthrough finally comes, be repaid several times over year after year.

Personally, I prefer a different yardstick for measuring the amount that the Federal Government should invest in medical research. To me, the fact that nearly half a million new cases of cancer are diagnosed each year and that about 250,000 individuals will die of it during the next 12 months is a greater spur to action than the fact that this means a $12 billion loss in goods and services which these people would otherwise have produced or that the annual hospital bill for cancer patients is over $300 million.

I am much more concerned—and I believe a humane and decent government ought to be much more concerned—about the intensely personal tragedy of the onslaught of cancer in a home. The investment I want to make in helping to find a cure for leukemia will be paid off by the happy useful life it will enable the stricken child to lead; the dividend to which I look forward is the relieved smile on the faces of the grief-stricken parents.

I can give you no statistical measure of the misery caused by the dread diseases against which you might gage the need for medical research. Surely you do not need one. There is not a Member of this House who cannot recite numerous instances in which medical knowledge or therapeutic techniques have been inadequate to prevent a heartrending tragedy. We are all acutely aware of how much remains to be done. The hope that medical science will find

the missing clue and the sought-for cure before we ourselves need it nags each of us from time to time.

There can be no serious argument over the fact that this country needs the most vigorous medical research programs our scientists can mount. There is no valid argument against the view that it is the simple execution of an obvious responsibility to the people of this country for the Federal Government to provide whatever funds are needed to supplement private sources of support so that these programs may be promptly carried out. There was no disagreement on these points among the conferees. I believe that there is no disagreement on these points in this House.

The difficult point is to determine the level of support which can be efficiently and effectively used. As the amount proposed by the budget seemed to many of us to be inadequate, and virtually all of the testimony from private individuals, doctors and others, agreed on that, the Appropriations Committee recommended, as a compromise, and the House accepted the figure of $641 million originally proposed by NIH and the Department to the Bureau of the Budget. This was $58 million higher than the budget request, but it did not represent a real broadening of the scope of the NIH programs because it merely restored the amount by which the Bureau of the Budget had cut the NIH request.

This was not as good a figure as many of us thought it ought to be. I should like to remind the House that I pointed out at the time that it fell far short of the $757 million which had actually been requested by the institutes on the basis of their professional judgment of the needs of the NIH research and training programs. I added that I could not tell exactly how much more it falls short of what is actually needed if we are as serious as we ought to be about pushing these vital programs as hard as they can go.

The requests of the public witnesses—the so-called citizens' budget—totaled more than $976 million. Let me stress that this is not an irresponsible figure but the result of the cumulative views of witnesses most of whom are outstanding experts in their field and all of whom are well acquainted with the NIH programs and the research needs and opportunities in the medical sciences.

The conferees have now agreed on a total of $738,335,000 for the several appropriations for the National Institutes of Health in fiscal year 1962. This figure lies halfway between the total of $835,670,000 in the Senate version of the bill and the $641 million allowed by the House when the bill was originally passed.

It is, I think, a good compromise. It is only $19 million less than the professional judgment figure of the Institutes. It can thus be accepted, on the one hand, as being enough to meet the demonstrable needs as seen by those directly responsible for the National Institutes of Health program and, on the other, as being no more than can be appropriately and effectively employed to further medical research as rapidly as available facilities and manpower will permit during the current fiscal year.

The bill, as agreed to by the conferees, provides not only for a vigorous research program but will have an important effect on the Nation's research capacity in the future by making a substantial contribution to the expansion of medical research facilities and the training of research manpower.

Grants for the creation and long-term support of research centers, which were authorized by the Congress in 1960, will be further expanded and the disease categories for which they will be available will be broadened. These centers have already proved to be a highly significant resource for the conduct of complex and exacting investigations. In addition to the specialized clinical centers, funds are provided for the creation of special resource centers in which the principles, instrumentation, and techniques of the physical sciences and certain engineering specialties can be brought to bear on biomedical research.

Additional centers for handling primates for medical research will also be constructed and supported.

The bill includes $30 million for the final year of the program authorized by the present Health Research Facilities Construction Act. This program has made an extraordinary contribution to the expansion of research facilities but it has not kept pace with construction needs. The $30 million ceiling on the annual appropriation has become a serious limitation and the requirement that the Federal contribution be matched on a dollar-for-dollar basis has deprived some institutions of access to these much needed construction funds. Bills pending before the Congress would extend the program and will give the House a further opportunity to consider the ceiling on the appropriation. This conference report, however, includes $5 million for urgently needed cancer research facilities in institutions that are not able to meet the matching requirements of the Health Research Facilities Construction Act.

The special provision, in the bill as passed by the House, of $10 million in matching funds for the construction of experimental hospitals has been retained but has been transferred from the NIH appropriation to the appropriation for hospital construction activities in anticipation of authority contained in H.R. 4998.

The bill also provides for the expansion of the training and fellowship programs of the Institutes. These programs are under review by the NIH and the committee has asked for a report on the estimated manpower requirements and expected output over the next 5 and 10 years as a basis for considering the future expansion of the training programs. Strong representations have, however, been made to the committees in both Houses to the effect that a year's delay in the progressive development of these programs will slow their momentum and will leave a training gap which it will not be possible to make up.

Especially with regard to the National Institute of Mental Health, we expect a sizable part of the increase over the budget to be devoted to the acceleration of training programs. Severe personnel shortages continue to prevent thousands upon thousands of mental patients from receiving the newer treatments which have been developed.

We are particularly interested in seeing expansion of the general practitioner training program. This is one of the most popular and worthwhile programs in the entire mental health field, and the demand for training on the part of general practitioners today far exceeds the present availability of training programs and stipends.

Both House and Senate committees agree as to the necessity for an accelerated campaign against juvenile delinquency, and I think the recommendation that the sum of $2.5 million be spent on this activity during fiscal year 1962 is the minimum which should be so utilized.

The most important effect of the increases to which the conferees have agreed is, however, to give still greater impetus to the vitally important work already in progress on the dread diseases and to the indispensable basic research that must provide clinicians with an understanding of fundamental life processes and of the chemical and physical mechanisms on which the proper functioning of the body depends.

The 865 pages of official testimony and 200-odd pages devoted to private witnesses in the transcript of the committee's hearings are full of the most impressive evidence of the recent accomplishments of medical research and of the needs and opportunities for pressing forward, with even greater vigor, the never ending work of pushing back the scourges which beset mankind. No one who has reviewed this evidence can doubt that the sum now provided in this bill for medical research and training can be wisely and productively spent.

We are confident that the increases provided will be warmly welcomed by the American people who have such an important and very personal stake in the success of the NIH programs. We strongly recommend that they be accepted by the House.

Mr. Speaker, this conference report was agreed to unanimously by both the managers on the part of the House and the managers on the part of the Senate. I urge its adoption by the House.

I now yield to the distinguished ranking minority member of the subcommittee, the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Speaker, the gentleman from Rhode Island has explained the increases in the bill from the amounts originally included as it passed the House, and has set forth the total reduction which was made in the bill as it passed the Senate. The Senate bill contained $5.161 billion. As he stated, we have reduced this bill in conference by $245 million.

One of the reductions made in conference has to do with grants to the States for welfare programs. There is

a strong feeling on the part of many Members that the Department of Health, Education, and Welfare in administering this program with the States can carry on a more vigilant type of review. Many of the examples of waste that have been pointed out in the welfare programs, such as aid to dependent children, old-age assistance, and others, can be prevented if carefully policed by the Department of Health, Education, and Welfare, with resultant savings of both Federal and local funds.

The conferees also made a reduction in the appropriation for carrying out the temporary unemployment compensation program. In that particular program there is a reduction in this bill of $150 million from the budget request. This reduction below the budget was brought about by new estimates which show less than the anticipated unemployment for extended periods that the Bureau of the Budget and the Department of Labor submitted to the Congress as justification for the request.

With regard to the National Institutes of Health, the House and the Senate conference split the difference between the Senate bill and the House bill. But we made it very clear in the report on the part of the managers that the conferees did not agree on any earmarking of funds by activities within the appropriations. The Department will submit to the Congress a listing, and that listing will be submitted to us late this afternoon or tonight; that will show, by Institute, a breakdown of the appropriations for next fiscal year by activity. In the statement on the part of the managers we have made a very clear statement that the priorities should be worked out in the Department rather than by the Committee of Conference. I had asked the Secretary of Health, Education, and Welfare for a priority listing by activities in the National Institutes of Health giving priorities to the various earmarkings that had been done by the Senate, but that listing has not yet been forthcoming. I have been assured this morning that such a listing will be forthcoming and will be available for us late this afternoon and under leave to extend my remarks I will include it in the RECORD at this point:

National Institutes of Health—Distribution of conferee increases over House allowances

	Research grants	Clinical research centers [1]	Primate centers [1]	Fellowships	Training	State control program	Community demonstration projects	Professional and technical assistance	Chemotherapy contracts	Other direct operations	Total increases
General research and services	$2,412,000	[0]	[0]	$1,000,000	$4,500,000	0	0	0	0	$450,000	$8,362,000
National Cancer Institute	6,138,000	[$1,000,000]	[0]	400,000	2,000,000	0	$500,000	$4,000,000	$2,250,000	1,876,000	17,164,000
Mental health activities	6,609,000	[2,500,000]	[0]	1,750,000	6,500,000	$750,000	0	300,000	0	785,000	16,694,000
National Heart Institute	17,570,000	[2,000,000]	[$2,000,000]	750,000	3,500,000	1,500,000	0	1,800,000	0	2,069,000	27,189,000
National Institute of Dental Research	755,000	[0]	[0]	250,000	1,500,000	0	0	0	0	154,000	2,659,000
Arthritis and metabolic disease activities	4,982,000	[0]	[0]	330,000	2,000,000	0	0	0	0	858,000	8,170,000
Allergy and infectious disease activities	1,583,000	[0]	[0]	100,000	110,000	0	0	0	0	2,116,000	3,909,000
Neurology and blindness activities	5,988,000	[2,000,000]	[0]	500,000	2,154,000	0	0	3,000,000	0	1,546,000	13,188,000
Total	46,037,000	[1] [7,500,000]	[1] [2,000,000]	5,080,000	22,264,000	2,250,000	500,000	9,100,000	2,250,000	9,854,000	97,335,000

[1] The entries under "Clinical research centers" and "Primate centers" are included in the entries in the column "Research grants."

Mr. DINGELL. Mr. Speaker, I was very much distressed to note the deep cuts made by the other body in the Labor-HEW appropriation bill and rejoice greatly to find that much of this cut has been put back in by the conferees. Even with the cuts restored, I note that Food and Drug, already hard put by budget limitations to carry out its responsibility to safeguard the health and welfare of American people, will have about 30 less inspectors than provided by the original budget request. This cut will impair all of Food and Drug's inspection programs and it is indeed regrettable that the full amount of the budget request, and more, was not appropriated.

In his budget, the President requested an appropriation of $23,580,000 to operate the Food and Drug Administration during fiscal year 1962. The President's budget was approved by the House of Representatives. The Senate, however, reduced the appropriation to $22 million, a cut of $1,580,000. These divergent amounts have been resolved by a House-Senate Conference Committee which agreed to reinstate $1 million of the Senate cut, bringing the total Food and Drug Administration appropriation for fiscal year 1962 to $23 million.

The President's budget and the House bill would have provided FDA with an increase of $4,732,000 over the fiscal year 1961 appropriation. This increase, it might be noted, was identical to the one approved by the Eisenhower administration before leaving office. In effect, therefore, it represented the combined thinking of two administrations. Furthermore, it was in accordance with a plan instituted in fiscal year 1957 to strengthen FDA across the board over a period of up to 10 years. This plan was the result of a special study made in 1955 by an advisory committee of citizens which concluded that FDA was understaffed and lacked the proper facilities and equipment to provide adequate protection to the Nation's consumers of foods, drugs, and cosmetics.

The loss of $580,000 for fiscal year 1962 will have direct effects of an adverse nature on FDA's operations. Thirty positions, including inspectors and chemists working in FDA's 18 district offices scattered throughout the Nation, will be lost to the Agency. These positions had been requested to bolster FDA's efforts protecting consumers against harmful food additives. In imposing this cut, the Congress has, in effect, denied FDA the resources to carry out responsibilities which Congress itself assigned to the Agency only 3 years ago when it passed the Food Additives Amendment of 1958.

There are today an estimated 3,000 chemicals used in foods and food packaging materials. Many of them are known to be highly toxic, and unless they are used in a manner and in amounts prescribed by scientific tests, these chemicals can be harmful to consumers.

It is FDA's responsibility under law to determine the safety of all food additives and to establish tolerances for their proper use in each and every food product. Once this is accomplished, FDA, by means of its inspectors and chemists in field laboratories, must make sure that these tolerances are maintained by each of the estimated 73,000 food manufacturing, processing, and packaging establishments using additives. This is a heavy burden and important responsibility, and the health of every American depends to a considerable extent upon FDA's ability to bear this burden adequately and fulfill its responsibilities under law.

As of now, FDA has the manpower to inspect each year only a fourth of the food establishments under its jurisdiction. To cut the Agency's staff by 30 positions does little to improve matters. For this reason it is unfortunate that the full appropriation of $23,580,000 as requested by the President and approved by the House was not approved.

Mr. FOGARTY. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 8, line 8, insert:

"PAYMENT TO THE FEDERAL EXTENDED COMPENSATION ACCOUNT

"For payment into the Federal extended compensation account of the unemployment trust fund, as repayable advances, as authorized by section 13 of the Temporary Extended Unemployment Compensation Act of 1961, $390,000,000, to remain available only until September 30, 1962."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 7 and concur

therein with an amendment, as follows: In lieu of the sum "$390,000,000," insert "$340,000,000."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 15: Page 18, line 13, insert: ": *Provided further*, That no part of this appropriation shall be available for graduate fellowships awarded initially under the provisions of the Act after the date of enactment of the Department of Health, Education, and Welfare Appropriation Act, 1962, which are not found by the Commissioner of Education to be consistent with the purpose of the Act as stated in section 101 thereof."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 15 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 24: Page 24, line 20, insert: "of which $500,000 shall be available for grants of money, services, supplies and equipment to States, and with the approval of the respective State health authority, to counties, health districts and other political subdivisions of the States for the control of tuberculosis in such amounts and upon such terms and conditions as the Surgeon General may determine, and".

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 24 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 29: Page 26, line 12, strike out "$125,000,000" and insert "$150,000,000".

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 29 and concur therein with an amendment, as follows: In lieu of the amount proposed by said amendment, insert the following: "$140,028,000 plus $9,972,000 which the Surgeon General is authorized and directed to transfer from the sums set forth herein for section 636 and for grants or loans for facilities pursuant to part G".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 36: Page 30, line 21, insert: ", of which $734,000 shall be available for construction of wharf facilities at the Rosebank Quarantine Station."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 36 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 41: Page 32, line 23, insert: ", of which $1,000,000, to remain available until December 31, 1962, shall be available for plans and specifications for a gerontological research building and appurtenant facilities."

Mr. FOGARTY. I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 41 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 45: Page 33, line 18, insert the following: ", and of which $750,000 shall be available for modernization, including renovation and alterations, planning and construction, of the Rocky Mountain Laboratory, Hamilton, Montana."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 45 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 46: Page 33, line 24, insert the following: "; to cooperate with State health agencies, and other public and private nonprofit institutions, in the prevention, control, and eradication of neurological and sensory diseases and blindess by providing for consultative services, training, demonstrations, and other control activities, directly and through grants-in-aid,".

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 46 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 48: Page 34, line 7, insert the following:

"NATIONAL INSTITUTES OF HEALTH MANAGEMENT FUND

"The paragraph under this head in the Department of Health, Education, and Welfare Appropriation Act, 1958 (71 Stat. 220) is amended by striking out the words 'cost of such operation' in the second sentence of such paragraph, and inserting in lieu thereof 'reasonable value of the meals served.' "

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 48 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 50: Page 34, line 19, strike out lines 19 to 24, as follows:

"GRANTS FOR HOSPITAL RESEARCH FACILITIES

"For making grants, as authorized by section 433(a) of the Act, for the construction of hospital research facilities, $10,000,000: *Provided*, That none of these funds shall be used to pay in excess of two-thirds of the cost of such facilities."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate numbered 50 and concur therein with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

"HOSPITAL AND MEDICAL FACILITY RESEARCH

"For research and demonstration in the development and utilization of services and hospital and other medical facilities, including grants for construction and equipment of experimental or demonstration hospitals and other medical facilities, as authorized by section 636 of the Act, $10,000,000: *Provided*, That none of these funds shall be used to pay in excess of two-thirds of the cost of such construction and equipment: *Provided further*, That this paragraph shall be effective only upon enactment into law of H.R. 4998, Eighty-seventh Congress, or similar legislation."

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Mr. Speaker, I have been asked several questions about this amendment and what its practical effect is. This amendment carries out the program that was outlined on the floor of the House by the gentleman from Rhode Island and myself at the time the Labor-Health, Education, and Welfare appropriation bill was before us. The only difference in the provisions of this amendment and the bill that was passed by the House of Representatives is that instead of using the authority of section 433(a) of the Public Health Service Act we will use the authority of section 636 as amended in bill H.R. 4998, which has passed both the House and the Senate. We have retained the two-thirds matching provision that was in the House bill as it passed the House several months ago.

Mr. FOGARTY. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks in the RECORD on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

RESERVE COMPONENTS OF THE ARMED FORCES

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table for immediate consideration the bill (H.R. 5490) to provide for more effective participation in the Reserves components of the Armed Forces, and for other purposes, with a Senate amendment thereto.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Strike out all after the enacting clause and insert: "That section 6 of the Universal Military Training and Service Act, as amended (50 U.S.C. App. 456), is amended—

"(1) by amending subsection (c)(2)(A) by striking out in the last sentence thereof the words 'eight years' and substituting the words 'six years' in lieu thereof;

"(2) by amending subsection (c)(2)(B) to read as follows:

"'(B) Any person who after attaining the age of eighteen years and six months, but prior to attaining the age of twenty-six years and prior to the issuance of orders for him to report for induction, enlists or accepts appointment in an organized unit of the National Guard shall be deferred from training and service under this Act so long as he continues to serve satisfactorily as a member of such organized unit. No person deferred under the provisions of this clause shall by reason of such deferment be liable for training and service in the Armed Forces by reason of subsection (h) of this section after the twenty-eighth anniversary of the date of his birth or the sixth anniversary of the date of his enlistment or appointment in such unit, whichever occurs later. No such person who has completed six years of satisfactory service as a member of an organized unit of the National Guard, and who during such service has performed active duty for training with an armed force for not less than three consecutive months shall be liable for induction for training and service under this Act, except after a declaration of war or national emergency made by the Congress.';

"(3) by amending subsection (c)(2)(D) by striking out in the last sentence thereof the words 'eight years' and substituting the words 'six years' in lieu thereof;

"(4) by amending subsection (c)(2)(E) to read as follows:

"'(E) Notwithstanding any other provision of this Act, the President, under such rules and regulations as he may prescribe, may provide that any person enlisted in the Ready Reserve of any reserve component of the Armed Forces pursuant to authority conferred by this paragraph or under section 262 of the Armed Forces Reserve Act of 1952, as amended, or any member of the National Guard deferred from training and service by clause (A) of this paragraph, or any person enlisted or appointed in the National Guard after the effective date of this amended clause and deferred from training and service by clause (B) of this paragraph, who fails to serve satisfactorily as a member of such Ready Reserve or National Guard or the Ready Reserve of another reserve component of which he becomes a member may be selected for training and service and inducted into the armed force of which such reserve component is a part, prior to the selection and induction of other persons liable therefor.';

"(5) by amending clause (C) in the first sentence of subsection (d)(1) to read as follows: '(C) agrees to remain a member of a regular or reserve component until the sixth anniversary of the receipt of a commission,';

"(6) by amending the fifth and sixth sentences of subsection (d)(1) to read as follows: 'If, at the time of, or subsequent to, such appointment, the armed force in which such person is commissioned does not require his service on active duty in fulfillment of the obligation undertaken by him in compliance with clause (B) of the first sentence of this paragraph, such person shall be ordered to active duty for training with such armed force in the grade in which he was commissioned for a period of active duty for training of not less than three months or more than six months (not including duty performed under section 270(a) of title 10, United States Code), as determined by the Secretary of the military department concerned to be necessary to qualify such person for a mobilization assignment. Upon being commissioned and assigned to a Reserve component, such person shall be required to serve therein, or in a Reserve component of any other armed force in which he is later appointed, for the remainder of his service obligation.'; and

"(7) by striking out in the seventh and eighth sentences of subsection (d)(1) 'in such unit' wherever it appears therein.

"SEC. 2. Section 262 of the Armed Forces Reserve Act of 1952, as amended (50 U.S.C. 1013), is amended—

"(1) by striking out in subsection (b)(3) the words 'eighteen years and six months' and substituting the words 'twenty-six years' in lieu thereof; and

"(2) by striking out in the first sentence of subsection (c) thereof the words 'eight years' and substituting the words 'six years' in lieu thereof;

"(3) by amending the last sentence of subsection (c) thereof to read as follows: 'Each such person (1) shall be deferred from training and service under the Universal Military Training and Service Act, as amended, so long as he continues to serve satisfactorily, as determined under regulations prescribed by the appropriate Secretary, (2) shall by reason of that deferment remain liable for induction for training and service under the provisions of section 4(a) of such Act until the twenty-eighth anniversary of the date of his birth or until the sixth anniversary of the date of his enlistment under this section, whichever anniversary occurs later, and (3) upon the completion of six years of such satisfactory service pursuant to such enlistment shall be exempt from further liability for induction for training and service under such Act, except after a declaration of war or national emergency made by the Congress after August 9, 1955.'

"SEC. 3. Section 270 of title 10, United States Code, is amended by adding the following new subsection at the end thereof:

"'(c) Any person who becomes a member of the Army National Guard of the United States or the Air National Guard of the United States after the enactment of this subsection and who fails in any year to perform satisfactorily the training duty prescribed by or under law for members of the Army National Guard or the Air National Guard, as the case may be, as determined by the Secretary concerned, may, upon the request of the Governor of the State or territory, Puerto Rico, or the Canal Zone, or the commanding general of the District of Columbia National Guard, whichever is concerned, be ordered, without his consent, to perform additional active duty for training for not more than forty-five days. A member ordered to active duty under this subsection shall be ordered to duty as a Reserve of the Army or as a Reserve of the Air Force, as the case may be.'

"SEC. 4. (a) Section 651(a) of title 10, United States Code, is amended to read as follows:

"'(a) Each person who becomes a member of an armed force before his twenty-sixth birthday shall serve in the armed forces for a total of six years. Any person covered by this subsection may be sooner discharged because of personal hardship under regulations prescribed by the Secretary of Defense, or, if he is a member of the Coast Guard while it is not operating as a service in the Navy, by the Secretary of the Treasury. Any part of such service that is not active duty or is active duty for training shall be performed in a reserve component.'

"(b) The amendment made by subsection (a) of this section shall be effective with respect to all persons who became members of the armed forces prior to the date of enactment of this Act as well as to all persons who become members after the date of enactment of this Act, any enlistment or written agreement entered into prior to such date to the contrary notwithstanding.

"SEC. 5. Section 3261 of title 10, United States Code, is amended—

"(1) by striking out the designation '(b)' in subsection (a) and inserting the designation '(c)' in place thereof; and

"(2) by redesignating subsection (b) as subsection '(c)' and inserting the following new subsection (b):

"'(b) Under regulations to be prescribed by the Secretary of the Army, a person who enlists or reenlists in the Army National Guard, or whose term of enlistment or reenlistment in the Army National Guard is extended, shall be concurrently enlisted or reenlisted, or his term of enlistment or reenlistment shall be concurrently extended, as the case may be, as a Reserve of the Army for service in the Army National Guard of the United States.'

"SEC. 6. Section 8261 of title 10, United States Code, is amended—

"(1) by striking out the designation '(b)' in subsection (a) and inserting the designation '(c)' in place thereof; and

"(2) by redesignating subsection (b) as subsection '(c)' and inserting the following new subsection (b):

"'(b) Under regulations to be prescribed by the Secretary of the Air Force, a person who enlists or reenlists in the Air National Guard, or whose term of enlistment or reenlistment in the Air National Guard is extended, shall be concurrently enlisted or reenlisted, or his term of enlistment or reenlistment shall be concurrently extended, as the case may be, as a Reserve of the Air Force for service in the Air National Guard of the United States.'

"SEC. 7. Title 32, United States Code, is amended as follows:

"(1) Section 302 is amended to read as follows:

"'§ 302. Enlistments, reenlistments, and extensions

"'(a) Under regulations to be prescribed by the Secretary concerned, original enlistments in the National Guard may be accepted for—

"'(1) any specified term, not less than three years, for persons who have not served in an armed force; or

"'(2) any specified term, not less than one year, for persons who have served in any armed force.

"'(b) Under regulations to be prescribed by the Secretary concerned, reenlistment in the National Guard may be accepted for any specified period, or, if the person last served in one of the highest five enlisted grades, for an unspecified period.

"'(c) Enlistments or reenlistments in the National Guard may be extended—

"'(1) under regulations to be prescribed by the Secretary concerned, at the request of the member, for any period not less than six months; or

"'(2) by proclamation of the President, if Congress declares an emergency, until six months after termination of that emergency.'

"(2) The analysis of chapter 3 is amended by striking out the following item:

"'302. Enlistments.'

and inserting the following item in place thereof:

"'302. Enlistments, reenlistments, and extensions.'

"SEC. 8. The amendments made by sections 5, 6, and 7 of this Act shall not affect any enlistment, reenlistment, or appointment entered into or made before the effective date of this Act.

"SEC. 9. (a) Section 29(a) of the Act of August 10, 1956, as amended (5 U.S.C. 30r), is amended by striking out the words 'fiscal year' wherever they appear therein and substituting the words 'calendar year' in lieu thereof.

"(b) Except with respect to substitute postal employees, the amendments made by subsection (a) of this section shall become effective as of January 1, 1961, and with respect to substitute postal employees such amendments shall become effective as of January 1, 1962."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

Mr. BYRNES of Wisconsin. Reserving the right to object, Mr. Speaker, will the gentleman advise whether this amendment has been taken up with the minority members of the committee?

Mr. RIVERS of South Carolina. It has.

Mr. BYRNES of Wisconsin. Is it agreeable to them?

Mr. RIVERS of South Carolina. It is agreeable to them.

Mr. BYRNES of Wisconsin. I withdraw by reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS of South Carolina. Mr. Speaker, I move that the House concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. RIVERS of South Carolina moves to concur in the Senate amendment to the bill H.R. 5490, with an amendment, as follows:

In lieu of the matter proposed by the Senate amendment, insert "That section 6 of the Universal Military Training and Service Act, as amended (50 U.S.C. App. 456), is amended—

"(1) by amending subsection (c)(2)(E) to read as follows:

"'(E) Notwithstanding any other provision of this Act, the President, under such rules and regulations as he may prescribe, may provide that any person enlisted in the Ready Reserve of any reserve component of the Armed Forces pursuant to authority conferred by this paragraph or under section 262 of the Armed Forces Reserve Act of 1952, as amended, or any member of the National Guard deferred from training and service by clause (A) of this paragraph, or any person enlisted or appointed in the Ready Reserve of any reserve component of the Armed Forces (other than under section 511(b) of title 10, United States Code), the Army National Guard, or the Air National Guard after the effective date of this amended clause, but prior to his attaining the age of 26, who fails to serve satisfactorily as a member of such Ready Reserve or National Guard or the Ready Reserve of another reserve component of which he becomes a member may be selected for training and service and inducted into the armed force of which such reserve component is a part, prior to the selection and induction of other persons liable therefore.'; and

"(2) by striking out the words 'in such unit' in the seventh and eighth sentences of subsection (d)(1) and amending the fifth and sixth sentences of that subsection to read as follows: 'If, at the time of, or subsequent to, such appointment, the armed force in which such person is commissioned does not require his service on active duty in fulfillment of the obligation undertaken by him in compliance with clause (B) of the first sentence of this paragraph, such person shall be ordered to active duty for training with such armed force in the grade in which he was commissioned for a period of active duty for training of not less than three months or more than six months (not including duty performed under section 270(a) of title 10, United States Code), as determined by the Secretary of the military department concerned to be necessary to qualify such person for a mobilization assignment. Upon being commissioned and assigned to a reserve component, such person shall be required to serve therein, or in a reserve component of any other armed force in which he is later appointed, until the eighth anniversary of the receipt of such commission pursuant to the provisions of this section'.

"SEC. 2. Section 270 of title 10, United States Code, is amended by adding the following new subsection at the end thereof:

"'(c) Any person who becomes a member of the Army National Guard of the United States or the Air National Guard of the United States after the enactment of this subsection and who fails in any year to perform satisfactorily the training duty prescribed by or under law for members of the Army National Guard or the Air National Guard, as the case may be, as determined by the Secretary concerned, may, upon the request of the Governor of the State or territory, Puerto Rico, or the Canal Zone, or the commanding general of the District of Columbia National Guard, whichever is concerned, be ordered, without his consent, to perform additional active duty for training for not more than forty-five days. A member ordered to active duty under this subsection shall be ordered to duty as a Reserve of the Army or as a Reserve of the Air Force, as the case may be.'

"SEC. 3. Section 3261 of title 10, United States Code, is amended—

"(1) by striking out the designation '(b)' in subsection (a) and inserting the designation '(c)' in place thereof; and

"(2) by redesignating subsection (b) as subsection '(c)' and inserting the following new subsection (b):

"'(b) Under regulations to be prescribed by the Secretary of the Army, a person who enlists or reenlists in the Army National Guard, or whose term of enlistment or reenlistment in the Army National Guard is extended, shall be concurrently enlisted or reenlisted, or his term of enlistment or reenlistment shall be concurrently extended, as the case may be, as a Reserve of the Army for service in the Army National Guard of the United States.'

"SEC. 4. Section 8261 of title 10, United States Code, is amended—

"(1) by striking out the designation '(b)' in subsection (a) and inserting the designation '(c)' in place thereof; and

"(2) by redesignating subsection (b) as subsection '(c)' and inserting the following new subsection (b):

"'(b) Under regulations to be prescribed by the Secretary of the Air Force, a person who enlists or reenlists in the Air National Guard, or whose term of enlistment or reenlistment in the Air National Guard is extended, shall be concurrently enlisted or reenlisted, or his term of enlistment or reenlistment shall be concurrently extended, as the case may be, as a Reserve of the Air Force for service in the Air National Guard of the United States.'

"SEC. 5. Title 32, United States Code, is amended as follows:

"(1) Section 302 is amended to read as follows:

"'§ 302. Enlistments, reenlistments, and extensions

"'(a) Under regulations to be prescribed by the Secretary concerned, original enlistments in the National Guard may be accepted for—

"'(1) any specified term, not less than three years, for persons who have not served in an armed force; or

"'(2) any specified term, not less than one year, for persons who have served in any armed force.

"'(b) Under regulations to be prescribed by the Secretary concerned, reenlistment in the National Guard may be accepted for any specified period, or, if the person last served in one of the highest five enlisted grades, for an unspecified period.

"'(c) Enlistments or reenlistments in the National Guard may be extended—

"'(1) under regulations to be prescribed by the Secretary concerned, at the request of the member, for any period not less than six months; or

"'(2) by proclamation of the President, if Congress declares an emergency, until six months after termination of that emergency.'

"(2) The analysis of chapter 3 is amended by striking out the following item:

"'302. Enlistments.'

and inserting the following item in place thereof:

"'302. Enlistments, reenlistments, and extensions.'

"SEC. 6. The amendments made by sections 3, 4, and 5 of this Act shall not affect any enlistment, reenlistment, or appointment entered into or made before the effective date of this Act.

"SEC. 7. (a) Section 29(a) of the Act of August 10, 1956, as amended (5 U.S.C. 30r), is amended by striking out the words 'fiscal year' wherever they appear therein and substituting the words 'calendar year' in lieu thereof.

"(b) Except with respect to substitute postal employees, the amendments made by subsection (a) of this section shall become effective as of January 1, 1961, and with respect to substitute postal employees such amendments shall become effective as of January 1, 1962."

The motion was agreed to.

A motion to reconsider was laid on the table.

CHILDREN HANDICAPPED BY DEAFNESS

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 336) to make available to children who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities and to make available to individuals suffering speech and hearing impairments the specially trained speech pathologists and audiologists needed to help them overcome their handicaps.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TRAINING OF TEACHERS OF THE DEAF

SEC. 101. In order to encourage and facilitate the training of teachers of the deaf, the Commissioner of Education (hereinafter in this title referred to as the "Commissioner") shall, with the advice and assistance of the Advisory Committee on the Training of Teachers of the Deaf (established by section 105 and hereinafter in this title referred to as the "Advisory Committee"), establish and conduct a program of grants-in-aid to accredited public and nonprofit institutions of higher education which are approved training centers for teachers of the deaf or are affiliated with approved public or other nonprofit institutions which are approved for the training of teachers of the deaf to assist such institutions in providing courses of training and study for teachers of the deaf and in improving such courses. Such grants-in-aid shall be used by such institutions to assist in covering the cost of such courses of training and study and for establishing and maintaining scholarships for qualified persons who desire to enroll in such courses of training and study, the stipends of any such scholarships to be determined by the Commissioner. The Commissioner shall submit all applications for grants-in-aid under this title to the Advisory Committee for its review and recommendations, and the Commissioner shall not approve any such application before he has received and studied the recommendations of the Advisory Committee with respect to such application, unless the Advisory Committee shall have failed to submit its recommendations to him after having had adequate time to do so.

SEC. 102. Payments of grants-in-aid pursuant to this title shall be made by the Commissioner from time to time and on such conditions as he may determine, including the making of such reports as the Commissioner may determine to be necessary to carry out the provisions of this title. Such payments may be made either in advance or by way of reimbursement.

SEC. 103. For the purposes of this title:

(a) The term "nonprofit", as applied to an institution, means an institution owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual;

(b) The term "accredited", as applied to an institution of higher education, means an institution of higher education accredited by a nationally recognized body or bodies approved for such purpose by the Commissioner; and

(c) The term "approved", as applied to training centers for teachers of the deaf, means centers approved by a nationally recognized body or bodies approved for the purpose by the Commissioner, except that a training center for teachers of the deaf which is not, at the time of its application for a grant under this title, approved by such a recognized body or bodies may be deemed approved for purposes of this title if the Commissioner finds, after consultation with the appropriate approved body or bodies, that there is reasonable assurance that the center will, with the aid of such grant, meet the approval standards of such body or bodies.

SEC. 104. The Commissioner is authorized to delegate any of its functions under this title, except the making of regulations, to any officer or employee of the Office of Education.

SEC. 105. (a) There is hereby established in the Office of Education an Advisory Committee on the Training of Teachers of the Deaf. The Advisory Committee shall consist of the Commissioner, who shall be Chairman, and twelve persons appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary of Health, Education, and Welfare. The twelve appointed members shall be selected so as to secure on the Committee a balanced representation from among individuals identified with institutions approved for the training of teachers of the deaf, individuals identified with institutions of higher education which are affiliated with institutions approved for the training of teachers of the deaf, individuals who have responsibilities in the teaching of the deaf, and individuals identified with the general public who have demonstrated an interest in the education of the deaf.

(b) The appointed members of the Advisory Committee shall hold office for a term of four years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2) the terms of the members first taking office after the date of enactment of this title shall expire, as designated by the Commissioner at the time of appointment, three at the end of four years after such date, three at the end of three years after such date, three at the end of two years after such date, and three at the end of one year after such date. None of the appointed members shall be eligible for reappointment until a year has elapsed since the end of his preceding term.

(c) The Advisory Committee shall periodically review the operations of the grants-in-aid program established pursuant to this title with a view to determining the extent to which such program is succeeding in carrying out the purposes for which it was established. On the basis of such reviews the Advisory Committee shall submit to the Commissioner such recommendations with respect to the operation and administration of the program as it may deem advisable, together with any recommendations for legislation which it may deem necessary or desirable to carry out the purposes for which this title was enacted. Such recommendations, together with the Commissioner's comments thereon, shall be referred to the Secretary of Health, Education, and Welfare for transmittal by him to the Congress.

(d) The Advisory Committee is authorized to review all applications for grants-in-aid under this title and recommend to the Commissioner the approval of such applications as, in the opinion of the Advisory Committee, contribute to the carrying out of the purposes of this title, and the disapproval of such applications as, in the opinion of the Advisory Committee, do not contribute to the carrying out of such purposes.

(e) The Commissioner may utilize the services of any member or members of the Advisory Committee in connection with matters relating to the provisions of this title, for such periods, in addition to conference periods, as he may determine.

(f) Members of the Advisory Committee shall, while serving on business of the Advisory Committee or at the request of the Commissioner under subsection (e) of this section, receive compensation at rates fixed by the Secretary of Health, Education, and Welfare, not to exceed $50 per day, and shall also be entitled to receive an allowance for actual and necessary travel and subsistence expenses while so serving away from their places of residence, except that any member may waive his right to receive such compensation or allowance, or both.

SEC. 106. (a) For the purpose of carrying out the provisions of this title there are authorized to be appropriated such amounts as may be necessary for the fiscal year beginning July 1, 1961, and for the nine succeeding fiscal years, but aggregate payments, from sums so appropriated, with respect to costs incurred during the fiscal year beginning July 1, 1961, or the next fiscal year by recipients of grants-in-aid under this title may not exceed $1,500,000. Any grant for training or scholarships made from an appropriation under this title for any fiscal year may include such amounts for providing such training or scholarships during succeeding years as the Commissioner may determine.

(b) The provisions of this title shall terminate on June 30, 1971.

TITLE II—TRAINING OF SPEECH PATHOLOGISTS AND AUDIOLOGISTS

SEC. 201. In order to encourage and facilitate the training of speech pathologists and audiologists, the Director of the Office of Vocational Rehabilitation (hereinafter in this title referred to as the "Director") shall, with the advice and assistance of the Advisory Committee on Speech Pathology and Audiology Training (established by section 205 and hereinafter in this title referred to as the "Advisory Committee"), establish and conduct a program of grants-in-aid to accredited public and nonprofit institutions of higher education which are engaged in the training of speech pathologists and audiologists to assist such institutions in providing such training and in improving courses for such training. Such grants-in-aid shall be made only to institutions of higher education which offer programs of such nature and content as to enable students who have successfully completed such programs to qualify for an advanced certificate in speech pathology or audiology from a nationally recognized body or bodies approved for the purpose by the Director. Such grants-in-aid shall be used by such institutions to assist in covering the cost of courses of graduate training and study leading to the master's or doctor's degree and for establishing and maintaining graduate fellowships with such stipends as may be determined by the Director. The Director shall submit all applications for grants-in-aid under this title to the Advisory Committee for its review and recommendations, and the Director shall not approve any such application before he has received and studied the recommendations of the Advisory Committee with respect to such application, unless the Advisory Committee shall have failed to submit its recommendations to him after having had adequate time to do so.

SEC. 202. Payments of grants-in-aid pursuant to this title may be made by the Director from time to time, in advance or by way of reimbursement, on such conditions as the Director may determine, including the making of such reports as the Director may determine to be necessary to carry out the provisions of this title.

SEC. 203. For the purposes of this title:

(a) The term "nonprofit", as applied to an institution of higher education, means an institution owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(b) The term "accredited", as applied to an institution of higher education, means an institution of higher education accredited by a nationally recognized body or bodies approved for the purpose by the Director.

SEC. 204. The Director is authorized to delegate any of his functions under this title except the making of regulations, to any officer or employee of the Office of Vocational Rehabilitation.

SEC. 205 (a) There is hereby established in the Office of Vocational Rehabilitation an Advisory Committee on Speech Pathology and Audiology Training. The Advisory Committee shall consist of the Director who shall be Chairman and twelve persons, appointed

without regard to the civil service laws, by the Director with the approval of the Secretary of Health, Education, and Welfare. The twelve appointed members shall be selected so as to secure on the Advisory Committee a balanced representation from among individuals who devote a major part of their efforts to departments of speech pathology and audiology in institutions of higher education and who reflect varied specialties represented in such departments, individuals from the ranks of professional people actively engaged in the diagnosis, training, or rehabilitation of individuals suffering serious speech or hearing impairments, and individuals from the general public who have demonstrated an interest in the problem of speech and hearing disabilities.

(b) The appointed members of the Advisory Committee shall hold office for a term of four years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2) the terms of the members first taking office after the date of enactment of this title shall expire, as designated by the Director at the time of appointment, three at the end of four years after such date, three at the of three years after such date, three at the end of two years after such date, and three at the end of one year after such date. None of the appointed members shall be eligible for reappointment until a year has elapsed since the end of his preceding term.

(c) The Advisory Committee shall periodically review the operations of the grants-in-aid program established pursuant to this title with a view to determining the extent to which such program is succeeding in carrying out the purposes for which it was established. On the basis of such reviews the Advisory Committee shall submit to the Director such recommendations with respect to the operation and administration of the program as it may deem advisable, together with any recommendations for legislation which it may deem necessary or desirable to carry out the purposes for which this title was enacted. Such recommendations, together with the Director's comments thereon, shall be referred to the Secretary of Health, Education, and Welfare for transmittal by him to the Congress.

(d) The Advisory Committee is authorized to review all applications for grants-in-aid under this title and recommend to the Director the approval of such applications as, in the opinion of the Advisory Committee, contribute to the carrying out of the purposes of this title, and the disapproval of such applications as, in the opinion of the Advisory Committee, do not contribute to the carrying out of such purposes.

(e) The Director may utilize the services of any member or members of the Advisory Committee in connection with matters relating to the provisions of this title, for such periods, in addition to conference periods, as he may determine.

(f) Members of the Advisory Committee shall, while serving on business of the Advisory Committee or at the request of the Director under subsection (e) of this section, receive compensation at rates fixed by the Secretary of Health, Education, and Welfare, not to exceed $50 per day, and shall also be entitled to receive an allowance for actual and necessary travel and subsistence expenses while so serving away from their places of residence, except that any member may waive his right to receive such compensation or allowance, or both.

SEC. 206. (a) For the purpose of carrying out the provisions of this title, there are authorized to be appropriated such amounts as may be necessary for the fiscal year beginning July 1, 1961, and for the nine succeeding fiscal years, but aggregate payments, from sums so appropriated, with respect to costs incurred during the fiscal year beginning July 1, 1961, or the next fiscal year by recipients of grants-in-aid under this title may not exceed $2,000,000. Any grant for training or fellowships made from an appropriation under this title for any fiscal year may include such amounts for providing such training or fellowships during succeeding years as the Commissioner may determine.

(b) The provisions of this title shall terminate on June 30, 1971.

Mrs. GREEN of Oregon. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. GREEN of Oregon: Strike out all after the enacting clause of the Senate bill, S. 336, and insert the provisions of the bill, H.R. 9011, as follows: "That, in order to encourage and facilitate the training of more teachers of the deaf, the Commissioner of Education (hereinafter in this Act referred to as the 'Commissioner') shall, with the advice and assistance of the Advisory Committee on the Training of Teachers of the Deaf (established by section 5 and hereinafter in this Act referred to as the 'Advisory Committee'), establish and conduct a program of grants-in-aid to accredited public and nonprofit institutions of higher education which are approved training centers for teachers of the deaf or are affiliated with approved public or other nonprofit institutions which are approved for the training of teachers of the deaf to assist such institutions in providing courses of training and study for teachers of the deaf and in improving such courses. Such grants-in-aid shall be used by such institutions to assist in covering the cost of such courses of training and study and for establishing and maintaining scholarships for qualified persons who desire to enroll in such courses of training and study, the stipends of any such scholarships to be determined by the Commissioner. The Commissioner shall submit all applications for grants-in-aid under this Act to the Advisory Committee for its review and recommendations, and the Commissioner shall not approve any such application before he has received and studied the recommendations of the Advisory Committee with respect to such application, unless the Advisory Committee shall have failed to submit its recommendations to him after having had adequate time to do so.

"SEC. 2. Payments of grants-in-aid pursuant to this Act shall be made by the Commissioner from time to time and on such conditions as he may determine, including the making of such reports as the Commissioner may determine to be necessary to carry out the provisions of this Act. Such payments may be made either in advance or by way of reimbursement.

"SEC. 3. For the purposes of this Act—

"(a) The term 'nonprofit', as applied to an institution, means an institution owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual;

"(b) The term 'accredited', as applied to an institution of higher education, means an institution of higher education accredited by a nationally recognized body or bodies approved for such purpose by the Commissioner; and

"(c) The term 'approved', as applied to training centers for teachers of the deaf, means centers approved by a nationally recognized body or bodies approved for the purpose by the Commissioner, except that a training center for teachers of the deaf which is not, at the time of its application for a grant under this Act, approved by such a recognized body or bodies may be deemed approved for purposes of this Act if the Commissioner finds, after consultation with the appropriate approved body or bodies, that there is reasonable assurance that the center will, with the aid of such grant, meet the approval standards of such body or bodies.

"SEC. 4. The Commissioner is authorized to delegate any of his functions under this Act, except the making of regulations, to any officer or employee of the Office of Education.

"SEC. 5. (a) There is hereby established in the Office of Education an Advisory Committee on the Training of Teachers of the Deaf. The Advisory Committee shall consist of the Commissioner, who shall be Chairman, and twelve persons appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary of Health, Education, and Welfare. The twelve appointed members shall be selected so as to secure on the Committee a balanced representation from among individuals identified with institutions approved for the training of teachers of the deaf, individuals identified with institutions of higher education which are affiliated with institutions approved for the training of teachers of the deaf, individuals who have responsibilities in the teaching of the deaf, and individuals identified with the general public who have demonstrated an interest in the education of the deaf.

"(b) The Advisory Committee shall periodically review the operations of the grants-in-aid program established pursuant to this Act with a view to determining the extent to which such program is succeeding in carrying out the purposes for which it was established. On the basis of such reviews the Advisory Committee shall submit to the Commissioner such recommendations with respect to the operation and administration of the program as it may deem advisable, together with any recommendations for legislation which it may deem necessary or desirable to carry out the purposes for which this Act was enacted. Such recommendations, together with the Commissioner's comments thereon, shall be referred to the Secretary of Health, Education, and Welfare for transmittal by him to the Congress.

"(c) The Advisory Committee is authorized to review all applications for grants-in-aid under this Act and recommend to the Commissioner the approval of such applications as, in the opinion of the Advisory Committee, contribute to the carrying out of the purposes of this Act, and the disapproval of such applications as, in the opinion of the Advisory Committee, do not contribute to the carrying out of such purposes.

"(d) The Commissioner may utilize the services of any member or members of the Advisory Committee in connection with matters relating to the provisions of this Act, for such periods, in addition to conference periods, as he may determine.

"(e) Members of the Advisory Committee shall, while serving on business of the Advisory Committee or at the request of the Commissioner under subsection (d) of this section, receive compensation at rates fixed by the Secretary of Health, Education, and Welfare, not to exceed $75 per day, and shall also be entitled to receive an allowance for actual and necessary travel and subsistence expenses while so serving away from their places of residence, except that any member may waive his right to receive such compensation or allowance, or both. The provisions of section 1003 of the National Defense Education Act of 1958 shall apply to members of the Advisory Committee.

"SEC. 6. (a) For the purpose of carrying out the provisions of this Act there are authorized to be appropriated $1,500,000 for the fiscal year ending June 30, 1962, and $1,500,000 for the fiscal year ending June 30, 1963. Any grant for training or scholarships made from an appropriation under this Act for any

fiscal year may include such amounts for providing such training or scholarships during succeeding years as the Commissioner may determine.

"(b) The provisions of this Act shall terminate on June 30, 1963."

The amendment was agreed to.

Mr. SMITH of Mississippi. Mr. Speaker, I am pleased to join in support of this legislation to provide for special training for teachers of the deaf. This is the type of program that can be adequately handled only by the Federal Government. There is, at present, a serious shortage of trained teachers in this field and this program will be of great benefit to all of the States attempting to meet the present shortage, both in their public institutions and private schools. I appreciate the efforts of the gentlewoman from Oregon in calling this bill up for action at this time.

Mr. FOGARTY. Mr. Speaker, the need for competent, trained teachers of the deaf is extremely critical throughout the country. This urgent need must be met now. Each year of delay exacts an irremediable toll. Schools for the deaf have long waiting lists of applicants who cannot be admitted because of the growing shortage of teachers and facilities. Failure to meet the basic educational needs of the deaf child infinitely compounds the handicap of deafness and creates bewilderingly complex problems to be faced by the deaf person, his family, and all the agencies, public and private, which seek to meet his needs. It is only through the special skills of those trained to teach the deaf that the deaf child can be brought into realistic contact with his world. Without this education, suited to his needs, the stream of our society and its culture flows past him in ambiguous and confusing undulations. For no other group in our population is the price of educational neglect so high, nor its resultant harm so irreparable.

The art of conveying to the deaf child meaning, that is, comprehension and understanding of ideas inherent in language, is an extremely specialized one. This meaning, which comes to the hearing—and the hard of hearing—child through his ears, is available to the deaf child only through his eyes. Herein lies the difference between the art of the teacher of the deaf and the other teachers in the educational milieu. Training in the special skills of this art is essential if we are to give to each deaf child a firm educational foundation. For the deaf child, the task of learning language—this comprehension of the world about him in terms meaningful and accurate to him and to the persons to whom he wishes to convey his thoughts—is a slow and complex one. He has a right to the teaching of one especially qualified to convey this meaning to him. To the extent that he is denied that right, this Nation is failing in its duty to him, and is robbing itself of the benefit of his contribution to our society in his adulthood.

One of the most difficult problems facing adjustment counselors and placement workers today is the so-called "marginal" deaf person who has reached employable age without benefit of proper education or of any education at all. The problem is frequently compounded because, faced with having to turn numbers of applicants away, the schools are forced into a selection process which frequently "selects out" the more difficult case—the problem child. Of equal significance is the constellation of extremely complex problems posed by many deaf persons who have had school experience from untrained teachers.

Public and private programs are then confronted with the deaf client whose problems are complex and difficult of solution, who may lack not only the rudiments of education, but the positive patterns of social relations and work habits and attitudes which accompany the usual educational process and which must be established in the adult client if he is to succeed with any realistic vocational objective. Needless to say, these problems of personal, social, and vocational adjustment are more difficult to meet in a deaf person who has not had an opportunity to develop an understanding of the world around him, or to acquire the communication skills needed to articulate his thoughts, feelings, and needs to professional persons who would serve him.

One of the first things adjustment workers have had to do for many deaf clients is develop a sense of time—how to tell time, how to make or keep an appointment on time; how to know what time to catch a bus, how to count—how to count money—all of these little things which we take so for granted, and which would have come to him through the schools if he had been given the opportunity of a proper education.

We cannot say that responsibility in this crucial area lies solely with the States or the communities concerned. President Kennedy, in his educational message stressed that the human mind is our fundamental resource. To us this means the mind of the deaf child as well as the hearing. The Federal Government has a responsibility to see that every effort is made to assure that the deaf children of this Nation have available to them the teaching skills of those especially qualified to meet their educational needs. Nor can we assert that the needs to which the bill is addressed do not have sufficient priority to warrant enactment at this time. We must recognize the priority of prevention. We must calculate the price of failure.

On August 31, 1961, I introduced H.R. 9011 to assist in making available to children who are handicapped by deafness the specially prepared teachers of the deaf needed to develop their abilities. In the Nation there are about 35,000 school-age children suffering from deafness. About 27,000 of these children are reported to be enrolled in residential schools for the deaf or in special public day school facilities for the education of the deaf. Many children now enrolled in these special classes are being taught by teachers not fully prepared to instruct the deaf. There are about 8,000 children who are not receiving any specialized help from the schools.

Education of deaf children and youth is a difficult process. One of the avenues of learning—the sense of hearing—is closed to such children. The normal child acquires language in a casual, imitative way, but the deaf child must be taught to communicate before he can begin his schooling or participate in normal social experiences.

The teacher of the deaf has a dual responsibility. He is the one to help the child acquire and maintain a means of communication; at the same time, he is the one to provide the usual elementary and secondary curriculum offering, so that the child will master the basic skills for learning—reading, writing, and arithmetic—and also secure a concept of man's cultural heritage. In order to be effective in this dual role, the teacher must be equipped with technical knowledge about deafness and at the same time qualify as a capable educator.

Several nationwide studies have been made on the preparation of teachers of exceptional children. As far back as 1954, the Office of Education reported that teachers of the deaf were more difficult to secure than teachers in any other single area of exceptionality. While the number of teachers needed was not greater than in most of the other areas, the difficulty in securing them seemed to be more pronounced.

A recent study on the need for teachers of the deaf has been reported in "Information for Prospective Teachers of the Deaf for Schools for the Deaf, Classes for the Deaf, Speech and Hearing Clinics, Rehabilitation Facilities for the Deaf in the United States and Canada," a brochure published by the American Instructors of the Deaf and the Conference of Executives of American Schools for the Deaf. This study reports the acute need for teachers to work in residential schools as well as in special schools and classes for the deaf. The study indicates that about 500 additional teachers of the deaf would be needed each year in order to staff the schools and classes of the Nation.

On the basis of these studies, it appears that about 25 institutions of higher education are now offering professional preparation for educators in the field of the deaf and that many of these, with strengthening and improving, could accept more students. It appears that the best immediate contribution that the Federal Government could make to this problem would be to provide resources for scholarships to graduate and undergraduate students.

The need for such personnel was vividly presented by witnesses who testified in the nine regional hearings on special education and rehabilitation held by the Subcommittee on Special Education of the House Committee on Education and Labor of the 86th Congress. Glaring gaps in our educational provisions for exceptional children and youth were pointed out in each of these hearings. The main deterrent to progress in developing the needed provisions was identified as the lack of qualified teachers of the various types of exceptional children to staff the Nation's schools.

The urgent need for teachers of the deaf was again emphasized at the hearings held by the Subcommittee on Special Education in Washington on August 22 and 23, 1961, on bills under consideration—H.R. 3523, H.R. 5743, and H.R. 7175.

Unless the schools help these children so they can take advantage of educational opportunity, they will not have a chance to become contributing, well-adjusted members of society. If, on the other hand, they are given suitable education, most of them will become useful, productive citizens.

I would like, therefore, to urge the passage of H.R. 9011 so we may speedily provide and improve instruction in this critical area. As means of communication unfold to the deaf child and enable him to acquire a suitable education, it can be presumed that he will engage in normal life activities. Not only will he benefit as an individual, but so will his family and the community.

In introducing this specialized piece of legislation, I am aware also of the several million children who have handicapping conditions other than deafness and do not have access to the type of school program they need. It is my hope that the Special Subcommittee on Education will present at the next session of Congress broadened legislation which will enable the Federal Government to make a contribution not only to mentally retarded and to deaf children, but also to all others in need of special educational opportunities.

The experience of the Office of Education in the administration of Public Law 85–926, professional preparation for teaching mentally retarded children, has fully demonstrated the benefits that can be expected under the program proposed for the teaching of deaf children. The grants made by the Office of Education thus far have enabled 25 of our leading universities to strengthen the preparation of teachers in this field and 180 Fellows have been supported. Several of these persons have already assumed positions in colleges and universities preparing teachers of the mentally retarded. Others have taken positions as directors or supervisors of programs of the mentally retarded in State and local school systems. Testimony recently presented by the State directors and by the national professional organizations representing special education enthusiastically supports the value of the training that is authorized by Public Law 85–926.

Because of the limited funds now available under the program the Office of Education has had to give its priority to the training of college level instructors who will prepare classroom teachers and leaders of the programs in State and local schools. The program should now be expanded to permit additional grants so that classroom teachers can also be trained under the program.

The favorable experiences we have had with the program in the field of mentally retarded gives us confidence that comparable success can be achieved in the preparation of teachers of deaf children. It is assumed that in the first year of the program approximately 350 scholarship grants could be awarded to persons to be trained in about 25 institutions. This would have the twofold effect of both strengthening institutions who are now preparing classroom teachers and at the same time preparing more students for the actual teaching of deaf children. It is estimated that between 600 and 700 teachers of deaf children can be made available in our schools with the enactment of this legislation. It is nothing short of disgraceful that deaf children now capable of benefiting by education are now denied this opportunity in some localities because of an inadequate supply of qualified teachers.

I urge my colleagues in the House to give their wholehearted support to this legislation and to permit the Federal Government to provide the leadership in this field that has proven so valuable in the preparation of teachers of the mentally retarded.

Mr. RIVERS of Alaska. Mr. Speaker, I wish to take this opportunity to urge the passage of H.R. 9011, which would establish in the Office of Education an Advisory Committee on the Training of Teachers of the Deaf, and authorize $1,500,000 for fiscal year 1962 and fiscal 1963 for grants-in-aid to public and nonprofit institutions to help make available to individuals suffering hearing impairments the service of teachers and other specialists in the field of audiology needed to help them overcome their handicaps. Although there is nationwide need for a hearing specialist program, I shall limit my comments to the need for such a program in the State of Alaska.

I recently read an excellent article in the New York Times on the problems of the deaf by Dr. Howard A. Rusk, the medical columnist for the Times. In that article Dr. Rusk pointed out that there are over 6 million persons in the United States with impaired hearing, but that only 109,000, or 2 percent of the total, are deaf. The percentage of the native population afflicted with serious hearing maladies in Alaska is much higher than the national average. In the course of my correspondence with Dr. David L. Sparling, pediatric consultant for the Alaska Native Health Service at Mount Edgecumbe, Alaska, and physicians at the boarding schools operated by the Bureau of Indian Affairs, I have been informed that chronic ear infections are found in as many as 30 percent of the children admitted to the Mount Edgecumbe Hospital. I might add that the children so admitted are from all over Alaska.

During 1960, chronic ear infections were found in 10 percent of the students from remote villages enrolled at Wrangell Institute Elementary Boarding School, and more than 5 percent of the students enrolled at Mount Edgecumbe Secondary Boarding School were so afflicted. Likewise, chronic ear infections have been found among 30 percent of the pupils selected at random in certain native villages scattered throughout Alaska.

What makes these statistics the more striking is that they pertain only to children. According to Dr. Rusk the rate of impaired hearing per 1,000 persons under age 25 in the United States is 7.9 percent with the rate increasing in the higher age brackets. Among the native children of Alaska the percentage of children with impaired hearing is more than twice that high.

All specialists in the field of audiology are agreed that the most important aspect of hearing conservation is early detection of hearing loss. Early treatment of chronic ear infection may produce acceptable hearing. Unfortunately, at the present time, auricular training, for most of Alaska's deaf children must, in the majority of cases be given by untrained volunteers under the occasional supervision of a qualified teacher of the deaf.

In a letter to me of August 11, 1961, Mrs. Henrietta C. Krantz, a speech and hearing specialist employed by the Alaska Department of Health and Welfare, wrote as follows:

> So far as I know the State director of the Alaska Crippled Children's Association is still trying to recruit a teacher of the deaf to take the class that we had hoped to organize in Ketchikan this September. The Office of Vocational Rehabilitation is constantly seeking assistance for individuals, who, because of our inability to supply this type of training have become adults unable to make satisfactory social or economic adjustments.

Alaska is not the only State where there are not enough trained personnel to carry on an effective program of assistance to those suffering hearing impairments. The problem is national in scope. The answer is to establish a program implemented with funds with which to encourage and promote the graduate training of professional audiologists who could treat individuals suffering hearing impairments. For this reason I want to sincerely express to my colleagues the need for enactment of this legislation.

Mrs. GREEN of Oregon. Mr. Speaker, the purpose of the bill, H.R. 9011, is to alleviate a serious shortage of trained teachers of deaf children.

The Special Subcommittee on Education, in hearings across the Nation last year under the chairmanship of the gentleman from Alabama [Mr. ELLIOTT], heard testimony that this shortage has existed for some time. In further hearings this year, the subcommittee received testimony that the shortage is becoming increasingly acute.

Mr. Speaker, dozens and dozens of letters to the subcommittee from principals of schools for deaf children, from administrators of special classes for these handicapped youngsters in the public schools, from State agencies and from parents of deaf children all attest to a need for more trained teachers to give these youngsters a meaningful and adequate education.

There are approximately 400 schools and special classes for deaf children in our country. They are starting the school year this fall with about 500 fewer trained teachers than they need.

While this shortage may seem small, we must consider the handicap to these handicapped children if that gap is not filled. Deaf children must be taught to speak, as well as taught reading, arithmetic, history, and all the other subjects

in a school curriculum. Clearly, their teachers require special training to bridge this barrier to the deaf child's ability to communicate.

Mr. Speaker, our higher education institutions simply are not producing enough trained teachers of the deaf to meet the growing and urgent need for them. Fewer than 200 teachers are graduated each year, yet the schools and classes for deaf children annually report a need for upward of 500 additional teachers.

The bill, H.R. 9011, would establish a 2-year program to assist in training more teachers of the deaf. The bill authorizes appropriations of $1.5 million annually to higher education institutions which are approved as training centers for teachers of the deaf. The bill provides for grants-in-aid to assist in providing and improving courses of training and study and to establish scholarships for qualified persons who wish to enroll in these training courses.

H.R. 9011 also provides for an advisory committee, composed of persons with special knowledge and interest in training teachers of the deaf and in teaching deaf children, to review the program and applications for grants-in-aid.

Mr. Speaker, the other body already has passed legislation on this subject. I hope that a law may be enacted this year so that the higher education institutions may go forward with the task of attracting and training the teachers which deaf children so desperately need.

As the principal of a school for the deaf told our subcommittee:

These children we are talking about are wonderful youngsters. They have the ability and the will to learn, but they are at the mercy of the caliber of teacher provided for them. Until medical science develops a cure, their avenue to independence and self-sufficiency lies in special education.

Mr. Speaker, Oregon is no different from other States in its need for more teachers for deaf children. I am including at this point some of the letters I have received from persons who work with deaf children in my State, telling of this need:

COUNCIL FOR EXCEPTIONAL CHILDREN,
Salem, Oreg.

Hon. EDITH GREEN,
Chairman, House Select Subcommittee on Education, House of Representatives, Washington, D.C.

MY DEAR MRS. GREEN: As one who has been engaged in the education of deaf children for more than 20 years I am well aware of the problems which exist in this area of education and especially in the difficulties which arise from the shortage of trained teachers of the deaf. Also as president of Willamette Chapter No. 131 of the Council for Exceptional Children, I urge that you give favorable consideration to Senate bill 336 which would provide scholarships and aid in training teachers of the deaf.

Respectfully yours,
INA SMITH,
President, Willamette Chapter No. 131.

THE TUCKER-MAXON ORAL SCHOOL,
Portland, Oreg., April 6, 1961.

Congresswoman EDITH GREEN,
House of Representatives, U.S. Capitol, Washington, D.C.

DEAR MRS. GREEN: There is a frightening shortage of teachers who have necessary training to teach deaf children. Such training requires additional preparation and too few people can afford the expense of such preparation.

For these reasons I am one of many who very much want to see H.R. 4616, introduced by Congressman MONTOYA and H.R. 5360 introduced by Congressman BOLAND, passed. These are identical bills and are the same as S. 336 which has already been passed in the Senate.

I beg of you—please help put this over.

Respectfully and sincerely,
HATTIE HARRELL.

PORTLAND, OREG., *May 30, 1961.*

Hon. EDITH GREEN: I wish you to vote for H.R. 4616, as is, providing grants-in-aid for training teachers of the deaf children. There are very few willing to take the training to teach the deaf children. If aid were offered college students they would be enticed into a field that is very gratifying.

Portland, Oreg., in the past 11 years has found it very difficult to hire trained teachers of the deaf. So have had to hire elementary trained teachers. Sure they can teach subject matter but not speech and lipreading and auditory drill. The deaf child's education has been "slowed." I feel the bill would help speed up matters to help deaf children.

Thanks.

RUTH JENSEN.

P.S.—The lack of trained teachers has been a problem since I began to teach in 1938.

THE TUCKER-MAXON ORAL SCHOOL,
Portland, Oreg., April 10, 1961.

Representative EDITH GREEN,
Select Subcommittee on Education, House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE GREEN: On behalf of the parent-teachers forum of the Tucker-Maxon Oral School in Portland, Oreg., may I urge you, as chairman of the Select Subcommittee on Education, to support H.R. 4616 on the training of teachers of the deaf, speech pathologists and audiologists, now under consideration by your committee.

As parents of deaf children, we are acutely aware of the extreme shortage of well-qualified teachers of the deaf and hard of hearing throughout the country. Children with impaired hearing, with the proper oral education and training to help develop their inherent potential, can and have become assets to their communities and the Nation, rather than liabilities.

It is indeed heartwarming to learn that such legislation is under consideration before Congress. Again, may I urge you to vote "yes" on this bill, and to encourage your fellow Congressmen to follow suit.

Sincerely yours,
Mrs. MARVIN C. GOLDMAN,
Secretary.

Hon. EDITH GREEN,
House of Representatives, Washington, D.C.

DEAR MRS. GREEN: In the interest of better education for our deaf children will you please lend your support to the passage of S. 336, as this bill will do much to alleviate the critical shortage of teachers of the deaf.

I have worked around deaf children for several years and know of the urgent need of additional teachers.

Thank you.

Yours truly,
Mrs. C. D. BUSHMAN.

PORTLAND, OREG., *August 1, 1961.*

Hon. EDITH GREEN,
House of Representatives, Congress of the United States, Washington, D.C.

DEAR MRS. GREEN: Bill S. 336 is in your subcommittee on special education at the present time, with hearings to be scheduled very soon.

I need not tell you that this bill has to do with obtaining the right caliber teachers for deaf children. What you may not be aware of is that each year the shortage of qualified teachers of the deaf becomes more acute. This year the shortage is 20 percent greater than last year, when this same bill was lost in the House of Representatives. There are 30,000 deaf children in schools and classes in this country, and there would be more if qualified teachers were available.

This need is desperate. Won't you please vote "yes" on bill S. 336?

Trusting that we shall hear from you, I remain,

Very truly yours,
ARNOLD H. BAUDER,
President, Parent-Teacher Forum of the Tucker-Maxon Oral School.

Mr. BOLAND. Mr. Speaker, I rise in support of H.R. 9011, a bill to make available to children who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities. This legislation is practically similar to my bill, H.R. 5360, which the Special Subcommittee on Education, under the chairmanship of Congresswoman Edith Green, considered when holding hearings recently.

The purpose of H.R. 9011 and my bill, H.R. 5360, is to assist in providing more trained teachers of deaf children by authorizing a 2-year program of grants-in-aid for this purpose. The grants would be used for assisting in covering the costs of providing and improving courses of training and study, and providing scholarships for students who desire to enroll in such courses.

Mr. Speaker, there has been a nationwide shortage of trained classroom teachers of deaf children over the past several years. This shortage for the school year just beginning is critical indeed.

One of the outstanding schools specializing in this field is the Clarke School for the Deaf in Northampton, Mass., in my congressional district. Principal George T. Pratt of the Clarke School has informed me that there will be a nationwide shortage of 454 qualified teachers of the deaf as the 1961–62 school year opens this month.

While only 177 teachers in this specialty were trained during the last year, there are over 30,000 deaf children of school age. One teacher is needed for every 10 pupils in order to provide the special instruction they require in learning a language they cannot hear.

Mr. Speaker, these exceptional children will grow up to become useful productive citizens if they can obtain the proper special education. The States have no training facilities to provide properly trained teachers of the deaf. I firmly believe that this must become a Federal responsibility to establish a program of grants-in-aid to nonprofit institutions of higher education to cover the cost of courses and to provide scholarships for qualified persons who wish to specialize in teaching these deaf children.

I appeal to Members of the House to unanimously pass this legislation.

Mr. BRADEMAS. Mr. Speaker, I am pleased to rise in support of H.R. 9011, a

bill to help provide training for more teachers of the deaf.

As a member of the Subcommittee on Special Education, I have received many letters from both teachers and parents of deaf children from many parts of the country pointing out the need for more trained teachers of the deaf.

I should like especially to take note of the remarks of Mr. William J. McClure, who is not only superintendent of the Indiana State School for the Deaf but also the president of the Conference of Executives of American Schools for the Deaf, who in a recent letter to me said:

> There is a desperate need for trained teachers of the deaf all over the country, and we at the Indiana school are feeling this very acutely.

Mr. Speaker I hope very much that H.R. 9011 will be passed and enacted into law during this session of Congress.

Mrs. SULLIVAN. Mr. Speaker, I support S. 336 as amended by H.R. 9011, a bill to encourage teachers to train in the skills of teaching the deaf, but with some reluctance. My reluctance is not due to any disagreement with the objective of the bill—far from it. I have supported legislation of this kind for many years.

My reluctance stems rather from the fact that we are once again handling the educational problems of exceptional children in a piecemeal fashion, a little at a time, one group or category at a time, in a succession of small programs involving small amounts of Federal funds.

Of course I recognize that in the present atmosphere, anything helpful to education—or to any group of children—represents a great accomplishment from a legislative standpoint. Since the Senate has already passed a bill dealing with the expansion of teaching of children with speech and hearing defects, and the encouragement of the training of more speech pathologists and audiologists, I will readily acknowledge that this approach of tackling just one aspect of the problem of teaching exceptional children probably holds some hope of legislative success in the closing days of the session. But I deplore the necessity for taking such a limited step forward, when the educational needs for all of our exceptional children are so great.

I submit at this point, Mr. Speaker, the testimony I gave on August 22 before the Special Subcommittee on Education, headed by the gentlewoman from Oregon, Congresswoman GREEN, on H.R. 15, my bill to try to meet the educational needs of all the exceptional categories of children, as follows:

TESTIMONY BY CONGRESSWOMAN LEONOR K. SULLIVAN, DEMOCRAT, OF ST. LOUIS, BEFORE SUBCOMMITTEE ON SPECIAL EDUCATION, HOUSE COMMITTEE ON EDUCATION AND LABOR, ON H.R. 15, A BILL BY MRS. SULLIVAN, THE EXCEPTIONAL CHILDREN EDUCATIONAL ASSISTANCE ACT, TUESDAY MORNING, AUGUST 22, 1961

I am grateful for this opportunity to testify on H.R. 15, the exceptional children educational assistance bill, to establish a 7-year program of Federal fellowships and scholarships to train more teachers for America's 6 million exceptional children—those with specialized learning needs and problems.

Because of the extraordinarily heavy schedules of controversial legislation on the calendar of the Committee on Education and Labor I was not able to arrange hearings on this bill in either the 85th or 86th Congress, so I am particularly grateful to Congresswoman GREEN, the chairman of this subcommittee, for calling up the bill for hearings this week.

During the 4 years since I originally introduced the legislation, we have made a few piecemeal approaches to the educational problems of exceptional children—chiefly the mentally retarded—but little or nothing has been done for the others. Consequently, it was not surprising to me this past weekend when Secretary Ribicoff reported that an estimated 4½ million handicapped children of school age are not attending school at all. A major reason for that is that most of our school systems lack the specially trained teachers needed to make school a meaningful experience for these youngsters.

The Federal Government, of course, cannot be and should not be expected to finance the training of all of the classroom teachers we need, and the college faculty people we need, in this field of educating exceptional children. The most a Federal program should be expected to do is to provide a starting motor—a mechanism to initiate action in a neglected bit vitally important area of education.

As long as we recognize it as only a starter—as long as we are aware that the biggest effort here is going to have to be by the States and localities, as it should be—then H.R. 15 represents one of the best investments the people of the United States could make, as Federal taxpayers, in the development of human resources, which constitute the greatest of all of our national resources.

THE PROBLEM FACED BY THE EXCEPTIONAL CHILD IN SCHOOL

While all of us are endowed with individual qualities and characteristics which distinguish us from each other most of us are blessed with a kind of normal averageness, if that is the word, of physical appearance and mental capacity which enables us from childhood on to submerge comfortably in the group—in the crowd—if we so desire and travel life's road at a comparatively easy pace. Most of the institutions with which we come in contact, the tools we must use, the clothes we wear, the homes in which we live, the specifications for most jobs, and the schools in which we learn, particularly the schools, are geared or tailored pretty much to the norm. I said we are blessed with the averageness because certainly as children we shrink at the idea of being visibly or demonstrably different.

But while most children seem to fit a comfortable pattern, others, a very select few, are touched by God with such great gifts of mind and perception, as to stand out for their brilliance; and still others, millions of others, are chosen for reasons known only to God for the special testing and trial of another form of differentness, that is, in having to shoulder physical, mental, or emotional handicaps or disabilities.

To romanticize this situation, it is easy to think that the gifted child has everything in his favor with the world as his oyster and the handicapped child inevitably has some inner fire and drive to enable him to overcome his physical limitations and achieve the greatness which has come to so many in similar circumstances, great poets, musicians, teachers, physicians, and so on, who were handicapped and who nevertheless achieved great things in spite of, if not because of, those physical handicaps.

But let us not forget that children do not suck knowledge out of their thumbs. They must be taught and often it is a painstakingly difficult—incredibly difficult—and skilled task to teach some unfortunate children anything, to teach others the minimum of those things they must learn and know in order to live useful lives, and to teach still others all they can learn profitably.

WASTAGE OF HUMAN RESOURCES

In this respect, the greatly gifted child and the handicapped child share some common and often serious problems in the educational process and thus are placed together by educators under the heading of exceptional. For the procedures set up to teach the so-called normal or average child do not begin to reach the educational needs of the difficult child—the exceptional one. As a consequence, the exceptional child—gifted or handicapped—is robbed of some of this educational birthright.

Some millions of children of school age are not in any school at all because of the existence of this problem. Some of these receive some help from the school system, but the problem is enormous, and the needs generally are not being met.

In addition, many others attend schools but find it often a frustrating experience, a place of confusion and torment, because they are just not geared for the classroom routine. They need classroom work specially planned for their abilities or handicaps. A capable youngster with a serious speech or hearing or visual defect can be made to feel dumb; an emotionally disturbed youngster can be a distracting influence on an entire class; a gifted youngster can sit and vegetate in pure boredom in a class which he tends to find a prison for his imagination or feel out of it in a class of older children who are nearer his mental capacity.

This is the problem faced by the exceptional child, and by his parents, and by all of us. Because the specialized equipment or the special techniques—or, most important the specially trained teachers—are not available, the exceptional child suffers from unrealized educational opportunities, and his family is often caught in an agonizing situation. I think all of us know of such families and the problems they face. And lastly, we as a Nation suffer in terms of a tragic wastage of human resources, of skills and abilities we cannot afford to waste.

I am not going to put this in terms of cold war or West versus East or the fact that the Soviet Union is outstripping us in the education of scientists and engineers and technicians. True, a gifted child whose talents are wasted because he is not stimulated to learn to his full capacity might otherwise become a great inventor or scientist whose discoveries could bolster our defenses, but that is not the point I wish to make. I should like to present this problem not in terms of national defense but in terms of what is right and fair to American children and to our society, which could be enriched by the contributions of all of these exceptional children if given the opportunity to learn and contribute to their full capabilities.

INCIDENCE OF EXCEPTIONAL CHILDREN

Who are these children? And how many are there?

H.R. 15 defines the term "exceptional children" to include those who are unusually intelligent or gifted; the mentally retarded; the deaf or hard of hearing; the blind or those with serious visual impairments; children who have serious health problems due to heart disease, epilepsy, or other debilitating conditions; children with speech impediments; and those who are crippled, including those who have cerebral palsy; and, finally, children who are maladjusted emotionally and socially, including the institutionalized delinquent.

There is no exact count available on the number of children in each category. However, spot studies made in 1952 showed that except for the category of blind children or those with serious visual impairments, numbering at that time less than 100,000. each

of the other seven categories was estimated to number at least—or substantially more than—500,000.

In 1954, the Office of Education held a conference on qualification and preparation of teachers of exceptional children, and in the course of the conference a proposed creed for exceptional children was presented by Leonard Mayo, director of the Association for the Aid of Crippled Children, and was accepted by the conference and by the Office of Education, which has since published it. I would like to quote a few passages from it.

This document states:

We believe in the American promise of equality of opportunity, regardless of nationality, cultural background, race, or religion.

"We believe in the American promise of every child within the borders of our country no matter what his gifts, his capacity, or his handicaps.

"We believe that the Nation as a whole, every State and county, every city and hamlet, and every citizen has an obligation to help in bringing to fruition in this generation the ideal of a full and useful life for every exceptional child in accordance with his capacity: the child who is handicapped by defects of speech, of sight, or of hearing, the child whose life may be adversely influenced by a crippling disease or condition, the child whose adjustment to society is made difficult by emotional or mental disorders, and the child who is endowed with special gifts of mind and spirit."

TRAINED MIND AND WARM HEART

The final paragraph of this document states:

"Above all, we believe in the exceptional child himself; in his capacity for development so frequently retarded by the limits of present knowledge; in his right to a full life too often denied him through lack of imagination and ingenuity on the part of his elders; in his passion for freedom and independence that can be his only when those who guide and teach him have learned the lessons of humility, and in which there resides an effective confluence of the trained mind and the warm heart."

I have quoted only portions of the document, the creed for exceptional children. I prize a framed copy of it in my office, and I will readily acknowledge that I have borrowed very heavily from it, deliberately, for the language of the preamble of my bill.

I think those few passages I quoted sum up a philosophy with which we must agree wholeheartedly if we truly mean to see to it that each child in this great country shares equally in the opportunity to learn. We know that each cannot learn at the same speed or to the same degree. But for those who can absorb knowledge and skills, we must make sure the opportunity exists for the child to benefit to the full extent possible.

We do that now for adults, and for children reaching maturity, in connection with vocational training and vocational rehabilitation. We provide the means by which men and women and young men and young women with physical handicaps can be helped and taught to qualify for skilled employment. Wonders are being performed under this program.

But why must we wait until the handicapped child is almost grown and ready for employment to begin thinking of his need in this respect? If we can perform wonders now in the rehabilitation process—and we can—then think how much more we could accomplish with that same individual if we began his specialized education as a youngster and geared it to his capabilities just as we later gear the vocational rehabilitation program to the physical capabilities of the individual.

SPECIALIZED TEACHING TECHNIQUES

Special educational techniques for the exceptional child would eliminate a tremendous amount of emotional stress for many of these children in the growing-up stage and thus help make better citizens of them and better communities for all of us.

Special education does not always and invariably involve special classes, but it does involve specialized teaching. In this connection, I think one of the best statements of the problem which I have seen was made in the annual report of the Ames, Iowa, public schools for 1954–55, in which Walter L. Hetzel stated:

"It must always be remembered that the education of exceptional children has basic concepts and goals in common with the education of all children. The same principles of child development prevail. A deaf child is a child with a hearing handicap. As a child, he has all the needs, desires, and physical energy of children in general. Basically, the only way in which he differs from an average child is his inability to hear; and because of this hearing handicap, he is unable to speak.

"This difference makes it necessary to plan his education with special consideration for his disabilities. The mentally retarded child, the child with visual impairment, the crippled child, and every other exceptional child has fundamental motives and drives common to children in general; but along with those common characteristics, there is in each case a specific handicap or exceptional condition that requires an adjustment or special service in his educational program.

"That program should be designed with full recognition of (a) his likeness to normal children, and (b) his special needs. This, in brief, constitutes the modern approach to the education of exceptional children."

EDUCATORS AWARE OF AND DISTURBED BY PROBLEM

Every family which has an exceptional child knows of the existence of this problem. So does every teacher who struggles with the task of trying to accommodate such a child in a group of 35 or 40 or more other youngsters, when there is insufficient space and not enough teaching hours in the day to cope with such tremendous classes. Our school administrators know of the problem, and so does the Office of Education, which has published much on it.

Many schools and many school systems are trying determinedly to meet the challenge which this problem presents. I was amazed at the number of Catholic schools, for example, set up specifically to meet the needs of exceptional children. I was also deeply impressed by the tremendous amount of literature on this problem.

TEACHER SHORTAGE AS BASIC FACTOR

One theme runs through all of this material, and is voiced again and again by Federal officials, State and local school administrators, and all of the experts in this field. It is this:

The problem is serious not because there is a lack of techniques or knowledge for helping these children, but because of a lack of trained teachers specially qualified to use these techniques and skills.

According to the research material prepared for me by the Library of Congress, there were in 1957 perhaps 25,000 specially trained schoolteachers equipped or certified to provide the specialized teaching required for various types of exceptional children. Some of the States have gone into the leadership on this in setting up certification standards for teaching exceptional children and many have established on a mandatory basis classes for certain physically handicapped and mentally retarded children.

Furthermore, at least 125 colleges and universities were then presenting sequences of courses leading to degrees for teachers or supervisors or researchers in various areas of exceptionality, and the increase in interest in this work on the part of the colleges and universities in recent years has been extremely gratifying.

Nevertheless, the number of teachers specially trained in these fields is so small compared with the magnitude of the need that any program to help in the education of exceptional children must start—and must concentrate on—assuring the training of many more teachers, and men and women to teach such teachers.

I am informed that a conservative guess on the number of elementary and secondary schoolteachers needed in this field would be 100,000—4 times the 25,000 teachers reported to have these specialized skills. And even that number, I am told, would not assure a desirable or practical ratio of teachers to students needing this specialized help.

PURPOSE OF PROPOSED BILL

The purpose of my bill is not to have the Federal Government proceed to do the job, but just lead the way, to provide a limited number of scholarships and fellowships to teachers and prospective teachers to encourage them to go into this field where they are so desperately needed; to provide some assistance to the colleges and universities pioneering in this work to enlarge facilities or obtain specialized equipment; and, above all, to stimulate the States and the localities not only to recognize their obligations—most of them do now—but rather to see the way to setting up the specialized classes or programs which are so necessary, knowing that under this bill more and more qualified teachers will be coming out of the advanced training courses prepared to take over such programs and build their effectiveness.

The Sullivan bill would work in this fashion:

AWARDS TO INDIVIDUALS

Beginning in this present fiscal year, and extending over 7 years, the Office of Education could award a total of $18,500,000 to teachers and prospective teachers for specialized training, primarily at the graduate level, in the field of education of exceptional children. The appropriations authorized for this purpose would be limited to $500,000 for the current fiscal year ending next June 30, increasing each fiscal year thereafter by $1 million until a maximum of $3,500,000 a year was reached in the fiscal year ending June 30, 1965. This amount would continue each year, then, until the end of the fiscal year 1968. These grants would carry such stipends as the Commissoner of Education would determine, but the basic idea is that, by providing for living expenses as well as tuition or other expenses, they particularly enable men and women already engaged in the teaching profession to feel that they can afford to go back to school for this specialized advanced training.

UNDERGRADUATES COULD BE INCLUDED

The money would be allocated on a strict ratio among the States, based on the school populations of the respective States. If there were not enough successful applicants from any State to use up the State's full allocation in any one year, the remaining amount would revert to the Treasury. It could not be reallocated among other States.

Although the program is intended primarily to attract teachers with degrees for advanced training at the graduate level, there is a special provision in the bill to permit the Commissioner, when he deems it advisable, to make awards also for study at the undergraduate level. Thus, if there should be a limited number of graduate teachers in a particular State who were interested in going into this field, there would still be opportunity for the Commissioner to make awards to teachers who have not yet

earned degrees or to residents of the State who have never taught professionally but who want to enter this field of teaching the exceptional child. But the primary emphasis of the bill, as I said, is on work at the graduate level.

The awards of scholarships and fellowships would be made directly to the individual recipient, not to the colleges or universities offering specialized courses. Since more institutions of higher learning are entering this field year by year, the recipient would thus have a free choice of institutions, providing, of course, that the recipient attended an accredited institution which offered appropriate courses in this field.

AWARDS TO INSTITUTIONS

An additional total amount of $2,500,000 would be authorized for appropriation during the 7-year program for grants to colleges and universities, primarily for installation of specialized equipment or facilities for training teachers in the fields of exceptional children. This particular item is not allocated on a State-by-State basis, nor is there a limitation of how much of the $2,500,000 could be appropriated in any 1 fiscal year. The basic idea in connection with this phase of the bill is to give the Commissioner of Education an opportunity to help schools actively engaged in teacher-training work to expand facilities, to put in necessary laboratories, and so on.

The Commissioner would be free to use some of this money in order to help an institution of higher education expand its faculty to establish courses in teacher training in the exceptionality categories. But I repeat, the emphasis intended on the use of this money is for things, rather than personnel. The amount of money involved is really so small that it could be used up quickly and to little overall effect if much of it were to go to schools to hire personnel, but I would not want to tie the Commissioner's hands too tightly if it should be determined by those best in a position to know the facts, that substantial portions of the awards to institutions should be made for that purpose.

Conceivably the best use to which this $2,500,000 might be put could even be for the purpose of setting up summer workshops or institutes at a number of centrally located colleges and universities. I just throw that out as a possibility, knowing that the summer institute idea has been used with very great success in the National Science Foundation and NDEA programs for high school teachers of science and mathematics.

ADVISORY COMMITTEES

Rather than try to spell out in every detail how these funds would have to be used to achieve the greatest effectiveness, I have provided in the bill for the creation of an advisory committee to assist the Commissioner in determining the areas and priorities of need in the award of grants to individuals and institutions, and in setting the standards for making the awards.

The advisory committee would be composed of people conversant with the overall educational needs of exceptional children, which is broad enough in phraseology, I hope, so that it could include outstanding lay people and other professionals, not just professional educators. To assure full participation by the professional educators now engaged in this work, I suggest in the bill the establishment of advisory panels of specialists in special education for each of the various categories of exceptional children, who could advise the Commissioner on particular problems and needs in their respective fields.

COOPERATION WITH THE STATES

There is one other provision of the bill which I believe warrants mention at this time, a provision calling for close and continuing and affirmative cooperation with the various State educational agencies to keep them fully informed of all developments under this program.

In this connection, the Commissioner of Education is instructed to notify the appropriate State officials of the names and home addresses of each resident of their State who is studying under a scholarship or fellowship grant under this program, and the field of study each is pursuing, so that the States can then bring up whatever ammunition they can to attract these teachers to positions back in their home States.

Of course, no teacher receiving a grant would or could be required to promise to teach in a particular State as a condition to receiving the award; so they will be free agents in that respect. But the States should be encouraged to try to get these people to come back to the home State so that the schools there can benefit, and the children can benefit, from the skills which these teachers will have acquired with Federal help.

The theory behind this section on cooperation with the States is that if the State agencies are keyed into the program, and are kept fully informed of all developments under it, and are consulted on the needs for specialized teachers in their States, they in turn will develop a greater awareness of those needs and the potentials of educating their exceptional children more effectively. They will thus also be encouraged, I believe, to develop more statewide programs and stimulate the local communities to set up special classes in these areas of specialized need.

PARTIAL SOLUTIONS FOR A MUCH BROADER PROBLEM

At the national level, Congress has not by any means been insensitive to this problem. Thanks to Congressman FOGARTY, we have appropriated substantial sums for research into the problems of teaching mentally retarded children and in 1958—a year after what is now H.R. 15 was originally introduced—we passed the bill to authorize a $1-million-a-year program to finance some fellowships for specialized work in teaching the mentally retarded. I was glad to support that bill, but as I said at the time it was passed, it was only a partial solution to a much broader problem.

Now the Senate has this year suggested a further partial solution by passing S. 336, which would provide grants for the training of teachers of the deaf, and for the training of speech pathologists and audiologists.

But is there any legitimate reason why we have to approach this problem in piecemeal fashion, enacting something for the mentally retarded children in 1958, something for the children with speech and hearing defects in 1961 or 1962, something for the crippled and cerebral-palsied in, say, 1963 or 1964, leaving out the emotionally and socially maladjusted, or the children with debilitating conditions unless and until their parents can form a big enough lobby and become articulate enough to command equal attention from the Congress?

I have heard it said by some legislative strategists that it is always so hard to get through any broad type of Federal aid to education, that it is simpler just to handle all of these problems in piecemeal fashion, solving one problem, one year in the name of national defense, then tackling the mentally retarded problem separately because no one can conscientiously oppose aid for mentally retarded children, and so on. Of course your experience on education issues in the Congress might bear that out. But I think, if we are doing anything significant and substantial in the field of training teachers for one group of exceptional children fairness dictates that we include them all in the same program and that it be the most effective type of program we can devise.

In connection with the needs of gifted children, your committee provided a good start in 1958 by including in the National Defense Education Act funds for testing and surveys to uncover the incidence of such youngsters in our schools. Presumably, then, we are singling them out for particular emphasis in the national defense-related subjects such as languages, mathematics, and the sciences. In the same act you set up a fellowship program for teachers in these specialized fields of knowledge. The National Science Foundation also devotes substantial funds for seminars and institutes for teachers in the secondary schools. So this problem is not entirely ignored. But we also need teachers in the elementary schools and in high school, too, who are able to work with the unusually intelligent child, not only in the teaching of a particular subject related to the national defense but in helping the child to achieve his full educational potential in all the fields of learning.

DOLLAR AUTHORIZATIONS PROBABLY TOO LOW

The $21 million which would be authorized over a 7-year period by H.R. 15—$18,500,000 in grants to individuals and $2,500,000 in grants to institutions—is an extremely modest amount compared to the need and the challenge. It is a figure based on recommendations made 4 years ago, and is probably too low in relation to today's costs, prices, and needs. I would be delighted—and I invite you to do it—to see the subcommittee double or triple that amount. I was groping somewhat in the dark in trying to arrive at a reasonable figure. As some of you may know, and as the material I intend to submit for your record will show, I originally invited the Commissioner of Education in 1957—Dr. Derthick—to recommend to me the kind of legislation which would best help meet the need for teachers of exceptional children as he himself had described the need in testimony before the House Appropriations Subcommittee. His office declined to make any official policy recommendations and, I would say, appeared quite lukewarm about the whole matter. I will let our exchange of correspondence at that time speak for itself.

I have not discussed the bill with the new Commissioner of Education because, frankly, I know he's had his hands full, since taking office, with issues and controversies with which all of you are quite familiar. But I hope this subcommittee, if it seriously plans to go ahead with H.R. 15, will discuss with the Commissioner and recognized experts in this field the proper dollar amount which should be authorized overall. I leave that to your good judgment.

CONCLUSION

Madam Chairman, there are two technical amendments which must be made in H.R. 15. On page 3, line 7, the word "Hawaii" should be deleted since Hawaii is now, of course, a State by right and by law and not merely by convenient definition in this measure.

On page 4, section 4, beginning at line 17, the $500,000 which would be authorized for the fiscal year ending June 30, 1961, is no longer appropriate. I would suggest, therefore, that each of the fiscal year authorizations be moved back 1 year, so that the program would continue through fiscal year 1968 rather than 1967.

I am submitting for your record the background material which I prepared at the time this bill was originally introduced. I hope you will include it in the printed transcript. It gives the origin of what is now H.R. 15. It details the actual development of the various provisions of the bill. It shows the factors which were taken into consideration. It lists the people who had a

hand in developing the provisions. Most importantly, it gives what I believe is an outstanding research report from the Legislative Reference Service on this whole program. And this research material, in turn, explains the bases on which I had to make the final decisions from among various alternatives for what was, and still is, a pioneering legislative effort to help extend the American promise of equality of opportunity, as the preamble of the bill states, "to every child within our country, no matter what his gifts, his capacity, or his handicaps, whether he is handicapped by defects of speech, of sight, or of hearing, or crippling disease or condition, whether his adjustment to society is made difficult by emotional or mental disorders, or whether, on the other hand, he is endowed with outstandingly brilliant gifts of mind and of spirit."

Mr. Speaker, the statement above lists the distinctive features of H.R. 15. I think it would help in an understanding of those features if the text of H.R. 15 were printed at this point in the RECORD in full, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

This Act may be cited as the "Exceptional Children Educational Assistance Act."

FINDINGS AND PURPOSE OF ACT

SEC. 2. The Congress believes that the American promise of equality of opportunity extends to every child within our country, no matter what his gifts, his capacity or his handicaps, whether he is handicapped by defects of speech, of sight or hearing, or crippling disease or condition, whether his adjustment to society is made difficult by emotional or mental disorders, or whether, on the other hand, he is endowed with outstandingly brilliant gifts of mind and of spirit. All such exceptional children require special educational guidance for development of their total educational potential.

The Congress finds that the educational problems presented by such exceptional children are of national concern, and that there is an acute national shortage of, and urgent national need for, individuals professionally qualified to teach such children, to supervise the teachers of such children, to train such teachers and supervisors, and to conduct research into the problems relating to the education of exceptional children.

While the Congress recognizes that the primary responsibility for meeting these problems lies with the States and local communities, national interest in the training of self-reliant and useful citizens demands that the Federal Government assist and encourage and stimulate the initiation of adequate programs in the States to meet these problems.

Therefore, this Act provides, on a temporary, seven-year basis, a program to further the training of teachers, supervisors of teachers, and researchers in special education for exceptional children, and to encourage and assist public and nonprofit institutions of higher education to expand their training work in these fields.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "State" means a State, Hawaii, the District of Columbia, and the Commonwealth of Puerto Rico;

(2) The term "Commissioner" means the United States Commissioner of Education;

(3) The term "school-age population" means that part of the population which is between the ages of five and seventeen, both inclusive, determined by the Commissioner on the basis of the population between such ages for the most recent year for which satisfactory date are available from the Department of Commerce;

(4) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools in a State, or, if there is no such agency or officer, an agency or officer designated by the Governor or by State law;

(5) The term "nonprofit institution" means an institution owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual; and

(6) The term "exceptional children" means those children determined in accordance with regulations issued by the Commissioner to present special educational problems, such as (a) children who are unusually intelligent or gifted; (b) children who are mentally retarded; (c) children who are deaf or hard of hearing; (d) children who are blind or have serious visual impairments; (e) children who have serious health problems due to heart disease, epilepsy, or usually intelligent or gifted; (b) children who suffer from speech impediments; (g) children who are crippled (including those who have cerebral palsy); and (h) children who are maladjusted emotionally and socially, including the institutionalized delinquent.

AUTHORIZATION OF APPROPRIATIONS

SEC. 4. (a) There are hereby authorized to be appropriated $500,000 for the fiscal year ending June 30, 1961; $1,500,000 for the fiscal year ending June 30, 1962; $2,500,000 for the fiscal year ending June 30, 1963; $3,500,000 for the fiscal year ending June 30, 1964; $3,500,000 for the fiscal year ending June 30, 1965; $3,500,000 for the fiscal year ending June 30, 1966; and $3,500,000 for the fiscal year ending June 30, 1967; for grants to individuals for scholarships and fellowships in accordance with the provisions of section 5(a) of this Act.

(b) There is also authorized the sum of $2,500,000 to be expended during the existence of this program in the form of grants to public and nonprofit institutions in accordance with the provisions of section 5(b) of this Act.

GRANTS BY THE COMMISSIONER

SEC. 5. (a) The Commissioner is authorized to award scholarships and fellowships, with such stipends as he may determine, to individuals for the purpose of taking advanced training, at institutions selected by the recipients, for stated periods of time, in order to engage in employment as teachers of exceptional children, or to train or supervise teachers in this field, or engage in research in the teaching of exceptional children: *Provided,* That, in his discretion, the Commissioner, in order to accomplish the objectives of this Act, may also make these awards for study at the undergraduate level.

(b) The Commissioner is also authorized to make grants to public and nonprofit institutions of higher education to construct, install, improve, or expand specialized facilities and equipment in connection with courses of instruction for persons preparing to engage in employment as teachers of exceptional children, or to train such teachers, or to supervise such teachers, or to engage in research in special education for exceptional children: *Provided,* That the Commissioner, in his discretion, may also make grants to establish specialized courses in this field in such institutions.

(c) The amount of scholarships and fellowship grants made in any fiscal year to residents of a State under section 5(a) shall not exceed, in the aggregate, an amount which bears the same ratio to the total funds appropriated under authority of section 4(a) for such fiscal year as the school age population of such State bears to the total school age population of all the States.

(d) Payments of grants pursuant to this Act may be made by the Commissioner from time to time, on such conditions as the Commissioner may determine, including conditions requiring public and other nonprofit institutions to make such reports, in such form, and containing such information as the Commissioner may from time to time reasonably require to carry out his functions under this Act, and conditions requiring compliance with such provisions as the Commissioner may from time to time find necessary to assure the correctness and verification of such reports.

(e) The Commissioner shall consult with an advisory committee as described in section 6(a) which shall assist him in determining the areas and priorities of need in the award of these grants, and in setting the standards for the granting of such fellowships, scholarships, and grants.

ADVISORY COMMITTEE AND ADVISORY PANELS

SEC. 6. (a) The Commission shall appoint an advisory committee of not more than eight persons who shall be conversant with the overall educational needs of exceptional children and who shall assist the Commissioner in developing general policies under this Act. The Commissioner shall be ex officio a member of this committee and shall act as chairman thereof.

(b) The Commissioner is also authorized from time to time to establish advisory panels of specialists in special education for any of the categories of exceptional children enumerated in this Act. Each such panel shall consist of not less than five persons, who shall meet at the call of the Commissioner.

DELEGATIONS OF FUNCTIONS

SEC. 7. The Commissioner may delegate to any officer or employee of the Office of Education any of his functions under this Act except the making of regulations.

PUBLICIZING AVAILABILITY OF GRANTS

SEC. 8. The Commissioner shall take such steps as are practicable to publicize to the fullest extent possible the availability of fellowships, scholarships, and grants under this Act among teachers and prospective teachers, and among all colleges and universities offering accredited courses of study leading to advanced degrees in nursery, kindergarten, elementary, or secondary education.

COOPERATION WITH STATES

SEC. 9. In the administration of this Act, the Commissioner shall consult and advise with the various State educational agencies to determine the extent of need for teachers of exceptional children in the respective States and to keep the State educational agencies fully informed of all developments under this program in order to encourage them to establish special programs or special classes for exceptional children. In this connection, the Commissioner shall advise the State educational agencies of the names and home addresses of all individuals from their respective States who have received fellowships, scholarships, or grants for training in the field of education of exceptional children, and the particular field of study each is pursuing, so that the respective State educational agencies can then take appropriate steps to seek to attract such persons to positions in their home States in order to utilize the advanced education and skills which they have acquired under this program: *Provided,* That no individual receiving a scholarship, fellowship, or grant for advanced study under this Act shall be required, as a condition of such scholarship or fellowship or grant, to promise to take employment subsequently in any State.

Mr. GARLAND. Mr. Speaker, I wish to take this opportunity to commend the Members of the House for their favorable action yesterday on H.R. 9011. My interest has been so deep for this particular cause that I have submitted my own bill, H.R. 5623, for the training of special teachers for children handicapped by speech and/or hearing impairments.

From the research I have done on the current ability of our schools and communities to properly care for and train these children, it is obvious that there are serious shortages that prevent the proper training of these young people who could be more useful to themselves and their communities if they received the special instruction they require.

I am anxious for this shortage of specially trained teachers of the deaf, pathologists, and audiologists to be corrected and augmented by a Federal program of assistance. The program I have proposed will be of the grant-in-aid variety and would be administered by the Commissioner of Education in coordination with accredited training institutions. Since the encouragement of these specially trained teachers cannot be fostered at the local level, it is imperative that the Government take steps to help, not by gifts, but by assistance that will be matched by participating training institutions.

This problem is not theoretical. Its severity cannot be ignored. The situation is revealed in the experience over the years. In the past, it has been necessary for schools such as the Governor Baxter State School for the Deaf, in Portland, Maine, to obtain retired teachers, to get extensions for older teachers as they come to the normal retirement age, and to get teachers from the public school system who do not have this very vital specialized training.

It is obvious that this is detrimental to our handicapped children who are so deserving of this help.

Other programs have been tried, such as scholarships, but even this has not been sufficient to maintain the necessary staff members qualified for this work.

It is my belief that recruitment must come on a national level to fulfill these teaching needs. Schools for the deaf are under a tremendous pressure to obtain these specialized teachers because of our expanding population. Federal assistance for training these people is desperately needed.

The key to this problem is simply that there are not enough trained teachers to deal with speech and hearing impairments. The public school systems cannot handle the problems and needs of these handicapped children, and the local communities cannot or will not supply the funds to attract the number of teachers required.

This bill provides our handicapped children with the opportunity to help themselves to become more useful and valuable citizens because this legislation assists in providing them with a proper education under the guidance of expert instructors.

These children are depending upon us to help them. I am proud that we have not let them down.

Mr. LINDSAY. Mr. Speaker, I support this bill which will establish a program of grants in aid for the training of teachers of the deaf. The problem of the deaf and the hard of hearing is one of the least understood, and most neglected, of all of the growing health problems that face this country. It is national and international in scope. A greater number of babies are born each year afflicted with this tragic, lonely handicap of deafness.

Medical science has not yet discovered the cure for deafness at birth. But the lifelong handicap that results from deafness—that forever isolates the deaf child or person from all other human beings, that forces a segregation of its own just as demoralizing as any other kind of segregation—can be overcome. The enactment of H.R. 9011 is one way to begin. It would give us, in greater quantity and quality, the indispensable weapon against the handicap of deafness—trained teachers.

In the 86th Congress and again in this Congress I introduced legislation which would reflect a national response to the national problem of providing Federal funds to train teachers of those handicapped by deafness. I did so with some knowledge of the extent of the problem and an awareness of the enormous waste, in terms of the capacity of deaf persons to be useful and productive members of society, caused by the disaster of deafness. It is a disaster, I assure you, that can strike any home, any parent, any child.

There are in our midst today some 30,000 deaf children of school age with an expected increase of 400 every year. The number continues to rise while the number of specialists dedicated to train these children to take their rightful place in our society, with full opportunity to make their own way, is woefully small, and diminishing in relation to the mounting need.

To train these children, we need some 500 specialists annually. At the moment, there are only 177 such teachers in training in the special teacher training centers. In June 1959 only 127 such teachers were graduated. These figures alone manifest the critical shortage of trained personnel in this field.

From a study of the reports supplied me and conversation with informed sources, I am convinced that 80 percent of these handicaps are remediable. I have seen what can be done for these children if proper training is afforded them. Let me give you two examples of the kind of thing that can be done in this field.

In my own congressional district in Manhattan are located the largest public junior high school for the deaf in the country—Junior High 47, and the country's best known private school—primary and secondary—the Lexington School for the Deaf. In these remarkable schools I have seen the miracle of the deaf child's transition from the silent world of the deaf to the other world of communication, language and speech. After all, the chief thing that elevates human beings above all other species is an intelligence that enables them to communicate by speech.

The Lexington School happens to be a private school, but it charges no tuition and it receives most of its support from the State. It takes children beginning from age 3 or 4 up and gives them a high school education. Many go on to college. By the time they are finished they are equipped to lead normal lives in the adult world and to communicate with others.

The teachers in this school, and in junior high 47 must have very special qualifications. Not only must they have all of the qualifications of high school teachers in the normal school, but they must be specially trained to communicate with the deaf. The young men and women who make this their lifework must, after having met all the other standards for high school teaching, take specialized postgraduate courses, and pay tuition for this purpose. The Lexington School has a postgraduate training school of its own, which is well known around the country and abroad. Most of the teachers in training here have to borrow the funds in order to pay the relatively modest tuition. On top of this, they have to live and, in big cities where the problem is most acute, moderate- or low-income housing is not available. The Lexington School is in a position to provide living accommodations for many of these dedicated persons. But food, clothes, and other costs of living must be borne by them.

Most schools cannot even afford living accommodations. Then when these teachers are finished and are qualified to take on the task of teaching the deaf, they are often paid less than the high school teachers in the regular school system.

Can this be right? Is there any wonder that there exists such a shortage of teachers in this field? And we must remember that teaching the deaf requires a personal dedication and a steadfastness that few other specialized professions require. It is the hardest possible physical work. In addition to personal dedication it requires a persistence and a patience that most people do not have, including most teachers. Why then should we permit conditions to exist that make the cause of these young teachers and hopeful teachers so much more difficult than it has to be?

A properly staffed school specializing in the teaching of the deaf, if adequately supported, can become the laboratory for the advancement of teaching techniques in every school and at every educational level the country over. If methods can be devised, and they are already in process, for the advancement of learning in specialized schools such as Junior High School 47, and the Lexington School of New York City, they will have general application. After all, the essence of education is to teach students to teach themselves—to give them the necessary tools with which to build their own intellectual houses. The job of the teacher is to communicate with the student. Therefore, the development of methods and techniques for communication between the teacher of the deaf and the deaf student will certainly be of immeasurable benefit also

to the teacher who is seeking to establish lines of communication between students with hearing, but who still do not hear.

What I am suggesting, is that one of the soundest investments we can make toward the advancement of learning in the United States is to multiply 100-fold our effort in educational laboratories such as the two I have mentioned by adequately staffing them with specially trained teachers.

The specific Federal approach adopted in this bill now before the House is but one step. This is a modest proposal, calling for Federal assistance through a $3-million, 2-year program of grants-in-aid to accredited public and nonprofit institutions of higher education which are approved training centers for teachers of the deaf. I am pleased beyond measure that the House is at long last taking definitive action on this bill. The more I examine this problem, the more I wonder why we have delayed as long as we have.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 9011, was laid on the table.

GENERAL LEAVE TO EXTEND

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

MILITARY CONSTRUCTION APPROPRIATION BILL, 1962

Mr. SHEPPARD. Mr. Speaker, I call up the conference report on the bill (H.R. 8302) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1156)

The committee on conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8302) "making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 6, 7, and 8, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$192,278,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$498,346,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 2.

HARRY R. SHEPPARD,
ROBERT L. F. SIKES,
CLARENCE CANNON,
CHARLES R. JONAS,
JOHN TABER,
Managers on the Part of the House.

JOHN STENNIS,
RICHARD B. RUSSELL,
MIKE MONRONEY,
LEVERETT SALTONSTALL,
STYLES BRIDGES,
HARRY F. BYRD,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8302) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1—Military construction, Department of Defense: Appropriates $27,000,000 as proposed by the Senate instead of $15,000,000 as proposed by the House. The conferees are in agreement that no part of these funds shall be obligated for facilities in support of large solid-propellant boosters until specific approval has been obtained from the Committees on Appropriations of the House of Representatives and the Senate.

Amendment No. 2—Military construction, Army: Reported in disagreement. The managers on the part of the House will move to concur in the Senate amendment with an amendment substituting the amount of $154,122,000 instead of $147,450,000 as proposed by the House and $176,512,000 as proposed by the Senate. The conferees have agreed to the reductions as proposed by the Senate and the following additions to the amounts and line items as proposed by the House:

Fort Benning, Ga.: Academic building	$300,000
Fort Leonard Wood, Mo.: Health facility	375,000
Army Chemical Center, Md.: Supertoxic laboratory	3,234,000
Fort Belvoir, Va.: Flying facilities	248,000
Redstone Arsenal, Ala.: Consolidated facility	250,000
U.S. Military Academy, N.Y.: Library	222,000
Sandia Base, N. Mex.: Communication facilities	750,000
Fort Buckner, Okinawa: Hospital	1,251,000
Montmorillon, France: Trainfire range	140,000
Minor construction	750,000
Access roads	250,000

The conferees are not in agreement as to the addition of $3,812,000 for the Quartermaster Research and Development Center, Natick, Mass., as proposed by the Senate. The motion to be made by the managers on the part of the House will exclude this amount and line item from the bill.

In addition the conferees have reduced the total funds available for this appropriation by $3,000,000 instead of $5,000,000 as proposed by the House, and will expect the Army to meet this funding reduction by recoupment of funds from prior appropriations.

The conferees have deleted the amount of $382,000 added by the Senate for the construction of an elementary school at Fort Clayton, Canal Zone and are in agreement that the cost of this school should be provided from funds available to the Canal Zone Government.

Amendment No. 3—Military construction, Navy: Appropriates $192,278,000, instead of $181,387,000 as proposed by the House and $201,259,000 as proposed by the Senate. The conferees have approved the amounts and line items as proposed by the House and the following additional amounts and line items:

Naval Station, Charleston, S.C.: Barracks	$500,000
NAS North Island, Calif.: Tactical control facility	1,480,000
Classified locations AC–4 and AC–7	138,000
NOTS China Lake, Calif.: Expansion of water system	50,000
MCB, Camp Lejeune, N.C.: Head facilities	50,000
MCB, Camp Pendleton, Calif.: Camp facilities, Stuart Mesa	5,000,000
Navy PG School, Monterey, Calif.: Laboratory	2,463,000
Camp Butler, Okinawa	160,000
PWC, Naval Base, Guam	250,000
Minor construction	250,000
Restoration of damaged facilities	250,000
Capehart housing support	50,000
Access roads	250,000

In addition the conferees have reduced the total funds available for this appropriation by $2 million as proposed by the House, and will expect the Navy to meet this funding reduction by recoupment of funds from prior appropriations.

The Departments of Defense and Navy will be expected to make a detailed study of the requirements for repair of jet engines at NAS Miramar, Calif. and the most economical and efficient method of meeting this requirement, including consideration of accomplishing this work in other naval and/or commercial facilities. Review should also be made of the cost and extent of any facilities required at NAS Miramar, including comparison with similar functions in the Air Force. The results of such a study should be made available to the Committees on Appropriations of the House of Representatives and the Senate prior to consideration of the military construction bill for fiscal year 1963.

The conferees have approved $2,463,000 for the Aeronautical Propulsion Laboratory at the Naval Post Graduate School, Monterey, Calif., with the understanding that no part of these funds shall be obligated until specific approval has been obtained from the Committees on Appropriations of the House of Representatives and the Senate.

Amendment No. 4—Military construction, Air Force: Appropriates $498,346,000 instead of $479,522,000 as proposed by the House and $539,243,000 as proposed by the Senate.

The conferees have agreed to the reductions as proposed by the Senate, except for Hickam AFB, Hawaii, and the following additions to the amounts and line items as proposed by the House:

Minot AFB, N. Dak.: Open mess, officers	$205,000
Olmsted AFB, Pa.: Instrument repair shop	719,000
L. G. Hanscom Field, Mass.: Headquarters building	919,000

Andrews AFB, Md.:	
Shop	$288,000
Headquarters building	1,720,000
Glasgow AFB, Mont.:	
Exchange snackbar	100,000
Exchange sales store	127,000
Trailer court parking	977,000
Corrosion control facilities	1,250,000
Civil engineering maintenance facilities	1,250,000
Hospital facilities:	
Lincoln AFB, Nebr	838,000
Little Rock AFB, Ark	1,900,000
Itazuke AB, Japan	806,000
Misawa AB, Japan:	
Air search radar	130,000
Weather facility	10,000
Planning	2,750,000
Minor construction	1,500,000
Access roads	1,000,000

In addition the conferees have reduced the total funds available for this appropriation by $20,000,000 instead of $23,000,000 as proposed by the House and will expect the Air Force to meet this funding reduction by recoupment of funds from prior appropriations.

The conferees have deleted $781,000 added by the Senate for a material science laboratory at Wright Patterson Air Force Base, Ohio. The deletion of this project does not involve disapproval of the function at this location, but is based upon inadequate planning and a desire for further study by the Air Force as to the feasibility of using existing facilities at this location.

The conferees have included $838,000 for the dispensary at Lincoln Air Force Base, Nebr., and $1,900,000 for the hospital at Little Rock Air Force Base, Ark., as proposed by the Senate, and have deleted funds requested for hospitals at March Air Force Base, Calif., and Francis E. Warren Air Force Base, Wyo., as proposed by the House. The conferees are disturbed with reference to the policy of the Department of Defense in programing beds in new construction specifically for retired personnel, as has been done at the hospitals for which funds have been denied, and the lack of a uniform policy with reference to provisions for care of dependents of military personnel. The basic law authorizing the use of military medical facilities by retired military personnel is completely permissive in nature and does not involve specific requirements for the construction of facilities for such personnel. Provision should be made for retired personnel on a space available basis as authorized by law and construction requirements be based only on beds required for active duty military personnel and their dependents. The Department of Defense will be expected in the future to adhere to a policy in the construction of hospital facilities which makes adequate provisions for the care of dependents on a uniform basis, including obstetrical facilities, and does not program beds in new construction for retired personnel.

The conferees have approved $1,250,000 for Civil Engineering maintenance facilities instead of $2,167,000 as proposed by the Senate and are in agreement that priority in the obligation of these funds should be given to the replacement of makeshift facilities at remote radar sites and other installations in the northern areas of the United States and Canada.

Amendment No. 5—Military construction, Army Reserve: Appropriates $14,381,000 as proposed by the Senate instead of $13,000,000 as proposed by the House.

Amendment No. 6—Military construction, Air Force Reserve: Appropriates $4,608,000 as proposed by the Senate instead of $4,000,000 as proposed by the House.

Amendment No. 7—Military construction, Army National Guard: Appropriates $21,868,750 as proposed by the Senate instead of $12,000,000 as proposed by the House.

Amendment No. 8—Military construction, Air National Guard: Appropriates $18,275,000 as proposed by the Senate instead of $14,000,000 as proposed by the House.

HARRY R. SHEPPARD,
ROBERT L. F. SIKES,
CLARENCE CANNON,
CHARLES R. JONAS,
JOHN TABER,
Managers on the Part of the House.

Mr. SHEPPARD. Mr. Speaker, the conference report provides $947,878,750 for the military construction program. This is $99,689,250 below the budget estimates; $72,268,000 below the Senate bill and $64,519,750 above the House bill. The specific items added to the House bill are listed in the statement of the managers. Two programs in particular have been of interest to various Members of the House and I would like to comment on them. The conference report approves the budget estimate of $12 million for the solid propellant booster program as requested by the President. This item was not considered by the House. The House conferees have also accepted the increases as proposed by the Senate for the Army and Air Force Reserve programs and the Army and Air National Guards. The conference report as submitted by the managers on the part of the House is unanimous on the part of all concerned. Not included in the report is the military construction appropriation for the Army. This amendment is in disagreement between the managers on the part of the House and those of the Senate and will be subject to a separate motion and vote after action on the conference report. This is a good report and I urge its adoption.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from North Carolina.

Mr. JONAS. Mr. Speaker, as the chairman of the subcommittee has explained, the conference action provides $72,268,000 less than the bill that passed the other body. It provides $64,519,750 more than the bill which passed the House. As the gentleman from California has said, the conference report is unanimous. We were under some pressure in the conference. The other body had included an item that had been stricken out on the floor here, although originally contained in our bill as it came out of the House Committee on Appropriations. The conferees on the part of the House felt duty bound to uphold the position taken by the House, so that item comes back in disagreement. And, as the gentleman from California has explained, a separate vote will occur on it after other procedures dealing with this conference report have been concluded.

Mr. Speaker, I ask unanimous consent to include as part of my remarks a tabulation showing service-by-service budget estimates, House action, Senate action, and action taken in conference.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The tabulation is as follows:

Title	Budget estimates (revised)	Passed House	Passed Senate	Conference	Conference action compared with—		
					Estimates	House	Senate
Military construction, Department of Defense	[1] $27,000,000	$15,000,000	[1] $27,000,000	[1] $27,000,000		+$12,000,000	
Loran station	10,000,000	10,000,000	10,000,000	10,000,000			
Military construction, Army	194,977,000	147,450,000	176,512,000	154,122,000	−$40,855,000	+6,672,000	−$22,390,000
Military construction, Navy	205,211,000	181,387,000	201,259,000	192,278,000	−12,933,000	+10,891,000	−8,981,000
Military construction, Air Force	560,380,000	479,522,000	539,243,000	498,346,000	−62,034,000	+18,824,000	−40,897,000
Military construction, Army Reserve	13,000,000	13,000,000	14,381,000	14,381,000	+1,381,000	+1,381,000	
Military construction, Naval Reserve	7,000,000	7,000,000	7,000,000	7,000,000			
Military construction, Air Force Reserve	4,000,000	4,000,000	4,608,000	4,608,000	+608,000	+608,000	
Military construction, Army National Guard	12,000,000	12,000,000	21,868,750	21,868,750	+9,868,750	+9,868,750	
Military construction, Air National Guard	14,000,000	14,000,000	18,275,000	18,275,000	+4,275,000	+4,275,000	
Total	1,047,568,000	883,359,000	1,020,146,750	947,878,750	−99,689,250	+64,519,750	−72,268,000

[1] Includes budget estimates of $12,000,000 in H. Doc. 179, not considered in the House.

Mr. WEAVER. Mr. Speaker, I wish to take this opportunity to commend the committee and the managers on the part of the House for their efforts to include in this bill $838,000 for construction of a dispensary at the Lincoln Air Force Base, Nebr. I also wish to extend the thanks of the people of Lincoln and the military personnel at the base for this action.

This dispensary is badly needed at the Air Force base. The present facilities are limited and occupy a converted bachelor officers' quarters, hardly adequate for the kind of care needed. At a time when our Strategic Air Force must be constantly at its peak of efficiency, better equipment and better housing for medical care is essential.

I sincerely appreciate the fact that the conference committee recognized these very serious needs and took constructive action to guarantee early construction.

Mr. BOLAND. Mr. Speaker, I trust that the House will not agree to the motion to exclude the amount of $3,812,000 for the Quartermaster Research and Development Center at Natick, Mass.

It is difficult to understand, in view of the arguments detailed a few moments ago by the distinguished gentleman from North Carolina [Mr. JONAS], how any Member of this body could persist in voting to keep the Food and Container Institute of the Quartermaster Corps in its present location in Chicago.

As has been stated by many of our colleagues on the floor today, particularly the gentleman from Massachusetts [Mr. BATES], this matter has been studied, restudied, evaluated and reevaluated by the Department of the Army, by Committees on Armed Services and Appropriations, by the Comptroller General of the United States, and by a special committee of the National Academy of Sciences—and, all have recommended that the transfer should be carried out.

It is true that this House twice decided that the Institute should remain in Chicago. But, I submit, Mr. Speaker, that its decision was not based on the merits of the matter. It was grounded solely and simply on personalities. It is always difficult to oppose the great and able Members of the Illinois delegation. This House has had enough field days for the Chicago and Illinois delegations. It ought to resolve this matter on its own merits. Mr. Speaker, although this matter has been based on personalities rather than merit, the rollcall of July 25, 1961, emphatically shows that there is considerable support for the position taken by the interested committees of the House that this move ought to be approved. The vote on that day was 241 to 170 against the move. A mere shift of 36 votes would have sustained the proponents of the transfer.

Mr. Speaker, the real issues here are what is best for the United States—what is best for the Department of the Army—what is best for the Quartermaster Corps in developing methods of giving our armed services the very best in equipment and supplies?

Mr. Speaker, these questions have been answered eloquently by the conclusions reached by the numerous studies. It has been repeatedly and incontrovertibly affirmed that moving the Institute from Chicago to Natick would:

First. Show an annual saving of $1,155,000;

Second. Bring all of the research and development activities of the Quartermaster Corps of the Department of the Army under one roof;

Third. Increase the efficiency of research and development operations;

Fourth. Assure lower operating costs of research management and administration at one location; and

Fifth. Realize the desirability and advantage of having an integrated team of scientists of different disciplines who can freely communicate on a person-to-person basis to help solve the unique military problems entrusted to the Quartermaster Corps.

Mr. Speaker, in view of what has been said here today, the conclusions of the committees that have studied this matter and the good sense of this House, we should retain this item in this bill and resolve once and for all a matter that already has taken too much important time of this body.

Mr. SHEPPARD. Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER pro tempore. The clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 2: On page 2, line 16, strike out "$147,450,000" and insert "$176,512,000".

Mr. SHEPPARD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SHEPPARD moves that the House recede from its disagreement to the amendment of the Senate numbered 2 and concur therein with an amendment, as follows: in lieu of the sum proposed by said amendment insert: "$154,122,000".

Mr. SHEPPARD. Mr. Speaker, this amendment is concerned with the military construction appropriation for the Department of the Army. The managers on the part of the House and the Senate have agreed on every item in the bill and the corresponding amounts except for the request to transfer the Food and Container Institute from Chicago, Ill., to Natick, Mass. The motion which I have just offered includes the amounts unanimously agreed upon by the managers and eliminates any funds for this proposed transfer. The specific items involved other than Natick are set forth in the statement of the managers.

Mr. Speaker, after our hearings on this proposal the Appropriations Committee approved the transfer of these functions to Natick. By action on the House floor on an amendment offered by the gentleman from Illinois [Mr. YATES], the House by a vote of 241 to 170 overwhelmingly disapproved the committee action. Similar action occurred previously on the military construction authorization bill. Despite what personal feelings they might have, I have always held the position that the managers on the part of the House represent the views of the majority of the House and not their own views as individuals when the Senate conferees refuse to agree to the House position on this line item, I could see no recourse except to bring this matter back to the House in disagreement and allow the House once more to work its will. Frankly, the feasibility of this transfer of functions has always been questionable, but our hearings developed the fact that such a transfer could well be economically desirable. Therefore we recommended the appropriations for Natick to the House.

At the conclusion of my remarks I shall yield such time as he may desire to the ranking minority member of the House managers and to any other House conferees and then to the proponents and opponents of this proposal. After the time has expired, I shall move the previous question on this motion and allow the House to decide once more what should be done. In the event this motion is defeated, which would be a reversal of the previous position of the House on this construction item, I shall immediately offer another motion to concur with an amendment which would add the funds required for the facilities at Natick to the amount which is now before the House.

Mr. Speaker, I yield such time as he may desire to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Speaker, I do not think any Member of the House should quarrel with the way the conferees are proceeding with respect to this item. We have, as the gentleman from California has explained, undertaken in the conference to uphold the position taken in the House on a record vote. We took that position in conference, although our subcommittee had recommended this transfer to our committee at the time, after exhaustive hearings, prolonged deliberations, and careful study. We brought the item in the Military Construction bill to the House and on motion the funds were denied for the transfer. Those funds were restored in the other body, and we went to conference with that item in disagreement.

We never were able to reconcile the disagreement. The conferees on the part of the other body insisted on maintaining the position taken by that body; and the House conferees felt duty-bound to uphold the position expressed in the record vote in the House.

I do not speak now for anyone on the subcommittee or on the conference committee except myself, but I think I should explain to the House that I favor this transfer. In the subcommittee I favored it; in the full Committee on Appropriations of the House I favored it; and I argued for it when the bill was before the House on July 24. The conferees from the other body did not accept the House view and we are now back with the conference report. I feel that I have discharged my obligation to the House as reflected in the record vote to which I have referred, and that I have a right now to again voice my own feelings with respect to this transfer and cast my vote in the way I think is proper; namely, the transfer of this installation to Natick, Mass.

May I say I do this without any feeling that what is involved is a contest between Chicago and Massachusetts; if there is I certainly am not involved in it. I have not been lobbied by anybody in connection with this transfer. I realize there are differences of opinion between Members of the House. Those from the Chicago area would like to retain the installation there. Others would like to have it moved to Massachusetts.

In my consideration of this problem I have tried to eliminate all sectional and personal questions. I base my view that this transfer should be made upon the fact that this project has been studied by more committees and by more officials than any project that has come up for consideration since I have been a Member of this body. Every study by every committee that has studied it has recommended that this transfer be made to Natick, and this includes the Department of the Army, the Department of Defense, a subcommittee of the

House Committee on Armed Services, and a Special Advisory Board on Quartermaster Research and Development appointed by the National Academy of Science and the National Research Council.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Illinois.

Mr. YATES. The gentleman has not pointed out that a staff study made by the staff of the Committee on Appropriations of the House came to an opposite conclusion from all the studies the gentleman has mentioned.

Mr. JONAS. That is not entirely correct. The staff study was critical in some respects, but it did not answer the issue as categorically as the National Academy of Science Board, as the Secretary of Defense, or the Secretary of the Army.

Mr. YATES. I think the gentleman is correct in stating what the decisions of the other Boards were, but if the gentleman will permit me to share his time for a moment to read a staff report of the Committee on Appropriations, I think the gentleman may come to an opposite conclusion.

Mr. JONAS. I hope the gentleman will not take all of my time.

Mr. YATES. I withdraw my request. I will read that portion of the staff report on my own time.

Mr. JONAS. Mr. Speaker, in conclusion may I read from a letter the members of the committee received from the Chairman of the Advisory Board, dated September 1, 1961, written after the action taken in this body late in July. This letter is signed by Dr. Allen Abrams, Chairman, Advisory Board, Quartermaster Research and Development, and I quote from that letter the following:

The Advisory Board is composed of men of high standing in the fields of scientific research and development. These men are appointed by the National Academy of Sciences and the National Research Council. They serve without compensation and without political, regional or other bias. Their function is to assist the military in its task of supplying our soldiers with the best possible equipment and food.

The Q.M.R. & D. has two principal research facilities (1) at Natick, Mass., valued at about $13 million and with a staff of about 1200 people. Here are the principal scientific and engineering laboratories and pilot plants; (2) at Chicago the Food and Container Institute (FCI), a branch of Q.M.R. & D., which carries on research on food and the containers in which it is issued. This separation of the facilities has placed an extra burden on the staff at Natick and has hampered the constant communication required between staff members.

Hence, the relocation of the FCI has been investigated by various echelons of the Army, the Secretary of the Army, the Secretary of Defense, and the Bureau of the Budget. Estimates have been prepared and studies made as to the relocation of the FCI from its presently outmoded facilities. Two places have received special consideration:

(1) Chicago, because of its midwest manufacturing and scientific area;

(2) Natick, Mass., because 80 percent of the Q.M.R. & D. facilities and personnel are in that area—and it too has access to many scientific institutions and manufacturing organizations.

Then, Dr. Abrams proceeds to point out that this question, when it was assigned to his Board, was reassigned to a special panel which considered this question from all angles, and came up with the unanimous recommendation that the Institute be moved to Natick. That recommendation by the panel was later unanimously approved by the full board, and a recommendation so made to the Secretary of the Army.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Illinois.

Mr. YATES. That panel did not make an adequate report, as I pointed out when this matter was debated earlier in the House. The Chairman himself, Dr. Abrams, in a statement to me declared that he would need at least 30 days in which time to make a detailed study of the feasibility of moving that institute from Chicago to Natick. He was given 1 week by the Secretary of the Army in which to come to a conclusion. As a result, we in Chicago feel that we were never given the opportunity to adequately prepare or to present our side.

Mr. JONAS. In reply to that, may I read the following paragraph from Dr. Abrams' letter?

Earlier this year a Midwest Congressman called me, as Chairman of the Q.M.R. & D. Advisory Board, to ask whether our Board would be able to investigate the proposed move and as to how long the investigation would take. We advised him that if the request came from official sources we would investigate; that such a study would probably require 30 days. At that time we had little or no knowledge of the several previous investigations and were basing our estimate of time on the necessity for digging out the facts. Hence, when the request for the study was transmitted to us by the Secretary of the Army these studies were supplied to us and it became evident that a detailed study would not be required. The Secretary had requested that our report "be concluded as promptly as possible" so we agreed that an evaluation of the accumulated information would be adequate.

Then he goes on to point out that among other things considered was the report by the Subcommittee of the Armed Services Committee of this House, which conducted a full and complete study of this proposal. May I read the following from the recommendation of that subcommitee?

A wholly objective analysis of all the figures presented carries the burden of persuasion on the side of the move from Chicago to Natick. It appears that there will be an annual savings by reason of the move of something on the order of $900,000 each year. There is a definite advantage of mutual stimulus engendered by direct communication with scientific personnel.

Mr. YATES. Mr. Speaker, would the gentleman yield for a question?

Mr. JONAS. I yield to the gentleman from Illinois for a question.

Mr. YATES. Does the letter from Dr. Abrams indicate that in addition to the studies that the gentleman has referred to that the doctor or his group studied in addition the report of the staff of the Appropriations Committee of the House?

Mr. JONAS. That was not made available.

Mr. YATES. I see. That was the only study that was adequate, and the only study that went into a detailed survey.

Mr. JONAS. May I say this to the gentleman in response to that? That was a study prepared for the committee at our request, and was considered by our subcommittee. After it was considered and evaluated along with all the other studies, the subcommittee voted to recommend the transfer.

Mr. SHEPPARD. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, there is not much that I can add to the very ably presented argument of my friend and colleague from North Carolina [Mr. JONAS].

This is really a very simple question. It is not a question of politics or partisanship and I strongly hope that will not enter into the decision we are called upon to make.

This is much more than a choice between Chicago and Natick. It is a choice between efficiency and inefficiency; between economy and waste at a crucial hour in world affairs, when every dollar we spend on our national defense should return a dollar's worth of value to the taxpayers of this country.

I hope and pray, as we all do, that it will not again be necessary to send American boys to war. But if that terrible emergency should be forced upon us, we want to send those boys with the best equipment and the best food that America can provide.

The gentleman from North Carolina [Mr. JONAS] has pointed out how essential it is that these important research facilities should be assembled under one roof, where the researchers and the scientists can work in close collaboration and not be separated miles apart.

Let us consider how thoroughly this matter has been studied. After the most careful and critical investigation, the transfer to Natick was recommended by the Secretary of the Army in the Eisenhower administration, Mr. Brucker. It has also been strongly recommended to the Congress by the Secretary of the Army in the Kennedy administration, Mr. Stahr.

It was recommended by the Armed Services Committee of the House and the Armed Services Committee of the Senate. It was recommended by the Appropriations Committee of the House and by the Appropriations Committee of the Senate. It was made the subject of a special study by a subcommittee of the House Armed Services Committee, the gentleman from California [Mr. DOYLE], and the gentleman from Pennsylvania [Mr. VAN ZANDT]. Their investigation included a personal inspection visit to both sites. These gentlemen concurred in the previous recommendations that the transfer be made in the interests of both efficient operation and of economy.

The subcommittee declared that the scientific advantages which would accrue from uniting the work under one roof at the parent laboratory in Natick would compel them to recommend the transfer even if no economies were to result, but

that a combination of both efficiency and economy was indisputable proof of the desirability of the transfer.

The Senate has twice seen the wisdom of the transfer and has restored the funds which the House eliminated.

Now the conferees, in view of the previous House action, have properly brought the issue back to the House for another vote.

I say to my colleagues that here is a chance to practice economy as well as preach it.

Here is a situation where the Department of Defense, the administration, and the Army desire to do that which is efficient and economical. We should support their efforts. We are constantly calling upon the Defense Department to spend the funds which we appropriate wisely and effectively and we criticize them when they waste funds. We shall be on mighty thin ice if we criticize their operations in the future if we fail now to support their efforts to achieve efficiency and economy in this important project.

Perhaps I may be accused of being prejudiced because Natick is in my district. Naturally I would like to see this installation to go to Natick because it is the only defense installation in my district. But beyond all this, I am broad-minded enough, I am nationally spirited enough to do what is right for the Nation and for our Armed Forces, and even though my district would profit by the change, I would not advocate it unless I was thoroughly convinced by the most competent evidence, including the conclusions of the National Academy of Science, that Natick was the proper place for this installation to be placed.

Let us do the efficient thing and the economical thing; let us do the right thing and assemble these important research facilities which mean so much to our men in uniform, under one roof at Natick.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. FULTON. May I point out that if the House does not want to choose between Illinois and Massachusetts, it might choose Massachusetts on the ground that it will save $900,000 a year.

Mr. MARTIN of Massachusetts. Nine hundred thousand dollars of the taxpayers' money which might go to some other installation in some other part of the country.

Mr. SHEPPARD. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES. Mr. Speaker, Massachusetts never asked for this project. The first I ever heard of it was when it was before the House Committee on Armed Services to be considered. It seems to me quite clear, after studying this matter now for 3 years, that the right thing to do is to transfer this to Natick.

Over the weekend I had an opportunity to talk to some parents who have received bills to send their children to college. They want excessive spending eliminated in Washington. This is an opportunity to save $1 million a year. As a matter of fact, because of the dilatory tactics of last year this delay has already cost us $1 million.

Being on the Committee on Armed Services, I want to be certain that our servicemen have the very best equipment possible. We all know this agency is going to move from its present site. We know that. Nobody denies it. Right now it is floundering. The Army Quartermaster Corps has no sense of direction as far as this is concerned. It is waiting for this bill to become law so that it will have the money to go ahead.

I was on the committee of conference, representing the House Committee on Armed Services, and the senior Senator of the conference, the gentleman from Georgia, said that he knew of no project, as long as he has been in Congress, that has ever been studied and restudied as much as this one.

Every single decision made by responsible authority was to the effect that clearly this should go to Natick, Mass. The Department of the Army on two separate occasions in the last 2 years, once through Secretary of the Army Brucker, said it was desired to make this move as soon as possible. That was in the Eisenhower administration. Now Secretary of the Army Stahr in this administration said, "Thus the Army's position is sound and it has been reaffirmed by the most searching review."

The House Committee on Armed Services, the Senate Committee on Armed Services, the House Military Appropriations Subcommittee, the full Committee on Appropriations of the House, and the Military Subcommittee on Appropriations in the Senate, all have recommended that this project go to Natick.

A year ago a controversy arose, not from the members of our committee but by a delegation from Illinois who asked that members of our committee be assigned to study this project. They were so assigned, and the project was delayed for a year. After the most careful evaluation, after the greatest scrutiny, the gentleman from California [Mr. DOYLE], a Democrat, and the gentleman from Pennsylvania [Mr. VAN ZANDT], a Republican, interested only in what was the best for the United States and for its taxpayers, said this in conclusion:

> Suffice it to say it appears there will be an annual saving of at least $900,000 if the transfer is made to Natick, Mass.

And they so recommended the transfer.

The Director of Research and Development of the Army, Richard S. Morse, said:

> We in the Army have extensive data demonstrating both the economic and management advantages which would accrue from consolidating our activities at Natick.

Even the General Accounting Office, an unbiased organization, an arm of the Congress, if you will, established to be of assistance to us on matters of this nature said:

> We believe that fairly significant savings could be realized by the Government if the CAC is inactivated as planned by the Army. Amortization on a 7 year basis of new facilities would result in an annual saving of $275,000 for the first 7 years. After the first 7 years, we estimate an annual savings of $998,000.

We had this measure before the Congress a little earlier, and the gentleman from Illinois [Mr. YATES] offered amendments so that this matter could be studied once again, now by an agency of his own choice, the National Academy of Sciences. This organization studied this problem and once again they concurred with everyone else whoever studied this matter. As a matter of fact, right now the Natick office manages the contracts for the Food and Container Institute.

At Natick we have the following equipment, which they do not have in Chicago, and if they want to use such equipment, they must go outside and get them on a contract basis.

This is what they have: Van de Graaff accelerator, Solar furnace, large hot and cold climatic chambers, mass infrared spectograph, food extraction plants, electron microscopes, X-ray defraction equipment, hazardous research facilities, psychophysiological equipment, biophysical facilities, cartographic facilities, and Quartermaster Radiation Laboratories (to be completed in June 1962).

All the equipment available for this purpose is now at Natick. This is bringing together, as the House Committee said, the parents with the child.

It seems to me, Mr. Speaker, this issue is quite clear. We have delayed it too long already. Let us vote down the recommendations and vote "no" when this proposal comes before us.

Mr. SHEPPARD. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, I sincerely regret that the House conferees are not in agreement as to the addition of $3,812,000 to authorize construction of facilities at the Quartermaster Research and Engineering Center in Natick, Mass. This fund is needed to house the Quartermaster Food and Container Institute due to the proposal for transfer from the Chicago, Ill., Administration Center to Natick.

This item first received the approval of the House Armed Services Committee in their authorization bill to the House. That committee arrived at their conclusions following the appointment of a special subcommittee that consisted of the gentleman from California, the Honorable CLYDE DOYLE, and the gentleman from Pennsylvania, the Honorable JAMES VAN ZANDT. They investigated this project at great length and recommended transfer from Chicago to Natick, in their report to the full Armed Services Committee.

At the time of the consideration of that authorization bill in the House, and at the request of the gentleman from Chicago [Mr. YATES] a further delay was granted in order to have an additional study made by the Defense Department. Although the matter had been studied and restudied by the military, again this committee recommended unanimously

this transfer. This item was recommended favorably by the House committee on the military construction appropriation bill and so reported to the House. The other body has seen fit to insist that this item remain in the conference report.

This appropriation was recommended and sponsored by the Secretary of Defense and not by us, the Members from Massachusetts. Expert testimony offered before your Committee on Appropriations and the Committee on Armed Services clearly establishes that this inevitable move is in the best interests of the Army and the taxpayers. I call your attention to the statement of this committee on page 11 of the report on this military construction appropriation bill for 1962, the following:

> This matter has been investigated and studied on numerous occasions by several committees of the Congress, the Army, and the Department of Defense. Testimony received by the committee and information made available have been both detailed and voluminous. Based on this testimony and the various studies to which it has access, the committee believes that it is in the best interest of the Government to transfer this function as recommended in the budget.

In other words, you have heard a great deal in reference to the hearings before this Appropriations Committee. The evidence produced through the interrogation by our colleagues on that committee has shown conclusively the compelling reasons for the transfer of the Quartermaster Food and Container Institute from Chicago, Ill., to Natick, Mass.

I wish that the Members would read from page 533 of part II of the hearings before this Subcommittee on Appropriations on Military Construction, in which the conscientious gentleman from North Carolina [Mr. JONAS] asks this question:

> This committee is primarily concerned with the dollars involved because we are not a legislative committee; we are an appropriating committee. We have to satisfy ourselves as to the effect the spending will have.
>
> I asked Dr. Sieling the questions about the advantages of the move from a scientific and research standpoint because I thought the record should contain a statement setting forth the practical advantages and the benefits that might be derived.

Dr. Sieling answered as follows:

> I appreciate that, sir. I would not want to belabor the subject, but the technical advantages that would be derived from consolidation of this food and container research activity with the other elements of the Quartermaster research organization at Natick would be outstanding in that we would bring together the technical people from the various fields so that they, when they have a problem to solve, could personally talk with each other on a day-to-day basis as the solutions develop, leaving nothing to chance discussion at later time and having, let us say, a simple example of the development of a dehydrated meat requires the work of the engineers to develop a method of dehydration, it requires the work of chemists to elucidate the color changes that may result from dehydration, the work of physicists to examine the influence of dehydration on the ability to reconstitute the food.
>
> All of these attendant scientific skills are at Natick. The bacteriologist, engineer, plastics expert, chemist, the metallurgist, the etymologist, all of these people who have to do with the keeping quality and the original fabrication of this item except the food technologist are at Natick. The last man is at Chicago. At the present time he must rely on telephonic or letter communication with the other scientists.

What more proof is necessary?

The evidence in support of this transfer is overwhelming. Both the Republican administration and the Democratic administration have recommended it.

The Quartermaster Research and Engineering Center at Natick, Mass., by every standard for determining location and efficient functioning, is the natural home for the Food and Container Institute, Quartermaster Corps, U.S. Army.

Mr. SHEPPARD. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. KLUCZYNSKI].

Mr. KLUCZYNSKI. Mr. Speaker, here we are again moving the Food Container Institute from Chicago to Natick, Mass. I hate to get into an argument with my good friends from Massachusetts—Democrats and Republicans. They are all really great Members of this body but they want to take the Food Container Institute which has been in my district in Chicago for over 25 years. The Food Container Institute has done a fine job in research. It is located in the great Midwest, the breadbasket of America. This House has voted twice to keep it there, rollcall No. 22, March 23, 1961—yeas 267, nays 145; rollcall No. 119, July 25, 1961—yeas 241, nays 170.

I cannot understand why the other body insists on transferring the institute to the Quartermaster Research Center at Natick, Mass. Mr. Speaker, you take this important facility away from me, and these boys will decide to take something away from you next session. You know the way "sharpies" operate. I hope the House agrees to the amendment as presented by Congressman SHEPPARD.

Mr. SHEPPARD. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Speaker, the conferees have come to the correct decision in moving to exclude the appropriation from this bill for the transfer of the Quartermaster Food and Container Institute from its logical location in the city of Chicago to Natick, Mass.

The eloquent arguments we have heard today from the gentleman from North Carolina and the distinguished Members from Massachusetts were all made at the time this bill came up in the House earlier this year. They were made not once but twice for this matter was before the House twice. On each occasion the House voted to retain the Food and Container Institute in Chicago, Ill., its logical location. As a matter of fact, when the matter was last before the House, the vote was 241 to 170 to keep the Food and Container Institute at Chicago, Ill.

Much has been said about studies, much has been said about surveys that have been made. Let me tell you, however, that the best survey, the most complete survey ever made was the staff report of the Committee on Appropriations. This was the conclusion of that report:

> The staff is of the opinion the Army planning in reaching its decision to deactivate the CAC has been inadequate. The Army's claim that the closing of CAC is dependent upon the relocation of Q.M.F. & C.I. to Natick does not appear sound. Q.M.F. & C.I. occupies only 10 percent of the total space at this facility and is but one of a number of military and civilian tenants. It is felt that the Army has not realistically computed the overall costs involved in relocating all the tenants of the CAC. The staff believes the Army should reevaluate this entire proposal and that any decision to move the Q.M.F. & C.I. from Chicago should be predicated upon locating that facility where it can best perform its mission.

We agree with the staff's conclusion. We think the Institute should be where it can best perform its mission, and on two different occasions the House declared that its mission can best be performed in the city of Chicago, Ill., in the district represented so ably by the distinguished gentleman from Illinois [Mr. KLUCZYNSKI].

Various gentlemen who have taken the floor said there has been no lobbying for this move to Natick, Mass. Why did Dr. Abrams call to a Member from Wisconsin and ask him to change his vote and vote for this proposal. Can it truly be said there has been no lobbying?

Mr. BATES. I would suspect he was interested in correct action.

Mr. YATES. He was interested in sustaining his own inadequate report. Dr. Abrams told me personally it would take at least a month to prepare an adequate survey, and he nevertheless bowed to the pressure applied by the Secretary of the Army and made his report within a week of having received the request to make the survey. All he did was to review in one week the surveys that had already been taken. It was not an independent survey of his own. He approved the surveys that had already taken place and made no new investigation of his own.

Mr. BATES. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Massachusetts.

Mr. BATES. The gentleman selected the board in the first place.

Mr. YATES. That is true. We wanted a fair study, however, and we never received a fair one. We were brushed off by Dr. Abrams and his group. I can only conclude that his decision had been made before he began his week's work. He never gave us an adequate or fair opportunity to present Chicago's side of the story. Mr. Speaker, we have already gone into all of the arguments. There has been nothing new presented since this matter was before the House on July 25. The argument of the gentleman from Massachusetts and the arguments on the other side were presented to the House at that time.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from North Carolina.

Mr. JONAS. There has been one significant thing that happened since.

Mr. YATES. What is that?

Mr. JONAS. The other coordinate branch of the Congress has acted differently.

Mr. YATES. I agree.

Mr. JONAS. I do not agree necessarily that we have to follow the other body, but it does bring new light on the question. The views of the other body certainly are worthy of consideration.

Mr. YATES. I thank the gentleman for his statement, but I will say to him that it brings no new light on this matter at all. This is just another instance where the other body has acted erroneously, and the House of Representatives must correct the action of the other body.

Mr. Speaker, I urge the House to approve the motion of the committee of conference.

Mr. SHEPPARD. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. SHEPPARD].

The question was taken; and on a division (demanded by Mr. JONAS) there were—ayes 40, noes 43.

Mr. YATES. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. MILLS). Under order of the House of September 1, further proceedings on this matter will go over until Wednesday next.

The gentleman withdraws his point of order that a quorum is not present?

Mr. YATES. I do, Mr. Speaker.

GENERAL LEAVE TO EXTEND REMARKS

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the conference report just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DISTRICT OF COLUMBIA DAY

The SPEAKER pro tempore. This is District of Columbia day. The Chair recognizes the gentleman from South Carolina [Mr. MCMILLAN].

REGULATING THE PRACTICE OF PHYSICAL THERAPY IN THE DISTRICT OF COLUMBIA

Mr. MCMILLAN. Mr. Speaker, I call up the bill (S. 1762) to regulate the practice of physical therapy in the District of Columbia, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

Mr. KEARNS. Mr. Speaker, reserving the right to object, I want to concur with the request of the distinguished gentleman from South Carolina in calling up the Senate version of this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Physical Therapists Practice Act."

DEFINITIONS

SEC. 2. As used in this Act—

(a) The term " Commissioners" means the Commissioners of the District of Columbia sitting as a board, or their authorized agent or agents.

(b) The word "she" and the derivatives thereof shall be construed to include the word "he" and the derivatives thereof.

(c) The term "physical therapy" means the treatment of human disability, injury, or disease by supervised therapeutic procedures embracing the specific scientific application of physical measures to secure the functional rehabilitation of the human body. Nothing in this Act shall be construed as authorizing a physical therapist, whether registered or not, to practice medicine, osteopathy, chiropractic, naturopathy or any other form or method of healing.

(d) The term "physical therapist" means a person who practices physical therapy under the prescription, supervision, and direction of a person licensed to practice under the Healing Arts Practice Act of the District of Columbia, approved February 27, 1929 (45 Stat. 1326), as amended.

(e) The word "State" or "States" shall be deemed to include any territory of the United States and the Commonwealth of Puerto Rico.

EXEMPTION FROM REGISTRATION

SEC. 3. This Act shall not apply to any person employed in the District of Columbia by the Federal Government or any agency thereof while such person is acting in the discharge of her official duties.

REGISTRATION

SEC. 4. (a) No person shall practice physical therapy in the District of Columbia unless (1) she is duly registered in accordance with the provisions of this Act, or (2) is exempted from such registration by the terms of this Act.

(b) No person not registered in accordance with the provisions of this Act, unless exempted from registration by the terms of this Act, shall, directly or indirectly, (1) represent herself to be so registered or (2) represent herself to be certified, licensed, or authorized to practice physical therapy.

(c) No person shall use in connection with her name the words "physical therapist", "physiotherapist", "physical therapy technician", or use the initials "P.T.", "P.T.T.", "R.P.T.", or any other letters, words, abbreviations, or insignia indicating or implying that she is a registered physical therapist, unless such person is a holder of a valid registration under this Act.

(d) Nothing in this section shall prohibit any person duly licensed or registered in the District of Columbia under any other Act from engaging in the practice for which she is duly registered or licensed.

(e) Nothing in this Act shall apply to any person licensed under the Healing Arts Practice Act of the District of Columbia, nor to any employee of any such person working under his immediate supervision and direction in his private office, provided no such employee shall hold herself out, or otherwise represent herself to be a physical therapist.

POWERS OF COMMISSIONERS

SEC. 5. The Commissioners are hereby vested with full power and authority to delegate, from time to time, to their designated agent or agents, any of the functions vested in them by this Act.

ESTABLISHMENT OF BOARD

SEC. 6. The Commissioners may establish a physical therapists examining board to perform any of the functions vested in the Commissioners by this Act, and, if so established, such board shall be composed of such persons possessing such qualifications as the Commissioner shall determine. The Commissioners are authorized to prescribe the terms of office of members of such board and to fix the compensation of such members. The Commissioners may appoint as members of such board, Federal and District government employees, and such members shall not be entitled to receive compensation as board members, and any such member shall not be debarred by such membership from employment in the Federal or District governments not inconsistent with her duties as a board member. Any board member may receive her compensation as a board member as well as any retirement pay, retirement compensation, or annuity to which she may be entitled on account of previous service rendered to the United States or the Distirct of Columbia governments.

POWERS AND DUTIES

SEC. 7. (a) The Commissioners are authorized to adopt from time to time and prescribe such rules and regulations as may be necessary to enable them to carry into effect the provisions of this Act. The Commissioners shall maintain a register of all persons registered as physical therapists. The Commissioners shall maintain a register of approved schools which they deem afford adequate training in physical therapy.

(b) The Commissioners may make such studies and investigations, and obtain or require the furnishing of such information under oath or affirmation or otherwise, as they deem necessary or proper to assist them in prescribing any regulation or order under this Act, or in the administration and enforcement of this Act, and regulations and orders thereunder. For such purposes, the Commissioners may administer oaths and affirmations, may require by subpena or otherwise the attendance and testimony of witnesses and the production of documents at any designated place. In the event of contumacy or refusal to obey any such subpena or requirement under this section, the Commissioners may make application to the municipal court for the District of Columbia for an order requiring obedience thereto. Thereupon the court, with or without notice and hearing, as it in its discretion may decide, shall make such as is proper and may punish as a contempt any failure to comply with such order in accordance with the provisions of subsection (c), section 5, of the Act of April 1, 1942 (56 Stat. 193, chapter 207; sec. 11–756(c), D.C. Code, 1951 edition).

REGISTRATION

SEC. 8. The Commissioners shall register as physical therapists all applicants who prove to the satisfaction of the Commissioners their fitness for registration under the terms of this Act. The Commissioners shall issue to each person registered a certificate of registration, which shall be prima facie evidence of the right of the person to whom it is issued to represent herself as a registered physical therapist, and authorized to practice as such under this Act.

REGISTRATION WITHOUT EXAMINATION

SEC. 9. The Commissioners shall register as a physical therapist, without examination,

any physical therapist who is at least twenty years of age and of good moral character and who presents evidence satisfactory to the Commissioners that she was, prior to the effective date of this Act, practicing physical therapy in the District of Columbia for a period of two years immediately preceding the effective date of this Act, and that she (1) has graduated from an approved school of physical therapy listed in the register of approved schools or (2) received comparable training or experience in the practice of physical therapy as determined by the Commissioners. Application for registration under this section shall be made on or before the expiration of one year from the effective date of this Act.

REGISTRATION AFTER EXAMINATION

SEC. 10. The Commissioners shall pass upon the qualifications of applicants for registration, provide for and conduct all examinations, determine which applicants have successfully passed the examination and duly register such applicants. To be eligible to be examined for registration as a physical therapist, an applicant must meet the following requirements:

(a) Be at least twenty years old.

(b) Be of good moral character.

(c) Be in good physical and mental health, as certified by a physician licensed to practice in the District of Columbia.

(d) Be a graduate of an approved school of physical therapy listed in the register of approved schools; or possess comparable educational qualifications as determined by the Commissioners.

The examinations specified in this section shall be conducted at such times and places as the Commissioners may determine, and notice of time and place of such examination shall be published not less than thirty days before the first day of each examination in one or more newspapers of local circulation.

The examination shall embrace such coverage of the following subjects to determine the applicant's qualification: The applied sciences of anatomy, neuroanatomy, kinesiology, physiology, pathology, physics; "physical therapy" as defined in this Act, applied to medicine, neurology, orthopedics, pediatrics, psychiatry, surgery; medical ethics; technical procedures in the practice of "physical therapy" as defined in this Act.

RECIPROCITY

SEC. 11. Any applicant who has practiced physical therapy and has been registered, certified, or licensed as such in any State may, upon proof of good moral character, be registered without examination, provided the applicant has graduated from a school of physical therapy approved by the Commissioners, or has received competent comparable training as determined by the Commissioners. It is intended that the standards of education and training required for registration under this section shall be substantially equivalent to those required for registration pursuant to section 10 of this Act. This section shall be construed to apply only to candidates from States which admit registered physical therapists of the District of Columbia without examination.

RENEWAL OF REGISTRATION

SEC. 12. (a) Every registered physical therapist engaged in or who proposes to engage in the practice of physical therapy in the District of Columbia is hereby required to register with the Commissioners annually. Any registrant who allows her registration to lapse by failing to renew the registration annually may be reinstated by the Commissioners by showing cause satisfactory to the Commissioners for such failure and upon payment of all required fees. The Commissioners are authorized, after public hearing, to change from time to time the period for which registration or renewal thereof may be issued.

(b) Any person registered under the provisions of this Act but not so practicing in the District of Columbia shall give written notice of such fact to the Commissioners. Upon receipt of such notice, the Commissioners shall place the name of such person upon the nonpracticing list. While remaining on such list, such person shall not be subject to the payment of any renewal fee and shall not hold herself out as a registered physical therapist nor practice as such in the District of Columbia. Application for renewal of registration and payment of renewal fee for the current year shall be made to the Commissioners by any such person desiring to resume practice as a registered physical therapist.

DENIAL, REVOCATION, AND SUSPENSION OF REGISTRATION

SEC. 13. The Commissioners are authorized and empowered to deny, revoke, or suspend any registration or certificate of renewal of registration issued by the Commissioners or applied for in accordance with the provisions of this Act if the applicant or holder thereof—

(1) has been guilty of fraud or deceit in procuring or attempting to procure any registration or renewal thereof provided for in this Act;

(2) has been convicted of a crime involving moral turpitude;

(3) is an intemperate consumer of intoxicating liquors or is addicted to the use of habit-forming drugs;

(4) has been guilty of unprofessional conduct;

(5) has willfully violated any of the provisions of this Act, or rules or regulations promulgated by the Commissioners pursuant to authority contained in this Act;

(6) is mentally incompetent;

(7) is guilty of undertaking to treat ailments of human beings other than by physical therapy as authorized by this Act, or the undertaking to practice physical therapy independent of the prescription and direction of a person appropriately licensed to practice under the Healing Arts Practice Act of the District of Columbia; or

(8) is otherwise professionally incapacitated.

Provided, That such denial, revocation, or suspension shall be made only upon specific charges in writing. A copy of any such charges and at least ten days' notice of the hearing of the same shall be mailed to the holder of or applicant for such registration, addressed to her at her last known address.

COURT REVIEW

SEC. 14. Any person aggrieved by any final decision or final order of the Commissioners denying, suspending, or revoking any registration, or renewal of registration, issued or applied for under this Act may obtain a review thereof in the municipal court of appeals for the District of Columbia, and may seek a review by the United States Court of Appeals for the District of Columbia Circuit of any judgment of the municipal court of appeals entered pursuant to its review of any such decision or order, all in accordance with subsection (f) of section 7 of the Act approved April 1, 1942, as added by the Act approved August 31, 1954 (68 Stat. 1049).

UNAUTHORIZED PRACTICE OF PHYSICAL THERAPY

SEC. 15. It shall be unlawful for any person in the District of Columbia to—

(a) sell or fraudulently obtain or furnish any diploma, license, certificate of registration, or record required by this Act, or required by the Commissioners under authority of this Act, or aid or abet in the selling, fraudulently obtaining, or furnishing thereof;

(b) practice physical therapy under cover of any diploma, certificate of registration, or record required by this Act or required by the Commissioners under authority of this Act, illegally or fraudulently obtained or signed or issued unlawfully or under fraudulent registration;

(c) use in connection with her name any designation tending to imply that she is a registered physical therapist unless duly registered under provisions of this Act;

(d) practice physical therapy during the time her registration shall be suspended or revoked.

PRACTICE OF REGISTERED PHYSICAL THERAPISTS

SEC. 16. A person registered under this Act as a physical therapist shall not treat human ailments by physical therapy or otherwise except under the prescription and direction of a person duly licensed or registered under the Healing Arts Practice Act of the District of Columbia.

ENFORCEMENT

SEC. 17. Any person who shall violate the provisions of section 4, 15, or 16 of this Act shall be guilty of a misdemeanor and shall be punished by a fine of not exceeding $500 or by imprisonment for not more than one year, or both.

CONDUCT OF PROSECUTIONS

SEC. 18. (a) Prosecutions for violations of any provisions of sections 4, 15, or 16 of this Act shall be conducted in the name of the District of Columbia in the municipal court for the District of Columbia, by the Corporation Counsel or any of his assistants.

(b) It shall be necessary to prove in any prosecution or hearing under this Act only a single act prohibited by law or a single holding out or an attempt without proving a general course of conduct in order to constitute a violation.

FEES AND CHARGES

SEC. 19. (a) The Commissioners are authorized and empowered, after a public hearing, to fix and, from time to time increase or decrease, fees for any services rendered under this Act. The Commissioners shall, pursuant to this section, increase, decrease, or fix fees in such amounts as will, in the judgment of the Commissioners, approximate the costs to the District of Columbia of administering this Act: *Provided*, That no fee shall be increased, decreased, or fixed except after a public hearing.

(b) Upon the change of a registration period as authorized by subsection (a) of section 12 the fee for registration or renewal of registration shall be prorated on the basis of the time covered.

(c) All moneys collected for fees and charges made pursuant to authority contained in this Act shall be paid into the Treasury to the credit of the District of Columbia.

SEVERABILITY

SEC. 20. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act, and the application of such provision to other persons and circumstances, shall not be affected thereby.

APPROPRIATIONS

SEC. 21. There is hereby authorized to be appropriated out of the revenues of the District of Columbia such sums as may be necessary to pay the expenses of administering and carrying out the purposes of this Act.

REORGANIZATION

SEC. 22. Nothing in this Act shall be construed so as to affect the authority vested in the Board of Commissioners of the District of Columbia by Reorganization Plan Numbered 5 of 1952 (66 Stat. 824). The performance of any function vested by this Act in the Board of Commissioners or in any office or agency under the jurisdiction and control of said Board of Commissioners may be delegated by said Board of Commissioners in accordance with section 3 of such plan.

EFFECTIVE DATE

SEC. 23. This Act shall take effect one hundred and twenty days after funds are appropriated for the purpose of administering the provisions of this Act.

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McMILLAN. Mr. Speaker, the purpose of this bill is to regulate the practice of physical therapy in the District of Columbia so as to accomplish the following:

First. Provide a prohibition against the practice of physical therapy in the District of Columbia by an individual unless that person is registered under the provisions of this bill or is exempt from registration by the terms of the bill; and

Second. Provide authority for the Commissioners of the District of Columbia to register as physical therapists all applicants who prove to the satisfaction of the Commissioners their fitness for registration under the terms of the bill.

The committee was informed that at the present time in the District of Columbia, a physical therapist is not required to be registered or licensed. Accordingly, it is entirely possible that any person, regardless of his professional ability, may practice physical therapy in the District. This is not the situation in the majority of the States where some form of regulatory action has been provided. A total of 38 States have laws regulating the practice of physical therapy, and 10 other States are in the process of obtaining such legislation. It is of interest to note that both of the adjoining States of Maryland and Virginia require licensing of physical therapist practicing within their jurisdictions.

The committee was also informed that modern medicine has demonstrated to an increasing degree the value of physical therapy in restoring the patient to his previous level of physical activity, or a partial restoration to the level of self-care. It has been demonstrated that many patients suffering from chronic disease or disability, when exposed to long periods of inactivity, have a disability in excess of that caused by the disease or injury per se. Inactivity predisposes muscular stiffness, weakness, and atrophy, softening of the bones, and adversely affects the patient's state of physical and emotional well-being. There is a great need to provide physical therapy treatments on a visiting basis to patients with chronic illness or post-traumatic disability who are outside of the hospitals and are in their homes or other institutions. Each year there is an increasing need for trained and well-qualified physical therapists.

It is obvious to the committee that the citizens of the District of Columbia cannot be expected to differentiate between competent and incompetent practitioners of physical therapy. The minimum standards which guarantee safe performance must be required by law in order to protect the citizens of the District of Columbia. Physical therapy treatment should only be entrusted to individuals who have the education, training, and experience that enables them to be thoroughly conversant with modern techniques, as well as precautions and contraindications.

It is contemplated that the act will be self-supporting through the charging of fees necessary to administer the act. However, it is necessary that funds be appropriated for the expenses which are entailed in administering the act since the fees collected have to be covered into the Treasury and cannot be spent until appropriated. It is estimated that the cost of administration of the act will be approximately $3,750 for the first year, and the normal yearly budget thereafter will be approximately $1,000.

This bill is not intended to and does not apply to masseurs, masseuses, or anyone employed by a health club or similar establishment, unless such person be employed as a physical therapist.

This legislation has the approval of the Board of Commissioners for the District of Columbia, the Department of Public Health for the District of Columbia, and the Physical Therapy Association.

The bill was ordered to be read a third time, was read the third time, and passed.

A similar House bill (H.R. 8984) was laid on the table.

A motion to reconsider was laid on the table.

AMENDING THE ACT TO REGULATE THE HEIGHT OF BUILDINGS IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I call up the bill (S. 1529) to amend the act entitled "An act to regulate the height of buildings in the District of Columbia," approved June 1, 1910, as amended.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph 3 of section 5 of the Act entitled "An Act to regulate the height of buildings in the District of Columbia", approved June 1, 1910, as amended (36 Stat. 452; 43 Stat. 961; sec. 5–405, D.C. Code, 1951 edition), is amended by striking "over eight stories in height or".

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McMILLAN. Mr. Speaker, the purpose of this bill is to amend the act to regulate the height of buildings in the District of Columbia, approved June 1, 1910, so as to provide a more uniform, modern height limitation on buildings in medium- and high-density apartment areas of the District of Columbia, by eliminating the eight-story height limitation on apartment buildings constructed in the District of Columbia.

The bill was introduced at the request of the Board of Commissioners. A letter dated March 28, 1961, accompanying the draft bill, setting forth in detail the views of the Board of Commissioners, is quoted in part, as follows:

The present height limitation contained in section 5 of the act approved June 1, 1910, as amended, states that "* * * no building shall be erected * * * over 8 stories or over 90 feet in height * * *." The proposed amendment would eliminate the words "over 8 stories in height or," thus leaving the requirement to read: "* * * no building shall be erected * * * over 90 feet in height." This use of height limitations expressed in terms of maximum feet rather than maximum stories is in harmony with modern zoning language and practice. Indeed, the section proposed to be amended by this bill is the only section in the act which expresses its requirements in terms of maximum stories. All other provisions refer to maximum footage.

Under the District Building Code the minimum ceiling height of a habitable story is 8 feet. Thus the proposed amendment would increase the number of stories permitted in an apartment building 90 feet high from 8 to 10, with no increase in the overall bulk of the building.

The Commissioners are informed by the District zoning authorities that an increase from 8 to 10 stories within the framework of a 90-foot apartment building would result in the following advantages:

1. Simplication in drawing and processing construction plans.
2. Lower building costs per living unit.
3. Uniformity with the requirements in special purpose districts, which presently permit 10 stories under identical bulk and height requirements.
4. Decreased lot coverage, with increased light and air.

Although the geographical areas affected by the proposed amendment comprise only about 2 percent of the District's zoned area, the Commissioners are informed by the zoning authorities that the amendment is highly desirable to implement one of the Zoning Commission's most important programs—construction of high-density apartment buildings peripheral to the central business district. Apartments of this nature, it is believed, would ease the transportation problem, combat in part the flight to the suburbs, and increase tax revenues as a result of the minimum capital outlay necessary for municipal services in apartment areas of this type.

The bill was ordered to be read a third time, was read the third time, and passed.

A similar House bill (H.R. 9009) was laid on the table.

A motion to reconsider was laid on the table.

EXEMPTING FROM TAXATION CERTAIN PROPERTY OF THE ARMY DISTAFF FOUNDATION

Mr. McMILLAN. Mr. Speaker, I call up the bill (H.R. 2838) to exempt from taxation certain property of the Army Distaff Foundation.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That parts of the tract of land known as "Poor Tom's Last Shift" described as follows: Beginning for the same at the intersection of the westerly line of Oregon Avenue, formerly Daniels Road, and southerly line of Tennyson Street, both as dedicated and shown on plat

recorded in liber 103, folio 157, of the records of the Office of the Surveyor of the District of Columbia and running thence southwesterly along said westerly line of Oregon Avenue as shown on said plat, and as shown on plat record in liber 88, folio 34, of said surveyor's office records to a point of curve; thence southwesterly still along the said westerly line of Oregon Avenue and the northwesterly line of Nebraska Avenue, both as shown on said plat recorded in liber 88, folio 34, of said surveyor's office records, on the arc of a circle deflecting to the right, the radius of which is 440 feet, an arc distance 370.23 feet to a point of tangent; thence southwesterly along said northwesterly line of Nebraska Avenue to the northerly line of Stephenson Lane, as dedicated and shown on plat recorded in liber 116, folio 175, of said surveyor's office records; thence along said northerly line of Stephenson Lane, north 65 degrees 55 minutes 50 seconds west 176.66 feet to a point of curve; thence northwesterly on the arc of a circle deflecting to the left, the radius of which is 460 feet, an arc distance of 144.87 feet to a point of tangent; thence north 83 degrees 58 minutes 30 seconds west 159.38 feet to a point of a curve; thence westerly on the arc of a circle deflecting to the right, an arc distance of 237.18 feet to the most southerly corner of the land conveyed to George L. Quinn and wife by deed dated May 26, 1941, and recorded June 3, 1941, in liber 7622, folio 349, among the land records of the District of Columbia; thence northeasterly and parallel with Twenty-ninth Street 400 feet to the most easterly corner of the land conveyed to Edwin S. Hoffman and wife by deed dated June 9, 1937, and recorded July 22, 1937, in liber 7133, folio 233, among the land records of the District of Columbia; thence northwesterly along the northeasterly line of said conveyance to Hoffman, 125 feet to the southeasterly line of Twenty-ninth Street as dedicated and shown on plat recorded in liber 102, folio 59, of said surveyor's office records; thence along the said line of Twenty-ninth Street north 44 degrees 58 minutes 30 seconds east 373.83 feet to the said southerly line of Tennyson Street, and thence east along said southerly line of Tennyson Street 726.83 feet to the place of beginning, situated at 6200 Nebraska Avenue Northwest, in the city of Washington, District of Columbia, owned by the Army Distaff Foundation, is hereby exempt from all taxation so long as the same is owned and occupied by the Army Distaff Foundation, and is not used for commercial purposes, subject to the provisions of sections 2, 3, and 5 of the Act entitled "An Act to define the real property exempt from taxation in the District of Columbia", approved December 24, 1942 (56 Stat. 1091; D.C. Code secs. 47–801b, 47–801c, 47–801e).

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McMILLAN. Mr. Speaker, this bill would exempt that property known for assessment and real property tax purposes as parcels 62/41, 62/64, 62/98, and 62/99, located at 6200 Nebraska Avenue NW., so long as the same is owned by the Army Distaff Foundation and is not used for commercial purposes. The exemption so conferred would be subject to the provisions of sections 2, 3, and 5 of the act entitled "An act to define the real property exempt from taxation in the District of Columbia," approved December 24, 1942 (56 Stat. 1091; secs. 47–801b, 47–801c, and 47–801e, District of Columbia Code, 1951).

The Army Distaff Foundation was incorporated on February 13, 1959, under the provisions of title 29, section 601, District of Columbia Code, 1951. Paragraph 3, subsection (a) of the certificate of incorporation of the foundation, states that the foundation was incorporated:

(a) To provide elderly persons on a nonprofit and charitable basis with housing facilities and services specially designed to meet the physical, social, and psychological needs of the aged, and contribute to their health, security, happiness, and usefulness in longer living. The corporation shall be operated exclusively for charitable purposes and no part of its net earnings shall inure to the benefit of any officer, member, or employee of the corporation, or to the benefit of any individual; and no officer, member, or employee of the corporation, and no individual shall receive or be entitled to receive any pecuniary profit from the operation of the corporation except reasonable compensation for services.

The Army Distaff Foundation on July 27, 1959, in order to accomplish the objects set out in its certificate of incorporation acquired the property described, supra. The Foundation proposes to erect on this property a three-story apartment building containing 300 units, consisting of 30 two-room units, 111 bed-alcove units, 105 single-room units, all with pullman-kitchen and bath, and 36 rooms without kitchen facilities. The main building will also include a dining room with a seating capacity of 300, a chapel for private meditation and public services, as well as an infirmary wing with resident nurses, doctors' offices, and treatment and examining rooms. Walter Reed Hospital will treat any serious cases of illness should they develop. There is a residence on the grounds which will be retained to serve as an administrative center for the proposed residence hall.

The present assessed value of parcels 62/41, 62/64, 62/98, and 62/99, which includes both lands and improvements, is $189,403. The total tax on this property at the current rate is $4,356.26. The enactment of H.R. 2838 will, therefore, considerably increase the present loss of real estate taxes to the District as a consequence of special tax-exemption statutes.

This legislation was considered at a meeting of the House District Committee on September 7, 1961, and reported by a unanimous vote of the committee.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE PHILADELPHIA, BALTIMORE & WASHINGTON RAILROAD CO. TO CONSTRUCT, MAINTAIN, AND OPERATE BRANCH SIDINGS OVER FIRST STREET SW., IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I call up the bill (H.R. 9080) to authorize the Philadelphia, Baltimore & Washington Railroad Co. to construct, maintain, and operate branch sidings over First Street SW., in the District of Columbia.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Philadelphia, Baltimore, and Washington Railroad Company is hereby authorized to construct, maintain, and operate at grade two branch sidings from its present tracks in square 607 over First Street to square 663 between S and T Streets Southwest, Washington, District of Columbia. Such sidings shall be constructed in accordance with plans approved by the Commissioners of the District of Columbia.

SEC. 2. Congress reserves the right to alter, amend, or repeal this Act.

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McMILLAN. Mr. Speaker, the purpose of the bill is to authorize the Philadelphia, Baltimore, & Washington Railroad Co. to construct in the District of Columbia two railroad sidings to provide access to square No. 663, bounded by First and One-half Streets and S and T Streets SW. Previously the railroad was provided access to the adjoining square, No. 607, immediately to the west across First Street SW., by a siding entering from tracks already in the bed of Second Street SW.

This legislation is necessary because the Commissioners of the District of Columbia, absent congressional authorization, do not have the authority to permit a railroad siding to cross a public street. Further, the use of square No. 663 is urgently needed by the railroad for ground storage of construction materials for the House of Representatives Office Building No. 3, and to replace and supplement such storage facilities lost by the railroad in acquisition of land by the Redevelopment Land Agency for the Southwest urban renewal program.

Under the terms of the bill, the sidings will be constructed in accordance with plans to be approved by the Commissioners and subject to the terms and conditions of a permit issued by them.

The committee is advised that the District of Columbia has no objection to the enactment of this legislation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO AMEND THE LAW RELATING TO GAMBLING IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 4669), with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 25, strike out all after "auction." over to and including line 6 on

page 3 and insert: "The proceeds of the sale of such property shall be available, first for the payment of all expenses incident to such sale; and, second, for the payment of such liens; and the remainder shall be deposited in the Treasury of the United States to the credit of the District of Columbia. To the extent necessary, liens against said property so forfeited shall, on good cause shown by the lienor, be transferred from the property to the proceeds of the sale of the property."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

Mr. GROSS. Mr. Speaker, reserving the right to object, just what does this bill do, if the gentleman will explain it?

Mr. McMILLAN. Mr. Speaker, I yield to the gentleman from Texas [Mr. DOWDY] the chairman of the subcommittee which handled this bill. The gentleman from Texas will explain the Senate amendment.

Mr. DOWDY. Mr. Speaker, this bill provides for the disposition of equipment that is seized in gambling raids.

Mr. GROSS. Are you going to give it to charity, or what happens to it?

Mr. DOWDY. It provides for the destruction of such parts of equipment that are illegal. The other is sold. I believe it goes into the Treasury.

Mr. GROSS. Mr. Speaker, I withdraw my reservation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

TO AMEND THE LAW RELATING TO INDECENT PUBLICATIONS IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 4670) to amend the law relating to indecent publications in the District of Columbia, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

The Chair hears none, and appoints the following conferees: Messrs. DOWDY, HARSHA, and ST. GERMAIN.

WORKWEEK OF THE FIRE DEPARTMENT OF THE DISTRICT OF COLUMBIA

Mr. JAMES C. DAVIS. Mr. Speaker, I call up the bill (S. 1292) to amend the act of June 19, 1948, relating to the workweek of the Fire Department of the District of Columbia, and for other purposes, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, does the gentleman say this is a good bill?

Mr. JAMES C. DAVIS. It has the approval of the District Committee of the House; and a similar bill has already passed the Senate.

Mr. HOFFMAN of Michigan. Does the gentleman say it is a good bill?

Mr. JAMES C. DAVIS. Yes, indeed, I do.

Mr. HOFFMAN of Michigan. I thank the gentleman.

Mr. KEARNS. Mr. Speaker, further reserving the right to object, I want to concur in what the gentleman from Georgia, [Mr. DAVIS] says, that it is an excellent bill. I think we will be very wise to pass it.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 2 of the Act entitled "An Act to amend the Act entitled 'An Act to classify the officers and members of the Fire Department of the District of Columbia, and for other purposes', approved June 20, 1906, and for other purposes", approved June 19, 1948, as amended (sec. 4–404a(a), D.C. Code, 1951 ed.), is amended to read as follows:

"(a) The Commissioners of the District of Columbia are authorized and directed to establish a workweek for officers and members of the firefighting division of the Fire Department of the District of Columbia which will result in an average workweek of fifty-six hours in any complete work cycle: *Provided,* That no workweek shall exceed seventy hours.

"(b) The firefighting division shall operate under a two-shift system and all hours of duty of any shift shall be consecutive.

"(c) The Commissioners of the District of Columbia are further authorized and directed to establish a workweek for officers and members of the Fire Department, other than those in the firefighting division, of forty hours, and the hours of work in such workweek shall be performed on consecutive days in such workweek.

"(d) The days off duty to which each officer or member of the Fire Department is entitled shall be in addition to his annual leave and sick leave allowed by law. In the case of any shift of the Fire Department beginning on one day and extending without a break in continuity into the next day, or in the case of two shifts beginning on the same day, the Commissioners are authorized to designate the shift which shall be the workday, and the entire shift so designated shall be considered the workday for all pay and leave purposes.

"(e) If a holiday shall fall on any day off of any officer or member of the Fire Department, he shall be excused from duty on such other day as is designated by the Commissioners of the District of Columbia, and if he is required to be on duty in lieu of such day off, he shall receive compensation for such duty at the rate provided by law for duty performed on a holiday. When any shift of the Fire Department begins on the day before a holiday and extends without a break in continuity into the holiday, or begins on a holiday and extends without a break in continuity into the next day, the Commissioners of the District of Columbia are authorized to designate either of such shifts as the holiday workday, and the entire shift so designated shall be considered as the holiday workday for all pay and leave purposes. As used in this subsection the word "holiday" shall have the same meaning as such word has in the Act of October 24, 1951 (65 Stat. 607), as amended (sec. 4–808, D.C. Code, 1951 ed.), and as supplemented by the Act of January 11, 1957 (71 Stat. 3; Public Law 85–1)."

SEC. 2. Section 2 of such Act approved June 19, 1948 (62 Stat. 499; sec. 4–404a(b), D.C. Code 1951 ed.), is further amended by redesignating subsection (b) as subsection (f) and by amending the first sentence of subsection (f) as so redesignated to read as follows: "Notwithstanding the provisions of the preceding subsection, whenever the Commissioners declare that an emergency exists of such a character as to necessitate the continuous service of all or some of the officers and members of the Fire Department, the granting of days off shall be suspended during the continuation of such emergency."

SEC. 3. Subsection (e) of the first section of the Act entitled "An Act to provide a five-day week for officers and members of the Metropolitan Police force, the United States Park Police force, and the White House Police force", approved August 15, 1950 (64 Stat. 447), as amended (sec. 4–904, D.C. Code, 1951 ed.), is amended (a) by inserting "the Fire Department of the District of Columbia," after "Metropolitan Police force,"; (b) by striking "Major and Superintendent of Police," and inserting in lieu thereof "Chief of Police, the Fire Chief,"; and (c) by striking therefrom "section 5 of the Act entitled 'An Act to fix the salaries of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia', approved July 1, 1930, as amended", and inserting in lieu thereof "such section".

SEC. 4. The first section of the Act entitled "An Act to provide for granting to officers and members of the Metropolitan Police force, the Fire Department of the District of Columbia, and the White House and United States Park Police forces additional compensation for working on holidays", approved October 24, 1951 (65 Stat. 607), as amended (sec. 4–807, D.C. Code, 1951 ed.), is amended to read as follows:

"That under regulations promulgated by the Commissioners of the District of Columbia each officer and member of the Metropolitan Police force and of the Fire Department of the District of Columbia when he may be required to work on any holiday, shall be compensated for such duty, excluding periods when he is in a leave status, in lieu of his regular rate of basic compensation for such work, at the rate of twice such regular rate of basic compensation: *Provided,* That for the purpose of this Act, each such officer or member who works eight hours or less on any holiday shall be compensated for such duty in addition to his regular rate of basic compensation for such work, at the rate of one-eighth of his daily rate of basic compensation for each hour so worked, computed to the nearest hour, counting thirty minutes or more as a full hour: *Provided further,* That the total compensation to be paid any such officer or member for duty performed on a holiday shall not exceed an amount equal to twice the daily rate of pay to which such officer or member shall be entitled for performing one regular tour of duty on a day other than a holiday: *And provided further,* That no such officer or member shall be entitled to additional compensation for such holiday work for any day for which he is entitled to receive additional compensation under the provisions of subsection (e) of the first section of the Act approved August 15, 1950 (64 Stat. 447), as amended (sec. 4–904, D.C. Code, 1951 ed.). So much of the compensation for such holiday work as is in excess

of the regular pay for such day shall not be considered as salary for the purpose of computing deductions for life insurance or for computing annuity payments under the provisions of the Policemen and Firemen's Retirement and Disability Act (39 Stat. 718, 71 Stat. 391; sec. 4–521, et seq., D.C. Code, 1951 ed.), nor shall such excess compensation be subject to deduction as provided in such Act. Appropriations for personal services for the Metropolitan Police force, the Fire Department of the District of Columbia, the White House Police force, and the United States Park Police force shall be available for payment of the additional compensation authorized by this Act."

SEC. 5. Clause (D) of subsection (b) of section 405 of the District of Columbia Police and Firemen's Salary Act of 1953, as amended (67 Stat. 76; D.C. Code, sec. 4–821), is amended to read as follows:

"(D) In the case of the Metropolitan Police force, except with respect to computation of holiday pay, a biweekly rate shall be divided by the number of hours constituting the biweekly tour of duty in order to derive an hourly rate.

"(E) In the case of the firefighting division of the Fire Department of the District of Columbia, except with respect to computation of holiday pay, the weekly or biweekly rate shall be divided by 56 or 112, as the case may be, to derive an hourly rate.

"(F) In the case of officers and members of divisions of the Fire Department of the District of Columbia other than the firefighting division, except with respect to computation of holiday pay, a biweekly rate shall be divided by the number of hours constituting the biweekly tour of duty in order to derive an hourly rate."

SEC. 6. (a) For the purpose of recording annual and sick leave on an hourly basis for officers and members of the firefighting division of the Fire Department of the District of Columbia, the workday of any workweek shall be considered to be twelve hours.

(b) For the purposes of recording on an hourly basis annual and sick leave taken by officers and members of the firefighting division, the following formula shall be used:

(1) During the day shift of ten hours, one and two-tenths hours of leave shall be charged for each hour taken.

(2) During the night shift of fourteen hours, twelve-fourteenths of an hour of leave shall be charged for each hour taken, caiculated to the nearest fractional tenth.

SEC. 7. This Act shall take effect on the first day of the first full pay period which begins at least sixty days after the date of approval of this Act.

Mr. JAMES C. DAVIS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAMES C. DAVIS: On page 2, line 5, strike out the word "seventy" and insert "seventy-two".

The amendment was agreed to.

Mr. JAMES C. DAVIS. Mr. Speaker, the purpose of this bill, as amended and reported by the committee, is to reduce the present 60-hour workweek of officers and members of the firefighting division of the Fire Department of the District of Columbia to a 56-hour average workweek.

In recent years there has been an established national trend toward reducing the working hours of the Nation's firefighters. A survey conducted in the year 1950 of the Nation's 20 largest cities reveals that the average workweek for the firefighters was 60.5 hours. As of now, the average workweek for these same cities has been reduced to 54 hours. In the tabulation set forth below, these 20 cities are listed along with the average workweek that has been implemented for the firefighting personnel of their fire departments:

	Workweek hours
St. Louis, Mo	60
Milwaukee, Wis.[1]	63
Los Angeles, Calif	62
Houston, Tex	60
Minneapolis, Minn	60
New Orleans, La	60
Washington, D.C.	60
Cleveland, Ohio[1]	56
Baltimore, Md	56
Detroit, Mich	56
Kansas City, Mo	56
San Francisco, Calif	56
Chicago, Ill.[1]	56
Cincinnati, Ohio[1]	56
Pittsburgh, Pa.[1]	52
Boston, Mass	48
Philadelphia, Pa	48
Seattle, Wash	48
Buffalo, N.Y.[1]	44
Newark, N.J	42
New York, N.Y	40

[1] Cities (6) which have reduced firefighters' workweek hours since Apr. 1, 1959.

From the foregoing it is apparent that the proposed 56-hour work for the officers and members of the District of Columbia Fire Department will bring the Nation's Capital more favorably in balance with the cities that have already reduced the workweek of their firefighting forces.

The District's Fire Department at the present time has a total strength of 1,133 uniformed officers and privates. Of this total figure, 1,062 members are assigned to the firefighting division, and this is the class of personnel that will have their workweek reduced by the provisions of this bill. Their salaries will not be affected by the shortening of the workweek. The remaining 71 officers and privates, assigned to the nonfirefighting division of the Department, will not be affected inasmuch as they are already working a 5-day, 40-hour week. The activities of the nonfirefighting members of the force relate to communications, training, fire prevention, and maintenance.

Enactment of this bill will cost the District government $377,234—8 months—in fiscal year 1962 and $550,586 for fiscal year 1963. The major portion of the money will be needed to obtain an additional 84 men to augment the existing 1,062 officers and privates of the firefighting force as the existing 60-hour workweek is cut back to the 56-hour workweek.

The committee is of the firm opinion that the reduction of the firefighters' workweek as proposed in the bill, is highly desirable. Of particular import is the fact that the bill will remove in part an inequity that now exists in the matter of total hours worked per week by the officers and members of the District Fire Department, compared to the 40-hour week worked by the other District employees, including members of the Metropolitan Police Department.

During the hearing on the bill, which was held on April 28, 1961, the committee was made fully cognizant that firefighting entails much risk and is one of the most dangerous, hazardous, and arduous occupations. A representative of the Firemen's Association, District of Columbia Local No. 36, International Association of Firefighters, testified at the hearing in favor of this legislation, and in his testimony, attention was directed to a survey of 1,200 cities that revealed the rate of on-the-job injury of firefighters to be six times as great as that of the average American worker. A report was also presented from the Monthly Labor Review of June 1947, that disclosed firefighters led all industrial workers in deaths attributed to cardiovascular diseases. Similarly, other testimony was presented that indicated organic heart disease and cerebral hemorrhage to be a major cause of death of firefighters.

Reducing the workweek for officers and members of the District of Columbia Fire Department to 56 hours will in some measure lessen the exposure time of individual firefighters to inhalation of smoke and gases and also prolonged periods of sudden and violent exertion. In the opinion of the committee, this fact in and of itself may have a beneficial effect on both the mental and physical well-being of the firefighters.

The committee recognizes that the reduced workweek will improve the overall efficiency of firefighters while on duty, as has been the case in industry. It is a commendation of the officers and members of the District of Columbia Fire Department that while working long hours, they have always maintained a highly efficient firefighting operation. The National Board of Fire Underwriters, among major cities, has rated the District of Columbia Fire Department in class I for the past 21 years. This is, indeed, a cherished honor for at the present, only two other cities are included in this category, and one of these has just recently attained the recognition.

The committee, during the hearing on the bill, received supporting testimony for enactment of legislation to reduce the workweek of the District Fire Department, from the International Association of Fire Fighters, the District of Columbia Firemen's Association, Local No. 36, and the Greater Washington Central Labor Council, AFL–CIO. No witnesses appeared in opposition to a shorter workweek.

The committee fully recognizes the importance of a continued effort to reduce the workweek for the officers and members of the District Fire Department. The committee after careful consideration concluded that the 56-hour workweek should be enacted as of now, and that in the next session of Congress careful study should be given to a further reduction of the workweek to 48 hours. The committee thought it unwise to further burden the District government with meeting the expenses incident to any large reduction in the existing workweek of the firemen when the District is at this very time having considerable difficulty in meeting the financial requirements that are already budgeted for fiscal year 1962.

SECTION-BY-SECTION ANALYSIS

The first section reduces the workweek for the firefighting division from 60

hours to 56 hours; it reduces the maximum workweek for other divisions of the Fire Department; and it authorizes the Commissioners to designate the workday shift, and the holiday workday shift when such shifts begin on one day and end on another.

Section 2 authorizes the suspension of granting of days off when an emergency exists necessitating continuous service of all or some of the officers and members of the Fire Department.

Section 3 authorizes members of the Fire Department to volunteer to work on their days off when there are vacancies in the Department.

Section 4 deletes wording in present law so as to conform present law with provisions in the first section of the bill.

Section 5 establishes the formula for computing the hourly rate for the firefighting division of the Fire Department and a formula for the remaining divisions of the Fire Department.

Section 6 establishes a leave formula for the day and night shifts of the firefighting division so as to facilitate the administration of the leave provisions of present law.

Section 7 establishes the effective date of the act to be the first day of the first full pay period beginning at least 60 days after its approval.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 4892) was laid on the table.

JOHN PHILIP SOUSA MEMORIAL

Mr. KEARNS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KEARNS. Mr. Speaker, I should like to address these remarks to the chairman of the House District Committee, the gentleman from South Carolina [Mr. McMILLAN]. I am wondering if I will be able to get my bill up for the John Philip Sousa Memorial. It was on the calendar 2 weeks ago and was passed over. I would certainly like to have consideration of this bill either on the Consent Calendar or otherwise before adjournment of this body.

Mr. McMILLAN. Mr. Speaker, if the gentleman will yield to me, I can assure the gentleman that nothing would give me more pleasure than to call up his bill and I shall do that as soon as I can get clearance from the Speaker. I hope that will be before adjournment.

Mr. KEARNS. Mr. Speaker, I thank the gentleman.

TO INCREASE RELIEF OR RETIREMENT COMPENSATION OF MEMBERS OF METROPOLITAN POLICE FORCE, FIRE DEPARTMENT OF DISTRICT OF COLUMBIA, ETC.

Mr. JAMES C. DAVIS. Mr. Speaker, I ask unanimous consent for the immediate consideration in the House as in Committee of the Whole of the bill (S. 1528) to increase the relief or retirement compensation of certain former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service; and of widows and children of certain deceased former officers and members of such forces, department, or service.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, do these bills that the gentleman is calling up have his personal approval?

Mr. JAMES C. DAVIS. Yes, sir; they do. I would be glad to explain the bill, if the gentleman wishes.

Mr. HOFFMAN of Michigan. No; if they suit the gentleman, it is all right with me.

Mr. JAMES C. DAVIS. Mr. Speaker, I thank the gentleman.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the amount of relief or retirement compensation payable to each officer or member of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, or the United States Secret Service Division who retired under section 12 of the Act approved September 1, 1916 (39 Stat. 718), as amended, prior to the effective date of the Policemen and Firemen's Retirement and Disability Act Amendments of 1957, approved August 21, 1957, shall be increased 10 per centum beginning on the effective date of this Act.

SEC. 2. Each widow or child who, on or after the effective date of this Act, was receiving or is now receiving or shall hereafter be entitled to receive relief or annuity by reason of service in the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, or the United States Secret Service Division, of a deceased former officer or member who died in the service of any such organization prior to the effective date of the Policemen and Firemen's Retirement and Disability Act Amendments of 1957, approved August 21, 1957 (71 Stat. 391), or who retired prior to such effective date, shall be entitled to benefits computed in accordance with the provisions of subsection (k) of section 12 of the Act approved September 1, 1916 (39 Stat. 718), as amended (sec. 4–531, District of Columbia Code, 1951 ed., supp. VIII).

SEC. 3. Nothing in this Act shall be deemed to reduce the relief or retirement compensation any person receives, or is entitled to receive, on the date of approval of this Act.

SEC. 4. The effective date of this Act shall be the first day of the first month following the date of its approval.

Mr. JAMES C. DAVIS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. JAMES C. DAVIS. Mr. Speaker, the purpose of this bill is twofold; it will—

First. Provide a 10-percent increase of present annuity to those former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the Secret Service, who retired prior to October 1, 1956; and

Second. Extend the benefits of the the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 to the widows and surviving minor children of deceased firemen and policemen, of the various forces, who died prior to the effective date of the 1957 amendments.

Since the present monthly rates for widows and children are $125 for widows and $25 for each child, and since these rates have remained unchanged in a decade, an adjustment for these dependents is overdue. The cost of this section of the bill is estimated to be $4,696,000 for the remainder of the potential life expectancy of widow beneficiaries. At the present time there are 643 widows and 69 dependent children. These benefits will become effective the first day of the month following the date of enactment of this act.

The increased benefits for a widow and one child would rise from the present $150 a month to $200 per month. The formula for computing the increased benefits to such widows and children, follows the civil service formula for similar situations when an employee dies in active duty status. This section of the bill would place on a complete parity the protection accorded the surviving dependents of men who died prior to the effective date of the 1957 amendments and the survivors of men who died after the effective date of the amendments.

Careful consideration was given to the proposition that the retirees who do not have the benefits of the 1957 amendments should be accorded the same benefits as those former members who retired subsequent to the effective date of the 1957 amendments. To do this, however, based on a prospective application, would involve expenditures of a magnitude of over $16 million over the life expectancy of the retirees. It was pointed out that under the equalization clause of the present retirement system, which has been in operation since 1923, automatic increases in retirement annuities occur whenever a pay raise for active members of the force is granted.

The cost of the 10-percent increase is $4,944,000. There are 960 men with 33⅓ years of service or less, 15 men with 34 years of service, 30 men with 35 years or more, who have retired on disability, who will be affected by the passage of this act. There are 64 men with less than 30 years of service, 66 men with 30 or more years of service, who retired voluntarily, who are affected by this bill, making a grand total of 1,135.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

WORK OF HOUSE DISTRICT COMMITTEE, 1ST SESSION OF THE 87TH CONGRESS

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes, and revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McMILLAN. Mr. Speaker, I want to take this opportunity to thank the Members of the House and especially the members of the House District Committee, for the cooperation and assistance they have given me as chairman of the House District Committee during the 1st session of the 87th Congress. The chairman of the House District Committee, as you probably know, is under pressure at all times from the local press to pass legislation that suits them regardless of whether it suits the people of the United States and the residents of the District of Columbia.

During the present session of Congress, my committee has held more hearings and worked longer hours on District legislation than in any previous session that I can remember during the 23 years I have been a member of the House District Committee.

We have spent more than 100 hours in subcommittee and in full committee hearings during the past 8 months. The House, in my opinion, has passed some important legislation vitally affecting the District of Columbia—these include the bills to amend the Mallory ruling and the Durham rule, the voting bill and a number of other pieces of legislation now pending before the other body, including the sales tax bill which the House passed June 27, 1960 and on which no action was taken by the other body before we adjourned September 3, 1960. We again passed the sales tax bill adding 1 cent to the present 2-cent sales tax in March 1961, and during the past 3 weeks the other body passed the sales tax bill and added the following 10 new tax items:

First. Increase present 2-cent sales tax to 3 cents.

Second. Increase cigarette tax from 2 cents to 5 cents per pack.

Third. Increase tax on spirits and alcohol from $1.25 per wine gallon to $2.

Fourth. Make incorporated and unincorporated business income and franchise taxes due and payable in full at time return is filed.

Fifth. New tax on deeds submitted to the Commissioners for recordation, of five-tenths of 1 percent of the consideration for the deed, with a minimum of $1. In absence of a consideration for the deed, tax shall be based upon fair market value. Exempt from this are deeds to properties acquired by District of Columbia or U.S. Government, and properties acquired by certain parties for tax-exempt usages.

Sixth. Authority to Commissioners to increase water rates by not more than 25 percent of rates in effect on January 1, 1961, in increments as required.

Seventh. Authority to Commissioners to increase sanitary sewer service charge from present maximum of 60 percent of the water rate to a maximum of 75 percent, in increments as needed.

Eighth. Increase authorized Federal payments to the District of Columbia general fund from $32 million per year to $36 million.

Ninth. Establish in the highway fund a "Parking fee account," consisting of all parking meter revenues and money now accumulated by the Motor Vehicle Parking Agency. This money to be used to maintain District of Columbia highways, including snow and ice removal—as supplement to, not replacement of, present method of financing highway maintenance—and for acquisition of additional public parking facilities.

Tenth. Include District of Columbia in the program for aid to impacted school areas. This would bring about $5 million annually from an HEW grant.

We, of course, do not have time before adjournment to hold hearings on all 10 of the items added by the other body and the people affected by these new proposed taxes should be given an opportunity to be heard before they are required to pay an additional tax.

If the District government is so much in need of additional revenue, it seems to me that they would urge the passage of the sales tax bill which we passed here in the House in June 1960 which has been almost 14 months, and which by this time would have collected approximately $12 million. This new 1-cent sales tax increase does not cover food and I cannot see why there should be any objections on the part of the people who pay no other type of taxes in the District of Columbia and yet fill our schools and enjoy the protection of the Police and Fire Departments. I should think they would be glad to pay this 3-cent sales tax.

The press has mentioned only slightly two of the additional taxes and they are the cigarette and alcoholic beverage tax, and no liquor wholesaler or retailer has written me objecting to the additional proposed tax on alcoholic beverages. However, the press has intentionally refrained from mentioning the proposed four additional million dollars Federal payment, the $5 million impacted school area item, the additional corporation tax, and real estate sales tax as they know that these taxes would not be popular among the residents of the District of Columbia or the Members of Congress.

I have never refused to go to conference on the sales tax; however, I am of the opinion that the House does not have time to go thoroughly into the additional taxes added by the other body during the past 3 weeks. I am certain that if action had been taken on the additional taxes included by the other body during the month of March when we passed the sales tax bill, my committee would have had time to take action on the 10 additional items included in the sales tax bill.

My committee has been successful in having the House pass more than 30 important bills this year, and these have been pending before the other body for several months. You have heard no objections expressed by the press on this subject; however, when we hold up one bill in the House committee, my name is spread all over the headlines. I will give you the numbers of the bills the House has passed, for the RECORD, some time before the Congress adjourns.

Again, I want to thank every Member of the House for the wonderful cooperation they have given my committee during the 1st session of the 87th Congress.

I am amused at three news items which appeared in the Washington press Sunday, September 10, 1961. One item, written by a Washington Post reporter stated that I was holding up the voting bill. This is absolutely a false statement, as no news reporter has talked to me concerning a national voting bill. I was responsible for having the subcommittee and the full committee report this bill to the floor of the House and was successful in having the House pass this bill on August 14, 1961, and it was immediately referred to the other body for consideration.

I, of course, will immediately appoint conferees if the other body passes a different version of the bill which passed the House. This is the type of reporting we are getting here in the city of Washington, and if I could read once the truth in the Washington press concerning any legislation which comes out of the House District Committee, I think I would have heart failure.

I also noticed another item in the press written by an Evening Star reporter bearing headlines concerning a Capital transit bill which passed the Senate last week. I note that the newspaper gave only about 2 inches space on this bill when it passed the Senate, and did not even give it a title as it was mixed up in a writeup concerning other legislation which has passed the Senate.

I can see nothing unusual about the polling of the committee, as that has always been done since I have been a member of the House District Committee. The committee has always used this method of contacting members to get their views on legislation which has passed the Senate after the House District Committee's last full meeting of the session. I expect to contact the members of my committee concerning all bills which passed the other body since our last full committee meeting in an effort to find out if they desire me to call these Senate-passed bills up on the floor of the House for consideration before we adjourn.

Mr. JAMES C. DAVIS. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield to the gentleman from Georgia.

Mr. JAMES C. DAVIS. With reference to the statement the gentleman just made, that one of the local papers had attacked him for holding up the voting bill, I would just like to say this: The gentleman has not held up the voting bill. It was referred by him to a subcommittee of which I had the privilege of serving as chairman. That subcommittee held detailed hearings on the bill.

We invited every interested person and every interested organization to appear before the subcommittee to state their views, and many of them did. We held open hearings for days. After that we held executive sessions, wrote up the bill, recommended it to the full committee, the full committee reported it favorably, and it passed this House promptly.

Mr. KEARNS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KEARNS. Mr. Speaker, under unanimous consent from the House, I extend my remarks following the remarks of the chairman of the full Committee on the District of Columbia, the gentleman from South Carolina, the Honorable JOHN L. MCMILLAN, and those made by the chairman of Subcommittee No. 3, the gentleman from Georgia, the Honorable JAMES C. DAVIS, on which subcommittee I have the honor of serving.

Mr. Speaker, it is my privilege as second ranking member on the full Committee on the District of Columbia, to support the firm statement made by my chairman, the gentleman from South Carolina, the Honorable JOHN L. MCMILLAN, as to our position on legislation affecting the District of Columbia.

Also, I would like in behalf of the gentleman from New Jersey, the Honorable JAMES C. AUCHINCLOSS, the senior member on the committee, to express sincere faith in our chairman, the gentleman from South Carolina, JOHN L. MCMILLAN, and his untiring effort to report to the floor of the House legislation that was essential to the everyday life of our Capital City.

Then, too, I would like to pay tribute to the Members on both sides of the aisle in our committee for their respect and attention to the call of the Chair on the 26 or more bills that we reported, and especially to the gentleman from Georgia, Judge DAVIS, chairman of Subcommittee No. 3, of which I happen to be ranking member. All of these Members put forth every effort to report legislation that was most essential and to the best interests of the citizens of the Nation's Capital.

Chairman MCMILLAN pointed out that it was often a thankless job serving on the District Committee. I agree and I would like to say, as ranking member of the House Committee on Education and Labor, that had before it 54 percent of the administration's entire program, there were many times when it was a problem for me to find time to answer the call of the chairman of the District Committee or of the chairman of Subcommittee No. 3, and to be present when we had important legislation in hearings pertaining to the District of Columbia.

To me, and I am sure Chairman MCMILLAN agrees with me, the way the Congress of the United States works—if you are to be a good Congressman, find time for your assignments—report and do your job most diligently.

Therefore, in behalf of Mr. AUCHINCLOSS and all the Members of the majority and minority, I wish to state that I am personally satisfied that we have served well and have accomplished much under the able leadership of Chairman JOHN L. MCMILLAN.

INDIAN REVOLVING LOAN FUND

Mr. HALEY submitted a conference report and statement on the bill (S. 1540) to amend the law establishing the Indian revolving loan fund.

COL. JOHN R. DEANE

Mr. CAREY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CAREY. Mr. Speaker, I have no desire to prolong or revive discussion of a most regrettable incident which took place in West Berlin involving a controversial comedian. However, I notice that the Department of the Army has seen fit in the exercise of what it must consider the best dictates of military discipline to admonish the officer of a Berlin task force, Col. John R. Deane. Lest it be possible that Colonel Deane for the moment be better known for this admonition than his outstanding record of military performance I take this time to cite facts from my own personal knowledge which in my opinion mark this fine officer as one of the outstanding combat officers in any sector of our Defense Establishment. Colonel Deane was admonished for the exercise of poor judgment in a most limited instance. I have known Jack Deane since the date of his first assignment as a second lieutenant, graduate of the U.S. Military Academy. I came out of OCS and together we joined the 104th Infantry Division then forming in Oregon, soldiered together, trained together, and I had the opportunity to watch his advance from lieutenant to captain to major to lieutenant colonel, the last two ranks gained in European combat. My deep regard and respect for this officer is based upon personal observation of his exercise of judgment, devotion to duty, and valorous conduct under the most trying conditions. I do not hesitate to state that I would not be here today, nor would many of my comrades of the Timberwolf Division, were it not for the conduct of Colonel Deane. We fought side by side from Normandy to Belgium to Holland to Germany. I was with him when he received the Purple Heart and watched the removal of his unconscious body from a mine field along with that of another who did not survive. Because of these two this field mine was located and saved hundreds of lives and innumerable casualties.

I was with him and saw his performance which earned him the Bronze Star, the Silver Star, and Croix de Guerre. He has since received other decorations by reason of his outstanding command and staff performance in many echelons. I know the commanding general of our division, the great Terry Allen of Texas, shared my pride and satisfaction in the work of John Deane in combat. He is one of the best schooled officers in the Army. Although I am not a graduate of the Military Academy I know his classmates look upon him as one of their outstanding members. With him I attended service schools at Fort Benning, Ga., and elsewhere. His record at the Command and General Staff School at Leavenworth, in airborne training, in the research and development branch of the Army, as an aide to the Secretary of the Army, and on other assignments is most commendable. Those of my colleagues who have had the responsibility of acting as combat commanders in sectors of extreme tension will recognize that the visits of celebrities and VIP's directed from the rear are often an irritation and distraction for any officer whose preoccupation must be with his troops and the enemy situation. I hope the Defense Department will, in the exercise of its judgment, prevent any future occurrences by barring visits of any such persons to military officers who are often defenseless from the rear. I assure my colleagues that on his record and my personal association with John Deane as a friend and comrade of 19 years that our interests in Berlin could be no better served than by having this valorous, dedicated, and capable officer in command of this task force. I hope that when the next occasion for recognition of this fine officer arises that this admonition will be expunged and forgotten by the momentous record which he has to his credit and that his ability to serve his country in higher rank with increased responsibility will not be impaired by this unfortunate incident which was so little of his doing and by reason of which he now suffers this most deplorable, but I hope momentary, notoriety.

WE MUST MEET OUR OBLIGATION

Mr. GEORGE P. MILLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include an editorial.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GEORGE P. MILLER. Mr. Speaker, I would like to call the attention of the House to an editorial that appeared today in the New York Times. It is an editorial that shows the inherent sense of American fairness that as an American I am proud to hail in a newspaper representing an important sector of American public opinion.

Because I am convinced of the justice of the Philippine war damage claims, I have in years past sponsored bills to fulfill an obligation that we owe the Filipino people. This year I was hoping that we could wipe out that debt. The Filipinos showed their sense of honor when several months ago they paid in full their debt to us of more than $23 million, money that they borrowed from us to use in their fight against communism. We have faith in the wise leadership of President Carlos P. Garcia, who signed the law outlawing the Communist Party from the Philippines and who invited

our Government to establish our missile bases in the Philippines at a time when our NATO allies were against allowing us to have our bases in their respective territories. He has succeeded in placing his country on a sound economic basis.

The Philippine spokesman in this country, Gen. Carlos P. Romulo, has been pleading for the passage of this bill all these years. We all know him and we know what a courageous fighter he has been for freedom. He has repeatedly said—and justly—that "justice delayed is justice denied." We must not disappoint our friends. And the Filipinos should not be made to feel that we are taking them for granted. This impression must not be allowed to gain currency in the Philippines.

That is why an editorial such as that of the New York Times should reassure them that we mean to be fair to them.

AN INJUSTICE TO THE PHILIPPINES

For more than a decade the United States has failed to make good on an obligation to the Philippines for unpaid damages arising out of fighting on Philippine territory during the Japanese war.

An appropriation by Congress in 1946 fell short by $73 million of meeting the total amount of damages. Since 1950 efforts have been made to get congressional authorization for the unpaid portion; but year after year, for one reason or another, Congress has failed to complete the necessary action. This year, as a result of obstruction in Representative HOWARD W. SMITH's Rules Committee, the same old story has been repeated once again.

There is a majority in both the Senate and House for a measure sponsored by Representative ZABLOCKI, of Wisconsin, authorizing the $73 million; the White House and the State Department are emphatically for it, but Representative ZABLOCKI has been unable to get the bill out of Rules. In the recess fever now affecting Congress, the bill has once more been prevented from getting to the floor of the House by an adverse Rules Committee vote.

Philippine patience is justifiably wearing thin. What seems a small matter in this country is a serious cause of national irritation in the Philippines. An aid appropriation is not involved. The most committed and friendly ally of the United States in Asia is simply asking for a sum that we have promised and which is long overdue. Congressional negligence on this matter contrasts sharply with the prompt payment recently by the Philippines of the final $20 million installment on funds advanced by the United States to the Philippine defense forces during and after World War II.

SMALL BUSINESS ADMINISTRATION

Mr. VANIK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Speaker, it has just come to my attention that a former resident of Cleveland and promoter of a small business investment company known as the Cosmopolitan Small Business Investment Co., Inc., absconded with all of the assets of the small business investment company including $150,000 in Federal funds which this particular small business investment company obtained from the Federal Government through the Small Business Administration.

The Cosmopolitan Small Business Investment Co. was capitalized at $300,000 of which $150,000 was provided by the Small Business Administration. Through astounding circumstances all of the assets were placed in the custody of the promoter who departed the country and took the assets along with him.

I am shocked that this incident was possible. It seems to me that the Small Business Administration must exercise tighter controls with respect to the custody provisions for the assets of small business investment companies, particularly those which include Federal funds. Steps must be taken to insure against repetition of this unfortunate incident.

PROHIBITING ECONOMIC STRIKES

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. KEARNS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KEARNS. Mr. Speaker, in 1953 and again in 1955, I introduced bills which would, in effect, prohibit economic strikes unless a majority of the affected employees voted for the strike. Today I am again introducing such a bill.

At this critical time our country can no longer afford the luxury of economic strikes which are unnecessary or against the wishes and better judgment of the employees directly involved. All too often at our missile bases and in our key industries we have seen strikes of this nature called by a union or precipitated by an employer because the will of the majority could not make itself known. The time has come to put an end to such wasteful practices.

Under the provisions of this bill, a union would be prohibited from calling an economic strike unless a majority of the affected employees vote in a secret ballot for such a strike. In the event a strike is called prior to such balloting, or in case a majority of the employees did not vote for such a strike, the employees who go on strike would lose the protection provided by the Taft-Hartley Act. In addition, the union that called such a strike would be committing an unfair labor practice. The National Labor Relations Board would have the authority to order the union to cease and desist and, if necessary, enjoin such a strike by obtaining a 10(j) injunction from the U.S. district court.

At the present time, strikes which are in violation of section 8(d) of the Taft-Hartley Act are processed in this manner by the NLRB. This bill, while providing similar penalties to those set forth in section 8(d), would be coordinated with the provisions of that section. Thus, where there is a collective bargaining agreement the employees would be prohibited from striking until after the 60-day notification period has elapsed and a secret ballot authorizing such strike has been taken.

On the other hand, if the economic demands are supported by a majority of the employees, there will be nothing to prohibit their striking. Moreover, the balloting which conclusively demonstrates such support will also strengthen the union's hand in its negotiations and will help to avoid many strikes that are now caused by an employer's miscalculation.

I believe that the enactment of this bill will signal the return of an essential democratic concept to an area where it is now all too often missing. Moreover, it should dramatically reduce the number of economic strikes that now plague and handicap us.

UNFAIR ATTACK ON LAW-ENFORCEMENT OFFICERS

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BECKER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BECKER. Mr. Speaker, I am inserting in the RECORD today a letter I have just written to the general manager and editor of United Features Syndicate, Inc., protesting the recent installments in the "Li'l Abner" comic strip. My reason for this protest is due to the offensive, demoralizing, and grossly unfair smear of the Nation's law-enforcement officers.

This comic strip which has depicted police officers taking bribes from criminals and other corrupt practices is one of the most unfair attacks on a great group of dedicated law-enforcement officers throughout our country. Certainly there have been exceptions, but this is true in any walk of life and I do not think a responsible press, and particularly in comic strips, would inject in the minds of children a disrespect for constituted authority.

I am appalled to think that the syndicate or the numerous newspaper publishers would permit this series of scurrilous attacks on our Nation's devoted police officers, Federal, State, and local.

In New York City just this year, several police officers have died in the line of duty and over 1,500 have been attacked, brutally beaten and injured in the line of duty. I believe that more attention should be given to this aspect and the creation in comic strips of respect for law and order and I feel our society would be much bettered thereby.

It is offensive and grossly unfair and I sincerely hope that the letter I have sent protesting this present series will have the desired effect.

The letter follows:

SEPTEMBER 6, 1961.

Mr. LAURENCE RUTMAN,
General Manager and Editor,
United Features Syndicate, Inc.,
New York, N.Y.

DEAR MR. RUTMAN: I am appalled by the recent installments in the "Li'l Abner" comic strip, and I am astounded that any responsible publisher would expose them to the American public.

The conscientious, devoted men who comprise our law-enforcement agencies through-

out the country have earned fairer treatment than you and Mr. Al Capp have afforded them. It must be discouraging, indeed, for those police officers who patrol in front of your home and Mr. Capp's every night to know what little gratitude you have for their vigilance.

The experts tell us that one of the primary causes of juvenile delinquency is that the young offenders lose respect and confidence in constituted authority. I am sure you will agree that the current offerings of Mr. Capp are not doing much to preserve their respect for the integrity of authority.

Very truly yours,

FRANK J. BECKER,
Member of Congress.

THE FEDERAL ROLE IN EDUCATION: A POLICY

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. GRIFFIN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. GRIFFIN. Mr. Speaker, for the good of education and the Nation, I hope that a recent vote in the House of Representatives has demonstrated to the doubtful that a significant majority in the House of Representatives—who reflect the views of the people—do not believe that the centralized Federal Government should assume a primary or major role in the financing—and control—of elementary and secondary education.

Last week the House voted to extend for 2 years the National Defense Education Act as well as Public Laws 815 and 874, which apply to federally impacted areas. However, a week earlier, the House refused, by an overwhelming vote of 242 to 169, to consider a comprehensive legislative "package" which would have put the Federal Government well on the road toward an all-out, across-the-board program of general Federal aid to elementary and secondary education.

To be sure, the resounding defeat administered to the "foot in the door" general Federal aid package can be attributed in large measure to highhanded procedural tactics which were employed by some Democratic leaders. There are those who believe that the primary purpose of the maneuver was to shift political blame. However, even though the vote may have served that purpose for some, I am convinced that the significance of the vote went beyond a slap at procedural tactics.

In my opinion, the vote in the House registered an underlying, often unexpressed—but deep-seated—conviction on the part of most Members of Congress, and most Americans, that the long-range interests of our Nation will best be served by keeping the primary responsibility for financing—and controlling—elementary and secondary education close to the people, at the State and local levels of government.

This Congress is overwhelmingly controlled by the Democratic Party. The House vote was a reaffirmation, I believe, of a view held by Thomas Jefferson and the Founding Fathers that there are at least some functions of government which are best handled by the people themselves—and should not be delegated to the centralized Federal Government.

If my analysis of the temper of Congress—and of the people—is correct, then education and the Nation as a whole would be greatly benefited by a clear and definitive statement now as to the Federal role in the field of education. Such an enunciation of fundamental policy would be most meaningful and effective if it were to come from the President, as well as from the Congress. Such a declaration should sweep away the cobwebs of confusion and uncertainty by clearly defining and delineating responsibilities in the field of education.

I believe it is time for a clear declaration of policy that in this field the Federal Government will confine its participation primarily to the level of higher education, and that the responsibility for financing and controlling elementary and secondary education does, and should continue to, rest squarely on the State and local levels of government.

Such an enunciation of policy concerning the Federal role in education could serve several important purposes: First, it would spur into action some States and school districts which have been holding back and delaying their efforts because of political promises of Federal aid; second, it would mean that the Federal Government could concentrate its assistance in the area of education where there is now the greatest need; and third, in some measure, significant Federal assistance at the level of higher education should increase the level of funds available at the State and local levels for elementary and secondary education.

As a nation, we desperately need a definitive statement of basic policy delineating the legitimate and proper role of the Federal Government in education. It is apparent that many of those who call themselves liberals do not recognize any limits or bounds concerning the ultimate Federal role in this field. On the other hand, many ultraconservatives are completely unrealistic in their demand and contention that the Federal Government should have no interest and play no part whatsoever in education.

I believe that this somewhat hazy, fuzzy philosophical impasse, which has retarded progress, could best be resolved—and the Nation could get off "dead center" on the Federal aid to education issue—if it were made clear, as matter of national policy, that the major thrust and effort of the Federal Government is to be concentrated in the area of higher education.

There are a number of good reasons why such a national policy would be sound and sensible:

First. Even if it were otherwise appropriate, the Federal Government should not, and could not, assume the gigantic burden of financing education across the board in all its phases and at all levels. The experiences of the recent past have pointed up, it seems to me, that when the Federal Government tries to be the patron of all, it can end up being the benefactor of none.

The cost of education at all levels, and in all its phases, is so great and so burdensome that it should not be shifted, gradually or otherwise, to the Federal Government which already is overburdened with costly functions, many of which cannot be handled at any other level of Government.

Second. The Federal Government may have an indirect interest in education generally, but it has a direct and immediate interest in the products of our colleges and universities. This is obvious when one considers the Federal responsibility in such fields as defense, foreign affairs, and space. From the pool of college-trained people must be recruited the men and women who undertake the tasks which have the highest national priorities.

Third. If the Federal Government does not provide some support in the area of higher education, there is grave risk that such support will not be adequately provided otherwise. In large measure, the task of providing education beyond the high school is performed by institutions which are interstate or national in character. A large percentage of college and university students come from States other than the State in which the institution happens to be located. It is not altogether logical or reasonable to expect local and State governments to provide all of the support needed by such institutions.

I believe it is significant to recognize also that the average local taxpayer feels a sense of direct responsibility to provide adequately for the local elementary school down the block which is attended by his children and his neighbors' children. But he is not so likely to feel the same sense of responsibility with respect to a college or university located in another part of the State.

It is not reasonable, I submit, to expect the States to support completely the vast research programs needed in medicine, science, and other fields, the benefits of which know no State boundaries.

Last year the U.S. Office of Education prepared a study, at the request of the then Secretary of Health, Education, and Welfare Arthur S. Flemming, setting forth the needs and goals in the field of higher education during the next 10 years.

That study documents in sharp detail an impending crisis in higher education. The inevitable consequences of the high birth rate of the midforties, producing a tidal wave of young people, may have strained our elementary and secondary schools but it threatens to inundate our colleges and universities in the next few years.

Here are a few of the facts: College enrollments are expected to increase by more than 1 million during the next 5 years. Colleges will have to recruit more new professional staff in the next 10 years than we now have in the total higher education force of teachers, researchers and administrators. Salary budgets of colleges and universities will have to increase from about $2.8 billion in 1961 to $5.8 billion by 1967. Colleges will have to spend $8.6 billion in the next

5 years on physical plant expansion, renovation and replacement alone.

Significantly, the practical political obstacles to enactment of Federal legislation in this field are not as formidable in the area of higher education. The proponents of all-out, general Federal aid, who have been "beating the drums" for many years, cannot lay their failures at the doorstep of any one political party. It is rather a reflection of the sincere doubt on the part of a majority of our citizens, represented by Members of Congress in both major political parties, concerning the wisdom of transferring to the Federal Government the responsibility of providing general support for our public elementary and secondary schools. The potential dangers—whether real or imagined—of centralized Federal control of education deeply concern many people especially when Federal programs are aimed at our youth in their formative years. The parents of the Nation—with good reason I believe—instinctively insist that control of the education of our young children should be kept close to the home.

It might be noted that the problem of racial segregation is not so much an obstacle to legislation in the field of higher education. There are now only two States in which no progress has been made in the racial desegregation of public institutions of higher education, and every State numbers at least one desegregated private college.

In addition, there is good reason to believe that the constitutional doctrine requiring separation of church and state does not loom so great as an obstacle in the path of Federal assistance at the level of higher education.

The administration's "Memorandum on the Impact of the First Amendment to the Constitution Upon Federal Aid to Education," dated March 28, 1961, contains this interesting analysis:

> There are * * * important differences between school and college, not only in terms of history and tradition but also in terms of the compulsory nature of attendance. There are differences, too, from the standpoint of the national interest involved. At the college and graduate levels the public institutions alone could not begin to cope with the number of young men and women already in pursuit of higher education, and expansion of these institutions or the creation of new ones sufficient to meet the expected increase of enrollment is out of the question. The effort which it is agreed must now be made in the field of higher education would, if confined to public institutions, force an ever more intensive selection of students and ever more concentrated effort to guide them into fields of study deemed important to the national defense and welfare. It would likely induce these institutions to overemphasize particular fields of study to the detriment of a balanced curriculum. Such warping of our educational policies is not to be contemplated lightly, and, to the extent that Congress finds it appropriate to encourage expansion of our university and college facilities, Congress must be free to build upon what we have, the private as well as the public institutions.

Against this background, I should like to suggest some specific legislative programs in the field of higher education which I believe the Congress should undertake or continue—

First. Extension of the college housing loan program.

Second. Enactment of a program of matching grants and loans for the construction of academic facilities needed to accommodate increased enrollments in colleges and universities, with special emphasis upon the establishment and development of community colleges.

Third. Continuation and revision of the National Defense Education Act, with particular emphasis upon the titles which provide for: first, student loans, a program which I helped to initiate in the Congress, and the effectiveness of which has already been demonstrated; and second, graduate fellowships, designed to increase the Nation's supply of highly trained college teachers and other manpower.

Fourth. Allowance of a reasonable tax deduction or credit for the parent who pays tuition to send his son or daughter to college.

Fifth. Allowance of a tax deduction for teachers and nurses—and perhaps some others—for reasonable expenses incurred in taking advanced or graduate work—even though such advanced study is not required in order for them to hold their positions of employment.

In a sense, it can be said that over a long period of years, the Congress by its actions—and inaction—has already carved out and indicated the role to be played by the Federal Government in the field of education. With some minor exceptions, the Federal role in education throughout our history has been largely confined to the area of higher education. Milestone examples are the Land-Grant College Act, the GI bill of rights, and the National Defense Education Act.

I do not believe that the Congress has expressed itself in this manner by accident. I suggest that it would now be helpful if there were general recognition that the principal Federal interest and responsibilities in this field lie in the area of higher education. If this were acknowledged and clearly declared, as matter of national policy, the States and local governments could then get on with the challenging task of providing adequately for elementary and secondary education without the interference and delays which accompany the repeated promises and expectation of Federal aid.

SIMPLE FAIRNESS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, last week on Wednesday, September 5, the Committee on House Administration reported favorably House Resolution 397 and House Concurrent Resolution 384, which provide as follows:

H. RES. 397

Resolved, That there be printed for the use of the Committee on Un-American Activities, thirty-six thousand additional copies of a report numbered 2228, Eighty-sixth Congress, second session, prepared and released by said committee entitled "The Communist-Led Riots Against the House Committee on Un-American Activities in San Francisco, California, May 12–14, 1960."

H. CON. RES. 384

Resolved by the House of Representatives (the Senate concurring) That there be printed for the use of the Committee on Un-American Activities one hundred thousand additional copies of the report "Communist Target—Youth—Communist Infiltration and Agitation Tactics," Eighty-sixth Congress, second session.

Both of these were brought before the House on September 7 for immediate consideration and were passed.

The first report, entirely, and the second report, in great measure, are devoted to the student riot in the San Francisco city hall, May 13, 1960, during hearings of the House Committee on Un-American Activities. One of them, House Report No. 2228, contains the entire narration of the film "Operation Abolition" which, as you are all aware, has been the subject of much controversy throughout the country concerning its accuracy and some of the conclusions and opinions expressed in the film.

I rise today, not to raise a question concerning these reports in their entirety, but with regard to a specific statement of facts which is contained in both reports, and which purports to be an account of how the incident occurred which resulted in firehoses being used against the students in the San Francisco city hall on Friday, May 13, 1960. Since these reports were issued, there has been a trial by a jury in which the facts about this incident have been adjudicated. The jury determined that the incident, as contained in both these reports, did not, in fact, occur.

I am referring specifically to the following paragraph on page 11 in House Report No. 2228 which is also in the narration of the film, "Operation Abolition":

> One student provides the spark that touches off the violence when he leaps over a barricade, grabs a police officer's night stick, and begins beating the officer over the head. As the mob surges forward to storm the doors, a police inspector orders that the firehoses be turned on.

Similar language is contained in the J. Edgar Hoover report entitled "Communist Target—Youth":

> One of the demonstrators provided the spark that touched off the flame of violence. Leaping a barricade that had been erected, he grabbed an officer's night stick and began beating the officer over the head. The mob surged forward as if to storm the doors, and a police inspector ordered the firehose turned on. The water forced the crowd to the head of the balustrade, and the cold water had a sobering effect on the emotions of the demonstrators.

It is of interest to note that this particular incident is not shown in the film. Both of these reports were based on a police report made by Assistant Police Inspector Cecil Pharris, of the San Francisco Police Department. Officer Pharris testified at the trial and admitted that he did not see this alleged incident, and as a matter of fact, was not present at the time the officer was

alleged to have suffered the attack at the hands of the student, Robert Meisenbach, who was supposed to have hurdled the barricade. The officer who was the alleged victim, Patrolman Ralph E. Schaumleffel, also testified and admitted that the Hoover report and the Un-American Activities Committee reports were both wrong in their accounts.

As a matter of fact, no prosecution witness, much less any defense witness, backs up the account set forth in the two reports. At the trial both the prosecution and the defense testimony established that neither Meisenbach nor any student leaped over a barricade and attacked a policeman, that the encounter between Meisenbach and Officer Ralph Schaumleffel did not take place until after the fire hoses had been turned on the demonstrators. The jury obviously believed Meisenbach's testimony that he never hit the officer with a night stick which was the specific charge against him.

In the light of this, is it not proper, in the interests of truth and justice to the student who was tried and acquitted as well as to the other students, that these reports be changed to accurately reflect the true facts before they are released?

Chairman FRANCIS WALTER of the House Committee on Un-American Activities also admits that the following statement is incorrect:

Among the Communist leaders who had an active part in the San Francisco "abolition" campaign and the protest demonstrations was Harry Bridges, whom you see here being escorted out of the city hall by police officials moments before the rioting broke out.

In fact, Harry Bridges did not appear until after the rioting occurred and order was restored. This is acknowledged in the other report on page 8.

I am not, at this time, suggesting that these reports be changed entirely although there are a great many other statements in these reports that I challenge and have challenged as being inaccurate, distorted, and untrue. A number of newspapers throughout the country have also called upon the committee to revise the film and these reports to reflect the true facts as brought out in the Meisenbach trial. For example, the Washington Post on May 5, 1961, contained the following editorial:

FABRICATION

Another major distortion in the film "Operation Abolition" has now been firmly nailed down. The movie was put together by the House Committee on Un-American Activities by selecting and rearranging film clips taken at the time of the student riot in San Francisco just a year ago. It purports to show that the riot was instigated, organized, and led by Communists—a favorite theme of the committee which seems to feel that all criticism of its own activities is necessarily communistic. In the course of the film, the committee announcer, or narrator, says:

"One student provides the spark that touches off the violence when he leaps over a barricade, grabs a police officer's nightstick, and begins beating the officer over the head."

A great many people have wondered why none of the newsreel cameras recorded this interesting incident and why it was not shown in the movie. The answer appears to be that the incident never occurred. The student accused of assaulting the officer was tried before a jury of 12 in San Francisco; and after hearing all the evidence the jury came in on Wednesday with a verdict of acquittal. In point of fact the committee version of what happened was not supported even by the testimony of prosecution witnesses.

In addition to "Operation Abolition," the Un-American Activities Committee published a report on the student riot by J. Edgar Hoover, Director of the Federal Bureau of Investigation. The same canard is contained in this report. Mr. Hoover's account is in almost identical language:

"One of the demonstrators provided the spark that touched off the flame of violence. Leaping a barricade that had been erected, he grabbed an officer's nightstick and began beating the officer over the head."

Whether Mr. Hoover got the story from the committee or the committee got the story from Mr. Hoover makes little difference: It appears nonetheless to have been in error. Such errors of fact—exaggeration of student misbehavior or exaggeration of the participation of Communists—can lead, as we believe they did in this case, to grossly erroneous conclusions.

Let us try once more to set the record straight. Students in and around San Francisco engaged in an entirely legitimate political demonstration against the Un-American Activities Committee. The demonstration got out of hand—in some degree because of the committee's own conduct—and the students became noisy and unruly. The police, reacting with more force than patience, turned fire hoses on them.

The result was a riot. But though some Communists may have been among them and though the behavior of the students may have been reprehensible, communism had no more to do with the origin of this case than with a springtime panty raid on a girls' dormitory or the uprooting of a pair of goalposts at a football game.

The San Francisco Chronicle of May 5, 1961:

MEISENBACH TRIAL CLEARS ERRORS

Because Judge Neubarth's ground rules wisely limited the Meisenbach trial to the narrow issue of whether the University of California student did or did not beat a policeman with his own club, the public has today—almost a year afterward—a clearer idea of what happened at the city hall riot.

The jury found Meisenbach did not club the policeman. Its foreman explained that the jurors thought there was too much conflict in the prosecution's evidence to warrant any other conclusion.

In this way the jury system gives the benefit of presumption of innocence until proof of guilt removes all reasonable doubt. It is the American way—far more American than some of the past performances of the House Un-American Activities Committee—and it is very reassuring to see.

The trial served to expose two important errors in the riot report of the police, which related that Meisenbach jumped a barricade to seize Officer Schaumleffel's baton and set off the riot. It was conceded at the trial that no one jumped the barricade, and it developed that, far from having started the riot, the scuffle of Meisenbach and Schaumleffel took place after the firehose used to quell the riot had been turned off.

These errors have not remained embalmed in the police file; they have been carried from one end of the country to the other in the film, "Operation Abolition," which is said to have been seen by 10 million persons. The filmmakers perhaps cannot be blamed for having relied on an official police report, nor can Director J. Edgar Hoover of the FBI, who also hung his hat on it. But now that the errors are known, it seems the duty of the House Un-American Activities Committee to put out a new, amended version of the film, possibly to be called "Son of Operation Abolition."

The San Jose Mercury of May 5, 1961:

SO ENDS "THE RIOT"

Robert J. Meisenbach, a 23-year-old University of California senior, has placed the House Committee on Un-American Activities in a somewhat embarrassing position.

A San Francisco jury Wednesday found Meisenbach not guilty of clubbing a San Francisco police officer with the policeman's own night stick during last May's riot in San Francisco city hall.

Police and firemen turned water hoses on a group of students and others demonstrating against hearings the committee was holding at the time in city hall. Subsequently, the committee charged the demonstrations were Communist inspired and Communist led.

To bolster its position, the committee sponsored a film version of the disturbances, the now controversial "Operation Abolition." The film's narration charges that the riot was touched off when a demonstrator jumped police lines and started beating an officer over his head with his own night stick.

Some 63 demonstrators were arrested. All but Meisenbach were turned loose. He was tried on a charge of assaulting a police officer.

At his trial, both prosecution and defense testimony established that the encounter between Meisenbach and Officer Ralph E. Schaumleffel did not take place until the firehoses had been turned on the demonstrators. And the jury, obviously, believed Meisenbach's contention that he never hit the officer with the night stick, that he tossed it away as soon as it came to him in the process of being passed from hand to hand among the demonstrators.

Unless the House committee wishes to attack the integrity of the court or the jury that heard the Meisenbach case, it stands convicted of a grievous misstatement of fact regarding the manner in which the riot got underway. Such lack of regard for accuracy can only result in a further diminution of public confidence in the committee.

The House Committee on Un-American Activities will better serve the American people in their struggle against Communist subversion when it drops some of its own un-American activities—as for instance, writing history to suit its own convenience.

Americans like to think of this as a Communist rather than an American pastime.

Do we not as the House of Representatives have a responsibility to insure that any document printed with the imprimatur of this House is free of error? I think the answer must be "Yes." Simple fairness would seem to dictate that both reports should be amended to delete these statements which have now been conclusively shown to be in error.

INADEQUATE AWARD FOR DISTINGUISHED SERVICE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

Mr. HOFFMAN of Michigan. To our colleague, the gentleman from Michigan [Mr. FORD], the American Political Science Association at its 57th annual convention at St. Louis, Mo., awarded its citation for outstanding work in the national interest. The award was the only one given to a Republican in the House. It was a deserved citation won by our colleague for his overall service to the

party as well as a deserved tribute to his fine and helpful service on the House Committee on Appropriations.

STOP HELPING THE ARAB BOYCOTT

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, last Friday I sent letters to the Secretaries of State and Commerce expressing grave concern over the submissive reaction of the United States to the continuation of the Arab League nations' discriminatory boycott against Americans of the Jewish faith.

I have vehemently protested the actions of certain governmental agencies which aid and abet the Arab boycott. Through a policy of accommodation the U.S. Government has acquiesced in an invasion of American rights. Compliance with demands to separate our Jewish military personnel from our base in Dhahran, acquiescence in orders to send American surplus commodities to Arab countries in ships which do not trade with Israel, and advertising at public expense Arab calls for commercial bids which will only be accepted from U.S. business firms which are not "Jewish owned" or do not "employ a percentage of Jewish personnel," are particularly unfortunate instances of this policy.

I firmly believe that a boycott against an American business concern on the ground that it is owned or operated by persons of any particular race, religion, or ethnic origin, is contrary to American principles and traditions, and should definitely not be countenanced by governmental assistance.

We are suffering a loss which no self-respecting nation can afford—the loss of integrity and prestige incurred by submissiveness to affronts.

In concluding my letters to the Secretaries, I have urged a complete reexamination and reformulation of American policies and practices related to the Arab League nations' boycott and full implementation of the congressional mandate to utilize foreign assistance funds in a manner which will most satisfactorily give practical effect to American principles of fairness and equality.

The text of the letters to the Secretaries of State and Commerce follows:

SEPTEMBER 8, 1961.

Hon. DEAN RUSK,
Secretary of State,
Hon. LUTHER H. HODGES,
Secretary of Commerce,
Washington, D.C.

DEAR MR. SECRETARY: I am taking this occasion to express to you my profound concern and deep regret with reference to the policy and practice of the U.S. Government regarding the Arab League nations' boycott and the consequent invasion of American rights.

I vehemently protest the actions of our Government which aid and abet the discriminatory actions of the Arab League nations in their perpetration of a boycott against U.S. business firms which are "Jewish owned" or "employs a percentage of Jewish personnel." I firmly believe that a boycott against an American business concern on the ground that it is owned or operated by persons of any particular race, religion, or ethnic origin, is contrary to American principles and traditions, and should definitely not be countenanced by governmental assistance.

Regardless of the general overall intent of the Arab League's boycott, it is in effect a boycott against Americans. As a consequence of the boycott, and our policy with respect to it, we are suffering a loss which no self-respecting nation can afford—the loss of integrity and prestige incurred by submissiveness to affronts.

Through a policy of accommodation, the U.S. Government has aided and abetted practices of discrimination against our citizens and has acquiesced in the invasion of American rights. The acts against our citizens to which I refer are: The blacklisting of American companies having Americans of the Jewish faith among their officers, owners, directors, or even personnel; the denying of visas to Americans of the Jewish faith and the subjecting of such persons to indignities and affronts while passing through Arab League countries; preventing American military and civilian personnel of the Jewish faith from serving at an Air Force base built in an Arab country with American funds and maintained by the United States; and the rejecting of U.S. diplomatic personnel and aids of the Jewish faith qualified to perform duties in the league countries.

It is true that in several instances the Government has issued statements with reference to the boycott. Thus, in 1956, when the boycott was extended to companies having Jewish ownership or participation, the New York office of the U.S. Department of Commerce announced: "The United States does not recognize the boycott." But the appalling truth is that the United States has taken no effective action. Mr. Secretary, what I found intolerable under a Republican administration is even more detestable under the present administration. It is imperative that we do more than utter pious statements.

Until recent years, the resistance of the U.S. Government to practices of a foreign government discriminating against a class of Americans had been forthright, consistent, and unequivocal. For example:

When a foreign government protested the appointment of an envoy extraordinary and minister plenipotentiary of the United States, on the ground that he was married to a Jewish woman, Secretary of State Bayard, replying on behalf of our Government, declared:

"It is not within the power of the President nor of the Congress, nor of any judicial tribunal in the United States, to take or even hear testimony, or in any mode to inquire into or decide upon the religious belief of any official, and the proposition to allow this to be done by any foreign government is necessarily and a fortiori inadmissible.

"To suffer an infraction of this essential principle would lead to a disenfranchisement of our citizens because of their religious belief, and thus impair or destroy the most important end which our constitution of government was intended to secure."

Although this official resigned his commission, the U.S. Government declined to make another appointment. For several years thereafter the United States was represented in that country by a chargé d'affaires.

Citizens of the United States have justifiably come to expect that their Government would take an honorable and implacable stand against invidious discrimination against American citizens and the infringement of American rights by foreign countries. But these expectations have not been borne out in recent years. Not only have Government agencies acquiesced passively to the boycott, they have served actively, in many instances, as its instruments.

The Department of Defense has deferred to Saudi Arabia's exclusion of American Jews from the Air Force base maintained in Dhahran by the United States.

The Department of Agriculture and the Commodity Credit Corporation have assented to contracts which prohibit vessels carrying surplus commodities to Arab countries from calling at Israel water or ports. The existing law requires that half of the deliveries sent abroad must go in American bottoms. The effect of the Department's assent is that we have permitted Arab governments, by constructing a blacklist, to render certain American vessels and owners ineligible for carrying these shipments.

The situation in the Department of Commerce is equally appalling. Through the medium of publicity releases, the Department advertises calls for bids in the United States by the Arab League nations presently engaging in discriminatory purchasing practices. Such cooperation is shocking and unpardonable.

When Mr. Al S. Waxman, of Waxman Publications, Inc., Los Angeles, Calif., wrote to the Secretary of Commerce protesting these publicity releases and presenting incontrovertible evidence of discriminatory practices in the calls for bids, his communication was sent to the State Department. Mr. Waxman received a reply from Mr. Nicholas G. Thacher, Deputy Director, Office of Near Eastern Affairs, which stated, among other things, that "the U.S. Government, as a matter of settled policy, neither recognizes nor condones discriminatory procedures of foreign business firms or governments." I cannot believe that the Department of State is unaware of the boycott activities of the Arab League nations. In light of this, I cannot understand why we continue to publicize these discriminatory calls for bids. This is not only recognizing discriminatory procedures, it is condoning them with support and assistance. This is intolerable, and I vigorously protest the continuation of such practices.

On September 5, the House adopted an amendment to the foreign assistance appropriation bill which provides that "it is the sense of Congress that any attempt by foreign nations to create distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other rights otherwise available to U.S. citizens generally is repugnant to our principles; and in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this title these principles shall be applied as the President may determine."

Mr. ROONEY stated that the objective of this amendment, which he introduced, was to protect American citizens against distinctions because of their race or religion by foreign nations. Mr. HALPERN, in a spirit of bipartisanship, declared that "nothing short of this amendment is satisfactory to carry out the sense of Congress as expressed heretofore in previous appropriations bills and it fulfills the principle espoused by the President linking social justice and morality to our foreign aid program. It is a clear declaration of principle and a concomitant of American aid."

Mr. Secretary, I respectfully urge a complete reexamination of U.S. policy and practice relative to our reactions to the Arab League nations' discriminatory boycott. I further urge that the United States totally abstain from any form of cooperation with

the Arab League's boycott activities, fully implement the policy established by the Congress, and, in addition, seek to use the influence of our Government to eliminate such distressing practices.

Very truly yours,

JAMES ROOSEVELT,
Member of Congress.

THE COMMON MARKET AND THE FREE WORLD: IF YOU CAN'T LICK 'EM, JOIN 'EM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 30 minutes.

Mr. REUSS. Mr. Speaker, the figures just reported by the Department of Commerce on the U.S. balance of payments for the second quarter of 1961 remind us that our international trade and payments problem has by no means been solved. Our second quarter figures show that our exports have declined, and our imports have risen. This makes it all the more imperative that we redouble our efforts to eliminate our basic deficit.

Methods of eliminating the basic deficit were the subject of recommendations of the Subcommittee on International Exchange and Payments, Joint Economic Committee, of which I have the honor to be chairman, in its August 23, 1961, report.

THE JOINT ECONOMIC COMMITTEE RECOMMENDATION

In accordance with policies announced by the President's balance of payments message of February 6, 1961, the United States has adopted a number of temporary measures to help reduce a basic deficit which was estimated to have been about $2 billion in 1960. While this deficit was completely eliminated in the first quarter of 1961, the balance was in part achieved by an unusually depressed level of imports, which is expected to go up as the momentum of U.S. recovery increases. Therefore, to assure long-term equilibrium in the U.S. balance of payments, a number of unilateral and multilateral programs are now underway. The most important are removing all obstacles to a continuing expansion of U.S. exports and travel to the United States, reallocating mutual defense costs, and sharing the burden of aid and future commodity stabilization arrangements for developing countries.

By international diplomacy and through such international organizations as NATO and OECD, the United States should make increased efforts to persuade other free world countries to bear a larger share of the costs of military security and foreign aid, both of which are substantial items in U.S. payments to other countries.

Export expansion will depend on the efforts of American business to offer attractive products, at competitive prices, to markets which have many other sources of supply. Growth of productivity through restoration of full employment and accelerated investment in industrial modernization would give growing competitive strength in export markets. The Government can assist in these efforts by providing information and by assuring adequate credit and insurance facilities. But the United States must also take the initiative in making certain that the formation of large regional trading areas does not discriminate unduly against U.S. and other exports to these areas. While boom conditions in the Common Market may help U.S. exports, it is of particular importance to secure a low European Common Market external tariff and a liberalized commercial policy on agricultural products and coal. Otherwise, a new source-of-payments imbalance will be introduced, with serious consequences not only for the United States but for the entire free world, particularly as the Common Market expands its membership to include other European countries. Consideration should in fact be given to forming a free world Common Market, rather than further to encourage the growth of regional groups which divide the free world.

As the subcommittee recommendations point out, the discriminatory effect of the Common Market, particularly when augmented by the members of the European Free Trade Association—EFTA—who are now attempting to joint it, presents a real obstacle to our increasing, or even maintaining, our exports.

COMMON MARKET TIMETABLE

As matters now stand, the Common Market's internal tariffs were reduced to 70 percent of their 1957 level on December 31, 1960, and will be reduced to 50 percent of that level by December 31, 1961, and to zero by December 31, 1965. The EFTA internal tariffs were reduced to 70 percent of their former level on July 1, 1961, on their way to the ultimate zero.

External tariffs of the members of the Common Market were adjusted 30 percent of the way toward a common external tariff on December 31, 1960, with the final arrival at a common external tariff now scheduled for December 31, 1969.

American exporters are waking up to the fact that the discriminatory arrangements inherent in the Common Market will have a considerable impact upon them. A description of that impact is contained in the recent publication of the Chase Manhattan Bank of New York, "the New European Market; a Guide for American Businessmen":

THE CHASE MANHATTAN BANK ANALYSIS

Economic integration will play an important part in changing the face of Europe over the next decade. It will also affect American exporters.

Changing tariff levels in both the EEC and EFTA will give preference to goods produced within each group over those produced elsewhere. In the Common Market, common agricultural and fuel policies also are likely to give a competitive advantage to EEC producers.

Freer internal trade will stimulate competition and advance the efficiency of European industry. In the past many European firms have served small protected markets, using inefficient methods and equipment. As trade barriers come down, other producers will enter these markets. Survival will depend on improved production and marketing techniques, better equipment, and greater specialization. Successful firms will serve larger markets and gain the advantages of mass production.

Economic integration will stimulate Europe's growth—as a customer as well as a competitor. As the European economy grows, its import requirements also are likely to grow. This growth of the market could more than make up for the trade diversion caused by tariff preferences.

U.S. exporters will be affected in different ways by these developments. To see where the impact is likely to be felt, consider the composition of U.S. exports to Western Europe.

About 25 percent of U.S. exports to Western Europe are raw materials: ores, textile fibers, nonmineral oils, and raw chemicals. Tariff changes in EEC and EFTA will not affect many products in this category, since duties on most of them will remain low. Industrial growth in Europe is likely to increase shipments from the United States.

Some 5 percent of U.S. exports to Western Europe are fuels: coal and petroleum products—most of which will also remain subject to low tariffs. But the prospects for U.S. fuel exports depend more on the degree of quota protection provided for Europe's high-cost coal industry and how much oil is developed in Europe and its associated oversea territories or countries. Total use of energy in Europe has been growing at a rate of 8 percent a year since 1950 and promises to keep growing rapidly in the future. European coal production is not expected to grow much. Although oil from north Africa undoubtedly will fill part of the demand and nuclear power will eventually become competitive, U.S. exports of fossil fuels probably will remain important for some time.

Another 30 percent of European imports from the United States consist of food and tobacco. Tariffs on these goods vary widely, but even more important to U.S. exporters are devices such as quotas, subsidies and administered pricing, which already provide a high degree of protection for European farmers. The EFTA virtually excludes agriculture from its agreement, and will have practically no effect on U.S. exports of food and tobacco. But the EEC's common agricultural policy will affect U.S. exports of farm goods in two ways: It will extend national preferences to producers throughout the entire EEC area, rather than in a single country; it will stimulate competition among EEC farmers and encourage more efficient production of foodstuffs inside the Six. Whether these effects will be offset by the expected rise in total demand for food and tobacco is debatable. The EEC probably will import less of some products, such as wheat, and more of others, such as soybeans.

About 40 percent of U.S. exports to Europe are manufactures—chiefly machinery, transportation equipment, and chemicals. Nearly all these products will have substantial tariffs against them, while tariffs inside EEC and EFTA will go to zero. This means, for example, that U.S. machine tools will compete with German machine tools in the French market at a 5-percent to 15-percent tariff disadvantage. At the same time, European producers are likely to enjoy cost advantages caused by increased efficiency. As a result, many American producers will find European competition increasingly difficult to meet, and some products now successfully exported to Europe may cease to move there.

SECRETARY FREEMAN IS CONCERNED

Secretary of Agriculture Orville L. Freeman expressed his concern over the

effect of the Common Market on exports of U.S. farm products in a speech at Brussels, Belgium on September 6, 1961, when he said:

American agriculture is concerned over the possibility of a restrictive import policy on the part of the Common Market which would reduce our sales to the area of wheat, rice, feed grains, livestock products, poultry, tobacco and certain fruits.

What this boils down to is that around 75 percent of U.S. exports to Western Europe—fuels, farm products and manufactures—are going to be adversely affected by the tariff discriminations against us and the rest of the free world now afoot in Western Europe.

OUR BEST EXPORT MARKET

We should note that discrimination against us by Western Europe is going to hurt our vital exports in a fast-growing area. U.S. exports to Western Europe rose from $2.7 billion in 1953, to $3.2 billion in 1954, to $4 billion in 1955, to $5 billion in 1956, to $5.5 billion in 1957, and—after a mild decline because of the European recession of 1958–59—to $6.2 billion in 1960.

But from here on out we will have to contend against a common external tariff, with substantial tariff increases for low-tariff countries like Benelux and Germany, as well as against a discriminatory preference granted internally by the Common Market. As the Chase Manhattan Bank study says:

U.S. machine tools will compete with German machine tools in the French market at a 5- to 15-percent tariff disadvantage.

We can lead a Spartan life in the United States, keep wages and prices successfully down, and make admirable productivity gains, yet see our export trade gobbled up by countries to which the Common Market accords a sweeping discriminatory advantage.

The details of its discrimination I have pointed out several times this year—CONGRESSIONAL RECORD, February 23, 1961, pages 2607–2609; August 7, 1961, pages 14798–14799.

HOW WE WILL BE HURT

Here are some examples of the tariff discrimination under which we will be staggering. Our tariff on automobiles is 8½ percent. The proposed Common Market tariff is 29 percent against the United States, contrasted with an internal tariff of zero against auto imports from France, Germany, Italy, and other European member countries.

The Common Market external tariffs on radio and TV sets will be 20 percent; automatic dishwashers, 18 percent; electric washing machines, 19 percent; most clothing, 20 to 22 percent; sheep leather, 10 percent; varnishes and lacquers, 19 percent; putty, 11 percent; oil burners, 14 percent; lifting, loading, and handling machinery, 14 percent; knitting machines, 13 percent; metal lathes, 10 percent; and office and calculating machine parts, 14 percent.

Once again, let me emphasize that the discrimination against us and the rest of the free world will be the difference between these percentages and zero, the tariff barrier affecting other Common Market members. Moreover, in many cases the Common Market external tariffs will be considerably higher than the preexisting tariffs of Germany and Benelux, the low-tariff countries which have been such good export customers of ours.

TAKE WISCONSIN, FOR EXAMPLE

Exporters in every State of the Union will be hurt by the Common Market. The prospect that confronts my own State of Wisconsin is instructive. Of the 456,000 persons employed in manufacturing in Wisconsin as of July 1, 1961, 134,000 were employed in the machinery industry. According to the 1958 census of manufacturers, Wisconsin produces nearly 35 percent of the papermaking machinery produced in the United States; nearly 11 percent of the construction machinery; 11 percent of tractors; 10 percent of the mechanical power transmission equipment; 9 percent of metal-cutting machinery; 8.5 percent of food processing machinery; 7 percent of mining machinery and equipment; 7 percent of woodworking machinery; 6.5 percent of electric motors and generators; and 6 percent of pumps and compressors. Companies like Allis-Chalmers, A. O. Smith, Harnischfeger Corp., International Harvester, J. I. Case, Caterpillar Tractor, Badger Meter, McGraw Edison, Bucyrus-Erie, Chain Belt, Cutler-Hammer, Allen Bradley, and Square-D, are all prominently identified with the export industry of Wisconsin. It is estimated that Wisconsin exports of machinery, electrical apparatus, transportation equipment, and metal manufactures came to $320 million in 1960 alone.

In addition, Wisconsin manufacturers of paper and paper products, scientific instruments, canned goods, outboard motors, air-conditioning equipment, and heating and plumbing equipment have important stakes in the export market. Wheat and feed grains pass through Wisconsin ports on their way to the outside world.

Every Member, I am sure, can cite examples of the shape of things to come as alarming for his own State as these are for Wisconsin.

WHAT WE MUST DO

It is late to be waking up to our problem, but it is not too late to do something about it—if we act quickly.

First, our officials must do their utmost to get a low Common Market external tariff schedule, and to prevent the establishment of discriminatory quotas against our goods. I am far from certain that, up to now, our representatives to GATT in Geneva who are negotiating with the Common Market have been as tough as they should be. Moreover, if they fail, they must not agree to a settlement disadvantageous to the United States, Canada, South America, Asia, and every other part of the free world not in the Common Market.

Second, and most important, is to get our free world partners to work with us to establish a common market which will not divide and discriminate—a common market not for a dog-in-the-manger grouping, but for the whole free world. As I said on the floor on August 7:

Specifically, we should consider proposing to our leading industrial trading partners represented in GATT the formation of a free world common market, in which each adhering member would agree to cut tariffs on industrial goods 10 percent a year for the next 10 years, down to zero. By thus generalizing to the whole free world the presently discriminatory tariff reductions of the Six and the Seven, we could at one stroke retain the good of the Common Market and get rid of the bad.

As with the present Common Market, agricultural goods are another matter, and there the goal should be painstaking and steady negotiation to move away from autarchy and toward comparative advantage in free world farm policy.

WE HAVE MORE TO GAIN THAN TO LOSE

The United States has much more to gain than to lose by greatly reducing industrial tariffs to zero in concert with other countries.

In the first place, the Common Market external tariff will undoubtedly average higher than the approximately 12 percent which is the present average U.S. tariff on the value of dutiable imports. We have cut our tariffs to almost one-fifth of what they were when we started tariff-cutting in 1934. The last 20 percent of the way is where we can get some reciprocal mileage.

In the second place, obtaining reciprocal tariff cuts from the Western European countries is doubly advantageous to us in a day when they are allowed to discriminate against us, as they are under the Common Market and EFTA. For example, if we can get France—among the others—to reduce her external Common Market tariff by 50 percent, she will by the same reduction reduce by 50 percent the German tariff advantage over us in France which comes from the elimination of internal Common Market tariffs.

To be sure, a continuing liberal trade policy will necessitate shifts in American production—shifts to be cushioned by trade adjustment legislation. But the West European countries have managed to shed their fears of a hugely expanded area of competition among countries with greatly different wage levels and habits of doing business. They have all gained as a result.

Today, when our Western European partners in the free world are engaged in taking a major economic step forward, the United States stands to lose its leading position as a world trader if we content ourselves with traditional thinking on commercial policy. The dogmas of the relatively quiet past are indeed insufficient for the stormy present in world trade.

THE FEDERAL MUTUAL SAVINGS BANK BILL

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MULTER. Mr. Speaker, on July 1, 1960, I joined with several of our distinguished colleagues in introducing a bill (H.R. 12913) to authorize Federal mutual savings banks. A companion bill (S. 3796) was introduced on the same day in the Senate. At that time I noted that introduction of the bill at the end of the session would afford interested groups opportunity for the careful study merited by the bill. Since then the bill has been studied by many groups, including several Federal agencies. Some have offered suggestions for amendments.

On January 3, 1961, I introduced a version of the bill (H.R. 825) substantially similar to H.R. 12913 of the 86th Congress. Subsequently, suggestions for additional changes in the bill have come from many sources. These have now been evaluated and have resulted in the revised version of the bill I am now introducing.

I should like to discuss briefly the need for Federal mutual savings banks, the major differences in this revised bill from H.R. 825, and the reasons for introducing this revised version at this particular time.

NEED FOR FEDERAL MUTUAL SAVINGS BANKS

Since 1816, mutual savings banking has contributed significantly to the economy of this Nation. Mutual savings banks are the oldest type of thrift institution in this country. Formed originally by public-spirited individuals who served as corporators and trustees, these savings banks met a need to supply safe depositories for savings of people of moderate means. Throughout the years mutual savings banks have encouraged thrift and have enabled accumulation of sums of capital available for community and national development. They continue to do so today.

Since World War II mutual savings banks have increased markedly the share of their assets invested in mortgages secured by real property. At present approximately two-thirds of the assets of mutual savings banks are invested in such mortgages, most of which are secured by homes. Mutual savings banks have been effectively active in urban renewal projects in the metropolitan areas of Boston, New York City, and Philadelphia. They also invest in Federal securities, municipal securities, and corporate securities. Through these media they help to promote employment, production, and purchasing power on a sustainable, noninflationary basis. Although mutual savings banks are located in only 17 States, their benefits extend to all 50 States both through their out-of-State investments and through the higher levels of employment and production which they make possible.

These benefits could be substantially magnified by authorizing the establishment of mutual savings banks in all States under Federal charters.

Through long experience in the encouragement of thrift, mutual savings banks have an enviable record of inducing higher per capita savings in those areas where they operate. The 10 leading States with respect to per capita holdings of thrift accounts are all mutual savings bank States. There is good reason to expect an increase in total savings in new areas to which mutual savings banking may extend through Federal chartering. Population and personal income are rising rapidly in many of these areas, along with need for capital.

Federal charters for mutual savings banks alongside State charters for such institutions would round out the pattern of dual chartering for financial institutions in the United States. This pattern already exists successfully for commercial banks, savings and loan associations, and credit unions.

To illustrate the need for the establishment of mutual savings banks throughout the Nation, I am pleased to refer to comments from various Federal agencies and private groups that have considered the bill.

Federal agencies reported to the Senate Committee on Banking and Currency as follows with respect to S. 3796, which was identical to H.R. 12913.

The Housing and Home Finance Agency stated:

> This Agency believes that legislation providing for the Federal chartering of mutual savings banks would be desirable because it would encourage an increased flow of funds into the mortgage market.
>
> It is probable that the encouragement which Federal chartering would give to the organization of additional mutual savings banks, now operating under State charters in only 17 States, would attract a portion of savings now being placed in commercial bank time deposits. This would tend to enlarge the supply of mortgage funds since mutual savings banks traditionally have invested more of their funds in mortgages than have commercial banks. Also, the anticipated geographically expanded operation should tend to improve the interregional flow of FHA insured and VA guaranteed mortgages. Finally, by increasing competition among different types of lending institutions, the net result would most likely be an increase in total savings placed with financial establishments, including those which customarily provide major sources of mortgage credit.

The Veterans' Administration also endorsed the bill, stating:

> Mutual savings banks have actively participated in the GI loan program. As of December 31, 1959, nearly 30 percent of the outstanding VA guaranteed loans were held in their portfolios. To the extent that the proposed legislation would encourage new mutual savings banks in areas where the system would attract new savings for mortgage loan investment, it would doubtless aid veterans in their search for home loan finacing.

The Board of Governors of the Federal Reserve System replied that it believes the bill merits careful consideration in determining whether it can make an important contribution to the economy. Only the Federal Home Loan Bank Board, which charters and supervises Federal savings and loan associations, questioned the advisability of the legislation. However, it is anticipated that the recent changes in membership of the Federal Home Loan Bank Board will provide an opportunity for a fresh review of this position, and a sympathetic consideration of the evidence rebutting the fear expressed by the Board that conversion of savings and loan associations to Federal mutual savings banks would be accompanied by a decline of funds flowing into the home mortgage market.

Recently, studies by economic and financial experts have concluded independently that expansion of mutual savings banks beyond present geographic confines would be in the national interest. The Commission on Money and Credit, in a report released June 20, recommended "that Federal charters be made available for mutual savings banks." In support of this recommendation the Commission's report included the following paragraph:

> At present commercial banks and savings and loan associations may obtain Federal charters. Since only 17 States now provide for the establishment of savings banks, it is not possible to establish savings banks in two-thirds of our States. Federal charters for savings banks would permit operation in any State, and this would stimulate competition and enterprise among financial institutions, improve the banking facilities in some communities, and perhaps encourage greater conventional mortgage-lending activity in all areas.

A second study, "Chicago Banking," prepared by the University of Chicago Graduate School of Business for the Chicago Association of Commerce and Industry, recommended that Illinois law be revised to allow the establishment of mutual savings banks. The authors of that study concluded that "there are no disadvantages and great potential advantages in having mutual savings banks." The report continued that restrictions on competition in financial markets "appear to have led to insufficient banking facilities, maintenance of high-cost unit, insufficient allocation of resources, unattractive savings facilities, and a restricted supply of credit on stringent terms and at high cost." Furthermore, according to the findings of the Chicago study, the highest ratio of long-term savings in local financial institutions relative to personal income was found in States having mutual savings banks.

A new mutual savings bank is now in the process of formation in Anchorage, Alaska, under State charter authority made possible by enactment of enabling legislation adopted in 1960. Our next to newest State, appreciating its need for attracting additional capital, will become the 18th mutual savings bank State. Thus, from Federal and State Governments and from private enterprise sources come evidence of the need for permitting the expansion of mutual savings banking to new geographical areas.

MAJOR DIFFERENCES FROM H.R. 825

There are few important differences between H.R. 825 and the revised version of the bill being introduced today.

The principal difference is that the new bill names the Federal Home Loan Bank Board as the chartering and supervising agency for Federal mutual savings banks instead of entrusting these functions to the new, independent agency that would have been created under the provisions of H.R. 825.

Other less important differences are as follows:

First. There has been deleted from this bill the grant of authority contained in H.R. 825 that would have permitted all Federal mutual savings banks to exercise powers generally possessed by State-chartered mutual savings banks. Consequently, Federal mutual savings banks will possess such powers as are granted them by the provisions of this bill unaugmented by the broad general grant of authority inherent in the above-mentioned provision in H.R. 825.

Second. Specific provisions have been added to assure that expenses of examination of Federal mutual savings banks by the Federal Home Loan Bank Board may be assessed against the institution being examined.

Third. Several changes have been made in the investment powers of Federal mutual savings banks. H.R. 825 contained a provision permitting the supervisory authority to expand the investment powers of such institutions beyond those expressly conferred in the bill. That provision has been deleted, leaving Federal mutual savings banks to look to the provisions of the bill for their investment powers. In view of this change, these powers of investment have been enlarged in the following respects. Federal mutual savings banks may invest in property improvement loans in addition to those insured by the Federal Housing Administration. They may also invest in obligations of federally or State-chartered mutual savings banks. They may invest in any obligations a Federal or State agency has guaranteed or insured, or has committed itself to do so.

Fourth. Specific authority is granted Federal mutual savings banks to issue certificates of deposit in $100 multiples for periods of 2 years or more and to agree to pay interest at the rate, for the term, and subject to the conditions prescribed in the certificate.

Fifth. Express language has been added to the bill to require a finding by the chartering authority that issuance of a charter to a Federal mutual savings bank will not unduly injure commercial banks accepting funds from savers on deposit, or any thrift institution, as that term is defined in the bill.

Sixth. The powers of the chartering authority to approve branches for Federal mutual savings banks have been expanded to permit such branches in States that allow chain or group banking.

Seventh. A specific definition has been inserted in the bill to clarify actions an out-of-State Federal mutual savings bank may take in the mortgage field without being considered to be doing business within the State where such actions are taken.

All these changes are designed to improve the operations and public service features of Federal mutual savings banks.

The basic pattern for such institutions laid down in H.R. 825 has been preserved. Federal mutual savings banks must apply to the Federal Home Loan Bank Board for charters and must maintain membership in the Federal Home Loan Bank System, and must obtain and maintain deposit insurance from the Federal Deposit Insurance Corporation. Savings and loan associations may convert to Federal mutual savings banks subject to the restrictions prescribed by the bill.

As amended, the bill combines the best features of State laws affecting mutual savings banks in order to encourage a strong Federal system of mutual savings banking to supplement the thriving State-chartered system that has enjoyed an enviable record of safety and contribution to community and national welfare.

WHY THE BILL IS BEING INTRODUCED AT THIS TIME

Much helpful progress has already been made in bringing toward legislative realization the goal of Federal charters for mutual savings banks. Interest in this goal is mounting among several groups. The time appears propitious to introduce this improved version of legislation designed to achieve that goal. The study of interested groups can crystallize around the specific provisions of this bill. It is my hope that it will be possible to schedule public hearings on the bill as close to the beginning of the second session of the 87th Congress as possible. The National Association of Mutual Savings Banks has been most helpful to me in striving to perfect the provisions of this proposed legislation. It would be most fitting if this gap in the dual banking system is filled in time to enable the mutual savings banking industry to join with other members of the financial fraternity in commemorating the centennial of the dual banking system in the United States in 1963.

Mr. Speaker, under previous consent of the House I insert in the RECORD immediately following my remarks a copy of the bill being introduced, together with a summary thereof.

A BILL TO AUTHORIZE FEDERAL MUTUAL SAVINGS BANKS

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That this Act may be cited as the "Federal Mutual Savings Bank Act".

SEC. 2. DECLARATION OF POLICY.—The Congress declares that, to carry out more effectively its responsibility for promoting maximum employment, production, and purchasing power in the national economy, it must facilitate and encourage an increased flow of real savings to finance new housing and other capital formation on a sustainable noninflationary basis. The Congress further declares that the increased savings necessary to the security and welfare of the individual as well as to the Nation should be provided within the private institutional framework of our competitive economy and within the dual banking system. These objectives will be advanced by authorizing the establishment of privately managed federally supervised mutual savings banks. Consistent with these objectives, the Congress recognizes the continuing need for maintaining and strengthening the vitality of our State-chartered banking system under the supervision of the various State banking departments. Federal mutual savings banks, together with State-chartered mutual savings banks, will bring to individuals in all States the opportunity of having mutual banks of deposit available to them which are dedicated to encouraging the practice of thrift, thereby increasing the total flow of voluntary savings in the economy. The record of mutual savings banks over nearly a century and a half of providing safety, ready availability of deposits and reasonable returns on these deposits, indicates that new Federal mutual savings banks will stimulate additional savings in the areas in which they are located. The record further indicates that these institutions will devote the bulk of their accumulated savings to the sound, economical financing of housing and homeownership. Moreover, additional funds will become available to support local business enterprise, urban redevelopment, and governmental capital outlays. The welfare of the public will be enhanced not only because economic growth will be fostered by capital formation but also because the earnings of Federal mutual savings banks, after expenses and provision for necessary reserves for safety of deposits, will be distributed entirely to depositors.

SEC. 3. DEFINITIONS.—As used in this Act:

(1) The term "Board" means the Federal Home Loan Bank Board;

(2) The term "conventional loan" means a loan secured by a first mortgage or deed of trust on real property or a leasehold estate other than a loan guaranteed or insured by a Federal or State agency;

(3) The term "doing business" shall not be considered to include any one or more of the following activities:

(a) The acquisition of loans (including the negotiation thereof) secured by mortgages or deeds of trust on real property situated in the District of Columbia pursuant to commitment agreements or arrangements made prior to or following the origination or creation of such loans;

(b) The physical inspection and appraisal of property in the District of Columbia as security for mortgages or deeds of trust;

(c) The ownership, modification, renewal, extension, transfer, or foreclosure of such loans, or the acceptance of substitute additional obligors thereon;

(d) The making, collecting, and servicing of such loans through a District of Columbia concern engaged in the business of servicing real estate loans for investors;

(e) Maintaining or defending any action or suit or any administrative or arbitration proceeding arising as a result of such loans;

(f) The acquisition of title to property which is the security for such a loan in the event of default on such loan;

(g) Pending liquidation of its investment therein within a reasonable time, operating, maintaining, renting, or otherwise dealing with selling, or disposing of, real property acquired under foreclosure, sale, or by agreement in lieu thereof;

(4) The term "financial institution" means a thrift institution, a commercial bank, a trust company, or an insurance company;

(5) The term "mutual bank" means a Federal Mutual Savings Bank chartered under this Act;

(6) The term "State" includes the Commonwealth of Puerto Rico, the Virgin Islands, Guam, Samoa, and the District of Columbia;

(7) A "State of domicile" or "domiciliary State" means the State in which a mutual bank's principal office is located; and

(8) The term "thrift institution" means a State-chartered mutual savings bank, a cooperative bank, a homestead association, a mutual savings and loan association, a mutual building and loan association, or a mutual bank.

SEC. 4. CHARTERING OF MUTUAL BANKS.—(a) Upon written application by five signatories from among not less than twenty-one individuals acting in the capacity of a qualified corporators named in the application, the Board may issue a charter for a mutual bank.

(b) Such a charter shall be issued whenever the Board finds that a mutual bank will serve a useful purpose in the community in which it is proposed to be established, that there is reasonable expectation of its financial success and that its operation will not unduly injure existing thrift institutions or commercial banks accepting funds from savers on deposit.

(c) Any mutual bank shall include the words "Federal", "Mutual", and "Savings" in its title.

(d) Any mutual bank, upon being chartered, shall become a member of the Federal Home Loan Bank of the district in which it is located or if convenience shall require and the Board approve, shall become a member of the Federal Home Loan Bank of an adjoining district. Mutual banks shall qualify for such membership in the manner provided in the Federal Home Loan Bank Act with respect to other members.

SEC. 5. CORPORATORS.—(a) Each corporator of a mutual bank shall be an individual of financial responsibility and good character and shall never have been adjudged a bankrupt, and shall, within such time after his election, and in such form as the Board may prescribe, file proof of his compliance with these requirements with the Board. Without in any way limiting, by enactment of this subsection, the general regulatory power granted the Board by this or any other act, the Board is hereby expressly authorized to prescribe standards of conduct for corporators, provided that any such standards shall be no more (and may be less) restrictive than those set forth for trustees in section 6(e)(1).

(b) No person shall be a corporator of a mutual bank who is not a resident of the State in which the principal office of the mutual bank is located, except that one less than one-half of the whole board of corporators may be residents of other States.

(c) At their organizational meeting, the corporators shall adopt rules governing the conduct of their business and may amend them for time to time. Such rules shall set forth the number of corporators and shall prescribe that any number not less than one-quarter of those at the time in office shall constitute a quorum for the purpose of doing business. At such organization meeting, or any adjournment thereof, the corporators shall divide the total number of corporators into three classes of equal size, one class to serve for a term of four years, one class to serve for a term of seven years, and one class to serve for a term of ten years, so that at each election of corporators following the first meeting an equal number of corporators shall be elected. The requirements of this section shall be satisfied if the number of corporators in any class does not exceed by more than one the number of corporators in any other class. Thereafter, each corporator shall be elected for a term of ten years, and until his successor is elected and shall have qualified. Successor and additional corporators shall be elected, subject to the requirements of this section, by a majority vote of the corporators, including those whose terms are expiring, present at a duly constituted meeting. Any corporator may be removed from office for cause upon the affirmative vote of two-thirds of the whole number of corporators.

SEC. 6. TRUSTEES.—(a) The board of trustees of a mutual bank shall be elected by and from the corporators and shall consist of not less than seven nor more than twenty-five. No person shall be a trustee of a mutual bank who is not a resident of the State in which the principal office of the mutual bank is located, except that one less than one-half of the whole board of trustees may be residents of other States. The corporators shall, by majority vote of those present at their organization meeting, elect a board of trustees, in three classes in the following manner: One-third for a term of one year; one-third for a term of two years; and one-third for a term of three years. Thereafter trustees shall be elected to serve for a term of three years. The requirements of this section shall be satisfied if the number of trustees in any one class does not exceed by more than one the number of trustees in any other class. The office of any trustees shall become vacant if he shall cease for any reason to hold office as a corporator.

(b) The management and control of the affairs of a mutual bank shall be vested in the trusteees. The trustees may adopt, amend and repeal bylaws governing the affairs of the mutual bank.

(c) No person acting as trustee of a mutual bank shall hold office as trustees, director, or officer of another thrift institution.

(d) The office of a trustee shall become vacant whenever he shall have mailed to attend regular meeting of the trustees for a period of six months, unless excused during such period by a resolution duly adopted by the trustees.

(e)(1) It shall be unlawful for any trustee—

(A) to receive remuneration as trustee except reasonable fees for attendance at meetings of trustees or for service as a member of a committee for trustees;

(B) to borrow funds other than pursuant to section 11(10)(B) or in any manner become an obligor for funds borrowed from the mutual bank for which he is trustee; and

(C) to make a profit, directly or indirectly, from any property sold to or services performed for the mutual bank or in connection with any loan made by the mutual bank for which he is a trustee.

Nothing contained in this subsection shall be deemed to prohibit or in any way limit any right of a trustee who is also an officer of or attorney for the mutual bank from receiving compensation for service as an officer or attorney.

(2) Upon application by a mutual bank, exceptions may be granted to any prohibition contained in this subsection following a determination by the Board that the exception sought is equitable and in the best interests of the depositors of the mutual bank.

(3) The Board may from time to time grant, by regulation, exceptions of general application to the prohibitions contained in this subsection.

(f) No mutual bank shall deposit any of its funds except with a depositary approved by vote of a majority of all trustees of the mutual bank, exclusive of any trustee who is an officer, partner, director, or trustee of the depositary so designated.

SEC. 7. COMMENCEMENT OF OPERATION.—(a) No mutual bank may commence operations except upon approval by the Board, which shall not be granted prior to qualification by such mutual bank as an insured bank under the Federal Deposit Insurance Act. Any mutual bank may so qualify in the same general manner as is provided for a State nonmember bank under that Act. No mutual bank shall continue operations if it shall at any time cease to be so qualified.

(b) No mutual bank may commence operations until there shall have been advanced in cash to the credit of such mutual bank, as an expense fund, such sums as the Board may require. Any such sums so advanced shall be evidenced by transferable deferred payment certificates. Outstanding certificates may have such terms and be repaid pro rata in such installments, and shall be entitled to receive interest at such rate, as may be approved by the Board.

SEC. 8. RESERVE FUND.—(a) Prior to authorizing the issuance of a charter for a mutual bank, the Board shall require that there be advanced in cash to the credit of such mutual bank not less than $50,000, which shall constitute the initial reserve fund. All sums so advanced as the initial reserve fund shall be evidenced by transferable deferred payment certificates. Oustanding certificates may have such terms and may be repaid pro rata in such installments, and shall be entitled to receive interest at such rate, as may be approved by the Board.

(b) As soon as practicable following the close of each of its first 10 fiscal years, each mutual bank shall credit to the reserve fund an amount not less than 10 per centum of its net earnings before interest for such preceding fiscal year and at the close of each fiscal year following the first 10 fiscal years shall credit to the reserve fund such proportion of its net earnings for such preceding fiscal year, not exceeding 10 per centum, as the Board may by regulation prescribe; except that credits to the reserve fund shall be required only when the reserve fund shall not equal 12 per centum of deposit liabilities. A mutual bank may credit such further amounts to the reserve fund as it may determine.

(c) The reserve fund of an operating mutual bank shall be available only for the purpose of meeting losses.

SEC. 9. BORROWING.—A mutual bank may borrow funds subject to such regulations as the Board may prescribe.

SEC. 10. DEPOSITS.—(a) A mutual bank may accept any savings deposit and may issue a passbook or other evidence of its obligation to repay any such savings deposit.

(b) A mutual bank, subject to such regulations and restrictions as the Board finds to be necessary and proper, may accept deposits and issue its certificate of deposit therefor in units or denominations of one hundred dollars or multiples thereof for periods of not less than 2 years and agree to pay interest thereon at the rate, for the term and subject to the conditions specified on the face of such certificate.

(c) Each mutual bank may:

(1) reject any sums offered for deposit; and

(2) repay any deposit at any time.

(d) Except as otherwise provided in this Act, a mutual bank may pay interest on deposits from net earnings and undivided profits at such rates and at such intervals as shall be approved by its trustees.

(e) A mutual bank may at any time by resolution of its board of trustees require that up to ninety days' advance notice be given to it by each depositor before the withdrawal of any deposit or portion thereof; and whenever the board of trustees shall adopt such resolution, no deposit need be paid until the expiration of the notice period applicable thereto in accordance with such resolution. A mutual bank shall notify the Board in writing on the day of adoption of such resolution. Notwithstanding adoption of such resolution, a mutual bank may, in its discretion, permit withdrawal of all or any part of all deposits prior to the expiration of the notice period prescribed by such resolution. Any such resolution may be rescinded at any time.

(f) Whenever any mutual bank shall have been closed by action of its board of trustees or by the authority having supervision of such bank, as the case may be, on account of inability to meet the demands of its depositors, the Board shall appoint the Federal Deposit Insurance Corporation receiver for such closed mutual bank and the Federal Deposit Insurance Corporation shall accept appointment as receiver thereof. The Board and the Federal Deposit Insurance Corporation shall thereupon proceed to handle the affairs of the mutual bank in accordance with the provisions of the Federal Deposit Insurance Act applicable to a closed national bank.

(g) In order to prevent the closing of a mutual bank determined by the Federal Deposit Insurance Corporation to be in danger of closing, or in order to reopen a closed mutual bank, the Federal Deposit Insurance Corporation may exercise any or all of the authority conferred upon it by the provisions of Section 13(c) of the Federal Deposit Insurance Act.

(h) The Federal Deposit Insurance Corporation, in its own right as receiver of a closed mutual bank, may exercise any or all authority conferred upon it in either capacity by the provisions of Section 13(d) of the Federal Deposit Insurance Act.

(i) In order to facilitate the sale of the assets of an open or closed mutual bank to and assumption of its liabilities by another insured bank, as defined in the Federal Deposit Insurance Act, or to facilitate a merger or consolidation of a mutual bank with another insured bank, as so defined, the Federal Deposit Insurance Corporation may exercise any or all of the authority confererd upon it by the provisions of section 13(e) of the Federal Deposit Insurance Act, subject to the conditions therein expressed. Any mutual bank is authorized to contract for sales or loans and pledge any of its assets to secure loans effected pursuant to the provisions of said section 13(e).

SEC. 11. INVESTMENTS.—A mutual bank may invest in the following:

(1) Obligations of the United States and those for which the faith of the United States is pledged to provide for the payment of the interest and principal and obligations of any agency of the United States;

(2) Obligations of any State and those for which the faith of any State is pledged to provide for the payment of the interest and principal;

(3) Obligations issued by a city, village, town, or county in the United States or by a department, agency, district, authority, commission or other public body of the United States, or of any one or more States, but in so doing the mutual bank shall exercise the same degree of care and prudence that persons prompted by self-interest generally exercise in their own affairs;

(4) Any property improvement note issued pursuant to the provisions of title I of the National Housing Act; and other property improvement loans subject to such regulation as the Board may prescribe;

(5) Obligations of the Dominion of Canada or Provinces of the Dominion of Canada payable in United States funds;

(6) Bonds, notes, or other evidences of indebtedness which are secured by properly registered and recorded first mortgages or deeds of trust upon real property, including leasehold estates, provided the security for the loan is a first lien upon the real property or leasehold estate, and subject to the following:

(A) no investment in mortgages executed by any one mortgagor shall in the aggregate exceed 2 per centum of the assets of the mutual bank at the time the investment is made or $25,000, whichever is greater;

(B) no investment in any one mortgage shall exceed 2 per centum of the assets of the mutual bank at the time the investment is made, or $25,000, whichever is greater, or more than 80 per centum of the appraised value of a one- to four-family residence securing a conventional loan or more than 90 per centum of the appraised value of such a residence constructed within not more than ten years before the making of the loan, or more than 75 per centum of the appraised value of any other real property securing a conventional loan;

(C) no investment shall be made in a conventional loan secured by a mortgage on a one- to four-family residence unless the mortgaged property is located either within the State in which the mutual bank has its principal office or within a radius of one hundred miles of its principal office and unless the mortgage has a maturity of not longer than thirty years from the date the loan is made;

(D) no investment shall be made in a conventional loan if the aggregate unpaid principal of all conventional loans in which the mutual bank has invested exceeds 80 per centum of its assets at the time;

(E) a mutual bank may (i) participate with one or more financial institutions, trusts, or pension funds in any bond or note or other evidence of indebtedness secured by a mortgage or deed of trust which such mutual bank is authorized to invest in its own account: *Provided*, That the participating interest of such mutual bank is not subordinated or inferior to any other participating interest; and (ii) participate in the same securities with other than financial institutions, trusts, or pension funds: *Provided*, That the participating interest of such mutual bank is superior to the participating interests of such other participants;

(F) no investment shall be made in a mortgage upon a leasehold unless (i) the principal amount of the mortgage loan is not in excess of 70 per centum of the appraised value of the leasehold. and (ii) provision is made for complete amortization of the loan prior to the expiration of 80 per centum of the remainder of the term by periodic payments as the Board may prescribe; and

(G) nothing contained in this paragraph shall be deemed to prevent investment by a mutual bank in any bond, note, or other evidence of indebtedness which is guaranteed or insured by a Federal or State agency or for which a commitment to guarantee or insure has been issued by a Federal or State agency;

(7) Bankers' acceptances eligible for purchase by Federal Reserve banks;

(8) Corporate securities, but in so doing the mutual bank shall exercise the same degree of care and prudence that persons prompted by self-interest generally exercise in their own affairs, and subject to the following further conditions:

(A) no mutual bank shall invest in any corporate obligation, other than pursuant to paragraph (10), that (i) will mature by its terms within one year from the date of issuance, or (ii) if issued or made in series, or repayable in installments, will have an average maturity as of the date of issuance of less than one year; and

(B) no mutual bank shall invest in stocks an amount greater than 5 per centum of its assets or 100 per centum of its reserve fund and undivided profits, whichever is the greater; and

(9) Obligations of a mutual bank or of a State-chartered mutual savings bank;

(10) Promissory notes of the following types:

(A) any promissory note payable to the order of the mutual bank which is (i) secured by one or more mortgages in which a mutual bank may invest, if the amount so invested in any such note shall not exceed 90 per centum of the principal sum secured by such mortgage or mortgages. The assignment of every mortgage taken as security for any such note shall be recorded or registered in the office of the proper recording officer of the county in which the real property described in such mortgage is located, unless such mortgage or mortgages have been so assigned by a mutual bank; (ii) secured by any of the stocks and bonds in which a mutual bank may invest; or (iii) secured by a life insurance policy, to the extent of such policy's cash surrender value; and

(B) any promissory note payable to the order of the mutual bank which is secured by the assignmcnt of a deposit or share account in any thrift institution, if the amount of the investment in any such note is not in excess of the amount of such deposit or share account.

SEC. 12. BRANCHES.—(a) A mutual bank may, with the approval of the Board, establish and operate one or more branches in the State in which its principal office is located, but only if and to the extent that any financial institution accepting funds from savers on deposit or share accounts and chartered by such State is authorized to establish and operate branches: *Provided*, That in any State where the law expressly prohibits branches or, in the absence of any such law, the establishment and operation of branches are not in conformity with the practice within the State, if the Board determines that chain, group, or affiliated financial institutions operate within the State, a mutual bank may with the approval of the Board establish and operate one or more branches in the State.

(b) Before approving the establishment and operation of a branch office by a mutual bank, the Board shall make with respect thereto the findings required prior to the granting of a charter to a mutual bank.

(c) Notwithstanding any provision of this Act, a mutual bank resulting from conversion, consolidation, or merger may retain and operate any one or more offices in operation on the date of such conversion, consolidation, or merger, and, in addition, may retain any and all unexercised branch rights or privileges enjoyed prior to such date, but only if such office is situated, or such branch right or privilege was exercisable, within the State in which the principal office is located.

SEC. 13. CONVERSION.—(a) With the approval of the Board, and subject to all other provisions of this Act applicable to the chartering of a newly organized mutual bank, unless specifically excepted herein, any thrift institution other than a mutual bank may convert itself into a mutual bank upon the affirmative vote of not less than a majority of the votes cast by those entitled to vote upon the affairs of such thrift institution at a meeting duly called and held for that purpose, and shall thereupon possess the powers of and be subject to the duties imposed upon mutual banks under the provisions of this Act, provided that any such conversion shall not be in contravention of the laws under which the converting thrift institution is organized.

(b) The minimum requirements of twenty-one corporators and seven trustees prescribed by section 4(a) and section 6(a) shall not apply in the case of a thrift institution making application to convert to a mutual bank

(c) Before approving any such conversion, the Board shall find that the thrift institution seeking conversion has the ability to discharge the duties and conform to the restrictions upon mutual banks and has previously so conformed to the extent required by the Board. However, such institution may retain and service all accounts lawfully held by it on the date of its conversion.

(d) Any mutual bank upon affirmative vote of a majority of its corporators may convert itself into any type of thrift institution organized pursuant to Federal law or the laws of the State in which its principal office is located, but any such conversion of a mutual bank shall be subject to requisite approval of any regulatory authority having jurisdiction over the creation of the thrift institution into which the mutual bank seeks to convert and no such conversion of a mutual bank shall take place unless under the law of the State in which such mutual bank is located the type of thrift institution into which the mutual bank is seeking to convert may, without approval by any State authority, convert into a mutual bank under limitations or conditions no more restrictive than those contained in this section with respect to the conversion of a mutual bank into such a thrift institution.

(e) Any conversion pursuant to this Act shall be subject to section 18(c) of the Federal Deposit Insurance Act.

SEC. 14. MERGER AND CONSOLIDATION.—(a) (1) Subject to the provisions of section 18(c) of the Federal Deposit Insurance Act, any two or more mutual banks having their principal offices in the same State, or any one or more mutual banks and one or more State-chartered mutual savings banks having their principal offices in the same State, may, with the approval of the Board where the surviving or consolidated institution is a mutual bank or with the approval of the appropriate State authority where the surviving or consolidated institution is a State-chartered mutual savings bank and upon the affirmative vote of not less than two-thirds of the corporators of each such mutual bank, and, where applicable, upon compliance with the procedure prescribed by the State, enter into an agreement of merger or consolidation. Thereafter the merger or consolidation shall be effective in accordance with the terms of such agreement. (2) No mutual bank may participate in a merger or consolidation when the surviving or consolidated institution is to be a State-chartered mutual savings bank unless under the law of the State in which the mutual bank is located State-chartered mutual savings banks may participate, without approval by any State authority, and under limitations or conditions no more restrictive than those contained in this section, in a merger or consolidation in which the surviving or consolidated institution is to be a mutual bank.

(b) Before approving a merger or consolidation the Board shall give consideration to the purposes of this Act and the prospects of the surviving or consolidated mutual bank for financial success and its ability to discharge the duties and conform to the restrictions imposed upon a mutual bank.

(c) Upon such a consolidation or merger, the corporate existence of each of the constituent institutions shall be merged into and continued in the surviving or consolidated institution, which shall be deemed to be the same corporation as each of the constituent institutions.

(d) All rights, franchises, and property interests of the merged or consolidating mutual bank or banks or State-chartered mutual savings bank or banks shall be transferred to and vested in the surviving or consolidated institution by virtue of the merger or consolidation without the requirement under this Act of any deed or other instrument of transfer; and the surviving or consolidated institution shall be entitled to exercise all rights and privileges of the merged or consolidating mutual bank or banks or State-chartered mutual savings bank or banks in accordance with the terms of the merger or consolidation agreement.

(e) The surviving or consolidated institution shall be responsible for all debts and obligations of the merged or consolidating mutual bank or banks or State-chartered mutual savings bank or banks, in accordance with the terms of the merger or consolidation agreement.

SEC. 15. GENERAL POWERS.—(a) For the purpose of carrying out its functions under this Act, a mutual bank—

(1) shall have indefinite succession;

(2) may adopt and use a seal;

(3) may sue and be sued;

(4) may adopt, amend, and repeal rules and regulations governing the manner in which its business may be conducted and the powers vested in it may be exercised;

(5) may make and carry out such contracts and agreements, provide such benefits to its personnel, and take such other action as it may deem necessary or desirable in the conduct of its business:

(6) may service mortgages for others;

(7) may appoint and fix the compensation of such officers, attorneys, and employees as may be desirable for the conduct of its business, define their authority and duties, require bonds of such of them as the trustees may designate and fix the penalties and pay the premiums on such bonds;

(8) may acquire by purchase or lease such real property or interest therein as the trustees may deem necessary or desirable for the conduct of its business, and sell, lease, or otherwise dispose of such real property or interest therein;

(9) shall have authority, notwithstanding any provision of this or any other Act or regulation, to exercise all the powers possessed now or hereafter by any mutual savings bank chartered by the State in which the mutual bank is located.

(b) In addition to powers expressly enumerated or defined herein, a mutual bank shall have power to do all things reasonably incident to the exercise of such powers.

SEC. 16. ANNUAL REPORT.—The Board shall submit to the President for transmission to the Congress an annual report of its operation under this Act.

SEC. 17. EXAMINATION.—The Board shall conduct an examination twice in each calendar year into the affairs and management of each mutual bank for the purpose of determining whether such bank is being operated in conformity with the provisions of this Act, any rules and regulations promulgated hereunder, and sound banking practice, but the Board, in the exercise of its discretion, may waive one such examination or cause such examinations to be made more frequently if considered necessary. The waiver of one such examination as above provided shall not be exercised more frequently than once during any two-year period. The Board may accept, for any year, in lieu of such examination of any mutual bank, an examination of the mutual bank in such year by the Federal Deposit Insurance Corporation. The expenses of the Board examination herein provided for shall be assessed by the Board upon mutual banks in proportion to their assets. The assessments may be made more frequently than annually at the discretion of the Board. The annual rate of assessment shall be the same for all mutual banks except that mutual banks examined more frequently than twice in one calendar year, shall, in addition, be assessed the expenses of these additional examinations.

SEC. 18. TAXATION.—(a) No State shall impose or permit to be imposed any tax on such mutual banks or their franchise, deposits, assets, reserve funds, loans, or income greater than that imposed or permitted by such State on other similar local mutual or cooperative thrift or home financing institutions.

(b) No State other than the State of domicile shall impose or permit to be imposed any tax on franchises, deposits, assets, reserve funds, loans, or income of institutions chartered hereunder whose transactions within such State do not constitute doing business.

SEC. 19. AUTHORITY TO APPOINT CONSERVATORS AND RECEIVERS.—(a) The Board may, in its discretion, forthwith take possession of the business and property of any mutual bank, and appoint a conservator or receiver for such mutual bank whenever it shall appear that such mutual bank;

(1) has violated any provision of this Act;

(2) is conducting its business in an unauthorized, unsound, or unsafe manner;

(3) is in an unsound or unsafe condition to transact its business;

(4) has neglected or refused upon proper demand to comply with the terms of any order, rule, or regulation of the Board; or

(5) has refused to submit its records and affairs for inspection by the Board or the Federal Deposit Insurance Corporation.

(b) The Board shall appoint only the Federal Deposit Insurance Corporation as receiver for any mutual bank.

(c) At any time within ten days after the Board has taken possession of the property and business of any mutual bank, any officer of such mutual bank may apply to the United States district court for the district in which the mutual bank has its principal office for an order requiring the Board to show cause why it should not be enjoined from continuing such possession and, if a conservator or receiver has been appointed, why such appointment should not be vacated, and the district court is hereby granted jurisdiction to hear such cause, to grant such injunction, to direct the Board to surrender such possession, to vacate such appointment, and to take such other action as is necessary or appropriate to carry out the purposes of this section. Any such proceeding in the district court shall be given precedence over other cases pending therein, and shall be in every way expedited.

SEC. 20. SEPARABILITY.—If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the remainder of this Act and the application of such provision to any other person or circumstance shall not be affected thereby.

SEC. 21. RIGHT TO AMEND.—The right to alter, amend, or repeal this Act is hereby expressly reserved.

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED FEDERAL MUTUAL SAVINGS BANK ACT

Section 1, Title: Federal Mutual Savings Bank Act.

Section 2, Declaration of policy: The purpose of establishing a system of Federal mutual savings banks is to promote thrift and use the accumulated savings for home financing and other investments.

Section 3, Definitions: The following terms are defined: Board, conventional loan, doing business, financial institution, mutual bank, State, State of domicile, and thrift institution. "Thrift institution" includes mutual savings banks and mutual savings and loan associations. "Financial institution" includes thrift institutions as so defined, commercial banks, trust companies, and insurance companies.

Section 4, Chartering of Mutual Banks: Five signatories from 21 or more individual corporators may apply for a charter from the Federal Home Loan Bank Board. To issue a charter, the board must find the mutual bank will serve a useful purpose in the community, have reasonable expectation of financial success, and not unduly injure thrift institutions or commercial banks accepting savings deposits. Mutual banks must have the words Federal, mutual and savings in their titles. Each must join the Federal Home Loan Bank System.

Section 5, Corporators: Qualifications for corporators, who select trustees for their mutual bank, and their method of procedure, are prescribed. They are chosen for staggered terms of 10 years.

Section 6, Trustees: Qualifications for trustees of a mutual bank, who manage and control affairs of the mutual bank, are prescribed. The board numbers from 7 to 25. Restrictions against self-dealing are imposed. Trustees are elected by corporators for staggered terms of 3 years.

Section 7, Commencement of operation: Mutual banks must qualify for and maintain Federal Deposit Insurance Corporation insurance of deposits to commence or continue operations. Before opening, a mutual bank must have a cash expense fund in the amount required by the Board. Contributions to the fund will be evidenced by transferable deferred payment certificates.

Section 8, Reserve fund: Before obtaining a charter, a mutual bank must also have a cash initial reserve fund of $50,000 or more as fixed by the Board. Contributions to this fund will also be evidenced by transferable deferred payment certificates. For the first

10 years each mutual bank must place in its reserve fund at least 10 percent of net earnings before interest. Thereafter the percentage shall be fixed by the Board, not over 10 percent. The reserve fund need not be built higher than 12 percent of deposits. The reserve fund is usable only to meet losses.

Section 9, Borrowing: A mutual bank may borrow subject to Board regulations.

Section 10, Deposits: A mutual bank may accept or reject deposits and repay them any time. It may use a passbook or other evidence of its obligation to the depositor. It may issue certificates of deposit for 2 or more years in hundred dollar multiples and agree to pay interest at the rate specified in the certificate. It may pay interest on deposits from net earnings and undivided profits as approved by the trustee. It may invoke a 90-day advance notice of withdrawal. Any closed or weak mutual bank may be treated as specified in the Federal Deposit Insurance Act.

Section 11, Investments: A mutual bank may invest in Federal obligations, municipal securities, property improvement loans insured by FHA under its title I or subject to Board regulation, Canadian Dominion or Provincial obligations payable in U.S. dollars, bankers' acceptances, corporate securities under the prudent man rule plus stated restrictions, mutual savings bank obligations, certain promissory notes, and first mortgage loans on real property under specified restrictions on class of loan, maturity, geographical limits and loan-to-value ratio. A mutual bank may participate in mortgage loans subject to requirements as to equality or priority of lien.

Section 12, Branches: With Board approval, a mutual bank may establish branches in the State of its principal office only to the extent any State-chartered financial institution can, or in chain or group banking States that otherwise permit no branch banking. The Board must first make the findings required for issuing a mutual bank charter. A mutual bank resulting from conversion or consolidation may retain all existing offices and unexercised branch rights within the State of its principal office.

Section 13, Conversion: With Board approval and subject to new charter provisions, any thrift institution may convert into a mutual bank, under the specified procedure. Such conversion cannot contravene laws of the State under which the converting institution is organized. Minimum requirements for corporators and trustees need not apply to converted institutions. To approve conversion the Board must find the converting institution can perform the duties of and meet the restrictions on, mutual banks. A converted mutual bank may retain all accounts lawful on the date of conversion.

A mutual bank may convert into any thrift institution, with approval of the authority regulating the resulting institution. Before a mutual bank can convert to a State-chartered thrift institution, the State must allow conversion in the opposite direction on no more restrictive terms. Conversion is subject to FDIC controls under section 18(c) of the Federal Deposit Insurance Act.

Section 14, merger and consolidation: Mutual banks may merge or consolidate with each other or with State-chartered mutual savings banks in the same State (with State approval if the resulting mutual savings bank is State-chartered). The law of the State must allow State-chartered mutual savings banks to merge or consolidate with a mutual bank without State approval, before a mutual bank can merge or consolidate with a resulting State-chartered mutual savings bank. Before approving, the Board must consider the purposes of this act, the prospects of financial success and ability to perform duties and meet restrictions of a mutual bank. The corporate existence of all institutions taking part in a consolidation or merger is continued in the survivor, and all rights and obligations are automatically transferred.

Section 15, general powers: A mutual bank is expressly given general operational powers by this section. It also may exercise all powers possessed now or hereafter by mutual savings banks chartered by the State in which the mutual bank is located. A mutual bank is also given powers reasonably incident to the exercise of express powers.

Section 16, annual report: The Board must submit an annual report to the President for transmission to the Congress.

Section 17, examination: The Board must examine each mutual bank at least 3 times every 2 years, but may accept FDIC examinations instead. Expenses of examinations are to be assessed upon mutual banks in proportion to assets under a uniform annual rate, but additional examinations over two a year may be assessed against the mutual bank so examined.

Section 18, taxation: No State shall tax mutual banks higher than they do similar local mutual or cooperative thrift or home financing institutions. No State other than the State of domicile shall tax mutual banks for transactions within the State that do not constitute doing business.

Section 19, authority to appoint conservators and receivers: The Board may take over a mutual bank and name a conservator or receiver for any of the reasons listed in this section. It shall name only the FDIC as receiver. Within 10 days after takeover, any mutual bank officer may apply to the proper U.S. district court for an order to the Board to show cause why it should not be enjoined from continuing in possession. The court is empowered to vacate the appointment of a conservator or receiver if warranted. The court proceedings are entitled to precedence over other pending cases.

Section 20, separability: If any provision of the act or its application to any person or circumstance is held invalid, the rest of the act and its application to other persons or circumstances is not affected by that fact.

Section 21, right to amend: The right to alter, amend, or repeal the act is expressly reserved.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MULTER (at the request of Mr. ALBERT) for Monday, September 11 and Tuesday, September 12, on account of Jewish holidays.

Mr. THOMPSON of New Jersey (at the request of Mr. ROGERS of Colorado) for today on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders hertofore entered, was granted:

Mr. REUSS for 30 minutes today, and to revise and extend his remarks.

Mr. BAILEY, for Thursday next for 45 minutes.

Mr. PATMAN, for 30 minutes, on Tuesday and Wednesday, to revise and extend his remarks, and to include extraneous matter.

Mr. HOFFMAN of Michigan, for 10 minutes today, and to revise and extend his remarks.

Mr. BRUCE (at the request of Mr. LANGEN) for 1 hour, on September 12.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MACK.

Mr. DENTON and include an article on rural area development by the Department of Agriculture.

Mr. CANNON and to include certain tabulations on appropriation bills for this session of Congress.

(The following Members (at the request of Mr. LANGEN) and to include extraneous matter:)

Mr. ALGER.

Mr. MCINTIRE.

(The following Members (at the request of Mr. ALBERT) and to include extraneous matter:)

Mr. COOLEY.

Mr. CORMAN.

Mr. PUCINSKI.

Mr. HECHLER.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 476. An act to establish the Point Reyes National Seashore in the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 502. An act to authorize the employment of retired personnel of the Federal Government by the Board of Education of the District of Columbia, and to authorize the employment of retired personnel of the Board of Education of the District of Columbia by the Federal Government; to the Committee on the District of Columbia.

S. 653. An act to provide for the presentation by the United States to the people of Mexico of a monument commemorating the independence of Mexico, and for other purposes; to the Committee on Foreign Affairs.

S. 914. An act to provide for more effective administration of public assistance in the District of Columbia; to make certain relatives responsible for the support of needy persons, and for other purposes; to the Committee on the District of Columbia.

S. 1563. An act to authorize the conveyance of certain lands within the Clark Hill Reservoir, Savannah River, Ga.-S. C., to the Georgia-Carolina Council, Inc., Boy Scouts of America, for recreation and camping purposes; to the Committee on Public Works.

S. 1918. An act to extend benefits of the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 to widows and surviving children of former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, or the U.S. Secret Service Division, who were retired or who died in the service of any such organization prior to the effective date of such amendments; to the committee on the District of Columbia.

S. 2180. An act to establish a U.S. Arms Control and Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

S. 2299. An act to provide for the establishment of a juvenile division within or in connection with the District of Columbia Youth Correctional Center, and to authorize the judge of the juvenile court of the District of Columbia to commit to such juvenile division, subject to the provisions of the Juvenile Court Act, children 15 years of age,

or older; to the Committee on the District of Columbia.

S. 2397. An act authorizing the National Capital Transportation Agency to carry out part 1 of its transit development program and to further the objectives of the act approved July 14, 1960 (74 Stat. 537); to the Committee on the District of Columbia.

S.J. Res. 51. Joint resolution authorizing the creation of a commission to consider and formulate plans for the construction in the District of Columbia of an appropriate permanent memorial to the memory of Woodrow Wilson; to the Committee on House Administration.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker pro tempore:

H.R. 1021. An act to extend for 2 years the definition of "peanuts" which is now in effect under the Agricultural Adjustment Act of 1938;

H.R. 2877. An act to authorize the Director, Office of Civil and Defense Mobilization, to approve a financial contribution for civil defense purposes to the State of Oklahoma;

H.R. 6302. An act to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes;

H.R. 6309. An act to amend title VI of the Merchant Marine Act, 1936, as amended, in order to increase certain limitations in payments on account of operating differential subsidy under such title;

H.R. 6732. An act to amend the Merchant Marine Act, 1936, as amended, to encourage the construction and maintenance of American-flag vessels built in American shipyards;

H.R. 6969. An act to amend title 38, United States Code, to increase dependency and indemnity compensation in certain cases;

H.R. 6974. An act to amend section 607(b) of the Merchant Marine Act, 1936, as amended;

H.R. 7043. An act to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes;

H.R. 7622. An act to repeal sections 1176 and 1177 of the Revised Statutes of the United States relating to the District of Columbia;

H.R. 8406. An act to further amend Reorganization Plan No. 1 of 1958, as amended, in order to change the name of the office established under such plan; and for other purposes;

H.R. 8466. An act to authorize the construction of a railroad siding in the vicinity of Taylor Street NE., District of Columbia; and

H.R. 8719. An act to amend the act of July 23, 1947, chapter 301, as amended, to extend for 2 years the authority to make temporary appointments and promotions in the U.S. Coast Guard.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER pro tempore announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 48. An act to authorize the Secretary of the Army to modify certain leases entered into for the provision of recreation facilities in reservoir areas;

S. 203. An act to declare that the United States holds trust for the pueblos of Santa Ana, Zia, Jemez, San Felipe, Santo Domingo, Cochiti, Isleta, and San Ildefonso;

S. 322. An act to make certain funds available to the Nez Perce Tribe of Idaho;

S. 344. An act to amend the Seneca Leasing Act of August 14, 1950 (64 Stat. 442);

S. 541. An act to amend the Act of June 1, 1948 (62 Stat. 281), to empower the Administrator of General Services to appoint nonuniformed special policemen;

S. 685. An act to amend the Coast and Geodetic Survey Commissioned Officers Act of 1948, as amended, and for other purposes;

S. 931. An act to repeal that part of the Act of March 2, 1889, which requires that grantors furnish, free of all expenses to the Government, all requisite abstracts, official certifications and evidence of title;

S. 935. An act for the relief of certain members of the Army National Guard of the United States and the Air National Guard of the United States;

S. 1365. An act to amend the Shipping Act, 1916, to provide for licensing independent ocean freight forwarders, and for other purposes;

S. 1501. An act to authorize the Secretary of the Interior to contract for the sale, operation, maintenance, repair, or relocation of Government-owned electric and telephone lines and other utility facilities used for the administration of the Bureau of Indian Affairs;

S. 1518. An act providing for the disposition of judgment funds of the Omaha Tribe of Indians;

S. 2016. An act to give the Walker River Paiute Tribe the reserved minerals underlying its reservation;

S. 2216. An act to authorize the transfer of three units of the Fort Belknap Indian irrigation project to the landowners within the project;

S. 2224. An act to grant minerals, including oil, gas, and other natural deposits, on certain lands in the Northern Cheyenne Indian Reservation, Mont., to certain Indians, and for other purposes;

S. 2395. An act to amend the Railroad Retirement Act of 1937 to provide reduced annuities to male employees who have attained age 62, and for other purposes;

S. 2422. An act concerning the White House and providing for the care and preservation of its historic and artistic contents; and

S.J. Res. 98. Joint resolution to provide for the observance of the centennial of the enactment of the Homestead Act.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 21 minutes p.m.), the House adjourned until tomorrow, Tuesday, September 12, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1301. A letter from the Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

1302. A letter from the Assistant Comptroller General of the United States, transmitting our report on the audit of the helium operations of the Bureau of Mines, Department of the Interior, March 31, 1960; to the Committee on Government Operations.

1303. A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of a proposed bill entitled "A bill to provide for the payment of compensation and restoration of employment benefits to certain Federal officers and employees improperly deprived thereof, and for other purposes"; to the Committee on Post Office and Civil Service.

1304. A letter from the Attorney General, transmitting a draft of a proposed bill entitled "A bill to amend the Immigration and Nationality Act so as to remove limitations on the authority of the Attorney General to prescribe the fees to be charged for services rendered to individuals and to authorize the Attorney General to prescribe such fees administratively on a basis commensurate with the services rendered"; to the Committee on the Judiciary.

1305. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases of the following aliens who have been found admissible to the United States, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of September 7, 1961, the following conference report was filed on September 8, 1961:

Mr. SHEPPARD: Committee of conference. H.R. 8302. A bill making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes (Rept. No. 1156). Ordered to be printed.

Under clause 2 of rule XIII, pursuant to the order of the House of September 7, 1961, the following bill was reported on September 9, 1961:

Mr. BOGGS: Committee on Ways and Means. H.R. 8847. A bill to amend the Internal Revenue Code of 1954 so as to provide that certain distributions of stock made pursuant to orders enforcing the antitrust laws shall not be treated as dividend distributions but shall be treated as a return of basis and result in gain only to the extent basis of the underlying stock is exceeded; with amendment (Rept. No. 1157). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted September 11, 1961*]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ASPINALL: Committee of conference. H.R. 7916. A bill to expand and extend the saline water conversion program being conducted by the Secretary of the Interior (Rept. No. 1158). Ordered to be printed.

Mr. SELDEN: Committee on Foreign Affairs. H.R. 8895. A bill to amend the joint resolution providing for membership and participation by the United States in the Inter-American Children's Institute; without amendment (Rept. No. 1159). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS K. UDALL: Committee on Post Office and Civil Service. H.R. 7791. A bill to amend title 13 of the United States

Code to provide for the collection and publication of foreign commerce and trade statistics, and for other purposes; without amendment (Rept. No. 1160). Referred to the Committee of the Whole House on the State of the Union.

Mr. CELLER: Committee of conference. S. 1653. A bill to amend title 18, United States Code, to prohibit travel in aid of racketeering enterprises (Rept. No. 1161). Ordered to be printed.

Mr. HALEY: Committee of conference. S. 1540. A bill to amend the law establishing the Indian revolving loan fund. (Rept. No. 1162). Ordered to be printed.

Mr. ROONEY: Committee of conference. H.R. 7371. A bill making appropriations for the Departments of State and Justice, the judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes (Rept. No. 1163). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL (by request):

H.R. 9115. A bill to provide for the satisfaction of claims arising out of scrip, lieu selection, and similar rights; to the Committee on Interior and Insular Affairs.

By Mr. DOLE:

H.R. 9116. A bill to amend the Agricultural Act of 1961 to establish a uniform base period for the 1962 wheat program; to the Committee on Agriculture.

By Mr. KEARNS:

H.R. 9117. A bill to strengthen democratic processes respecting the calling of strikes, to protect employees against unjustifiable pay losses from strikes, to protect employers from needless production interruptions arising out of strikes contrary to the wishes of employees, and to minimize industrial strife interfering with the flow of commerce and the national security by amending the National Labor Relations Act to require economic strikes to be authorized by a secret ballot; to the Committee on Education and Labor.

By Mr. MORGAN:

H.R. 9118. A bill to establish a U.S. Arms Control Agency; to the Committee on Foreign Affairs.

By Mr. VINSON:

H.R. 9119. A bill to authorize the disposition from the national stockpile of approximately 10,000 long tons of pig tin; to the Committee on Armed Services.

By Mr. WALTER:

H.R. 9120. A bill to amend the Subversive Activities Control Act of 1950 so as to require the Postmaster General in certain cases to give notice of the use of the mails for the dissemination of Communist propaganda; to the Committee on Un-American Activities.

By Mr. WEAVER:

H.R. 9121. A bill to help maintain the financial solvency of the Federal Government by reducing nonessential expenditures through reduction in personnel in various agencies of the Federal Government by attrition, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MULTER:

H.R. 9122. A bill to authorize Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. ADDONIZIO:

H.R. 9123. A bill to authorize Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. BARRETT:

H.R. 9124. A bill to authorize Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. FINO:

H.R. 9125. A bill to authorize Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. WEAVER:

H.J. Res. 568. Joint resolution expressing a declaration of war against the 98 Communist Parties constituting the international Communist conspiracy; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BALDWIN:

H.R. 9126. A bill for the relief of Mrs. Trinidad A. Calvo; to the Committee on the Judiciary.

By Mr BELL:

H.R. 9127. A bill for the relief of Mrs. Llona Hanto; to the Committee on the Judiciary.

By Mr. GUBSER:

H.R. 9128. A bill for the relief of Sgt. Ernest I. Aguilar; to the Committee on the Judiciary.

By Mr. SCHERER:

H.R. 9129. A bill for the relief of Caroline G. Junghans; to the Committee on the Judiciary.

By Mr. MORRIS K. UDALL:

H.R. 9130. A bill to provide for the acquisition of a patented mining claim on the south rim of Grand Canyon National Park, and for other purposes; to the Committee on Interior and Insular Affairs.

SENATE

MONDAY, SEPTEMBER 11, 1961

The Senate met at 9 o'clock a.m., and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer.

Father of all men, standing in the midst of swift social currents and of evil forces whose hideous cruelty stabs our anguished hearts, we confess that the world in which our lot is cast is too much for us. Because there is no solution of the world's ills, save as it springs from Thy sovereignty and from the hearts of men, we pray for ourselves—create within us clean hearts, O God, and renew right spirits within us.

Give us to see that the pride of nations, their covetousness, their greed, their assaults against the rights of others, are the very evils that seek to corrode our own souls:

Breathe on us breath of God,
Fill us with life anew,
That we may love what Thou dost love,
And do what Thou wouldst do.

In the dear Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, September 8, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries, and he announced that on September 8, 1961, the President had approved and signed the act (S. 2239) to amend the act entitled "An act to incorporate the National Society of the Sons of the American Revolution," approved June 9, 1906 (34 Stat. 227), in order to remove the statutory limitation on the amount of property such society may receive, purchase, hold, sell, and convey at any one time.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

CALL OF THE CALENDAR DISPENSED WITH

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar under rule VIII be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on Interior and Insular Affairs was authorized to meet during the session of the Senate today.

Upon request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee on Juvenile Delinquency of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

DISPOSITION OF CERTAIN PIG TIN

A letter from the Acting Administrator, General Services Administration, Washington, D.C., transmitting a draft of proposed legislation to authorize the disposition from the national stockpile of approximately 10,000 long tons of pig tin (with an accompanying paper); to the Committee on Armed Services.

AMENDMENT OF IMMIGRATION AND NATIONALITY ACT, RELATING TO FEES FOR CERTAIN SERVICES

A letter from the Attorney General, transmitting a draft of proposed legislation to amend the Immigration and Nationality Act so as to remove limitations on the authority of the Attorney General to prescribe the

fees to be charged for services rendered to individuals and to authorize the Attorney General to prescribe such fees administratively on a basis commensurate with the services rendered (with an accompanying paper); to the Committee on the Judiciary.

ADMISSION INTO THE UNITED STATES OF CERTAIN DEFECTOR ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JORDAN, from the Committee on Rules and Administration, without amendment:

H.J. Res. 558. Joint resolution providing for printing copies of "Cannon's Procedure in the House of Representatives" (Rept. No. 960);

H. Con. Res. 12. Concurrent resolution authorizing the printing of additional copies of House Document 412, 85th Congress (Rept. No. 961);

H. Con. Res. 364. Concurrent resolution to print as a House document the publication "World Communist Movement—Selective Chronology, 1818–1957, Volume 1," and to provide for the printing of additional copies (Rept. No. 962);

H. Con. Res. 384. Concurrent resolution authorizing the printing of additional copies of the report "Communist Target—Youth—Communist Infiltration and Agitation Tactics" (Rept. No. 963); and

H. Con. Res. 385. Concurrent resolution authorizing the printing of a manuscript entitled "History of the House of Representatives" (Rept. No. 964).

By Mr. GRUENING, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 2280. An act to provide for the withdrawal of certain public lands 40 miles east of Fairbanks, Alaska, for use by the Department of the Army as a Nike range (Rept. No. 965);

H.R. 2281. An act to reserve for use by the Department of the Army at Fort Richardson, Alaska, certain public lands in the Campbell Creek area, and for other purposes (Rept. No. 966);

H.R. 2282. An act to provide for the withdrawal from the public domain of certain lands in the Ladd-Eielson area, Alaska, for use by the Department of the Army as the Yukon Command training site, Alaska, and for other purposes (Rept. No. 968); and

H.R. 2283. An act to provide for the withdrawal from the public domain of certain lands in the Big Delta area, Alaska, for continued use by the Department of the Army at Fort Greely, and for other purposes (Rept. No. 969).

By Mr. GRUENING, from the Committee on Interior and Insular Affairs, with amendments:

H.R. 2279. An act to provide for the withdrawal from the public domain of certain lands in the Granite Creek area, Alaska, for use by the Department of the Army at Fort Greely, Alaska, and for other purposes (Rept. No. 967).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HUMPHREY (for himself, Mr. METCALF, Mr. MCGEE, Mr. MOSS, Mr. BURDICK, Mr. CHAVEZ, Mr. MCCARTHY, Mr. MCNAMARA, Mrs. NEUBERGER, and Mr. YARBOROUGH):

S. 2526. A bill to amend and extend the provisions of the Sugar Act of 1948, as amended; to the Committee on Finance.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. RANDOLPH:

S. 2527. A bill for the relief and benefit of Gianpietro Vittorio Monetti; to the Committee on the Judiciary.

By Mr. SPARKMAN (for himself and Mr. BUSH):

S. 2528. A bill to authorize the establishment of Federal mutual savings banks; to the Committee on Banking and Currency.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. GORE:

S.J. Res. 135. Joint resolution to waive certain provisions of the Atomic Energy Act of 1954 so as to permit the agreement for cooperation between the United States and France to be made immediately effective; to the Joint Committee on Atomic Energy.

CONCURRENT RESOLUTION

COMMEMORATION OF 100TH ANNIVERSARY OF THE EMANCIPATION PROCLAMATION

Mr. KEATING submitted a concurrent resolution (S. Con. Res. 45) requesting the President to issue a Declaration of Freedom on January 1, 1963, in commemoration of the 100th anniversary of the Emancipation Proclamation, which was referred to the Committee on the Judiciary.

(See the above concurrent resolution printed in full when submitted by Mr. KEATING, which appears under a separate heading.)

RESOLUTIONS

STUDIES AND REPORT ON LEAD, ZINC, AND CERTAIN OTHER MINERALS BY TARIFF COMMISSION

Mr. DIRKSEN (for himself, Mr. MANSFIELD, Mr. COOPER, Mr. MORTON, Mr. ALLOTT, and Mr. DWORSHAK) submitted the following resolution (S. Res. 206); which was referred to the Committee on Finance:

Whereas pursuant to a resolution of the Senate Committee on Finance, dated August 14, 1954, the United States Tariff Commission made an investigation under Section 332 of the Tariff Act of 1930, of the domestic fluorspar industry and submitted a report of the results thereof to the said committee on June 6, 1955 and the Senate of the United States subsequently on August 21, 1959, by S. Res. 163, directed the United States Tariff Commission to bring up to date said report and to submit its findings not later than February 21, 1960; and

Whereas pursuant to a resolution of the United States Senate adopted August 21, 1959, the United States Tariff Commission was directed to make a supplemental investigation of conditions in the lead and zinc industry and to bring up to date its report on lead and zinc which had previously been made on April 19, 1954; and

Whereas the industries producing manganese, cobalt, mercury, and beryllium are becoming more and more distressed and such distress could have an effect on our national security: Now, therefore, be it

Resolved, That the United States Tariff Commission is hereby directed, pursuant to section 332 of the Tariff Act of 1930, to make further studies and bring up to date the reports on lead, zinc, and fluorspar and to report to the Congress on or before January 31, 1962, and to conduct investigations of conditions in the industries producing manganese, cobalt, mercury, and beryllium and report to Congress not later than March 15, 1962.

The supplemental reports and new reports shall include a summary of the facts obtained in the investigation, including a description of the domestic industry, domestic production, foreign production, comparative costs of domestic and foreign production, including labor costs, imports, consumption, channels and methods of distribution, United States exports, and other factors affecting the competition between domestic and imported products. In the course of the investigations, the Commission shall hold hearings, giving adequate opportunity to interested parties to appear and be heard, except that in the case of lead, zinc, and fluorspar where reports are being brought up to date, the matter of further hearings shall be left to the discretion of the Tariff Commission.

THE PRESENT SITUATION IN THE CONGO

Mr. DODD submitted a resolution (S. Res. 207) establishing the Select Committee on the Congo, which was referred to the Committee on Foreign Relations.

(See the above resolution printed in full when submitted by Mr. DODD, which appears under a separate heading.)

REVISED SUGAR ACT

Mr. HUMPHREY. Mr. President, I introduce, for appropriate references, a bill to amend and extend the provisions of the Sugar Act of 1948, as amended. Other Senators joining with me in the introduction of this bill are Senators METCALF, MCGEE, MOSS, BURDICK, CHAVEZ, MCCARTHY, MCNAMARA, NEUBERGER, and YARBOROUGH.

Mr. President, the purpose of this bill is to give consideration to our domestic sugar beet producers in the United States in light of what has taken place concerning Cuban sugar. As you know, Mr. President, we used to purchase over 3 million tons a year of our domestic requirements from Cuba. The reallocation of this Cuban allotment is now taking place, and I think it is only fair and equitable that our own sugar producers, especially our beet producers, come in for some consideration. The bill I am introducing today is designed for that purpose. I intend it to be a point of departure for legislation to assist our domestic sugar beet producers.

This bill calls for an increase of 20 percent in domestic beet tonnage, from 1,800,000 to 2,600,000 tons per year.

Mr. President, each December the Secretary of Agriculture make a decision as to what our national sugar requirements will be for the coming year.

This past December it was determined that our requirements for calendar 1961 would be 10 million tons. In view of such extensive requirements, I think it is fair and proper that our domestic sugarbeet producers should be able to share to a greater extent in the reallocation of sugar quotas occasioned by the cessation of our imports from Cuba.

We extended the present Sugar Act in this session of Congress. However, it expires at the end of this fiscal year and new legislation is going to be required. This bill, in which I am being joined by a number of other Senators, represents our interest in the welfare of our domestic sugarbeet producer. He should not become the forgotten man under any new sugar legislation, and the purpose of the bill is to see that he does not.

I wish to call your attention, Mr. President, to the fact that the bill does not make any mention of sugarbeet acreage or where the acreage under this increase tonnage allocation is to be planted. This is a decision which I think should properly be arrived at by the beet producers themselves through their regional and national organizations. I feel that it is the duty of the Congress to provide for the increased tonnage, but it would be a grave error for the Congress to attempt to dictate any determination of the geographic area in the United States where these beets are to be grown.

I invite the attention of all my colleagues to this proposed legislation, and request unanimous consent that it be laid on the table for a period of 1 week so that any other interested Senators may join as cosponsors.

Mr. President, I further request unanimous consent that the text of the bill be printed at this point in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and will lie on the desk, as requested by the Senator from Minnesota.

The bill (S. 2526) to amend and extend the provisions of the Sugar Act of 1948, as amended, introduced by Mr. HUMPHREY, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 202 of the Sugar Act of 1948 is amended by striking out of the table in subsection (a)

"Domestic beet area..... 1,800,000"

and inserting in lieu thereof

"Domestic beet area..... 2,160,000";

by striking out of subsections (a) and (c) thereof "four million four hundred forty-four thousand" in each place it appears therein and inserting in lieu thereof "four million eight hundred four thousand"; and by amending subparagraph (D) of subsection (a)(2) thereof to read as follows: "(D) any additional amount shall be apportioned on the basis of 1,800,000 short tons raw value for the Domestic beet sugar area and the quotas for the other areas established in paragraph (1) of this subsection as adjusted by subparagraphs (A), (B), and (C) of this paragraph (2)".

SEC. 2. Section 408(b) of such Act is amended by striking out "June 30, 1962" in each place it appears therein and inserting in lieu thereof "June 30, 1967".

SEC. 3. Section 412 of such Act is amended by striking out "June 30, 1962" and inserting in lieu thereof "June 30, 1967" and by striking out "1962" where it appears the second time and inserting in lieu thereof "1967".

SEC. 4. (a) Section 4501(c) of the Internal Revenue Code of 1954 is amended by striking out "1962" in each place it appears therein and inserting in lieu thereof "1967".

(b) Section 6412(d) of the Internal Revenue Code of 1954 is amended by striking out "December 31, 1962" and inserting in lieu thereof "December 31, 1967" and by striking out "March 31, 1963" and inserting in lieu thereof "March 31, 1968".

SEC. 5. The amendments herein shall become effective July 1, 1962 except that sections 1 and 2 hereof shall be effective upon enactment for purposes of issuing proclamations, determinations, and regulations required for the calendar year 1962.

A NEW DECLARATION OF FREEDOM

Mr. KEATING. Mr. President, January 1, 1963, will mark the 100th anniversary of the Emancipation Proclamation. In the midst of Civil War centennial ceremonies this date should inspire the most worthy and important observance of all. All too many of the celebrations to date have emphasized the bloody and divisive aspects of the Civil War struggle. A particularly ironic feature of some of these celebrations has been that the facilities themselves have been segregated, a fact which illustrates the contemporary aspects of the continuing struggle for human freedom.

We should not continue to pay elaborate attention to the bloody battles of the war and ignore its proudest and most constructive moment. Sacrifices of life and limb in battle and the bitterness that caused and resulted from the struggle were justified, if at all, only by the triumph of principle over prejudice that gained expression Lincoln's proclamation. The battles which pitted American against American were tragic. The Presidential Proclamation that ended slavery was a glorious triumph.

Let us begin to remember and build on the constructive results of the Civil War. In this vein I am today introducing a concurrent resolution calling on the President to issue a declaration for freedom on the 100th anniversary of the Emancipation Proclamation. Such a declaration by the President would be a fitting reminder to the world that America is totally committed to the cause of human freedom and justice at home as well as abroad.

Of course the struggle for equal justice will not be won simply by issuing declarations of righteous goals. But such declarations can help pave the way for more concrete achievements. I hope that in this spirit, all Members of Congress will see fit to support this resolution.

I therefore submit, for appropriate reference, a concurrent resolution requesting the President to issue a declaration of freedom on January 1, 1963, in commemoration of the 100th anniversary of the Emancipation Proclamation.

The VICE PRESIDENT. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 45) requesting the President to issue a declaration of freedom on January 1, 1963, in commemoration of the 100th anniversary of the Emancipation Proclamation, submitted by Mr. Keating, was referred to the Committee on the Judiciary, as follows:

Whereas the founders of this Nation declared their belief that "all men are endowed by their Creator with certain inalienable rights, and among these are life, liberty, and the pursuit of happiness * * * and to secure these rights Governments are instituted among men * * *"; and

Whereas these principles were reaffirmed during the Civil War by many brave men and especially by Abraham Lincoln, whose Emancipation Proclamation remains a great milestone on our Nation's road toward equal justice for all citizens; and

Whereas this Nation has since its founding been in the vanguard of nations striving to carry the torch of liberty and justice to all people throughout the world; and

Whereas significant strides in the field of civil rights have been made during recent years, particularly in the fields of public education, the Armed Forces, and Government service; and

Whereas much remains to be done, particularly in the fields of voting, housing, and employment practices; and

Whereas freedom is indivisible, and no American citizen can rest until every citizen is treated with equal dignity; and

Whereas Americans from minority groups have achieved prominence and made noteworthy contributions in all walks of life—in medicine, sports, diplomacy, and law, among others; and

Whereas members of the generation currently entrusted with the treasure that is America are striving to pass on to their children an enriched and ennobled way of life, in a country where the rights and duties of citizenship fall on the shoulders of everyone without reference to race, religion, or national origin; and

Whereas, there are many advances toward the goal of liberty and justice that cannot be made by law, but require constant moral leadership and a responsive good will on the part of everyone who lives in America; and

Whereas, in the struggle against communism which does not recognize individual rights, it is essential that our faith in human dignity and freedom be reaffirmed; and

Whereas, on January 1, 1963, this Nation commemorates the 100th anniversary of the Emancipation Proclamation; and

Whereas, while the pressing claim in 1863 was for the emancipation of the slaves, the immediate and urgent imperative in 1963 is to protect every American's enjoyment of freedom in justice and in equality which is our birthright and heritage: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President, on January 1, 1963, issue a declaration of freedom, reaffirming the sacred and historic principles of liberty, justice, and equality upon which this Nation was founded, and rededicating our people and our Government to the solemn responsibility of honoring and practicing those principles and of perpetuating them as our God-given heritage.

THE PRESENT SITUATION IN THE CONGO

Mr. DODD. Mr. President, I submit for appropriate reference, a resolution providing for the establishment of a select committee of the Senate for the

purpose of investigating the present situation in the Congo.

On Friday I spoke in the Senate pointing out that there is a serious danger that the Communists will take over in the Congo and thus secure for themselves a base for operations that will affect the whole of central Africa. I said that the United Nations has been preparing the way, step-by-step, for a Communist takeover in the Congo and that, in forcibly removing the officer corps of the Katanga Army and preparing the downfall of President Tshombe, the United Nations would create a vacuum that only the Communists could fill.

I said that I had reason to believe that we had only months or weeks in which to salvage this situation.

It has been suggested to me that it is not within the competence of the Senate to investigate the United Nations or United Nations policy. This may be true. But the United States has a large voice within the United Nations, and it plays a key role in determining United Nations policy. Moreover, of the hundred million dollars or more that the United Nations has already spent or budgeted in the Congo, the United States will foot the bill for more than half.

I certainly believe that it is within the competence of the Senate to investigate the general situation in the Congo as it affects the interest of the United States; to investigate the role that the United States has played in determining and participating in United Nations policy in the Congo, and to investigate what is being done with the American taxpayers' money.

Mr. President, I have made the composition of the proposed select committee as broad as possible because I feel that the Senate as a whole, as well as several standing committees of the Senate, are vitally interested in what transpires there. In the resolution as I now submit it, two members of the select committee will be chosen from the membership of the Committee on Foreign Relations; two members from the Committee on Appropriations; two members from the Committee on Government Operations; two members from the Committee on Armed Services; four members from the Senate at large without regard to committee assignments. There will, in addition, be a chairman. The bill further specifies that the said committees, to which I have referred, will be represented on the select committee in each case by a member of the majority party and a member of the minority party.

Mr. President, time is running out in the Congo. I earnestly hope that this measure can be acted on in the brief time remaining before this session of Congress adjourns.

Meanwhile, I have this morning sent telegrams to Ambassador Stevenson and to the Department of State urging them to insist within the U.N. that, until there has been an opportunity for a reappraisal of the entire situation, the U.N. Command in the Congo take no further action against white officers or white advisers in Katanga Province; that it release those officers and advisers now in custody and permit them to resume their positions; and that it take no further measures to force the submission of President Tshombe to the coalition government in Leopoldville, in which both the Vice Premier and the Minister of the Interior are both Prague-trained Communists.

Mr. President, I ask unanimous consent that the text of my resolution be printed at this point in the RECORD, together with my telegram to Ambassador Stevenson.

The VICE PRESIDENT. The resolution will be received and appropriately referred; and, without objection, the telegram will be printed in the RECORD.

The resolution (S. Res. 207) was referred to the Committee on Foreign Relations, as follows:

Resolved, That (a) there is hereby established a select committee of the Senate to be known as the Select Committee on the Congo (referred to hereinafter as the "committee"). The committee shall be composed of a chairman selected from members of the Senate who are members of the majority party, and twelve other members of the Senate selected as follows:

(1) two members chosen from the membership of the Committee on Foreign Relations, of whom one shall be a member of the majority party and one shall be a member of the minority party;

(2) two members chosen from the membership of the Committee on Appropriations, of whom one shall be a member of the majority party and one shall be a member of the minority party;

(3) two members chosen from the membership of the Committee on Government Operations, of whom one shall be a member of the majority party and one shall be a member of the minority party;

(4) two members chosen from the membership of the Committee on Armed Services, of whom one shall be a member of the majority party and one shall be a member of the minority party; and

(5) four members chosen from members of the Senate without regard to their committee assignments, of whom two shall be members of the majority party and two shall be members of the minority party.

(b) Vacancies in the membership of the committee shall not affect the authority of the remaining members to execute the functions of the committee, and shall be filled in the same manner as original appointments thereto are made.

(c) The committee shall adopt rules of procedure not inconsistent with the rules of the Senate governing standing committees of the Senate. A majority of the members of the committee shall constitute a quorum thereof for the transaction of business, except that the committee may fix a lesser number as a quorum for the purpose of taking sworn testimony.

(d) No legislative measure shall be referred to the committee, and it shall have no authority to report any such measure to the Senate.

(e) The committee shall cease to exist on February 28, 1962.

SEC. 2. (a) It shall be the duty of the committee to conduct a comprehensive study and investigation concerning the situation existing in the Congo.

(b) On or before January 1, 1962, the committee shall report to the Senate the results of its studies and investigations, together with its recommendations for any additional legislative or other measures which it may determine to be necessary or desirable for the solution of problems incident to that situation.

SEC. 3. (a) For the purposes of this resolution, the committee is authorized to (1) make such expenditures; (2) hold such hearings; (3) sit and act at such times and places during the sessions, recesses, and adjournment periods of the Senate; (4) require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (5) administer such oaths; (6) take such testimony orally or by deposition; and (7) employ and fix the compensation of such technical, clerical, and other assistants and consultants as it deems advisable, except that the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1949, as amended, for comparable duties.

(b) Upon request made by the members of the committee selected from the minority party, the committee shall appoint one assistant or consultant designated by such members. No assistant or consultant appointed by the committee may receive compensation at an annual gross rate which exceeds by more than $1,200 the annual gross rate of compensation of any individual so designated by the minority members of the committee.

(c) With the prior consent of the executive department or agency concerned and the Committee on Rules and Administration, the committee may (1) utilize the services, information, and facilities of any such department or agency, and (2) employ on a reimbursable basis the services of such personnel of any such department or agency as it deems advisable. With the consent of any other committee of the Senate, or any subcommittee thereof, the committee may utilize the facilities and the services of the staff of such other committee or subcommittee whenever the chairman of the committee determines that such action is necessary and appropriate.

(d) Subpoenas may be issued by the committee over the signature of the chairman or any other member designated by him, and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

SEC. 4. The expenses of the committee under this resolution, which shall not exceed $75,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The telegram presented by Mr. DODD is as follows:

TEXT OF WIRE FROM SENATOR THOMAS J. DODD TO AMBASSADOR ADLAI E. STEVENSON

I am gravely concerned over reports of recent action taken by the United Nations in the Congo.

On the one hand, I am alarmed by the role of the United Nations in fostering the creation of a coalition government in Leopoldville with Antoine Gizenga as Vice Premier and Christophe Gbenye as Minister of Interior. Both of these men are Prague-trained Communists.

On the other hand, I am alarmed by the massive concentration of U.N. forces in Katanga, by the forcible arrest and deportation last week of all white officers and noncommissioned officers serving with the Katanga Army, and by the increasing number of white civilian advisers who have been ordered deported.

By thus decapitating the anti-Communist army of President Tshombe, by leaving the large pro-Communist army of Antoine Gizenga intact, and by forcing the submission of President Tshombe to the highly questionable coalition government in Leopoldville, the U.N. command, in my opinion, is preparing the way for a Communist takeover in the Congo.

I have this morning submitted a resolution calling for the creation of a select committee of the Senate to investigate the situation in the Congo.

It is the duty of the Senate to investigate and to be fully informed about the situation in the Congo as it affects American interests; the role played by the United States in determining or opposing U.N. policy; and the use being made in the Congo of the money of American taxpayers.

There have been reports in the past indicating that the Department of State was not satisfied with the U.N.'s handling of the Congo situation. I earnestly hope that the Department has not approved the recent measures to which this telegram refers. I urge you to insist within the U.N. that, until there has been an opportunity for a reappraisal of the entire situation, the U.N. command in the Congo take no further action against white officers or white advisers in Katanga Province; that it release those officers and advisers now in custody and permit them to resume their positions; and that it take no further measures to force the submission of President Tshombe to the coalition government in Leopoldville, in which the Vice Premier and the Minister of the Interior are both Prague-trained Communists.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT, RELATING TO METHOD OF COMPUTING CERTAIN INTEREST EARNINGS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 739) to amend the Civil Service Retirement Act, as amended, with respect to the method of computing interest earnings of special Treasury issues held by the civil service retirement and disability fund, which were, on page 1, line 3, after "That" insert "(a)"; on page 1, lines 4 and 5, strike out "70 Stat. 759 (5 U.S.C. 2267)" and insert "(70 Stat. 759; 5 U.S.C. 2267(d))"; on page 2, after line 18, insert:

(b) All special issues in which the civil service retirement and disability fund is invested in accordance with section 17(d) of the Civil Service Retirement Act as in effect prior to the enactment of this Act shall be redeemed and the moneys reinvested by the Secretary of the Treasury on or before January 1, 1962, in accordance with such section 17(d), as amended by subsection (a) of this section.

SEC. 2. (a) Paragraphs (2) and (3) of section 2(h) of the Civil Service Retirement Act, as amended (74 Stat. 302; 5 U.S.C. 2252(h)(2) and (3)), are amended to read as follows:

"(2) The Commission is authorized and directed to accept the certification of the Secretary of Agriculture or his designee with respect to service, for purposes of this Act, of the type rendered by employees described in paragraph (3) of this subsection.

"(3) Subject to the provisions of sections 4(c) and 9(f) of this Act, service rendered prior to July 10, 1960, as an employee of a county committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) or of a committee or an association of producers described in section 10(b) of the Agricultural Adjustment Act of May 12, 1933 (48 Stat. 37), shall be included in computing length of creditable service for the purposes of this Act."

(b) The amendment made by subsection (a) of this section shall become effective as of July 1, 1961.

SEC. 3. Section 11(h) of the Civil Service Retirement Act, as amended (74 Stat. 409; 5 U.S.C. 2261(h)), is amended—

(1) by inserting "(1)" immediately following "(h)"; and

(2) by adding at the end thereof the following:

"(2) Any employee—

"(A) who is separated from the service prior to July 12, 1960; and

"(B) who continues in the service after July 12, 1960, without break in service of one workday or more,

shall be granted the benefits of paragraph (1) of this subsection as if he were separated after July 12, 1960.".

SEC. 4. (a) Sections 7(d) and 7(e) of the Civil Service Retirement Act, as amended (70 Stat. 750, 751; 5 U.S.C. 2257(d) and (e)), are amended to read as follows:

"(d) If such annuitant, before reaching age sixty, recovers from his disability, payment of the annuity shall cease upon reemployment by the Government or one year from the date of the medical examination showing such recovery, whichever is earlier. If such annuitant, before reaching age sixty, is restored to an earning capacity fairly comparable to the current rate of compensation of the position occupied at the time of retirement, payment of the annuity shall cease upon reemployment by the Government or one year from the end of the calendar year in which earning capacity is so restored, whichever is earlier. Earning capacity shall be deemed restored if, in each of two succeeding calendar years, the income of the annuitant from wages or self-employment, or both, shall equal at least 80 per centum of the current rate of compensation of the position occupied immediately prior to retirement.

"(e) If such annuitant whose annuity is discontinued under subsection (d) is not reemployed in any position included in the provisions of this Act, he shall be considered except for service credit, as having been involuntarily separated from the service for the purposes of this Act as of the date of discontinuance of the disability annuity and shall, after such discontinuance, be entitled to annuity in accordance with the applicable provision of this Act. In the case of an annuitant whose annuity is heretofore or hereafter discontinued because of an earning capacity provision of this or any prior law and such annuitant is not reemployed in any position included in the provisions of this Act, annuity at the same rate shall be restored effective the first of the year following any calendar year in which his income from wages or self-employment, or both, is less than 80 per centum of the current rate of compensation of the position occupied immediately prior to retirement, if he has not recovered from the disability for which he was retired. In the case of an annuitant whose annuity is heretofore or hereafter discontinued because of a medical finding that the annuitant has recovered from disability and such annuitant is not reemployed in any position included in the provisions of this Act, annuity at the same rate shall be restored effective from the date of medical examination showing a recurrence of such disability. Neither the second nor third sentence of this subsection shall be applicable in the case of any person receiving or eligible to receive annuity under the first sentence hereof and who has reached the age of 62 years.".

(b) No annuity payment shall be made, as a result of the amendment made by subsection (a) of this section, for any period prior to January 1 of the year following the year in which this Act is enacted.

SEC. 5. Section 13(b) of the Civil Service Retirement Act, as amended (5 U.S.C. 2263(b)), is amended by adding at the end thereof the following new sentence: "A similar right to redetermination after deposit shall be applicable to an annuitant (1) whose annuity is based on an involuntary separation from the service, and (2) who is separated, on or after the date of enactment of this sentence, after a period of reemployment on a full-time basis which began before October 1, 1956.".

SEC. 6. The third sentence of section 6(f) of the Civil Service Retirement Act, as amended (5 U.S.C. 2256(f)), is amended to read as follows: "Any Member who completes twenty years of service, or who attains the age of fifty years and shall have served in nine Congresses, or who attains the age of fifty-five years and completes fifteen years of service (at least ten years of which is service as a Member), shall, upon separation from the service (other than by resignation or expulsion), be paid a reduced annuity computed as provided in section 9.".

SEC. 7. Section 6(d) of the Civil Service Retirement Act, as amended (5 U.S.C. 2256(d)), is amended—

(1) by inserting "(1)" immediately following "(d)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Any congressional employee who completes twenty years of service shall, upon involuntary separation from service as a congressional employee not by removal for cause on charges of misconduct or delinquency, be paid a reduced annuity computed as provided in section 9.".

SEC. 8. (a) The first sentence of section 9(b) of the Civil Service Retirement Act, as amended (5 U.S.C. 2259(b)), is amended by inserting ", or former congressional employee," immediately following the words "congressional employee" where first appearing in such sentence.

(b) The second sentence of such section 9(b) is amended—

(1) by inserting ", or former congressional employee," immediately following the words "congressional employee" where first appearing in such sentence;

(2) by inserting the word "and" immediately following "service," at the end of clause (1) thereof; and

(3) by striking out ", and (3) has served as a congressional employee during the last eleven months of his civilian service".

SEC. 9. Notwithstanding any other provision of law, annuity benefits under the Civil Service Retirement Act, as amended, resulting from the operation of this Act shall be paid from the civil service retirement and disability fund.

And to amend the title so as to read: "An act to amend the Civil Service Retirement Act with respect to interest earnings on special Treasury issues held by the civil service retirement and disability fund, with respect to employees of agricultural stabilization and conservation county committees, and with respect to certain other categories of persons subject to such act, and for other purposes."

Mr. JOHNSTON. Mr. President, I move that the Senate disagree to the amendments of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed Mr. JOHNSTON, Mr. MONRONEY, Mr. CLARK, Mr. FONG, and Mr. BOGGS conferees on the part of the Senate.

CONSERVATION OF MIGRATORY WATERFOWL BY THE ACQUISITION OF WET LANDS

Mr. MAGNUSON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives in regard to House bill 7391.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 7391) to promote the conservation of migratory waterfowl by the acquisition of wet lands and other essential waterfowl habitat, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MAGNUSON. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MAGNUSON, Mr. ENGLE, Mr. BARTLETT, Mr. MCGEE, Mr. SCHOEPPEL and Mr. BUTLER the conferees on the part of the Senate.

AID TO FEDERALLY IMPACTED SCHOOLS—AMENDMENTS

Mr. MORSE submitted amendments, intended to be proposed by him, to the bill (S. 2393) to extend for 1 year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas, and to provide for the application of such laws to American Samoa, which were ordered to lie on the table and to be printed.

Mr. HARTKE submitted amendments, intended to be proposed by him, to Senate bill 2393, supra, which were ordered to lie on the table and to be printed.

AMENDMENT OF EMPLOYMENT ACT OF 1946—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of September 7, 1961, the name of Mr. Moss was added as an additional cosponsor of the bill (S. 2517) to amend the Employment Act of 1946 to provide more effective means for bringing to bear an informed public opinion upon price and wage increases which threaten economic stability, introduced by Mr. CLARK (for himself and other Senators) on September 7, 1961.

PROPOSED COINAGE OF GOLD MEDAL IN HONOR OF SPEAKER RAYBURN — ADDITIONAL COSPONSORS OF JOINT RESOLUTION

Under authority of the order of the Senate of September 7, 1961, the names of Senators ANDERSON, BARTLETT, BIBLE, BOGGS, BRIDGES, BURDICK, BUTLER, BYRD of West Virginia, CAPEHART, CARLSON, CARROLL, CASE of New Jersey, CASE of South Dakota, CHAVEZ, CHURCH, CURTIS, DODD, ENGLE, FULBRIGHT, HART, HICKEY, HOLLAND, JACKSON, JAVITS, JOHNSTON, JORDAN, KEATING, KEFAUVER, LONG of Missouri, LONG of Hawaii, LONG of Louisiana, MAGNUSON, MCCARTHY, MCGEE, MONRONEY, MORTON, MOSS, MUSKIE, PELL, PROUTY, RANDOLPH, SALTONSTALL, SCOTT, SMATHERS, SPARKMAN, SYMINGTON, WILLIAMS of New Jersey, and YOUNG of Ohio were added as additional cosponsors of the joint resolution (S.J. Res. 133) to provide for the coinage of a medal in recognition of the distinguished services of SAM RAYBURN, Speaker of the House of Representatives, introduced by Mr. YARBOROUGH (for himself and Mr. KERR) on September 7, 1961.

CONGRESSIONAL DISTINGUISHED SERVICE AWARDS OF 1961

Mr. MANSFIELD. Mr. President, last Friday, four distinguished Members of Congress—the Senator from Illinois, Mr. DOUGLAS; the Senator from Vermont, Mr. AIKEN; the Representative from Michigan, Mr. FORD; and the Representative from Missouri, Mr. BOLLING—received the 1961 Congressional Distinguished Service Awards from the American Political Science Association. The awards were presented at the annual meeting of that association, which was held in St. Louis, Mo.

Mr. President, I do not think four more outstanding Members of Congress could be selected to receive the awards. All of them are distinguished in their fields. All of them represent exceedingly well their States and their districts. All of them are a credit to the Congress and to those whom they have the honor and the privilege to represent.

I ask unanimous consent that the citations presented to these four outstanding Members of Congress be printed at this point in the RECORD.

There being no objection, the citations were ordered to be printed in the RECORD, as follows:

FOUR LEGISLATORS CITED BY APSA AT CONGRESSIONAL DISTINGUISHED SERVICE AWARDS LUNCHEON

(Release by the American Political Science Association)

ST. LOUIS, MO.—Two Senators and two Representatives were honored with the 1961 Congressional Distinguished Service Awards this afternoon by the American Political Science Association. Senator PAUL H. DOUGLAS, Democrat, of Illinois; Senator GEORGE D. AIKEN, Republican, of Vermont; Representative GERALD R. FORD, JR., Republican, of Michigan; and Representative RICHARD BOLLING, Democrat, of Missouri; received the awards during a luncheon meeting at the Sheraton-Jefferson Hotel in St. Louis where the association is holding its 57th annual meeting.

John D. Millett, president of Miami University at Oxford, Ohio, and chairman of the 1961 awards' committee, presented bronze plaques to the four legislators for their contributions to the 86th Congress. In making the awards, Millett read the following citations:

SENATOR PAUL H. DOUGLAS, DEMOCRAT, OF ILLINOIS

"Viewing his senatorial role in the progressive tradition of Norris and La Follette, PAUL H. DOUGLAS has kept on the Nation's current agenda many of those enduring problems which otherwise might be accidentally overlooked or deliberately ignored.

"Having established himself as one of this Nation's most respected economists, he brought to the Senate a breadth of understanding regarding the Federal Government's role in combating domestic economic and social problems combined with unsparing criticism of governmental waste and inefficiency.

"Reflecting the courage tempered by his distinguished military service, he has viewed the right to advocate unpopular but crucial causes as a personal duty and he has prophetically raised the eternal problems of human freedom and dignity in terms of our contemporary democratic society.

"The American Political Science Association is privileged to present this Congressional Distinguished Service Award to PAUL H. DOUGLAS, Democrat, of Illinois—rigorous intellect, responsible independent, defender of human rights, and consistent advocate of social progress."

SENATOR GEORGE D. AIKEN, REPUBLICAN, OF VERMONT

"Pursuing a highly independent course, GEORGE D. AIKEN has performed his senatorial duties with a responsibility that has resisted the extremism of both the right and the left. Making full use of his New England prerogative of not speaking unless he has something to say, he specializes in stripping away partisan pretension from the vital issues before Congress, substituting the oftmaligned but ultimately indispensable notion of the public interest. Particularly in the areas of foreign policy and agriculture, his facility for searching criticism tempered by commonsense provides one of the essential ingredients in the successful functioning of a representative democracy.

"The American Political Science Association takes great pleasure in presenting this Congressional Distinguished Service Award to GEORGE D. AIKEN, Republican, of Vermont—respected conciliator, effective legislator, rugged Yankee individualist, and symbol of bipartisan responsibility for this Nation's welfare."

CONGRESSMAN RICHARD BOLLING, DEMOCRAT, OF MISSOURI

"A master strategist who serves as crucial link between the House leadership and the Democratic liberal block and enjoys the complete confidence of both, RICHARD BOLLING is a political realist who, while recognizing the necessity for compromise, refuses to desert basic principles. A careful student of politics who clearly enjoys his active role within it, he has been able to build a unique role for himself as a bridge between the northern and southern wings of the Democratic Party and has become a trusted aid of Speaker RAYBURN. He has dedicated his career to building that vital area of consensus on which rests the fate of so much legislation.

"The American Political Science Association takes great pleasure in presenting this Congressional Distinguished Service Award to RICHARD BOLLING, Democrat, of Missouri—thorough technician, brilliant strategist, articulate congressional spokesman for liberal thought, and responsible custodian of power and influence."

CONGRESSMAN GERALD R. FORD, JR., REPUBLICAN, OF MICHIGAN

"With the continuing growth of executive power, the always important legislative function of control over the purse strings has assumed an even greater role in our democratic system.

"Occupying one of the most difficult, time-consuming, and important positions in the House as a ranking member of the Defense Appropriations Subcommittee, GERALD FORD has, through diligent application to committee work and mastery of highly complex defense matters, indeed earned the appellation of "Congressman's Congressman." A moderate conservative who is highly respected by his colleagues of both parties, he symbolizes the hardworking, competent legislator who eschews the more colorful, publicity-seeking roles in favor of a solid record of achievement in the real work of the House—committee work. Nonpartisan where the defense posture of the Nation is

concerned, he nonetheless occupies an important position in the national councils of his party and is a recognized leader of the Republicans in the House.

"The American Political Science Association is privileged to present this Congressional Distinguished Service Award to GERALD R. FORD, JR., Republican, of Michigan—party leader, responsible critic, respected participant in debate, conscientious, dedicated, and judicious committee member."

REQUEST FOR CONSIDERATION OF UNOBJECTED-TO CALENDAR MEASURES FOLLOWING MORNING HOUR DURING REMAINDER OF SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it may be in order at any time during the rest of the session, at the conclusion of morning business, to call up the items on the calendar to which there is no objection.

Mr. LAUSCHE. Mr. President, at this time I object.

Mr. MANSFIELD. I wish the Senator from Ohio would give us a chance to explain. The calendar could be called right now. All I am trying to do is make it possible to bring up private bills and other measures on the calendar to which there is no objection, inasmuch as such measures can be quickly disposed of. My request relates only to the measures on the calendar to which there is no objection.

Mr. LAUSCHE. Mr. President, my purpose in objecting is as follows: I can already see the purpose of grinding out bills, and I would wish to know the contents of the bills to be considered and passed.

Mr. MANSFIELD. Mr. President, I withdraw my request.

Mr. LAUSCHE. It may be that later, after I talk with the Senator from Montana, I shall withdraw this blanket objection.

Mr. LAUSCHE subsequently said: Mr. President, if a request is made for permission for the Foreign Relations Committee to meet today during the session of the Senate, I shall object.

Mr. MANSFIELD. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. MANSFIELD. I should like to call attention to the fact that we shall not object to the unanimous-consent request on that basis; and I should like the Senate to be on notice that from now on, no requests of that nature—that is, to interpose an indefinite objection to committee meetings—will be granted unless the Senator who is doing the protesting is here on the floor to object. I think that is a responsibility of every Senator, and I think the Senate is entitled to that courtesy.

Mr. LAUSCHE. Yes. I object reluctantly. However, it is on the following basis that I will raise the objection: 2 years ago there was debate concerning an international fair. The debate revolved about the issue of whether the fair should be held in Washington, D.C., or in New York. During the debate it was pointed out that New York has a very large population, and that if the fair were held in New York, the income would be adequate to finance it, and that the U.S. Government would not be asked to expend any funds in the development of the exhibition.

President Eisenhower appointed a Commission to study the subject; and the Commission recommended that the fair be held in New York.

When that subject was brought before the Foreign Relations Committee, I asked questions as to whether the Federal Government would be called upon to expend any money to further the program. The answer was repeatedly and firmly that no moneys would be expected of the Federal Government.

Today, there is pending before the Foreign Relations Committee a resolution calling for authority to expend $300,000 to make a study of what would be the participation of the Federal Government. Connected with that resolution, there already is a declaration by the promoters of the fair that the U.S. Government build a $30 million building as its participation in the fair—the $30 million reflecting $20 million for the building and $10 million for the equipment which would be exhibited.

Last week this subject was brought before the committee. It was pointed out that 2 years ago the proponents of the study assured that there would be no expenditure on the part of the Federal Government. In the meeting last week, because of those commitments made 2 years ago, the resolution was passed over—according to my understanding, for the present session.

Today, I learned that the committee contemplates taking up the resolution. I will not stand by—in this breach of the commitment, made 2 years ago, that no Federal Government moneys would be expended—when it now appears as a fact that a drive is being made for the expenditure of $30 million of Federal Government funds.

There are three expenditures of a similar nature which we should have in mind. One of them calls for $39 million for the Jame Madison Memorial. James Madison was a great American, and I have studied and followed his teachings. But I do not believe such an expenditure is essential though desirable. Twenty million dollars has been requested for the building of an aquarium. I cannot see the essentiality of it.

Thirty million dollars obviously will be requested for the building of a Federal structure at the New York Fair, which cannot be claimed to be a world fair, inasmuch as the World Fair will be held in Seattle the coming year. It is entirely apparent that the New York Fair cannot be a world fair, because a world fair must have the approval of the Bureau of International Expositions, a combination of 30 nations which declares whether there will be participation; and only when there is participation can the fair be a world fair.

That Bureau of International Expositions has declared that it will participate in the Seattle, Wash., Fair, and not the New York Fair.

It is on that ground that I reluctantly object to the consideration of the measure before the Foreign Relations Committee.

At this time I withdraw my objection to bills to which there is no objection being considered on the general calendar as proposed by the majority leader.

The VICE PRESIDENT. Is there objection to the request? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. I thank the Senator. I wish to assure him that, if a request is made and he is in the city, and not absent on official business, he will receive proper notification to that effect, so he can come to the Chamber and record his objection.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. LAUSCHE. I very reluctantly object to the Foreign Relations Committee meeting because there are some measures we ought to take up, but I cannot stand by with this breach of commitment.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business and consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Joint Committee on Atomic Energy.

(For nominations this day received, see the end of Senate proceedings.)

The VICE PRESIDENT. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

CALIFORNIA DEBRIS COMMISSION

The Chief Clerk read the nomination of Col. Arthur H. Frye, Jr., Corps of Engineers, to be president and senior member of the California Debris Commission.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The Chief Clerk proceeded to read sundry nominations in the Public Health Service.

Mr. MANSFIELD. Mr. President, I ask that those nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed. Without objection, the President will be notified forthwith of the nominations today confirmed.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

THE SENATE'S RELUCTANT BOSS: SENATOR MIKE MANSFIELD, OF MONTANA

Mr. DIRKSEN. Mr. President, in the September issue of Sign magazine, there appeared an article by Paul F. Healy, Washington correspondent of the New York Daily News, under the caption "The Senate's Reluctant 'Boss'." I hope my distinguished friend heard that. The reference is to our distinguished majority leader, Senator MIKE MANSFIELD, of Montana. Excellent as the article is, it does not quite do justice to two outstanding attributes of the man from Montana. The first is his humility. Leadership is exercised in many different ways, but it reaches its highest level when it springs from humility, for humility is one of the essential components of love for one's fellow man.

His other great attribute is complete cooperation with his fellow Senators to accommodate the many intrusions and conflicts which are a part of public service. How often I have asked MIKE MANSFIELD to reschedule some measure because a Senator who had a particular interest in it would be unavoidably absent on that day. How often I have asked him to avoid a Saturday session, if possible, so that Members might catch up on the ever-increasing volume of correspondence and office work, and almost invariably he has obliged. How often I have asked him to defer a rollcall until the following day if Senators were away from the session, and seldom has he demurred at the request. These are intrinsic qualities which have truly endeared him to every Member of the Senate, and I salute him as a durable and inspiring friend whom I first came to know when he took the oath of office in the 78th Congress.

I ask unanimous consent that the article by Mr. Healy be made a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SENATE'S RELUCTANT "BOSS"

(By Paul F. Healy)

Senate Majority Leader MIKE MANSFIELD may well be unique in this respect: In Washington, D.C., where men pursue power the way other men pursue money, he is inclined to run from it.

The fact that the Montana Democrat has proved to be a highly effective leader during his first year on the job is an anomaly. Every leader of the Senate has his own style, but MANSFIELD is a startling departure from all previous patterns. He is a calm pipe-smoker, introverted, independent, dispassionate, philosophical, scholarly, reflective, and lacking in ego. He is not dynamic.

For MANSFIELD, being a Senator and a Member of the august Foreign Relations Committee is a rich enough life. He is one Senator who is believed by Washington correspondents when he says he has no desire to be President. He did not even yearn to run the Senate. It was the extremely rare case of the office seeking the man.

It all started like this: before the session opening in January 1957, then Senate Majority Leader LYNDON JOHNSON was casting about to find someone to fill the vacant post of Democratic "whip," or assistant leader. JOHNSON wanted a western Senator who was trusted, able, hard working, and moderately liberal. MANSFIELD measured up perfectly—except that he said he wasn't interested.

JOHNSON sought the aid of a political associate of MANSFIELD who was outside the Senate. This man went to MANSFIELD and urged him to reconsider his rejection of the post.

"I don't like it, I don't want it, and I won't take it," MANSFIELD told the emissary. The friend reported back to JOHNSON. They decided to make another try, with reinforcements. JOHNSON enlisted the aid of several influential Senators, and together they finally persuaded the Montanan to do his duty to the Democratic Party. For the next 4 years, JOHNSON and his quiet deputy made a harmonious and highly successful team in running the Senate.

Then, a few days after the election in November 1960, President-elect Kennedy telephoned MANSFIELD to say he was looking forward to seeing him succeed JOHNSON when the latter moved up to the Vice Presidency. MANSFIELD replied that he didn't think he should take the post. He was privately worried that if the first Catholic President was flanked by a Catholic Senate leader as well as a Catholic House leader (Representative JOHN MCCORMACK, of Massachusetts), it might stir up the professional anti-Catholics.

"You've got to take it, MIKE," the President-elect told him. "We need you."

MANSFIELD thereupon agreed to stand for the leadership post, and he was unanimously elected by his colleagues in January. In resisting the opportunity, he had not been shirking a responsibility or ducking a challenge. MANSFIELD does not scare easily. Indeed, it might be impossible to scare a man who survived the tough school of politics in Butte, Mont., mucked in the Butte copper mines, and served as an enlisted man in the Army, Navy, and Marine Corps (no other Member of Congress is a veteran of these three military branches).

MANSFIELD also has been a college professor, but there is nothing, aside from his ever-present pipe, to suggest an academic type. At 58, he carries a solid 175 pounds on his spare-looking, 5-foot-11-inch physique. His skin is white and his hair jet black above a high forehead. His face has the kind of bony plainness and strength which has been identified with American pioneer stock. As a speaker, he is without emotion or flamboyance.

Nonetheless, it was felt that the Senate Democrats would badly miss JOHNSON, whom many observers—including MANSFIELD—have called the most effective Senate majority leader in history. At the helm, JOHNSON had used every trick in the book—and some new ones—to coax, cajole, wheedle, and drive his troops into following his banner.

MANSFIELD has an instinctive distaste for backstage wheeling and dealing. Yet in its first exposure in the Senate, the bold Kennedy program in 1961 made progress at a pace that was steadier and faster than was generally anticipated. There were even signs that the old Southern Democrat-Republican coalition against liberal bills was broken. How has this been accomplished by MANSFIELD and his whip, Senator HUBERT HUMPHREY?

First, there was no twisting of arms, jabbing at chests, and whispering in ears a la JOHNSON. The new leader did not even ask Senators individually to swing their votes to him.

"They're sent here to do their own thinking," MANSFIELD explains, "and I hope by logic and understanding they'll do the right thing. I don't believe in arm twisting and high pressuring. The leader should not lay down by command or ukase what the Senators should do. Collectively, they are the ones who decide. There is no difference between Senators—all are on the same level. I am one among my peers."

He believes his job is "to get bills out of committee, secure some degree of cooperation in our party, and give consideration to difficult problems that confront Senators individually. All have been tolerant of me and cooperative, Republicans as well as Democrats. I've been pretty lucky."

Consideration is the key to MANSFIELD's character and effectiveness. Says one Senator: "He has much influence because he is completely considerate. He goes out of his way to make life more worth living in the Senate. Where JOHNSON loved to see the Senate in session, even late at night, MANSFIELD schedules sessions only when necessary, and he gets you home in time for dinner."

It is said that MANSFIELD gives a "quid" without demanding a "quo." Take the day last May when Comdr. Alan B. Shepard, Jr., the astronaut, was welcomed at the White House with all possible fanfare. MANSFIELD learned that the veteran Senator STYLES BRIDGES from Shepard's home State of New Hampshire had been invited to the ceremony but that BRIDGES' New Hampshire Republican colleague, NORRIS COTTON, had not. MANSFIELD was disturbed, because he knew COTTON will face a possibly difficult primary fight when he comes up for reelection in 1962.

MANSFIELD telephoned the White House and got COTTON an invitation. COTTON ended up sitting in the front row of VIP's and being photographed with Shepard, for the edification of hometown TV viewers and newspaper readers. Afterward, COTTON went to MANSFIELD and shook his hand. "Thank you, MIKE, I appreciate that," he said. Later that afternoon COTTON voted with MANSFIELD on an ambassadorial nomination which his own Republican leadership opposed.

MANSFIELD has a mental toughness which is not visible to the naked eye. In this sense, he is "a deceptive fellow," according to James Rowe, a Washington lawyer and onetime administrative assistant to President Franklin Roosevelt.

"I expect a certain toughness at first if I cross JOHNSON," explains Rowe, who is an intimate of both men. "But I would never take MANSFIELD on. This is a much tougher man. He can't have his mind changed, especially if he feels he is being pressured or pushed."

MANSFIELD is the son of Irish immigrants, Patrick and Josephine O'Brien Mansfield, who arrived in New York City in 1896. He was born in Greenwich Village on the day before St. Patrick's Day in 1903. His mother died when he was 6 and his father, a porter in a hotel, packed him and his two sisters off to two uncles in Great Falls, Mont. At 14, Michael Joseph—who officially has always called himself Mike—ran away and joined the Navy. He claimed he was 17 and forged his father's name to the application blank. The boy wanted to see the world—or at least the war—but the closest he got to either was seven peaceful crossings of the Atlantic in a cruiser.

Released in 1919, he next tried the Army, hoping for occupation duty in Germany. Instead, he became an orderly in the medical corps at Fort McDowell, near San Francisco. Mustered out in 1920, MANSFIELD walked around the corner in San Francisco and signed up for a 2-year hitch in the marines. This time he "hit the jackpot," as he puts it, by rising to private first-class and enjoying duty in the Philippines, China, and other Far Eastern places. It led to a lifelong preoccupation with developments in Asia.

MANSFIELD returned to Montana in 1922 and got the only job he could find—as a "mucker" far below the ground in the famed copper mines of Butte. It was grimy, grueling labor, and he saw men all around him dying of dust in their lungs. And he wanted most of all to have an education.

Though he lacked 15 high school credits, young MANSFIELD talked Montana State University into an arrangement whereby he could enroll; he was allowed to take his college courses while simultaneously proceeding through Butte High School. The result was that he was awarded his secondary diploma only 3 months before he got his bachelor of arts in 1933—at 30 years old. He had already married his high school teacher, pretty Maureen Hayes, a Butte girl and a graduate of St. Mary's College of Notre Dame.

In 1934 MANSFIELD earned a master of arts in political science and left the mines—where he had risen to assistant engineer—for good. For the next 9 years, he taught Latin American and Far Eastern history at Montana State. Then the inevitable happened: in Irish Catholic, politically conscious Butte, the popular professor was drawn into politics. In 1942 he was elected to Congress on the Democratic ticket. He has not known defeat since. In 1952 he was elected to the Senate and in 1958 he was reelected, polling a fantastic 76.2 percent of the total vote.

When he took his seat in the House, MANSFIELD's background as a Far Eastern history teacher won him an immediate appointment to the Foreign Affairs Committee. In the winter of 1944–45, he journeyed through the interior of China on a confidential mission for President Roosevelt. MANSFIELD's report on the "overall picture" of the confused developments there won him respect in high places and launched his reputation as an authority on the Orient.

MANSFIELD has visited 30 countries in the course of 18 trips to Asia, Europe, Africa, and South America. In so doing, he has the satisfaction of having had no less than five private audiences with Pope Pius XII.

But he dislikes traveling on a fixed schedule, or with a committee, and he hates being wined or dined. When he arrives in a foreign city, his technique is to let the Embassy know—and then disappear. He first seeks out a local American newspaperman and takes him to dinner to pick his brain. Then he roams the city, talking to people at random with the help of one interpreter. In a hot country, MANSFIELD is usually coatless, with sleeves rolled up.

MANSFIELD's assignment to the Foreign Relations Committee immediately upon entering the Senate in 1953 raised some eyebrows. For an incoming freshman to be awarded the choicest of all committee posts was an unprecedented honor. Soon, to the distress of some of his fellow committee members, MANSFIELD increasingly began to urge some tapering-off of the foreign aid program. It seemed to him that any government which took Uncle Sam's loans and grants should use every nickel of it for the good of its people.

"MIKE is continually offended by the morality of the foreign aid program," one puzzled liberal has complained. "It does no good to tell him that that's the morality of those people, and that there's nothing we can do about it."

In his continuing criticism of the aid program, MANSFIELD also argues that the United States could do "a great deal more with a great deal less" (money) if it eliminated the waste, overlapping, and inefficiency of the agencies administering it.

In his year as leader, MANSFIELD otherwise has shown his streak of independence by breaking with the Kennedy administration on its German policy. In a surprise speech in the Senate in late June, he proposed that there might be a "third way" to solve the deadlock between the United States and the Soviet Union. That would be to guarantee Berlin as a free city.

MANSFIELD made it clear he thought we should never be pushed or bullied on Berlin, but nonetheless he was promptly castigated by commentators, columnists, and letter-writers who hinted that he might be an appeaser. The furor only gave MANSFIELD satisfaction. His main purpose had been to stir up a national debate on the situation, and he had a good one going in the Senate for several days. His concern was that if the United States and the Russians remained frozen in their positions on Berlin, it would inevitably lead to war. Privately, he said: "All I want is for people to think when there is still time to think—not when it's too late. We must not doom ourselves to equating all change with defeat or retreat. Unless we are willing to change, we shall find ourselves in pursuit of the last car of a train that is always pulling away from us."

Though MANSFIELD made it clear the White House and State Department had no advance knowledge of his speech, his critics insisted that as majority leader his words would be interpreted abroad as either a trial balloon or a sign of disunity.

This loss of independence vexes MANSFIELD.

"My role is to represent the Senate to the President, and the President to the Senate," he points out. "I'm the Senate's agent primarily. It's kind of a spot and one of the reasons I didn't want the job."

As leader, MANSFIELD also was torn by his feelings on the controversial question of federal aid to schools. He believes that parochial schools "need help and deserve it because they make a great contribution to the security and welfare of the country." In 1960, he had voted for an amendment to give such aid, but it had failed. When, in 1961, the Kennedy administration sent to Congress a proposal to aid public schools only, his first impulse was to support a drive to add a parochial-private-school amendment to the bill.

But, after sounding out the sentiment of his colleagues, MANSFIELD decided to go along with administration's desire to have the two issues considered separately. He felt that the non-public-school amendment would stand a better chance of passage if it were taken up in connection with the extension of the National Defense Education Act—in which there already was a precedent for aiding Catholic education.

MANSFIELD regards solitude as a synonym for relaxation. His only recreation is knocking a golf ball around a course for an hour—alone—and listening to his hi-fi recordings of such piano artists as "Knuckles" O'Toole. His great pride and joy is his daughter, Anne, who graduated Phi Beta Kappa from Smith College in 1959.

LYNDON JOHNSON once said in the Senate that if he and Mrs. Johnson had had a son, "we would like to have had him become the kind of man MIKE MANSFIELD is." One story best illustrates the quality which has made MANSFIELD perhaps the best-liked Member of the Senate.

During his 1958 campaign for reelection, a well-intentioned admirer, one Jimmy Sullivan, insisted on stumping eastern Montana for MANSFIELD. Sullivan was militantly Irish, and eastern Montana is noted for being militantly non-Irish. The Senator's campaign lieutenants repeatedly pleaded: "For God's sake, MIKE, keep him out of there. He's killing us with that brogue."

MANSFIELD said nothing. Finally, he told his campaign manager: "When I came back from the Marines and had nowhere to go, Jimmy Sullivan was running a rooming house in Butte. He fed and clothed me for months. Now, if you think this Senate job is worth hurting Jimmy's feelings, you're crazy."

Mr. MANSFIELD. Mr. President, I wish to thank the distinguished minority leader for his unfailing courtesy, kindness, and consideration, and to say to him that I think I am extremely fortunate to have as a partner across the aisle in this body a man of the integrity, the understanding, and the tolerance of the distinguished minority leader, the Senator from Illinois.

REGULATION OF FARES FOR TRANSPORTATION OF SCHOOLCHILDREN IN THE DISTRICT OF COLUMBIA—MOTION FOR RECONSIDERATION

Mr. WILLIAMS of Delaware. Mr. President, on Friday, on the call of the calendar, the Senate passed S. 1745, the purpose of which was to provide a subsidy for the D.C. Transit System. I desire to file a motion to reconsider the bill. I understand the first procedure is to move that the Senate ask the House to return the bill to the Senate.

I enter a motion to reconsider S. 1745, and ask that the bill be returned to the Senate.

The VICE PRESIDENT. The motion to reconsider will be entered. It is now in order to move that the House be requested to return the bill to the Senate.

Mr. WILLIAMS of Delaware. I so move.

The VICE PRESIDENT. The Senator from Delaware moves that the House be requested to return the bill to the Senate.

The question is on agreeing to the motion.

The motion was agreed to.

Mr. MANSFIELD. Mr. President, is there further morning business?

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate go into executive session to consider the two treaties on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to consider executive business.

A TREATY OF FRIENDSHIP, ESTABLISHMENT, AND NAVIGATION BETWEEN THE UNITED STATES OF AMERICA AND THE UNITED KINGDOM OF BELGIUM—TREATY OF AMITY AND ECONOMIC RELATIONS BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF VIETNAM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate, as in Committee of the Whole, proceed to the consideration of Executive J, a Treaty of Friendship, Establishment, and Navigation Between the United States of America and the United Kingdom of Belgium, Together With a Related Protocol; and Executive L, a Treaty of Amity and Economic Relations Between the United States of America and the Republic of Vietnam.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded

to consider the following conventions, which were, respectively, read the second time, as follows:

EXECUTIVE J, 87TH CONGRESS, 1ST SESSION—TREATY OF FRIENDSHIP, ESTABLISHMENT AND NAVIGATION BETWEEN THE UNITED STATES OF AMERICA AND THE KINGDOM OF BELGIUM

The President of the United States of America, and

His Majesty the King of the Belgians,

Desirous of strengthening the bonds of peace and friendship traditionally existing between their two countries and of encouraging closer economic and cultural relations between the two peoples,

Being cognizant of the contributions which may be made toward these ends by arrangements specifying mutually accorded rights and privileges and promoting mutually advantageous commercial intercourse and investments,

Have resolved to conclude a Treaty of Friendship, Establishment and Navigation, and for that purpose have appointed as their plenipotentiaries,

The President of the United States of America:

His Excellency Mr. William A. M. Burden, Ambassador Extraordinary and Plenipotentiary of the United States of America in Brussels;

His Majesty the King of the Belgians:

His Excellency Mr. Pierre Wigny, Minister for Foreign Affairs;

Who, having communicated to each other their full powers found to be in good and due form, have agreed as follows:

ARTICLE 1

Each Contracting Party shall at all times accord equitable treatment and effective protection to the persons, property, enterprises, rights and interests of nationals and companies of the other Party.

ARTICLE 2

1. Nationals of either Contracting Party shall, subject to the laws relating to the entry, sojourn and establishment of aliens, be permitted to enter the territories of the other Party, to travel therein freely, to reside and establish themselves at places of their choice. Nationals of either Party shall in particular be permitted to enter the territories of the other Party and reside therein:

(a) for the purpose of carrying on trade between the two countries and engaging in related commercial activities; or

(b) for the purpose of developing and directing the operations of an enterprise in which they have invested, or are actively in the process of investing, a substantial amount of capital.

2. Nationals of either Party and nationals of third countries en route to or from the territories of such Party shall, subject to the reservation in paragraph 1 of the present Article, be accorded freedom of transit for themselves and their baggage through the territories of the other Party by the routes most convenient for international transit. In particular, they shall be free from requirements that entail unnecessary delays and impediments. They shall be subject, however, to regulations with respect to their baggage that are applicable to aliens generally in order to prevent abuse of the transit privilege.

3. Nationals of either Party, within the territories of the other Party, shall enjoy freedom of conscience; and they shall be at liberty to hold religious services, both public and private, at suitable places of their choice.

4. Nationals of either Party shall be permitted, within the territories of the other Party, to gather information material for dissemination to the public abroad, and shall enjoy freedom of transmission of such material to be used for publication by the press, radio, television, motion pictures and other means; and they shall be permitted to communicate freely with other persons inside and outside such territories by mail, telegraph and other means open to general public use.

5. The provisions of the present Article shall be subject to the right of either Party to apply measures that are necessary to maintain public order and protect the public health, morals and safety.

ARTICLE 3

1. Nationals of either Contracting Party within the territories of the other Party shall be accorded full legal and judicial protection for their persons, rights and interests. Such nationals shall be free from molestation and shall receive constant protection in no case less than that required by international law.

2. To this end they shall in particular have right of access, on the same basis and on the same conditions as nationals of such other Party, to the courts of justice and administrative tribunals and agencies in all degrees of jurisdiction and shall have right to the services of competent persons of their choice.

3. The provisions of paragraphs 1 and 2 of the present Article shall extend and apply in the same manner to companies. It is understood, moreover, that the right of such access shall be enjoyed without any requirement of registration or domestication:

(a) in the case of Belgian companies not engaged in activities in the territories of the United States of America; and

(b) in the case of United States companies not established in the territories of the Kingdom of Belgium.

4. If a national of either Party is taken into custody within the territories of the other Party, the nearest consular representative of his country shall on the demand of such national be immediately notified and shall have the right to visit and communicate with such national without arbitrary delay. Such national shall:

(a) receive reasonable and human treatment in no case less than that required by international law;

(b) be formally and immediately informed of the charges against him; and

(c) be brought to trial as rapidly as is consistent with the proper preparation of his defense, for which he shall enjoy all reasonable means, including the services of competent counsel.

5. The dwellings, offices, warehouses, factories and other premises of nationals and companies of either Party located within the territories of the other Party shall not be subject to searches or measures other than those permitted by law and in execution of law. Official searches and examinations of such premises and their contents, when necessary, shall be made according to law and with careful regard for the convenience of the occupants and the conduct of business.

6. Contracts entered into between nationals and companies of either Party and nationals and companies of the other Party, that provide for the settlement by arbitration of controversies, shall not be deemed unenforceable within the territories of such other Party merely on the grounds that the place designated for the arbitration proceedings is outside such territories or that the nationality of one or more of the arbitrators is not that of such other Party. No award duly rendered pursuant to any such contract and final and enforceable under the laws of the place where rendered, shall be deemed invalid and denied effective means of enforcement by the authorities of either Party merely on the grounds that the place where such award was rendered is outside the territories of such Party or that the nationality of one or more of the arbitrators is not that of such Party.

ARTICLE 4

1. Property that nationals and companies of either Contracting Party own within the territories of the other Party shall enjoy constant security therein through full legal and judicial protection.

2. Neither Party shall take unreasonable or discriminatory measures that would impair the acquired rights and interests within its territories of nationals and companies of the other Party in the enterprises which they have established, in their capital, or in the skills, arts or technology which they have supplied.

3. Nationals and companies of either Party shall not be expropriated of their property within the territories of the other Party except for public benefit and with the prompt payment of just compensation. Such compensation shall be in an effectively realizable form and shall represent the full equivalent of the property taken. Furthermore, adequate provision shall have been made not later than the time of taking for the determination and payment thereof.

4. Nationals and companies of either Party shall in no case be accorded, within the territories of the other Party, less than national treatment with respect to the matters set forth in paragraph 3 of the present Article and in paragraph 5 of Article 3. Moreover, enterprises in which nationals and companies of either Party have a substantial interest shall be accorded, within the territories of the other Party, not less than national treatment in all matters relating to the taking of privately owned enterprises into public ownership and to the placing of such enterprises under public control.

ARTICLE 5

1. Nationals and companies of either Contracting Party shall be accorded, within the territories of the other Party, national treatment with respect to obtaining and maintaining patents of invention, and with respect to rights in trade marks, trade names, trade labels and industrial property of all kinds.

2. The Parties deem that it is highly desirable to further, through cooperative and other appropriate means, the interchange and use of scientific and technical knowledge, particularly in the interest of increasing productivity and improving standards of living within their respective territories.

ARTICLE 6

1. Nationals of either Contracting Party shall be permitted, within the territories of the other Party, to organize companies for gain upon the same conditions as nationals of such other Party. Nationals and companies of either Party shall be permitted to maintain subsidiaries, branches, agencies and offices within the territories of the other Party upon conditions no less favorable than those accorded nationals of such other Party.

2. Nationals and companies of either Party shall be accorded national treatment with respect to engaging in all types of commercial, industrial, financial and other activities for gain within the territories of the other Party. The provisions of the preceding sentence shall apply in the case of nationals to activities in an independent or dependent capacity.

3. Companies constituted under the applicable laws and regulations within the territories of either Party shall be deemed companies thereof and shall have their juridical status recognized within the territories of the other Party, provided that nothing in their charter or corporate purposes is contrary to the public policy of such other Party.

4. In the case of enterprises situated within the territories of either Party and controlled by nationals and companies of the other Party, such enterprises, whether in

the form of individual proprietorships, companies or otherwise, shall in all that relates to the conduct of the activities thereof be accorded treatment no less favorable than that accorded like enterprises controlled by nationals or companies of the country.

5. Each Party reserves the right to determine the extent to which aliens may establish, acquire interests in, or carry on enterprises engaged within its territories in communications, air or water transport, banking involving fiduciary or depository functions, or the exploitation of land or other natural resources. However, new limitations imposed by either Party on the extent to which aliens are accorded national treatment, with respect to carrying on such activities within its territories, shall not be applied as against enterprises which are regularly engaged in such activities therein at the time such new limitations are adopted and which are owned or controlled by nationals and companies of the other Party. Moreover, neither Party shall deny to transportation, communications and banking enterprises of the other Party the right to maintain branches and agencies to perform functions necessary for essentially international operations in which they are permitted to engage.

6. The provisions of the present Article shall not prevent either Party from prescribing special formalities in connections with the establishment of companies or enterprises within its territories which are managed or controlled by aliens; but such formalities may not impair the substance of the rights set forth in paragraphs 1, 2 and 4 of the present Article.

7. Nationals and companies of either Party shall be accorded national treatment with respect to engaging in scientific, educational, religious and philanthropic activities within the territories of the other Party. They shall be accorded the right to form associations, including non-profit associations, under the laws of such other Party for the purpose of engaging in the aforesaid activities. Nothing in the present Treaty shall be deemed to grant or to imply any right to engage in political activities.

ARTICLE 7

1. The Contracting Parties recognize that it is desirable for conditions of competitive equality to be maintained in situations in which publicly owned or controlled trading or manufacturing enterprises are in competition within the territories of either Party with privately owned and controlled enterprises of nationals or companies of the other Party.

2. Accordingly, such state-owned enterprises should not be given special economic privileges which could injure the competitive position of such private enterprises. However, this principle shall not be construed to prevent either Party from making such special concessions in aid of state-owned enterprises as it deems necessary during periods of economic crisis, especially to relieve unemployment. This principle, moreover, is without prejudice to special advantages given in connection with:

(a) manufacturing goods for government use, or supplying goods and services to the Government for Government use, or

(b) supplying, at prices substantially below competitive prices, the needs of particular population groups for essential goods and services not otherwise practically obtainable by such groups.

ARTICLE 8

1. Nationals and companies of either Contracting Party shall be permitted to engage, within the territories of the other Party the services of accountants and technical experts of all kinds, executive personnel, attorneys, agents and other specialists of their choice.

2. National and companies of either Party shall be permitted to engage the services of accountants and other technical experts regardless of the extent to which they may have qualified for the practice of a profession within the territories of the other Party, for the sole purpose of making examinations, audits and technical investigations and rendering reports in the private interest of such nationals and companies in connection with the planning and operation of their enterprises, and enterprises in which they have a finanical interest, within such territories.

ARTICLE 9

1. Nationals of either Contracting Party residing within the territories of the other Party, and nationals and companies of either Party engaged in trade or other gainful pursuit or in scientific, educational, religious or philanthropic activities within the territories of the other Party, shall not be subject to the payment of taxes, fees, or charges imposed upon or applied to income, capital, transactions, activities or any other object, or to requirements with respect to the levy and collection thereof, within the territories of such other Party, more burdensome than those borne by nationals and companies of such other Party in like situation.

2. With respect to nationals of either Party who are neither resident nor engaged in trade or other gainful pursuit within the territories of the other Party, and with respect to companies of either Party which are not engaged in trade or other gainful pursuit within the territories of the other Party, it shall be the aim of such other Party to apply in general the principle set forth in paragraph 1 of the present Article.

3. Nationals and companies of either Party covered by paragraph 2 of the present Article, shall not be subject, within the territories of the other Party, to the payment of taxes, fees or charges imposed upon or applied to income, capital, transactions, activities or any other object, or to requirements with repect to the levy and collection thereof, more burdensome than those borne by nationals and companies of any third country.

4. In the case of companies of either Party engaged in trade or other gainful pursuit within the territories of the other Party, and in case of nationals of either Party engaged in trade or other gainful pursuit within the territories of the other Party but not resident therein, such other Party shall not impose or apply any tax, fee or charge upon any income, capital or other basis in excess of that reasonably allocable or apportionable to its territories, nor grant deductions and exemptions less than those reasonably allocable or apportionable to its territories. A comparable rule shall apply also in the case of companies organized and operated exclusively for scientific, educational, religious or philanthropic purposes.

5. The provisions of the present Article shall not obligate either Party to extend to nationals and companies of the other Party tax advantages accorded to nationals and companies of any third country on the basis of reciprocity or by virtue of agreements for the avoidance of double taxation. Furthermore, each Party reserves the right to apply special provisions in extending advantages to its nationals and residents in connection with joint tax returns by husband and wife and in allowing to residents of contiguous countries exemptions of a personal nature in connection with income and inheritance taxes.

ARTICLE 10

1. Nationals and companies of either Contracting Party shall be accorded by the other Party the same treatment as nationals and companies of such other Party with respect to payments, remittances and transfers of funds or financial instruments between the territories of the two Parties as well as between the territories of such other Party and of any third country. This treatment shall be not less favorable than that accorded to nationals and companies of any third country in like situations.

2. Neither Party shall impose exchange restrictions as defined in paragraph 5 of the present Article except to the extent necessary to maintain or restore adequacy to its monetary reserves, particularly in relation to its external commercial and financial requirements. It is understood that the provisions of the present Article do not alter the obligations either Party may have to the International Monetary Fund or preclude imposition by either Party of particular restrictions whenever the Fund specifically so authorizes or requests.

3. If either Party imposes exchange restrictions in accordance with paragraph 2 of the present Article, it shall not fail, after making whatever provision may be necessary to assure the availability of foreign exchange for essential goods and services, to make provision to the fullest extent practicable in light of the level of the monetary reserves and its balance-of-payments, for the withdrawal in the currency of the other Party, of: (a) the compensation referred to in Article 4, paragraph 3(b) earnings, whether in the form of salaries, interest, dividends, commissions, royalties, payments for technical services, or otherwise, (c) amounts for amortization of loans, depreciation of direct investments, and, to the extent feasible, capital transfers, giving consideration to special needs for other transactions. If more than one rate of exchange is in force, the rate applicable to such withdrawal shall be a rate which is specifically approved by the International Monetary Fund for such transactions or, in the absence of a rate so approved an effective rate which, inclusive of any taxes or surcharges on exchange transfers, is just and reasonable.

4. Exchange restrictions shall not be imposed by either Party in a manner unnecessarily detrimental or arbitrarily discriminatory to the claims, investments, transport, trade and other interests of the nationals and companies of the other Party, nor to the competitive position thereof.

5. The term "exchange restrictions" as used in the present Article includes all restrictions, regulations, charges, taxes, or other requirements imposed by either Party which burden or interfere with payments, remittances, or transfers of funds or financial instruments between the territories of the two Parties.

6. Questions arising under the present Treaty concerning exchange restrictions affecting aliens are governed by the provisions of the present Article.

ARTICLE 11

Commercial travelers representing nationals and companies of either Contracting Party engaged in business within the territories thereof shall be accorded within the territories of the other Party treatment no less favorable than that accorded to commercial travelers representing nationals and companies of such other Party with respect to the exercise of their functions.

ARTICLE 12

1. Between the territories of the two Contracting Parties there shall be, in accordance with the provisions of the present Treaty, freedom of navigation.

2. Vessels under the flag of either Party, and carrying the papers required by its laws in proof of nationality, shall be deemed to be vessels of that Party, both on the high seas and within the ports, places and waters of the other Party.

3. The term "vessels" as used in the present Treaty, means all types of vessels, whether privately owned or operated, or publicly owned or operated, but this term does not include vessels of war.

ARTICLE 13

1. Vessels of either Contracting Party shall have liberty, on equal terms with vessels of the other Party and on equal terms with vessels of any third country, to come with their cargoes to all ports, places and waters of such other Party open to foreign commerce and navigation. Such vessels and cargoes shall in the ports, places and waters of such other Party be accorded in all respects national treatment and most-favored-nation treatment.

2. Vessels of either Party en route to or from the territories of the other Party shall be accorded national treatment and most-favored-nation treatment with respect to the right to carry all cargo that may be carried by vessel.

3. Goods carried by vessels under the flag of either Party to or from the territories of the other Party shall enjoy the same favors as when transported in vessels sailing under the flag of such other Party. This applies especially with regard to customs duties and all other fees and charges, to bounties, drawbacks and other privileges of this nature, as well as to the administration of the customs and to transport to and from port by rail and other means of transportation.

4. The coasting trade and inland navigation are excepted from the provisions of the present Article. However, the vessels of each Party shall be accorded by the other Party most-favored-nation treatment with respect to the coasting trade and inland navigation. Moreover, it is understood that vessels of either Party shall be permitted to discharge portions of cargoes at any ports, places or waters of the other Party open to foreign commerce and navigation, and to proceed with the remaining portions of such cargoes to any other such ports, places or waters and they shall be permitted to load in like manner in the same voyage outward, at the various ports, places and waters open to foreign commerce and navigation; but a right to engage in the coasting trade or inland navigation may not thereby be claimed.

5. Neither Party shall impose any measure of a discriminatory nature that hinders or prevents the importer or exporter of products of either country from obtaining marine insurance on such products in companies of either Party.

ARTICLE 14

If a vessel of either Contracting Party runs aground or is wrecked on the coasts of the other Party, or if it is in distress and must put into a port of the other Party, the latter Party shall extend to the vessel as well as to the crew, the passengers, the personal property of crew and passengers, and to the cargo of the vessel, the same protection and assistance as would have been extended to a vessel under its own flag in like circumstances; and shall permit the vessel after repairs to proceed with its voyage upon conformity with the laws applicable alike to vessels under its own flag. Articles salvaged from the vessel shall be exempt from all customs duties unless they pass into internal consumption; but articles not entered for consumption may be subject to measures for the protection of the revenue pending their exit from the country.

ARTICLE 15

1. In all ports of either Contracting Party the masters of vessels under the flag of the other Party, whose crews have ceased to be fully constituted on account of illness or for any other cause, shall be permitted to engage such seamen as may be necessary for the continuation of the voyage.

2. Nationals of either Party who are seamen may be sent to ports of the other Party to join national vessels, in care of consular officers, either individually or in groups on the basis of seamen's papers issued in lieu of passports. Likewise, nationals of either Party shall be permitted to travel through the territory of the other Party on their way to join vessels or to be repatriated on the basis of seamen's papers used in lieu of passports.

ARTICLE 16

The present Treaty shall not preclude the application by either Contracting Party of measures:

(a) regulating the importation or exportation of gold or silver;

(b) relative to its national fisheries and to the products thereof;

(c) relating to fissionable materials, to radioactive byproducts of the utilization or processing thereof, or to materials that are the source of fissionable materials;

(d) regulating the production of or traffic in arms, ammunition and implements of war, or traffic in other materials carried on directly or indirectly for the purpose of supplying a military establishment;

(e) necessary to fulfill the obligations of a Party for the maintenance or restoration of international peace and security, or necessary to protect its essential security interests;

(f) for the protection of national treasures having an artistic, historical or archeological value; or

(g) denying to any company in the ownership or direction of which nationals of any third country or countries have directly or indirectly the controlling interest, the advantages of the present Treaty, except with respect to recognition of juridical status and with respect to access to courts.

ARTICLE 17

1. The term "national treatment" means treatment accorded within the territories of a Contracting Party upon terms no less favorable than the treatment accorded therein, in like situations, to nationals, companies, products, vessels or other objects, as the case may be, of such Party.

2. The term "most-favored-nation treatment" means treatment accorded within the territories of a Party upon terms no less favorable than the treatment accorded therein, in like situations, to nationals, companies, products, vessels or other objects, as the case may be, of any third country.

3. As used in the present Treaty, the term "companies" means corporations, partnerships, companies and other associations, whether or not with juridical status, whether or not with limited liability and whether or not for pecuniary profit.

4. National treatment accorded under the provisions of the present Treaty to companies of the Kingdom of Belgium shall, in any State or possession of the United States of America, be the treatment accorded therein to companies created or organized in other States and possessions of the United States of America.

ARTICLE 18

1. The territories to which the present Treaty extends shall comprise all areas of land and water under the sovereignty or authority of each Contracting Party, other than the Trust Territory of Ruanda-Urundi in the case of the Kingdom of Belgium, and the Panama Canal Zone and the Trust Territory of the Pacific Islands in the case of the United States of America.

2. It is understood that the present Treaty does not apply to territories under the authority of either Party solely as a military base or by reason of temporary military occupation.

ARTICLE 19

1. Each Contracting Party shall accord sympathetic consideration to, and shall afford adequate opportunity for consultation regarding, such representations as the other Party may make with respect to any matter affecting the operation of the present Treaty.

2. Any dispute between the Parties as to the interpretation or application of the present Treaty, not satisfactorily adjusted by diplomacy, shall be submitted to the International Court of Justice, unless the Parties agree to settlement by some other pacific means.

ARTICLE 20

The present Treaty shall terminate the Treaty of Commerce and Navigation signed at Washington March 8, 1875, and the Convention concerning Trade Marks signed at Washington April 7, 1884.

ARTICLE 21

1. The present Treaty shall be ratified, and the ratifications thereof shall be exchanged at Washington as soon as possible.

2. The present Treaty shall enter into force one month after the day of exchange of the instruments of ratification.

3. The present Treaty shall remain in force for ten years and shall continue in force thereafter until terminated as provided herein.

4. Either Contracting Party may, by giving one year's written notice to the other Party, terminate the present Treaty at the end of the initial ten-year period or at any time thereafter.

In witness whereof the respective Plenipotentiaries have signed the present Treaty and have affixed hereunto their seals.

Done at Brussels, this 21st day of February one thousand nine hundred sixty one, in duplicate, in the French and English languages, both equally authentic.

For the United States of America:

WILLIAM A. M. BURDEN.

For the Kingdom of Belgium:

P. WIGNY.

PROTOCOL

At the time of signing the Treaty of Friendship, Establishment and Navigation between the United States of America and the Kingdom of Belgium the undersigned Plenipotentiaries, duly authorized, have further agreed on the following provisions, which shall be considered integral parts of the aforesaid Treaty:

1. The provisions of Article 2, paragraph 1, b), of the Treaty shall be construed as extending to persons who represent nationals and companies of the same nationality which have invested or are actively in the process of investing a substantial amount of capital in an enterprise in the territories of the other Party, and who are employed by such nationals and companies in a responsible capacity.

2. With reference to the provisions of Article 3, paragraph 2, each Party agrees that, within its territories, the nationals of the other Party shall be entitled to free legal aid on the same conditions as its own nationals.

3. With reference to Article 3, paragraphs 2 and 3, nationals of either Party having their permanent residence within the territories of the other Party and companies of either Party having their establishment, main or branch, within the territories of the other Party who appear as plaintiff or intervening party before the courts of such other Party shall be exempt from obligation to pose security for costs in such instances as nationals and companies of such other Party would be exempt.

4. The provisions of Article 4, paragraph 3, providing for the payment of compensation shall extend to interests held directly or indirectly by nationals and companies of either Party in property which is taken within the territories of the other Party.

5. The provisions of the present Treaty do not confer rights to engage in gainful activities except with the authorization to that effect required by the applicable laws and regulations. The two Parties are agreed, however, to entertain in a most considerate manner applications for authorization to engage in activities pursuant to the Treaty.

6. The provisions of Article 6, paragraph 2, do not extend to professions which, because they involve the performance of functions in a public capacity or in the interests of public health and safety, are state-licensed and reserved by law to nationals of the country.

7. The provisions of Article 6, paragraph 2, shall not extend to the activity of peddlers and itinerant artisans in the exercise of their occupations as such.

8. with reference to Article 6, paragraph 3, neither Party shall apply the term "public policy" so as to deny recognition to a company constituted under the laws of the other Party in any situation in which the former Party permits a company with like purposes to be constituted under its laws.

9. The benefit of the provisions of Article 6, paragraph 3, and of Article 9, paragraph 4, shall not be acquired within the territories of the Contracting Party whose law takes the main establishment into consideration for the recognition of companies, if such establishment is deemed to be within its territory.

10. The provisions of Article 6, paragraphs 2 and 7, shall not be construed to confer rights with respect to owning real property.

11. The treatment provided in Article 10, paragraph 1, is designed only to preclude discriminations on the ground of nationality but does not, for instance, preclude different treatment based upon residence requirements.

12. It is understood that the word "cargo" (or "cargoes") as used in Article 13 shall be deemed to comprehend passengers as well as goods.

13. The provisions of Article 13, paragraph 2, shall not apply to postal services.

In witness whereof the respective Plenipotentiaries have signed this Protocol and have affixed hereunto their seals.

Done at Brussels this 21st day of February one thousand nine hundred sixty one, in duplicate, in the French and English languages, both equally authentic.

For the United States of America:

WILLIAM A. M. BURDEN.

For the Kingdom of Belgium:

P. WIGNY.

EXECUTIVE L, 87TH CONGRESS, FIRST SESSION—TREATY OF AMITY AND ECONOMIC RELATIONS BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF VIETNAM

The United States of America and the Republic of Vietnam, desirous of promoting friendly relations between their peoples and of encouraging mutually beneficial trade and closer economic intercourse generally, have resolved to conclude a Treaty of Amity and Economic Relations, and have appointed as their Plenipotentiaries:

The President of the United States of America:

Mr. Elbridge Durbrow, Ambassador Extraordinary and Plenipotentiary of the United States of America at Saigon;

and

The President of the Republic of Vietnam:

Mr. Vu Van Mau, Secretary of State for Foreign Affairs;

Who, having communicated to each other their full powers found to be in due form, agree as follows:

ARTICLE I

1. Nationals of either Party shall, subject to the laws relating to the entry and sojourn of aliens, be permitted to enter the territories of the other Party, to travel therein freely, and to reside at places of their choice. Nationals of either Party shall in particular be permitted to enter the territories of the other Party and to remain therein for the purpose of: (a) carrying on trade between the territories of the two Parties and engaging in related commercial activities; or (b) developing and directing the operations of an enterprise in which they have invested or are actively in process of investing a substantial amount of capital. Each Party reserves the right to exclude or expel aliens on grounds relating to public order, morals, health and safety.

2. Nationals of either Party shall receive the most constant protection and security within the territories of the other Party, in no case less than that required by international law. When any such national is in custody, he shall in every respect receive reasonable and humane treatment; and, on his demand, the diplomatic or consular representative of his country shall be immediately notified and accorded full opportunity to safeguard his interests. He shall be promptly informed of the accusations against him, allowed ample facilities to defend himself, and given a prompt and impartial disposition of his case.

3. Nationals of either Party within the territories of the other Party shall, either individually or through associations, and so long as their activities are not contrary to public order, safety, or morals: (a) enjoy freedom of conscience and the right to hold religious services and engage in religious activities generally; (b) be permitted to engage in philanthropic, educational, and scientific activities; (c) have the right to gather and transmit information for dissemination to the public abroad; and (d) be permitted to communicate with other persons inside and outside such territories by mail, telegraph, or other means open to the general public.

ARTICLE II

1. Companies constituted under the applicable laws and regulations of either Party shall be deemed companies thereof and shall have their juridical status recognized within the territories of the other Party. As used in the present treaty, "companies" means:

(a) As concerns the United States of America, corporations, partnerships, companies, and other associations, whether or not with limited liability and whether or not for pecuniary profit.

(b) As concerns the Republic of Vietnam, sociétés de personnes, sociétés de capitaux, and, in general, other societies, associations, companies, foundations, legal entities or juridical persons, whether or not with limited liability and whether or not for pecuniary profit.

2. Nationals and companies of either Party shall have free access to the courts of justice and administrative agencies within the territories of the other Party, in all degrees of jurisdiction, both in defense and in pursuit of their rights. Such access shall be allowed upon terms no less favorable than those applicable to nationals and companies of such other Party or of any third country, including the terms applicable to requirements for deposit of security. It is understood that companies not engaged in activities within the country shall enjoy the right of such access without any requirement of registration or domestication.

3. Contracts entered into between nationals and companies of either Party and nationals and companies of the other Party, that provide for the settlement by arbitration of controversies, shall not be deemed unenforceable within the territories of such other Party merely on the grounds that the place designated for the arbitration proceedings is outside such territories or that the nationality of one or more of the arbitrators is not that of such other Party. No award duly rendered pursuant to any such contract, and final and enforceable under the laws of the place where rendered, shall be deemed invalid or denied effective means of enforcement within the territories of either Party merely on the grounds that the place where such award was rendered is outside such territories or that the nationality of one or more of the arbitrators is not that of such Party.

ARTICLE III

1. Nationals of either Party shall be accorded national treatment in the application of laws and regulations within the territories of the other Party that establish a pecuniary compensation or other benefit or service, on account of disease, injury or death arising out of and in the course of employment or due to the nature of employment.

2. In addition to the rights and privileges provided in paragraph 1 of the present Article, nationals of either Party within the territories of the other Party shall be accorded national treatment in the application of laws and regulations establishing compulsory systems of social security, under which benefits are paid without an individual test of financial need in the following cases: (a) sickness, including temporary disability for work, and maternity; (b) invalidity, or occupational disability; (c) death of father, spouse, or any other person liable for maintenance; (d) unemployment.

ARTICLE IV

1. Each Party shall at all times accord fair and equitable treatment to nationals and companies of the other Party, and to their property and enterprises; shall refrain from applying unreasonable or discriminatory measures that would impair their legally acquired rights and interests; and shall assure that their lawful contractual rights are afforded effective means of enforcement, in conformity with the applicable laws.

2. Property of nationals and companies of either Party, including direct or indirect interests in property, shall receive the most constant protection and security within the territories of the other Party. Such property shall not be taken except for a public purpose, nor shall it be taken without the payment of just compensation. Such compensation shall be in an effectively realizable form and without unnecessary delay, and shall represent the full equivalent of the property taken; and adequate provision shall have been made at or prior to the time of taking for the determination and payment thereof.

3. The dwellings, offices, warehouses, factories and other premises of nationals and companies of either Party located within the territories of the other Party shall not be subject to entry or molestation without just cause. Official searches and examinations of such premises and their contents shall be made only according to law and with careful regard for the convenience of the occupants and the conduct of business.

ARTICLE V

1. Enterprises which are or may hereafter be established or acquired by nationals and companies of either Party within the territories of the other Party and which are owned or controlled by such nationals and companies, whether in the form of individual proprietorships, direct branches or companies constituted under the laws of such other Party, shall be permitted freely to conduct their activities therein upon terms no less favorable than like enterprises owned or controlled by nationals and companies of such other Party or of any third country.

2. Nationals and companies of either Party shall enjoy the right to continued control and management of their enterprises within the territories of the other Party; shall be permitted to engage accountants and other technical experts, executive personnel, attorneys, agents and other specialized employees of their choice, regardless of nationality; and shall be permitted without discrimination to do all things normally found necessary and proper to the effective conduct of enterprises engaged in like activities.

3. Laws regarding qualifications for the practice of a profession shall not prevent nationals and companies of either Party from engaging accountants and other technical experts for making examinations, audits and technical investigations for internal purposes in connection with the planning and operation of their enterprises within the territories of the other Party.

ARTICLE VI

1. Nationals and companies of either Party shall be accorded national treatment, within the territories of the other Party with respect to: (a) leasing real property needed for their residence or for the conduct of activities pursuant to the present Treaty; (b) purchasing and otherwise acquiring personal property of all kinds, subject to any limitations on acquisition of shares in enterprises that may be imposed consistently with Article V; and (c) disposing of property of all kinds by sale, testament or otherwise. The rights set forth in (a) above shall be subject to compliance with the formalities prescribed in the legislation of such other Party, provided that such formalities shall not impair the substance of such rights.

2. Nationals and companies of either Party shall be accorded within the territories of the other Party effective protection in the exclusive use of inventions, trade marks and trade names, upon compliance with the applicable laws and regulations, if any, respecting registration and other formalities.

ARTICLE VII

1. Nationals and companies of either Party shall not be subject to the payment of taxes, fees or charges within the territories of the other Party, or to requirements with respect to the levy and collection thereof, more burdensome than those borne by nationals, residents and companies of any third country. In the case of nationals of either Party residing within the territories of the other Party, and of companies of either Party engaged in trade or other gainful pursuit or in nonprofit activities therein, such taxes, fees, charges and requirements shall not be more burdensome than those borne by nationals and companies of such other Party.

2. Each Party, however, reserves the right to: (a) extend specific tax advantages only on the basis of reciprocity, or pursuant to agreements for the avoidance of double taxation or the mutual protection of revenue; and (b) apply special provisions in extending advantages to its nationals and residents in connection with joint returns by husband and wife, and as to the exemptions of a personal nature allowed to non-residents in connection with income and inheritance taxes.

3. Companies of either Party shall not be subject, within the territories of the other Party, to taxes upon any income, transactions or capital not attributable to the operations and investment thereof within such territories.

4. The foregoing provisions shall not prevent the levying, in appropriate cases, of fees relating to the accomplishment of police and other formalities, if these fees are also levied on other foreigners. The rates for such fees shall not exceed those charged the nationals of any other country.

ARTICLE VIII

1. Neither Party shall apply restrictions on the making of payments, remittances, and other transfers of funds to or from the territories of the other Party, except (a) to the extent necessary to assure the availability of foreign exchange for payments for goods and services essential to the health and welfare of its people, or (b) in the case of a member of the International Monetary Fund, restrictions specifically requested or approved by the Fund.

2. If either Party applies exchange restrictions, it shall promptly make reasonable provision, taking into account its foreign exchange reserves and the extent of disequilibrium in its balance of payments, for the withdrawal, in foreign exchange in the currency of the other Party of: (a) the compensation referred to in Article IV, paragraph 2, of the present Treaty, (b) earnings, whether in the form of salaries, interest, dividends, commissions, royalties, payments for technical services, or otherwise, and (c) amounts for amortization of loans, depreciation of direct investments and capital transfers, giving consideration to special needs for other transactions. If more than one rate of exchange is in force, the rate applicable to such withdrawals shall be a rate which is specifically approved by the International Monetary Fund for such transactions or, in the absence of a rate so approved, an effective rate which, inclusive of any taxes or surcharges on exchange transfers, is just and reasonable.

3. Either Party applying exchange restrictions shall in general administer them in a manner not to influence disadvantageously the competitive position of the commerce, transport or investment of capital of the other Party in comparison with the commerce, transport or investments of any third country.

ARTICLE IX

1. Each Party shall accord to products of the other Party, from whatever place and by whatever type of carrier arriving, and to products destined for exportation to the territories of such other Party, by whatever route and by whatever type of carrier, treatment no less favorable than that accorded like products of, or destined for exportation to, any third country, in all matters relating to: (a) customs duties, as well as any other charges, regulations and formalities levied upon or in connection with importation and exportation; and (b) internal taxation, sale, distribution, storage and use. The same rule shall apply with respect to the international transfer of payments for imports and exports.

2. Neither Party shall impose restrictions or prohibitions on the importation of any product of the other Party, or on the exportation of any product to the territories of the other Party, unless the importation of the like product of, or the exportation of the like product to, all third countries is similarly restricted or prohibited.

3. If either Party imposes quantitative restrictions on the importation or exportation of any product in which the other Party has an important interest:

(a) It shall as a general rule give prior public notice of the total amount of the product, by quantity or value, that may be imported or exported during a specified period, and of any change in such amount or period; and

(b) If it makes allotments to any third country, it shall afford such other Party a share proportionate to the amount of the product, by quantity or value, supplied by or to it during a previous representative period, due consideration being given to any special factors affecting the trade in such product.

4. Either Party may impose prohibitions or restrictions on sanitary or other customary grounds of a noncommercial nature, or in the interest of preventing deceptive or unfair practices, provided such prohibitions or restrictions do not arbitrarily discriminate against the commerce of the other Party.

5. Either Party may adopt measures necessary to assure the utilization of accumulated inconvertible currencies or to deal with a strigency of foreign exchange. However, such measures shall deviate no more than necessary from a policy designed to promote the maximum development of nondiscriminatory international trade and to expedite the attainment of a balance-of-payments position which will obviate the necessity of such measures.

6. Each Party reserves the right to accord special advantages: (a) to products of its national fisheries, (b) to adjacent countries in order to facilitate frontier traffic, or (c) by virtue of a customs union or free trade area of which either Party, after consultation with the other Party, may become a member. Each Party, moreover, reserves rights and obligations it may have under the General Agreement on Tariffs and Trade, and special advantages it may accord pursuant thereto.

ARTICLE X

1. In the administration of its customs regulations and procedures, each party shall: (a) promptly publish all requirements of general application affecting importation and exportation; (b) apply such requirements in a uniform, impartial and reasonable manner; (c) refrain, as a general practice, from enforcing new or more burdensome requirements until after public notice thereof; (d) allow appeals to be taken from rulings of the customs authorities; and (e) not impose greater than nominal penalties for infractions resulting from clerical errors or from mistakes made in good faith.

2. Nationals and companies of either Party shall be accorded treatment no less favorable than that accorded nationals and companies of the other Party, or of any third country, with respect to all matters relating to importation and exportation.

3. Neither Party shall impose any measure of a discriminatory nature that hinders or prevents the importer or exporter of products of either country from obtaining marine insurance on such products in companies of either Party.

ARTICLE XI

1. Between the territories of the two Parties there shall be freedom of commerce and navigation.

2. Vessels under the flag of either Party, and carrying the papers required by its law in proof of nationality, shall be deemed to be vessels of that Party both on the high seas and within the ports, places and waters of the other Party.

3. Vessels of either Party shall have liberty, on equal terms with vessels of the other Party and on equal terms with vessels of any third country, to come with their cargoes to all ports, places and waters of such other Party open to foreign commerce and navigation. Such vessels and cargoes shall in all respects be accorded national treatment and most-favored-nation treatment within the ports, places and waters of such other Party; but each Party may reserve exclusive rights and privileges to its own vessels with respect to the coasting trade, inland navigation and national fisheries.

4. Vessels of either Party shall be accorded national treatment and most-favored-nation treatment by the other Party with respect to the right to carry all products that may be carried by vessel to or from the territories of such other Party; and such products shall be accorded treatment no less favorable than that accorded like products carried in vessels of such other Party, with respect to: (a) duties and charges of all kinds, (b) the administration of the customs, and (c) bounties, drawbacks and other privileges of this nature.

5. Vessels of either Party that are in distress shall be permitted to take refuge in the nearest port or haven of the other Party, and shall receive friendly treatment and assistance.

6. The term "vessels", as used herein, means all types of vessels, whether privately owned or operated, or publicly owned or operated; but this term does not, except with reference to paragraphs 2 and 5 of the present Article, include fishing vessels or vessels of war.

ARTICLE XII

1. Each Party undertakes (a) that enterprises owned or controlled by its Government, and that monopolies or agencies granted exclusive or special privileges within its territories, shall make their purchases and sales involving either imports or exports affecting the commerce of the other Party solely in accordance with commercial considerations, including price, quality, availability, marketability, transportation and other conditions of purchase or sale; and (b) that the nationals, companies and commerce of such other Party shall be afforded adequate opportunity, in accordance with customary business practice, to compete for participation in such purchases and sales.

2. Each Party shall accord to the nationals, companies and commerce of the other Party fair and equitable treatment, as compared with that accorded to the nationals, companies and commerce of any third country, with respect to: (a) the governmental purchase of supplies, (b) the awarding of concessions and other government contracts, and (c) the sale of any service sold by the Government or by any monopoly or agency granted exclusive or special privileges.

3. The Parties recognize that conditions of competitive equality should be maintained in situations in which publicly owned or controlled trading or manufacturing enterprises of either Party engage in competition, within the territories thereof, with privately owned and controlled enterprises of nationals and companies of the other Party. Accordingly, such private enterprises shall, in such situations, be entitled to the benefit of any special advantages of an economic nature accorded such public enterprises, whether in the nature of subsidies, tax exemptions or otherwise. The foregoing rule shall not apply, however, to special advantages given in connection with: (a) manufacturing goods for government use, or supplying goods and services to the Government for government use; or (b) supplying at prices substantially below competitive prices, the needs of particular population groups for essential goods and services not otherwise practically obtainable by such groups.

ARTICLE XIII

1. The present Treaty shall not preclude the application of measures:

(a) regulating the importation or exportation of gold or silver;

(b) relating to fissionable materials, the radioactive byproducts thereof, or the sources thereof;

(c) regulating the production of or traffic in arms, ammunition and implements of war, or traffic in other materials carried on directly or indirectly for the purpose of supplying a military establishment;

(d) necessary to fulfill the obligations of a Party for the maintenance or restoration of international peace and security, or necessary to protect its essential security interests;

(e) denying to any company in the ownership or direction of which nationals of any third country or countries have directly or indirectly the controlling interest, the advantages of the present Treaty, except with respect to recognition of juridical status and with respect to access to courts of justice and to administrative tribunals and agencies.

2. The present Treaty does not accord any rights to engage in political activities.

3. The most-favored-nation provisions of the present Treaty relating to the treatment of goods shall not extend to advantages accorded by the United States of America or its Territories and possessions, irrespective of any future change in their political status, to one another, to the Republic of Cuba, to the Republic of the Philippines, to the Trust Territory of the Pacific Islands or to the Panama Canal Zone, nor to advantages which the Republic of Vietnam may accord to third countries pursuant to agreements heretofore concluded with them. Each Party agrees that before applying any new preferential rates of duty affecting articles of substantial trading interest to the other Party, it will inform the other Party of its plans and afford it an opportunity for consultation.

4. The provisions of Article I, paragraph 1(b), shall be construed as extending to persons who represent nationals and companies of the same nationality which have invested or are actively in the process of investing a substantial amount of capital in an enterprise in the territories of the other Party and who are employed by such nationals and companies in a responsible capacity.

ARTICLE XIV

1. Each Party shall accord sympathetic consideration to, and shall afford adequate opportunity for consultation regarding, such representations as the other Party may make with respect to any matter affecting the operation of the present Treaty.

2. Any dispute between the Parties as to the interpretation or application of the present Treaty, not satisfactorily adjusted by diplomacy, shall be submitted to the International Court of Justice, unless the Parties agree to settlement by some other pacific means.

ARTICLE XV

1. The present Treaty shall be ratified, and the ratifications thereof shall be exchanged at Saigon as soon as possible.

2. The present Treaty shall enter into force one month after the day of exchange of ratifications. It shall remain in force for ten years and shall continue in force thereafter until terminated as provided herein.

3. Either Party may, by giving one year's written notice to the other Party, terminate the present Treaty at the end of the initial ten-year period or at any time thereafter.

IN WITNESS WHEREOF the respective Plenipotentiaries have signed the present Treaty and have affixed hereunto their seals.

DONE in duplicate, in the English and Vietnamese languages, both equally authentic, at Saigon this third day of April, one thousand nine hundred sixty-one.

For the United States of America:
ELBRIDGE DURBROW.

For the Republic of Viet-Nam:
VU VAN MAU.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the treaties may be voted on en bloc.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the conclusion of the debate on the two treaties, the Senate proceed to the consideration of other business, and that a yea-and-nay vote be taken at 10 minutes to 11.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, the treaties with Belgium and Vietnam represent the 20th and 21st modern agreements concluded by the United States since the current commercial treaty program was initiated in 1946. Both of these treaties contain provisions designed to provide protection for the property and interests of American citizens and companies in those countries.

Each treaty provides that the property of nationals and companies of either party is not to be taken except for a public purpose nor is it to be taken without the prompt payment of just compensation "in an effectively realizable form" representing the full equivalent of the property taken.

These treaties also provide that—

Any dispute between the Parties as to the interpretation or application of the present Treaty, not satisfactorily adjusted by diplomacy, shall be submitted to the International Court of Justice, unless the Parties agree to settlement by some other pacific means.

According to a memorandum on this subject prepared by the Department of State—see appendix of committee report—provisions relating to the International Court of Justice appear in 20 out of 21 of U.S. postwar commercial treaties. The only exception is the treaty with the Sultanate of Muscat and Oman, 86th Congress, 1st session.

Although these commercial treaties are similar to others which have been approved by the Senate, they do deviate from standard provisions which are normally included in treaties of this type. For instance, the treaty with Belgium does not contain provisions relating to the exchange of goods, because of Belgium's reluctance to enter into long-term commitments on this matter and because commercial relations with Belgium have been subject to the General Agreement on Tariffs and Trade. Moreover, social security provisions, as well as the customary clauses relating to the acquisition and tenure of real property, are excluded from the treaty for the reason that the provisions insisted on by Belgian negotiators would have been in conflict with U.S. Federal and domestic law.

In addition, the treaty with Vietnam does not provide for a specific right of entry and establishment of business enterprises, as does the agreement with Belgium. Vietnam's reluctance to accept such a provision is based on her concern about the possible effects of potential economic penetration from abroad. Rather, the provisions relating to the conduct of business activities are limited largely to the function of assuring nondiscriminatory treatment to such enterprises as are authorized to be established under domestic law.

I might add the executive branch witness, Mr. Peyton Kerr, Deputy Assistant Secretary of State for Economic Affairs, assured the committee that the provisions of these treaties "are based upon existing precedents and introduce no new commitments that raise problems as to their effects upon domestic law."

Mr. President, the Vietnam treaty has been ratified, but the Belgium treaty has not been ratified.

Mr. WILEY subsequently said: Mr. President, earlier today, while the treaties were being discussed, the question came to my mind, because I had received

several telegrams which raised the question, as to whether they were in violation of the Connally amendment. I immediately contacted Mr. Marcy, of the Foreign Relations Committee, and he explained the situation to me. I asked him to make the explanation in writing, which he did. While the provision violates the Connally amendment in only several particulars, referred to in the memorandum, it does not in general jurisdiction.

I ask unanimous consent that the memorandum be printed in the RECORD, at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM REGARDING APPLICABILITY OF CONNALLY AMENDMENT PRINCIPAL TO TREATIES WITH BELGIUM AND VIETNAM

The commercial treaties with Belgium and Vietnam both require that if any dispute regarding any provision of these conventions arises as between the parties, and if such dispute is not satisfactorily settled by other means, the dispute shall be submitted to the International Court of Justice.

It has been alleged that this provision has the effect of bypassing the Connally amendment because it does not retain for exclusive decision by the United States the question of whether a dispute arising under the treaty falls within the domestic jurisdiction of the United States.

The effect of the requirement that disputes be submitted to the court is to waive the Connally amendment requirement with respect to the limited category of disputes which might arise "as to the interpretation or application of" these two treaties. In other words, if the United States should feel that Belgium refuses to grant an American citizen the right "to enter" Belgium "for the purpose of carrying on trade," as provided in article II, and, if a dispute as to the applicability of this article were to arise, and if that dispute could not be settled by diplomatic means or any other method devised by Belgium and the United States, the dispute would be required to be referred to the International Court of Justice. At that point, the International Court, before it could take jurisdiction, would be required to find that its jurisdiction extended to the subject matter of the dispute.

Since World War II, the United States has concluded 21 commercial treaties along the general lines of those with Belgium and Vietnam. All of these treaties—most of which are now in effect—except a treaty with the Sultan of Muscat and Oman, contain provisions similar to the Court referral provision mentioned above.

Although a number of Members of the Senate, including members of the Committee on Foreign Relations, have opposed repeal of the Connally amendment, they have not objected to provisions of the type described above which confer on the International Court jurisdiction with respect to carefully delimited types of disputes which might conceivably arise under specific commercial treaties. Prior to the inclusion of the first provision of this type in a treaty signed with the Republic of China in 1946, the Committee on Foreign Relations, under the then chairman, Senator Connally, was consulted regarding the desirability of including provisions of this type in specific conventions. Members, at that time, who had supported inclusion of the Connally amendment in connection with the dispute of our ratification of the World Court statute did not object to the inclusion in treaties of this type of provision such as that quoted above.

Mr. MANSFIELD. Mr. President, it appears that the debate on the two agreements has been concluded.

Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MANSFIELD. As I understand, the Senate agreed to vote en bloc on both these agreements at 10 minutes to 11.

The VICE PRESIDENT. The Senator is correct.

Mr. MANSFIELD. The vote will be a yea-and-nay vote?

The VICE PRESIDENT. The Senator is correct. Unless the Senator desires specifically to make the request, such a request is not necessary.

Mr. MANSFIELD. I shall make the request at the proper time.

The VICE PRESIDENT. If there be no objection, the treaties will be considered as having passed through their parliamentary stages up to and including the presentation of the respective resolutions of ratification.

The resolutions of ratification were read, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of a treaty of friendship, establishment, and navigation between the United States of America and the Kingdom of Belgium, together with a related protocol, signed at Brussels on February 21, 1961. (Executive J, Eighty-Seventh Congress.)

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of a treaty of amity and economic relations between the United States of America and the Republic of Vietnam, signed at Saigon on April 3, 1961. (Executive L, Eighty-seventh Congress.)

The VICE PRESIDENT. The question is on advising and consenting to the resolutions of ratification.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that further action on the treaties be suspended at this time.

The VICE PRESIDENT. Under the order, that will be done.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

DIVORCE, LEGAL SEPARATION, AND ANNULMENT OF MARRIAGE

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 863.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1761) to amend the act of March 3, 1901, relating to divorce, legal separation, and annulment of marriage in the District of Columbia.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 971 of the Act entitled "An Act to establish a code of law for the District of Columbia", approved March 3, 1901 (31 Stat. 1189, 1345; D.C. Code, sec. 16–401), as amended, is amended to read as follows:

"SEC. 971. BONA FIDE RESIDENCE REQUIRED—TERMS.—No action for divorce shall be maintainable unless one of the parties to the marriage has been a bona fide resident of the District of Columbia for at least one year next preceding the commencement of the action; no action for annulment of a marriage performed outside of the District of Columbia shall be maintainable unless one of the parties has been a bona fide resident of the District of Columbia for at least one year next preceding the commencement of the action; nor shall any action for annulment of a marriage performed in the District of Columbia or for the affirmance of any marriage be maintainable, unless one of the parties is a bona fide resident of the District of Columbia at the time of commencement of the action."

(b) Section 966 of such Act (D.C. Code, sec. 16–403), as amended, is amended to read as follows:

"SEC. 966. CAUSES FOR DIVORCE A VINCULO AND FOR DIVORCE A MENSA ET THORO AND FOR ANNULLING MARRIAGES.—

"(a) A divorce from the bond of marriage or a legal separation from bed and board may be granted for adultery, actual or constructive desertion for one year, voluntary separation from bed and board for three consecutive years without cohabitation, or final conviction of a felony and sentence for not less than two years to a penal institution which is served in whole or in part. A legal separation from bed and board also may be granted for cruelty.

"(b) A final judgment of legal separation from bed and board may be enlarged into a judgment of divorce from the bond of marriage upon the application of the innocent spouse after the final separation of the parties has been continuous for one year next before the making of the application.

"(c) Marriage contracts may be declared void in the following cases:

"First. Where such marriage was contracted while either of the parties thereto had a former wife or husband living, unless the former marriage had been lawfully dissolved.

"Second. Where such marriage was contracted during the lunacy of either party (unless there has been voluntary cohabitation after the lunacy) or was procured by fraud or coercion.

"Third. Where either party was matrimonially incapacitated at the time of marriage and has continued so.

"Fourth. Where either of the parties had not arrived at the age of legal consent to the contract of marriage (unless there has been voluntary cohabitation after coming to legal age), but in such cases only at the suit of the party not capable of consenting."

(c) Section 980 of such Act (D.C. Code, sec. 16–415), as amended, is amended to read as follows:

"SEC. 980. MAINTENANCE OF WIFE AND MINOR CHILDREN—MAINTENANCE OF FORMER WIFE—ENFORCEMENT.—

"(a) Whenever any husband shall fail or refuse to maintain his wife and minor children, if any, although able to do so, or whenever any father shall fail or refuse to maintain his children by a marriage since dissolved, although able to do so, the Court,

upon proper application, may decree, pendente lite and permanently, that he shall pay reasonable sums periodically for the support of such wife and children, or such children, as the case may be, and the Court may decree that he pay suit money, including counsel fees, pendente lite and permanently, to enable plaintiff to conduct the case.

"(b) Whenever a former husband has obtained a foreign ex parte divorce, the Court thereafter, on application of the former wife and with personal service of process upon the former husband in the District of Columbia, may decree that he shall pay her reasonable sums periodically for her maintenance and for suit money, including counsel fees, pendente lite and permanently, to enable plaintiff to conduct the case.

"(c) The Court may enforce any decree entered under this section in the same manner as is provided in section 975 of the Act entitled 'An Act to establish a code of law for the District of Columbia', approved March 3, 1901, as amended (D.C. Code sec. 16–410)."

CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I move that the clerk continue to read consecutively through the calendar down to and including Calendar No. 885.

The VICE PRESIDENT. The question is on the motion of the Senator from Montana.

Mr. KEATING. Mr. President, is that motion debatable?

The VICE PRESIDENT. The Chair recognizes the Senator from New York.

Mr. KEATING. Mr. President, I withdraw my desire to speak.

The VICE PRESIDENT. The question is on the motion of the Senator from Montana.

The motion was agreed to.

INTERNATIONAL EXPOSITION FOR SOUTHERN CALIFORNIA

The joint resolution (S.J. Res. 132) extending recognition to the International Exposition for Southern California in the year 1966, and authorizing the President to issue a proclamation calling upon the several States of the Union and foreign countries to take part in the exposition, was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby recognizes the International Exposition for Southern California in the year 1966 as an event designed to develop and intensify a climate of good will and understanding among men and nations, thereby promoting a lasting peace among all people on the planet of the earth.

SEC. 2. To implement the recognition declared in the first section of this Act, the President, at such time as he deems appropriate, is authorized and requested to issue a proclamation calling upon the several States of the Union and foreign countries to take part in the exposition.

Mr. KUCHEL subsequently said: Mr. President, I move that the Senate reconsider the vote by which Calendar No. 865, Senator Joint Resolution 162, was passed.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BILLS PASSED OVER

The bill (S. 970) to authorize the Secretary of the Interior to construct, operate, and maintain the Mid-State Reclamation Project, Nebraska, and for other purposes, was announced as next in order.

Mr. MANSFIELD. Mr. President, over.

The VICE PRESIDENT. The bill will be passed over.

WRIGHT BROTHERS DAY

The joint resolution (H.J. Res. 109) designating the 17th day of December 1961, as Wright Brothers Day was considered, ordered to a third reading, was read the third time, and passed.

CELEBRATION OF THE AMERICAN PATENT SYSTEM

The resolution (H.J. Res. 499) authorizing a celebration of the American patent system was considered, ordered to a third reading, read the third time, and passed.

REPRESENTATION ON THE JUDICIAL CONFERENCE OF THE UNITED STATES

The bill (H.R. 176) to amend section 331 of title 28 of the United States Code so as to provide for representation on the Judicial Conference of the United States was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 6690) to amend section 332 of title 28, United States Code, in order to provide for the inclusion of a district judge or judges on the judicial council of each circuit, was announced as next in order.

Mr. KEATING. Mr. President, is it in order to ask that a bill go over?

Mr. MANSFIELD. Yes, indeed.

Mr. KEATING. It was understood that the bill would not come up until after the Juridical Conference had acted on the question, which they expect to do on the 20th of September. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

WIDOW OF JULIAN E. GILLESPIE

The bill (S. 1274) for the relief of the widow of Julian E. Gillespie was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of section 5 of the Act entitled "An Act to make certain increases in the annuities of annuitants under the Foreign Service retirement and disability system", approved May 1, 1956, as amended (22 U.S.C. 1079d), Julian E. Gillespie, who died on June 23, 1939, while serving as commercial attaché to the American Embassy at Istanbul, Turkey, shall be held and considered to have been a participant under the Foreign Service retirement and disability system at the time of his death.

SEC. 2. No annuity shall be payable as a result of the enactment of this Act for any period prior to the date of such enactment.

CWO JAMES M. COOK

The bill (H.R. 2816) for the relief of CWO James M. Cook was considered, ordered to a third reading, was read the third time, and passed.

LT. COL. WILLIAM C. WINTER, JR., U.S. AIR FORCE (MEDICAL CORPS)

The bill (H.R. 3606) for the relief of William C. Winter, Jr., lieutenant colonel, U.S. Air Force (Medical Corps) was considered, ordered to a third reading, was read the third time, and passed.

WOODY W. HACKNEY

The bill (H.R. 3863) for the relief of Woody W. Hackney of Fort Worth, Tex., was considered, ordered to a third reading, was read the third time, and passed.

HENRY JAMES TAYLOR

The bill (H.R. 4369) for the relief of Henry James Taylor was considered, ordered to a third reading, was read the third time, and passed.

CHARLES P. REDICK

The bill (H.R. 5182) for the relief of Charles P. Redick was considered, ordered to a third reading, was read the third time, and passed.

RALPH E. AND SALLY SWIFT

The bill (H.R. 5559) for the relief of Ralph E. Swift and his wife, Sally Swift, was considered, ordered to a third reading, was read the third time, and passed.

HARRY WEINSTEIN

The bill (H.R. 6996) for the relief of Harry Weinstein was considered, ordered to a third reading, was read the third time, and passed.

M. C. PITTS

The bill (H.R. 7264) for the relief of M. C. Pitts was considered, ordered to a third reading, was read the third time, and passed.

BILL AND RESOLUTION PASSED OVER

The bill (S. 521) for the relief of Charles J. Utterback was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

The resolution (S. Res. 105) to create a Special Committee on National Fuels Study was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The VICE PRESIDENT. The resolution will be passed over.

APPRENTICES AUTHORIZED FOR GOVERNMENT PRINTING OFFICE

The Senate proceeded to consider the bill (S. 2488) to increase the number of apprentices authorized to be employees of the Government Printing Office, and for other purposes, which had been reported from the Committee on Rules and Administration, with an amendment, in line 6, after the word "words", to strike out "six" and insert "four", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of January 12, 1895 (ch. 23, sec. 50, 28 Stat. 607, 608), as amended (44 U.S.C. 40), is amended by deleting in the first sentence the words "two hundred apprentices" and substituting the words "four hundred apprentices."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

PRINTING AS SENATE DOCUMENT CONVENTION OF AMERICAN INSTRUCTORS OF THE DEAF

The concurrent resolution (S. Con. Res. 40) authorizing the printing as a Senate document of the 40th biennial meeting of the convention of American Instructors of the Deaf; and providing additional copies was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the report of the proceedings of the fortieth biennial meeting of the Convention of American Instructors of the Deaf, held in Salem, Oregon, in June 1961, be printed with illustrations as a Senate document; and that four thousand additional copies be printed for the use of the Joint Committee on Printing.

MICROFILMING OF PAPERS OF PRESIDENTS OF THE UNITED STATES

The bill (H.R. 6667) to amend the act of August 16, 1957, relating to microfilming of papers of Presidents of the United States, to remove certain liabilities of the United States with respect to such activities was considered, ordered to a third reading, read the third time, and passed.

SPECIAL COMMITTEE ON NATIONAL FUELS STUDY

Mr. MANSFIELD. Mr. President, that concludes the call of the calendar as of today, with one exception. I ask unanimous consent that the Senate return to the consideration of Calendar No. 882, which I inadvertently asked to go over.

The VICE PRESIDENT. Without objection, it is so ordered.

The Senate resumed the consideration of the resolution (S. Res. 105) to create a Special Committee on National Fuels Study, which had been reported from the Committee on Interior and Insular Affairs with amendments, and subsequently reported from the Committee on Rules and Administration with additional amendments. The amendments of the Committee on Interior and Insular Affairs are as follows:

On page 2, line 1, after the word *"Resolved"*, to strike out "That there is hereby created a special committee to be known as the Special Committee on a National Fuels Study and to consist of nine Senators to be appointed by the President of the Senate as soon as practicable after the date of adoption of this resolution. The President of the Senate shall designate one such Senator as chairman of the committee. Six members of the committee shall be appointed from the majority party and three members from the minority party.

"SEC. 2. No legislative measure shall be referred to such committee, and it shall not have power to report any such measure to the Senate.

"SEC. 3. The said committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Senate, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable.

"SEC. 4. A majority of the members of the committee or any subcommittee thereof shall constitute a quorum for the transaction of business, except that a lesser number, to be fixed by the committee, shall constitute a quorum for the purpose of taking sworn testimony.

"SEC. 5. (a) The committee shall—"

And, in lieu thereof, to insert "That the Committee on Interior and Insular Affairs, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified in rule XXV of the Standing Rules of the Senate to—"; on page 4 at the beginning of line 6, to strike out "(1)" and insert "(a)"; at the beginning of line 12, to strike out "(2)" and insert "(b)"; at the beginning of line 25, to strike out "(b)" and insert "(c)"; on page 5, line 1, after "(a)", to insert "and subsection (b)"; on page 6, after line 19, to insert:

"SEC. 2. The President of the Senate, at the request of the chairman of the Committee on Interior and Insular Affairs, shall appoint three Senators, none of whom shall be members of the Committee on Interior and Insular Affairs, to participate in the study authorized herein and Senators so appointed shall serve with the committee in an ex officio capacity."

On page 7, line 3, to change the section number from "6" to "3"; in line 4, after the word "basis", to strike out "through January 2, 1963,"; in line 6, after the word "consultants", to strike out the colon and *"Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,400 than the highest gross rate paid to any other employee"; in 13, after the word "may," to strike out "employ on a reimbursable basis such executive branch personnel as it deems advisable" and insert "utilize the services, information, facilities, and personnel of any of the departments or agencies of the Government"; in line 17, to change the section number from "7" to "4"; in line 18, after the word "exceed", to strike out "$200,000" and insert "$25,000"; in line 21, to change the section number from "8" to "5"; and in line 24, after the word "date,", to strike out "but not later than January 2, 1963. The committee shall cease to exist at the termination of January 2, 1963."

The amendments were agreed to.

The amendments of the Committee on Rules and Administration are as follows:

On page 4, line 25, to strike out "(c)" and insert "SEC. 2."; on page 5, at the beginning of line 1, to strike out "subsection (a) and subsection (b) of this", and in the same line, after the word "section", to insert "1"; on page 6, line 20, to change the section number from "2" to "3"; on page 7, after line 2, to strike out:

"SEC. 3. For the purposes of this resolution, the committee is authorized to employ on a temporary basis technical, clerical, or other assistants, experts, and consultants. With the prior consent of the executive department or agency concerned and the Committee on Rules and Administration, the committee may utilize the services, information, facilities, and personnel of any of the departments or agencies of the Government."

After line 16, to strike out:

"SEC. 4. The expenses of the committee, which shall not exceed $25,000 during any fiscal year, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee."

After line 20, to strike out:

"SEC. 5. The committee shall report the results of its studies and investigations, together with such recommendations as it may deem advisable, to the Senate at the earliest practicable date."

On page 8, after line 2, to insert a new section, as follows:

"SEC. 4. For the purposes of this resolution the committee is authorized through January 31, 1962 (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government."

After line 12, to insert a new section, as follows:

"SEC. 5. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date."

And, after line 16, to insert a new section, as follows:

"SEC. 6. The expenses of the committee under this resolution, from the date of its agreement through January 31, 1962, shall not exceed $25,000 and shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee."

The amendments were agreed to.

The resolution, as amended, was agreed to.

The title was amended, so as to read: "Resolution to authorize a study of national fuels policy."

The preamble was agreed to.

Mr. RANDOLPH subsequently said: Mr. President, the adoption of Senate Resolution 105, to authorize the Committee on Interior and Insular Affairs to conduct a national fuels and energy study, represents responsible action in the national interest.

For myself and my conscientious colleague from West Virginia [Mr. BYRD] and the 61 other Senators who were cosponsors of the legislation, I desire to commend and thank the distinguished majority leader, Senator MANSFIELD, the distinguished minority leader, Senator DIRKSEN, and the able and diligent chairman of the Committee on Interior and Insular Affairs, Senator ANDERSON, for the leadership they so capably provided

in making possible the adoption of this resolution.

It is appropriate, Mr. President, to point out that Senate Resolution 105 is one of the most widely sponsored legislative measures of this or any other Congress. Likewise, it is one with a high degree of bipartisan support. Of the 63 cosponsoring Senators, 45 were from the majority side and 18 from the minority. This is consistent with the 1960 platforms of both national political parties.

The Democratic national platform declared:

> We support the establishment of a national fuels policy.

The Republican national platform included a declaration for "long-range minerals and fuels planning and programing."

Actually, these platform pronouncements go beyond the provisions of Senate Resolution 105. Whereas the party platforms call for support of a national fuels policy and for long-range minerals and fuels planning and programing, Senate Resolution 105 provides for a prerequisite study to ascertain facts relating to the fuels and energy resources of this country "with the view of determining what, if any, changes and implementation of existing policies and laws may be advisable in order to coordinate and provide an effective national fuels policy to assure the availability of fuels and energy adequate for an expanding economy and for the security of the United States."

The adoption of Senate Resolution 105, as amended by the Committee on Interior and Insular Affairs and by the Committee on Rules and Administration, is the successful culmination of a series of efforts started in the 86th Congress and continued in this 87th Congress to have the problems and status of the Nation's fuels and energy resources brought under study, hopefully as a prelude to the establishment of a national fuels policy.

In this successful effort we have had the stalwart and consistent support of the President of the United States, the Secretary of the Interior, the Secretary of State, the Atomic Energy Commission, the Office of Civil and Defense Mobilization, and the Interstate Commerce Commission.

As introduced, Senate Resolution 105 called for the establishment of a special committee of the Senate to conduct a fuels and energy study, but the Committee on Interior and Insular Affairs, after hearing much testimony and after careful study of the subject, reported the resolution with the recommendation that the study be authorized as an activity of that standing committee. The wisdom of this decision was not questioned by those of us with primary interest in having authorized a thoroughly impartial and objective study of the whole fuels and energy field in the United States. It is an area in which the Interior and Insular Affairs Committee has jurisdiction and there are numerous advantages inherent in having the study made by this committee, not the least of which is the obviating of the costs of special staffing.

A proper and adequate provision has been included in the resolution for the augmentation of the Interior and Insular Affairs Committee by the grant of authority to the President of the Senate to appoint as many as three Senators who are not members of that standing committee to serve in ex officio capacity for the purposes of the study authorized by Senate Resolution 105. I have been assured by the able chairman of the committee that the intent is to clothe the ex officio members with full participation and voting rights in all matters having to do with the national fuels and energy study, including recommendations to the Senate stemming from the study.

In appearing before the Committee on Interior and Insular Affairs as the principal sponsor of the resolution and as the authorized spokesman for the 62 cosponsoring Senators, I said on June 12, 1961, and I reaffirm now:

> The study, as we visualize it, should emphasize the national concept of the fuels and energy problem. We do not view this proposal as a "narrow conflict of industry interests" between competing fuels and energy sources. That some such conflicts would develop during the course of making an overall study would not be unexpected, but they would be secondary, not primary, considerations in the national aspect of the project.
>
> Because the results of the study proposed by S. Res. 105 will presumably determine whether or not the United States—not coal, oil, gas, hydroelectric energy, or atomic energy individually—needs a national fuels and energy policy, we believe there should be * * * understanding that individual fuels and energy industry interests are not the interests to be accommodated by the proposed study. Certainly their status and positions should be given fair and equitable consideration, but the broad national interest should be and must be the sole purpose served.

Mr. President, at this point in my remarks I ask consent to have printed in the RECORD a supplemental statement which I filed and which was made a part of the record of the Committee on Interior and Insular Affairs in its hearing on Senate Resolution 105.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR RANDOLPH

We are told by the population projection experts that our Nation will number more than 200 million persons by 1975—a scant 14 years from now. The additional 20 million people will have to be fed, clothed, housed, and provided with Federal, State, and local government services.

I respectfully suggest that this committee ponder for a moment how many items of food, clothing, housing, and Government services have no dependence on some form of energy to give them being. And I believe it is pertinent to inquire:

How many day-to-day conveniences—those which we Americans take for granted because of our high standard of living—would be available to us or will be available to those who come after us, if it should ever occur that the United States, for any reason, is faced with the fact that the presently unlimited supplies of low-cost energy we use so prodigally would suddenly be in short supply?

When I propounded this question to an executive of one of the major oil-importing companies recently, he replied, "But, Senator, that's the whole point; energy fuels are not in short supply. Why raise a hare when there's no need to chase it?"

The gentleman's response was accurate, in today's context.

In June 1961 the world—the United States included, of course—has available more energy fuels in the form of coal, oil and natural gas than currently we can use. In reference to oil, the word, I think, is "glut." From recent oil discoveries in north Africa, it would appear that there are still vast sources of supply that have not yet been discovered. Who knows what the continent of Africa may hold in the way of energy?

This is fine, but it is a small source of comfort and security to Americans living in Maine, Minnesota, or Montana that what might become an anti-American land has in her earth unlimited quantities of the same kind of energy fuels that are the very lifeblood of America. What guarantee do we Americans have that the African continent, or Venezuela, or Kuwait, or any of the other prolific oil areas of the world will constantly make their riches available to us? What good will Venezuelan oil be to the United States if Latin America embraces communism, or if Africa turns against us, or if the Soviet Union decides to effect a coup d'etat in the Middle East?

Every year that passes, in which we become more and more dependent on foreign oil to buttress our national economy and security perhaps is 1 year nearer disaster. What makes this all the more tragic is that it is unnecessary. The United States of America, the richest country the world has ever known, is, by its own complacency, gradually placing itself at the mercy of those it should most diligently guard against. By neglecting to apprise ourselves of the true, unbiased, realistic picture of our own energy wealth and stability, we are gambling with our country's future.

This Nation has a foreign policy, a defense policy, a farm policy, and the beginnings of a transportation policy. All are necessary and of first importance. But not one of them is so basic to our national security and economy as would be a national policy in respect of those energy fuels that make all of them possible and without which, or lacking an abundant available supply of which, would render all other national policies impotent and would disarrange our country industrially, economically, and militarily.

The leaders of the coal industry that means so much to the State I represent have been vociferously accused of selfish motives in their strong support of a study to determine whether this Nation needs a national policy in respect to our fuels and energy resources. They have been charged with "trying to recapture lost markets by Government fiat imposing end-use controls." They have been accused of "trying to get the Congress to do by legislation what the industry is incapable of doing by free and fair competition," and their accusers in practically every case have been spokesmen for competing fuels industries. I respectfully call attention to an excerpt from a speech made in San Antonio, Tex., to the Western Refiners Association, by Hon. John M. Kelly, Assistant Secretary of the Interior for Mineral Resources, a gentleman long associated with the domestic oil industry prior to his appointment to the Interior Department. Mr. Kelly said, "Let me also add this: Unthinking, blind opposition within the petroleum industry to an impartial, long-range study can easily leave the mistaken impression that the interests of the petroleum industry are somehow different from the interests of the Nation as a whole."

That is a most intriguing statement. It relates to a matter so vitally important to the future of our country that I feel strongly it should be studied with the utmost care and impartiality. I do not suggest that the implication of "profits before patriotism"

is a true implication. But I think that such an implication should be disproved without delay.

The leaders of the coal industry, like the leaders of the oil and natural gas industries, are proud of the significant part the energy industries play in the life of this Nation.

I believe a thorough, impartial study of the whole energy fuels field in the United States would remove misconceptions which may exist. In this connection it is pertinent that I note for the record that I, as a Senator from West Virginia, represent a State which has vital concern for the welfare of the gas and oil industries, as well as our basic coal industry. This is noted because of the following facts published in the March 2, 1961, Ritchie Gazette, a weekly newspaper published at Harrisville, W. Va.:

"According to a summary report just completed, on the gas and oil developments in West Virginia for 1960, by Mr. R. C. Tucker, assistant State geologist, 1,216 wells were drilled, an increase of 311 over 1959. Of these 794 were gas wells, 49 oil wells, 182 combination gas and oil wells, 49 were storage and other purposes wells, and 142 were dry holes; 529 wells were drilling at the close of the calendar year.

"These wells ranged in depth from 370 feet to 13,121 feet for a total of 2,908,817 feet. The wells had an average depth of 2,393 feet.

"The gas wells had a total initial daily open flow of 983,422 thousand cubic feet and ranged in size from 10,000 cubic feet to 10,284 thousand cubic feet.

"Total initial daily open flow of oil was 4,117½ barrels. The oil wells ranged in size from one-half barrel daily to 300 barrels daily.

"Lewis, Doddridge, Ritchie, Wayne and Gilmer Counties accounted for 52 percent of the total number of wells drilled.

"Lewis, Doddridge, Wyoming, and Kanawha accounted for 56 percent of the initial open flow of gas.

"Doddridge, Calhoun, Wetzel, Clay, and Lewis accounted for 78 percent of the new oil discovered.

"At the end of the year, there were 16,485 producing gas wells and 12,669 oil wells.

"The estimated gas production for 1960 was 207 million thousand cubic feet. The estimated oil production for 1960 was 2,300,000 barrels.

"Although some one dozen major oil and gas companies from other States are now actively engaged in investigating our State for deep-test drilling, the record number of wells drilled during 1960, was made by the companies that have operated in West Virginia for many years.

"The principal incentive for new drilling is a good market for gas at a good price."

As for the coal industry, on which much of the greatness of the American economy was built, we know that it no longer stands as the sole source of energy fuel. Our coal producers and miners are fully cognizant of the fact that oil and natural gas have made inroads on coal's once commanding position as the Nation's so-called powerplant. The coal industry does not resent the fact that, by vigorous development and the expenditure of billions of dollars, the oil and gas energy partners have built to the point of being coal's equals as contributors to the energy fuels complex of the Nation.

In fact, it is well that they have done so. America's energy demands today are so great and so varied that we need, and are fortunate to have all of our tremendous fossil fuels resources to supply them.

And we would be extremely negligent if we ignored the threat of economic deterioration now facing all of our natural resource fuels. Conditions today deter new domestic explorations and development of petroleum and natural gas in this country; they likewise endanger the production and transportation capacities of coal and its allied industries.

I do not wish to be misunderstood. I am confident that a study of our fuels resources and energy needs—such as is proposed in Senate Resolution 105—as well as the possible subsequent development and adoption of a national fuels policy, will result in benefits to the coal industry, to West Virginia. I am equally confident, however, that an impartial study and a sound fuels and energy policy will result in benefits to the domestic oil and gas producers and distributors as well—and inasmuch as we have substantial oil and gas interests in West Virginia our State will benefit here, too.

But far more important, I am certain that inestimable benefit will accrue to our whole country.

The coal industry and its many supporters in the Congress ask for no special favors. With respect to coal, and with respect to domestic oil and gas as well, all we ask is that before it is too late the United States of America, through a legislative branch study in which the executive branch would cooperate, determine whether a need exists for a sound, sane, forward-looking policy in respect of our most precious national asset—our domestic fuels and energy resources.

Mr. BYRD of West Virginia. Mr. President, the urgent need for passage of Senate Resolution 105 is well established. Today, we live in a sorely troubled world, plagued and harassed by the ruthless power greed of Russia and Red China. If present ominous international threats should erupt into actual war, it is highly questionable whether the various forms of energy, on which depends our ability to defend ourselves, will be available to us in fullest measure.

Time may yet be on our side, insofar as an established national fuels and energy resourses policy is concerned, and for this we should be thankful; but we would have been dangerously remiss in our duty to our Nation if we should have failed to adopt the important resolution before the Senate, for we must equate the exhaustability of each of our fuels not only with expanding industrial and commercial needs, but also with national defense needs. This, of course, will be the task of the committee making the fuels study.

It should be noted, however, that the problems which we face nationally with respect to all of our energy resources have an interrelationship which must be taken into account in a fuels study—and this is exactly what S. 105 proposes to do. Today, there is little or no awareness of this interrelationship, and each of our fuels is individually thought of in its own untrammeled way—each to be as fully exploited as possible in a competitive race against each other.

Thus, at the conclusion of the committee's study of our fuels, we should be far more agreeable than we are today as to which of our fuels should be wisely conserved for what superior purposes, and which fuels should be more fully developed for greater universal use through a program of accelerated production.

This does not mean that the study will indicate the need for straitjacketing any of our fuels and energy producers; rather, it means that the study can sapiently suggest a governmental course of action to protect each fuels resource from possible sickening circumstances. Our well-being as a Nation, and our very existence as a Nation, can certainly depend on the study committee's findings.

I urge Senators to vote for passage of Senate Resolution No. 105, because we cannot afford to delete a national fuels and energy resources study from our overall concern for our national defense. It is an important step which must be taken if we are to strengthen our posture of national preparedness against Communist imperialist aggression.

Mr. President, I wish to congratulate my colleague, Senator JENNINGS RANDOLPH, for his tireless efforts on behalf of Senate Resolution No. 105. I hope that his leadership in seeking such a Senate study of our fuels and energy resources will be recognized, and that he will be appointed to the committee which will be designated to make the study provided by the resolution.

PIPELINES AND OTHER WORK FOR AVONDALE, DALTON GARDENS, AND HAYDEN LAKE IRRIGATION DISTRICTS IN THE STATE OF IDAHO

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 764, S. 923.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 923) to authorize the Secretary of the Interior to replace lateral pipelines, line discharge pipelines, and to do other work he determines to be required for the Avondale, Dalton Gardens, and Hayden Lake Irrigation Districts in the State of Idaho.

The VICE PRESIDENT. The question is on the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 2, line 4, after the word "over", to strike out "fifty" and insert "forty"; in line 9, after the word "Secretary", to insert "In the event works or capacity are provided hereunder at the request of the district in addition to those heretofore constructed by the United States and being replaced or improved under authority of this Act, such work may be undertaken by the Secretary at a cost not to exceed $125,000, and payment therefor shall be made concurrently with other annual payments as provided for herein." and on page 3, after line 3, to insert a new section, as follows:

SEC. 5. There are hereby authorized to be appropriated such sums, but not more than $1,611,000, as are necessary to carry out the provisions of this Act.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to replace lateral pipelines, perform interior lining of discharge pipelines, and to do other work he determines to be required in replacement, modification, or improvement of the facilities heretofore constructed by the

United States for the Avondale, Dalton Gardens, and Hayden Lake Irrigation Districts in the State of Idaho.

SEC. 2. Each irrigation district, starting with the year following the completion of the work for the district under the authority of this Act, shall repay the United States toward the cost thereof over forty-year period annual installments which, when added to those payments required by existing repayment contracts between the United States and the district, will be equal to the amortization capacity of the lands of the district as that amortization capacity has been heretofore established by the Secretary. In the event works or capacity are provided hereunder at the request of the district in addition to those heretofore constructed by the United States and being replaced or improved under authority of this Act, such work may be undertaken by the Secretary at a cost not to exceed $125,000, and payment therefor shall be made concurrently with other annual payments as provided for herein.

SEC. 3. Prior to initiating actual construction of any of the work authorized in section 1 of this Act, the district shall be required to enter into a contract with the United States satisfactory to the Secretary to repay the United States toward the cost thereof as provided in section 2 of this Act.

SEC. 4. The remaining costs of the work completed hereunder for each district shall be returned to the reclamation fund within the period provided for in section 2 of this Act from revenues derived by the Secretary of the Interior from the disposition of power marketed through the Bonneville Power Administration.

SEC. 5. There are hereby authorized to be appropriated such sums, but not more than $1,611,000, as are necessary to carry out the provisions of this Act.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

LATIN AMERICA NEEDS PRIVATE ENTERPRISE

Mr. KEATING. Mr. President, the results of the recent meeting of the alliance for progress at Punta del Este have been disappointing to many of us who feel that the U.S. concentration on Government foreign aid programs cannot provide an answer for Latin America's long-term economic and social needs. The problems are so great, the need for capital so tremendous and the dangers of Communist subversion from Cuba and the Communist bloc so alarming that we cannot rely on just one avenue and just one approach to keep Latin America out of Communist hands.

Mr. President, one of the most important ways that we can help in the economic growth of Latin America is by encouraging private enterprise to meet the needs for capital and industrial development in Latin America. This can be done in a variety of ways through American investment guarantees, through multilateral arrangements, and through political agreements with the countries involved. Only private enterprise has the resources to provide all of the assistance Latin America needs if it is to move ahead toward a free and progressive economy. The present administration, sincere as is may be, is not helping Latin America or the free world if it permits Latin American countries to rely solely on Government aid for their development and if it permits Latin American countries to discriminate against or to discourage American private enterprise in that area.

Mr. President, a very interesting and perceptive analysis of Latin American needs has been prepared by the Foreign Policy Research Institute of the University of Pennsylvania. The institute has been engaged in a study of the political, socioeconomic, psychological and strategic practices now operative in Latin America with a view to devising policies to cope with the challenge confronting the United States in the Western Hemisphere. This article, which is a summary of material to be presented to the relevant congressional committees and the Departments of State and the Treasury, deserves careful study.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Evening Bulletin, Aug. 8, 1961]

FRESH START IN LATIN AMERICA?—OPPORTUNITIES AND PITFALLS OF THE PUNTA DEL ESTE MEETING

(EDITOR'S NOTE.—Great hopes for a new and closer relationship between the United States and its Latin American friends are being built upon the conference now in progress at Punta del Este, Uruguay. How valid are the hopes? What are the dangers? The Foreign Policy Research Institute of the University of Pennsylvania, which has been engaged in a study of the political, socioeconomic, psychological and strategic factors now operative in Latin America, with a view to devising policies "to cope with the challenges confronting the United States in that part of the Western Hemisphere," has provided the Bulletin with the accompanying report, summarizing some of the visible opportunities and pitfalls in the program now unfolding at Punta del Este. This report will go also to the Senate and House Foreign Affairs Committees, and to the Departments of State and the Treasury.)

The Inter-American Economic Conference at Punta del Este represents a significant effort to outline a 10-year program for Latin American economic and social development backed by the vast resources of the United States.

This important meeting will demonstrate dramatically that we have reached, in the words of President Kennedy, "a historic turning point in the life of the Western Hemisphere" and are ready to discuss realistically the economic problems confronting the Americas.

But it is equally important to bear in mind that no one international conference, however successful its deliberations might be, can lead quickly to drastic economic changes in the lives of scores of millions of people.

There are some indications that the Punta del Este Conference has already been oversold to the Latin Americans. Popular expectations have been raised so high that the Conference is saddled with an unfair burden. Many are bound to be disappointed in the results because they are unable to appreciate the gradual pace at which solidly founded economic growth must occur.

Moreover, elements are not lacking which will, through negativist propaganda, seek to aggravate existing frustrations and heap ridicule upon any responsible plans which are advanced to alleviate the real needs of the Latin Americans. The United States, therefore, should brace itself psychologically for a certain amount of unavoidable backlash and take prudent steps to minimize its harmful effects.

PRIVATE CAPITAL'S ROLE

Up until now those who have expounded upon the Alianza para Progreso have focused attention almost exclusively upon government-to-government aid. Certainly this type of assistance, at least in the amounts currently being discussed ($500 million) and perhaps an even greater amount, is essential to get the job underway. But government-to-government aid represents only a fraction of the total panorama of possibilities, and a minor fraction at that.

The tremendous amount of capital involved is not understood except in the most informed circles. Responsible United States and Latin American economic experts estimate, for example, that for steel and electric power alone, the area needs an amount of capital investment far greater than the entire Marshall plan.

When other priorities are considered, the total sum is completely beyond the willingness of the United States or any government to supply. The major portion of this development capital must come from nongovernmental sources.

It is incumbent upon the foreign enterprises already operating in Latin America to pursue policies which will make them fully acceptable in the society where they are operating.

The architects of the Alliance for Progress therefore need not draft their plan as if the U.S. Government must face the task of development alone. Few will question the necessity of governmental capital outlays for those projects which are prerequisite for helping economic activity but which do not attract capital from private markets.

BUILDING RIGHT CLIMATE

Rather, governments should chart their political course and tailor their development projects with a view toward creating an economic climate in which investment and trade can be accelerated and the standard of living of all peoples can be raised. One way of accomplishing this is for the government concerned to supply not only primary investment capital but also guarantee capital in forms which can have substantial multiplier effects.

The generation of psychological confidence is the foundation of sustained economic growth. The United States would do well to make at least a portion of its aid funds inspire the acceptance of a feasible system of private investment, ownership, and other financial guarantees by the governments of recipient countries.

Economic guarantees alone are not sufficient. Political guarantees are also necessary. In fact, businessmen are turned from investment less by the risk of economic loss, a factor which they are capable of calculating, than by the risk of political loss, which cannot be predicted.

The current reluctance on the part of U.S. venture capital to move to Latin America can be attributed almost entirely to fear of subsequent expropriation prompted by Castro's success in taking over foreign assets in Cuba.

The United States should seek to devise unilateral, bilateral, and multilateral approaches toward creating economic and political conditions which will contribute to an improved climate of commercial partnership between North and South America. Investors ought to be insured against obstacles, and confiscatory policies. Both through diplomatic channels and through less formal communications among public officials, econ-

omists and businessmen, much can be done to foster wholesome cooperation.

The United States, in furnishing unilateral guarantees, should not place U.S. businessmen at an unfair competitive advantage over their Latin American counterparts.

Protective cover probably should not extend to the full value of investment. Perhaps the optimum figure would be in the neighborhood of 75 percent. Furthermore, these insurance policies should be designed primarily to stimulate new or expanded capital investments in Latin America, not to attach retroactive guarantees to previous investments which have already brought a profitable return.

PRIORITY FOR HOUSING

Housing, more than land reform, is the most pressing problem confronting the mass of the people in Latin America. Furthermore, it is a problem which can be solved without arousing the kind of political opposition from landowners which so often delays social progress.

A large-scale housing program would have several advantages. It would bring genuine social gains which could be felt by the people, and hence it would diminish the attractiveness of radical socioeconomic solutions. Housing, too, is a unique sector of the economy where the satisfaction of consumer desires and the stimulation of productive growth meet.

Housing programs create not only jobs and purchasing power but whole new industries. Forest products, metals, plastics, factories for the production of prefabs, furniture, electrical powerplants, appliances, and many other lines of production are greatly stimulated by the building of homes in large numbers. Housing is politically attractive to all government sectors involved—local, regional, and national.

Finally, housing programs, by making human existence more attractive for large numbers of people, provide an incentive to construct stable political communities in which freedom and legal rights are respected. Both governmental and private capital programs should be directed toward the building of small homes for individual owners, or cooperative units in which each family could purchase its own apartment.

The area of housing is crucial, but this does not suggest that by itself it is a panacea. Housing programs must always be integrated with parallel programs of fiscal improvement, expansion of educational facilities, industrial development, administrative efficiency, and social modernization.

AN ATLANTIC ROLE?

In outlining the future economic program of Latin America, we should think in terms broader than the confines of the Western Hemisphere. It should not be forgotten that the whole economic future of Latin America, as indeed that of the United States, is intimately linked with the growing vitality of the Atlantic Community. Thriving trade, productive expansion, and the harmonization of international development plans and other foreign economic policies among the member countries are the objectives of the newly formed Organization for Economic Cooperation and Development.

By widening the membership of the OECD (the countries of Western Europe, Canada, and the United States) this Organization could constitute a major factor in the improvement of Latin America's economic position during the next quarter century. The United States should begin now to think of sponsoring some of the more industrially advanced Latin American countries such as Argentina, Brazil, Venezuela, Chile, and Mexico for membership in OECD. In this way Latin American views could be represented directly in the formulation of economic policy recommendations within the entire Atlantic Community of which Latin America is not only economically, but culturally and politically, a part.

Analyses of the Latin American situation frequently contain the misconception that the area is one in which virtually no responsible middle class leadership exists. This view sees a mass of poverty-stricken Latin Americans leading a hopeless life while a handful of incredibly wealthy and predatory families rule the nation. Such a picture distorts reality, weakens faith in evolutionary change, and increases the attraction of violent social solutions.

Poverty is a problem and one which cannot be ignored. Yet, a balanced view of Latin America today cannot overlook the large and growing middle class which has exerted and is exerting positive leadership. From this group there is emerging a substantial group of young men and women who are as socially responsible as their counterparts in any country in the free world.

Devoted to the system of private initiative which has contributed so much to the development of the United States, they see that the future of their area is in social responsibility and economic growth.

While spending an impressive amount of time and energy in halting the spread of communism in the hemisphere, they are also making every effort to bring their nations into full social maturity. The alliance for progress can only be effected in close and continuing cooperation with this democratic leadership.

The Inter-American Economic Conference will be a success if from it emerges the foundations of a development plan which takes full account of the realities. It will look to a dynamic partnership between government and private groups in all countries which will produce, in the coming decade, a flourishing New World of economic, political, social, and spiritual opportunity.

MORE DEFENSE CONTRACTS FOR NEW YORK

Mr. KEATING. Mr. President, over the last 3 months, New York State has made slight gains in the defense procurement picture as compared with the same period last year. In the April–June 1961 quarter, New York got 12.1 percent of military prime contract awards, as compared with 10.4 percent for the second 3 months of 1960. This is also an improvement over the figures for the first 3 months of 1961 when New York got only 10.6 percent of the Nation's total prime defense contracts. But since New York pays nearly 20 percent of the Nation's taxes, we still have a long way to go before we are breaking even, as it were.

Because of the very substantial drop in New York contracts in the first 3 months of this year, however, the percentage of all of 1961 so far computed, that is, January to June, is only 11.5 percent, as compared with 12.6 percent for both the first half of 1960 and the second half.

So the overall picture shows a very slight pickup, which I certainly hope will gain momentum as the year goes on. New York has a tremendous amount to offer defense-oriented industry. It has the manpower, the facilities, the transportation, and the know-how. What New York needs is continued aggressive sales policies for defense work and above all more of a break from defense procurement officers who still seem to favor western concerns over their eastern competitors. This is becoming an increasing problem since so much missile construction procurement work is being handled by officials on the west coast. It calls for continued vigilance by the Department of Defense in guaranteeing competition and a full and fair regard for all bidders, wherever they are located.

ROSH HASHONAH

Mr. HUMPHREY. Mr. President, at this time of Rosh Hashonah, the high holy days marking the beginning of a new year for Americans of Jewish faith, I want to give a traditional greeting to these fine Americans:

May you be inscribed in the book of life for a good year.

And may the God we share crown the coming year with the blessings of peace, the bonds of brotherhood, and the fruits of health and family well-being which all men seek.

As Jews throughout the world unite on Rosh Hashonah in praying for world peace, they will be voicing the aspirations of all who seek freedom and progress for themselves and their fellow men, the aspirations of all who respect human rights and human dignity.

GENERAL WALKER AND THE ACA INDEX

Mr. MUNDT. Mr. President, I make no pretext to being an authority on the case of General Walker and the treatment he has been accorded by the Pentagon as the result of charges made against the general by the smudgy, sexy, scandalous publication called Overseas Weekly. Astonishingly enough, it has now been disclosed that this cheap publication with its dubious backround and its filthy presentations is today being distributed to American troops in foreign posts by Stars and Stripes, an American publication officially connected with the Armed Forces.

Thus, we witness the curious paradox that while the United States concerns itself with pornography and obscenity by passing legislation to do something about sending it thru the mails of America and to curtail its distribution in this country, the Pentagon permits the Stars and Stripes to support the Overseas Weekly by utilizing its distribution service so this sexy journal can be made increasingly available to American boys and girls away from home. Obviously either the U.S. Senate or the Pentagon is wrong.

With regard to General Walker's accusers and the stern action taken against this distinguished fighting general, however, I am certain that one of the charges leveled against him is as phony as a three-dollar bill. Secretary McNamara told the Senate Armed Services Committee that General Walker was punished in part because he recommended that soldiers consult the Americans for Constitutional Action Index on how Congressmen and Senators have voted in order to acquaint themselves with the official positions of those representing them in Washington. If it is criminal or against public policy to recommend the widely

heralded and nationally recognized ACA Voting Index as a guidebook concerning what transpires in Washington and as to what the CONGRESSIONAL RECORD reveals throughout the year it must likewise be considered against present policy as defined by the Pentagon to recommend reading of the CONGRESSIONAL RECORD itself. Surely this is carrying the Pentagon's new fetish for secrecy to a ridiculous degree.

In connection with these remarks I invite attention to the column by Lyle C. Wilson, of the United Press, as published in today's edition of the Washington Daily News. After reading the Wilson column, I believe most Americans will agree that unless General Walker can successfully be charged with something more improper than recommending the reading of the ACA Voting Index the Pentagon should apologize to him publicly and restore him to an important command position in keeping with his abilities and with his performance record.

I ask unanimous consent that the Wilson article be printed as a part of these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ACA INDEX

(By Lyle C. Wilson)

Defense Secretary Robert S. McNamara was saying that Maj. Gen. Edwin A. Walker was busted from his command in Germany for two reasons: His method of indoctrinating troops against communism; political activity forbidden by the Federal Hatch Act.

More specifically, Mr. McNamara said General Walker wrote for his division newspaper in 1960 a recommedation that his soldiers consult the Americans for Constitutional Action guidebook before voting. This guidebook more properly is known as ACA Index.

If any of General Walker's soldiers consulted the index and were convinced by it they surely voted against President Kennedy last year.

ACA is no John Birch Society. It is not primarily concerned with communism. The anxiety of ACA is about the Constitution of the United States. Adm. Ben Moreell, U.S. Navy (retired), is ACA chairman.

His ACA associate trustees include Herbert Hoover, Charles Edison, twice a Democratic Governor of New Jersey; Felix Morely, author and lecturer; Edgar N. Eisenhower, Ike's brother; Mrs. R. Templeton Smith, president of the Allegheny County (Pittsburgh, Pa.) League of Women Voters.

The ACA Index rates Members of Congress by rigidly conservative standards on their record of support of private enterprise. Admiral Moreel stated the purpose of the 1960 edition of the index, as follows:

"If anyone has wondered why the Socialist virus has been penetrating our oversized, centralized Government, resulting in higher and higher taxes, bigger and bigger public debt, and more people being pushed around by government than ever before in American history, he can find the answer in the ACA Index."

President Kennedy does poorly in the ACA ratings. On an analysis of selected Kennedy votes in the Senate classified by ACA as "for private ownership and against Government ownership," Mr. Kennedy was rated zero out of a possible 100 percent.

He was rated 11 percent "for individual liberty and against coercion"; zero again on national security.

The votes weighed in the national security estimate related to legislation dealing with communism, loyalty, sedition, States rights, and atomic energy.

Senator HARRY F. BYRD, Democrat, of Virginia, was rated 100, 88, and 90 percent, respectively, in the three categories.

ACA also provides a consistency index "For safeguarding the God-given dignity of the individual, and promoting sound economic growth, through strengthening constitutional government; against collective morality and socialized economy through centralized power."

LONG-RANGE IMPACT OF FOREIGN-AID-CREATED INDUSTRY ON DOMESTIC ECONOMY

Mr. WILEY. Mr. President, I have received a letter which relates to the difficulties a good many manufacturers are having in relation to imports. It is a letter which comes from Owensboro, Ky., the Electronic Components Division of the General Electric Co. The writer, Mr. Walter F. Greenwood, refers to certain comments I put into the CONGRESSIONAL RECORD. I ask unanimous consent that the letter may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GENERAL ELECTRIC CO.,
ELECTRONIC COMPONENTS DIVISION,
Owensboro, Ky., August 25, 1961.

Hon. ALEXANDER WILEY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILEY: Your statement on long-range impact of foreign-aid-created industry on domestic economy, reprinted on page 15405 of the August 10 CONGRESSIONAL RECORD, is the most penetrating and thoughtful consideration of this subject I have ever seen.

Although President Kennedy has stated that we must assist the growth of free economies throughout the world and do everything possible to maintain a vigorous domestic economy, too many of our leaders are concerned only about the foreign aid portion of the President's proclamation.

You, on the other hand, have directed your attention to the crux of the problem which so many others appear to be ignoring. Specifically, What action can we take to encourage growth abroad without laying waste to our own vital resources?

I have long been a strong supporter of the need for foreign aid and foreign trade. Frankly, however, I believe we have reached a point where we can no longer permit our foreign aid program to continue without instituting a system of control designed to maintain the vigorous economy on which the moneys for the aid are dependent.

Several times, in recent weeks, I have written to my Senators (THRUSTON B. MORTON and JOHN SHERMAN COOPER) requesting their support for this position by proposing an amendment to the foreign aid bill now under consideration.

My suggestions for such an amendment closely parallel the five recommendations you set forth in your statement on the floor of the Senate, although I fear my thoughts were not nearly so well stated as yours.

In my position as a manager of marketing in the Electronic Components Division of the General Electric Co., I can cite specific instances of the impact of foreign-aid-created industry on domestic industry. Let me cite, as an example, the crippling effect of imported receiving tubes from Japan on the domestic producers:

1. Imports in 1957 amounted to only 2 percent of domestic consumption. In 1961, we anticipate inroads of 16 percent (55 million tubes) and next year imports will reach approximately 22 percent (80 million tubes). In addition, over 10 million tubes come into the United States already installed in imported table radios.

2. Because of labor costs only one-eighth of ours, the average imported tube is less than half of the price we must charge to break even.

3. The 80-million-tube imports we anticipate next year will idle nearly 8,000 workers in the receiving tube industry.

4. Since imported Japanese tubes produce only 3 cents in tax revenue compared to 15 cents on an American-made tube, the tax loss resulting from 80 million tube imports will be over $9 million.

Americans everywhere should be grateful for the leadership you are providing on this vital subject. Please tell me what I can do to assist you.

Sincerely yours,

WALTER F. GREENWOOD,
Manager, Marketing.

ESTABLISHMENT OF A PERMANENT HOOVER-TYPE WATCHDOG COMMISSION ON FEDERAL EXPENDITURES

Mr. WILEY. Mr. President, in 1953 a 12-man bipartisan Commission was unanimously created by Congress to study and make recommendations for improving operations of the Federal Government. Headed by former President Herbert Hoover, the Commissions have made an invaluable contribution toward streamlining operations, as well as savings to the taxpayers. Following a report by the Commission, Mr. Clarence Francis, National Chairman of the Citizens Committee for the Hoover Report, stated:

> The greatest final value of the Hoover report, in fact, resides in its power to make citizens think about our Government and work unselfishly for its improvement. We are learning that we can't just hire a government, send it off about its business, and forget it. Our Constitution is not an eternal guarantee of freedom; it is simply a working franchise which must be renewed by the thought, and devotion, and good hard work of each new generation.

Now, I believe that the Nation would benefit from a permanent reactivation of the Hoover-type Commission to keep a watchful eye on Federal expenditures.

For the fiscal year 1962, the American taxpayer will be paying Federal bills amounting to about $88 billion to support necessary programs for defense, as well as for domestic progress. Mr. and Mrs. Citizen have demonstrated a patriotic willingness to bear a fair share of the responsibility.

With bigger and bulgier Federal budgets, however, there is definitely a need for a still more watchful eye on Federal spending. The establishment of a permanent Hoover-type watchdog Commission—acting as a guardian of the purse strings—could, I believe, perform a real service to the Nation. The objectives would include cutting out waste and duplication; stopping unnecessary competition among Federal agencies or services; eliminating activities that are nonessential or that could better be performed by: State and local governments; or private enterprise;

generally, to promote greater efficiency and economy.

Previous Hoover Commissions' recommendations have saved $3 to $4 billion annually.

I respectfully urge, therefore, that during the congressional recess the Senate Committee on Government Operations consider, and prepare recommendations for establishment of, a permanent watchdog committee to protect the interests of the taxpayer.

AVIATION DAY AT EPPLEY AIR TERMINAL, OMAHA, NEBR.

Mr. HRUSKA. Mr. President, on September 2 the city of Omaha celebrated Aviation Day with dedication of the new Eppley Air Terminal and with celebration of the 15th anniversary of Strategic Air Command with headquarters in Omaha.

On the evening of that day a formal banquet was held at which many notables were present. Among them was Gen. James H. Doolittle, whose remarks on the occasion were inserted in the RECORD on Friday, September 8. The master of ceremonies was the Honorable Arthur C. Storz, Sr., chairman of the Omaha Airport Authority, Air Force Association Man of the Year in 1955 and one of the Nation's aviation pioneers in his own right.

The remarks of Mr. Storz were very appropriate. I ask unanimous consent that the text of his message be printed in the RECORD.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

TALK FOR SAC-AIRPORT DINNER, SEPTEMBER 2, 1961, BY THE HONORABLE ARTHUR C. STORZ

Today is an important day in Omaha's history. We are here tonight to give credit in general to the great strides made in aviation, both military and commercial; and I hope that many of you here tonight will get a better understanding of why it is so tremendously important for this great country of ours to keep on top and hold the No. 1 position in both categories. We can never afford any more to have another lapse take place and have our arch enemy, the Russian Communists, overtake us or surpass us in either of these fields.

Any references to the military side of this celebration will, I am sure, be more than amply covered by General LeMay, General Power, and Gen. Jimmy Doolittle, as there you have probably at least three of the most important and well informed people on this subject.

But I do want to repeat what I have said many times before, that Omaha is most fortunate in having the headquarters of the Strategic Air Command here and that it is probably the most important military base in the whole world. It means a great deal to Omaha in an economic way because of the large payroll and local expenditures made here. Most well informed people say that, economically, it means as much to Omaha as an additional city of 25,000 to 30,000 people would mean.

I hope that tonight we can have a real old-fashioned, patriotic revival on the part of our Omaha citizens. Too many of you have been willing to let someone else do the job that it was necessary to do—first, to get this great SAC Air Command for Omaha and then later to keep it here. Many of you oldtimers know that old Fort Crook, which was an old Indian post command, was the site of what later became Offutt Field. In 1941 the flying facilities were leased to the Glenn Martin, Nebraska bomber plant and during part of the following years it was occupied by the 2d Air Force. In 1948 the headquarters of the Strategic Air Command was moved to Omaha from Andrews Air Force Base in Maryland. With this new command came General LeMay who was the prime factor in bringing the Strategic Air Command up into its great importance where for years it has served as the most deterrent power on earth in keeping our Russian enemies at bay. Tremendous changes, of course, have been made in the Strategic Air Command and in our modern weapons since General LeMay brought it here in 1948.

A lot of Omaha people do not know, nor seem to realize, the great amount of effort it took to keep the SAC base here in Omaha. At certain times we had a lot of competition from other cities that wanted to grab this base from us. It took a lot of work and personal trips to Washington to see that important changes in barracks and living conditions and runway improvements and many other things were made so that it could remain a suitable and satisfactory base for this tremendous operation. So, I repeat, it just didn't happen. It took a lot of effort and it meant a lot of personal expenditure of time and money to get these things accomplished.

I am going to drop the SAC subject at this point because, as I said, I know other speakers will cover that point fully. I do want to say, however, that we are tremendously fortunate to have such a wonderfully capable man in charge of this operation as Gen. Tom Power. Many of you know that General Power spent quite a few years here previously as General LeMay's deputy and certainly he has done a tremendous job as General LeMay's successor as head of the Strategic Air Command.

At this point I know that you all want to join me in congratuling General LeMay on his appointment as Chief of Staff of the Air Force of the United States. I know that many of us are sleeping better nights when we know it is in the hands of such a capable, fearless, and aggressive person.

Transportation has always been of great importance in the development of our Nation. It began long ago, going back to the Pony Express which was at one time very important in this part of the country. Then followed the more important phase of the building and completion of railroads from coast to coast. No matter what people tell you and what other people may claim, at all times the methods and modes of transportation in this country were subsidized or partially subsidized by our Federal Government and this includes the steamship lines, the railroads, the truck and bus lines, and air transportation. Millions of acres of land were deeded to the railroads for right-of-way and not only were they given right-of-way land but they were given important adjacent lands to help make their venture pay out. Some of the railroads got valuable coal and mineral lands as well as oil lands, and this is a significant part of their revenue to this very day.

Bus and truck transportation, of course, couldn't become of any consequence until our highways were built to accommodate the tremendous number of automobiles that transport so many people all over the country. So Federal aid became necessary for our highways. When and as the airlines were developed over the last 40 to 50 years tremendous changes took place at airport facilities and landing places as, of course, an airplane couldn't land without a suitable landing area. This made Federal participation necessary in the development of a national system of airports and also a national system of air traffic regulations.

Omaha's history, as far as airports were concerned, was not too good and at times very bad. In the early days airport facilities in the shape of a good level cow pasture was adequate, but as the tremendous strides were made in aircraft corresponding strides had to be made in the development of satisfactory safe airport facilities—adequate to take care of the great advances and strides made in commercial aircraft.

I am sure that you all must be aware that an adequate system of airports is essential to a national air transportation system. To state the airport problem in its simplest form, each airport in the system must be able to accommodate safely the volume of traffic and the types of aircraft that can reasonably be expected to use it. Lacking that adequate airport capacity, there is on one hand the loss of the community to air commerce and on the other hand the loss of air transportation service to the community. General aviation is growing by leaps and bounds, including much greater use of larger aircraft. I am sure you are all aware that we are now experiencing all over the Nation wider airline use of the new jets, and we can surely expect rapid expansion of such use. Tomorrow and in the not far distant future the supersonic transport will enter the scene. To meet these demands we will have to continue to improve our airports and we will ultimately revolutionize our present system of air navigation and air traffic control.

Going back to the Omaha airport, let us stop to realize that in about 50 years' time air transportation has moved from the airplane that the Wright brothers first flew less than a block to the present status of where we already have in use commercial aircraft exceeding the speed of sound. We have four large aircraft manufacturers that are working on supersonic transport aircraft, which means aircraft of the future that will travel from 1,500 to 2,000 air-miles an hour. At least four of these manufacturers are represented here tonight and perhaps there may be more of them, but I do know that Douglas, Boeing, Lockheed, and Convair will have such commercial aircraft in the air within the next few years. And I want to emphasize again that an aircraft is no good in the air unless it has ample takeoff and landing facilities, and this means adequate airports.

Omaha had several airports in the very early days scattered in the area of Ak-Sar-Ben Field, also on North 16th, and also in the Fort Crook area, and about 35 years ago moved into our present area. The American Legion built the first very small hangar on this ground to take care of small aircraft that at that time had fabric wings. From that time on the airport lagged along, never catching up with the demands of aviation progress.

Omaha was fortunate in having been a town that was put on the route of United Air Lines which today is the country's largest airline and, of course, is transcontinental in scope. Throughout the years of development of the airlines, it was so hard to convince a great many people that the airlines would finally take over the greatest part of passenger transportation. Omaha, of course, was well known as a railroad center and many of the railroads did not want to acknowledge that this would be a fact. So, many of the railroads organized against anything that would help air transportation. The railroads took the same stand and opposed the development of our highways for bus and truck transportation and, of course, too, at times they fought the laying of pipeline for the moving of oil and fuel into various parts of the country. I suppose all of this was a natural thing for them to do. But our country was not the only country

that was making progress in air transportation, so regardless of what railroads or other people would have done, our country was faced either with helping the development of air transportation or taking a second place, worldwide, in air transportation. All of which spells out to the simple thing that you can't stop progress. When a country refuses to progress with the times, then it lapses into a second-rate country.

Some people, unfortunately, took the stand that I was opposed to the railroads and, of course, there is nothing further from the truth than this. Omaha was primarily, and still is, an important railroad center and the roalroads certainly meant a great deal in the development of our city. The railroads are, and probably will continue to be, the No. 1 factor in transportation. However; that transportation will probably be limited to the transportation of freight and not of passenger service. As a matter of fact, most railroads are dropping much of their passenger service wherever they can because it has not been profitable to them. I believe the railroads today are in agreement on the factor. I quote from the August issue of a Missouri Pacific News Reel pamphlet: "As is the case with all American industry, the opportunity to make a profit was the force that motivated the early railroad builders to risk their capital in stretching steel rails into the wilderness. They realized that the big profit would come from the transportation of freight. From a revenue standpoint the passenger business was always of secondary importance but it was a service they felt obligated to provide since the public needed and patronized it. Viewed in the light of modern-day retail merchandising, it was a sort of profitable sideline and it continued so until the arrival of the private automobile in the 1920's and the airlines in more recent years. There are some who contend that freight business can support unprofitable passenger trains. There was a time when passenger train losses could be absorbed by freight revenues but, with the decline in freight volume, this is no longer possible."

I could go on and quote additional information out of this railroad publication but, also, I could go on to tell of other important railroad changes such as the piggybacking of the U.S. mail and piggyback truck service, etc., all of which is comparatively new to the railroads. The railroads have many problems and they are working hard to correct them. Our country has a fine railroad system and I hope that our Government continues to support and give them all the help they need in working out their problems because certainly we do need the railroads now and in the future. I personally am for helping to make and keep them strong. Our country needs them strong.

But our country needs a strong system of air transportation. We need the finest, fastest, most dependable passenger carrying aircraft in the world. To meet this situation we need modern, improved airports. Airports are clearly a necessary part of the overall system of air transportation, and are needed for safe takeoff, flight, and the landing of fast, modern aircraft. They cannot be neglected now. They cannot be neglected in the future.

As new jet aircraft continues to improve and develop, new changes and improvements will have to be made in our airport. Airport construction is expensive. Building modern runways costs over $1,000 a running foot. A thousand feet of runway costs a million dollars or over. Our Omaha Airport is now extending our main runway 1,500 feet which means $1½ million.

When the Omaha Airport Authority was put together it was faced with almost insurmountable problems, the main one of which, of course, was money. Several bond issues which were voted on by the people were defeated by a well-organized minority. Revenue coming in from operations when we took over wouldn't allow the building of an airport any better than that of Billings, Mont., a city of about 35,000 people, and Omaha is 10 times that size. Many hours and days were spent in trying to raise and increase revenue so that we could do at least a reasonable job of construction. No matter how many times we figured it we always came up several million short.

One day at a meeting one of the members reminded me that I was a member of the Eppley Foundation and asked if I thought I could get the foundation to help us. One of them suggested asking for $250,000. I told them I didn't know what could be done but I thought we could get a million dollars as easily as we could get $250,000. So I set out to try to get a million dollars from the foundation. It wasn't an easy job because a majority of the foundation were not in favor at first. They pointed out that the Eppley Foundation charter was organized only for educational and charitable gifts or grants. I kept up a sales talk to the various members for over 6 months until I had a majority sold on a possible plan of amending our charter and getting the consent of the Internal Revenue Department for such as amendment.

You all know the result. The foundation granted the airport authority a million dollars. It was the first time the city of Omaha ever got a million dollars from anybody. That million dollars turned out to be worth about $3 million because we were able to get about $925,000 Federal matching money about 10 days before the old Airport Aid Act ran out. When the revenue bond people saw this new figure they extended our bond credit from $1,600,000 to $2,500,000 and our entire picture began to brighten and look more hopeful. Every possible source of revenue was carefully scanned, rents were raised, landing fees were raised, parking fee revenues were raised, advertising revenues were incorporated, and no source of possible income was overlooked. Then appropriate plans were drawn up to fit our income and cash position and the result is what you see out there today. A very fine, modern airport terminal building, not elaborate, but good. The walls are not even plastered. We didn't have the money so we painted the cement block walls. But I think you will be pleased with the result. From time to time I get questions from people who ask me, "Why didn't you do this?" or "Why didn't you do that?" and they all get the same answer, "We didn't have the money."

Right here I want to say a word of praise for all the members of the authority. We worked in entire harmony. After a matter was thoroughly talked out, the vote was always unanimous. Peter Kiewit was a wonderful help. His knowledge about building was invaluable. He gave us his engineers and his lawyers on many occasions. Often he made special trips from the west coast to Omaha to attend a meeting. Jim Moore also did a wonderful job. His advice on our financial problems was invaluable and he saved us large sums in our bond negotiations. He gave us much help from the legal staff of his organization. He is a great help in many ways. Mike Flannigan and Jim Regan were also of great help. All of these men gave much time away from their businesses to take care of airport matters. Many times a whole day was devoted to the cause. I want to thank them one and all for their wonderful cooperation. They are all here except Pete Kiewit who is in the hospital as the result of an accident on his ranch.

Another man picked out for special praise is Dick Mooney, our airport director, who has done an outstanding job. He has a fine knowledge of airport problems and has worked many extra days and extra hours without extra pay. He is a wonderful asset for us. I also wish to express a real word of praise for Leo Daly, our architect.

Our airport problems are solved for the present but not for the indefinite future. Omaha may have to assist moneywise in the future if more capital demands arise. You won't be able to "pass the hat" for funds like we did this time, nor should we.

I can say to you gentlemen that it takes a long time to condition a town for capital improvements. There must be a propitious time. There must be a consideration of other requirements as well as the airport. I think our city of Omaha is undergoing a conditioned change to the real needs of certain other capital improvements in our civic structure. But an airport, too, must take its place along with schools, sewers, and parks and streets and highways. The city of Omaha owns the airport just as they own our schools and parks, and they must accept the responsibility of its future demands.

There is a definite need for both civil and military airports. One complements the other. Commercial aircraft in the sky and in real trouble can always go to the nearest military airport for emergency landings. And, of course, in time of war, military aircraft can always make use of civilian airports.

Defense is our most important problem of this day and age, and don't ever forget it. We are in the state of real grave emergency today. We are at war, a war of many fronts. On the economic front the war is just beginning. On the military front we are still sparring. On the ideological and technological fronts we are in all-out conflict. Basic to our very survival and that of the free world is a military posture second to none in the decisive weapons of modern warfare, specifically the weapons of modern aerospace war. Our Nation is lagging behind the Soviet Union in many fields. We have a determined adversary who is tough and as energetic and as dynamic as our American people were 150 years ago.

I feel I cannot terminate my remarks here tonight without mentioning the Air Force Association. This is an organization made up of 60,000 citizens. It is not a military organization but it believes in total aviation activity—civilian and military, commercial and private, potential as well as existing—and this means aviation in its largest sense, including space flight. The Air Force Association takes a leading part in our space education, and it takes a leading part in our whole defense situation. I have been on the board of directors of the Air Force Association for quite a few years. We have here in Omaha the largest AFA squadron in the country. The Ak-Sar-Ben Squadron has taken an active part in this 3-day celebration and has helped to underwrite it. It is our hope that this 3-day activity, Omaha salutes aviation, will develop a new spirit of patriotism among more of our citizens. We must have it if our Nation is to survive as a free nation.

I am proud of my activity in behalf of SAC headquarters here and of working with them throughout the years so that our people might have a better understanding of their problems.

I am proud of the fact that my efforts over the years in trying to get a better airport have finally come to a successful conclusion. It meant a lot of hard work but I feel well repaid in the end result and in the many fine friends I have made in civil as well as military aviation circles. I have made many good friends both in and out of the service in almost every part of the United States and Europe and they are a great source of satisfaction to me. I feel I have been well repaid for all my efforts in the past and have many fine recollections of my various experiences.

Thank you.

ARMS CONTROL AND DISARMAMENT AGENCY

Mr. HRUSKA. Mr. President, the Senate last week cast an overwhelming vote in favor of establishing a U.S. Arms Control and Disarmament Agency for World Peace and Security. The Senator from Nebraska voted against enactment. The Senate defeated a motion by the distinguished minority leader which would have referred the bill to the Committee on Armed Services so that we could have the benefit of consideration by that committee. The Senator from Nebraska supported that motion, which was defeated.

Mr. President, establishment of a disarmament agency at this time is poorly timed, coinciding at it does with Premier Khrushchev's ominous threats to the free world, and his heavy resumption of atomic bomb tests.

It seems appropriate, Mr. President, to examine exactly what we have done. An editorial in the September 7 issue of the Omaha World-Herald maintains that we consorted with unreality. It terms our consideration of the bill an "ill-timed idiocy."

As a contribution to reflection upon our recent action, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ILL TIMED AND FOOLISH

Of all the ill-timed idiocies with which the Congress is confronted, the move to establish a disarmament agency is the worst.

Nikita Khrushchev torpedoed any hope of slowing the arms race when he resumed nuclear testing. Even the most determined of wishful thinkers can understand that.

Therefore, to talk and act as if disarmament were possible in September 1961 is to consort with unreality. Yet the babblers in Washington and at the United Nations keep on promoting H.R. 7936, the bill to set up a disarmament bureaucracy.

FEDERAL EXPROPRIATION OF PRIVATE UTILITY TRANSMISSION LINES LINKED TO UPPER COLORADO PROJECT TRANSMISSION LINE FIGHT

Mr. BENNETT. Mr. President, this is the week in which the House of Representatives will decide whether or not the development and conservation of water under the upper Colorado River storage project will be sacrificed on the altar of public power.

At issue is the question of who should build the transmission lines to serve the upper Colorado project, private industry or the Federal Government. Acceptance of the private utility offer will result in a savings to the taxpayers of an initial investment cost of at least $136 million. On the other hand, if the Federal Government builds the lines, fully two-thirds of them will duplicate existing private lines. Under the private utility offer, over $122 million more will be made available for irrigation projects over the next 54 years, as compared with the amount available if the Federal Government builds the transmission lines. Even at the end of the Bureau of Reclamation's 86-year study, over $14 million more would be made available for irrigation if private lines rather than Federal lines are built. Moreover, the Bureau of Reclamation has recently added additional transmission lines to its proposal, and the Upper Colorado River Commission has determined that these additions will reduce the irrigation assistance to States by an additional $50 million.

In view of the many advantages of private construction of the lines, and since power will be delivered to the load centers in the upper basin States at 6 mills under both proposals, it has been apparent that there is more than meets the eye in the strident opposition of the public power groups to private construction of the lines. This was confirmed by a letter which I received from I. W. Patterson, manager of the Empire Electric Association, Inc., of Cortez, Colo., one of the principal public power groups fighting for Federal construction of the lines. Enclosed with the letter from Mr. Patterson was a copy of the August 15 issue of the Electrical West Industry News Letter. In referring specifically to an article on the front page of the newsletter, Mr. Patterson states:

It appears that the people of Canada are developing their own rivers and not allowing the power companies to interfere. It is a deplorable situation when five profit-hungry utilities attempt to dictate to the U.S. Government on the development of a great river basin. The privately financed utilities would do better to develop their own lines and leave this river development to the people who were authorized to build it.

I immediately read the newsletter and discovered that Mr. Patterson expressed approval of and impliedly endorsed the action taken by the Canadian Government to nationalize and expropriate the property of the British Columbia Electric and Peace River Power Development Cos.

It is apparent, therefore, that Mr. Patterson and his association approve not only of river development by the Governnemt of British Columbia, but also the nationalization of private utilities. This is precisely what many people have feared would happen if public power groups, aided and abetted by Secretary of Interior Stewart L. Udall, obtain the vast nationalized power transmission grid, which is unquestionably and avowedly their aim. That is why they are willing to sacrifice water development to power for themselves and at the same time ignore the economics of the project. Most of the public power people look upon the upper Colorado project transmission lines as a vital link in a great nationwide power grid, paid for initially by the Federal taxpayers. Once this goal is obtained, our country will be only a step or two away from complete nationalization of power.

The transmission lines which Mr. Patterson wants the Federal Government to build would link the Hoover, Parker, Davis projects and the Central Valley project of California with Federal lines in the Missouri and Mississippi Basins and, of course, with TVA. Couple this with the uneconomic Hanford atomic energy generators, which were proposed principally to justify additional Federal transmission lines, making possible the linking of the Pacific Northwest with California, and the basic outline of the nationwide grid is revealed.

I hope that my colleages will now realize that a nationalized transmission grid is one of the principal issues in the fight over who should build the upper Colorado project transmission lines. I ask unanimous consent that Mr. Patterson's letter, together with the article to which he referred, may be placed in the RECORD at the conclusion of my remarks.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

EMPIRE ELECTRIC ASSOCIATION, INC.,
Cortez, Colo, August 30, 1961.

Hon. WALLACE FOSTER BENNETT,
U.S. Senate,
New Senate Office Building,
Washington, D.C.

DEAR SIR: Enclosed is a copy of the August 15 issue of the Electrical West Industry News Letter. We would like to call your attention especially to the article on the front page.

It appears that the people of Canada are developing their own rivers, and not allowing the power companies to interfere. It is a deplorable situation when five profit hungry utilities attempt to dictate to the U.S. Government on the development of a great river basin. The privately financed utilities would do better to develop their own lines and leave this river development to the people who were authorized to build it.

We urgently request your vote for the all-Federal transmission system for the Colorado River storage project.

Very truly yours,

I. W. PATTERSON,
Manager.

MIDMONTH REPORT TO THE WESTERN ELECTRICAL INDUSTRY

Government seizure of British Columbia Electric and Peace River Power Development Cos. was approved without a dissenting vote by the British of Columbia Legislative Assembly in special session August 3. Nationalization, made retroactive to August 1, reportedly came as a surprise to utility management.

Although rumors of expropriation had been voiced during political bickering between Ottawa and the Provincial government over Columbia River development, apparently British of Columbia Premier Bennett's threat of a takeover was generally thought to be a bluff.

Ironically, while Bennett was proclaiming British Columbia Electric a crown corporation, a funeral service was being held in Vancouver for Dal Grauer, chief executive of the utility and its parent, British of Columbia Power Corp. Dr. Grauer, who died July 28 of leukemia, masterminded British Columbia Electric's $650 million postwar expansion.

The takeover was effected by enactment of bill 5 or the Power Development Act of 1961. Although existing legislation would have allowed the seizure, Bennett considered the extraordinary implications warranted a special act.

The new bill empowered the Government to convert British Columbia Electric into a crown corporation through (1) purchase of British Columbia Electric common shares,

held by the parent corporation, for $110,985,045; (2) issuance of $100 million in special Government bonds to replace British Columbia Electric shares; (3) assumption of British Columbia Electric debts estimated at about $399 million.

The Government promised it would, if necessary, take over other assets of the parent corporation, including British Columbia Engineering and Western Development & Power. British Columbia Power Corp. may demand that British Columbia Electric buy it out at $38 a share, which would require an additional $67,014,955.

Peace River Development Co. will receive the amount spent on engineering studies and surveys, estimated at between $5 and $7 million.

Under provisions of the act, all directors in the private company were dismissed. A new six-man board is headed by Dr. Gordon Shrum, former dean of graduate studies at the University of British Columbia and the Premier's hydro troubleshooter since 1958, President Harry Purdy was asked to continue in office and has disassociated himself with British Columbia Power Corp.

In San Francisco August 9 for the opening of British Columbia House, Premier Bennett declared the Province friendly to private enterprise and said that the Federal tax on private utilities resulted in high-cost power. (For some months he had been pressing Ottawa for abolishment of the special Federal tax on privately owned power corporations or for a larger share for British Columbia. Last March British Columbia got $260,000 as its share of taxes, estimated at $1,700,000.)

British Columbia cities have had no assurance as yet of what, if any, "in lieu" taxes they can expect. Vancouver alone received some $1,800,000 annually from British Columbia Electric.

Bennett said that the Peace River project would be started immediately. A Columbia start is further away because the treaty must be ratified by Ottawa and financing arrangements have still to be made. The Premier has indicated, however, that he expects the Federal Government to allow export of power to the United States and while in San Francisco he spoke of possible sale in California.

Although the British Columbia Energy Board in its report made no firm recommendation that the Peace and Columbia be developed simultaneously, it said such a procedure was feasible, if export were allowed. The energy board said further that both are sound from an engineering viewpoint and cost would be almost identical if they were Government developed. Its estimate: Columbia, 4.4 mills; Peace (private), 6.59 mills; Peace (public), 4.37 mills.

As presently planned British Columbia Electric and British Columbia Power Commission will be kept separate, with the former developing the Peace and the latter the Columbia. Bennett said, however, that if Ottawa permanently blocked the Columbia development the two would be merged.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. METCALF in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PIPELINES AND OTHER WORK FOR AVONDALE, DALTON GARDENS, AND HAYDEN LAKE IRRIGATION DISTRICTS IN THE STATE OF IDAHO

The Senate resumed the consideration of the bill (S. 923) to authorize the Secretary of the Interior to replace lateral pipelines, line discharge pipelines, and to do other work he determines to be required for the Avondale, Dalton Gardens, and Hayden Lake Irrigation Districts in the State of Idaho.

Mr. CHURCH. Mr. President, I appreciate the opportunity to make a brief statement on behalf of the bill.

These irrigation districts are located a few miles north of Coeur d'Alene, Idaho, and together comprise 3,283 irrigable acres. Water is pumped from Hayden Lake for the projects. The facilities—constructed by the Government to replace an existing inadequate system—include pumping plants, storage tanks and distribution facilities. The three districts are made up of many relatively small and intensively developed full and parttime farms.

At the time the systems of these districts were rehabilitated on an emergency basis, bare steel pipe was installed, which was justified by careful consideration of soil and water conditions, and a review of the long and successful life of other bare steel pipe installations in the area. Previous studies had shown the soils in the project area to be free draining and nearly acid free. One existing galvanized and uncoated steel pipe system which had seen extensive use in the area for nearly 50 years was still in good serviceable condition. The Armco Steel Corp. recommended the use of its bare steel pipe at the sites in question.

Works were completed in 1955 for the Avondale and Dalton Gardens Irrigation Districts. The first leak developed 3 years later. In 1960, the Bureau of Reclamation completed a corrosion survey report for the three districts which confirmed that excessive corrosion was greatly shortening the life of the pipelines. Several failures have been experienced with light-gage pipe, and it is anticipated that more will occur in 1961. While these failures were disheartening, they benefited other areas. As a result, designs for such projects as the greater Wenatchee division of the Chief Joseph Dam project, now under construction, have been improved and the pipe systems involved will have a far longer life. Designs for the recently authorized Spokane Valley project, originally to have included bare steel pipe, are being modified to avoid a repetition of the Hayden Lake failures. Since benefits from the knowledge gained are widespread, the Department of the Interior believes the costs should be shared and not made an obligation to be assumed only by the three small irrigation districts for which the first extensive closed pipe systems were constructed. Since the original work was authorized under authority of the appropriation acts, authorizing legislation as well as appropriation of funds will be required before the work can be done.

Of the total cost for the replacement and lining work estimated at $1,486,000, water users would repay about $160,000. However, total repayment by the three districts should be compared with total expenditures by the United States for project works now estimated at $2,499,238. Total repayment by the water users is expected to be around $1,217,000, or approximately 50 percent of total costs. The proposed repayment arrangements thus compare very favorably with other recently authorized irrigation projects. Those costs not paid by the irrigators would be returned from power revenues of the Bonneville Power Administration.

The cost of extensions, additions and improvements, exclusive of replacement or lining of facilities previously installed by the United States, would be repaid in addition by the irrigation districts. Such work would be undertaken only at the request of the districts. Prior to approving construction of such works, the Secretary would ascertain that adequate additional amortization capacity would be generated to enable the necessary further repayment by the districts.

It has been the determination of the Department that any extensions or additions contemplated to be made under this section would result in additional payment capacity by the lands of the district at least equal to the additional payments which would be required.

Mr. President, I feel this is a very important bill, and, as amended, it meets the approval of the Department of the Interior, and the Bureau of the Budget has no objection to its enactment. I hope the Senate will act favorably upon it.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I yield.

Mr. WILLIAMS of Delaware. Am I correct in understanding that the proposed work is required because of a faulty job which was done about 5 years ago?

Mr. CHURCH. The Senator from Delaware is correct.

Mr. WILLIAMS of Delaware. Was that the result of bad engineering or of the use of poor material?

Mr. CHURCH. I think it is acknowledged now that the Bureau of Reclamation engineers made a mistake of judgment. They say, in their defense, that the bare steel pipe which had previously been used in the area had proved to be very satisfactory.

Mr. WILLIAMS of Delaware. Are we to understand that the material which was used was not up to standard?

Mr. CHURCH. As I understand, the material was up to standard, but the soil and water characteristics were not as the engineers thought them to be. The result was that corrosion of the pipe, which it had been thought would last for a long period of time, took place in very short order.

Mr. WILLIAMS of Delaware. Then, the fault was the result of bad engineering?

Mr. CHURCH. It was a case of mistaken judgment.

Mr. WILLIAMS of Delaware. Who is responsible for the engineering work at this time? The same engineers as handled the original job?

Mr. CHURCH. I could not say as to the individual engineers; but, of course, the original planning was done by the Bureau of Reclamation, and the revised planning under the bill has also been done by the Bureau.

Mr. WILLIAMS of Delaware. As I understand, this work was originally planned to be amortized by the users over a period of 40 years. The pipe has gone bad in 5 years. What will happen to the amortization? Will the users have to continue to pay for 35 years for the old pipe and for the new as well?

Mr. CHURCH. The original obligation of the water users remains the same. Any additions to the system which may result from the bill now under consideration would be fully paid for by the water users. But the cost of replacement will be largely borne by the Government, due to the fault of the Government in the first instance.

Mr. WILLIAMS of Delaware. If the Government made a mistake, I can understand its standing back of its agreement and paying for the mistake. But I wonder if we are not letting the same persons who made the original mistake do the job over again. Certainly some competent engineers should be engaged now. It seems to me somebody blundered by planning a project designed to last 40 years, but which has gone bad in 5 years. I am a little concerned that the same employees may be out there now and may make a similar mistake. Of course, we cannot legislate against mistakes, but we should make certain that competent engineers are now in charge of the work.

Mr. CHURCH. I understand the Senator's concern. In defense of the Bureau, I must say that the use of the bare steel pipe in adjoining areas had proved satisfactory in previous years; and it was on the basis of that experience that it was thought the bare steel pipe would be satisfactory in this case. However, I am told that because of the peculiarities of the soil and the water, rapid deterioration of the pipe resulted.

Mr. WILLIAMS of Delaware. Should not a competent engineer take those factors into consideration when he made the original recommendation?

Mr. CHURCH. I would say that on the basis of experience they had had at the time when the original project was approved, all indications were that the bare steel pipe would prove satisfactory; and this was the judgment not only of the Bureau's engineers, but also of the Armco Steel Corp.

Mr. WILLIAMS of Delaware. What is expected to be the total cost of replacing this work—both the material cost and the labor cost?

Mr. CHURCH. I call the Senator's attention to the first page of the committee report, wherein it is stated that the bill authorizes that there be appropriated not more than $1,611,000. This represents the anticipated replacement cost, plus the cost of any new additions to the pipeline system.

Mr. WILLIAMS of Delaware. The original project cost $1,010,662; is that correct?

Mr. CHURCH. That is correct.

Mr. WILLIAMS of Delaware. And it will now cost $1,611,000 to correct a blunder made by the engineers 5 years ago—60 percent more to replace the work than to have done the job correctly in the first place. Is that correct?

Mr. CHURCH. It is substantially correct, due to the increased costs which have occurred in the interim and also to the fact that the pipe system has been installed underground, and so the replacement costs are high.

Mr. WILLIAMS of Delaware. Of course it will cost something to tear it out and put it back again. But I see no assurance that the same engineers who made the blunder will not be the ones in charge of this new project. Is that correct?

Mr. CHURCH. I think the Senator from Delaware can be assured that, on the basis of the past experience, the proper kind of pipe will now be installed, and that the judgment of the Bureau will be corroborated by the judgment of very competent engineers of private companies retained to do the work.

Mr. WILLIAMS of Delaware. But my question is whether the same engineers—insofar as the Bureau of Reclamation is concerned—who made the blunder 5 years ago will be in charge of the new project.

Mr. CHURCH. I cannot answer that question, except to say that in all likelihood there has been the normal turnover in the 5-year period. But the Bureau continues to be responsible for the project; and therefore the Bureau will lay out the standards for the replacement, as the Bureau laid out the original standards.

Mr. WILLIAMS of Delaware. The Senator from Idaho states that the Bureau of Reclamation is responsible for the project. It would be plainer language, I believe, to say that the Bureau is now being held responsible for its earlier irresponsibility, with the result the taxpayers are being "stuck" for $1,611,000. What is worse, apparently the ones who made the blunder will still be in charge.

Personally, I think the committee should have given some consideration to checking as to the type of engineers who will be allowed to continue with this work, because I see no way in which the Government will be repaid the $1,611,000 provided for in the bill. It seems to me that the taxpayers are being called upon to pay $1,611,000 for the blunder made 5 years ago, to replace a project which was improperly handled from the beginning.

Mr. MANSFIELD. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I yield.

Mr. MANSFIELD. In view of the valid statements made by the senior Senator from Delaware, it is my view that the Bureau of Reclamation will read this debate and will proceed accordingly. I also anticipate that the Senator from Idaho, who is in charge of the bill, but who was not here when the original work was undertaken, will seek to ride herd on the project, this time, through contacts and correspondence with the Department of the Interior, and, it may be, through personal trips to the site of the installation, in order to see that the work done, now, 5 years after the original project, is properly done.

Mr. WILLIAMS of Delaware. Under the circumstances, I suppose that is about all that can be done. But I believe some consideration should be given to the question of whether those who made the blunder are still on the payroll and would be used again for this work.

Mr. KUCHEL. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I yield.

Mr. KUCHEL. I should like to point out that in the committee report which has been filed in support of the bill, it is stated:

> The total cost of the work previously performed under the authority of the appropriation acts is $1,010,662 and the districts are presently obligated to pay this amount in full.

I think it might be helpful to have the context of the committee's statement in the report made a part of the RECORD.

Mr. CHURCH. I thank the Senator from California, and I ask unanimous consent that the substance of the committee report be printed at this point in the RECORD.

There being no objection, excerpts from the report (No. 781) were ordered to be printed in the RECORD, as follows:

> The purpose of S. 923 is to authorize the Secretary of the Interior to replace lateral pipelines, perform interior lining of discharge lines, and do other work he determines to be required in the replacement, modification, or improvement of facilities heretofore constructed by the United States for the Avondale, Dalton Gardens, and Hayden Lake Irrigation Districts in the State of Idaho.
>
> NEED
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> Replacement of pipelines or lining of existing pipelines serving the three districts is necessary because of accelerated interior and exterior corrosion and deterioration of such pipelines. Corrosion has penetrated the pipe in numerous places and it is estimated that 50 percent or more of the surface area of the lighter gage pipe will be penetrated before 1963 and the situation will grow progressively worse. Considering that the fact that the livelihood of a large number of farmers is dependent upon the proper functioning of this distribution system, the need for replacement is considered urgent.
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> BACKGROUND
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> The three irrigation districts comprise a total of 3,283 irrigable acres—914 acres in the Avondale Irrigation District, 944 acres in the Dalton Gardens Irrigation District, and 1,425 in the Hayden Lake Irrigation District. The

districts are located a few miles north of the town of Coeur d'Alene. They contain many small, intensively cultivated farms. Over 500 ownerships are involved, most of which are under 10 acres in size. Water is pumped from Hayden Lake into the all-closed pipe distribution system.

The irrigation works, including pumping plants, storage tanks, and distribution facilities, were constructed by the United States in 1954, 1955, and 1957 for the three districts on an emergency basis to replace existing inadequate and badly deteriorated systems. The work was accomplished under authority of the Interior Department Appropriation Acts of 1954 and 1955 and the Public Works Appropriation Act of 1957. The decision of the Bureau of Reclamation that the installation of bare steel pipe would satisfactorily meet the project requirements was made after careful consideration of soil and water conditions and review of the long and successful life of the other bare steel pipe installations in the area. Studies and analyses of the soils in the project area at that time showed that the soils were free draining and nearly acid free. Existing galvanized and uncoated steel pipe in extensive use in the area for nearly 50 years was found to be in good serviceable condition. The Armco Steel Corp. recommended the use of its bare steel pipe at the sites in question. There were other indications that bare steel pipe would be adequate.

Although there was every indication that bare steel pipe would be satisfactory when the designs and estimates were prepared for the Dalton Gardens and Avondale projects, the cost estimates were prepared for three alternatives—bare steel pipe, coated and wrapped steel pipe, and asbestos cement pipe. Because the estimates were higher than had been expected, only the estimate of the bare steel pipe came within the cost limitation provided in the appropriation acts, and this was an additional factor which contributed to the decision to use bare steel pipe for the Dalton Gardens and Avondale projcets. Although the Hayden Lake system was constructed 2 years later, a corrosion survey was determined to be unnecessary because, in the interim, such a survey had been made in the Spokane Valley which had comparable soils and that survey also provided evidence that bare steel pipe would be satisfactory. Therefore, bare steel pipe was also used in the Hayden Lake system.

Within a few years after construction of the first two systems many leaks developed. Field investigations revealed excessive corrosion of both the inside and outside surfaces of the pipe. The Chief Engineer of the Bureau of Reclamation completed a corrosion survey report in 1960 for the three districts which confirmed the fact that excessive corrosion was greatly shortening the life of the pipelines. The report concluded that the external corrosion probably was caused by the presence of highly cathodic mill scale and was aggravated by variable soil conditions. The report also indicated that internal corrosion was related to the presence of oxygen at a saturation level in the water with a sufficient amount of chloride and sulfate ions to accelerate corrosion.

WORK TO BE PERFORMED

The plan for rehabilitation calls for replacement of all the lighter gage pipe and lining of the larger diameter and heavier gage main lines and pumping plant discharge lines. Replacement would be with asbestos cement pipe or mortar-lined and coated pipe which will withstand the corrosive effects of the water and the overlying soils. In addition to the replacement or lining, limited extensions and improvements of the facilities would be authorized.

COMMITTEE AMENDMENTS

The committee adopted the amendment recommended by the Department of the Interior which limits the amount which can be spent for extensions, additions, and improvement to $125,000.

The committee also changed the repayment period for the contract covering the new work to 40 years instead of 50 years. Since repayment is based upon the ability of the water users to repay, the annual payments would remain the same under the amendment and the total amount repaid would be reduced with a corresponding increase in the amount paid from power revenues of the Bonneville Power Administration.

The other amendment adopted by the committee places a limitation on the amount authorized to be appropriated. The amount is $1,611,000 and is based upon the estimates furnished by the Bureau of Reclamation.

FINANCIAL ASPECTS

The total cost of the work previously performed under the authority of the appropriation acts is $1,010,662 and the districts are presently obligated to pay this amount in full. The total cost of the replacement and lining work authorized by S. 923 is estimated at $1,486,000. The bill provides for repayment to the United States toward the cost of the new work in amounts equal to the repayment ability of the water users. Before construction is started the districts would be required to enter into a contract whereby they would continue to pay for 40 years from the date of completion of the work. It is estimated that during the 40-year contract period the districts would repay about $160,000 toward the cost of the new work. The districts would, of course, continue to meet their obligations under the present contract. The remaining amount of about $1,326,000 for new work which is beyond the ability of the water users to repay would be returned from power revenues of the Bonneville Power Administration. Current financial studies of the Bonneville power system indicate that surplus power revenues to repay this amount would be available for this purpose in 1994.

The cost of extensions, additions, and improvements would be limited, under language of the bill, to $125,000 and this amount would constitute an additional obligation of the districts, and payment thereof would have to be made concurrently with the other annual payments.

In summary, the districts would repay about 50 percent of the total expenditures of the United States.

Mr. WILLIAMS of Delaware. Mr. President, the Senator has pointed out that the $1,010,662 is to be repaid over a period of 40 years. But the pipe has now gone bad in 5 years. We are already replacing the entire project.

Mr. CHURCH. I wish to express my appreciation for the comments made by the Senator from Delaware. I am very mindful that a mistake was made. It occurred prior to the time I had any connection with the project. But the mistake has to be rectified; and I personally will take a very special interest in the work that is done, and will do everything possible to satisfy myself that the new project is competently engineered, so there will be no repetition of past mistakes in the future.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 923) was ordered to be engrossed for a third reading, and was read the third time.

Mr. CHURCH. Mr. President, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from the further consideration of House bill 4458, and that the Senate proceed to the consideration of that bill.

Mr. KUCHEL. Mr. President, reserving the right to object, let me ask the Senator from Idaho whether the ranking minority members of the committee have been contacted in regard to this matter.

Mr. CHURCH. Let me say that the House bill is identical to the Senate bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the Senate will proceed to the consideration of House bill 4458.

The Senate proceeded to consider the bill (H.R. 4458) to authorize the Secretary of the Interior to replace lateral pipelines, line discharge pipelines, and to do other work he determines to be required for the Avondale, Dalton Gardens, and Hayden Lake Irrigation Districts in the State of Idaho.

The PRESIDING OFFICER. Let the Chair inquire if there is any difference between the two bills.

Mr. CHURCH. No; they are identical.

The PRESIDING OFFICER. House bill 4458 is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 4458) was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 923 will be indefinitely postponed.

THE SHAME OF A NEUTRAL

Mr. ERVIN. Mr. President, Dr. Frederick Brown Harris has written an outstanding article entitled "The Shame of a Neutral." The article was published in the Washington Star of September 10.

All Members of the Senate who are privileged to have daily association with Dr. Harris are well acquainted with the depth of his wisdom and the eloquence of his words. I am so much impressed by the excellence of this article that I ask unanimous consent that it be printed in the body of the RECORD.

I wish to add that the article illustrates anew the everlasting truth that the only men who make any contributions of value to this earth are those who prefer to die upon their feet, rather than to live upon their knees.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SPIRES OF THE SPIRIT—THE SHAME OF A NEUTRAL

(By Dr. Frederick Brown Harris, Chaplain of the U.S. Senate)

A neutral is a human chameleon. A chameleon is a colorful little animal which makes its hue fit into its environment. It changes to match its surroundings. That is nature's way to keep this crawling creature out of danger. Neutrality is its protection.

But a man is not a concealing lizard. Yet, who has not known smooth and agreeable folk who proceed cautiously across all areas of life taking on a different tint or hue according to the situation in which they find themselves? They choose no color of conviction and maintain it against all odds.

But today's heights have not been achieved by human chameleons. Civilization has climbed up the ascending years held together by convictions which are more dear than mortal life. No man has really lived until he bets his life on some principle for which he would die.

Robert Ingersoll used to convulse great audiences with his clever castigations of conventional religion as he ridiculed the sins of the saints. But on more than one occasion when, because of his irreverent jibes, laughter had swept his audience, he paused and said solemnly, "But, ladies and gentlemen, do not forget that tonight we are not naked savages dancing around some campfire, because back there were men and women, our ancestors, who were willing to die for the things they believed."

An outstanding religious leader was speaking out of the deepest admiration concerning certain native Christians who had given their lives rather than to deny their faith. Then, with a touch of facetiousness, he added, "But if I had been in their place, with a sword held over my neck and had been told that I could confess my faith and die, or deny it and live, I greatly fear that I would have said to the tormentors, 'If you let me up for 10 minutes I think I can make a statement satisfactory to all concerned.' "

Statements satisfactory to all concerned are the bane of this so-called tolerant day when neutralism and appeasement are becoming more and more a moral fashion. There is dire danger that one may become so tolerant of everything that he will defend nothing to the death with the specious defense "a man must live." The worth of a conviction not for sale was instilled in countless plastic lives by the old-fashioned golden-text colored Sunday school card. One was a Bible figure of long ago about whom childish lips sang lustily. This man refused to buy safety in alien Babylon when he was told he could have it by bowing down to pagan gods. This was the verse we sang.

"Dare to be a Daniel,
Dare to stand alone,
Dare to have a purpose true
And dare to make it known."

Who has not encountered those whose motto is comfort and safety first and whose favorite seat in any contest is the fence? Such persons aim to please all sides by not taking sides. They seem to choose the permanent role of being an inquiring neutral.

This is true even with regard to the titanic global struggle now going on between decency and deviltry, between honesty and chicancery, between freedom and slavery, and between a loving God and blind force. Such neutrality is the gateway through which the Trojan horse of destruction enters into the city of compromise.

The shame of a neutral may be branded upon the brow even of those who are cataloged by the community as good. To be really good is to be good for something. Genuine goodness always possesses a sword—and there are times when the sword is unsheathed and grasped by a hand unafraid. It has been truly said that by superior energies, and by a firmer faith in their unhallowed objectives, the bad often win over the weak and vacillating.

In a day like this, above all else, we need those with convictions who go valiantly as far down the road of faith as did the three young men facing the fiery furnace and who said with its hot breath scorching their faces, "Our God whom we serve is able to deliver us." Then comes those steel-ribbed words, "But If Not"—still they would make no detour. Here then is the conclusion of the whole matter. The fact is that it is shameful to be neutral about the vital issues of life, broadminded about all creeds but committed to none, agreeable for safety's sake to compromise with evil, liberal about all ideas by holding no personal convictions which are not for sale and which like steeples point to the sky.

"Yes," says one, "that is all very high sounding, but after all a man or a country must live." Ah, that is the shame of the neutral.

"But is it so? Pray tell me why
Life at such cost you have to buy?
In what religion were you told a man must live?
There are times when a man must die.
Imagine for a battle cry this coward's whine,
This liar's lie—a man must live!
The Saviour did not live. He died—
But in His death was life for all mankind."

NORTH CAROLINA BEAUTY CROWNED MISS AMERICA

Mr. ERVIN. Mr. President, on last Saturday evening, at Atlantic City, N.J., one of North Carolina's fairest daughters, Miss Maria Beale Fletcher, of Asheville, was selected as Miss America.

Her beauty, charm, grace, intelligence, and talent certainly justified the decision of the judges.

I ask unanimous consent that there be printed in the body of the RECORD, as a part of my remarks, a portion of the news item concerning her selection which appeared in the Washington Sunday Star of yesterday, September 10, 1961, and I thank the Senator from Montana for withholding his suggestion of the absence of a quorum.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NORTH CAROLINA BEAUTY CROWNED MISS AMERICA

ATLANTIC CITY, N.J., September 9.—Maria Beale Fletcher, a hazel-eyed, brown-haired North Carolina beauty, tonight was chosen Miss America of 1962.

The 19-year-old Miss North Carolina, winner of a preliminary swimsuit competition, succeeded Nancy Anne Fleming, of Montague, Mich., as holder of the world's oldest and most famous beauty crown.

The new queen, from Asheville, is 5 feet 5½ inches tall, weighs 118 pounds, and measures 35–24–35.

A former member of the Radio City Rockettes in New York, she hopes for a career in the entertainment field after completing college.

Maria has had 13 years of training in dancing, 3 years of voice training, and 2 years of dramatics.

Runnersup in the pageant in the order in which they finished were:

Miss Arkansas, Frances Jane Anderson, of Pine Bluff.

Miss Utah, Carolyn Deann Lasater, of Salt Lake City.

Miss Texas, Linda Jacklyn Loftis, of Fort Worth.

Miss Minnesota, Nancee Ann Parkinson, of West St. Paul.

Miss North Carolina has won 14 talent awards in contests sponsored by various civic clubs in Asheville. Her first award came at the age of 7. She completed A. C. Reynolds High School in 3 years instead of 4, and graduated in 1960 with a scholastic average of 93.

She is the first girl from North Carolina ever to win the title. Another North Carolina girl, Ann Farrington Herring, of Winston-Salem, won third place in last year's pageant.

Miss North Carolina has won many dancing trophies before but had never been in a beauty pageant until she entered the one at Asheville which started her on the road to being Miss America.

Mr. MANSFIELD. Mr. President, any time that any more beauties are selected from North Carolina, I shall always be delighted to yield the floor to the distinguished representatives of the people of that State.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF LAW ESTABLISHING THE INDIAN REVOLVING LOAN FUND—CONFERENCE REPORT

Mr. CHURCH. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1540) to amend the law establishing the Indian revolving loan fund. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1540) an act to amend the law establishing the Indian revolving loan fund having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the Senate recede from its disagreement to the amendments of the House and agree to the same with an amendment as follows:

"In lieu of the language inserted by the House amendment insert the following: 'That the appropriation authorization in section 10 of the Act of June 18, 1934 (48 Stat. 986), is hereby amended by increasing it from $10,000,000 to $20,000,000.' "

FRANK CHURCH,
ERNEST GRUENING,
QUENTIN N. BURDICK,
BARRY GOLDWATER,
GORDON ALLOTT,
Managers on the Part of the Senate.

JAMES A. HALEY,
ED EDMONDSON,
THOMAS G. MORRIS,
E. Y. BERRY,
HJALMAR C. NYGAARD,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. CHURCH. Mr. President, as passed by the Senate, S. 1540 would have amended the revolving credit loan fund,

established by the act of June 18, 1934, by increasing the authorization from $10 million to $35 million. The bill also provided for the merging of the general loan fund, the Navajo-Hopi fund, and the Oklahoma fund into one revolving fund.

The House amended the Senate bill by striking all after the enacting clause and providing for an increase in the authorization in the 1934 act from $10 million to $15 million. All the language with respect to consolidating funds is deleted.

At the meeting of the conferees on September 7, it was agreed that the differences in the bill would be compromised in the following manner. The revolving credit loan fund would be increased by $10 million, that is, raising the authorization from the present $10 million limit to $20 million. It was also agreed that we would eliminate all language relating to the consolidation of the three existing loan funds.

I draw this to the attention of the Appropriations Committee, which has consistently suggested that the funds be merged into one fund. While the conferees have eliminated that provision, we do have an understanding that this consolidation proposal will be the subject of further legislation during the second session of this Congress.

While the sum which the conferees have agreed upon is substantially less than that passed by the Senate, it is the intention of our committee and the House Interior Committee to consider additional legislation next year to provide a greater authorization than is afforded under the present bill. We hope to include that in legislation to resolve the heirship land problem. In the meantime, the $10 million that would be added to the fund will meet all of the anticipated needs for this fiscal year.

For these reasons, Mr. President, I move that the Senate adopt the conference report.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho.

The report was agreed to.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DISPOSITION OF CERTAIN WATERFOWL FEATHERS AND DOWN

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 752, H.R. 7447.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7447) to amend the Strategic and Critical Materials Stock Piling Act to provide for the immediate disposition of certain waterfowl feathers and down.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. SYMINGTON. Mr. President, I desire to make a short statement regarding H.R. 7447 which would waive the statutory requirement for a 6-month waiting period before the Administrator of General Services is authorized to dispose of approximately 2 million pounds of waterfowl feathers and down from the national stockpile.

The stockpiling law requires the Director of the Office of Civil and Defense Mobilization to determine the materials that should be stockpiled and the stockpile objectives for these materials. If the Director determines that the amount on hand is in excess of the objective, he may propose disposal of the excess by publishing a notice in the Federal Register and transmitting this notice to the Congress. The disposal may not be made until 6 months after publication and transmission of the notice of disposal. If the disposal is proposed because the material is obsolescent for use in time of war, express congressional consent is not required. If the disposal is proposed only because the quantities on hand are in excess of the stockpile objectives, express congressional approval of the disposal is required.

In March of this year the stockpile objective for waterfowl feathers and down was revised downward. The reasons for the revision were:

First. The planning basis for stockpiling has been reduced from a 5- to a 3-year potential emergency.

Second. A new process that could be used in an emergency permits the treatment of chicken feathers so that these feathers may be satisfactorily combined for use with waterfowl feathers.

If the feathers and down that are the subject of H.R. 7447 were being proposed for disposal only because of the reduced stockpile objective, express congressional approval in the form of a concurrent resolution would be required. It happens, though, that the particular feathers and down that are proposed for disposal are in a deteriorated condition and no longer meet specfications. For this reason the materials are obsolescent for use in time of war, and thus they may be sold 6 months after publication of notice of disposal. Notice of disposal was published on April 6, 1961. Even if H.R. 7447 is not approved, the feathers and down can be disposed of beginning October 6, 1961.

The simple purpose of the bill is to shorten the waiting period. It is obvious that the waiting period would be shortened by less than 1 month.

The reason for shortening the waiting period is that market conditions are favorable, owing to a shortage of supply on a worldwide basis. The committee was informed that although the feathers and down now in excess are in poor condition, industrial users may clean and reprocess these materials and thus put them to satisfactory use.

The average cost of all the feathers now held in the stockpile was $2.25 a pound, and the average cost of all the down was $6 per pound. On the most recent Government sales of these materials in August 1961, the Government received an average of $1.04 per pound for feathers and $3.37 per pound for down. Let me emphasize that these prices were for deteriorated materials that did not meet specification requirements.

It is obvious that the price the Government can expect to receive from sale of these materials is less than the average cost of acquisition. It should be pointed out, however, that the average cost of acquisition applies to all of the feathers and down in the stockpile including that which meets specifications and that the prices I have quoted are for deteriorated materials. The committee was informed that the Government should recover more than $2 million from the sale of these materials.

Mr. President, that concludes my statement. I ask that the bill be passed this morning.

The PRESIDING OFFICER. The bill is open for amendment.

Mr. WILLIAMS of Delaware. Mr. President, I shall not object to the passage of the bill. If we do not need the feathers, we might as well go ahead, pass the bill, and sell them. However, I should like to comment briefly on the policy of the stockpile program in general. Call it mismanagement or stupidity, there is a lot of money being wasted in our stockpiling program. It needs an overhauling.

As evidence of this let us go back to the beginning of the program on this particular commodity. What I have to say is not in criticism of the Senator from Missouri; he has been as critical of some of these stockpiling arrangements as I have been.

The feathers were originally bought 8 to 10 years ago. Why we needed to stockpile them at that time, and why we do not need them on the eve of the Berlin crisis, I am at a loss to understand. But we are now told that we do not need the feathers—they have become obsolete or are not needed in the stockpile program.

To go back to the beginning, we find that immediately prior to the Korean war, waterfowl feathers were selling at about 90 cents a pound. The Korean war broke out and all of a sudden the stockpiling agency decided that they not only had to buy what we needed for the Korean war, but we had to stockpile feathers for years to come. Such a large quantity was stored that the price of feathers shot up to $2.25 and $2.50 a pound.

Not only the quantity of feathers needed during that period were bought, but enough feathers were bought to last us throughout the Korean war and during the intervening period until the present time. Now it is proposed that we even have a surplus of the feathers that we purchased 8 to 10 years ago. I believe no feathers have been bought in the last 7 years.

Mr. SYMINGTON. The Senator is correct. None have been bought for 7 years.

Mr. WILLIAMS of Delaware. In the purchase of the feathers, the agency be-

came so panicky that they wanted to buy them notwithstanding the fact that the market was at an alltime high during the Korean war. The agency apparently wanted to buy the feathers before the market went down. In doing so, they bought feathers of an inferior grade and paid the regular price for them. No adjustments or refunds of the purchase price because of inferior grades were asked for. No refunds were collected until the Comptroller General moved in with a strong report denouncing the whole procurement policy. Then the agency did make some adjustments.

Furthermore, the procurement agency of the Government went out and bought the feathers during the Korean war at a time when we had price controls operating, and they even bought them in the black market. In some instances they paid 20 to 30 percent over the price ceilings. Yes, they bought some of the feathers in the black market. No action was taken concerning the payments over the ceilings until after the Comptroller General had come in and in effect said, "At least the Government should live up to its own laws and not violate its own price ceilings."

Here we had an agency of the Government buying supplies for the Government in the black market, closing its eyes to the price ceilings laws, yet telling everybody else to obey the law.

Significantly, on the advisory board were representatives of most of the companies selling feathers to the United States. They were giving advice as to how the Government could buy them. Apparently we had no one in the agency with enough sense not to accept the kind of advice the advisers were giving.

I would like to read briefly some of the comments made by the Comptroller General at the time the feathers were bought. I quote from his report on these transactions:

> 2. GSA–EPS authorized the delivery of, and accepted goods which did not comply with, the stockpile specifications established by the Munitions Board.
>
> 3. GSA–EPS failed to reduce the price on 63,922 pounds of feathers and down to applicable ceilings, which resulted in the Government incurring excessive costs of $22,161.50.
>
> 4. Acceptance of the price increases in the amendment violated OPS CPR–87 and increased the Government's cost by $6,856.50.
>
> An aggravated instance applicable to points 3 and 4 involves the pricing of 11,000 pounds of European goose down (lots F–16, F–17) at $8 in the amendment when the OPS had previously restricted the contractor to delivering 10,000 pounds at $8. This reflects a culpable disregard for the Government's interests.

In other words, we stockpiled inferior products at a price much higher than the legal ceiling price. Today the market has returned to a low level. The feathers will now be sold as an inferior product. Many are surprised that the feathers we have in the stockpile today are an inferior products. There is nothing strange about it. The agency bought the feathers of an inferior grade in the first place.

Mr. SYMINGTON. Mr. President, will the Senator yield back to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. SYMINGTON. I compliment the able Senator from Delaware for his thoughts on this subject. He is correct with respect to some of the operations of the stockpile. It is but a further illustration of some of the problems we have in this field.

Because of the shortage of time, I should like to report to the Senator another problem that has arisen within recent days. Many of us are anxious not to see a rise in steel prices. Not too long ago the committee on which the distinguished Senator from Delaware [Mr. WILLIAMS] and I have the privilege of serving discussed the problems of a particular country. We started to talk about how much tin we could buy to help that country.

I asked, "Why do we want to buy more tin? We do not have to always consider the purchase of tin as the only way to handle the problems of that country. We have too much tin on hand already.

Within 48 hours someone told the representatives of that country what I had said. They called me up and assured me that I was incorrect, that there was not enough tin, that tin was in short supply. I apologized for my mistake. Then I found that, in our stockpile, we have more than double the amount of tin anyone believes is needed in case of war; hundreds of millions of dollars more than considered necessary.

We know tin is probably utilized more for galvanized sheet and strip steel than for any other purpose. Interestingly enough, last week one of the representatives of one of the leading steel corporations called me to say that in the Federal Register he had noted a request that 50,000 tons of tin be released from stockpile. That is a great deal of tin, but does not by any means represent the excess in the stockpile. This steel company said that if that tin were released from stockpile, it would contribute to their ability, if there was the ability plus the desire, to hold down prices of steel products.

As everyone knows, the tin market is a world cartel, and has been for many years. The current price of tin is rising steadily. What a ridiculous situation we now find ourselves in. With the price moving up steadily and with the American people owning far more tin than will ever be needed, even in time of war, we should review the way in which this problem has been handled. The facts are withheld from the American people. It takes a long time, under present regulations, to obtain the tin in order to put it on the market as a way of holding down increased tin prices. These raised tin prices can only be a justification for what we do not want—increased steel prices.

I place this situation in the RECORD, and compliment my friend from Delaware, who is a watchdog of the people's money in this instance as well as in others.

I agree with him that in the future we should handle the whole problem of stockpiling more in the public interest than it has been handled in the past.

Mr. WILLIAMS of Delaware. I thank the Senator. The stockpiling program is an essential project, but the materials that are stockpiled should be bought on the basis of our actual need. The program is not to be operated as a price-support program, nor is it supposed to be operated to create a speculator's paradise or to regulate markets.

Mr. SYMINGTON. As chairman of the Stockpiling Subcommittee of the Committee on Armed Services, I have tried for many years to get the facts of this program declassified, but am always told that the agencies involved did not want to declassify said information. When I talk personally with these agencies, however, they say they today have no objection, in fact some volunteer it would be a good idea that stockpile information be declassified. If it were declassified that would make it impossible for some of the actions to happen which the Senator from Delaware and the Senator from Missouri have been talking about. If that were done, many of these things would not have happened in the past, and would not occur in the future.

Mr. WILLIAMS of Delaware. In the light of what they are doing, I suppose we should not blame them for trying to keep the information classified, because if the American people found out about these operations, these people would not stay in office very long.

I agree fully that there is entirely too much secrecy surrounding this kind of operation. For instance, I was told that it would be a great disservice to our national security to tell me how many feathers we have in the stockpile. I suppose they think Mr. Khrushchev could win the cold war if he found out how many feathers we have in the stockpile. How much more ridiculous can one get in this kind of situation? Are they expecting us to engage in a pillow fight over Berlin? Anyone can take the figures presently appearing in the commerce journals on any of these commodities and get a fairly accurate estimate of our inventory. I could tell them within 5 percent of what they have on hand in the stockpile. Anyone else can do the same thing if he wants to take the trouble to run down the figures.

Certainly there is nothing world shaking about the amount of feathers they have on hand. They are reducing the stockpile requirements from 5 years to 3 years, and cutting the required amount by 4 million pounds of feathers. Yet they say they cannot tell anyone how many they have on hand. I should like to read one sentence from this report:

> However, I believe the information you want would be the difference in the inventory amount between the two dates.

Much of this secrecy is apparently nothing more than an excuse to hide their mismanagement. I read further from the Comptroller's report, at page 38:

> GSA–EPS failed to reduce the price on 63,922 pounds of feathers and down to applicable ceilings, which resulted in the Government incurring excessive costs of $22,161.50.

I will not go through all of this report. However, Mr. President, here is an

agency of the U.S. Government, during the period when we were at war, when we had price controls, violating their own price controls and operating in the black market, while at the same time they were criticizing the American people for any participation in the black market, and called them unpatriotic. It was indefensible on the part of this agency to violate these laws. Again I quote from the Comptroller General's report on the feather procurement program:

Our investigation developed information of possible violations by the contractor of 18 United States Code 1001 by reason of false statements made to OPS in applying for authority to effect deliveries at above-ceiling prices, and a potential violation by the contractor of the price warranty clause under the contract and the amendment. These matters were referred to the Office of Price Stabilization and to the Department of Justice on March 23, 1953.

How can they explain their buying of feathers at such exorbitant prices during the war, prices which were in excess of the ceiling prices? They even bought a product which did not meet standards at the time they were bought. They bought the inferior product at exorbitant prices on the advice of a committee which was composed of the very people who were selling them the product.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that at this point there be printed in the RECORD a letter dealing with this subject matter, written by OCDM to the Senator from Delaware, signed by the Honorable Frank Ellis, Director of the Office of Civil and Defense Mobilization.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SEPTEMBER 7, 1961.

Hon. JOHN J. WILLIAMS,
U.S. Senate, Washington, D.C.

DEAR SENATOR WILLIAMS: This is to confirm information given you over the telephone by Mathias W. Niewenhous of my staff in reference to your letter of August 28, 1961, and additional information requested by telephone concerning the proposed sale of excess feathers and down in the stockpile.

1. To give you inventory on dates requested would reveal stockpile objectives which have a secret classification. However, I believe the information you want would be the difference in the inventory amounts between the two dates which was 1,406,000 pounds less as of June 30, 1961.

(a) The stockpile was set up on a basis of 60 percent feathers and 40 percent down. The average cost of feathers in the stockpile was $2.25 a pound and the average cost of the down was $6 per pound. The average costs of feathers and down combined was $4.15 a pound.

2. No feathers and down were purchased during the past 3 years.

3. The quantity of feathers and down from the stockpile sold for Government use during the past 3 years amounted to 1,532,600 pounds.

4. All the feathers and down in the stockpile were purchased during the years 1952, 1953, and 1954. No purchase have been made since the middle of 1954.

5. No plans are contemplated to replace the feathers and down sold or to be sold.

6. In December 1959, GSA was authorized to prepare a plan for the disposal of 1,900,000 pounds of feathers and down which was excess of mobilization needs. This was deteriorated material which did not meet specification requirements. All but 75,000 pounds have been sold. The last sale took place in August 1961, and the price paid to the Government averaged $1.04 a pound for the feathers and $3.37 for the down. The great bulk of this material (1,532,600 pounds) was transferred to the Quartermaster Department of the Army by GSA for governmenal use.

7. The Government should recover $2 million-plus for the feathers and down to be sold under the pending bill. It is difficult of course to forecast market prices in the future, as the proposed sale may take place over a period of months.

Enclosed is a summary of sales and delivery figures.

If any further information is desired, I will be glad to discuss the matter with you personally.

Sincerely,

FRANK ELLIS, *Director.*

Summary of sales and delivery figures

	Pounds
Reduction in inventories between Jan. 1, 1958, and June 30, 1961 (deliveries on sales)	1,406,000
Sales from inventories between December 1959 and August 1961	1,875,000

(There were no sales or deliveries between Jan. 1, 1958, and Dec. 31, 1959.)

Sales and deliveries January 1960 through August 1961

	Pounds	Actual deliveries, pounds
Sales for Government use	1,532,000	1,152,000
Sales for commercial use	293,000	254,000
Total	1,825,000	1,406,000

Mr. SYMINGTON. The letter states that:

All the feathers and down in the stockpile were purchased during the years 1952, 1953, 1954. No purchases have been made since the middle of 1954.

There may have been some reason for purchases being made in 1952, when we were in a war in Korea; and also during part of 1953. That feathers should have been purchased after the Korean truce, in 1954, however, especially under the conditions the able Senator from Delaware has presented this morning, is incredible.

With respect to these figures, of course the Senator from Delaware is entitled to know what the classified figures on feathers are in the stockpile. I have them with me, and would be very glad to show them to him at his convenience.

Mr. WILLIAMS of Delaware. I appreciate the Senator's statement. The only explanation for the purchase of these feathers in 1953 and 1954 was that it was a bailout operation. The war was over and market prices would naturally decline so the Government took over the dealers' inventory at the inflated prices. They took the entire inventory on hand, and what had been contracted for.

The fact that part of the merchandise was an inferior product did not in the least bother these bureaucrats spending taxpayers' money.

An examination of the billion-dollar operation of this agency is long overdue.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

THE WILDERNESS BILL

Mr. CHURCH. Mr. President, I ask unanimous consent that a summary of the major provisions of S. 174, the wilderness bill, be printed in the RECORD at this point.

There being, no objection, the statement was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE MAJOR PROVISIONS OF S. 174—THE WILDERNESS BILL

1. What is the purpose of the bill? To establish a national wilderness preservation system for the permanent good of the whole people, before our shrinking wildlands entirely disappear.

2. What may be included in the wilderness system? The system would be limited to Federal land already withdrawn for recreational use; made up from the following components:

(a) Areas in national forests classified as "wilderness," wild, or canoe, on effective date of act.

(b) Areas in national forests classified as primitive, on effective date of act.

(c) Areas in national parks and monuments, embracing at least 5,000 acres without roads, on effective date of act.

(d) Selected portions of wildlife refuges and game ranges established prior to effective date of act.

3. When and how would these areas become part of the wilderness system? Each of the four categories listed above are treated separately under the bill. Thus:

(a) Wilderness, wild, or canoe areas would become part of the system upon enactment of the bill.

(b) Primitive areas would be temporarily incorporated into the system upon enactment of the bill. However, the Forest Service would review each of these areas, during the 10 years following enactment, to exclude any part found to be more suitable for lumbering, mining, or other commercial use. Those parts having predominant wilderness values would then be recommended by the President to Congress for permanent retention in the system. Either the House or Senate could veto any such recommendation.

(c) Roadless areas within national parks and monuments will be incorporated into the system, during the 10 years following enactment, as recommended by the President to Congress, subject to veto by either House or Senate.

(d) Selected portions of wildlife refuges and game ranges will be incorporated into the system, during the 10 years following enactment, as the President may recommend to Congress, subject to the same congressional veto.

Once the wilderness system has been established as above provided, no new additions may be made to it, except by an affirmative act of Congress.

4. What restrictions would apply within the wilderness system? Subject to existing rights, there would be no commercial enterprise within the system, no roads, no buildings, and no use of motor vehicles, motorboats, or aircraft. However, these restrictions are subject to the following special exceptions:

(a) Aircraft and motorboats may continue to be used, wherever the practice has become established.

(b) Guides, with their pack strings, boats, and camping equipment, may continue to

furnish their services for recreational purposes.

(c) Within national forest and public domain areas included within the wilderness system:

1. The grazing of livestock shall continue, wherever well established.

2. The President may authorize, within specific areas, prospecting, mining, reservoirs, water conservation works, transmission lines, and such roads as may be essential to develop and use them, wherever he determines such use will better serve the public interest than its denial.

5. What general exceptions are made by the bill? The bill expressly allows for the following:

(a) Such measures may be taken within the wilderness system as may be necessary in the control of fire, insects, and disease.

(b) The jurisdiction of the States with respect to fish and wildlife in the national forests is left untouched by the bill.

(c) Within national forest and public domain areas in the wilderness system, any activity, including prospecting, for the purpose of gathering information about mineral or water resources, will be lawful, if carried on in a manner not incompatible with the preservation of the wilderness environment.

(d) Application of State water laws within the wilderness system are not affected by the bill.

(e) The jurisdiction of the Federal Power Commission to license dam construction is not affected by the bill.

EMPLOYMENT OF CERTAIN ADULT INDIANS ON OR NEAR INDIAN RESERVATIONS

Mr. CHURCH. I am about to ask the Chair to lay before the Senate certain amendments of the House of Representatives to Senate bills.

Mr. MANSFIELD. Mr. President, have these matters been cleared with the minority leadership?

Mr. CHURCH. Yes; they have all been cleared with the minority leadership.

I ask first that the Chair lay before the Senate the amendment of the House to Senate bill 200.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 200) to amend the act entitled "An act relative to employment for certain adult Indians on or near Indian reservations", approved August 3, 1956, which was, to strike out all after the enacting clause and insert:

That section 2 of the Act entitled "An Act relative to employment for certain adult Indians on or near Indian reservations", approved August 3, 1956 (70 Stat. 986), is amended by striking out "$3,500,000" and inserting in lieu thereof "$7,500,000" and by striking out "$500,000" and inserting in lieu thereof "$1,000,000".

Mr. CHURCH. Mr. President, as passed by the Senate, the bill would have repealed the $3.5 million annual authorization to carry out vocational training and on-the-job training programs and make the amount of the annual appropriation subject to the normal budgetary process. The House has amended the Senate version by striking all after the enacting clause and inserting language to increase the present $3.5 million limit to $7.5 million, and increase the $500,000 limit on administrative costs to $1 million.

It had been my hope that we could have an open-end authorization on this program because it has been one of the most useful and worthwhile programs in the Bureau of Indian Affairs, and I feel confident that more and more Indians will wish to take advantage of this kind of training as time goes on. However, there are at this time more applicants for training than there is money available, and we are very anxious that an authorization bill be enacted in this session so that additional funds may be obtained through the supplemental appropriations bill.

The Department of the Interior assures me that the bill in its amended form is satisfactory.

Mr. President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho.

The motion was agreed to.

Mr. CHURCH. Mr. President, I now ask the Chair to lay before the Senate the amendment of the House to Senate bill 1719.

AMENDMENT OF TITLE 23, UNITED STATES CODE, RELATING TO INDIAN RESERVATION ROADS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1719) to amend title 23 of the United States Code with respect to Indian reservation roads, which was, on line 10, after "roads" insert "and bridges".

Mr. CHURCH. Mr. President, the purpose of this bill is to amend title 23 of the United States Code to authorize the Secretary of the Interior to accept the cooperation of any State, county, or local subdivision in connection with the construction of Indian reservation roads. The House has amended the bill to include bridges. I believe this is a desirable addition to the bill and conforms with the appropriate section of title 23. It is also acceptable to the Department of the Interior which initiated this legislation in an executive communication.

Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho.

The motion was agreed to.

Mr. CHURCH. I now request that the Chair lay before the Senate the amendment of the House to Senate bill 1768.

RESTORATION TO INDIAN TRIBES OF CERTAIN PAYMENTS OF TRIBAL TRUST FUNDS

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1768) to provide for the restoration to Indian tribes of unclaimed per capita and other individual payments of tribal trust funds, which were, on page 1, line 8, after "law," insert "and any interest earned on such share that is properly creditable to the individual"; on page 2, line 6, after "share" insert "and interest", and on page 2, after line 8, insert:

SEC. 2. The Secretary shall not restore to tribal ownership or deposit in the general fund of the Treasury any funds pursuant to this Act until sixty calendar days (exclusive of days on which either the Senate or the House of Representatives is not in session because of an adjournment of more than three days to a day certain) after he has submitted notice of his proposed action to the Committees on Interior and Insular Affairs of the Senate and House of Representatives unless each of said committees has theretofore notified him that it has no objection to the proposed action.

Mr. CHURCH. Mr. President, the purpose of this legislation is to restore to Indian tribes unclaimed per capita and other individual payments from tribal trust funds and certain other sources that are still in the Federal Treasury—there by reason of the fact that owners cannot be located. The bill provides that the funds will go to the tribes.

As amended by the House, the bill would also cover interest earned on amounts to which the individual Indians may have been entitled, and also provides that prior to restoring unclaimed funds to tribal ownership or depositing them in the general fund of the Treasury, a 60-day notification shall be given to the Committees on Interior and Insular Affairs of the House and the Senate. I understand this amendment is satisfactory to the Department of the Interior which initiated this legislation and it is also acceptable to me.

Mr. President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho.

The motion was agreed to.

Mr. CHURCH. I ask that the Chair lay before the Senate the amendment of the House to Senate bill 1807.

DISPOSITION OF CERTAIN LAND AT CHILOCCO, OKLA.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1807) to authorize the disposition of land no longer needed for the Chilocco Indian Industrial School at Chilocco, Okla., which was, on page 1, line 3, strike out all after "That" down through and including "The" in line 11, and insert "the".

Mr. CHURCH. Mr. President, the primary purpose of S. 1807 was to authorize the Secretary of the Interior to dispose of lands no longer needed for the Chilocco Indian Industrial School at Chilocco, Okla. The bill also permitted two homestead sites in the same area to be conveyed to the homesteaders when their contracts are completely paid in 1963 and 1965 respectively.

The House has amended the Senate bill by deleting the authority for the Secretary to dispose of the surplus acres at the school and restricting it to an authorization for the Secretary to convey title to the two homesteads. I understand there is a desire on the part of some House Members to hold hearings on the desirability of permitting the lands at the school site to be disposed of. Under the circumstances, I am agreeable to

the amendments, and I understand that the Department of the Interior, which submitted this legislation to the Congress, has no objection.

Mr. President, I move that the Senate concure in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho.

The motion was agreed to.

Mr. CHURCH. I request the chair to lay before the Senate the House amendment to Senate bill 2241.

DONATION OF CERTAIN LAND TO THE JICARILLA APACHE TRIBE OF THE JICARILLA RESERVATION, N. MEX.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2241) to donate to the Jicarilla Apache Tribe of the Jicarilla Reservation, N. Mex., approximately 391.43 acres of federally owned land, which was on page 3, after line 4, insert:

SEC. 2. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission.

Mr. CHURCH. Mr. President, the House has amended this legislation by adding a new section 2, directing the Indian Claims Commission to determine, in accordance with the Indian Claims Commission Act of 1946, the extent to which the value of the title conveyed by this act should or should not be set off against any claim the tribe may have. This language has been adopted consistently by the Senate in bills making gifts of Federal lands to Indian tribes. I know of no objection to its inclusion in this piece of legislation, and it is satisfactory to the sponsor, the junior Senator from New Mexico [Mr. ANDERSON].

Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho.

The motion was agreed to.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of executive business.

The motion was agreed to; and the Senate resumed the consideration of executive business.

TREATY OF FRIENDSHIP, ESTABLISHMENT, AND NAVIGATION BETWEEN THE UNITED STATES OF AMERICA AND THE UNITED KINGDOM OF BELGIUM, TOGETHER WITH A RELATED PROTOCOL—TREATY OF AMITY AND ECONOMIC RELATIONS BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF VIETNAM

The PRESIDING OFFICER. The hour of 10:50 o'clock having arrived, the Senate will proceed in executive session to the further consideration of the two treaties.

Mr. MANSFIELD. Mr. President, on the vote on the treaties, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolutions of ratification of Executive J—87th Congress, 1st session—a Treaty of Friendship, Establishment, and Navigation Between the United States of America and the United Kingdom of Belgium, Together With a Related Protocol, and Executive L—87th Congress, 1st session—a Treaty of Amity and Economic Relations Between the United States of America and the Republic of Vietnam?

Under the unanimous-consent agreement, the resolutions of ratification will be deemed to be agreed to, respectively, by the same vote.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Arizona [Mr. HAYDEN], the Senator from Oklahoma [Mr. KERR], the Senator from Missouri [Mr. LONG], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Massachusetts [Mr. SMITH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from New Mexico [Mr. CHAVEZ] are absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arizona [Mr. HAYDEN], the Senator from Oklahoma [Mr. KERR], the Senator from Missouri [Mr. LONG], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Massachusetts [Mr. SMITH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER] are absent on official business.

The Senator from Maryland [Mr. BEALL], the Senator from Nebraska [Mr. CURTIS], the Senator from New York [Mr. JAVITS], and the Senator from Vermont [Mr. PROUTY] are necessarily absent.

The Senator from Maryland [Mr. BUTLER] and the Senator from Kansas [Mr. SCHOEPPEL] are detained on official business.

If present and voting, the Senators from Maryland [Mr. BEALL and Mr. BUTLER], the Senator from New York [Mr. JAVITS], the Senator from Iowa [Mr. MILLER], and the Senator from Vermont [Mr. PROUTY] would each vote "yea."

The yeas and nays resulted—yeas 83, nays 0, as follows:

[EX. No. 1]

YEAS—83

Aiken	Fulbright	Morse
Allott	Goldwater	Morton
Bartlett	Gore	Moss
Bennett	Gruening	Mundt
Bible	Hart	Muskie
Boggs	Hartke	Pastore
Burdick	Hickey	Pell
Bush	Hill	Proxmire
Byrd, W. Va.	Holland	Randolph
Cannon	Hruska	Robertson
Capehart	Humphrey	Russell
Carlson	Jackson	Saltonstall
Carroll	Johnston	Scott
Case, N.J.	Jordan	Smathers
Case, S. Dak.	Keating	Smith, Maine
Church	Kefauver	Sparkman
Clark	Kuchel	Stennis
Cooper	Lausche	Symington
Cotton	Long, Hawaii	Talmadge
Dirksen	Long, La.	Thurmond
Dodd	Magnuson	Tower
Douglas	Mansfield	Wiley
Dworshak	McCarthy	Williams, N.J.
Eastland	McClellan	Williams, Del.
Ellender	McGee	Yarborough
Engle	McNamara	Young, N. Dak.
Ervin	Metcalf	Young, Ohio
Fong	Monroney	

NAYS—0

NOT VOTING—17

Anderson	Curtis	Miller
Beall	Hayden	Neuberger
Bridges	Hickenlooper	Prouty
Butler	Javits	Schoeppel
Byrd, Va.	Kerr	Smith, Mass.
Chavez	Long, Mo.	

The PRESIDING OFFICER. Two-thirds of the Senators present having voted in the affirmative, the resolutions of ratification are agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the approval of these treaties.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

MEXICAN FARM LABOR PROGRAM

The PRESIDING OFFICER. Under the unanimous-consent agreement entered on Friday, the Chair now lays before the Senate House bill 2010.

The Senate resumed the consideration of the bill H.R. 2010 to amend title V of the Agricultural Act of 1949, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. MCCARTHY]. Under the agreement, 20 minutes are available for the consideration of this amendment, to be divided equally.

Mr. MANSFIELD. Mr. President, I should like to ask the Senator from Minnesota how he intends to use the time under his control.

Mr. McCARTHY. On this amendment, 10 minutes are available to each side. However, the agreement relates to both my amendment and the amendment of the Senator from New York [Mr. KEATING], and the question is, Which is to be considered first? I think there was no agreement as to that on Friday; but I shall be glad to have my amendment considered first, and to have it followed by consideration of the amendment of the Senator from New York.

Mr. MANSFIELD. Mr. President, will the Senator from Minnesota yield 2 minutes to me?

Mr. McCARTHY. I yield.

Mr. MANSFIELD. Mr. President, some confusion has become evident as to whether the proposed amendment to section 505, the amendment of the Senator from Minnesota [Mr. McCARTHY], would confer upon the Secretary of Labor the authority to fix wages for either domestic or Mexican national agricultural workers.

This amendment, rather than conferring authority upon the Secretary of Labor in the area of agricultural wages, is a limitation upon the broad authority he presently has under Public Law 78. Under section 503 of that act he may now prescribe wage criteria, which he finds necessary, in the determination of whether the employment of Mexican nationals in an area will adversely affect the wages and working conditions of our agricultural workers similarly employed. He now has authority to prescribe the same test of adverse effect as is proposed by this amendment.

Secretary Goldberg stated before the Senate Committee on Agriculture and Forestry that he does presently possess such authority. He is, however, advocating that a congressional standard be written into the law to relieve him from the litigation and the pressures and protests of users of Mexican labor whenever he has taken any steps to give meaning and effect to the mandate of the Congress that he must not permit the employment of Mexican workers in any area unless he has assured himself that their employment will not adversely affect the wages, hours, and working conditions of our own workers.

The Secretary of Labor believes that congressional guidelines are necessary for effective and fair administration of this authority.

If this amendment is not adopted, let there be no future criticism of the Secretary of Labor if he prescribes similar tests administratively. The Secretary of Labor has advised the Congress that he has found clear indications of adverse effect and will feel constrained in carrying out his statutory responsibilities to take steps beyond those already taken. It should also be remembered that this amendment would affect only users of Mexican labor.

I personally believe that this Mexican labor program cannot be continued unless wage standards are incorporated which will eliminate the wage depression it imposes on U.S. migratory workers. The McCarthy amendment consists of such wage standards.

RETURN TO THE SENATE OF SENATOR CARLSON, OF KANSAS, AFTER ILLNESS

Mr. KUCHEL. Mr. President, will the Senator yield me 30 seconds without its coming out of the allotted time?

Mr. McCARTHY. I yield for that purpose.

Mr. MANSFIELD. Mr. President, I object. There is a time limitation in effect. I suggest that the Senator from Minnesota yield 30 seconds to the Senator from California out of his time.

Mr. McCARTHY. I yield 30 seconds to the Senator from California.

Mr. KUCHEL. Mr. President, I inform the Senate that the junior Senator from Kansas [Mr. CARLSON] has returned to the Senate. He had an operation which was successful. He is one of us, and I am sure all of us are delighted to welcome him back. [Applause, Senators rising.]

Mr. McCARTHY. Mr. President, I am glad the Senator from Kansas is back, and I hope his first official act will be to vote for my amendment.

MEXICAN FARM LABOR PROGRAM

The Senate resumed the consideration of the bill H.R. 2010 to amend title V of the Agricultural Act of 1949, and for other purposes.

Mr. McCARTHY. Mr. President, I thank the majority leader for having placed in the RECORD the views of the Secretary of Labor with respect to workers of Mexican nationality who are brought into this country under contract.

There seems to be a point of great significance to many Members of Congress, and I believe it has been taken up by outside groups who are opposed to this amendment as the key point in their opposition.

They are arguing that the amendment gives the Secretary of Labor authority to fix wages for farmworkers and that this is a new departure and that this establishes a precedent.

As a matter of fact, this is not the case at all. The Secretary of Labor now has authority to fix wages for Mexican nationals who are brought into this country under contract. He has authority, by agreement with the Mexican Government, to provide that a grower cannot pay such Mexican workers less than 50 cents an hour. In addition, the Secretary has the responsibility of fixing the wages of those workers on the basis of the prevailing wage for similar work in the same area. So he does have authority.

Those who are opposing the amendment on principle do not, therefore, have an argument. All my amendment does is establish a somewhat different base, and a clearer base, upon which the Secretary of Labor can determine what wage shall be paid to Mexican laborers brought into this country under contract. Instead of using the base of the prevailing wage for similar work, the amendment provides that he would use as the criterion 90 percent of the average wage paid to farmworkers in the entire State or Nation, whichever is lower. But, in terms of basic authority, there is no difference in the proposal from that which exists in the present law. The only difference is in the standard or criteria which are to be used. That is the point of my amendment.

As a matter of fact, those who are opposed to my amendment on principle should know that section 505 as reported in the committee bill contains a departure in a limited way. Under the committee bill as reported, the Secretary of Labor is given authority to fix wages of American farmworkers; this he has not had in the past. It does not give him much authority, but under present practice, an American worker chopping cotton in Arkansas, let us say, can be paid 30 cents an hour. That is the prevailing wage for chopping cotton in certain counties in Arkansas, according to reports. Mexican nationals cannot be employed at a rate of 30 cents an hour, because under the agreement with the Mexican Government they must be paid a minimum of 50 cents an hour. Under the existing situation of Mexicans being paid 50 cents an hour and American workers being paid 30 cents an hour, the Secretary of Labor has no power to fix the wage of the American cotton chopper getting 30 cents an hour today.

The bill as reported from the committee has this language, in section 505: "pays to both domestic and foreign workers not less than the prevailing wage paid in the area to domestic workers engaged in similar work".

So the language of the bill itself would give the Secretary authority to require an employer to pay Americans at least 50 cents an hour. Both types of workers would have to be paid the prevailing wage, and the American worker could not be paid less than the Mexican worker would be paid.

So those who are concerned about establishing a principle and precedent ought to be more concerned about the language of section 505 in the bill as reported by the committee than they should be over my amendment. My amendment applies only to Mexican nationals and it provides that they must be paid 90 percent of the average farm wage being paid in the State or Nation, whichever is lower.

This should simplify the problem. If those who oppose the provision are concerned about the principle involved, they ought to be against the language of the committee. If they are concerned about growers paying adequate wages, then they should vote for the bill. But they should not use the argument of principle in voting against my amendment since the committee amendment involves the same question of principle to a greater extent than my amendment.

Let me point out that the amendment would not affect the States which have been paying, in a relative sense, decent wages to American migrant workers and Mexican migrant workers. It would chiefly affect those States in which, on the record, growers have been paying 50 cents, 55 cents, and 60 cents an hour, and in consequence of that fact, have forced their own people to move farther

north, west, or east, in search of better conditions of employment.

Texas employs approximately 123,000 Mexican nationals. I do not have the exact figures, because exact statistics are not available, but about the same number of Texans are moving out of Texas seeking work in other States. As a matter of fact, if we were to be realistic about this question, we probably ought to have an airlift from Mexico, let us say, to Michigan. This would save the tragedy of dislocations across the country.

We have not come to that point yet. I am hopeful that, if the amendment is adopted, the result will be to require Texas growers who are now using Mexican workers at about 50 cents an hour to pay them about 70 cents an hour.

This might encourage them to hire their own people, to hire Texans. If there were a shortage in some other place in the country, we could provide direct transportation from Mexico to these areas in other States, and thus avoid the dislocation which takes place all the way across many Western and Mountain States in consequence of this practice.

The PRESIDING OFFICER (Mr. PELL in the chair). The time of the Senator from Minnesota has expired.

Mr. KUCHEL rose.

The PRESIDING OFFICER. Does the Senator from California desire to speak?

Mr. KUCHEL. The Senator from North Carolina controls the time, I believe, but I would appreciate it if he would yield to me.

Mr. JORDAN. Mr. President, have the 10 minutes allotted to the other side been used?

The PRESIDING OFFICER. The 10 minutes allotted to the Senator from Minnesota have expired.

Mr. JORDAN. I yield to the Senator from California.

Mr. KUCHEL. Mr. President, according to the 1960 census recently concluded, I represent the most urbanized State in America. Eighty-six percent of the residents of California live in urbanized areas. Yet, California is also the leading agricultural State in our Nation. Since 1950, California continuously has ranked first among the States in the value of agricultural commodities produced which go to all parts of our Nation and the world. Farming in my State is almost a $3 billion annual business.

I am deeply concerned about the welfare of workers not only in industry but in agriculture. For a long time, I have been shocked by the plight in which the so-called "excluded American," the domestic migrant worker, finds himself. Consequently I have favored the passage by the Senate of those bills recently reported by the Senate Subcommittee on Migratory Labor dealing with agricultural child labor, migrant worker education, crew leader registration, migrant health standards, and the establishment of a National Citizens Council on Migratory Labor. I believe that much more remains to be done. I favor a national agricultural minimum wage, congressionally sanctioned, which would apply equally to all areas of our land regardless of the prevailing wage which might exist in a particular area.

As each of us knows, Mr. President, if we have dealt in any detail with agriculture, there is not just a farm problem, but rather there are many farm problems depending on the commodity we are talking about and the section of the country in which it is grown. So, too, there is not one farm labor problem, but there are many farm labor problems. Each demands treatment appropriate to its nature.

Before us is a measure to extend once again, this time for a period of 2 years, Public Law 78, which authorizes the Mexican farm labor program. This program originated because of a need to provide supplemental labor which could not be procured domestically to prepare and to harvest crops during relatively short periods of time. To delay for a day in certain field or fruit crops can mean a loss of millions of dollars not only to the farmer but to consumers throughout America. We all know that the farmer cannot control his production as can the industrial manager. One does not roof over a field whether it ranges in extent from a few acres to many thousands of acres and then control the environment underneath.

California is second only to Texas in its need for and the use of foreign labor under Public Law 78. California pays the highest wages in America for domestic and foreign farm labor. In 1960, the California average hourly farm wage rate without room or board was $1.23. The national average was 97 cents. The most common wage for those workers brought in under Public Law 78 was $1 an hour, the highest in the Nation.

We have heard a lot about the fact that less than 2 percent of the farms in the United States use some foreign labor. What is important is that 52 percent of our farms use no hired labor, either domestic or foreign, because of the nature of their operations.

And next, we must ask the question, What percentage and what type of the Nation's agricultural produce are represented by the 2 percent of the Nation's farms which use foreign labor? In the case of California, the expansion of field crops is the most important agricultural development which has occurred in my State in the last three decades. Total output has more than doubled since the 1930's. California now ranks second to Texas in cotton production. In 1958, California contributed 8.2 percent of the national total of cash receipts from farming with only 2.6 percent of the farms and 3.3 percent of all the land in farms. We grow over 140 crops. More than a third of our farming is in perishable crops. We supply 30 percent of the Nation's fresh market vegetables and melons, 38 percent of the principal processing vegetables; 37 percent of the tree fruits, nuts, and grapes and two-fifths of strawberries and over one-tenth of the potatoes. Truly astounding is that California leads all other States in the production of 32 perishable crops and that we account for "over 90 percent of the Nation's production in 14 of these crops, 50 to 90 percent of another 11, and 25 to 50 percent of the remaining 7," according to the United States and California Departments of Agriculture.

Above all, we do not have an agriculture dominated by absentee landlords. Whereas three-quarters of California's farms were operated by owners and part owners in the 1930's by the decade of the 1950's this ratio had increased to almost nine-tenths. The farmer's continued livelihood is dependent on his ability to harvest his crop and his ability to attract both domestic and foreign workers to aid him in that task.

I do not believe that a single foreign worker should be imported into this country if it adversely affects our domestic work force. I congratulate the Senate Committee on Agriculture for reporting out an extension of this program with amendments which would tighten up loopholes which are known to exist in the present program. The committee has specified that Mexican workers will not be available in any area unless reasonable efforts have been made to attract domestic workers at wages, standard hours of work, and working conditions comparable to those offered to Mexican workers. Mexican workers, under the bill now before the Senate, will not be available for employment in other than temporary or seasonal occupations or to operate or maintain power-driven machinery, unless a determination is made by the Secretary of Labor that to do otherwise would invoke an undue hardship. Particularly important is the provision that Mexican workers will not be made available unless the employer pays both domestic and Mexican workers not less than the prevailing wage paid in the area to domestic workers engaged in similar work. The bill also prohibits the furnishing of Mexican workers for some processing activities.

If, in the implementation of the Mexican labor program, domestic workers are being adversely affected, then there is something wrong not with the Congress but with the administration of that program by the Department of Labor. The Secretary of Labor is not to certify and authorize the use of foreign labor if such importation would adversely affect the employment opportunities for domestic workers. I believe that the amendment offered by the able Senator from Minnesota [Mr. MCCARTHY] would not remedy what needs to be remedied in the farm labor area.

Article 15, "Wages," of the Migrant Labor Agreement of 1951, as amended, entered into between the Governments of Mexico and the United States of America, already provides, in part:

> The employer shall pay the Mexican worker not less than the prevailing wage rate paid to domestic workers for similar work at the time the work is performed and in the manner paid within the area of employment, or at the rate specified in the work contract, whichever is higher. The determination of the prevailing wage rate shall be made by the Secretary of Labor.

The action of the Senate Committee on Agriculture in amending this legislation reinforces these provisions.

The passage of the amendment offered by the Senator from Minnesota [Mr. McCARTHY] would not establish a minimum wage for agriculture with equal application across the United States. The passage of that amendment would mean a pseudo-minimum wage only where foreign labor is utilized. The passage of that amendment would mean the adoption of an escalator device through use of the Mexican labor program which would maintain the present farm wage inequalities which exist in various parts of our land.

While the addition of such an amendment would not hurt California economically, indeed, would not even affect it, I think that the adoption of the procedure suggested by the Senator from Minnesota is not appropriate in terms of what it seeks to achieve. I think it would mark a setback and an excuse for inaction in which is truly needed, which is a nationwide minimum wage standard for agriculture. As I stated, I support such a national agricultural minimum wage. The Republican Party of California in its last statewide convention announced its support of a national agricultural minimum wage of $1 an hour. What is needed is to remove the exemption for agriculture from the Fair Labor Standards Act. This is a matter which should be rapidly and, in my opinion, favorably considered by the Senate Committee on Labor and Public Welfare.

Why should the Secretary of Labor be permitted to set wages for the farmworker through the vehicle of the Mexican labor program, when he cannot set them for the industrial sector of our economy under the Fair Labor Standards Act? While it is true that Congress has given the Secretary the authority to determine the prevailing wage for an area under the Davis-Bacon Act when Federal construction contracts are involved and for an industry under the Walsh-Healey Act when Federal supply contracts are involved, it is also true that it has not given the Secretary of Labor the authority to set minimum wages in the guise of an escalated percentage formula.

What is needed besides appropriate action by the Committee on Labor and Public Welfare is a more carefully defined criteria of adverse effect by the Department of Labor and its Bureau of Employment Security so that the hundreds of local employment office officials who must participate in the process of authorizing the importation of foreign labor would have a clearer idea of what is meant by the term. Are local domestic workers adversely affected based merely on the total number of unemployed in a particular area or in an adjacent State? There is substantial evidence to indicate that domestic workers willing to work are hired and the number of foreign laborers in an area reduced when the domestic workers become available.

I agree with the Senator from New York [Mr. KEATING] that it is inconceivable that we treat foreign workers better than we treat our domestic farmworkers. I would add that to me it is inconceivable that we treat domestic farmworkers differently than we treat industrial and service workers of comparable education, experience, and skill. I would hope that the Senate might tackle this great problem on its own merits and explore it in the manner in which it deserves to be explored following the necessary hearings and action by the Committee on Labor and Public Welfare. Such action will have my wholehearted support. But, meanwhile, the amendment before us ought to be voted down.

Mr. JORDAN. Mr. President, I yield two minutes to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I cannot agree with the statement of the distinguished majority leader as to what the amendment would provide. The amendment would give full authority to the Secretary of Labor to fix wages to be paid to Mexican workers at 90 percent of the average for the State or 90 percent of the average for the Nation.

I wish to say that we have tightened up the law in the bill, in that no Mexican laborer can be employed to run tractors or to run any kind of machines. If employers were to pay the Mexican laborer 90 percent of what the average farmworker is paid in the State where the Mexican laborer is employed, this would mean it would be necessary to take into consideration the amount paid for tractor work and for other work with machines, which the Mexican laborer is prohibited from pursuing.

Mr. President, under the bill the Secretary of Labor must make a decision that there are not enough local people to do the stoop labor. He cannot let the Mexican laborers come in unless he finds that local labor will not do the stoop work.

On the other hand, no Mexican worker can be brought in under the program unless the Secretary of Labor states that the labor is needed.

Succinctly stated, Mr. President, there is provision for only supplementary work. The decision as to a need for laborers must be made by the Secretary of Labor before any Mexican labor can come in.

All of this comes about under an agreement between our Government and the Government of Mexico. Who pays all the expenses? The employer pays them. The employer is taxed at up to the rate of $15 per person and must assume all expenses, except for a small amount for compliance activities.

I hope the amendment will be rejected, because if it is adopted it will kill the bill.

Mr. JORDAN. Mr. President, I yield 1 minute to the Senator from Kentucky [Mr. COOPER].

Mr. COOPER. Mr. President, I am a member of the subcommittee of the Committee on Agriculture and Forestry which considered the bill. I oppose the amendment offered by the Senator from Minnesota.

This problem does not affect substantially my State, for in 1960 only 76 Mexican workers were employed in Kentucky, by individuals, and about 190 by associations.

I oppose the amendment because I believe the Secretary of Labor has adequate authority to provide for the welfare of the Mexican workers under the present law, and to protect domestic farm labor against the unnecessary use of Mexican labor if he will exercise that power.

I oppose the amendment also because I believe this would be the first step toward giving the Secretary of Labor the power to fix wages for American farmworkers, because it will have an effect upon such wages.

I have supported minimum wage laws for industrial workers. I cannot say that at some time in the future the Congress will consider its application to agriculture workers, but I oppose delegating the authority to fix farm wages to the Secretary of Labor. I should like to see one group in this country, the farmers, remain free and out from under the control of the Government. I look upon this amendment as a first step toward authorizing the Secretary of Labor to fix wages for farm labor, and I oppose it.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. JORDAN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from North Carolina has 2 minutes remaining.

Mr. JORDAN. Mr. President, I conducted the hearings on the bracero bill. We held 2 days of hearings. I think I know the subject pretty well.

North Carolina does not use any Mexican labor, so this is not a personal matter with me in any respect whatsoever. The larger States of California, Texas, and some others use most of the labor, and a few States use a moderate amount of it.

We would liberalize the present law to give to the Secretary of Labor the right to provide equal labor standards for both Mexicans and Americans, because none of us wishes to see the American migrant laborer mistreated or underpaid or anything like that.

There is a vast difference in the approach. The Mexican laborer can only be used after the Secretary of Labor determines that there are not sufficient American laborers to do whatever must be done. These Mexican farm laborers work the berry crops, work in the fields of Arizona harvesting the lettuce, and they work in Oregon, Washington, Kansas, and other States. These laborers can only be brought to the United States because of the fact that there is not a sufficient domestic labor supply to do the work.

As has been said, the bill provides that the laborers must be paid an equal wage for the same kind of work in the same area.

If we were to give the Secretary of Labor the right to fix wages on the escalator basis which is proposed in the McCarthy amendment, we would fix the farm wage at 90 percent of the lower of the State average or the National average. That average would take in machine operators, including tractor drivers, who make considerably higher wages than those engaged in stoop labor, which is the main kind of labor that Mexicans are used for.

The bill would eliminate the practice of using Mexican nationals for that purpose and make it compulsory that the Secretary of Labor not permit Mexicans to operate tractors or trucks, to maintain them, or engage in like work. In other words, the Mexicans would be confined strictly to nonmachine labor. They would be removed from the labor of packing. In effect the amendment would give the Secretary of Labor the power to fix the price of labor on the basis of a constantly rising average. I do not think Congress ever intended to give the Secretary of Labor or anyone else the power to fix the wages of any particular group of people.

Any farmer would be foolish to hire Mexican labor if he could find sufficient domestic labor available to harvest his crop, because he is required to pay the transportation of Mexicans from Mexico, the premiums on insurance, and the cost of returning the Mexicans after he is through harvesting his crop. There is a great deal of difference between that type of labor and domestic labor which is available nearby a farmer's operation, labor which is free to come and go at will.

Another provision of the Mexican farm agreement referred to a few moments ago is that under the contract Mexican laborers must perform the duties prescribed for them or they are sent back to Mexico.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JORDAN. I hope the Senate will reject the amendment of the Senator from Minnesota.

The PRESIDING OFFICER. All time for debate has expired. The question is on agreeing to the amendment of the Senator from Minnesota. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUSCHE (when his name was called). Mr. President, on this vote I have a pair with the Senator from Oklahoma [Mr. KERR]. If the Senator from Oklahoma were present, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. LONG of Louisiana (after having voted in the negative). On this vote I have a pair with the junior Senator from Oregon [Mrs. NEUBERGER]. If she were present, she would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withdraw my vote.

Mr. MANSFIELD (after having voted in the affirmative). On this vote I have a pair with the senior Senator from New York [Mr. JAVITS]. If he were present, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withdraw my vote.

Mr. HUMPHREY. I announce that the Senator from Arizona [Mr. HAYDEN], the Senator from Oklahoma [Mr. KERR], the Senator from Missouri [Mr. LONG], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Massachusetts [Mr. SMITH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from New Mexico [Mr. CHAVEZ] are absent because of illness.

On this vote, the Senator from Massachusetts [Mr. SMITH] is paired with the Senator from Arizona [Mr. HAYDEN]. If present and voting, the Senator from Massachusetts would vote "yea," and the Senator from Arizona would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER] are absent on official business.

The Senator from Maryland [Mr. BEALL], the Senator from Nebraska [Mr. CURTIS], the Senator from New York [Mr. JAVITS], and the Senator from Vermont [Mr. PROUTY] are necessarily absent.

The Senator from Maryland [Mr. BUTLER] is detained on official business.

On this vote, the Senator from Maryland [Mr. BEALL] is paired with the Senator from Nebraska [Mr. CURTIS]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Nebraska would vote "nay."

On this vote, the Senator from Vermont [Mr. PROUTY] is paired with the Senator from Iowa [Mr. HICKENLOOPER]. If present and voting, the Senator from Vermont would vote "yea," and the Senator from Iowa would vote "nay."

The result was announced—yeas 42, nays 40, as follows:

[No. 193]

YEAS—42

Aiken	Gore	Metcalf
Bartlett	Gruening	Monroney
Bible	Hart	Morse
Boggs	Hartke	Moss
Burdick	Hickey	Muskie
Bush	Humphrey	Pastore
Byrd, W. Va.	Jackson	Pell
Cannon	Keating	Proxmire
Carroll	Kefauver	Randolph
Case, N.J.	Long, Hawaii	Symington
Clark	Magnuson	Wiley
Dodd	McCarthy	Williams, N.J.
Douglas	McGee	Williams, Del.
Fong	McNamara	Young, Ohio

NAYS—40

Allott	Ervin	Saltonstall
Bennett	Fulbright	Schoeppel
Byrd, Va.	Goldwater	Scott
Capehart	Hill	Smathers
Carlson	Holland	Smith, Maine
Case, S. Dak.	Hruska	Sparkman
Church	Johnston	Stennis
Cooper	Jordan	Talmadge
Cotton	Kuchel	Thurmond
Dirksen	McClellan	Tower
Dworshak	Morton	Yarborough
Eastland	Mundt	Young, N. Dak.
Ellender	Robertson	
Engle	Russell	

NOT VOTING—18

Anderson	Hayden	Long, La.
Beall	Hickenlooper	Mansfield
Bridges	Javits	Miller
Butler	Kerr	Neuberger
Chavez	Lausche	Prouty
Curtis	Long, Mo.	Smith, Mass.

So Mr. MCCARTHY's amendment was agreed to.

Mr. MCCARTHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MANSFIELD. I move to lay that motion on the table.

Mr. HUMPHREY. I move to lay that motion on the table.

Mr. KUCHEL. I ask for the yeas and nays on the motion to lay on the table.

The yeas and nays were ordered.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KUCHEL. Will the Chair state the question upon which the yeas and nays have now been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered on the question of laying on the table the motion to reconsider the vote by which the Senate adopted the McCarthy amendment.

Mr. KUCHEL. So if a Senator wishes an opportunity to vote on the merits of the question, he will vote "nay" on the motion to lay on the table.

The PRESIDING OFFICER. The Senator is correct.

Mr. MCCARTHY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MCCARTHY. As I understood the inquiry of the Senator from California, it was that if a Senator wished to vote on the merits of the amendment, he would vote "nay." That is not a parliamentary inquiry.

Mr. KUCHEL. I said no such thing. I said if one wanted to vote——

Mr. MANSFIELD. Mr. President, I call for the regular order.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LAUSCHE. On this vote I have a pair with the Senator from Arizona [Mr. HAYDEN.] If he were present, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

Mr. HUMPHREY. I announce that the Senator from Arizona [Mr. HAYDEN], the Senator from Oklahoma [Mr. KERR], the Senator from Missouri [Mr. LONG], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Massachusetts [Mr. SMITH], and the Senator from Utah [Mr. Moss], are absent on official business.

I also announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ] are absent because of illness.

On this vote, the Senator from Oklahoma [Mr. KERR] is paired with the Senator from Utah [Mr. Moss]. If present and voting, the Senator from Oklahoma would vote "nay," and the Senator from Utah would vote "yea."

I further announce that, if present and voting, the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Massachusetts [Mr. SMITH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER] are absent on official business.

The Senator from Maryland [Mr. BEALL], the Senator from Nebraska [Mr. CURTIS], the Senator from New York [Mr. JAVITS], and the Senator from Ver-

mont [Mr. PROUTY] are necessarily absent.

The Senator from Maryland [Mr. BUTLER] is detained on official business.

If present and voting, the Senator from New York [Mr. JAVITS] would vote "yea."

On this vote, the Senator from Maryland [Mr. BEALL] is paired with the Senator from Nebraska [Mr. CURTIS]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Nebraska would vote "nay."

On this vote, the Senator from Vermont [Mr. PROUTY] is paired with the Senator from Iowa [Mr. HICKENLOOPER]. If present and voting, the Senator from Vermont would vote "yea," and the Senator from Iowa would vote "nay."

The result was announced—yeas 42, nays 41, as follows:

[No. 194]

YEAS—42

Aiken	Gore	McGee
Bartlett	Gruening	McNamara
Bible	Hart	Metcalf
Boggs	Hartke	Monroney
Burdick	Hickey	Morse
Bush	Humphrey	Muskie
Byrd, W. Va.	Jackson	Pastore
Cannon	Keating	Pell
Carroll	Kefauver	Proxmire
Case, N.J.	Long, Hawaii	Randolph
Clark	Long, La.	Symington
Dodd	Magnuson	Williams, N.J.
Douglas	Mansfield	Williams, Del.
Fong	McCarthy	Young, Ohio

NAYS—41

Allott	Ervin	Saltonstall
Bennett	Fulbright	Schoeppel
Byrd, Va.	Goldwater	Scott
Capehart	Hill	Smathers
Carlson	Holland	Smith, Maine
Case, S. Dak.	Hruska	Sparkman
Church	Johnston	Stennis
Cooper	Jordan	Talmadge
Cotton	Kuchel	Thurmond
Dirksen	McClellan	Tower
Dworshak	Morton	Wiley
Eastland	Mundt	Yarborough
Ellender	Robertson	Young, N. Dak.
Engle	Russell	

NOT VOTING—17

Anderson	Hayden	Miller
Beall	Hickenlooper	Moss
Bridges	Javits	Neuberger
Butler	Kerr	Prouty
Chavez	Lausche	Smith, Mass.
Curtis	Long, Mo.	

So the motion to lay on the table was agreed to.

Mr. McCARTHY. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KEATING. Mr. President, I call up my amendments designated "8–29–61—A." I ask unanimous consent that their reading be dispensed with.

The PRESIDING OFFICER. Without objection, the reading will be dispensed with; and without objection, the amendments will be printed in the RECORD.

The amendments are as follows:

On page 2, line 7, after the term "working conditions", add the words "and other terms and conditions of employment".

On page 2, line 8, after the term "foreign workers", add the following:

"For the purposes of this section the term 'other terms and conditions of employment comparable to those offered foreign workers' includes only—

"workmen's compensation or insurance against occupational hazards reasonably comparable to those afforded Mexican workers;

"guarantee of the opportunity to work during at least three-quarters of the workdays in the agreed term of employment;

"provision of basic subsistence when the opportunity to work is not available for extended periods;

"provision of transportation (for the worker only) from place of recruitment and return, or provision of reimbursement for such cost, in the ratio that the number of weeks worked bears to the total agreed term of employment and not to exceed a maximum of $3 per week of employment."

The PRESIDING OFFICER. Debate on the amendment is limited to 10 minutes to each side.

Mr. KEATING. Mr. President, I shall try to be very brief. The time on this amendment is limited to 10 minutes to each side, but it may not be necessary to use all the time.

I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. KEATING. Mr. President, this amendment is very simple. It is backed by both the present administration and the previous administration, and is strongly urged by the Secretary of Labor, Mr. Goldberg, and by the former Secretary of Labor, Mr. Mitchell.

In substance, the amendment gives to U.S. workers the same privileges, insofar as working conditions are concerned, as those provided for Mexican workers, with the exception that the amendment does not provide for housing for American workers, which is provided for in the case of Mexican workers. With this exception, the amendment provides that as regards other working conditions, American workers are to receive the same treatment that Mexican workers receive. Specifically, there are four categories: The first is comparable insurance of workmen's compensation; the second is a work guarantee for an agreed term of employment, to which both the employee and the employer must adhere; the third is a guarantee of basic subsistence when no work is available; and the fourth is transportation of not to exceed $3 a week per worker for work for any one employer.

In my opinion it is only simple justice that we offer American workers the same conditions of work that are required to be offered to Mexican workers under Public Law 78.

This amendment is strongly back by a large number of organizations, including the following: The National Council of Churches of Christ of the U.S.A. and many Protestant denominations; National Catholic Rural Life Conference and many other Catholic organizations; the AFL–CIO and its affiliated unions; the National Farmers Union; the Unitarian Fellowship for Social Justice, National Child Labor Committee; the National Consumers League; Department of Rural Education, National Education Association; National Advisory Committee on Farm Labor; National Council on Agricultural Life and Labor.

This proposal is not new. It grew out of the work of former Secretary of Labor Mitchell. I introduced it with his help in 1960 as an amendment to Public Law 78, which was extended for 6 months at that time. In offering it today—I have the support of the junior Senator from Minnesota, Senator MCCARTHY, who also recommended this proposal as a part of the Mexican farm-labor bill supported by the new administration.

Why do we need to amend Public Law 78? This program was originally passed in a period of labor shortage during the Korean war. Since then it has been extended with no real revisions. The number of Mexicans working in the United States has in fact increased significantly. To a large part, this has simply meant bringing into the country a captive labor force that depresses the wages of American migrant farmworkers. Both Labor Secretary Goldberg and former Secretary Mitchell testified to this effect.

Who is hurt? American farmworkers are hurt. They are mostly Negroes. Many have limited educations. They have no homes and no roots. They are oppressed and mistreated in many instances.

Who else is hurt? American farmers in many parts of the country are hurt. They are producers in areas in which farmworkers receive better treatment and more protection. The higher costs of these advantages make it difficult to compete with regions in which wages are unrealistically low because of the Mexican program. Many eastern farmers, including farmers in New York State, suffer because of the competitive advantage of regions in which a readily available supply of Mexican workers forces down wage rates. Wages for migrants in parts of the South and Southwest are as low as 30 cents per hour. The most common rate in Texas, Arkansas, and Tennessee is 50 cents per hour. In these States, foreign workers represent about 30 percent of total seasonal employment. Average wages in the Rochester, N.Y., area are 80 cents to $1 per hour. The Middle Atlantic States average is 89 cents; New England, $1.

My amendment is not a sweeping mandate for Federal control. I repeat that it affects only farmers who use Mexicans. It is limited to four conditions. It completely excludes housing, which Mexicans get free of charge. It places a reasonable ceiling of $3 per employer per week on transportation costs.

Mr. President, I am firmly convinced this amendment should be adopted if Public Law 78 is allowed to continue.

Mr. President, this amendment has nothing to do with fixing wages. Senators who were opposed to the preceding amendment said it would cause the Government to intrude into the matter of fixing wages. But all that the pending amendment does is provide that American workers shall be entitled to the same working conditions—except one—that Mexican workers are entitled to.

It is difficult for me to understand why this amendment would not receive strong support, and I hope it does.

Mr. President, I reserve the remainder of the time available to me.

Mr. McCARTHY. Mr. President, will the Senator from New York yield?

Mr. KEATING. I yield.

Mr. McCARTHY. I wish to join the Senator from New York in urging the Senate to adopt this amendment, which really proposes that American workers be treated about half as well as Mexican workers are treated.

Mr. KEATING. The Senator from Minnesota has stated the matter better than I have. Very frankly, knowing the opposition to any change in Public Law 78, we have framed this amendment in such a way that, as the Senator from Minnesota has said, the amendment would do only about half as much for American workers as now is done under this law for Mexican workers. Actually, I believe that American workers should have every bit as much protection as Mexican workers have. It is only because of the practicalities of the situation that the amendment has been drawn in the way it is.

Mr. JORDAN. Mr. President, how much time remains available?

The PRESIDING OFFICER. The Senator from New York has used only 5 minutes of the time under his control.

Mr. JORDAN. Does the Senator from New York wish to yield further time on his amendment?

Mr. KEATING. Mr. President, I think perhaps the Senator from North Carolina, who has charge of the time available to those in opposition, would like to use some of that time now. I have reserved the remainder of my time.

Mr. JORDAN. Perhaps the Senator from New York should continue to use his time.

The PRESIDING OFFICER. The Senator from New York is not compelled to use his time at this point.

Mr. JORDAN. Mr. President, from the time available to those in opposition to the amendment, I yield 1 minute to the Senator from California.

Mr. KUCHEL. First, I should like to ask the Senator from North Carolina whether this amendment was considered in the Committee on Agriculture and Forestry.

Mr. JORDAN. No, it was not.

Mr. KEATING. Mr. President, will the Senator from North Carolina yield?

Mr. JORDAN. I yield.

Mr. KEATING. I understood that the amendment was considered during the deliberations of the Committee on Agriculture and Forestry.

Mr. McCARTHY. Yes, that is right. It was incorporated as one of the major amendments to my bill, S. 1945, which was considered as part of the hearings, and there was testimony on it.

Mr. KEATING. That is my understanding.

Mr. JORDAN. The amendment of the Senator from New York was not specifically considered there.

Mr. KEATING. As offered by me, it was not. But it happens to be identical to a bill which I introduced this year and last at the request of Secretary Mitchell. It was offered in the committee by the Senator from Minnesota [Mr. McCARTHY], and he was the one who pushed it in the Agricultural Committee, of which I am not a member. But, as I understand, it was considered by the Committee on Agriculture and Forestry.

Mr. JORDAN. It was partially considered. The provisions of S. 1945 were somewhat different from this amendment.

Mr. McCARTHY. The question of consideration of the amendment may depend on what is considered to be consideration. There was discussion of it and there was testimony on it.

Mr. KUCHEL. Mr. President——

Mr. JORDAN. I yield.

Mr. KUCHEL. Mr. President, in the State from which I come there are many small farmers who do not find available American citizens to do the stoop labor and the other necessary farmwork during the short harvest seasons. Under the law, they are not permitted to obtain any temporary employment from abroad unless the Secretary of Labor determines there are no American citizens available for the work. That will continue to be the law if we have, in some fashion, a continuation of Public Law 78. But to tie down the additional requirements that the Senator from New York would write into this legislation, in the amendment before us, could conceivably almost prevent the small American farmer in the State from which I come, for example, from harvesting his crops. No one wants cheap domestic labor coming into this country from abroad. We in my State pay $1.23 an hour, if my recollection serves me correctly, for agricultural employees.

The amendment should be voted down.

Mr. JORDAN. Mr. President, I yield 2 minutes to the Senator from Texas [Mr. TOWER].

Mr. TOWER. Mr. President, at this very moment Hurricane Carla is making her capricious and devastating way to our Texas coast. She will lay waste farms and counties that rely substantially on bracero labor. It will take a year to rebuild the farms. Now it is proposed to further hamstring these farmers in their efforts by amending the bracero bill in such a way that it will have the effect of killing the bill and killing the bracero program. We shall be doing a heartless thing to these farmers if we adopt the amendment of the Senator from New York.

Mr. KEATING. I yield half a minute to the Senator from Minnesota [Mr. McCARTHY].

Mr. McCARTHY. Mr. President, I do not think the hurricane in the Galveston area really has great bearing on the consideration of the bill. I would be glad to support a relief measure for Galveston, but I do not think we ought to provide for the exploitation of American and Mexican labor.

Mr. JORDAN. Mr. President, the possibilities of working out provisions somewhat along the lines of those contained in the Keating amendment were discussed, not only in the subcommittee, but in the full committee. The Committee on Agriculture and Forestry could not arrive at a solution of how the amendments could work.

The members of the Committee on Agriculture and Forestry and those who are supporting the bill certainly have no desire to hurt American migrant labor. Nobody thinks they are getting as much as they should or that their living conditions are all that they should be. But that has nothing to do with this bill. The bill before the Senate is a Mexican migratory labor bill which deals with Mexicans only. The Secretary of Labor must certify that American labor is not available before Mexican workers can be certified to work in this country.

One further thing should be pointed out as to what the amendment of the Senator from New York would do. Domestic labor can now come from 1 mile, 10 miles, or 1,000 miles away. There is no telling where they come from. A great many come in their own automobiles. Some travel in trailers and bring their whole families. Some come in busloads and travel from farm to farm. Domestic migrant laborers do not operate under contract, as Mexicans do. Mexicans are under contract with whoever hires them, in cooperation with the U.S. Government and employment agencies of the States, and they work for fixed sums. If the Mexican fails to live up to the terms of the contract which he has entered into, he is returned to Mexico. He has no choice about it. But farmers in this country do not make contracts with domestic migrant laborers. They are the type of people who help neighbors on their farms. They may go to an adjoining farm. But they are under no obligation to remain any definite period of time. So it would be impossible for those farmers to take out insurance and comply with the other conditions set forth in the amendment of the Senator from New York. The Secretary of Agriculture or the Secretary of Labor could not arrive at regulations to handle that situation.

Most of the States have adopted regulations which concern sanitation, housing, insurance, transportation, and a great many other conditions. Recently we passed in the Senate five bills introduced by the Senator from New Jersey [Mr. WILLIAMS] which will go a long way toward remedying some of the conditions under which migratory domestic laborers operate. We know those conditions are bad. We do not argue that they are not. One bill will provide schools in areas where migrant laborers may stop for 1 day, or a week, or whatever time they may be there. We have gone a long way.

However, I do not think the Secretary of Labor, the Secretary of Agriculture, or the State authorities could possibly operate a program such as is proposed by the Keating amendment, and I think it would be a detriment to domestic labor to put the amendment into effect.

I oppose the amendment.

Mr. KEATING. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from New York has 4 minutes remaining.

Mr. KEATING. I shall not consume the entire 4 minutes. I wish to answer the argument made by the distinguished Senators from California and Texas. The argument made by the Senator from North Carolina is natural, because he is defending the bill. In my judgment, it is lacking in substance, though I have deep affection for the Senator from North Carolina.

The arguments made by the Senator from Texas and by the Senator from California were that this amendment would hit at the small operators. Those who employed braceros, for the most part, are the large corporate farms. The number of small farmers who employ braceros is very small indeed. They are employed mostly by the large corporate farms and associations.

Second, any farmer who employs braceros now must go through the process of first making a showing that he cannot get domestic workers. He must file an order for U.S. workers with the U.S. employment office. There must be known in some detail the terms of the job, along with the available housing, transportation facilities, the wage, and the content and duration of the job. If the amendment is adopted, it would not impose any further additional burdens upon any farmer, large or small.

The amendment would do one thing which it is difficult for me to see how the Congress of the United States can refuse to do, and that is give to U.S. workers on these farms the same consideration as to working conditions that are given to Mexican workers. The Senator from Minnesota has said it gives them half as much as the Mexican workers. Perhaps it is more than that, but it does not provide for domestic workers with regard to housing or wage rates.

If Members of the Senate will examine the amendment, they will see that it refers to four specified working conditions, every one of which we provide to Mexican workers.

All I ask is the same consideration for domestic workers that is given the foreign workers.

Mr. JORDAN. Mr. President, I yield 2 minutes to the Senator from Florida [Mr. HOLLAND].

Mr. HOLLAND. Mr. President, I oppose strongly the pending amendment. I recognize the good motives of the Senator who proposed it, but he simply does not know his subject. If Senators will look at the first condition applicable to the employment of domestic workers at the bottom of the first page, the language requires "workmen's compensation or insurance against occupational hazards reasonably comparable to those afforded Mexican workers." This is an impossible condition because the domestic migratory farmworker is not employed for a definite period of time. He picks beans today on one farm, on another farm the next day, and on a third farm the next day. He goes wherever he wishes to go. He is not under a contract which holds him in one place, subject to being sent home if he does not observe the contract.

This is a perfectly impossible condition placed in the amendment.

The second provision is equally impossible. It says that the farmer must furnish a "guarantee of the opportunity to work during at least three-quarters of the workdays in the agreed term of employment."

Mr. President, there is not any agreed term of employment. There is simply the employment, from day to day, of such workers as may be available to supplement the regular Mexican workers whom the Government, in its wisdom, has permitted the particular farmer to employ.

There is no way in the world to work out that particular condition, when there is no fixed agreement and there is not a fixed term of employment.

The able Senator places in the amendment the provision of a guarantee of the opportunity to work during at least three-quarters of the workdays in the agreed-upon term of employment, before domestic workers can be secured. Mr. President, the Senator, with all good motives and every good intention, has presented an amendment which is simply impossible of performance because of the nature of the workers and the nature of the work they perform.

I hope the Senate will reject the amendment.

Mr. KEATING. Mr. President, how much time remains on this side?

The PRESIDING OFFICER. The Senator from New York has 1 minute remaining.

Mr. KEATING. Mr. President, the answer to the argument made by the distinguished Senator from Florida is simply that both conditions—all four of the conditions—are already required for the Mexican workers.

If these provisions are not workable with respect to U.S. workers, then they are not workable with respect to Mexican workers.

In order to take advantage of the program the employers must provide for the Mexican workers the workmen's compensation or insurance against occupational hazards. They must provide for the Mexican workers a guarantee of the opportunity to work during at least three-quarters of the workdays. They must provide for the Mexican workers basic subsistence when the opportunity to work is not available.

All I ask is that there be provided for the U.S. workers what is to be provided for the Mexican workers.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. The time of the Senator from New York has expired. The Senator from North Carolina has 1 minute remaining.

Mr. JORDAN. Mr. President, I yield 1 minute to the Senator from Florida.

Mr. HOLLAND. I should like to ask the Senator from New York if he does not realize that the Mexican workers come to the United States for a fixed term of employment under a contract which is, in effect, a contract between the Government of Mexico and our Government. Of course such things as workmen's compensation and an agreement that the workers will be paid for at least three-fourths of the time covered by the contract may be worked out in those circumstances. However, there are such things as peonage laws in our country. There is no assurance at all that any worker employed on a farm one day doing seasonal work—picking beans, hoeing cotton, hoeing corn—will be there the next day.

The amendment simply does not fit in with the American way of dealing with domestic farm employees, who can come and go as they wish, and who do exactly that.

Mr. KEATING. Mr. President, then the amendment would not apply. If there were not an agreed term of an employment the amendment would not apply.

The PRESIDENT OFFICER. All time for debate has expired.

The question is on agreeing to the amendment offered by the Senator from New York [Mr. KEATING]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. DIRKSEN (when his name was called). On this vote I have a pair with the distinguished Senator from New York [Mr. JAVITS]. If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Arizona [Mr. HAYDEN], the Senator from Oklahoma [Mr. KERR], the Senator from Missouri [Mr. LONG], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Massachusetts [Mr. SMITH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], and the Senator from New Mexico [Mr. CHAVEZ] are absent because of illness.

On this vote, the Senator from Arizona [Mr. HAYDEN] is paired with the Senator from Massachusetts [Mr. SMITH]. If present and voting, the Senator from Arizona would vote "nay," and the Senator from Massachusetts would vote "yea."

On this vote, the Senator from Oklahoma [Mr. KERR] is paired with the Sentor from Oregon [Mrs. NEUBERGER]. If present and voting, the Senator from Oklahoma would vote "nay," and the Senator from Oregon would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER] are absent on official business.

The Senator from Maryland [Mr. BEALL], the Senator from Nebraska [Mr. CURTIS], the Senator from New York [Mr. JAVITS], and the Senator from Vermont [Mr. PROUTY] are necessarily absent.

The Senator from Maryland [Mr. BUTLER] is detained on official business.

If present and voting, the Senator from Nebraska [Mr. CURTIS], and the Senator from Iowa [Mr. HICKENLOOPER] would each vote "nay."

On this vote, the Senator from Maryland [Mr. BEALL] is paired with the Senator from Vermont [Mr. PROUTY]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Vermont would vote "nay."

The result was announced—yeas 35, nays 49, as follows:

[No. 195]

YEAS—35

Boggs	Carroll	Douglas
Burdick	Case, N.J.	Fong
Bush	Clark	Gruening
Byrd, W. Va.	Dodd	Hart

Hartke	McCarthy	Randolph
Hickey	McGee	Saltonstall
Humphrey	McNamara	Scott
Jackson	Metcalf	Smith, Maine
Keating	Morse	Symington
Long, Hawaii	Pastore	Williams, N.J.
Magnuson	Pell	Young, Ohio
Mansfield	Proxmire	

NAYS—49

Aiken	Ervin	Mundt
Allott	Fulbright	Muskie
Bartlett	Goldwater	Robertson
Bennett	Gore	Russell
Bible	Hill	Schoeppel
Byrd, Va.	Holland	Smathers
Cannon	Hruska	Sparkman
Capehart	Johnston	Stennis
Carlson	Jordan	Talmadge
Case, S. Dak.	Kefauver	Thurmond
Church	Kuchel	Tower
Cooper	Lausche	Wiley
Cotton	Long, La.	Williams, Del.
Dworshak	McClellan	Yarborough
Eastland	Monroney	Young, N. Dak.
Ellender	Morton	
Engle	Moss	

NOT VOTING—16

Anderson	Dirksen	Miller
Beall	Hayden	Neuberger
Bridges	Hickenlooper	Prouty
Butler	Javits	Smith, Mass.
Chavez	Kerr	
Curtis	Long, Mo.	

So Mr. KEATING's amendment was rejected.

Mr. KUCHEL. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. DIRKSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The committee amendment in the nature of a substitute is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. GORE. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Arizona [Mr. HAYDEN], the Senator from Oklahoma [Mr. KERR], the Senator from Missouri [Mr. LONG], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Massachusetts [Mr. SMITH] are absent on official business.

I also announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ] are absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arizona [Mr. HAYDEN], the Senator from Oklahoma [Mr. KERR], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Massachusetts [Mr. SMITH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER] are absent on official business.

The Senator from Maryland [Mr. BEALL], the Senator from Nebraska [Mr. CURTIS], the Senator from New York [Mr. JAVITS], and the Senator from Vermont [Mr. PROUTY] are necessarily absent.

The Senator from Maryland [Mr. BUTLER] is detained on official business.

If present and voting, the Senator from Maryland [Mr. BEALL], the Senator from Nebraska [Mr. CURTIS], the Senator from New York [Mr. JAVITS], and the Senator from Vermont [Mr. PROUTY] would each vote "yea."

The result was announced—yeas 76, nays 9, as follows:

[No. 196]

YEAS—76

Aiken	Fulbright	Morse
Allott	Goldwater	Morton
Bartlett	Gruening	Moss
Bible	Hart	Mundt
Boggs	Hartke	Muskie
Burdick	Hickey	Pastore
Bush	Hill	Pell
Byrd, Va.	Holland	Proxmire
Byrd, W. Va.	Hruska	Randolph
Cannon	Humphrey	Robertson
Capehart	Jackson	Saltonstall
Carlson	Johnston	Smathers
Carroll	Jordan	Smith, Maine
Case, N.J.	Kefauver	Sparkman
Case, S. Dak.	Kuchel	Stennis
Church	Lausche	Symington
Clark	Long, Hawaii	Thurmond
Dirksen	Long, La.	Tower
Dodd	Magnuson	Wiley
Douglas	Mansfield	Williams, N.J.
Dworshak	McCarthy	Williams, Del.
Eastland	McClellan	Yarborough
Ellender	McGee	Young, N. Dak.
Engle	McNamara	Young, Ohio
Ervin	Metcalf	
Fong	Monroney	

NAYS—9

Bennett	Gore	Schoeppel
Cooper	Keating	Scott
Cotton	Russell	Talmadge

NOT VOTING—15

Anderson	Curtis	Long, Mo.
Beall	Hayden	Miller
Bridges	Hickenlooper	Neuberger
Butler	Javits	Prouty
Chavez	Kerr	Smith, Mass.

So the bill (H.R. 2010) was passed.

Mr. JORDAN. Mr. President, I ask unanimous consent that the bill as passed be printed with the Senate amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JORDAN. Mr. President, I move that the Senate insist upon its amendments, ask for a conference thereon with the House, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JORDAN, Mr. ELLENDER, Mr. JOHNSTON, Mr. HOLLAND, Mr. AIKEN, Mr. YOUNG of North Dakota, and Mr. HICKENLOOPER conferees on the part of the Senate.

AID TO SCHOOLS IN FEDERALLY IMPACTED AREAS

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. What is the pending business before the Senate?

The PRESIDING OFFICER. There is no unfinished business.

Mr. MANSFIELD. I move that the Senate proceed to the consideration of Calendar No. 719, S. 2393.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2393) to extend for 1 year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas and to provide for the application of such laws to American Samoa.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

Mr. MORSE. Mr. President, in view of the interest in the impacted areas legislation and the expectation that a number of Senators will participate in the debate on both sides of the aisle, I ask unanimous consent that all staff members of the Senate Committee on Labor and Public Welfare be admitted to the floor to assist Senators. I further ask unanimous consent that Dr. Samuel Halperin, consultant to the Subcommittee on Education, be given floor privileges to assist me.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The question recurs on the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

CLARIFICATION OF STATUS OF CIRCUIT AND DISTRICT JUDGES RETIRED FROM REGULAR ACTIVE SERVICE

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 5255) to clarify the status of circuit and district judges retired from regular active service, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. EASTLAND. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. EASTLAND, Mr. JOHNSTON, and Mr. HRUSKA conferees on the part of the Senate.

THE MOTION PICTURE "THE ANGRY SILENCE"

Mr. GOLDWATER. Mr. President, in their persistent and unrelenting assault on many of our Nation's most cherished traditions, American liberals have unceasingly sung the praises of "nonconformity." They have defended every effort to transform our most precious and venerable institutions with the loud

assertion that these manifestations of "nonconformity" must be protected if free thought, intellectual vigor, and mental initiative are to survive in the United States.

Interestingly enough, this enthusiastic zeal for the preservation of "nonconformity" never seems to extend to any proposition or activity that is contrary to any well-established liberal shibboleth. One of the most cherished of these shibboleths is that labor unions and labor union leaders are generally—except for a few atypical specimens like Jimmy Hoffa—on the side of the angels; that what they do is good, and that those who oppose or even criticize them are moved by evil or sinnister motives.

Mr. President, my purpose in speaking at this time is to call the attention of the Senate, and of the public, to a motion picture which has just opened at the Ontario Theater in Washington. At the beginning of the year this film had run for a few weeks in New York City and had received the universal plaudits of the critics. Its reception in the Capital has been equally enthusiastic in the local press.

The picture is called "The Angry Silence." It was produced in Great Britain and is performed by actors unknown to me—at any rate, the cast includes no big-name film stars. It deals with an episode in the life of a British rank-and-file union member and his relations with his union. He is the hero of the film, and he is a true nonconformist. In what does his nonconformity exist? Does he shout the defeatist slogan "Better Red than dead?" No. Is he demanding an increase or expansion of socialized medicine? No. Is he loudly advocating any of the usual causes so dear to the liberal heart? No.

To the contrary, he opposes a strike involving his union. He refuses to believe that his employer is an unqualified devil, and those who lead his union, the most perfect of saints or angels. He is what the liberals and labor bosses would call a "scab." This is the hero of "The Angry Silence," a hero who because of his nonconformity suffers what most of us would call martyrdom, inflicted by his union, its leaders, and the most fanatical adherents.

I think all of us should see this film as a necessary corrective to the stereotyped image of labor unionism which the liberals have fostered and have attempted to impose on the country.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD reviews of "The Angry Silence" which have been published in the local press—yes, even that pillar of liberal and conformist "nonconformity," the Washington Post.

There being no objection, the reviews were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 8, 1961]

"ANGRY SILENCE" AT ONTARIO—TIGHT LITTLE TEAM CREATES GOOD DRAMA

(By Leo Sullivan)

As a screenplay, "The Angry Silence" is sort of Reginald Rose out of John Galsworthy. The British import at the Ontario poses the individual against the mob in a setting of labor union strife. It takes time, but once the story's forces of conflict come into focus, the film becomes a gripping, even exciting drama.

Admirably put together, the production seems to be the work of a tight little creative team. It has been coproduced by Richard Attenborough, who also costars with Pier Angeli, and Bryan Forbes, who wrote the script from an original story by Richard Gregson and one of the film's featured players, Michael Craig. It has been directed by Guy Green, the strength of whose work comes from terse editing which gradually accelerates the film's pacing.

Perhaps the unpretentiousness of "The Angry Silence" is the result of this absence of filmdom's big guns. Certainly the occasionally sticky earnestness of its conviction as to the rights of the individual can be explained by the closeness of this small, dedicated group.

THE LONE DISSENTER

What happens is this: when the union at a small English tool factory pulls out its men on strike, one member refuses to stop work. Tom is not alone at first. Several older workers share his view and continue to report for a few days. Before long, however, his allies fall away, leaving him the sole "scab."

His reasons are as simple as his action is brave. Tom's wife Anna has just told him that their third child is on the way, so he can't afford a period of unemployment. Besides, the strike is a "wildcatter," since the union bosses have refused to sanction it.

That the man, standing upon his rights, has no higher principle than this and, in fact, seems hardly intelligent enough to think through his purpose, strikes me as a weakness in the script. However, one is hard put not to admire his courage.

A DOSE OF COVENTRY

The punishment for such independence, ordained by the works committee, is silence. Tom is sent off to Coventry, as his coworkers put it. Even after the strike is temporarily halted and the men return to the shop, they refuse to speak to Tom. He is ignored, unheard, unseen.

Only when a couple of juvenile delinquents in the plant take it upon themselves to "get" him does Tom falter. His household is threatened, his son harmed and, finally, he himself is almost fatally injured before the workers come to their senses.

Attenborough is wholly believable as Tom. Stockily built, attired in flannel shirt and cord pants, he plays the inarticulate factory worker quietly, surely. And Miss Angeli is greatly appealing as his Italian wife who already had felt the chill of loneliness as a foreigner even before Tom's action made her an outcast.

In fact, it is a splendid cast, with each actor furthering the aim of writer and director to turn a flaring light on management, labor, press—even a "Commie" infiltrator down from London.

Arthur Ibbetson's camera is ever probing through the cold light of overcast days to capture the look of anger. Filmed in Ipswich, the picture offers American audiences a different view of an English factory town from that of the usual midlands.

What's more, "The Angry Silence" is constructed on a plot which should appease those disappointed by the rather similar "Saturday Night and Sunday Morning."

[From the Washington Daily News, Sept. 8, 1961]

ONTARIO'S "THE ANGRY SILENCE" REALLY DESERVES YOUR ATTENTION

(By James O'Neill, Jr.)

"The Angry Silence," at the Ontario, is an honest, searching, and dramatic account of what happens in a labor-management dispute when union leadership is weak and stupid, management is blind, and the evil influence of Communists perverts issues, endangers life, and generally commits its historic abuses to civilization.

British-made, the film exudes an honesty and a determination, which makes it entirely believable as it lines out parallel evils in both management and labor—though certainly the abuses of organized labor, in this instance, are the greater of the two.

Richard Attenborough, a fine young English actor, coproduced the picture with screenwriter Bryan Forbes, and if "The Angry Silence" is any indication, this pair should stay in business. They could teach some of our embryonic American producers a few things about the making of intelligent films.

THE SETTING

The picture is set in a dreary industrial city in England, where the majority of the factory hands seem dejected, tired, and extremely angry.

Mr. Attenborough, a young man with two children and an expectant wife, refuses to be bullied into a strike which is senseless, Communist-inspired, and led by a local union cretin who has a lead ring in his nose.

The labels "scab" and "black-leg" are applied to Mr. Attenborough, and his life, and that of his family, is made a living hell. Putting a man "in Coventry," they call it English, but here it would be recognized as "the silent treatment." His coworkers refuse to talk to him, and when this painful silence fails to have a punishing effect on him, more forceful and brutal tactics are used.

THE PLOT

The plot has to do with the settling of this unfortunate matter, which is not helped by the presence of some homicidal teenage types in motorcycle jackets and sideburns.

The acting is uniformly good and the production, while rather stark, fits the story perfectly. There is a defeatist attitude in these people, and while there is a lot of things wrong with their society and their mode of living, violence, and baseless labor disputes are not the way to right these wrongs.

The dialog is extremely good, and while it may be picturesquely broad, it is necessary to set the mood and demonstrate the backgrounds of protagonist and antagonist.

"The Angry Silence" is an extremely thoughtful, forceful, and dramatic motion picture. It deserves your attention.

SOLUTION OF JUVENILE DELINQUENCY CONTROL PROBLEMS

Mr. HILL. Mr. President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to S. 279.

The PRESIDING OFFICER (Mr. PELL in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 279) to provide Federal assistance for projects which will demonstrate or develop techniques and practices leading to a solution of the Nation's juvenile delinquency control problems, which was, to strike out all after the enacting clause and insert:

That this Act may be cited as the "Juvenile Delinquency and Youth Offenses Control Act of 1961".

FINDINGS AND POLICIES

SEC. 2. (a) The Congress hereby finds and declares that juvenile delinquency and youth offenses diminish the strength and vitality of the people of our Nation; that such delinquency and offenses are increasing in both urban and rural communities;

that such delinquency and offenses occur disproportionately among school dropouts, unemployed youth faced with limited opportunities and with employment barriers, and youth in deprived family situations; and that prevention and control of such delinquency and offenses require intensive and coordinated efforts on the part of private and governmental interests.

(b) The policy of the Federal Government is to assist in developing techniques for the prevention and control of juvenile delinquency and youth offenses, and to encourage the coordination of efforts among governmental and nongovernmental educational, employment, health, welfare, law enforcement, correctional, and other agencies concerned with such problems.

DEMONSTRATION AND EVALUATION PROJECTS

SEC. 3. (a) For the purpose of demonstrating improved methods for the prevention and control of juvenile delinquency or youth offenses (which, for the purposes of this Act, includes treatment of juvenile delinquents and youthful offenders), the Secretary of Health, Education, and Welfare (hereinafter in this Act referred to as the "Secretary") is authorized to make grants for projects for the evaluation, or demonstration of the effectiveness, of techniques and practices which in the Secretary's judgment hold promise of making a substantial contribution to the prevention or control of juvenile delinquency or youth offenses, including techniques and practices for the training of personnel and for developing or securing more effective cooperation among public and other nonprofit agencies, organizations, and institutions.

(b) Such grants may be made to any State, local, or other public or nonprofit agency, organization, or institution; and to the extent he deems it appropriate, the Secretary shall require the recipient of any grant to contribute money, facilities, or services for carrying out the project for which such grant was made.

(c) The Secretary is further authorized to enter into contracts for any such projects with public or other agencies, organizations, or institutions, and with individuals.

(d) The full amount (as determined by the Secretary) of any grant for a project made under this section shall be reserved from the appropriation for the fiscal year in which the grant is made; and payments on account of such grant in that and subsequent fiscal years may be made only from the amount so reserved.

(e) Payments under this section may be made in installments, and in advance or by way of reimbursement, as may be determined by the Secretary, and shall be made on such conditions as he finds necessary to carry out the purposes of this section.

TRAINING OF PERSONNEL

SEC. 4. (a) For the purpose of training personnel employed or preparing for employment in programs for the prevention or control of juvenile delinquency or youth offenses, the Secretary is authorized to make grants for programs for such purpose which in his judgment hold promise of making a substantial contribution to the prevention or control of juvenile delinquency or youth offenses. Such programs may include, among other things, the development of courses of study, and the establishment of short-term traineeships with such allowances for travel and subsistence expenses, as the Secretary may determine to be necessary.

(b) Such grants may be made to any Federal, State, local, or other public or nonprofit agency, organization, or institution; and to the extent he deems it appropriate, the Secretary shall require the recipient of any grant to contribute money, facilities, or services for carrying out the program for which such grant was made.

(c) The Secretary is further authorized to enter into contracts for any such programs with public or other agencies, organizations, or institutions, and with individuals.

(d) The full amount (as determined by the Secretary) of any grant for a program made under this section shall be reserved from the appropriation for the fiscal year in which the grant is made; and payments on account of such grant in that and subsequent fiscal years may be made only from the amount so reserved.

(e) Payments under this section may be made in installments and in advance or by way of reimbursement, as may be determined by the Secretary, and shall be made on such conditions as he finds necessary to carry out the purposes of this section.

TECHNICAL ASSISTANCE SERVICES

SEC. 5. (a) The Secretary is authorized to make studies with respect to matters relating to the prevention or control of juvenile delinquency or youth offenses, including the effectiveness of projects or programs carried out under this Act, to cooperate with and render technical assistance to State, local or other public or private agencies, organizations, and institutions in such matters, and to provide short-term training and instruction in technical matters relating to the prevention or control of juvenile delinquency or youth offenses.

(b) The Secretary is authorized to collect, evaluate, publish, and disseminate information and materials relating to studies conducted under this Act, and other matters relating to prevention or control of juvenile delinquency or youth offenses, for the general public or for agencies and personnel engaged in programs concerning juvenile delinquency or youth offenses, as may be appropriate.

AUTHORIZATION OF APPROPRIATIONS

SEC. 6. There is hereby authorized to be appropriated to the Secretary for the fiscal year ending June 30, 1962, and each of the two succeeding fiscal years, the sum of $10,000,000 for carrying out this Act.

MISCELLANEOUS

SEC. 7. (a) (1) The Secretary is authorized to appoint such technical or other advisory committees to advise him in connection with prevention or control of juvenile delinquency or youth offenses as he deems necessary.

(2) Members of any such committee not otherwise in the employ of the United States, while attending meetings of their committee, shall be entitled to receive compensation at a rate to be fixed by the Secretary, but not exceeding $75 per diem, including travel time, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 73b-2) for persons in the Government service employed intermittently. The provisions of section 1003 of the National Defense Education Act of 1958 shall apply to members of such committees.

(b) The Secretary shall consult with the President's Committee on Juvenile Delinquency and Youth Crime on matters of general policy and procedure arising in the administration of this Act, and shall consider the recommendations, if any, of such Committee on program applications submitted under section 3 or 4 and on proposed studies or other actions to be undertaken pursuant to section 5.

(c) As used in this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

Mr. HILL. Mr. President, the purposes of S. 279 and the House amendment are substantially identical. The differences are in the amount of appropriations, the length of the program and the administrative devices which are used.

First. Both programs authorize demonstration and study projects in the juvenile delinquency field. These projects would be made in the form of grants to States and municipalities and other public or private nonprofit agencies. The Secretary of Health, Education, and Welfare, who has general supervision over the program, is empowered to require matching funds.

Second. Both programs provide for the training of personnel employed or preparing for employment in juvenile delinquency programs. The Secretary would be empowered to develop courses of study and establish short-term traineeships with expense allowances. The training programs would be made in the form of grants to governmental or nonprofit private agencies or institutions. The Secretary may also require matching funds.

Third. Both bills authorize the Secretary to make studies, investigations and reports under the heading of "Technical Assistance Services" based upon the information derived from the other programs authorized by the bill.

The Senate bill was a 4-year program, the House amendment is for 3 years. The Senate bill provided an allocation of $2,500,000 for the demonstration projects and $2,500,000 for the training of personnel. Amounts of money for the technical assistance services were to be appropriated under the general funds to the Department of Health, Education, and Welfare authorized by the Congress.

The House amendment contains an authorization for all the programs spelled out in the bill at $10 million per year. The total amount contemplated by the House amendment is therefore $30 million. The total amount contemplated by the Senate bill would be $20 million plus additional amounts for administration and technical services not specifically authorized by the bill.

The Senate bill would have established a National Advisory Council on Juvenile Delinquency which specifically would channel all grants requested by local public or private agencies to the Secretary with the Council's recommendations. The House amendment authorizes the Secretary to appoint technical or advisory committees and requires that the Secretary shall consult with the newly formed President's Committee on Juvenile Delinquency and Youth Crime. The Secretary is required to consider the recommendations of the President's Committee on program applications. The report of the House committee in its analysis of section 7 reads as follows:

> It is contemplated that such technical and other advisory committees will review the projects, programs, and studies under the act and make recommendations.

Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

Mr. CLARK subsequently said: Mr. President, earlier today the Senate concurred without debate in the House amendment to S. 279, which in effect is the administration's bill to authorize

the appropriation of the relatively small amount of money to search for cures to the problem of juvenile delinquency.

Two years ago the Senator from Alabama, the chairman of the Committee on Labor and Public Welfare [Mr. HILL] and I jointly introduced and had passed by the Senate a bill to accomplish approximately the same purposes. Our bill was passed as S. 279 early in this session.

I am happy to note the passage by the House and now by the Senate of the bill, known as the Juvenile Delinquency and Youth Offenses Control Act of 1961, which will now go to the White House for signature.

There is very little difference between the House amendment and the bill passed by the Senate. I am happy my colleague from Alabama accepted the House version, which caused the bill to be approved by the Senate without debate.

The purposes of each proposal were: First, to authorize the appropriation of money for demonstration and study projects in the field of juvenile delinquency. Second, to provide for the training of those now engaged in the field of juvenile delinquency programs, or to be employed in it. Third, to render technical assistance to local, State, and private agencies which are endeavoring to cope with this problem, which is bothering not only the cities but also the towns and rural districts as well.

The only difference between the House amendment and the Senate bill is that the Senate bill provided an authorization of $5 million a year for 4 years whereas the House bill provided an authorization of $10 million a year for 3 years. The money is to be distributed by grants to Federal, State, local, or other public or nonprofit agency, organization, or institution, as determined by the Secretary of Health, Education, and Welfare, upon recommendation by his advisory committee.

I am happy indeed that the bill is now on its way to the White House. I am confident it will soon be enacted into law. I believe the Congress has taken a perceptible step forward in the effort to assist in the solution of this most difficult problem of juvenile delinquency.

HEALTH CARE FOR THE AGED

Mr. HILL. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 4998, the Community Facilities bill.

The PRESIDING OFFICER (Mr. PELL in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 4998) to assist in expanding and improving community facilities and services for the health care of aged and other persons, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HILL. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HILL, Mr. YARBOROUGH, Mr. WILLIAMS of New Jersey, Mr. PELL, Mr. JAVITS, and Mr. CASE of New Jersey conferees on the part of the Senate.

RESUMPTION OF NUCLEAR TESTING

Mr. DODD. Mr. President, as President Kennedy has stated, the Soviet decision to resume nuclear testing left us with no alternative but to resume testing, ourselves. I am sure this decision enjoys the unanimous support of both parties and of the overwhelming majority of the American people.

In resuming nuclear tests, it is my earnest hope that we shall not resume them on a business-as-usual or testing-as-usual basis. We have lost 3 precious years of technological leadtime in the critical field of nuclear weapons. The rapid fire series of tests which the Kremlin is now conducting is proof positive that it has been conducting clandestine tests from the very first day of the moratorium.

I believe it can be taken as axiomatic that the new weapons they are now testing are not crude prototypes, based on nothing but theory, but are weapons that have been developed and perfected through underground testing.

Mr. President, the moratorium on nuclear testing may not only have cost us our technological lead in nuclear weapons; it may have enabled the Soviets to achieve a technological lead which will gravely imperil our national security.

I am not reassured by the knowing statements of scientists and of scientific panels, which have repeatedly assured us that there is no evidence the Soviets have jumped into the lead or have staged any major technological breakthrough. The hard fact is that neither our scientists nor our intelligence predicted that the Kremlin would have the A-bomb when it did, nor predicted that it would have the H-bomb when it did. In the case of the H-bomb, top-ranking scientific advisers, such as Dr. Hans Bethe, took the stand, almost until the last minute, that it "could not be made and should not be made."

We have to face the frightening fact that the Kremlin has shown an ability to conduct massive developmental programs without the knowledge of our scientific community or of our intelligence community. In the light of this fact, any assurance that the Soviets have not staged a major technological breakthrough in nuclear weapons is as meaningless as it is presumptuous.

Mr. President, now that the Soviets have openly resumed testing in the atmosphere, I hope that we shall commit ourselves to our own testing program with all the earnestness and all the expedition at our command. We must spare no effort. We must place no limit on costs. We have 3 years of lost time to make up, and our survival as a nation may be at stake.

The importance of nuclear technology to our national security is forcefully described in an article, in the current issue of Reader's Digest, by Adm. Lewis L. Strauss, former Chairman of the U.S. Atomic Energy Commission. No one is more qualified to speak on this subject than is Admiral Strauss. Although his article was written before the resumption of testing by both sides, it retains all of its validity, both as a guide to future policy and as a critical examination of our recent follies.

Mr. President, I ask unanimous consent that the article by Adm. Lewis L. Strauss, entitled "Why Nuclear Testing Is a Must for Freedom," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY NUCLEAR TESTING IS A MUST FOR FREEDOM

(By Lewis L. Strauss, former Chairman, U.S. Atomic Energy Commission)

In 1957 an official British white paper on defense stated, "The free world is today mainly dependent for its protection upon the nuclear capacity of the United States." At the time, this was a valid assumption. The American lead in the development of nuclear strength was commanding. This superior position was the bulwark of the safety not only of ourselves and our allies but of the neutral nations as well.

Today the nuclear capacity of the United States has been impaired by 3 years of voluntary suspension of U.S. nuclear testing. While the present relative strength of the United States and the Soviet Union is unknown, the test moratorium certainly has not worked to the advantage of the free world.

This is true whether or not the Soviets have been testing nuclear weapons clandestinely—which has been their consistent custom since 1949. The important point is that world peace and security now depend upon a stockpile of U.S. nuclear weapons some of which are 3 or more years old, and have not been proof-tested. Their "readiness" is therefore unknown.

Let me cite a parallel from recent history. When I reported for duty in the U.S. Navy Bureau of Ordnance in March 1941, I was astonished to learn that the torpedoes in our stockpile were in most respects the same sort of torpedoes we had used in World War I. The Navy had been so stinted for funds that not a single torpedo with a live warhead had been fired in more than 20 years.

After Pearl Harbor, U.S. submarines in the Pacific fired these untested torpedoes against enemy ships. Through their hydrophones our men could hear them strike Japanese hulls. But the torpedoes failed to explode. This was a serious setback in our early operations in the Pacific.

I think the moral is plain: No stockpile of weapons can be considered dependable unless random specimens are taken from it and subjected to periodic tests.

The United States was maneuvered into the suspension of nuclear testing largely by world opinion—skillfully manipulated by Soviet propaganda—which confused suspension with actual nuclear disarmament and control. Now world opinion is being engulfed by another wave of Soviet propaganda, directed this time against the resumption of nuclear tests by the United States.

The U.S. position on real nuclear disarmament has been clearly and consistently stated since 1954. Shortly after the first atomic bombs were used against Japan,

President Truman announced the willingness of the United States to place atomic energy under the rigid control of an international authority. This policy was endorsed by our British and Canadian allies.

On June 14, 1946, Bernard M. Baruch, as head of the U.S. delegation, placed the American proposal before the United Nations Atomic Energy Commission, opening his address with the somber statement: "We are here to make a choice between the quick and the dead." The proposal called for the creation of an International Atomic Development Authority "to which should be entrusted all phase of the development and use of atomic energy." The Authority was to have ownership of raw materials; control or ownership of all atomic-energy activities potentially dangerous to world security; power to inspect and license all other activities, including the development of the beneficial uses of atomic energy; and responsibility for developing means to enable it to detect misuse of atomic energy. Baruch called this "a program not composed merely of pious thoughts but of enforcible sanctions—an international law with teeth in it."

Viewed as history, this daring proposal, made at a time when the Western allies had a monopoly on atomic weapons, appears as an act of altruism without parallel. It was made in good faith, and it was clearly intended to avert a disastrous arms race. But the Soviets, for all their professed interest in disarmament and the control of atomic energy, would have no part of any plan which required inspection and control. They opposed the U.S. proposal in the U.N. General Assembly and then, when it passed to the Security Council, exercised their veto.

For the next few years the Western World felt secure under what was considered a U.S. atomic monopoly. Many responsible people thought that this security might even last for a generation. The development of the atomic weapon, they maintained, would have been impossible but for our advanced science and technology and highly developed industrial resources—all of which the Soviets lacked.

This comfort I found impossible to share. In 1947, shortly after being appointed to the newly formed U.S. Atomic Energy Commission, I suggested to my colleagues that some kind of system should be set in motion to monitor possible atomic-weapons tests within Soviet territory. They agreed that this could be accomplished by aircraft equipped with devices for sampling the atmosphere well outside the Soviet borders. Since such an operation was beyond the statutory responsibility of the AEC, I proposed the program to my friend James Forrestal, then Secretary of the Navy, who was shortly to become our first Secretary of Defense.

The plan was eventually put into operation, and in August 1949 our monitors detected what was, so far as we know, the first Soviet atomic explosion. We detected further Soviet tests of atomic weapons in 1951.

Meanwhile, against bitter opposition within our own Government and among its scientific advisers, we had gone ahead with the development of the far more potent thermonuclear weapon (the H-bomb), which was tested successfully in November 1952. Less than 1 year later, in August 1953, the Soviet Union tested its own thermonuclear weapon.

The Soviet atomic-weapons program benefited initially from the espionage activities of Alan Nunn May, the Rosenbergs, Pontecorvo, Maclean, Burgess, and others. Klaus Fuchs, who worked on British atom projects and in our Los Alamos laboratory, apparently gave the Soviets the facts about the thermonuclear bomb.

When President Eisenhower took office in 1953, he was determined to make every effort to banish the specter of atomic war. On December 8, 1953, he went before the General Assembly of the United Nations and offered his atoms for peace plan. The atom, he said, "must be put into the hands of those who will know how to strip its military casing and adapt it to the arts of peace." The Soviet delegation joined in the enthusiastic applause. But when Secretary of State Dulles began conversations with the Russians, it soon became evident that they wanted nothing of the sort. It took from 1953 until 1957 to get the International Atomic Energy Agency organized, with the Russians delaying and sabotaging the project at every step. Thanks to Moscow, the IAEA is today a denatured body, unlikely to execute the major part of the atoms for peace plan.

Meanwhile, the Soviet Union, although engaged actively in testing of atomic and thermonuclear weapons, was exploiting an ingenious new propaganda line. The keynote was fallout—the alleged contamination of the earth's atmosphere with supposedly lethal radiation resulting from nuclear testing.

The nightmare of fallout had been with us ever since the first atomic bomb was exploded in a test at Alamogordo, N. Mex., in 1945 atop a steel tower. The heat of the explosion vaporized the steel tower, and wind carried radioactive debris until it fell upon a herd of cattle grazing a few miles away. The cattle at first lost some hair from their backs. Later, they were moved to Oak Ridge for observation. There they lived and reproduced—to the fifth or sixth generation, when I last saw them—and the progeny were normal animals.

But the propagandists found more abundant material with the advent of the thermonuclear weapon. In March 1954 we tested, in the Pacific Proving Ground, several thermonuclear weapons, one of which had a larger yield of radioactive material than anticipated. Some of the material, carried downwind, fell upon two inhabited atolls and upon a Japanese fishing vessel, the *Lucky Dragon*, which had disregarded published warnings and sailed into the zone of possible fallout.

The islanders developed no casualties; the women had no stillbirths, bore no abnormal children. The fishermen aboard the *Lucky Dragon*, however, became a cause celebre—in connection with which there have been two puzzling factors. American scientists were not permitted to inspect the vessel or the crew until weeks after the incident had occurred. And at no time were we allowed to interrogate the skipper, a man who had never been in command of the ship before. There are still those who believe that the *Lucky Dragon* was sent into the forbidden area for reasons other than fishing.

A cry was heard round the world that fallout from U.S. nuclear tests was jeopardizing the future of the human race. In 1954 the Atomic Energy Commission arranged for an independent investigation of radiation and its effect on human life to be made under the auspices of the National Academy of Sciences, an agency completely indepedent of the Government, financed by the Rockefeller Foundation. A simultaneous study was made in Great Britain by the Medical Research Council. The findings agreed.

The National Academy of Sciences reported that the average individual, over a 30-year period, receives a dose of 4.3 roentgens from inescapable natural radiation (cosmic rays, radioactivity in the soil, etc.), plus an additional dose of 3 roentgens from medical and dental X-rays. The NAS report further stated—and this was the nub of it—that if the nuclear testing done during the period 1951–56 were continued at the same rate indefinitely, the average person's 30-year dose of radiation would be increased by only one-tenth of a roentgen or less.

Despite the publication of this evidence, the outcry over fallout and radioactivity continued. Then, in June 1957, while this hysteria was at fever pitch, Dr. Edward Teller, the late Dr. Ernest O. Lawrence, and the late Dr. Mark M. Mills, all distinguished scientists, came to Washington with gratifying news. The laboratories at Los Alamos, N. Mex., and at Livermore, Calif., had been working on a nuclear-weapon design which would reduce radioactive fallout by about 95 percent. Given 4 or 5 years of testing, they hoped to construct a weapon from which radioactive fallout would be negligible.

This was a momentous development. Among many other things, it would make possible powerful defensive weapons—such as antiaircraft and anti-missile-missiles—which could be used over our own or friendly territory without subjecting the inhabitants to the hazards of fallout. The scientists testified before the U.S. Congress Joint Committee on Atomic Energy, and later described their work to President Eisenhower. The President arranged a press conference at which Drs. Teller, Lawrence, and Mills told their story. The weapon became known popularly as the "clean bomb."

But some scientists and Congressmen ridiculed the proposed weapon as an impossibility. Others were convinced that the scientists had dreamed up the "clean" weapon for the sole purpose of scuttling the movement to outlaw nuclear testing permanently.

Meanwhile, the Russians had been testing their nuclear bombs since 1951 with increasing frequency. They tested secretly, without advance announcement, and excluded international observers from the testing sites. Occasionally, news came from Moscow only after the United States had detected the Soviet explosion and announced the event. Yet the outcry against nuclear testing was directed not against the U.S.S.R. but against the United States.

President Eisenhower resolutely resisted the increasing pressure to suspend nuclear tests unilaterally. And he knew that even if a suspension of testing could be achieved by agreement with the Russians, there was still no method of control or detection available to insure against clandestine testing. Nuclear explosions on the earth's surface, in the atmosphere or underseas can be detected by fairly reliable methods; but explosions below the earth's surface or in outer space cannot be reliably detected even today.

Late in 1957 a development connected with one of our tests in the Nevada desert caused considerable controversy. A small nuclear charge was detonated in a tunnel dug in a mountain, and a seismic station in College Point, Alaska, 2,300 miles away, registered the shock wave on its seismograph. Some people who were determined that U.S. nuclear testing must stop seized upon this fragment of evidence as proof of absolute detectability.

Appearing before a Senate committee in 1958, I testified, however: "I am informed by the experts that this signal would have been reported as a small earthquake had not the Atomic Energy Commission given advance notification of the location and probable burst time." I also stated the reasons for my absolute conviction that weapons could be tested secretly and without much possibility of detection by any nation determined to do so.

Early in 1958 the Soviets, after concluding a lengthy series of nuclear tests, announced that they were then prepared to suspend testing if the United States would do likewise. President Eisenhower proposed a Geneva conference of United States, Soviet, British, French, and Canadian technicians

to discuss detection and inspection systems. By August these experts agreed that it was possible to set up a system capable of detecting underground bursts as small as five kilotons. On October 31, 1958, the United States announced the voluntary suspension of nuclear testing for 1 year, and called upon the Soviet Union to do likewise.

Negotiations looking toward a treaty banning nuclear tests permanently had just begun in Geneva when news arrived from Washington. Underground tests in the recently completed Hardtack series showed that even a 20-kiloton nuclear explosion might be seismically indistinguishable from an earthquake. Seismic signals from weapons tests could be greatly reduced or even effectively concealed.

The Geneva negotiations soon demonstrated that the Soviets had no desire to reach any agreement that would provide real control and inspection. For example, the technical experts on both sides had agreed in August that any seismic event recorded by the control stations and suspected of being a nuclear explosion would have to be inspected on the site. More than 100 such events—which could be either earthquakes or the tests of sizable weapons—occur within Soviet territory every year.

The Soviets haggled over the number of suspicious events that might be inspected each year. We made concession after concession, finally offering to settle for as few as 12 onsite inspections per year. Abruptly, without accepting our offer, the Soviets introduced a new condition, calling for a three-man control commission (the "troika") to consist of one Russian, one neutral and one representative of the West. But no inspection could be undertaken except by a uanimous vote of this commission. Thus, the Russians would have a veto of any inspection.

By late 1959 the Geneva negotiations had been going on for 14 months, and still no agreement was in sight. Whereas the United States made constant concessions, the Russians countered with increasingly impossible demands. On December 29 President Eisenhower expressed his impatience. "We will resume negotiations," he announced, "[but] the voluntary moratorium on testing will expire on December 31. Although we consider ourselves free to resume nuclear-weapons testing, we shall not resume tests without announcing our intentions in advance of any resumption."

In the autumn of 1960, President Eisenhower told various members of his administration that, in his opinion, the time had come to resume nuclear tests, either underground or in outer space, where there would be no fallout problem. However, he added, such action would necessarily extend beyond his administration, and he considered it proper to leave the incoming President a free hand.

This was the decision that President Kennedy faced when he took office last January. In his Vienna talks with Khrushchev in June, the new President tried to persuade the Soviet premier to end the Geneva deadlock, but failed. Two weeks later, through the Soviet delegate at Geneva, Khrushchev issued to the United States what was virtually an ultimatum. We must accept the Soviet "troika," with its built-in veto on inspections, or else merge the nuclear-test cessation talks with the even less promising negotiations on general disarmament.

What the Soviets obviously were seeking was an indefinite continuance of the nuclear-test moratorium without inspection. President Kennedy rejected the Soviet note in an emphatically worded reply. "For almost 3 years," he said, "the United States has been willing to assume the risk of not testing nuclear weapons without the certainty that the Soviet Union has likewise stopped its testing. The national security and the defense of the free world do not allow this risk to be assumed indefinitely."

Now, specifically, why is the resumption of nuclear testing by the United States so vital to the free world at this time?

First, if there is any validity to the belief that the U.S. stockpile of nuclear weapons is the free world's only effective deterrent to Soviet aggression, then the weapons in that stockpile must be in a state of constant readiness—which can only be ascertained by periodic testing.

Second, nuclear science—its peaceful applications as well as weapons development—will not stand still; yet advances cannot be made without nuclear testing.

Several sophisticated new nuclear weapons were on the drawing boards when we suspended nuclear testing in 1958. Whereas earlier weapons were indiscriminate in their destruction, these new devices are designed for specific types of targets—enemy missiles in the atmosphere or in outer space, missile-launching sites deep underground, lurking submarines, etc.

The basic point, however, is this: Ultimately, the destructive potentials of nuclear energy must be placed in the custody of an absolute and foolproof international authority—a goal which the United States has advocated consistently since the dawn of the atomic era, and which the Soviet Union has as doggedly resisted. Until such an authority is created, the United States and the Western democracies must be free to develop all the potentialities of nuclear power—for its control can make the deserts bloom or, in Communist hands, could end freedom on earth.

RACIAL PROBLEMS NO GEOGRAPHIC MONOPOLY

Mr. MORSE. Mr. President, the Catholic Sentinel of Portland, Oreg., has published in its issue of September 7, 1961, an editorial entitled "Interracial Justice—North and South." It accurately describes some of the racial problems of the North and the failure of many northern communities to deal adequately with them. I ask unanimous consent to have it printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INTERRACIAL JUSTICE—NORTH AND SOUTH

Two events reported in Oregon newspapers on the same day last week underline an important fact: the race problem is not limited to the South. The events:

1. Black Muslims organize activities in Portland;

2. Atlanta, Ga., high schools integrate without incident.

For too long it has been the fashion for newspapers in the North to play up the racial tensions in the South and ignore serious problems at home. There is discrimination in Oregon. Some cities (legally or illegally) exclude Negroes completely. Others let them know that they are not wanted.

In Portland, the home of the vast majority of Oregon Negroes, most colored people are crowded into the Williams Avenue Ghetto. The tragic fact is that religion seems to have little to do with people's attitudes toward members of racial minorities. Pious people, active in their churches, too often follow the same patterns of racial prejudice as their unchurched neighbors. The Christian who refuses to be stampeded by the rumor, or the fact, of a nonwhite family's moving into the neighborhood, is still too rare a phenomenon.

The Negro Muslim group is a symptom of racial bias. It is a reaction to the myth of "white supremacy." The Muslims maintain the opposite myth of "black supremacy." They apparently do not approve of the word "Negro." (As a matter of fact their entire terminology is more than a bit confusing to one who is searching for accuracy in reporting. The word "Muslim" is a variant spelling of "Moslem," which is the preferred title for a follower of the religion of Islam taught by Mohammed. The Black Muslims have no connection with any Moslem group in the United States; the attitude of international Islam toward them has not been clarified.)

Responsible interracial groups, such as NAACP and the Urban League, are in agreement that the Black Muslims are a fringe group and that they represent a very small minority of the Negro community. Nevertheless their existence witnesses to a growing impatience among Negroes with the slow progress of racial justice in the North.

The second item is of equal significance. The city of Atlanta in the Deep South State of Georgia has demonstrated that southerners can face the racial facts of life. The mayor and other civic leaders of Atlanta deserve the support of all those who are concerned about human rights. We in the North have been quick to shake our heads over mobs in Little Rock and New Orleans. Now we must be as eager to shake the hands of those who represent the responsible majority of decent white people south of the Mason-Dixon line.

Even though religious people have not lived up to their belief in the brotherhood of man in the past, there is hope for the future. The struggle for human decency in the South has been led by religious leaders. The consciences of Sunday Christians have been disturbed. It has become increasingly difficult for a Christian to convince himself that Christ would approve of discrimination.

Discrimination takes various forms in different parts of the country. Every Christian, no matter where he lives, must reexamine his conscience in the light of Christ's commandment of universal love.

COINAGE OF MEDAL IN RECOGNITION OF DISTINGUISHED SERVICES OF SPEAKER SAM RAYBURN

Mr. YARBOROUGH. Mr. President——

Mr. MORSE. I yield to the Senator from Texas, provided I may do so without losing my right to the floor.

The PRESIDING OFFICER (Mr. PELL in the chair). Without objection, it is so ordered.

Mr. YARBOROUGH. Mr. President, I thank the distinguished Senator from Oregon for yielding to me. On September 7 I introduced Senate Joint Resolution 133, which proposed that there be coined a medal in recognition of the distinguished services of SAM RAYBURN, Speaker of the House of Representatives. The resolution is cosponsored by 49 other Senators; in short, it is sponsored by a total of 50 Senators.

The chairman of the Senate Banking and Currency Committee, the Senator from Virginia [Mr. ROBERTSON] has advised me that he had planned to hold a hearing on this measure tomorrow.

Mr. President, I am in receipt of a telegram from the Speaker of the House, the Honorable SAM RAYBURN, of Bonham, Tex., in which he states:

I appreciate your friendship and the generosity displayed by you in this matter—

But he states—

it would be embarrassing to me if it were passed, and I trust you will regard my wishes in this matter.

Mr. President, in view of the wishes of the distinguished Speaker of the House, we have transmitted that information to the chairman of the Banking and Currency Committee; and he has stated that the hearing planned for tomorrow will not be held.

I ask unanimous consent to have printed at this point in the RECORD a copy of Senate Joint Resolution 133, with the names of the 50 Senators who have joined in sponsoring it. I know, from statements made, that other Senators had planned to join in sponsoring it, in addition to these 50. The telegram from Speaker RAYBURN is but a further illustration of the modesty of this great American.

There being no objection, the resolution with the list of sponsors was ordered to be printed in the RECORD, as follows:

SENATE JOINT RESOLUTION 133—87TH CONGRESS, 1ST SESSION

Joint resolution to provide for the coinage of a medal in recognition of the distinguished services of SAM RAYBURN, Speaker of the House of Representatives

Mr. YARBOROUGH (for himself, Mr. KERR, Mr. ANDERSON, Mr. BARTLETT, Mr. BIBLE, Mr. BOGGS, Mr. BRIDGES, Mr. BURDICK, Mr. BUTLER, Mr. BYRD of West Virginia, Mr. CAPEHART, Mr. CARLSON, Mr. CARROLL, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. CHURCH, Mr. CURTIS, Mr. DODD, Mr. ENGLE, Mr. FULBRIGHT, Mr. HART, Mr. HICKEY, Mr. HOLLAND, Mr. JACKSON, Mr. JAVITS, Mr. JOHNSTON, Mr. JORDAN, Mr. KEATING, Mr. KEFAUVER, Mr. LONG of Missouri, Mr. LONG of Hawaii, Mr. LONG of Louisiana, Mr. MAGNUSON, Mr. MCCARTHY, Mr. MCGEE, Mr. MONRONEY, Mr. MORTON, Mr. MOSS, Mr. MUSKIE, Mr. PELL, Mr. PROUTY, Mr. RANDOLPH, Mr. SALTONSTALL, Mr. SCOTT, Mr. SMATHERS, Mr. SPARKMAN, Mr. SYMINGTON, Mr. WILLIAMS of New Jersey, and Mr. YOUNG of Ohio) introduced the following joint resolution; which was read twice and referred to the Committee on Banking and Currency:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in recognition of the distinguished public service and outstanding contribution to the general welfare of SAM RAYBURN, Speaker of the House of Representatives, the Secretary of the Treasury is authorized and directed to cause to be struck and presented to Speaker SAM RAYBURN a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary, but to include the phrase "For services rendered to the people of the United States". There is authorized to be appropriated the sum of $2,500 to carry out the purposes of this section.

SEC. 2. The Secretary of the Treasury is authorized and directed to cause duplicates in bronze of such medal to be struck and sold, under such regulations as he may prescribe, at a price sufficient to cover the cost thereof (including labor). The proceeds of the sale of such bronze medals shall be reimbursed to the appropriation then current for the expenditure of the Bureau of the Mint chargeable for the cost of the manufacture of medals.

PREPARATIONS IN CONNECTION WITH HURRICANE CARLA

Mr. YARBOROUGH. Mr. President, as we read the news item about Hurricane Carla and its impact on the gulf coast, the people, and the economy of Texas, I believe that thanks are in order to the Federal agencies which have tracked this powerful hurricane across the Gulf of Mexico and have given so much advance warning to the people of Texas and Louisiana. But for the Federal tracking agencies, the warning agencies, the Navy fliers who penetrated the eye of this very powerful hurricane—the most powerful in the 20th century, and the reporting services to the people, the loss of life would already have gone into the thousands, whereas up to the latest report, no single loss of life has been reported from the coast of Texas, despite the fact that the winds have reached a speed of 170 miles an hour, and the tides have ranged higher than any ever before known, at some points on the Texas gulf coast.

Mr. President, last Saturday I was in contact with the Director of Civil Defense, Mr. Frank Ellis, and with the State disaster control headquarters, at Austin, who reported the steps being taken and the agencies coordinating. There is complete coordination between the State and local authorities, and between the headquarters here and the State disaster control center at Austin, and also coordination in connection with the availability of Government relief of various types, the availability of surplus food from the Department of Agriculture, and the availability of help through the armed services for the evacuation and treatment of people. All these Federal agencies have operated with the utmost efficiency up to this time, and I commend them for it.

Terrific losses to the economy of Texas are in prospect. The rice crop was ready for harvest, and it is estimated to have a value of $100 million. The State faces the loss of the entire rice crop and the loss of large portions of other crops. The agricultural loss alone to Texas will probably amount to some $200 million for the crops in the field. It is estimated that for each dollar value of a crop in the field, there is an additional $7 value to the State's economy through manufacturing, because the agricultural products are largely processed in the State. The largest single segment of the Texas manufacturing economy is comprised of the processing of agricultural products, and their value raw from the fields before processing, each year, is about $2,400 million. So this loss will be a staggering blow to the economy of Texas.

In listening to the various news reports and from direct contacts I have had with persons in Texas, I have everywhere been impressed with the unsung hero of this hurricane, and that hero is the American citizen. About half a million people have been evacuated from their homes in Texas, but there have been no reported instances of looting or attempted looting, and there has not been a single instance of panic or reported panic. The evacuation has been done with the utmost calm and discipline, without the wringing of hands or the shedding of tears over the fact that the life savings—sometimes the savings of generations—of the people there are at stake, and threatened with destruction within 24 hours. I think the people have shown the calmness of which all Americans are proud, and it is in keeping with the traditions of our people through the centuries, as they have moved westward. The disasters which have befallen the American people have not stopped their forward progress, and this disaster will not stop the growth and progress of the coastal areas of Texas.

Mr. President, at the disaster control office in Austin, Tex., there are representatives of the Federal and the State Governments. Yesterday, I sent telegrams there, and also to the mayors of Houston, Beaumont, Freeport, Galveston, Port Arthur, Texas City, Orange, Baytown, Corpus Christi, Post Lavaca, Palacios, Aransas Pass, Port Aransas, Port Isabel, and Port Neches, advising them that I had appointed as my two representatives in Texas, Larry Goodwyn and Tom Black, of Austin, Tex., to work with the State disaster control headquarters, at Austin, in helping meet all needs in this emergency. Throughout the storm they will be my coordinating representatives in the State of Texas, with other State and Federal officials, in rendering all possible assistance. My own office in Washington remained open yesterday and last night to help secure any needed cooperation, both before and after the disaster strikes.

A valuable piece of work has been done in this connection, helpful in all civil disasters, by the Committee on Government Operations. At the request of the distinguished senior Senator from Minnesota [Mr. HUMPHREY] the Government Operations Committee printed, as a committee print of the first session of the 86th Congress, the Federal Disaster Relief Manual. It was printed on August 19, 1959; and this morning I mailed copies of it to mayors, county judges and other representatives of governmental units. The manual shows the various fields in which Federal aid is available. That information is greatly needed at this time. While a few of the cities have had all their communications facilities cut off and no mail is being delivered, in most of the cities the mail can still be delivered; and when cleaning up operations are begun, after this hurricane, this manual will be found to be very helpful, indeed.

Mr. President, as shown in this document and the laws of the land, a good deal of aid will be available when the rehabilitation starts, about tomorrow. The Farmers Home Administration Division of the Department of Agriculture makes loans of different types, emergency loans to help farmers tide themselves over the winter and help them get new crops in the ground. The U.S. Department of Commerce has authority to provide funds for reconstruction loans for roads and bridges and for primary and secondary highways on which Federal aid was used. The Small Business Administration makes available loans to rebuild business places that will be wiped out by this storm. It is possible that some of the smaller cities will not have a business house or residence standing. Departments under the FFHA can make available loans for the rebuilding of homes. I shall not go into the many special types of disaster relief

available under the commodity stabilization program and many other Federal programs. Surplus food stocks are already built up.

Reports from the Air Force of less than 15 minutes ago were to the effect that winds had reached 100 miles an hour at Austin, 160 miles from the coast. All air transportation has been cut off there.

The Coast Guard and other agencies are doing a fine job. Each of them is living up to the finest traditions of their branch of service. On behalf of the people of my State, I thank them for their great services.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. YARBOROUGH. The Senator from Oregon has the floor.

Mr. MORSE. I yield to the Senator with the understanding that I do not lose the floor.

Mr. HUMPHREY. Mr. President, I merely wanted to say to the Senator that I am sure his local officials will find that manual very helpful. The manual, which was prepared by the Subcommittee on Reorganization of the Committee on Government Operations, came about as a result of what we found to be a lack of information on the part of local officials as to what was available from their Federal Government in such an emergency as the Senator has referred to which exists in Texas, Louisiana, and other parts of the country. We found that when flood conditions took place, frequently our local and governmental officials and private citizens had no real information as to what was available under present law. Therefore, the manual was prepared. The Library of Congress was very helpful in getting the information together, as were other agencies of Government. The manual is very helpful.

I am glad the Senator has sent the manual to the mayors whose cities will be so terribly affected by the storm moving in on Texas and parts of Louisiana.

May I make one further suggestion to the Senator? I hope when the executive department representatives review this colloquy, a careful reexamination will be made as to the adequacy of the emergency funds, particularly in the Department of Agriculture, because, if the reports of this storm are accurate—and I imagine they are—the loss of property will be tremendous and there will be a need for prompt emergency assistance, particularly in the form of loans, for the areas that will be so seriously damaged by the impact of the storm.

I hope the Senator himself, as well as the executive agencies that have emergency authority, will examine into the adequacy of the provisions that relate to loans and other forms of assistance.

Mr. YARBOROUGH. I thank the distinguished Senator from Minnesota for his suggestion in that regard. We had contemplated doing that. We contemplate going to Texas just as soon as the winds diminish to the point that the damage can be surveyed. The Air Force informs us that we could not land at Austin, which is located 160 miles from the coast, at this time.

We plan to ask for a disaster survey and for all types of assistance available. If there is any lack in the present authority, we will ask for a supplemental appropriation bill, or emergency measures for supplemental authority.

We are also sending copies of the manual to individuals in the affected areas, so this information will be available to those portions of counties not included within incorporated areas.

This disaster relief manual is an extremely helpful manual, listing 75 or more types of assistance available under Federal Law. For example, under the U.S. Coast Guard, even while these disasters are impending and going on, more than 15 types of measures can be taken, for relief. One for example, authorizes the Coast Guard to reduce contamination in the water supply.

This is one of the most valuable disaster manuals ever compiled in this country. The civil defense authorities are using it.

The Senator from Minnesota may be interested in knowing that the civil defense authorities in Washington and the southwestern control headquarters at Denton, Tex., where they have their underground control, and at the State control headquarters at Austin, use this manual, and it is proving invaluable in the disaster which is striking us.

U.S. MILK LEGISLATION

Mr. HUMPHREY. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. Mr. President, I yield to the Senator from Minnesota with the understanding that I do not lose my right to the floor.

Mr. HUMPHREY. Mr. President, I am a sponsor, along with my colleague the Senator from Minnesota [Mr. MCCARTHY] and the Senators from Wisconsin [Mr. PROXMIRE and Mr. WILEY], of Senate bill 212 relating to nationwide standards for milk sanitation. The importance of this bill lies in the fact that it would eliminate the use of arbitrary health standards as trade barriers against the shipment of high quality milk in interstate commerce. The House has been holding hearings on this bill and the Senate will commence hearings in January.

The Minneapolis Star, one of the great metropolitan newspapers in the country, points out editorially in its September 2, 1961, issue the wisdom of nationwide milk sanitation standards as criteria for the elimination of artificial health barriers. I ask unanimous consent that this editorial be printed at this point in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

U.S. MILK LEGISLATION

When Orville Freeman was Governor of Minnesota he strongly supported Federal legislation to set up nationwide standards for milk. This would do away with the artificial health barriers erected by some cities and States to keep out milk from other areas, such as Minnesota.

When Freeman became Secretary of Agriculture he indicated he would have to take another look at such matters. There was speculation that he would reverse his position and oppose a Federal measure. But now, over eastern protests, he has endorsed a bill which would allow dairy farmers to ship their milk anywhere.

This seems a sensible view for either a Minnesota Governor or an Agriculture Secretary. Some additional markets should be opened for milk from Minnesota and other surplus regions if the bill becomes law.

But the effect is likely to be small while Federal milk marketing orders remain in effect. These orders, covering most of the large markets, say that milk distributors must pay the same price whether the milk is produced in New York State or Minnesota. Thus there is no inducement for a distributor to seek Minnesota milk.

These orders not only exclude Minnesota fluid milk from eastern markets; they tend to restrict the outlet for manufacturing milk, used in butter, dried skim, etc.

Farmers near the big city markets keep pushing up production to take advantage of the high price for class 1 (fluid) milk. During some periods of the year they produce more than the fluid market will absorb. The amount left over goes into manufacturing milk at a price sometimes lower than is paid for the same kind of milk in Minnesota.

Also, if the eastern markets become more receptive to outside milk, Minnesota may not benefit greatly. For there is much surplus milk produced between here and New York City, say, which could be transported at a lower cost than Minnesota milk.

But the bill Freeman favors is a step in the right direction. If it passes, the next move should be further examination of Federal marketing orders which do as much as artificial health standards to put an embargo on milk from a distance.

STATESMANSHIP AT TUNIS

Mr. HUMPHREY. Mr. President, in this morning's Washington Post there appears an excellent editorial commending President Bourguiba of Tunisia for his statesmanlike action in offering to withdraw the objections of his country to continued French use of the naval base near Bizerte "during the present world crisis."

I was deeply saddened by the violent dispute which arose recently between the French and the Tunisians over the issue of French evacuation of the Bizerte naval base. It is indeed tragic that two such fine and democratic countries should be at sword's point at a time when the entire free world is being severely challenged and threatened by the Soviet Union.

Our Ambassador to the United Nations, Adlai Stevenson, appealed to both sides to negotiate their differences in the interest of world peace. I am most heartened, therefore, at President Bourguiba's conciliatory move, which would indicate that he is willing to extend the hand of friendship and to negotiate.

I want to say, in behalf of President Bourguiba, that this particular move of conciliation should be looked upon as a real contribution to the cooperation of the free countries in the present crisis. He has performed a very statesmanlike act. It is well understood that President Bourguiba is under great pressure in his own country to have the French out of the naval base.

The President of Tunisia has strong legal grounds for his claim of requiring French evacuation.

It is my hope, therefore, that France will accept Tunisia's offer, and work toward a just solution to this dispute. The critical world crisis demands that the free-world nations stand united. Every effort must be made to heal differences which may exist between such nations in this trying time.

Mr. President, I ask unanimous consent that the Washington Post and Times Herald editorial to which I have referred be inserted at this point in the RECORD. Also, that an article by Mr. Thomas F. Brady in the New York Times, entitled "Bourguiba Eases Stand on Bizerte," be printed.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the Washington Post]

STATESMANSHIP AT TUNIS

There is statesmanship in President Habib Bourguiba's offer to withdraw the objections of Tunisia to continued French use of the base near Bizerte "during the present world crisis." President de Gaulle of France had prepared the way for compromise in his recent news conference when he spoke of negotiations on use of the base "during the dangerous period through which the world is passing." Such a formula would allow both countries to save face and to serve the common interest by strengthening Western defenses.

A large measure of conciliation on both sides will still be necessary to work out the details of an accord. The first step taken is an exchange of prisoners captured during the tragic clash between French and Tunisian forces. The next step may be evacuation of the city of Bizerte. It is to be hoped too that normal diplomatic relations will soon be reestablished and that an amicable agreement can be reached on the period during which French forces shall continue to use the base.

President Bourguiba reasonably insists that the decision as to when the emergency ends cannot be left wholly to the discretion of France. Some means will have to be found for the achievement of a joint decision or arbitration of this issue. The Tunisian President is very unrealistic, however, when he suggests that the international crisis which justifies continued use of the base may not last more than a few weeks. No informed observer of the international scene seems to share that optimism.

The greatest hope for solution of the tragic Franco-Tunisian flareup would seem to lie in a firm commitment for use of the base as long as the present emergency lasts and an equally firm commitment for withdrawal of the French as soon as the emergency has passed. It is especially significant that President Bourguiba, who recently returned from the Conference of the uncommitted powers at Belgrade and who was ardently wooed by Moscow during his troubles with the French, is once more thinking in terms of defense of the free world.

[From the New York Times]

BOURGUIBA EASES STAND ON BIZERTE—TUNISIAN TERMS DE GAULLE TALK "POSITIVE"—SEES NEW HOPE OF AGREEMENT

(By Thomas F. Brady)

TUNIS, September 6.—President Habib Bourguiba returned to Tunis tonight from the Belgrade Conference of uncommitted nations in an unexpected mood of conciliation toward President de Gaulle of France. It suggested the possibility of a negotiated solution of the Bizerte impasse.

In an interview with the Tunis radio recorded in the Yugoslav capital but broadcast after his arrival here, Mr. Bourguiba said:

"It appears that General de Gaulle has finally recognized the principle of evacuation of Bizerte. * * * Thus it is possible for us to come to an understanding on an evacuation timetable. We have never asked for evacuation today or tomorrow."

FRENCH NOTE REPORTED

The tone of optimism was particularly surprising after General de Gaulle's tough declaration on the Bizerte question yesterday and after incidents in the city itself in which at least three Tunisians were killed when French troops opened fire.

The change in the Tunisian line was linked with a report of a conciliatory note from the French Foreign Ministry delivered here this morning by the Swiss Chargé d'Affaires, who has looked after French interests since Tunisia broke off diplomatic relations in July, following fighting in Bizerte.

The most important element, according to observers here, was the probable decision by Mr. Bourguiba that the Bizerte crisis had cost Tunisia too dearly in lives and in economic and educational dislocation.

Mr. Bourguiba's optimistic statement was apparently based on General de Gaulle's declaration yesterday that someday it would be necessary to negotiate the withdrawal of French troops, but that the present world situation did not permit France to do so now.

Nevertheless, the rest of General de Gaulle's comment on Bizerte was extremely disobliging to Tunisia and to Mr. Bourguiba personally. The first reaction here had been one of extreme antagonism and discouragement.

General de Gaulle said that when he had seen Mr. Bourguiba in France last spring, "I told him in the clearest way that the situation being what it was, France could not and would not quit Bizerte."

"After our conversations," General de Gaulle continued, "he spread himself in friendly declarations about us. Then, for reasons which probably concern what goes on in the Arab universe, the Tunisian Republic changed its tone and its song. There were menaces and demands and then the aggression."

The fact that 24 hours later, Mr. Bourguiba decided to base his reaction on the positive elements of General de Gaulle's declaration was seen as an indication of a return to the old policy known as Bourguibism, or gradual achievement of goals by diplomatic means.

But the Tunisian leader warned that the situation at Bizerte remained grave and that the Tunisians would be "obliged to respond to provocations by French military forces."

President Bourguiba flew home from the Belgrade Conference 24 hours ahead of schedule to deal with the Bizerte issue.

Tension in the northern seaport town was said to be extremely high today, after yesterday's shooting.

Mr. HUMPHREY. Mr. Bourguiba was one of those in attendance at the meeting at Belgrade, Yugoslavia, of the so-called uncommitted or neutral nations. According to the reports we have received, this fine man, the President of Tunisia, a friend of freedom, who has been a good friend of the United States, was one of the forceful voices in behalf of the position of this Government. He was one of those who took strong exception to the resumption of nuclear tests by the Soviet Union.

These actions of some of our friends all too often go unnoticed. The actions of those with whom we disagree seem to gain the headlines all too often. We seem to enjoy reading the bad news in this country rather than, occasionally, taking encouragement and hope from some of the good news from some of our good friends.

I think the RECORD of the U.S. Senate at least ought to carry a word of appreciation to friends of the United States who stand up for us when they believe we are right and who have the courage of their convictions when they believe we are wrong. A good friend is not necessarily one who always says "Yes," though the facts do not justify such a response. A good friend is, one who in difficult times, will go out of his way to try to heal differences, to breach a gap which might exist between nations, and to stand up for what is right in the conferences in which the United States is all too often under severe attack.

I for one, wish to express my appreciation to this statesman who recently visited our shores, who was received by President Kennedy and who addressed the Congress, who has demonstrated a quality of leadership much needed in the present world.

Mr. President, I have one other item, and I thank the Senator from Oregon for permitting me to use this time.

SETTLEMENT OF DUTCH FARMERS IN BRAZIL

Mr. HUMPHREY. Mr. President, one of the most encouraging developments which has come to my attention in the field of successful agricultural development projects in Latin America is the program for the settlement of Dutch farmers in Brazil.

I know the Senator from Oregon [Mr. MORSE], and the Senator from Vermont [Mr. AIKEN], are much interested in this, because of their leadership in respect to Latin American affairs.

The pattern of Dutch agriculture is such that many of the younger sons of Dutch farmers find it impossible to continue farming in the Netherlands because of the severe shortage of farmland. Yet these young farmers want to make a career of farming, and they are highly trained and highly skilled people.

I said to one of the parliamentarians who recently visited us from the Netherlands that the greatest export of the many fine exports from Holland—the best of all—was their people. We in America, and I am happy to say we in the State of Minnesota, have had the privilege of receiving many of these fine people from the Netherlands. They have strengthened our Nation and strengthened our respective communities. They are good people.

The Dutch Government, therefore, has wisely developed a positive emigration program, which has the effect of a vigorous technical assistance program for those countries fortunate enough to secure the settlement of these Dutch farming families.

While our attention is focused on the current political situation in Brazil, it may be well to point out that there are many positive, constructive and hopeful developments at the grassroots in Brazil which should not be forgotten.

First. There are at present seven settlements of Dutch farmers in Brazil. Carambei—Parana—is the oldest. The others were organized since 1948. Carambei, Castrolanda—Parana—and Holambra—São Paulo—are the largest. Monte Alegre—Parana—Nao me toque—Rio Grande do Sul—and Tronco—Parana—are much smaller. In development are Arapoti—Parana—and Holambra II—São Paulo.

The total number of the people accommodated by the settlements is still limited. Including Brazilians who in the course of the years have joined the settlements, the number is approximately 3,000. Completion of Arapoti and Holambra II in the coming years will increase the number to approximately 8,000.

The procedure of establishing a settlement is usually as follows: A "cooperativa agro-pecuaria" is organized. The cooperative purchases a suitable tract of land. The cooperative develops the land, puts in roads, clears and improves it with drainage and irrigation, and subdivides it in family sized farms on which necessary buildings are erected. The settler purchases his farm from the cooperative.

The cooperative plays a prominent role in the economic and social system of the settlement. Purchasing of supplies and equipment; stockraising of purebred cattle; processing and packing of agricultural products, and social and educational services are organized by the cooperative, or by rather independent sections or subsections thereof.

Small as the numbers of settlers are, the impact on technical, economic, and social development in a wide area is spectacular.

Technical: The Dutch settlers are introducing modern agricultural production methods which so far were practically unknown in the areas. This includes introduction of new crops, diversification and rotation of crops, proper use of chemical fertilizers, modern machinery, introduction of better livestock and expert stockbreeding, pest and insect control, application of proper drainage and irrigation methods, et cetera. They establish a close working contact with Brazilian agricultural research and extension services. Their methods are followed on an increasingly large scale by Brazilian farmers, who so far mainly depended on old-fashioned and uneconomical farming methods.

Mr. President, this is technical assistance, but it is the kind of technical assistance which is enduring. The technicians of whom I speak are the farmers themselves, who come not only with their technical know-how and great competence in agriculture but also with their families. They stay and they build communities. I believe this is good news for the cause of freedom.

Recently we have heard much bad news. I wished to brighten up this day by reciting a little good news. All is not lost. Much is being done that is very, very good.

Mr. AIKEN rose.

Mr. HUMPHREY. I yield to the Senator from Vermont.

Mr. AIKEN. I am interested in what my colleague from Minnesota is saying. We do need all the good news we can get. The Senator has given us good news.

I believe in the future more good news will come from the south, particularly from Brazil. After the resignation of President Quadros I could not become too much alarmed over the situation, because I knew the Brazilian people would work out their problem without interference from other countries and would work it out so as to be of the greatest future benefit to the future of Brazil.

Brazil is already one of the greatest countries of the world. The population is almost 70 million today, and is growing.

Brazil has financial troubles, but the financial troubles are due to growing pains and the necessity for financing, up to now, long-term development programs with short-term money.

One of the things which makes Brazil's future so bright is the readiness with which immigrants assimilate into the affairs of the country, taking part in the social and political affairs as well as the economic affairs of that great country.

When one goes to see the Brazilian Congress, one finds people of different nationalities and even different colors serving in the Legislative Assembly. They become people of that country and work for the good of that country.

Although Brazil has troubles and will continue to have troubles, the greatest trouble is that Brazil is not yet able to develop the tremendous resources she possesses as fast as they are needed. We hope the future holds more in store for the people of Brazil. Agriculturally, Brazil has tremendous possibilities.

They have water. They do not make the fullest use of the water on the land in many places and in as large areas as they would like. They are adopting modern agriculture as rapidly as possible. One can go into that country and see great 100-acre and 500-acre plantations of coffee growing in the open. Such plantations used to be under trees. Of course, they have overproduced coffee and must develop new markets for it.

I am in full accord with what the Senator from Minnesota has said about the Dutch. They, along with the Danes, are among the finest farmers in the world. I should include the farmers in some of the other smaller countries of Western Europe. But they have the same troubles that we have here. In order to provide increasing social standards and higher levels for their families, they must have more land, and they do not have it. So those people are migrating to other countries, where land is readily available. I am sure they will do their part in feeding and clothing the populations of the future, which are bound to increase greatly, unless some weak heads of state, such as Russia appears to have had, get us into trouble. I shall not discuss Russia today except to say that if Mr. Khrushchev wants to prove himself a strong man and a good man he should abandon the course that leads inevitably to war. Any fool in his official position can start a war, but it takes a strong man and a good man to work for peace. I have been worried about that situation, but that is getting too far away from the subject.

Mr. HUMPHREY. I wish to say to the Senator from Vermont that what he has said is very much on the subject. His words are the kind that should be stated in the Senate Chamber.

Mr. AIKEN. If Mr. Khrushchev is a strong man, he will cease taking steps that will lead inevitably to war. If he is a weakling, he will continue along the course which he is now traveling.

Mr. HUMPHREY. I thank the Senator.

Mr. President, I was mentioning that at the time of purchase the land is normally used for grazing purposes, giving a low yield per acre, or it is deteriorated plantation land. The intensive soil improving agriculture introduced by the Dutch increases the yield per acre many times over, thus adding to the economic growth of Brazil. The introduction of cooperative purchasing, processing and selling gives the producer a greater margin of profit and allows the settlements to make the necessary capital goods available to the settlers. The cooperative approach enabled the producers to extend their markets over a much wider area. They even opened their own sales offices hundreds of miles away, that is, in Curitiba, Campinas, São Paulo, and Rio de Janeiro. Because of quality their products are sold at a premium. They export coffee to Europe at the highest world market price. The purebred cattle is shipped for stock improvement to all the States of Brazil.

Social and educational: In close cooperation with the authorities the settlements organize general educational systems, agricultural and home economics courses, art classes, and establish mutual social and health services.

The total impact of these settlements is clearly visible in a wide area. Brazilians are taking over agricultural methods, joining the cooperatives, are settling in or as close as possible to the settlement, so that often the original border of the settlement cannot be distinguished any more. They make use of educational and social provisions resulting from the establishment of the settlements. Great numbers of authorities from other Brazilian areas visit the settlements to study their methods for application elsewhere. State authorities are organizing courses in the settlements in other areas.

The settlements demonstrate the value of a strong cooperative organization combined with private ownership of the individual farms, thereby stimulating the incentive to produce the best.

They also demonstrate that the family farm unit is possible and probably the best answer to many of the serious problems of Brazilian rural development.

The family farm concept—a farm big enough to provide a decent standard of living and not bigger than can be managed by a farmer and his family with a hired man—is rapidly showing its great advantages in Brazil, both from a productive and social point of view.

The establishment of agricultural settlements is consistent with the President's program as expressed in his message, "Alliance for Progress," and more recently confirmed by the Congress of the United States in Public Law 87–41, inter-American social and economic cooperation program, in which it specifically authorizes the extension of credits for agricultural settlement in Latin America.

The joining of Dutch and Brazilian farmers in the same agricultural settlements fulfills the desire to promote technical, economic and social development of Brazil, hence it is consistent with the view of the United States, Brazilian, as well as the Netherlands Governments.

The total number of settlers is still too small to assure sufficient economic and spiritual growth. A regular expansion through the intake of new Dutch settlers is imperative because only in this way can sterility, which threatens every small and isolated community, be prevented.

In order for these agricultural settlements to provide the greatest assistance in technical, economic and social development of Brazil, as well as for the settlers themselves, they must undertake an expansion program for many years to come. Expansion is also necessary to provide new and challenging frontiers for the present settlers and their children and to provide the nucleus to stimulate the population to develop the surrounding areas.

Thus the pattern of expansion, selection of the people, and the financing, have to be developed on a sound basis.

Every new settlement should be sufficiently close to an existing settlement, so that the older settlement can provide experience, marketing, purchasing, and other facilities through the established cooperatives. Moreover, the new settlement will then be in a position to support the older one with new blood, new ideas, and increased production, and help to maintain and strengthen the ties with the Western World.

This pattern would create a string of settlements through the country, thus stimulating the development in an ever increasing area.

Each settlement should consist of at least 60 families, preferably more. For the settlement of each family, an initial investment of approximately $15,000 per farm is required for preliminary investigation; purchase of land; clearing and soil improvement; road construction; water supply; drainage; construction of necessary buildings; purchase of stock and equipment, seed, fertilizers, and fodder; and expenses for the settlers' subsistence during the first months.

Heretofore the selection of new settlers has been based to a large degree on the financial requirement that each Dutch family have at least $6,000 available. Additional funds were provided by the Brazilian and United States Governments.

The $6,000 requirement excludes from consideration a great number of people, both Dutch and Brazilians, who are otherwise eminently qualified—for instance, the second, third, and so forth, son of a family farmer. The limited financial resources of many young Dutch farmers are not surprising as about 60 percent of the farms are between 2½ and 25 acres only, and 52 percent of the total farm area in the Netherlands is rented and not owner occupied. On the whole, farmers with considerable means are also less inclined to migrate than those with ability but who, because of lack of capital and general shortage of land in the Netherlands, are unable to purchase their own farms in the Netherlands.

Sufficient land for carrying out such a program is available, as large low-producing land tracts are frequently offered for sale.

An additional difficulty so far has been, however, that no funds were earmarked in advance for this program. Consequently, when a suitable tract of land was available for purchase, the required funds still had to be found. To arrange for the financing of the purchase often took too much time and the options expired.

An established financing policy should make funds available whenever a purchase opportunity presents itself.

To promote the extremely successful and viable settlements as mentioned above, it will be necessary to find sources of financing which will make possible a selection of new settlers on ability and potential, and not on the accidental financial capability.

As mentioned above, an initial investment of approximately $15,000 is required to purchase a farm in a settlement. Figures supplied by existing settlers prove that the settler can repay the investment of his farm within 15 to 20 years.

It is clear, therefore, that the Netherlands Government is already making a contribution to Dutch emigrants by supplying free services and facilities and bearing part of the cost of transportation.

I understand that the Netherlands Government will also be prepared, in addition to this assistance, to investigate the possibility of a limited participation in the financing of the settlements themselves if cooperation could be obtained from the Inter-American Development Bank and then through the extended use of local currency funds generated by Public Law 480 in Brazil, in order to finance the initial required investment of up to $15,000 per family.

I would think that such a cooperative effort would be precisely what the American Government would find most encouraging. The more multilateral and joint, combined operations which can be undertaken by the advanced nations of the West in order to help the underdeveloped nations, the better.

I would wish to encourage the pursuit of this cooperative effort, and I am calling this matter to the attention of the Secretary of State.

My only purpose in bringing this program to the attention of the Senate is to arouse a greater interest on the part of our State Department and our aid administration, the Inter-American Bank, in this kind of program. I offered in the Senate an amendment to the foreign aid bill that we should utilize wherever possible and practical the cooperative approach on some of these agricultural problems to try to encourage credit unions to make available low-cost credit in the amounts that many people require, and also to promote loan associations, so far as possible.

I serve notice in a most friendly and cooperative manner that I intend to pursue this subject matter until we see results. I wish to make sure that we get our aid program down to the people in the rural areas of these countries, the people who really need it. I wish to make sure that the business enterprises in the smaller communities or, indeed, in the larger cities, are given an opportunity for credit and development. That is the spirit of America, and we need very much to get that idea very clearly inplanted in our foreign aid program and our Inter-American Bank program.

I have a feeling that unless some of us in the Senate are willing to keep at it relentlessly and pursue a course of constant vigilance to oversee activities in the respective agencies, we may fall back into the old pattern of doing too little too late and ignoring the real basic needs of the people whom we say we are trying to help.

I cannot help but recall that only a few months ago we were told that the State Department did not have a single person working in that cooperative area. I wish to make sure that that does not happen again. As one who is rather persistent and occasionally a little stubborn and even relentless and persevering, I wish to give a friendly and cooperative warning that there will be a watchful eye on these matters, even when the Senate is not in session.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. I wish to endorse the Senator's remarks with regard to the promotion of cooperatives and loan associations, because they hold a hope that the ordinary people, the people who do not have the means to establish themselves in business or agriculture by themselves, will have an opportunity to do so in company with others.

While I am on my feet, I wish to express regret at the rumors that have been prevalent lately that Mr. Henry Labouisse is not to be the head of the AID agency, because when we approved the foreign aid bill, confidence of Senators and Representatives in Congress in Mr. Labouisse had much to do with the enactment of that legislation in as good shape as it finally came through. I think it came through in pretty good shape. We shall not know finally until the appropriation bill clears both Houses of Congress and is signed by the President. But I think it is coming through in pretty good shape after all. I was terribly disturbed that the administration did not wait for the appropriation to get through before announcing that Mr. Labouisse, in whom we all have a great deal of confidence, was to be replaced.

Mr. HUMPHREY. I have a great deal of confidence in Mr. Labouisse. I consider him to be one of the outstanding Americans. He has shown remarkable qualities as a Government official. He has a great quality which I think the aid programs need, namely, a spirit of understanding. I see that the Senator from Vermont has put his hand over his heart. He has the quality of heart as well as mind.

Mr. AIKEN. I think he has a heart and is strictly honest.

Mr. HUMPHREY. I fully agree. Our aid programs must now be directed toward the people we seek to help. The aid programs are designed primarily to help people in the Latin American areas, the African areas, the Asian areas, and in areas where there is mass poverty, great illiteracy, severe problems of disease, and where social development has been held up or retarded.

If we are to make an impact, the impact that we seek to make, it will not be done merely on the big loans with the big people, but it will have to be made in the social development with the people themselves. I know that I speak for many Members of the Senate when I say that we look upon the foreign aid program now as an effort to get in touch with the people, to help people lift themselves to a better life, particularly in some of the areas of the world where the problems of poverty are almost beyond human comprehension or understanding.

Mr. MORSE. I wish to associate myself with the remarks made during the past 5 minutes by the Senator from Vermont [Mr. AIKEN] and the Senator from Minnesota [Mr. HUMPHREY], in respect to two subject matters upon which they commented.

The first is the need for a greater development of our cooperative movement as a part of our foreign aid program, including the development of a building and loan association program in many parts of the world, particularly with respect to the problems in Latin America.

I have been working very closely, as has the Senator from Vermont and the other members of the Subcommittee on Latin American Affairs, with various building and loan association officials in our country, particularly one project under the leadership of Mr. Courshan, of Hollywood, Fla., who is president of one of the building and loan associations in that State, and who did two very important special jobs for the ICA in regard to the matter of homeownership in connection with the development of building and loan associations, one in Africa and one in Latin America. I do not know of any aid we could possibly make available in either Africa or Latin America which would be more effective in stemming the tide of communism as would a program which ends up with people owning the roof over their heads. We do not have to worry about people supporting economic freedom if they have cause to support it, and they have cause to support economic freedom when they are the beneficiaries of economic and political benefits of a free system of economic and political freedom.

Mr. President, it is very interesting that there should be woven into these discussions the statement of the Senator from Minnesota with regard to Brazil and the large number of young Dutch farmers who are interested in devoting themselves to the life of farming.

Given private homeownership in the city and family farm homeownership in the country, we do not have to worry whether people in that kind of society will come over to the cause of freedom and support it. The sad fact is that we have not done it in Latin America. We have not done enough of it in Africa. The sad fact is that a majority—and I wish Senators to note what I say—a majority of the agricultural producers of Latin America do not own a square foot of the soil they cultivate. The sad fact is that much of Latin America is a serfdom as far as the workers and the soil are concerned. They are living under a feudal system.

Unless we insist on land reform in the country and those reforms in the city which will make it possible for the people to own their home, the Alliance for Progress program is doomed to failure. In my judgment the Alliance for Progress program has no hope of success in Latin America unless it is able to bring about economic and political and legislative reforms necessary to give the people of Latin America land reform, carrying with it the opportunity to own the soil they till and the opportunity in the cities, through building and loan associations, through co-ops, through credit unions, through what the Senator from Minnesota has talked about, at least a chance to own their homes.

That brings us right into grips with this whole problem of insisting on putting the loan program on the basis of interest rates that the people can afford to pay. The usurious, shakedown financial system of Latin America has to go. If we want to fight for economic freedom in Latin America, we cannot hope to win the people over to the cause of freedom if they have to pay 12 percent, 13 percent, 14 percent, and, yes, as high as, in some spots, 24 percent interest. It is a shocking thing. There is no chance of homeownership and there is no chance of farm homeownership until the governments of Latin America rise to some of their responsibilities. That means, of course, they will have to be strong enough to withstand the influence of the great powerful families of Latin America. It is true that a large percentage of the wealth of Latin America is owned by such a few. But frequently the few have not demonstrated the great social conscience approach that the Senator from Minnesota has been talking about and that the Senator from Vermont has been talking about.

I wished to make these additional comments on the subject the Senators have discussed this afternoon, because I believe their approach is unanswerably correct, and is one which will have to be made if we are to win the cause of freedom through the Alliance for Progress program in Latin America.

The Senator from Vermont disturbs me very much. I do not know where I have been, but I was not aware that there is a probability that Mr. Labouisse will not continue to be Director of ICA. As a member of the Committee on Foreign Relations—and the Senator from Vermont is a member of that committee also—and I see on the floor the Senator from Wisconsin [Mr. WILEY] who is also a member of the committee—I wish to say that if what the Senator from Vermont has alluded to is correct—and I am sure it is, or it would not come from the lips of the Senator from Vermont, and he must have a good basis for the announcement he made a few moments ago—my recommendation is that the Committee on Foreign Relations had better have a consultation at a very early hour with the State Department on this subject.

The Senator from South Dakota [Mr. CASE] has just handed me a clipping which shows where I have been. I have not been reading the papers on this subject.

Mr. AIKEN. Mr. President, the report is that Mr. Labouisse is to be replaced by Mr. Woods, of the First Boston Corp., who received considerable publicity at the time of the Dixon-Yates involvement with the Federal Government. It is very interesting to note that the newspapers of last week announced that finally the Dixon-Yates matter had been "laid to rest."

Mr. MORSE. What does the Senator mean by "laid to rest"?

Mr. AIKEN. I suggest that the Senator ask the person who wrote the story.

Mr. MORSE. If that is what the report states, then the matter has just been resurrected again. Over the weekend I have been pursuing my agricultural pursuits, and I was unaware of this matter. I shall not comment on it further until I have talked to the State Department about it. Certainly, I urge my colleagues on the Committee on Foreign Relations that we have a consultation in committee in regard to this matter. I agree with the Senator from Vermont that Mr. Labouisse made a very favorable impression on us throughout all of our hearings in connection with the ICA program.

I had a feeling that we could count on Mr. Labouisse to go into those parts of the world where ICA has not been doing too well, where some abuses have developed, where the evidence is quite clear that there is shocking waste, and that we could count on him to take the necessary reform steps to make certain that ICA would carry out its intended purposes to a greater degree than in some instances it has been carrying them out.

Then, too, we were impressed by the sound arguments he made for an extended program, for a time program which would permit him, at least in the hiring of personnel, to commit himself beyond a year, which I thought was so important, and which I think is possible under the provisions of the bill we passed. I felt the case he made for strengthening the personnel of ICA, after he had been given the administrative authority to make appointments and had been

given some assurance of tenure beyond a year, was a very hopeful sign, too.

I was very much disturbed to hear the Senator from Vermont indicate that we might lose the services of this very able Government official, who I think has made a remarkably fine impression in the short time he has been with the administration. I am now doubly disturbed both by the statement of the Senator from Vermont and the statement of the Senator from South Dakota [Mr. CASE], who has handed me a newspaper clipping which I have just scanned. I wish to be very careful to make certain that I have all my facts before I say anything further, so I shall withhold further comment until I have studied the subject.

Mr. AIKEN. I am certain the Senator from Oregon will have something further to say after he finishes his reading on the subject; but I reiterate that it was confidence on the part of the committee members, including myself, that Mr. Labouisse would do his utmost to make certain that the aid money which Congress would provide would reach the people for whom it was intended, that enabled us to pass as good a bill as we did. I have repeatedly said that we should not legislate for the man, but for the program. In spite of that, we did legislate to a considerable extent for Mr. Labouisse, but if he is not to occupy the position, then I feel that my decision to oppose the long-term borrowing authority has been fully justified.

Mr. CASE of South Dakota. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. CASE of South Dakota. I would not expect or ask the senior Senator from Oregon to comment upon the newspaper item to which reference has been made. However, I should like to ask unanimous consent, if I may do so with the Senator's indulgence, that following his remarks the article may be printed in the RECORD, in order that the substance of it may appear in orderly fashion for reference purposes.

Mr. MORSE. I think it should be placed in the RECORD at this point.

Mr. CASE of South Dakota. Very well.

Mr. President, I ask unanimous consent that the article entitled "Naming of Woods May Reopen Scars," written by Marshall McNeil, and published in the Washington Daily News of recent date, may be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DIXON-YATES CASE—NAMING OF WOODS MAY REOPEN SCARS

(By Marshall McNeil)

A replay of the old Dixon-Yates conflict-of-interest story is in prospect in the Senate if President Kennedy nominates George David Woods of New York as head of his new Foreign Aid Agency.

Mr. Woods, 60, a Republican, is chairman of the First Boston Corp., one of the country's leading security houses. He is nationally known as an investment expert and internationally known as a banker and conciliator.

In 1953, as head of First Boston, he offered to send into the U.S. Budget Bureau his vice president, Adolphe Wenzell. Joseph Dodge, then Budget Director, wanted advice from a banker and utility expert about proposed expansion of the Tennessee Valley Authority. He hired Mr. Woods' nominee.

Mr. Wenzell's two-hat operation—one for his company, the other for the Government—led to a Senate investigation and charges of conflict of interest.

These charges were upheld last January by the U.S. Supreme Court. It struck down a Court of Claims award of about $1.8 million Dixon-Yates claimed when their power contract with the U.S. Atomic Energy Commission was canceled. AEC had contracted to have Dixon-Yates build a $100 million generating plant near Memphis. First Boston was to help in financing the project, without fee, Mr. Woods said.

The New York financial district, it has since been reported, believes the Dixon-Yates affair left its stamp on the "thoughtful side" of Mr. Woods.

NO CONFIRMATION

Although it has been widely reported that Mr. Woods has been chosen as Administrator for the new Agency for International Development (AID), there was no confirmation of this at the White House.

Chairman J. W. FULBRIGHT, of the Senate Foreign Relations Committee, said he heard Mr. Woods was one of several men being considered. Pierre Salinger, the President's press secretary, has said only that "nothing has been determined" about the AID directorship.

Mr. CASE of South Dakota. Mr. President, I share the views of the Senator from Oregon and the Senator from Vermont with respect to the hard work of Mr. Labouisse. He has tried to do a good job, and he has done so to the extent of his ability and under the restrictions which he encountered in the course of his work.

I am somewhat disturbed by the suggestion that he may be replaced—or perhaps I had better put it the other way around: that the director of the new organization, to be known as AID, should be someone else. I do not know why that should be; I am not in the counsels of the administration. I saw some reference to this proposal in a newspaper article a couple of days ago; but when I saw it today, and in the absence of any definitive comment from the White House on the subject, naturally I have some question in my mind as do other Senators. So I thought the item should be brought into the open and the actual newspaper article be printed in the RECORD.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 902) to amend the Small Business Investment Act of 1958, and for other purposes; disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. PATMAN, Mr. RAINS, Mr. MULTER, Mr. MCDONOUGH, Mr. WIDNALL, and Mr. DERWINSKI were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1653) to amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises.

The message further announced that the House insisted upon its amendments to the bill (S. 2237) to permit the entry of certain eligible alien orphans, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WALTER, Mr. FEIGHAN, Mr. CHELF, Mr. POFF, and Mr. MOORE were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 8762) to amend the Small Business Act to increase the amount available for regular business loans thereunder; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. PATMAN, Mr. RAINS, Mr. MULTER, Mr. MCDONOUGH, Mr. WIDNALL, and Mr. DERWINSKI were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H.R. 2883) to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 48. An act to authorize the Secretary of the Army to modify certain leases entered into for the provisions of recreation facilities in reservoir areas;

S. 203. An act to declare that the United States holds trust for the pueblos of Santa Ana, Zia, Jemez, San Felipe, Santo Domingo, Cochiti, Isleta, and San Ildefonso certain public lands;

S. 322. An act to make certain funds available to the Nez Perce Tribe of Idaho;

S. 344. An act to amend the Seneca Leasing Act of August 14, 1950 (64 Stat. 442);

S. 541. An act to amend the act of June 1, 1948 (62 Stat. 281), to empower the Administrator of General Services to appoint nonuniformed special policemen;

S. 685. An act to amend the Coast and Geodetic Survey Commissioned Officers Act of 1948, as amended, and for other purposes;

S. 931. An act to repeal that part of the act of March 2, 1889, which requires that grantors furnish, free of all expenses to the Government, all requisite abstracts, official certifications and evidence of title;

S. 935. An act for the relief of certain members of the Army National Guard of the United States and the Air National Guard of the United States;

S. 1368. An act to amend the Shipping Act, 1916, to provide for licensing independent

ocean freight forwarders, and for other purposes;

S. 1501. An act to authorize the Secretary of the Interior to contract for the sale, operation, maintenance, repair, or relocation of Government-owned electric and telephone lines and other utility facilities used for the administration of the Bureau of Indian Affairs;

S. 1518. An act providing for the disposition of judgment funds of the Omaha Tribe of Indians;

S. 2016. An act to give to the Walker River Paiute Tribe the reserved minerals underlying its reservation;

S. 2216. An act to authorize the transfer of three units of the Fort Belknap Indian irrigation project to the landowners within the project;

S. 2224. An act to grant minerals, including oil, gas, and other natural deposits, on certain lands in the Northern Cheyenne Indian Reservation, Mont., to certain Indians, and for other purposes;

S. 2395. An act to amend the Railroad Retirement Act of 1937 to provide reduced annuities to male employees who have attained age 62, and for other purposes;

S. 2422. An act concerning the White House and providing for the care and preservation of its historic and artistic contents;

H.R. 2021. An act to extend for 2 years the definition of "peanuts" which is now in effect under the Agricultural Adjustment Act of 1938;

H.R. 2877. An act to authorize the Director, Office of Civil and Defense Mobilization, to approve a financial contribution for civil defense purposes to the State of Oklahoma;

H.R. 6302. An act to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes;

H.R. 6309. An act to amend title VI of the Merchant Marine Act, 1936, as amended, in order to increase certain limitations in payments on account of operating-differential subsidy under such title;

H.R. 6732. An act to amend the Merchant Marine Act, 1936, as amended, to encourage the construction and maintenance of American-flag vessels built in American shipyards;

H.R. 6969. An act to amend title 38, United States Code, to increase dependency and indemnity compensation in certain cases;

H.R. 6974. An act to amend section 607(b) of the Merchant Marine Act, 1936, as amended;

H.R. 7043. An act to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes;

H.R. 7622. An act to repeal sections 1176 and 1177 of the Revised Statutes of the United States relating to the District of Columbia;

H.R. 8406. An act to further amend Reorganization Plan No. 1 of 1958, as amended, in order to change the name of the office established under such plan, and for other purposes;

H.R. 8466. An act to authorize the construction of a railroad siding in the vicinity of Taylor Street NE., District of Columbia;

H.R. 8719. An act to amend the act of July 23, 1947, chapter 301, as amended, to extend for 2 years the authority to make temporary appointments and promotions in the U.S. Coast Guard; and

S.J. Res. 98. Joint resolution to provide for the observance of the centennial of the enactment of the Homestead Act.

AID TO SCHOOLS IN FEDERALLY IMPACTED AREAS

The Senate resumed the consideration of the bill (S. 2393) to extend for 1 year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas and to provide for the application of such laws to American Samoa.

Mr. MORSE. Mr. President, we are about to open the debate on proposed legislation for impacted areas, together with, possibly, the proposed amendments to the National Defense Act, proposed amendments adding to S. 2393, the school construction bill, and possibly amendments covering the many other issues involved with the education problem which confronts us.

The schoolrooms of America are overcrowded—except for this Senate schoolroom. I do not propose to be the leader of this schoolroom, but I have entered into an agreement that when we begin the discussion of this subject matter, there would be a quorum call. I suspect that in all probability, most of the debate today will be for the record; but it is a record which needs to be made. I should like to have as many Senators participate in the making of the record on this legislation as care to do so. I think they will discover that there is much interest in the subject back home.

Mr. President, I ask unanimous consent that there may be a quorum call, with the understanding that after the quorum call I will have the right to the floor to begin the debate on the impacted areas bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORSE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, in opening the debate on S. 2393, I may say that I do not intend to speak at great length, although at the outset I announce that I do not expect that the Senate will vote today. The reason I do not expect the Senate to vote today is that several members of the subcommittee of which I am chairman could not possibly be here today, and they will have very important contributions to make to the debate.

I think it is also very clear that undoubtedly several amendments which deserve thorough consideration will be offered. I hope it will be possible to vote on the bill tomorrow, but I have notified the leaders that I think the prospects of voting today, if the Senate is to be in session a reasonable length of time, are poor, for probably we shall take most of the afternoon in making the record on the issues involved.

Furthermore, I believe it desirable that some of the material which will be offered this afternoon during the debate be available in printed form, so that Senators can study it before they make up their minds as to how they will vote. I suspect, however, that in many cases Senators have already made up their minds. On the other hand, there is always the possibility and the hope that at least some minds will be made up on the basis of the facts and the evidence presented during the debate. At any rate, certainly, those of us who are in charge of this measure have the duty of making pertinent information available to Senators during the course of the debate. I shall now proceed to do my part in that connection.

Senators will recall that during the floor debate on S. 1021, the general Federal aid to education bill, which passed the Senate on May 25 of this year, the impacted area programs were discussed many times in connection with title II of S. 1021 which was concerned with an extension of Public Laws 815 and 874.

In order that we may refresh our recollection of the provisions of these statutes and in order to gain an understanding of the accomplishments of these programs, since their enactment in September of 1950, I ask unanimous consent that an article entitled "Two Billion Dollars in a Decade: Public Laws 814 and 874," which appeared in the April 1961 issue of School Life, to be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TWO BILLION DOLLARS IN A DECADE: PUBLIC LAWS 815 AND 874

If any law is passed by the Congress this year to authorize Federal aid for building and operating public elementary and secondary schools, it will not be the first. For 10 years now, plus some months, two laws have been in operation which together have provided nearly $2 billion to individual school districts. About half of this money has been appropriated for constructing buildings; the rest, for meeting current operating expenses, which includes teachers' salaries.

These two laws were enacted a week apart, in September 1950, by the 81st Congress. They have always been known by only their numbers—Public Law 815 and Public Law 874—for they have not had the advantage of a definitive name like the one the 85th Congress gave 8 years later to Public Law 864—"The National Defense Education Act of 1958." In the Office of Education, however, which administers the funds for 815 and 874, they have gone by the name of SAFA, an acronym formed from key words in this identifying phrase, "School Assistance to Local Educational Agencies in Federally Affected Areas."

The words "in federally affected areas" define the limits of these two laws: both laws authorize payments to local school districts principally on one basis only—that within the State or near the district there is Federal property on which school children live or their parents work. Any school district applying for assistance under either law must identify this property and also must show that the existence of this property has put a certain amount of strain on the local schools, either because it has cut substantially into the total tax "take" or because it is responsible, to a degree, for the presence of a substantial number of school-age children. The laws also authorize payments to the Federal Government itself, to help it build and operate schools on Federal property, such as military bases, forts, and airfields, wherever

State or local educational agencies are unable to do so.

The full history of SAFA is being written in the reports which the U.S. Commissioner of Education makes each year to the Congress. These reports include the name of every local educational agency receiving funds under each of the two laws.

The 10th annual report, sent to the Congress in January of this year, not only covers the 10th year in detail but gives a summary of the entire decade. Like the earlier reports, it has been published for public distribution; it is for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., for $1.

PUBLIC LAW 815

In the first 10 years of Public Law 815 the Congress has appropriated $962.6 million for assisting in the construction of minimum school facilities for federally connected children. (The term "minimum facilities" has been interpreted to mean instructional and auxiliary rooms together with initial equipment, but not single-purpose auditoriums and gymnasiums or built-in spectator space.) Most of this money has been reserved for local school districts which have been eligible to receive aid on one or both of these grounds: (1) They have substantial increases in school membership as a result of Federal activities; (2) they have a substantial number of pupils who reside on tax-exempt Federal properties (principally Indian reservations).

The greatest activity under Public Law 815 took place in the first half of the decade, when an exceptional effort was needed to meet the backlog of schoolhousing needs that had accumulated during World War II. School districts applying for assistance in the first years of the program were permitted to go as far back as 1939 to count their increased enrollments of federally connected children.

The first 2 years of the program brought out such overwhelming evidence of need that in 1953 the Congress appropriated $195 million, the largest amount it has provided in any one year. In the second half of the decade, with much of the backlog met, funds have been provided in decreasing amounts. All together, the first 10 years under the act have seen $948.5 million reserved for 4,733 construction projects (out of 8,290 filed), to provide an estimated 50,511 classrooms for 1,468,139 children.

By the end of this fiscal year the current program for constructing military family housing on Federal property will be virtually completed; and it is reasonable to expect that, if no marked changes are forthcoming in the nature and location of Federal activities, the need for assistance for school construction in federally affected areas soon will level off.

Public Law 815: Federal funds appropriated for assisting local educational agencies of the Federal Government to construct facilities for public elementary and secondary schools, 1951–60

[In millions of dollars]

1951	96.5
1952	50.0
1953	195.0
1954	125.0
1955	118.5
1956	33.9
1957	108.5
1958	98.7
1959	75.4
1960	61.1

PUBLIC LAW 874

Last year—fiscal year 1960—3,963 local educational agencies in the 50 States, Guam, and the Virgin Islands applied for Federal funds under Public Law 874 to help them defray current expenditures for their schools. All but 142 were found eligible. The total amount to which they were entitled—$177.6 million—was based on their having more than 1½ million federally connected children—15 percent of their total average daily attendance. But federally connected children were not the only beneficiaries: the recipient districts put the funds under Public Law 874 with their other funds for current expenditures and thereby passed the Federal aid along to all 10 million of their pupils. In other words, one out of every three children in the Nation's public elementary and secondary schools benefited. Ten years earlier, in 1951, only 2.9 million pupils benefited—1 out of every 8.

Still other comparisons of 1960 figures with those of a decade earlier indicate how much the program under Public Law 874 has grown in its first decade. Since 1951 the number of districts eligible for payments has more than trebled, the number of federally connected pupils has almost trebled, and net entitlements under the act have increased nearly six times:

	1950–51	1959–60
Number of eligible districts	1,172	3,821
Number of federally connected pupils	512,050	1,502,432
Net entitlements of eligible schools	$29,700,000	$177,600,000

There are several reasons for these increases. Federal activities have multiplied. Liberalizing amendments have extended the coverage of the law and increased its benefits: The definition of "federally connected children" has been broadened to include, for instance, Indian children under one subsection of the act and, under another, children of parents in the Armed Forces; the definition of "Federal property" also has been made more generous; and the average rate of payment per pupil has been raised. Both school population and school expenditures have increased, and local and State school officials have become better informed about the provisions of the law and more interested in taking advantage of the aid they offered.

These increases notwithstanding, the program has had its stable side. Federal payments under the act have remained at a fairly constant ratio to the total operating expenses of the eligible districts: the average has been 4.94 percent, ranging between a low of 4.52 percent in 1958 and a high of 5.69 percent in 1951. The number of federally connected children in average daily attendance in the eligible districts, though now three times as large as at the beginning, has deviated but little from its original relation to the total number of children in those districts: it began at 17.23 percent, rose slightly in the next 2 years, and then dropped slightly, to remain just under 15 percent from 1955 on. What is more, payments under the various sections of the act have stayed in approximately the same relation to each other.

Public Law 874: Federal funds appropriated for assisting local educational agencies with the cost of maintaining and operating public elementary and secondary schools, 1951–60

[In millions of dollars]

1951	28.7
1952	51.6
1953	60.5
1954	72.4
1955	75.0
1956	90.0
1957	113.1
1958	127.0
1959	157.4
1960	186.3

Federal funds for local educational agencies under Public Laws 815 and 874: Totals for 1st 10 years, by States, 1951–60

State	Public Law 815: Funds reserved as of Sept. 30, 1960	Public Law 874: Net entitlements as of June 30, 1960
Alabama	$19,077,167	$18,368,154
Alaska	10,611,181	25,982,027
Arizona	23,888,209	14,668,878
Arkansas	14,054,240	7,633,149
California	143,027,583	164,610,645
Colorado	17,931,309	23,891,291
Connecticut	9,432,544	11,318,452
Delaware	305,320	779,856
Florida	23,186,582	22,571,857
Georgia	31,359,393	28,668,706
Hawaii	19,077,216	16,051,371
Idaho	6,247,060	5,794,648
Illinois	13,735,016	18,754,274
Indiana	9,034,010	7,078,656
Iowa	2,260,884	2,928,632
Kansas	14,259,633	29,443,201
Kentucky	6,098,642	8,428,710
Louisiana	6,932,869	5,062,184
Maine	3,039,164	6,833,608
Maryland	48,492,577	33,601,986
Massachusetts	3,479,947	18,316,668
Michigan	41,247,513	8,436,049
Minnesota	3,786,956	1,446,296
Mississippi	7,147,969	6,481,167
Missouri	14,431,163	10,980,707
Montana	7,491,961	4,717,822
Nebraska	5,701,444	9,289,215
Nevada	6,063,269	6,208,623
New Hampshire	825,087	4,573,010
New Jersey	9,367,415	14,485,022
New Mexico	35,040,189	17,132,374
New York	15,297,390	20,504,971
North Carolina	10,284,184	8,358,524
North Dakota	3,084,578	1,820,001
Ohio	23,022,662	27,608,437
Oklahoma	26,474,634	34,865,884
Oregon	4,047,153	5,320,130
Pennsylvania	4,505,987	16,954,525
Rhode Island	3,445,405	8,376,848
South Carolina	15,731,420	13,881,606
South Dakota	4,739,660	8,355,899
Tennessee	8,896,581	9,574,231
Texas	53,468,931	61,739,817
Utah	9,163,724	9,222,611
Vermont	185,110	490,773
Virginia	61,189,564	69,658,368
Washington	38,898,570	40,678,127
West Virginia	168,148	768,292
Wisconsin	1,380,077	3,076,457
Wyoming	1,864,238	2,685,686
Guam	2,818,373	2,044,544
Puerto Rico	89,674	
Virgin Islands		120,651
Federal agencies	[1] 103,082,116	[2] 44,607,872
Total	948,471,691	945,251,312

[1] Funds reserved for certain Federal installations for constructing school facilities on Federal property.

[2] Funds transferred directly to certain Federal agencies for maintaining and operating schools for children living on Federal property if no local agency is able to do so.

Size of school districts eligible for assistance under Public Law 874

School districts receiving assistance under Public Law 874 (for defraying their current expenditures) come in all sizes but most of them are large, according to an analysis the Office of Education has made of eligible applicant districts in the school year 1959–60:

Size of district, by enrollment	Total districts in United States (number) [1]	Districts eligible under Public Law 874	
		Number	Percent of total
25,000 and over	123	58	47.2
12,000 to 24,999	230	101	43.9
6,000 to 11,999	629	244	38.8
3,000 to 5,999	1,409	419	29.7
1,200 to 2,999	3,147	827	26.3
600 to 1,199	3,170	661	20.9
300 to 599	3,635	653	18.0
150 to 299	3,436	456	13.3
50 to 149	4,791	313	6.5
1 to 49	14,842	89	.6
Nonoperating	7,017		
Total	42,429	3,821	9.0

[1] From Bureau of the Census, "Public School Systems, 1960."

Mr. MORSE. Mr. President, the Committee on Labor and Public Welfare ordered reported S. 2393, which is a simple 1-year extension of the existing law—Public Laws 815 and 874—after having defeated in committee an amendment to extend the life of the legislation for 3 years.

The 1-year extension is proposed—and I wish to be perfectly frank about this—in order to continue to provide temporary financial assistance to federally impacted school districts and in order to prevent possible severe economic dislocation to those school districts heavily impacted with a high proportion of federally connected children until sound public school general aid legislation is passed by the Congress.

The will of the Senate has been ascertained by the votes on S. 1021; it is that a majority of the Senate favors both general Federal aid to education and specific special assistance for a limited time to enable continued legislative supervision of federally impacted areas aid.

S. 2393 is a straightforward bill to reemphasize the desire upon the part of the Senate that until a general aid bill encompassing impacted area aid is adopted, no school district presently assisted shall suffer.

As I have indicated, more than a 1-year extension at this time of Public Laws 815 and 874 could involve the Senate in a legislative ambiguity which would be most unfortunate.

The draft legislation submitted by the administration contained recommendations for a cutback in these programs. Evidence to support this position was presented to the committee. After careful consideration, both in colloquy during the hearings and in executive session of the Education Subcommittee in the first instance, and in full committee at a later date, the conclusion was reached that the cutback proposals were not fully justified on the basis of the evidence provided.

It was for that reason—and it is set forth in the committee report—that title II of S. 1021 contained a provision, section 204, for a full report, from the Commissioner of Education, for transmission to the Congress, upon the operations of these two impacted area laws, which would also take into account the effect of the money provided under title I, the salaries, construction and operation and maintenance portion of the bill.

I ask unanimous consent that section 204 of Senate bill 1021 and also the committee's comment in its report be printed at this point in the RECORD.

There being no objection, the excerpt from the report (No. 743) was ordered to be printed in the RECORD, as follows:

Section 204 of S. 1021 reads as follows:

"The Commissioner shall submit to the Secretary of Health, Education, and Welfare for transmission to the Congress on or before January 1, 1963, a full report of the operation of Public Laws 815 and 874, as extended by this Act, including an analysis of the relation between Federal payments under these laws and Federal payments under title I of this Act, and his recommendations as to what the future relation between these laws and that title should be if they are further extended."

It is the view of the majority of the committee that a 1-year extension of the impacted areas legislation is warranted upon the basis of the justification presented in the following sections of the report. It is further the considered judgment of the majority of the committee that only a 1-year extension of the programs, at this time, is advisable. This position is based upon the belief that the special needs of the impacted areas should be related to the provisions of a general Federal-aid-to-education measure, designed as was title I of S. 1021 to provide broad-purpose financial assistance to school districts through the education agencies of the 50 States. It was for this purpose that section 204 of S. 1021 was drafted. Since it is the belief of a majority of the committee that, within the life span of the 87th Congress, S. 1021, or a similar measure, will be enacted into law, an extension of the impacted areas legislation for longer than a 1-year period is not warranted.

Mr. MORSE. Mr. President, if the Senate were now to adopt more than a 1-year extension of the impacted area laws, it would be reversing itself, in effect, with respect to this important aspect of sound congressional control over the operations of the agency which administers these programs. It would be putting off for a 3- to 4-year period the needed detailed review of the operations under this legislation.

Mr. President, to document this point, I refer now to a report which was received from the Comptroller General under date of June 12, 1961. I note in passing, Mr. President, that this information was received by the committee subsequent to the passage on May 25 of S. 1021, title II, of which extended Public Laws 815 and 874 for a 3-year period, but which most significantly contained provisions requiring that a full report be submitted to the Congress within an 18-month period.

In fact, Mr. President, I think I should point out that during the early days of the consideration of Senate bill 1021, the members of the Education Subcommittee, with the distinguished Senator now presiding over the Senate [Mr. RANDOLPH] participating, joined in a series of conferences with the Department of Health, Education, and Welfare. Sometimes the conference included representatives of the Bureau of the Budget, and sometimes it included representatives of the White House.

I believe it is well known in the Senate, that during those weeks of discussion on Federal aid to education legislation, and prior to the committee's taking its official position on the measure it recommended to the Senate, by an overwhelming majority vote of the committee, spokesmen for the committee had held conferences with top Government officials, including those in the White House itself.

We are talking about a subject matter this afternoon to which there has been given a great deal of thought and study, and about which there have been many, many conferences. Yet, and let us face up to it, we are now confronted with a drive—a pressure drive—that is being put on to extend impacted areas legislation beyond the provisions of S. 2393. There is even some pressure to extend Federal aid beyond the time provided in S. 1021, which the Senate has already voted for, again with a substantial majority.

Mr. President, the reason why we so strongly recommended, the addition of section 204 to S. 1021, I want to make clear early in the debate this afternoon, was that, in many instances, the administration can make a case against a continuation of Federal aid to the so-called federally impacted school districts, on the ground that there is no justifiable proof of continuing need for some of the school districts.

It is not fair, it is not equitable and just, to continue without adequate justification a Federal aid program. Impacted area aid was granted in the first instance on the basis of the allegation that the Federal Government itself was responsible for greatly increasing the school population of a school district by establishing a Federal installation in the area. This resulted in bringing into that area many workers and personnel with children. Property was taken off the tax rolls because the property became, in some instances, Federal property and therefore not subject to local taxes.

There are still thousands of school districts which, in my judgment, are entitled to such aid. The difficulty is, in a situation such as this, that there is a tendency to blanket them all together. Of course, sometimes too there is a tendency to do a little back scratching in getting funds. Those with weak cases in some school districts are all the more anxious, I am sorry to say—but it has been my experience, at least—to join in to support a movement to get Public Laws 815 and 874 extended for as many years as possible, so there will be less probability of the Congress reversing itself when a report is made similar to the one in S. 1021 which was to be made at the end of 18 months.

It is pretty well known in the Senate that I led the fight against my own administration in the early days of the session in respect to its recommendations concerning a tapering off of the programs involving Public Laws 815 and 874. I thought to curtail programs without notice was a mistake. The administration had failed to produce before my subcommittee evidence which, in my judgment, justified as drastic a curtailment of the program as the administration was recommending. I took the position that we ought to extend the program for the time being, until we could get the facts. That is why there was included an amendment adopted in the subcommittee, which the full committee accepted, which provided for the 18-month study and the submission of an official report at that time.

I wish to say, to the everlasting credit of the administration and to the great leadership that the Secretary of Health, Education and Welfare, Mr. Ribicoff, has extended to this administration throughout this year, in connection with the troublesome education bills, once we presented our case to the administration, it accepted our recommendation.

We are beyond that point this afternoon. Today there is a great drive from back home in many States, upon many Senators, to try to get the law extended far beyond 1 year; and to bring in as amendments to the National Defense Education Act language which would extend it far beyond a year.

Very early in this debate I wish to say I think that to do so is a mistake. I think it is just as great a mistake for us to seek to extend these NDEA programs far beyond a year as I thought it was a mistake last January or February when the administration wanted to make a blanket, across the board tapering off of aid to impacted areas.

I believe that the February and March position of the administration may have scared some Senators and Members of the House. They perhaps became frightened because they thought they saw some handwriting on the wall. They may have thought the action of the administration might lead to the withdrawal of aid to some school districts in which such a withdrawal of aid would not be justified. That is understandable.

All I can say to such Senators, on behalf of my committee—and I think I can speak for the full committee—is that they do not have to worry about what the Subcommittee on Education would do in such circumstances. The committee has no intention of supporting any proposal which would take aid away from school districts that can justify the aid. But I do not think it is fair to our committee, for the Senate to act, in the manner suggested by Senators who want to get this matter, as is said in the cloakroom, "bottled up once and for all," or, as some have said, "buttoned up." Those are Senators who want to get just as much as they can get now so the bill will be behind us. This would postpone our taking a look at it until after 1963 or 1964. These are interesting dates. They are after 1962.

I want to be frank with my colleagues. I think we ought to get the facts before the election of 1962. I think the American people always ought to be in a position to pass judgment on the facts.

Therefore, I am opposed to an extension of more than 1 year, because a 1-year extension will give us a chance to get the facts. It will also give the American people a chance to pass judgment on the matter.

I have already referred to the Comptroller General's report. I want, in support of what I have said, to state that in some instances his findings make it very doubtful as to whether impacted area aid in some locations can be justified.

On page 22 of the report the Comptroller General's report states:

HOW ONE SCHOOL DISTRICT ESTABLISHED FEDERAL CONNECTIONS

The school district involved in our field inspection was located in a suburban area of a large western city. The community was primarily residential in character with very little industry. School officials advised us that the residents enjoyed better than average incomes; information from the local chamber of commerce showed average income of $7,000 a year and a large number of professional people. This school district applied for a grant and predicted in November 1956 what the increase in federally connected pupils would be by 1958, but for various reasons the increase eventually used was not established until April 1958 and was then based on actual enrollment. The increase so established was used to determine the grant of $970,987.50 to the school district, which consisted of $616.50 for each of the 1,575 additional pupils alleged to have a Federal connection.

We reviewed the procedure used by the school district to establish the increase in the number of children claimed to have Federal connections. The net increase was the difference between the number of pupils with alleged Federal connections in average daily membership for the base year 1955–56 and the number of children claimed to have a Federal connection and who were in actual school membership as of April 1958. The questioning conducted by the school district started by asking the parents of all children in their schools to supply the school district with the names and addresses of their employers. After receipt of the names of employers, a "Survey of Firms Engaged in Government Defense Contracts" form, consisting of the following five questions, was mailed to all the employers of the parents:

1. Do you have a direct contract with the Federal Government? ------ (Yes or No.)

2. Do you have a contract with a firm which has direct contracts with the Federal Government? ------ (Yes or No.)

3. List materials produced or services rendered which would qualify your firm as a defense plant, if this is permissible: ------

4. Did you have a direct contract with the Federal Government in May 1956? ------ (Yes or No.)

5. Did you have a subcontract in May 1956 with a firm which had direct contracts with the Federal Government? ------ (Yes or No.)

In the replies to these questionnaires, many of the employers answered "Yes" on one or all of questions 1, 2, 4, and 5. Some of the employers stated on the questionnaire that they answered "Yes" because they sold such things as stationery, welding service, sand and gravel, and insurance directly to some Federal bureau or to some other company that sold something to some Federal bureau. In some instances local employers notified the school district that all of their Federal contracting was handled by their home offices located in other parts of the United States. In that event, the school district then requested the information from the out-of-town office. Still other local employers forwarded the questionnaires to their home offices for direct reply to the school district.

After the completed questionnaires were received from the employers, the school district learned that SAFA wanted contract or subcontract numbers as additional evidence of Federal connection. For the most part, this additional information was obtained from the employers by telephone.

We inspected 139 of the replies submitted by the 458 contractors or employers determined by the school district and the field representative of SAFA to be carrying on Federal activities. Despite the fact that contract numbers were supplied in most instances, the basis accepted by SAFA as establishing a Federal connection in our opinion was insufficient, especially when considered in the light of the contemplation in law that the contended increase in school membership must be shown to have resulted from activities of the United States. Of the replies reviewed, we refer to 26 because of the nature of comments offered by the employers in replying to the school officials.

One of the employers indicated that he did not qualify as a defense plant and that his main office several miles away provided office supplies to all Government agencies. There were several other replies of a similar nature. A reply was received from a company supplying water and power services to the school district area and environs. The company explained that, under Federal contract, it shared in the operation of a Government-owned powerplant several hundred miles away from the school district. None of the parents of children in the school district worked at the powerplant. Nevertheless the school district claimed Federal connection for 41 children and thereby received assistance of $25,277 because in addition to helping operate the powerplant the company had service activities in the neighborhood of the applicant school district.

Mr. President, I shall give a few more examples, but I pause to discuss this one a bit.

This school district seems to be getting $25,277 which it does not deserve. If so, that is a shakedown of the taxpayers of the United States.

I wish Senators would read the Comptroller General's report before they vote on the bill. The Comptroller General points out in his report ample evidence in support of the section of S. 1021 calling for a thorough examination and review of Public Laws 815 and 874.

Oh, I know there are many local interests which do not wish to have a review. There are many local school districts which would wish to continue receiving a handout that they do not now deserve. How many of those districts are there? I do not know. I hope it is not many. The Comptroller General fears that it is a substantial number.

Mr. President, there is no doubt in the mind of the senior Senator from Oregon that Public Laws 815 and 874 may have become honeycombed with many abuses. I fear that many school districts may be getting money from the Federal Government under the pretext that they are federally impacted, when in fact they are not federally impacted or when in fact they are not federally impacted to the degree claimed. If so, such districts are putting their hands into the till of the Federal Treasury and getting hundreds of thousands of dollars which do not belong to them.

For what are we asking? We are asking to continue the program for 1 year so that we can get the facts, so that a review can be made. What is wrong with that?

It is too bad that it is necessary to extend the law at all with respect to any school district which is "shaking down" the Federal Government. It will not be easy to ferret out those districts in the course of this debate.

I wish to make perfectly clear, Mr. President, while the Senator from Michigan [Mr. MCNAMARA], the Senator from West Virginia [Mr. RANDOLPH], and the Senator from Montana [Mr. METCALF] are on the floor, that, as they know, I fought against any tapering off of the program until we could get the facts.

I said to the administration:

You have not given us enough facts to justify the blanket tapering off of the program which you propose.

I think we have worked out a fair compromise, if we wish to call it that; a legislative procedural compromise for solving the problem.

I wish to make it perfectly clear for the benefit of any Senator who has any doubt that I am satisfied that in a substantial majority of the cases the school districts are entitled to what they are getting under the terms and the original intent of Public Laws 815 and 874. Such districts are heavily federally impacted areas. Many others, in my judgment, do not qualify under the original intent and purpose, and I do not think we ought to freeze such districts into the program for 2 or 3 years, or, as I understand some will propose by an amendment, 4 years.

We shall not hurt a single school district by extending the law for 1 year.

We would not hurt a single schoolchild by extending the law for 1 year. But in my judgment we would do great damage to the taxpayers of this country in many instances if we were to extend it beyond 1 year. We know that the Senate desires a thorough study. We know that both the Department of Health, Education, and Welfare and the Comptroller General's office will give this question further study. If S. 1021 is enacted they will give us the facts and the evidence that we have called for in support of the contentions. The Comptroller General has already given us some.

I wish the Senate to consider another example. In the appendix to the Comptroller General's report, he has said:

> A municipal flood control district replied that it had no direct contracts with the Federal Government but since 1936 had provided the funds for all rights-of-way and for bridge and highway construction required by the projects constructed by the Corps of Engineers. On the basis of this connection, the school district claimed an increase of 22 children and thereby received $13,563 for school construction assistance.
>
> The school district claimed 25 children as being federally connected, and thereby received assistance of $15,412, because a sand and gravel company occasionally sold rock, sand, etc., to the contractors performing construction or road work for the Federal Government.

We ought to be honest with the taxpayers on this subject. When Public Laws 815 and 874 were passed, it was never contemplated that a school district would receive $15,412 because in a district there is a sand and gravel company which would sell sand and gravel occasionally for the purpose of some Federal construction—for use on a road, a reservoir, or whatnot—not located in the school district.

Yet, that is what the Comptroller General is telling us. But can Senators imagine what that particular school district is saying to its U.S. Senators these days? There is not a Senator present in the Chamber or absent from the Chamber who cannot show piles of telegrams on this subject. Perhaps the old human frailty of downright selfishness is taking over in many of the school districts of this country. They are proceeding to seek funds on one alibi or another. The attitude is, "Everybody else is getting it. Let us get ours." That is an attitude which we see between the lines of many of the telegrams that we receive.

Before I am through I expect to put into the RECORD the information about which I am about to speak. As a Senator from a State which has many federally impacted school districts, or at least, many school districts which receive federally impacted area money, I hope an investigation would show that they have it coming. But there is no reason why the school districts in my State should not be investigated by the Department of Health, Education, and Welfare and by the Comptroller General to find out whether or not they are entitled to the money, in keeping with the purpose and the intent of the bill when it was first passed. They will not like it if they lose the money and they will not hold any testimonial banquet for their Senator in that school district if they lose the money. But I say to every school district in my State, "If you do not have it coming on the basis of the law, I shall do everything I can to see to it that you do not get it, because I sit here representing, in the first instance, not the people of Oregon, but the people of the United States, elected by the people of Oregon."

I did not teach constitutional history for years to walk out on it because I walked into the Senate.

That is the obligation of a U.S. Senator. I do not want any school district in my State to get money under Public Laws 815 or 874 if the Comptroller General or the Department of Health, Education, and Welfare can show it is not entitled to it. Yet I have been very much surprised at some of the cloakroom argument I have heard in support of an extension of the laws beyond 1 year. Such arguments do not recommend themselves to me. For example, one of the fallacious bromides that under the foreign aid program there is a great deal of waste, and therefore we should countenance a great deal of waste under Public Laws 815 and 874. That is an argument made in all earnestness and seriousness. It is a lot of rot. What every Senator ought to do is to give us help to eliminate the waste from the foreign aid program and also the waste under Public Laws 815 and 874, or any other law that is being administered by this Government.

The argument that because there is waste elsewhere, therefore we ought to put on blinders to overlook what the Comptroller General tell us in the report is the worst basis which could possibly be adopted for the passage of legislation in the Senate.

Let us consider another example. I wish to buttress my argument as to our need to obtain the facts before we extend the law beyond a year.

The report of the Comptroller General continued:

> Following are comments of the school district and of certain companies with contracts or subcontracts for Federal activities which companies were included in the claim by the school district for assistance in school construction without conclusive evidence that the increased school membership was a result of such Federal activities. The comments were taken from the original forms submitted by the employers, which were on file in the school district, and were paraphrased by the General Accounting Office.

Then follows a table, which I ask unanimous consent to have printed at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

How one school district established Federal connections

Type of material and service and remarks by companies and school district	Number of children claimed to be federally connected		Amount of grant
	1956	1958	
Stamps and supplies	0	2	$1,233
By company: Our firm would not qualify as a defense plant. Ours is primarily a service company to defense plants and the Government, both Federal and local. (See note 1 for General Accounting Office comment.)			
Adhesive labels	11	16	3,082
By company: No defense plant. We manufacture pressure-sensitive labels (removable and nonremovable).			
Dairy products	0	7	4,316
By company: Dairy products, ice cream. By school district: Military subsistence.			
Aircraft bolts	0	2	1,233
By company: Manufacture aircraft bolts. (See note 1 for General Accounting Office comment.)			
Multigraph supplies	0	2	1,233
By company: Currently have contracts covering goods of our regular manufacture so we do not come under the heading of defense plant.			
Office machines	0	1	616
By company: Ballistic missile guidance systems, air defense data processing machines. By school district: Write letter to ..... for contract number.			

How one school district established Federal connections—Continued

Type of material and service and remarks by companies and school district	Number of children claimed to be federally connected		Amount of grant
	1956	1958	
Smelting	0	1	$616
By company: Lead and zinc mining and smelting. By school district: What do they do? Write to above address for contract number. (See note 1 for General Accounting Office comment.)			
Metals	5	11	3,699
By company: Aluminum sheet, plate, wire, rod, bar, etc. Our company handles all orders from Government sources through our sales office.			
Containers	0	1	616
By company: We occasionally supply paper containers to a Government agency under a specific contract number and also occasionally supply containers to firms with Government contracts. However, this does not represent a significant portion of our business.			
Instruments	3	6	1,851
By company: We sell considerable numbers of instruments to Government agencies and prime contractors but not on a contract basis.			
Printing	0	4	2,466
By company: We lithographed Army maps during World War II and have done subcontract work in our machine shop; however, at the present time we do not have any direct or subcontracts although we do a lot of printing for the aircraft and missile plants.			
Rock and sand	0	25	15,412
By company: Production and distribution of rock, sand, gravel, and transit-mixed concrete. (See note 2 for General Accounting Office comment.)			
Stationery	0	3	1,851
By company: Furnish office supplies and printing. By school district: Subcontract.			
Cans	0	6	3,699
By company: Not a subcontract as such but we did manufacture products for firms which had direct contracts with the Federal Government.			
Surgical supplies	0	2	1,233
By company: We sell surgical supplies to many firms who have contracts with the Federal Government.			
Adhesives	0	1	616
By company: Although we do not have contracts with the Government, we do sell adhesive coating to the Government on a competitive basis.			
Acoustics	0	2	1,233
By company: Factory has had Government contracts for several (15 to 20) years.			
Telegraph and telephone	60	115	33,908
By company: We have prime contracts with all branches of the Federal, State, and local governments and contracts with subcontractors serving these agencies. The purchase orders for the military alone would be too numerous to list.			
Water and power	0	41	25,277
By company: Operation of power dam. By school district: Advised by company that project is not listed by contract number. (See note 1 for General Accounting Office comments.)			
Truck carrier	0	5	3,082
By company: Truck transportation of Government goods. By school district: Operating freight for Government, machinery tariff No. ——.			
Municipal flood control district	0	22	13,563
By company: No direct contract with any Federal agency. However, the district cooperates with the Department of the Army, Corps of Engineers, in the construction of major flood control projects. The district provides the funds for all rights-of-way and for bridge and highway construction required by the projects constructed by the Corps of Engineers. The total program, which has been underway since 1936, is not yet completed.			
Cartage	1	5	2,466
By company: Transportation. By school district: Purchase order ——.			
Welding	0	1	616
By company: Welding electrodes, bare wire, and aluminum welding wire.			
Consulting service	0	2	1,233
By company: Consulting services—research and development. All contracts indicated were and are being handled by our eastern offices. (See note 1 for General Accounting Office comment.)			
Advertising	0	1	616
By company: Work does not qualify firm as a defense plant advertising agency. By school district: This company handles the advertising for ———			
Equipment repairs	0	1	616
By company: No prime or subcontracts at present. By school district: Initial contract June 1956, terminated in 1957.			
Total	80	285	126,382
Total for companies whose comments are not given	1,303	2,673	844,605
Total for all companies claimed by school districts	1,383	2,958	970,987

NOTE 1.—Although sales to a Government agency were made by the company or organization employing parents of schoolchildren calmed to have a Federal connection, the sales of products or services were found to have been made by a division or part of the company located far distant from the applicant school district area where the parents worked. In no cases was it stated that the parents involved had any direct relation with the production of products or the services sold to a Federal agency.

NOTE 2.—In this instance we visited the employing company and were advised that less than 5 percent of its business was related to Federal contracts and then only in an indirect way; their products were rock, sand, ready-mixed concrete, etc., for construction and road purposes.

Mr. MORSE. Let us consider the alleged Federal connection in this school district which, in the opinion of the school district, justified Federal aid, because the district was allegedly impacted.

With this material in the RECORD available and with Senators who want to vote on the facts rising above pressure, I believe I have said all I want to say at this point in my speech about the problem of many school districts getting Federal money under Public Law 815 and Public Law 875 which a thorough investigation would show cannot be justified.

I do not want to extend beyond a year such a program, because I think the Federal Government ought to investigate these facts. The Department of Health, Education, and Welfare should have such a study underway. The Comptroller General is continuing his watchdog activity in regard to this matter. We ought to extend the program for a year, come back next year, when we pick up the whole program of Federal aid to education, and go into this matter again. Then we will be in a much better position to make a decision on it.

Let me make it perfectly clear that by these remarks I intend no criticism of the Office of Education or its method of determining funds under the distribution formula. I would point out that if there is a fault, the fault lies with Congress in that we have not written into the law guidelines of sufficient strength to insure that our intent is met. I would simply stress some examples listed in the Comptroller General's appendix to his report.

I ask unanimous consent that the table of excerpts be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Type of material and service and remarks by companies and school district	Number of children claimed to be federally connected, 1958	Amount of grant
Dairy products	7	$4,316
By company: Dairy products, ice cream.		
By school district: Military subsistence.		
Multigraph supplies	2	1,233
By company: Currently have contracts covering goods of our regular manufacturer so we do not come under the heading of defense plant.		
Rock and sand	25	15,412
By company: Production and distribution of rock, sand, gravel, and transit-mixed concrete.[1]		
Cans	6	3,699
By company: Not a subcontract as such but we did manufacture products for firms which had direct contracts with the Federal Government.		
Surgical supplies	2	1,233
By company: We sell surgical supplies to many firms who have contracts with the Federal Government.		
Adhesives	1	616
By company: Although we do not have contracts with the Government, we do sell adhesive coating to the Government on a competitive basis.		
Water and power	41	25,277
By company: Operation of power dam.		
By school district: Advised by company that project is not listed by contract number.[2]		
Advertising	1	616
By company: Work does not qualify firm as a defense plant advertising agency.		
By school district: This company handles the advertising for ——.		

[1] General Accounting Office comment: In this instance we visited the employing company and were advised that less that 5 percent of its business was related to Federal contracts and then only in an indirect way; their products were rock, sand, ready-mixed concrete, etc., for construction and road purposes.

[2] Although sales to a Government agency were made by the company or organization employing parents of schoolchildren claimed to have a Federal connection, the sales of products or services were found to have been made by a division or part of the company located far distant from the applicant school district area where the parents worked. In no cases was it stated that the parents involved had any direct relation with the production or products or the services sold to a Federal agency.

Mr. MORSE. As will be noted, the chart shows the type of material and service and remarks by companies and school district. It also shows the number of children claimed to be Federally connected, and the amount of the grant.

It is a remarkable document. It shows a dairy company, which sells dairy products and ice cream to families that claim military subsistence. They claim seven such children, and received $4,316.

Then we see multigraph supplies, rock and sand, and cans. The comment by the company is:

Not a subcontract as such, but we did manufacture products for firms which had direct contracts with the Federal Government.

Surgical supplies. The company says:

We sell surgical supplies to many firms who have contracts with the Federal Government.

So what? Why in the world, because a company located in a town, at some crossroads, sells surgical supplies to some military reservation in that State, miles and miles away, should it get aid from all the taxpayers of the United States, and pay, in this instance, for two children at the cost of $1,233? When we add all these up, it amounts to quite a bit of money.

Adhesives. Water and power. The company operates a power dam. The power dam has little to do with the Federal Government. On the basis of that operation, the school district received $25,277.

Mr. METCALF. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Montana. I wish to say for the RECORD that in the opinion of the members of the Committee on Labor and Public Welfare, because of his cosponsorship, when he was a Member of the House, of the Murray-Metcalf bill in the field of education, and because of his long experience in the House in the field of education, Senator METCALF is one of our experts. I now introduce him as one of the best informed Senators to discuss this whole education problem in the Senate.

Mr. METCALF. I am very grateful to the Senator from Oregon for applying the designation of expert to me. I feel far from being an expert. I have had some short acquaintance with the educational field, although not as long as the Senator from Oregon or many other Senators. I wish to compliment the Senator for bringing out that these things are not the fault of the Office of Education. They are the fault—and perhaps it is not a too grievous fault—of the Members of Congress. We have said that we do not want any Federal control and we do not want any Federal interference, and in so doing we leaned over backwards so far that we did not add any fiscal or financial control.

I should like to bring out another example which points out what I am trying to say. On an Indian reservation in Montana, where the trust land is tax exempt and therefore under title IV of the act entitles the school district to get aid under Public Law 874 and Public Law 815, there is a power dam. The power dam pays $83,000 in taxes to the district.

When application for aid under Public Law 874 was made, they neglected to deduct the $83,000. For several years they neglected to do it. I believe they acted in good faith. That dam was not in their particular district, although it paid taxes to the counties. However, the Federal Government never found out about it until one day when a member of the Office of Education from Denver was touring through the State of Montana and he read in a newspaper ad by the Montana Power Co. their statement bragging about how much taxes they had paid throughout the State of Montana. Included in the amount was the $83,000 for this dam. So he investigated it. That was the first time he had had an opportunity to investigate it. Of course, now they have to repay this money. The point is that in our anxiety to prevent any Federal control of textbooks and teaching and the curricula of these schools, we failed to add proper fiscal restraint.

Mr. MORSE. I thank the Senator from Montana very much. He is quite right. In fact, I not only think the Department of Education is not entitled to criticism on this matter, but it is entitled to high commendation for the work that it has been doing in this whole matter in administering Public Law 815 and Public Law 874.

I also wish to compliment the Comptroller General and his associates for the "watchdogging" they have been trying to do in this field.

I know it is true that there have been discovered a good number of these horrible examples. I am convinced that the more we investigate them the more constant the ratio of bad cases in comparison with good cases will hold firm.

The administration took note and made the recommendation at the beginning of the year for a general tapering off. However, I believe that was a type of hatchet approach, rather than a pinpointed approach for really cutting out school districts which have abused the system. For this reason, I said I would not go along with the hatchet approach. I will go along with an extension and a study, so that we may get the facts. That is the approach we wrote into S. 1021. That is what the Senate passed.

A multiyear extension of impacted areas legislation is an attempt at an end run around S. 1021. That is what it is. It is an attempt to get around a part of the authorization which the Senate has already approved to get this present situation frozen, and to keep these abuses frozen for 2 or 3 years, or even perhaps 4 years. There is much popularity to be gained back home in these school districts if a Senator may be getting them some money to which they are not entitled. However, in my judgment, these districts are injuring their Senators.

I do not think they are practicing good government if they put that kind of heat on; and let us talk the language we understand, because we know what is going on. If I did not have an asbestos suit, I would have burned up by now with the heat I have been taking because of my refusal to yield on the matter of a 1-year extension. I get a little suspicious when there is so much desire to provide for more than 1 year, when 1 year would give protection. I get suspicious. I wonder whether they have it coming to them.

Mr. METCALF. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. METCALF. In the very instance I cited a moment ago, we urged the

school district that now is going to have to pay back $83,000 which is located in one of the most impoverished areas of Montana, that the way for it to get assistance from the Federal Government is not to practice abuse of Public Law 874, but to obtain, as in S. 1021, for general aid to education, so that funds could be distributed to the school district without abuses or without the false affidavits which it had to sign.

Mr. MORSE. The Senator from Montana could not have made a more pertinent remark. The way to take care of impoverished school districts is not to continue the application of a law which at present is providing them with funds they cannot show they deserve under the provisions of the law, but which they ask their Senators and Representatives to continue because they cannot obtain money from any other place. What those constituents need to be told is that they ought to be using their influence to get a general Federal Aid to Education bill passed by both Houses. They should be helping to pass a bill which will benefit all the children of the country, not merely the one-third of the children who are now being benefited under Public Laws 815 and 874.

The article I placed in the RECORD earlier in my speech refers to the more than $2 billion which has been spent since 1950 through Public Laws 815 and 874 as a form of Federal aid to education. I do not care how much those engaged in semantics try to draw some line of distinction between a general Federal aid bill and Public Law 815 and Public Law 874. We are helping with Federal dollars one-third of the school children of the Nation. I favor helping all of them with complete guarantees of local control, because many school districts which really need the money are definitely child impacted areas, although they do not have any Federal installations anywhere near them. The school district I have been citing by calling attention to these horrible examples is not impacted in fact. It does not deserve the money, even though it may be entitled to it under the law. I think this district is shaking down the taxpayers of the United States. That is wrong. It is that simple. Congress ought to stop it. We ought to get ready to stop it. The way to get ready to stop it is to extend the law for 1 year, to get our facts, to come back next year, and to cover such areas in a general aid to education bill.

The Senator from Montana, by interrupting me, has reminded me of something else which interests me, and this is a good place to pin it down for the RECORD.

It would be interesting—and I have done this in two or three instances—before a Federal installation has been located, to read all the promotional literature. It comes from the local chamber of commerce, the trade unions, the civic bodies, and the mayor. I find it interesting to read the testimony of such persons when they come before the appropriate committees to state why theirs is the only place in the United States—just that one place—to establish a facility. They indicate in fact, that the Government representatives ought to have their heads examined if they locate the installation anywhere else. There is only one place in the United States to locate some Federal project, and that is in Podunk, which is represented by Senators X and Y and their Representatives. The local chamber of commerce is also very much in favor of Podunk as the site. We all know them. We have lived through this situation for years in the Senate. I have seen this pattern repeated for 17 years. We know probably 500 other places where the facility could have been located just as well. But until the facility is finally located there, the townsfolk would almost give you the shirts off their backs to have it located there.

But once they get it located? Oh, boy. Then the local people are in with open palms. They need aid for this; they want aid for that; they want to be given something for nothing.

I now am simply stating a wild hypothetical, but Senators know what a scramble would occur in this country if we were to say to each one of the impacted areas, "All right. Your project is removable. We will remove it. We will get those children away from your area. We will get the workers out of there. We will put the installation somewhere else." Cannot Senators imagine what the local inhabitants would say, what they would do? They would say, "Forget about it." They would do without the impacted areas legislation. They would keep the children. That is the realism of the situation.

But it is not realistic for me to be thinking about such a hypothetical. The Senator from Montana and I know that that kind of situation will not happen.

The fact is that, in many instances, the economic wealth of the impacted area community has been increased as the result of the Federal installation to the degree that the community cannot possibly justify continuing to receive the aid if it was compared with some poor school district. Such an impacted area community does not need aid as much as the one the Senator from Montana spoke about. There you have a really impoverished school district, in which there is not a single Federal impact, not a single Federal installation, but where a large number of little children are attending low-standard schools. These children are being cheated out of the maximum development of their intellectual potential. They attend schools where classes are being held in the school gymnasium, if there is one, or in the corridors, or on the school stage, or in borrowed buildings near the school building. Those are the youngsters for whom the politicians ought to be bleeding in this debate, not the ones they may be trying to protect in many school districts which cannot justify getting the money they are already getting from the Federal Government. Such districts ought to be satisfied with the extension of the program for another year, until we can get the facts, rather than to ask us to come in to freeze these inequities for another 2, 3, or 4 years.

Mr. President, that is the burden of my case. I could stop with it. That is my case, but let me buttress it further.

I turn now to the operation of Public Law 874. I note that as far as the Office of Education is concerned, there are some communities receiving Federal funds for operation and maintenance of the school districts based upon the attendance at those schools of category B children; that is to say, children of parents who either live or work on Federal property, which might be found to be somewhat indefensible from the standpoint of need.

I refer in this context to one such school district and I hasten to say that there may be many factors of which I do not have knowledge which could justify the use of Federal funds to assist the pupils in this school district. This particular school district is located in my own State, at Gearhart, Oreg. I do not know whether I will get any votes out of Gearhart when I get through with this part of the speech, but here are the facts anyhow.

Gearhart is a very pleasant town on the Oregon coast whose permanent population is only 723 individuals according to the 1960 census. Yet, I note that in the 10-year review of the operation of Public Law 874 and 815, on page 69, that Public Law 874 payments in the amount of $1,663 were received by the Gearhart School District. These payments were based upon the attendance of 16 category B children.

Because from my own knowledge I could not recall that Gearhart possessed any Federal installation, I requested that the Office of Education provide me with the information upon which this funds distribution was based. The memorandum I requested has just been received. It states:

> In accordance with your telephone request there is attached a statement regarding the basis for eligibility under Public Law 874 for Gearhart School District No. 15–C, Oregon, for the 1959–60 and 1960–61 school years.
>
> BASIS FOR ELIGIBILITY AND FEDERAL ENTITLEMENT UNDER PUBLIC LAW 874 FOR GEARHART SCHOOL DISTRICT NO. 15–C, OREGON
>
> This district was eligible for $1,663 in fiscal year 1960 based on an average daily attendance of 16 children in the "B" category at a local contribution rate of $207.90 per child. Eleven of the sixteen children claimed for entitlement lived with parents employed on the naval station at Tongue Point. The other children had parents who were employed on Federal properties known as Customs House in Portland, Columbia River at the mouth (formerly Fort Stevens Military Reservation), and Astoria reserve fleet site.

Those properties are miles and miles away. They are not in Gearhart. Gearhart is a nice place in which to live, though. I continue:

> In 1961 this school district claimed 11 federally connected children in the "B" category and the estimated entitlement is $1,317. These 11 children in average daily attendance were living with parents employed on the naval station at Tongue Point, now designated as Pacific reserve fleet, Columbia group. It is located at Astoria, Oreg. The other two properties were the customhouse at Portland and the Astoria reserve fleet site at Astoria.

That involves my own State. I would have a terrifically difficult time to justify it, and I do not intend to try.

Mr. President, I want uniformity. I want the rules applied to the school districts in all the States, and I want the water squeezed out of this program.

I do not think good government or citizen respect for government is helped by maintaining such a loose administration of Public Laws 815 and 874. So I do not want them extended for more than 1 year until we obtain all the facts. I want to see the Department of Health, Education, and Welfare and the Comptroller General present studies which will tell us where the maladministration is or what changes are needed in the laws and where the undeserved payments, if any, are going. If we get this, we can then correct the situation legislatively. But I do not wish the present situation frozen unchanged into the law for another 2 or 3 or 4 years.

Before this debate is over, no doubt we shall be told many times by some Senators—particularly by some of those who are not present now to hear me, and there are many of them—"I want to tell the Senator from Oregon that after the report he is talking about is made, if we then find there are facts which justify a change in the law, we can change it then."

Mr. President, I submit that will not be done. If such a freeze goes into effect, the change will be made, if at all, only after the end of the freeze period. By that time every Senator will have been bombarded with a host of new issues and problems. In fact, we do not now know how to handle all the problems which presently are before us. If the present arrangement is frozen into law for 2 or 3 or 4 years, any Senator who, before the end of the freeze period had occurred, would propose a change in Public Laws 815 and 874, should have his head examined, for lack of senatorial sagacity, for he would not get a corporal's guard vote in the Senate for any such proposal.

Senators may just as well face the fact that whenever the vote on this bill is taken—whether tomorrow or thereafter—the Senate will be deciding whether it will freeze for 2 or 3 or 4 years the existing waste and duplication. We will be deciding—and this is the first time I have stated this, Mr. President—whether we will do what the Kennedy administration would like to have done—namely, to extend the present act for 1 year, so that the facts can be put before the people, for the correction which should then take place.

Mr. President, I hope a majority of the Senate will support the President.

Mr. RANDOLPH. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. RANDOLPH. Mr. President, it is interesting and informative—and to many Members of the Senate it is well known—that President Kennedy is sincerely desirous of moving in the manner advocated this afternoon by the diligent and knowledgeable Senator from Oregon who is in charge of Senate bill 2393 in this forum.

As I understand the situation, the Senator from Oregon continues his advocacy of helping the elementary school and high school students to the number of more than 45 million in the United States as another school year begins, rather than merely continue the program for the group of children of Federal employees and service personnel, numbering approximately 1,600,000. Is that correct?

Mr. MORSE. That is correct.

Mr. RANDOLPH. As a cosponsor of this proposed legislation before the Senate today, it is with considerably mixed feelings and something less than enthusiasm that I continue to support S. 2393, the measure to provide a 1-year extension of Federal assistance to so-called impacted areas.

As has been so well stated by the Senator from Oregon, I know that there are many areas in which there has been a very heavy impact through defense installations and related programs, and in which it is necessary to continue this aid. In many instances the children of Federal employees create a heavy burden upon local school facilities. While I acknowledge the responsibility of the Federal Government to bear its share of the burden in such cases, I believe now, as I did at the beginning of this Congress, that this assistance should be an integral part of a coherent program of Federal aid for school construction and teachers' salaries.

But there is also an accumulation of evidence which indicates that in many, many sections there has been flagrant distortion of the congressional intent and also, to a degree a failure to use the funds on the basis of the actual merit of the particular caseload.

The pending bill, of which I am a cosponsor, would offer assistance to school districts accommodating slightly more than one and a half million children of Federal employees and service personnel. It is most regrettable that the other body has not acted in this session in concert with the Senate by providing for the other 43 million elementary and high school students in the United States.

As noted in a recent United Press International article printed in the excellent newspaper, the Mineral Daily News of Keyser, W. Va., many hundreds of thousands of children in our urban centers are attending double shifts, for lack of adequate classroom space, and many millions of students are being instructed by teachers who fail to meet their State standards for regular certification.

I have frequently addressed this problem before. I shall not now repeat my comments, except to offer again the hope that next year—and I wish it could be this year—we may put aside extraneous and divisive issues, and attend to the principal task of providing the kind of foundation for education that a wealthy and enlightened democracy deserves. I ask unanimous consent, Mr. President, that the previously mentioned article from the Mineral Daily News be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Mineral Daily News of Keyser, W. Va.]

NATION FACES SHORTAGE OF QUALIFIED TEACHERS—RECORD CROP OF STUDENTS

(By David Smothers)

(EDITORS NOTE.—More schoolchildren than ever before are going back to their classes this week. In some areas, there will not be enough teachers or classrooms to accommodate them. United Press International made a spot check of key cities and questioned top education officials in Washington for this report on back-to-school week.)

With a record crop of 49.3 million students going back to school this month, the Nation faces a critical shortage of qualified teachers.

The key word in that statement is qualified and the authority for it is the Secretary of Health, Education, and Welfare, Abraham Ribicoff.

Most school administrators in cities covered by a United Press International survey said they had enough classrooms and enough teachers to take care of the children.

There were some glaring exceptions. New York City public schools had 6,000 teacher vacancies and all the city's schools were on double schedules. There was no teacher shortage reported in Chicago, but 31,000 children were on double shifts. Half-day sessions were scheduled for 10,000 of the 650,000 children in the Los Angeles public school system.

Many other cities reported they were doing fine. Dallas and Fort Worth had more applications for teaching jobs than they could fill. The reason was apparently simple. The two cities pay almost $600 a year more than the State minimum of $4,014 for teachers.

Cities which said they were well equipped to meet the school year also included St. Louis, San Francisco, Kansas City, Des Moines, Pittsburgh, and Columbus, Ohio.

In a statement to UPI, however, Ribicoff said "we as a nation face a critical shortage of qualified teachers this year and in the years immediately ahead.

"The shortage of teachers will become greater as the nation builds more classrooms to reduce overcrowding.

"The estimated school population gain of about a million pupils a year for the next 10 years also will require added thousands of teachers.

"The quality of teachers counts along with the quantity. For a number of years, there have been between 90,000 and 100,000 teachers who do not meet the State requirements for regular certification."

The mounting nationwide school roll, as reported by the U.S. Office of Education, reflects some of the reason for Ribicoff's concern.

In school this year are an estimated 34.2 million elementary school students, 10.8 million high school pupils, and 4.3 million collegians.

In 1951 there were 23.9 students in elementary schools, 6.5 million in high schools, and 2.3 million in colleges and universities.

In 1941, the breakdown was 20.4 million for elementary schools, 6.9 million for secondary schools, and 1.4 million in institutions of higher learning.

The Office of Education also reported that a total of 1,684,000 teachers will be needed in elementary and secondary schools this fall. Yet, the teacher total for such schools last year was 1,636,000.

Last January, the Nation's public schools had 1,338,560 classrooms for its students. That, the education offices figures, is 142,000 less classrooms than are needed.

From his vantage point, Ribicoff said teacher shortages in the 1961–62 school year will be felt most in the elementary schools.

An increasing number of newly trained teachers are going into the high schools, Ribicoff said, even though "the schools require eight elementary teachers to every five high school teachers."

In the high schools, Ribicoff said, "the demand will exceed supply for teachers of mathematics, English, foreign languages, general science, physics, and chemistry."

The Secretary added "if schools and colleges are to compete with other professions for professionally qualified personnel, higher salaries must be paid."

Ribicoff was asked whether well-heeled districts are hiring teachers from districts which can't afford high salaries.

"Yes," he said. "Many teachers go to the communities with the higher salary scales."

The Nation's largest city appeared to have one of the biggest classroom headaches.

Officials said there was no telling when New York schools would be able to stop their practice of overlapping or double schedules. Some classes in New York start before 8:30 a.m. and others don't let out until after 4 p.m. In the lower grades there is "short time"—4 hours of classes instead of the regular 5.

While New York's school troubles mounted, attendance in the classrooms passed the million mark for the first time in the city's history.

Minneapolis-St. Paul also was hard up for teachers. The Minneapolis schools reported they were short 50 to 55 elementary schoolteachers and would have to fill in with substitutes. Substitutes also were called in to take the place of 65 teachers in St. Paul.

Cities elsewhere struggled manfully to assure full-time education for their youngsters. Progress was being made, but it came slowly.

In Chicago, Assistant Schools Superintendent Dave Heffernan said he hoped all double shifts would be eliminated by January. But he couldn't be sure, even though 10 new schools are being opened in crowded Chicago neighborhoods. Heffernan explained population shifts could occur so quickly that new classroom jamups would follow.

Los Angeles opened 13 new schools and planned for 17 more next year. Still, school officials couldn't be sure when half-day schedules would be eliminated.

The Los Angeles school administrators pointed out that an estimated 27,000 more children will be in the city's schools this year than last. They called the increase about normal.

Mr. RANDOLPH. Mr. President, I strongly endorse what has been said by my colleague.

Frankly, I am distressed, I repeat, that the other body has not acted in concert with the Senate in facing, in greater degree, the need for the enactment of general education legislation for school construction and for the salaries of teachers.

I also wish to state for the record that those of us who now stand with the Senator from Oregon are strengthened in the knowledge that he is speaking for the national interest and striving for the welfare of the public, rather than a segment.

It is most important that in this instance we act with a view toward satisfying the overall needs of education and not just the fringe needs of a comparatively few districts. So I trust that the Senate will continue the program for 1 year only, rather than for two or possibly more years, as requested by one or more contemplated amendments for that purpose.

Mr. President, I state very frankly that I think the President of the United States should restate his position in regard to the desirability of having Congress act on the broader and more important phases of an educational program for all the public schoolchildren of the United States.

There is no implied criticism of the Chief Executive, though I say once again, as before, there is a need for him to speak out affirmatively on this subject so that he will be understood by all.

Mr. MORSE. Mr. President, needless to say, I am most pleased with the statement just made by the Senator from West Virginia. As usual, I am very proud of him. I want to say to the people of West Virginia from the floor today, that the senior Senator from West Virginia [Mr. RANDOLPH] serves as a colleague of mine on the Senate Subcommittee on Education, and, of course, on the full committee of the Senate on Labor and Public Welfare. Not a single time in our weeks of hearings and executive sessions and discussions of education matters has the Senator from West Virginia demonstrated any narrow, provincial interest. He has taken the position that as he votes for legislation which helps all the schoolchildren of America, he is voting for legislation that best serves the interests of West Virginia.

He comes from a State in which there are a good many impacted districts, as he knows. We have discussed this question together and we have discussed it in committee meetings. He put the question to me, "If I vote for it for 1 year, I cannot possibly do any damage to the school districts of my State, because they will be protected for 1 year, until we can get the facts. Is that correct?" I assured him it was correct. That is all he needed from me. All he needed was to be assured that no injustice would be done, and that at the same time we would not vote for a program opposed by the administration. I assured him that the administration wants to bring to us evidence which will justify some modification of the program next year.

The Senator from West Virginia has referred to the position of the President and the need to restate or reassure the country as to his stand on aid to education. I can assure the Senator from West Virginia that will happen time and time again in the not too distant future.

I had a long conference with the President last week. I heard him restate his position on education legislation. I heard him state the position that he very much wanted this legislation extended for only 1 year; and that he wants the whole matter reviewed in the next session of Congress.

I certainly hope that when Members of the House get back home during the recess period to talk to their constituents, they will recognize, as I believe the truth to be, that the parents of this country feel Congress ought to pass general education legislation. We should enact it in order to do justice to the schoolchildren who need to have it. We need to stop the injustice being done to every boy and girl in every nonimpacted school district who, because of a lack of money for good schools, will end up being disqualified for admission to college.

What a wrong, what a shameful thing, that we would do that to the most precious wealth we have, which is, after all, the boys and girls of this country. The whole destiny of America depends on the potential intellectual development of the young people of this country. We are not doing a good job of helping them. We have let this matter get bogged down with politics and bogged down with other forces, too. The public is confused. We must have faith. Once the public comes to understand how essential it is, both to the security and to the economic development of this country, that we have the program the Senator from West Virginia, the Senator from Montana, and our other colleagues on the committee are fighting for, I have no doubt as to what the political verdict will be.

Some men will stay home in 1962, and they ought to stay home in 1962 if sending them back here means they are going to participate in a policy which continues a rank injustice to the school children of this country.

We cannot possibly compete with Russia in the next quarter to half century if we continue our present failure to support the schools of this country with a general aid to education bill. Assistance should be given to private schools in a separate bill. If anybody has the slightest idea the senior Senator from Oregon could possibly have changed his mind, I repeat, assistance in a separate bill for public schools, and assistance in a separate bill for private schools, to the extent that the private schools can be helped within the framework of the constitutional restrictions as set forth in the first amendment.

I think there are three or four groups of Senators who are going to oppose the Hill-Morse bill for an extension of 1 year, and who will propose an extension for more than 1 year.

One group of Senators will be those who voted against S. 1021 because they are opposed to Federal aid to education, although they have watertight compartments in their brains with regard to this matter. They do not like to face up to the fact that, when we have spent $2 billion since 1950, under Public Laws 815 and 874, it is still Federal aid to education, no matter how hard they try to define it otherwise.

Then there is a second group of sincere men—I think they are mistaken men, but they are sincere—who just do not want any Federal aid to education at all, but who have many local political interest groups who wish to continue to receive the handout they now are getting under Public Laws 815 and 874. Such districts are on a rampage to get the present arrangement maintained for more than a year. Such Senators feel this will bring home the bacon. It will show what great Senators or Representatives they are. Forget about the national interest. Think about the local interest.

As everybody knows, I completely disagree with that approach. I think we

ought to extend the law for one year, and then get on with the job of passing a general education bill.

I think when the President continues to make clear, as I am satisfied he will, and when the President next year makes perfectly clear that he has not changed his views with reference to the importance of needed aid to education, there will be a change of attitude in the House and we will get a bill passed. Or, if we do not, after 1962 there will be some new faces in the House—and I am not so sure but what that would be a good thing.

There is a third group who really, and honestly do not think it makes much difference whether the law is extended for 1, 2, 3, or 4 years; that we still have the job of passing a Federal aid to education bill, anyhow, and the two measures are separable. I wish I could agree. I think the issues are so intertwined that we could not possibly separate the issues. If there is a 2 or 3 or 4 year extension, in my judgment we shall have killed the chances of passing a general aid to education bill in the House in 1962.

I think that is the political reality of the situation. Therefore, I cannot support the third point of view.

Then there is a fourth class of Senators who I think would not be very happy to see some of the school districts investigated by the Comptroller General or by the Department of Health, Education, and Welfare. I think the section of S. 1021 which calls for that investigation bothers those Senators very much. We may lose some of those votes.

Mr. President, I have observed many times in my 17 years in the Senate when the Senate was of one point of view until the facts were in, and until the record was made. Then a shift occurred. Very frequently the shift has occurred after there had been a public evaluation of the facts.

I am very hopeful that the debate we shall have in the next few days on this matter will build up public support for a 1-year extension and public support for a general aid to education bill in the next session of Congress, next January.

Mr. President, to document my point that there are child impacted areas whose needs are greater than some of the areas receiving Federal aid money under the impacted areas laws, I had a memorandum on this point prepared by the Office of Education, and I ask unanimous consent that the memorandum be printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

OFFICE OF EDUCATION MEMORANDUM

As requested by Ralph Flynt, we have compared several districts that have received Public Law 815 funds with several of equal or greater need that have not received such funds.

As you know, Public Law 815 is intended to assist construction in school districts where the need for construction, or part of it, is attributable to Federal activities. The funds serve in lieu of taxes. There are other districts with similar construction needs which are not reached by Public Law 815 because they do not have the growth in federally connected children necessary for participation under Public Law 815. Several examples follow:

In Oregon, the State does not grant funds for school construction. Public Law 815 funds ($93,536) have gone to Tillamook 9 School District (Tillamook), but none have gone to the Hood River County Unit School District. Yet in many ways they are similar. Tillamook had a weighted attendance of 2,119.9 and Hood River one of 2,108.1 in the 1958–59 apportionments. Tillamook had a true cash value of taxable property of $36.8 million in 1958–59 apportionments, and Hood River had $29.4 million. The classroom shortage in the fall of 1960 was 29 rooms in Tillamook and 21 rooms in Hood River. There may be some variation in the distribution of Federal forest reserve fees to the two districts; this we cannot check with the data available.

In Florida there are substantial State contributions to school construction; however, the local districts must provide part of the cost. Dade County, which has received Public Law 815 funds ($1,492,342 reserved for Dade during fiscal years 1951 through 1960) may be compared with Manatee and Osceola Counties, neither of which has received such funds during this same period. All three counties are growth areas. In Florida the taxpaying ability of each county is determined as a percent of the total taxpaying ability in the State. The enrollment and the classroom shortage are much larger in Dade County than in the other two counties; however, when the classroom shortages are set against the taxpaying ability, Manatee and Osceola have much less taxpaying ability per classroom short in fall 1960 than does Dade County. The same holds true for taxpaying ability per pupil in attendance.

In New Hampshire, Portsmouth has had $494,517 reserved under Public Law 815 during fiscal years 1951 through 1960; Laconia has not received any such funds. The equalized valuation (as of 1958) in Portsmouth was $108 million, or $10.8 million for each of the 10 classrooms short in the fall of 1960. The equalized valuation in Laconia was $63 million, or $2.4 million for each of the 26 classrooms short in the fall of 1960. The equalized valuation per pupil in membership is similar in the two school districts—$29,000 in Portsmouth and $32,000 in Laconia.

Mr. MORSE. I wish to read a paragraph or two:

As requested by Ralph Flynt—

That is Dr. Flynt, of the Office of Education—

As requested by Ralph Flynt, we have compared several districts that have received Public Law 815 funds with several of equal or greater need that have not received such funds.

As you know, Public Law 815 is intended to assist construction in school districts where the need for construction, or part of it, is attributable to Federal activities. The funds serve in lieu of taxes. There are other districts with similar construction needs which are not reached by Public Law 815 because they do not have the growth in federally connected children necessary for participation under Public Law 815. Several examples follow.

One is cited in my own State:

In Oregon, the State does not grant funds for school construction. Public Law 815 funds ($93,536) have gone to Tillamook 9 School District (Tillamook), but none have gone to the Hood River County Unit School District. Yet in many ways they are similar. Tillamook had a weighted attendance of 2,119.9 and Hood River one of 2,108.1 in the 1958–59 apportionments. Tillamook had a true cash value of taxable property of $36.8 million in the 1958–59 apportionments, and Hood River had $29.4 million. The classroom shortage in the fall of 1960 was 29 rooms in Tillamook and 21 rooms in Hood River. There may be some variation in the distribution of Federal forest reserve fees to the two districts; this we cannot check with the data available.

Mr. President, those are two school districts of approximately equal status; the one received $93,536 and the other did not receive a cent.

These are the injustices and inequities about which I am talking. Facts such as I have presented give all the proof Senators ought to need for them to want a study of these programs. Then next year, after we get the facts, we can decide what, if any, remedial legislation ought to be passed based upon the facts.

The memorandum goes on to discuss similar situations in Florida, New Hampshire, and elsewhere. I have put the entire memorandum in the RECORD, and it will speak for itself.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point table 125, which can be found on page 1319 of part 2 of the hearings before the Education Subcommittee of the Senate Committee on Labor and Public Welfare entitled "Public School Assistance Act of 1961."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 125.—*Number and percent of eligible applicants in fiscal year 1959 by proportion of Federal payments (Public Law 874) to total current expenditures of the applicant district*

Percent Federal payments (Public Law 874) of total current expenditures	Number of districts	Percent of districts
Total	3,761	100
Less than 5 percent	2,365	62.9
5 to 9 percent	734	19.5
10 to 14 percent	279	7.4
15 to 19 percent	140	3.7
20 to 24 percent	58	1.5
25 to 29 percent	55	1.5
30 to 39 percent	58	1.5
40 to 49 percent	28	.75
50 to 59 percent	19	.5
60 to 69 percent	13	.4
70 to 79 percent	6	.2
80 to 89 percent	2	.05
90 to 100 percent	4	.1

Mr. MORSE. Mr. President, the table shows that 62.9 percent of all eligible school districts under Public Law 874—that is to say, 2,365 of the 3,761 school districts eligible in 1959—received less than 5 percent of their school budgets from Federal funds.

I wish to repeat that, Mr. President: 2,465 of the 3,761 school districts eligible in 1959 received less than 5 percent of their school budgets from Federal funds.

When I listen to some of my colleagues out in the cloakroom I hear the argument that if we do not extend these laws immediately, and if we do not extend them at least 2 years, we shall do irreparable damage to thousands of school districts in the country.

That is not so. The facts do not bear it out. The facts show that 2,365 out of the 3,761 school districts eligible

under this program received less than 5 percent of their school budgets from the Federal Government. Perhaps some of those districts even get money to which they are not fully entitled.

Only 25 school districts of the 3,761 received 60 percent or more of their budgets from Public Law 874 funds. We do not have to worry about those. I will tell Senators what type of district that is. This is the district in which there is an atomic plant, in which there is a great military installation, in which there is no question about the fact that the area is overwhelmingly federally impacted. It is not a case of some surgical supply company selling some surgical goods to some Federal office. It is not a case of some little company making adhesive tape or stationery to sell to some Federal agency.

We do not have to worry about the areas which are really impacted. We can observe those with our own eyes. Those areas are not guilty of abuses.

Mr. President, the 25 school districts which receive 60 percent or more of their budgets from Public Law 874 funds are only seven-tenths of 1 percent of the school districts eligible. They are only seven-tenths of 1 percent.

I am always interested in observing how some idea catches hold in the Senate. There is a wave of support which goes through this body, with the statement, "Something has to be done right now. If we do not do it, these school districts will be closing down. They will not be able to serve the children."

One can get a lot of votes with that kind of "scare" argument. I think there has been a lot of that kind of talk in connection with this issue.

Then, when one goes after the facts, one finds there simply is no basis for those fears at all. There is no basis for them.

In fact, if Congress adjourned or recessed and we all went home and came back in January, judging from information I have received from the Federal agencies concerned, there is not a school district which would not be able to go right on functioning, based on the expectation, of course, that when Congress returned it would take up the hardship cases.

The idea of trying to make a great emergency out of this question may be a nice vote-getting technique and device in the Senate, but the facts do not support those who are using that scarecrow argument.

All I seek to do is to persuade Senators to take a look at a few of the facts. I should like to hear their answers to them. With only 25 school districts of the 3,761 receiving 60 percent or more of the budgets from Public Law 874 funds, we find that the number is but seven-tenths of 1 percent of the school districts eligible. These are figures, I submit, which should cause us to pause before we extend indiscriminately the continuance of the program without further review. We need to be careful and we need to know the facts so that we can legislate intelligently.

I ask Senators therefore to support the committee by extending the current program for only 1 year in order that we can attempt to get a full and detailed picture of the situation next session. It would be more preferable had the other body agreed with us on the report and study which we wrote into title II of S. 1021. Since, however, it does not appear that this will be done prior to adjournment this fall, I plead with Senators not to extend this legislation for more than June 30 next.

By holding the extension to 1 year, we assure that consideration can be given in the 2d session of the 87th Congress. If a longer extension is voted, all of us know in our hearts that the probabilities are that the matter will be delayed until 1963 at the earliest.

In conclusion, I should like to discuss one other, and to my mind compelling, point. There are many school districts in the Nation which do not receive aid in the form of Public Laws 874 and 815 funds. Yet in case after case these districts are impacted with children, as I have already pointed out. Their schools are overcrowded, or obsolete, and in some instances shockingly so. Hine Junior High School some 10 blocks from this Chamber would repay a visit by Senators who would like to have a firsthand view of shockingly inadequate school facilities.

If only half of the amendments that I have heard about in the cloakrooms are offered, we shall have many amendments. I see the Senator from Pennsylvania [Mr. CLARK] a member of my committee, sitting in the rear of the Chamber. I wish now to announce that if amendments to the bill start pouring in, I have one. I have not had an opportunity yet to talk to my committee members but I shall offer an amendment that really would help to meet the needs of a very deserving federally impacted area in the United States. It is the District of Columbia. The District of Columbia has no Senators or Representatives. Its citizens are second-class citizens. They cannot vote and have no political power. No pressure will do any good, for there is no Senator from the District of Columbia. But the citizens of the District of Columbia have a need.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CLARK. The Senator will recall that when the public school bill was before the Senate earlier this session, the Senator from Oregon joined with me in sponsoring an amendment, which we were successful in having agreed to by the Senate, which would increase substantially, but only equitably, the appropriation authorized for the District of Columbia.

The money was badly needed then; it is just as badly needed now. I am happy to have heard my friend indicate his intention to offer such an amendment, and I shall be happy to join him.

Mr. MORSE. I believe that the people of the District of Columbia know they have not a better friend in the Senate than the Senator from Pennsylvania [Mr. CLARK]. Time and time again the Senator from Pennsylvania has tried to help the voteless citizens of the District of Columbia by offering amendments to various pieces of proposed legislation. The other day he was of great help to me when the District revenue bill was under consideration. I added my amendment at that time and it went through the Senate. But I understand we are not even to be allowed to go to conference on the measure. It will not even be considered. If I can have the amendment added to the pending bill, I shall do so. I shall offer it as an amendment to every bill to which I can add it. Because if there is any area in the United States that can justify some assistance by reason of being a federally impacted area, it is the District of Columbia.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CLARK. I wonder if the Senator shares my view—I am quite sure that he does, and since I came recently to the Senate Chamber, it may be that he has already made a statement in this connection in the course of his speech in support of the pending bill that if we are unable to hold the proposed federally impacted area extension and the proposed NDEA extension to 1 year, we really would be better off without any bill?

Mr. MORSE. I think it would be much better to have no bill at all. I said before the Senator came into the Chamber that no school district would be required to close down if it did not receive the aid. It will be difficult for a few, but they will continue to operate. They will know that next January the issue will again be before Congress in a general education bill, and citizens in the intervening months will be able to do the kind of pressure job that needs to be done.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. MORSE. I yield.

Mr. CLARK. Does not the Senator believe that President Kennedy and his advisers, including Secretary Ribicoff made a pretty good case before us early in the year to the effect that there were substantial abuses in the present administration of impacted areas which deserve very careful study and a continuation of the impacted areas program should be for a relatively brief period so that the whole subject could be considered next year?

Mr. MORSE. Yes. That is the burden of the first speech that I made. The Senator will notice that I stressed the word "first." I have a series of lectures on this subject. The first lecture deals with the question of impacted areas under Public Laws 815 and 874. I have brought forth some of the evidence showing certain abuses which have developed from the present language and the administration of those two laws. I have also brought out that Senate bill 1021, which we passed, provides for a study by the Commissioner of Education and his associates, with a report to Congress at the end of 18 months—and the Comptroller General's Office undoubtedly will continue its investigation—of the type of horrible example, so to speak, of abuse and misuse of the law which I brought out in my speech earlier today.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CLARK. A few moments ago the Senator made reference to the fact that the other body had refused to go to conference on a measure affecting the District of Columbia. Is it not also true that the other body has refused to go to conference on the public school bill which the Senate passed?

Mr. MORSE. The House of Representatives has not even been willing to allow the Members of that body to come to a vote on S. 1021. Why? Because I fear majority rule does not always prevail in that body. Minority rule may prevail.

The time has come, I believe, to use the education issue to get the American people to understand how their legislative substantive rights can be denied to them by the House of Representatives. The House has not corrected what I feel to be a great parliamentary procedural abuse; namely, that there is left to a small number of men who occupy positions on the Committee on Rules the power to determine what proposed legislation shall be voted on in the House.

The American people are at the sufferance of the Rules Committee. It is about time to put the Rules Committee of the House at the sufferance of the American people.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. MORSE. I yield.

Mr. CLARK. I am sure that the Senator will agree with me that, on the whole, it is a wise thing that our rules contain provisions which restrict an entirely candid public expression of our secret views with respect to our proceedings and the proceedings of the other body.

I am certainly not one who wishes to violate that rule here. However, I am sure the Senator will agree with me that, regardless of what we may feel about some of the rules and other matters pertaining to the other body, those are rights which are given to them by their parliamentary procedure. In that connection, I wonder whether the Senator would not agree that we too have some rather peculiar institutions here in the Senate.

Mr. MORSE. Oh.

Mr. CLARK. I pause for appropriate reply.

Mr. MORSE. All I can do is exclaim.

Mr. CLARK. The Senator from Oregon is well aware of the fact that we have in the Senate the rule of unlimited debate. In fact, there have been occasions in the past when the Senator from Oregon has taken advantage of it.

Mr. MORSE. I believe in ironic justice.

Mr. CLARK. We are now developing a mutual thought which might end up with the conclusion that if the other body wishes to take advantage of a parliamentary privilege which they have under their own rules, and not go to conference on education bills, it may become necessary for Members of the Senate to take advantage of our own peculiar rules and not let any bill come from conference.

Mr. MORSE. Give me six men true and blue bound to have dinner together in Washington on Christmas Day, and that is exactly what will happen.

Mr. CLARK. I am sure the Senator, like Brutus, is a reasonable man, and does not want to exercise arbitrary powers.

Mr. MORSE. Never.

Mr. CLARK. The Senator might have the view that if the reasonable compromise suggestion, that we extend the impacted area bill for 1 year and the NDEA for 1 year should be rejected, it might just be necessary to take certain measures which we might possibly regret but which would be entirely within the privileges of the Senator.

Mr. MORSE. Yes; we would regret taking them. But, let me say to the Senator from Pennsylvania, in my opinion, the schoolboys and schoolgirls across America are worth whatever sacrifice we might make as participants in such a prolonged debate, or as I always call them, a filibuster. Perhaps through the educational process we may get some of our colleagues in the House fully to understand how they are denying to the boys and girls of this country the protection they ought to have through Federal aid to education. They are denying to the voters of this country a procedure whereby, being elected by the voters of this country, they will have to stand up to be counted in a vote on the issue itself. They should not be able to use the procedural escape exits provided by following a course of action which avoids voting on the substantive issue itself.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. MORSE. I yield.

Mr. CLARK. I see on the floor the distinguished Senator from Michigan [Mr. MCNAMARA], who has expressed the view privately, and perhaps publicly also, that we are making a very grave mistake in confining the pending measure to a mere extension of impacted area legislation and to an extension of NDEA. As I understand his view, he believes we should pass a comprehensive school bill and send it back to the other body and see whether they will persist in refusing to go to conference.

Mr. MORSE. I think we could do it if 10 men in the Senate would dedicate themselves to this issue for the next 3 months. I should think it would take about 3 weeks for the Senator from Michigan to read the material I see on the top of his desk.

Mr. CLARK. I close this colloquy with my friend from Oregon with the fervent hope that reasonable men will reach a reasonable solution of this matter and that it will not be necessary to stay in indefinite session in order to get the rock-bottom compromise from which those of us who want to do something for the boys and girls of America cannot well retreat. I express the hope that a majority of the Senate will agree with us in that regard. I am sure my friend from Oregon will agree.

Mr. MORSE. I agree completely. Let us consider the kind of compromise we are offering. It is the President's wish that we extend it for 1 year. We are offering a compromise which protects every school district in the country for a year. We are offering a compromise which guarantees the American people that they will get a report on the facts about any abuses and inequities and injustices.

Mr. CLARK. We are also protecting the scholarships.

Mr. MORSE. We are also protecting the scholarships. We are offering a compromise that continues the program of scholarships, as the Senator suggests. If we bring in NDEA as an amendment we do that. It does not happen to be in the Hill-Morse bill now before us, which deals only with Public Law 185 and Public Law 874.

I close by making a fleeting reference to NDEA. That subject will be my next major effort, at a later hour. All jocularity aside—we have been having a little fun, although we have been in earnest too—I am in dead earnest in saying that we are offering a program which gives protection to every legitimate interest concerned. We cannot justify extending this program beyond another year when we do not have the facts we need, and when we know that the administration can get for us the full facts.

I do not want to seem to be partisan, but I say quite frankly that I do not think my party and the Senator's party have been fair and decent to the President of the United States on this educational matter. I think the treatment the President has received in the House of Representatives on the education issue is unfair. It is treatment that cannot be reconciled with the Democratic Party's platform. The Democrats ought to help the President to keep his word.

The President of the United States in the historic campaign of 1960, in speech after speech, and in State after State, North, South, East, and West, stood up to this Federal aid-to-education issue courageously, as he does to all issues, and he made his pledge. He is asking the Senate now to extend this bill for 1 year until he can have this whole matter reviewed next year. There is such a thing as party responsibility.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. MORSE. I yield.

Mr. CLARK. Is it not as clear as a bell to the Senator that if we extend these two acts for 1 year, and for 1 year only, we will be helping the President of the United States keep his pledge next year; whereas if we extend it for 2 years we will do serious and perhaps irreparable harm to his ability to put his program across next year?

Mr. MORSE. That is my judgment. I do not want to let the Republicans off the hook. I also think that the Republicans have an obligation to the boys and girls that I have been talking about. As the Senator knows, we have received magnificent assistance from some great Republicans in our fight for educational legislation. I express my appreciation to them. However, we happen to be the majority party. As the majority party we have the responsibility to carry out our pledges. Here is a pledge our President has made. We were behind him in the campaign, and we urged his election. I do not know how many votes the

President received for his position on education. However, let me tell Senators—and I did not know we were going to get into this discussion—that the President's opponents took the position that he was in favor only of school construction. The President said, "I am in favor of school construction and teachers' salaries too."

In my judgment, it resulted in thousands of votes for the President in State after State, because I believe it will be found that a majority of the American people, if a national referendum were held on this question, would vote for a bill such as S. 1021, which covers both salaries and construction.

Mr. President, I return to comments on the District of Columbia. The District receives no Public Law 874 funds. I hope that it will, but it does not now, and has not for the past 11 years of the program. Hine School is a firetrap. I have warned about it before. It has already had one fire which, but for the grace of the Almighty, could have resulted in a terrible tragedy for parents in the District.

Many other such schools in the nonfederally impacted school districts need and deserve support. Many of the 63 percent of the schools now getting Public Law 874 aid could have more assistance under a general aid bill than they now receive. We ought not discriminate against two-thirds of our public school children by denying the financial assistance which could be brought to their schools by a general aid law. We ought to treat these children, their teachers and their parents more fairly. But, by evading the issue through passage of an extension of the present laws for 2 years or more, we will not do our duty as it should be done. We will continue to countenance the overcrowded classrooms, the half-day classes and the makeshift quarters characteristic of far too many of our schools.

Mr. President, the Wall Street Journal has published two exceptional articles which bear upon the subject of my speech today. One was published on June 8, 1961; the other, on September 11, 1961. I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 8, 1961]

TROUBLED CITIES—THEIR DEFICITS GROW AS THEY TRY TO MEET DEMANDS FOR SERVICES—OAK PARK, MICH., POLICEMEN FIGHT FIRES; BOSTON FRETS OVER IT'S DOWNTOWN NEEDS—MORE HELP FROM UNCLE SAM?

(By Mitchell Gordon)

In Milwaukee, home owners with even house numbers caught watering their lawns on odd-numbered days may be fined up to $50 or tossed in jail for 30 days; although the city sits on Lake Michigan, the sprinkling restriction has been law for 7 years because Milwaukee's waterpumping capacity hasn't kept pace with demand.

In Los Angeles, municipal officials talk of compelling residents to sort their refuse—a special depository for cans and other metal waste and another for garbage and combustibles—to make it worth more to scavengers.

And in Oak Park, Mich., and Sunnyvale, Calif., new municipal servants are now on the payroll. They are known as "public safety officers" and they perform the duties ordinarily divided between policemen and firemen.

All these cases illustrate the struggle of U.S. cities to cope with the growing demands made on them for broader and better services. In major metropolises and crossroads hamlets around the country, municipal taxes are going up these days—but not fast enough to keep deficits from rising too.

Municipal finance officers, the men who must find ways to meet the cities' bills, are pessimistic about their chances of solving by themselves such problems as water shortages, stream pollution, overcrowded schools, inadequate roads, deteriorating downtown areas, debt-ridden transit facilities and relentlessly climbing costs. Nearly all city finance men contend that State and Federal Governments are going to have to step in increasingly to help ease the cities' worsening predicament.

PHILADELPHIA'S NEEDS

"We've just taken a look at our basic requirements for the next 20 years," declares Richard J. McConnell, finance director of Philadelphia. "We figure the cost of keeping Philadelphia livable through that period will run close to $3.5 billion. We'll be lucky to raise $1 billion of that from our own resources (including debt) and we have an income tax, which most cities don't have. At our present revenue rate, it would take us 37 years to raise the money we're going to have to spend in a little more than half that time."

Adds towering Wendall R. Bailey, finance director for Miami: "There's not a hope in the world that we can meet our financial needs in the coming decade from our own resources as they stand now."

John F. Clark, executive director of the Municipal Finance Officers Association in Chicago, believes that "considering the urban problems ahead of us, the city budgets of today are going to look absolutely delightful against those of 5 to 10 years hence."

Even today, however, most cities are having a hard time making ends meet. In the fiscal year ended June 30, 1960, expenditures of local governments totaled $33 billion, the U.S. Census Bureau estimates. In the same period, these local governments received, from taxes and special charges revenues of just under $18 billion, leaving a gap of $15 billion. Borrowing, in the form of general obligation municipal bonds, made up part of the deficit but most of it—more than $9 billion—was accounted for by State and Federal handouts. Ten years earlier, in the fiscal year ended in June, 1950, local governments spent $14.8 billion and took in $8 billion from taxes and special charges—a gap of $6.8 billion.

OPPOSITION TO TAX BOOSTS

City officials say they are meeting firmer opposition in their efforts to raise property taxes, which provide about 70 percent of municipal revenues and are by far the single most important source of funds. Some cities are attempting to boost these taxes circuitously, by reassessing properties at higher than their current valuations. For example, Memphis, Tenn., is getting set to spend $750,000 for its first property reassessment in 30 years. Memphis is aiming to raise by at least 25 percent the $17 million it collects from its property tax at present.

Other sources of funds are not being overlooked. Philadelphia, which increased its income tax rate in January by one-eighth of a percentage point to 1.625 percent, reports extensive contact from other cities seeking information on this tax. Philadelphia expects its rate boost to bring in an additional $5.5 million this year, giving the city $78 million in revenues from this source. Philadelphia has had this tax in effect off and on for 23 years. In addition to Pennsylvania, six States permit certain municipalities to levy income taxes; they are Alabama, Kentucky, Minnesota, Missouri, New York and Ohio, although in New York and Ohio the authority is not yet exercised.

However much existing taxes are raised and new sources tapped, municipal finance men believe local debt will continue to rise. According to the U.S. Census Bureau, the Nation's cities expanded their outstanding long-term debt from less than $16 billion on June 30, 1955, to more than $22 billion 4 years later and the total is said to have risen since, though a more recent tally has not been made. In the fiscal year ended June 30, 1959, cities for the first time spent more on interest charges than they did on fire protection; the interest outlay was $963 million.

DEMAND FOR SERVICES

Such statistics and the gloomy fiscal prospects most cities face, municipal officials say, are doing nothing to deter the public from constantly demanding new governmental services and improvement in older ones. New York City, which is more financially hard pressed than many cities, is spending $400,000 in its current fiscal year to provide child care stations where "needy" mothers can deposit their children for the day free of charge so the mothers can work. Complains a New York City official: "They got used to it during World War II, when we started it, and now they won't let us cut it out."

Evanston, Ill., talks of constructing a municipal ice skating rink which could be turned into tennis courts in the summer. Birmingham, Ala., wants botanical gardens and may get them, with the operating cost estimated at more than $50,000 a year. Birmingham recently finished air conditioning its municipal auditorium and the city not long ago began operating an art museum.

The problems bothering most cities are far more basic, however. Downtown rehabilitation, for example, looms as a large undertaking for many cities. John T. Leonard, Boston's budget director, notes that "the average building in downtown Boston is 75 to 100 years old. Our downtown streets are winding cowpaths. Traffic is so chaotic that the expressway we only recently opened is already filled to capacity at the rush hour. It could cost us as much as $2 billion to cope with our downtown problem and then it would take us 10 years to start showing any improvement."

But most authorities on municipal problems agree that downtown rehabilitation is necessary for the survival of big cities. Congestion and decay of cities' cores already have prompted some businesses to move their office staffs to less crowded suburban areas. If this trend should continue unchecked, it could bring about a loss of tax revenues and consequent lessening of the cities' ability to finance improvements.

AID FROM UNCLE SAM

Federal urban redevelopment programs assist cities in acquiring land for redevelopment and in constructing low-cost housing. But it doesn't make much sense, city finance men argue, to breathe new life into downtown districts without improving their accessibility and parking. In many large cities, expressways linking downtown and outlying areas have been built with Federal aid, but often these big roads add to cities' troubles by encouraging use of cars and dumping more traffic into central districts.

Municipal officials believe the parking problem will become much greater in the years just ahead. Chester Kowal, controller for Buffalo, N.Y., says: "We're going to have to require the provision of parking space in every large new building, but cities are going to lose downtown businessmen with that requirement unless they're prepared to help out on the parking problem in some way." Buffalo's answer, as is that of most cities, is

municipally owned facilities, though Buffalo's own three $2-million downtown garages are operated by a businessmen's cooperative whose fees are designed only to cover operating costs and return construction costs to the city.

Even more serious to some officials is the problem of mass transit. Injection of Government funds appears to be the only way of making fares on mass conveyances low enough to attract downtown workers and shoppers from their private cars. For Philadelphia, this means subsidies to a so-called Passenger Service Improvement Corp., whose 1961 budget of $1.5 million—three times the 1960 figure—is being used to help two commuter railroads keep fares down. For New York City, it means buying new cars for the city's subways out of local tax funds because fares on the publicly owned facility aren't adequate to meet expansion or replacement needs.

FEDERAL TRANSIT HELP

As the cities' mass transit troubles grow, the Kennedy administration is moving to set up a $150 million low-interest fund for loans in this field. However, at least 11 cities say they stand in need of the aid. Divided evenly, the administration's sum would come to less than $14 million a city—or only 5 percent of what Los Angeles alone figures it needs just to start an attack on the problem.

Water is an immediate worry for many cities. Amarillo, Tex., for instance, figures it's going to have to float $42 million worth of bonds, twice its total present debt, in the next 15 years to tap water resources 55 miles away. The city now has to reach no more than 14 miles for water, but present sources are considered inadequate for foreseeable demands.

The growing pollution of streams, rivers and other water sources is compounding this problem. Sioux City, Iowa, which has already had one extension from a Federal court on an order to quit dumping its sewage into the Floyd River, is faced with the expenditure of $7.5 million for a sewage treatment plant, though it has yet to sell the first of a series of bonds to get the project under way. Rainey P. Pope, finance director of Burlington, N.C., recalls that the Haw River "used to be a good fishing stream 10 or 15 years ago" but that it became badly polluted from raw sewage dumped into it by cities along its route. In 1955, North Carolina passed a law ordering cities to quit this practice and last fall Burlington put into operation a $2 million treatment plant.

Education's financial demands on the cities also are great. New York City, for example, is spending nearly 20 percent of its current budget on education; this is nearly twice what the city is putting into police and fire protection. In Birmingham, Ala., City Comptroller Sidney Grady Fullerton, Jr., calls schools "the real problem with us." Undoubtedly, many other city officials would share this refrain if their cities, like New York and Birmingham, ran their own schools. In most areas, separate school districts do so.

RESISTANCE TO BOND ISSUES

Municipal officials complain the education burden is getting to be more of a problem for them because taxpayers are growing increasingly antagonistic toward bond issues for new schools. Declares Dr. Thor W. Bruce, chief auditor for the board of education in St. Louis: "We've had a $16 million bond issue for new schools turned down three times by the voters despite the fact we're spending $140,000 a year in needless transportation costs for children who otherwise might be able to walk to school."

St. Louis and some other cities are stepping up experiments with temporary buildings as a way to avoid some construction; St. Louis has four wooden and four metal temporary structures under test at present.

Welfare costs put an additional strain on some municipal pocketbooks. In its current fiscal year, New York City has marked $245,821,345 for welfare services; this is more than 10 percent of the city's total budget of $2.3 billion.

As for police and fire protection, since 1946 outlays by local governments for these services have more than trebled; as of October 1960, policemen constituted 14.4 percent and firemen 9.6 percent of municipal employment.

The "public safety officer" system being tried in Oak Park and Sunnyvale as a means of saving money basically provides for fire trucks to be manned only by a single driver and for police squad cars equipped with axes and other basic firefighting apparatus and manned by policemen trained in firefighting to answer fire alarms. Because they are out on cruise, squad cars often can get to a fire faster than fire trucks anyway, advocates of the system say. Evanston, Ill., which has only partly adopted this system, figures it is saving $100,000 a year from the former practice of maintaining completely separate police and fire departments.

[From the Wall Street Journal, Sept. 11, 1961]

THE SCHOOLS IN 1961—THEY TRY MANY WAYS TO HANDLE ENROLLMENT RISE, CALLS TO IMPROVE—LOS ANGELES BUDGETS $800,000 EXTRA FOR SCIENCE STAFF—CHICAGO TURNS TO TV—DIRTY WINDOWS IN PITTSBURGH

(By Mitchell Gordon)

School enrollments are up again this month, posing new difficulties for systems already strained by rapid growth and under pressure to bolster the quality of their teaching. But educators are chipping away at their problems—and here and there signs of progress are evident.

This, in broad outline, is the picture sketched by local school administrators and other education authorities as pupils around the country troop back to classes after the summer vacation. According to the U.S. Office of Education, 45 million youngsters, from kindergarten through high school, are expected to register this term in public and private schools, an increase of 1.1 million over a year ago. Some local administrators say they continue to be short of qualified teachers; others report they lack adequate classroom facilities. Their efforts to handle additional pupils and remedy what they consider to be school system shortcomings are likely to mean higher school costs and in some instances bigger tax bills.

The tactics tried by school systems in attempts to alleviate their troubles are highly varied. Some systems are finding cheaper ways to build new schools or searching out places where operating costs can be trimmed; in Pittsburgh, for example, Superintendent Calvin E. Gross expects to save $50,000 a year by having school windows washed only 3 times annually instead of the 10 times customary in the past.

TELEVISION TEACHING

A number of cities are seeking to make better use of particularly talented or experienced teachers by permitting them to concentrate on lecturing to large groups of pupils and relieving them of routine clerical or supervisory chores. Television use is also being stepped up to bring top teachers to more students.

There is continuing public concern over the caliber of U.S. education, a concern that became especially acute after the Russians demonstrated their growing scientific capabilities with the orbiting of the first Sputnik in 1957. In response, some schools are laying even more stress on basic subjects such as science and mathematics and less on frills such as dating etiquette and social dancing. Among the students affected by this trend are the freshmen entering Los Angeles high schools today; beginning with their class, the high schools will require 170 class hours of science, a 20-hour increase from the old requirement. The change meant hiring 108 more high school teachers at a total annual expenditure of over $800,000.

Though concerned about strengthening curriculums, many school officials have their hands full simply scaring up desks and teachers for the steadily expanding army of students. The increase in school enrollments is a long-term affair. The 1961–62 school year is the 17th consecutive year in which enrollments have risen, and authorities expect the school population to swell by another 20 to 30 percent in the coming decade. This year's rise is especially sharp at the high school level, where the total enrollment has jumped 700,000 to 10,800,000.

CLASSROOMS NEEDED

Shortages of classrooms and teachers, stemming from increasing enrollments, have been reported by many school districts ever since World War II. According to the Office of Education, the Nation was short 142,000 classrooms at the start of this year, compared with a shortage of 132,400 a year earlier. The failure of Congress to pass a school construction aid bill dashed the hopes of communities relying on Federal assistance to help ease their classroom shortages.

Such major cities as New York, Chicago, and Los Angeles have been able to make little progress in reducing the number of children on split sessions, under which children in areas short of classrooms attend school in shifts. In fast-growing Los Angeles, School Supt. Ellis A. Jarvis figures he needs the equivalent of one new school a week throughout the school year to accommodate the 25,000 to 30,000 yearly enrollment increase; the actual building pace falls short of this rate.

Over 90,000 teachers are teaching on emergency credentials and lack the college training to qualify on a permanent basis, the Office of Education reports. A decade ago there were 75,000 teachers in this category. Some of the teachers who do not meet the letter of State and local requirements, however, may be excellent, well-educated instructors who simply have not taken specified education course.

CLIMBING COSTS

The increase in enrollments, coupled with inflation and a trend toward more elaborately equipped schools, will raise spending on elementary and secondary schools to over $17 billion during the current academic year, up from $16.5 billion a year ago and $6.5 billion in the 1950–51 school year. These figures include operating and construction costs. The average outlay per pupil was $390 in the school year that ended in June, compared with $259 in 1950–51.

In Pittsburgh, despite the window-washing cutback and other maintenance savings expected to total $200,000 a year, a lack of funds is likely to lead the school board to put into effect a new one-half of 1 percent tax on residents' earnings; this city already has a 1 percent tax on the earnings of both residents and nonresidents working in the city. Over the past 2 years St. Louis taxpayers have seen their school levy rise from $1.61 per $100 of assessed property value to $1.74. Denver's school enrollment has grown so rapidly—from 58,000 students in 1950–51 to 98,000 in 1960–61—that the system has had to seek special permission from the State Tax Commission almost every year since the end of World War II to boost its tax levies by more than the legal limit of 5 percent over the previous year's rate. "Fortunately, they've appreciated our need and haven't turned us down yet," says Supt. Kenneth E. Oberholtzer.

Rising school expenses and taxes are spurring the efforts to economize in school construction. Many school systems are specifying bare concrete block walls for interiors rather than plaster. Some are trimming building outlays by calling for 8-foot-high ceilings instead of 12-foot ceilings. The Los Angeles school system is using small, transportable buildings that can be moved from one area of the city to another as school populations change.

A COAL STOVE AND A WATER BUCKET

More than canceling out savings from tactics such as these, however, is the trend toward adding costly new instructional aids. "A classroom used to be nothing but a blackboard, a few benches, a coal stove, and a water bucket for the kids to take a drink," observes Dr. Shirley Cooper, associate executive secretary of the American Society of School Administrators. "Now we have a vast array of laboratory equipment, projectors, and recording devices, automobile and other mechanics workshops and even air conditioning in a few instances."

A standout example of an expensive new facility that more and more high schools are installing is the language laboratory. "Before the 1950's," says Virgil Volla, associate superintendent of Los Angeles city schools, "we didn't have language laboratories in the public schools. Today, in the electronic age, they come equipped with tape recorders, earphones, playback equipment, individual sound booths for each student and control equipment for the teacher. It's an enormous help for turning out linguists, but it's costly, too." Mr. Volla estimates the average language lab contains about $14,000 worth of equipment. Among the large cities whose school systems have added new language laboratories in recent months are Cleveland, Chicago, and Philadelphia.

To be sure, not all innovations please educators or taxpayers. Student parking spaces, for instance, irk Mr. Volla, of Los Angeles. "In 1950, we weren't providing parking space at our high schools even for teachers," he recalls. "Today we're having to provide 300 to 400 spaces at one of our new high schools for students alone, and, of course, we have to make provision for teachers as well. It not only adds to school site costs, but to upkeep as well."

TEAM TEACHING

Outlays for teacher salaries are rising along with building expenditures, but many school authorities say new instructional procedures are enabling communities to get more value for their educational salary dollar. The practice of using superior teachers to lecture to large groups and providing them with assistants for other chores, an arrangement known as team teaching, is one of the new methods which is spreading rapidly, especially at the high school level. Among the cities making use of the technique are Palo Alto, Calif., Golden, Colo., and Greenwich, Conn.

According to J. Lloyd Trump, associate secretary of the National Association of Secondary School Principals and an advocate of team teaching, a careful evaluation of the new teaching method at Ridgewood High School in Norridge, Ill., indicates "superior academic results at no increase in educational costs." Comments Dr. Ovid Parody, chief of secondary school instruction of the Office of Education: "The principle is the same as not using an engineer to change a radio tube."

In the traditional high school, one teacher—an English teacher, for example—would be assigned several classes of 30 or so pupils. The teacher would meet with each class every day and carry out all phases of teaching, from discussing the evolution of the English novel to taking attendance and correcting spelling errors in themes. The teacher would, in addition, handle extra chores, such as helping to supervise a cafeteria or study hall.

MASTER TEACHERS

Under the team concept, several staff members cooperate to teach a subject. A typical team is headed by a "master teacher," an outstanding teacher, often with a master's or doctor's degree, who is unusually adept at presenting a subject vividly and clearly and who receives higher pay than other team members. The master teacher's primary job is to lecture to groups of 100 or so students and perhaps to lead an occasional discussion group.

Most of the discussion groups and classroom drills, however, are guided by two to four assistant teachers who are part of the team. These lower ranking teachers also shoulder the bulk of the administrative chores. Rounding out a team is a clerk, who performs routine clerical tasks.

The use of television to utilize teaching talent more fully is taking an unusually big step forward this fall in the Chicago area. Starting today, schools there will receive a wide variety of educational programs broadcast as part of the Ford Foundation-backed Midwest program on airborne television instruction. The taped telecasts are beamed from a circling converted cargo plane whose signals can reach over 1 million elementary and high school students in 6 Midwest States. Among the courses offered are biology for high school students, music instruction for the first and second graders, sixth grade arithmetic and Spanish for grades three through six.

Mr. MORSE. Mr. President, the editorial page summary of the St. Louis Post-Dispatch for the week of August 28–September 3 included an editorial entitled "The President and the Schools," which has my hearty endorsement, except for its opposition to any kind of assistance for private schools. I ask unanimous consent to have it printed in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE PRESIDENT AND THE SCHOOLS

The administration went about as far as it could go to appease Congress on behalf of school legislation—and it lost. President Kennedy's prime objective was a $2,484 million program for teachers' pay and public school construction. This finally was reduced to a $324-million, 1-year emergency building program which Representative ADAM CLAYTON POWELL, JR., chairman of the Education Committee, called up under the Calendar Wednesday procedure. The bipartisan coalition killed it, 162 Republicans and 82 Democrats combining to cast 242 votes against it. There were only 169 in favor.

It is appalling that 242 Representatives should be so blind to the necessities of the schools, and to the future of the Nation which depends on its schools.

The President says, "We will be back next year." He should indeed renew the fight, and we hope his administration has learned a lesson from this one. Mr. Kennedy never really took the issue to the country. He relied on "inside work" with Members of Congress. The tactics did not succeed because many Members felt more pressure from the opponents of Federal aid to schools—including the pressure from Catholics who insisted on aid to parochial schools or aid to none—more than they felt pressure from the White House.

We hope the President next year will devote at least one major television address to the issue, explaining in clear detail why Federal aid is needed, why the Constitution and sound social policy forbids its extension to religious schools, why the bipartisan coalition which beat him this time must be beaten next time. Unless Mr. Kennedy engages himself personally and deeply in the contest he cannot expect to win.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter, a copy of which I have received, from Secretary of Health, Education, and Welfare Ribicoff to the Honorable WILLIAM F. DAWSON, chairman of the House Committee on Government Operations, dated July 21, 1961, commenting on the Comptroller General's report of June 12, 1961.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., July 21, 1961.

Hon. WILLIAM L. DAWSON,
Chairman, Committee on Government Operations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of June 13, 1961, for our views and comments on the Comptroller General's report of June 12, 1961, entitled "Review of Regulations, Policies, and Practices Relating to Federal Grants for School Construction Under Section 305(a)(3), Public Law 815, 81st Congress, as amended, Office of Education, Department of Health, Education, and Welfare."

The principal findings of the report concern the policies, procedures, and practices of a division of the Office of Education during the years 1956 to 1958. They refer to the operations of the division of school assistance in federally affected areas, which permitted the approval of grants on evidence which, in the opinion of the Comptroller General, was not adequate to demonstrate that the school districts were in fact eligible to receive Federal grants for school construction under the provisions of subsection 305 (a) (3) of Public Law 815, as amended. This subsection of the law provides that school districts may be entitled to Federal financial assistance when "the estimated increase, since the base year in the number of children whose membership results directly from activities of the United States (carried on either directly or through a contractor)" equals or exceeds 10 percent of the average daily membership in the base year, i.e., the year preceding a 2-year increase period covered by an application. In addition, school districts applying for Federal assistance for school construction under this subsection are required to show that the financing of the construction of minimum school facilities for the increased number of such children, estimated to be in membership at the end of the 2-year increase period in question who would otherwise be without available school facilities, would place an undue financial burden on the taxing and borrowing authority of the applicant school district.

The principal recommendations made by Comptroller General are as follows: "If section 305(a)(3) of Public Law 815, as amended, is extended beyond June 30, 1961, we are recommending to the Commissioner of Education that, to provide adequate documentary evidence to support payments for school construction, the approval of applications from school districts for assistance be made only after there is submitted by the claimant adequate documentary proof of eligibility for a grant. We are recommending further (1) that there be established suitable criteria and procedure to be observed by the claimants in order to dem-

onstrate clearly that the estimated increase in school membership, that serves as a basis for the grant, is in fact the result of Federal activities and (2) that there be issued, and enforced, improved internal instructions for the guidance of SAFA in its operation of the grant program and in its review of each construction grant application. The criteria and instructions should include recognition of such factors as ratio of Federal business to non-Federal business, the substantial trend to suburbanization regardless of Federal activity, and the recency of employees inmigration to the school district.

"We are recommending also that, if suitable criteria for determining eligibility under the present law cannot be developed and if a grant program of this general type is to be continued beyond June 30, 1961, by the Congress, the Secretary of Health, Education, and Welfare consider giving assistance to the Congress by framing proposed legislation designed to facilitate development of an adequate showing by applicants that they are in fact eligible to receive Federal funds for school construction."

A preliminary draft of the subject report was submitted by the GAO to the Office of Education and this Department for comment on April 29, 1960. That draft contained substantially the same findings as does this subject report and contained similar recommendations. The then Commissioner of Education, Dr. L. C. Derthick, commented on the draft report under date of June 29, 1960. A copy of Dr. Derthick's comments is enclosed. In substance, his comments explained the difficulties experienced in the administration of this section of Public Law 815. He stated that in the light of experience and changes since the program was instituted, it would be desirable to require more adequate documentary evidence from applicant school districts that the estimated increase in school membership clearly results from Federal activities. To put this into effect Dr. Derthick indicated that the Office would thereafter require from applicants under this section more direct evidence of inmigration of parents as a condition for counting children in the increased membership claimed. This proposed change has been adopted and while experience with it is limited, it has had the general effect of reducing payments to eligible applicants under this section.

As to the other recommendations in the subject report, the administration recommended to the current session of Congress that this section of the law be permitted to expire June 30, 1961 (see sec. 302 of H.R. 4970). In justification of this recommendation we stated that grants for assistance for school construction for increased numbers of children whose parents move into a school district to work for Federal contractors in taxable enterprises cannot be justified on the basis of any direct or indirect loss of revenue resulting from the tax immunity of Federal property—the underlying rationale of other sections of the law.

However, the bill reported by the House Committee on Education and Labor (H.R. 7300) would extend this section of Public Law 815 for 3 additional years beyond June 20, 1961, without amendment. If this section of the law is thus extended, we will give careful consideration to the development of additional criteria for determining eligibility of applicant school districts along the lines recommended in the Comptroller General's report.

In concluding my comment, let me say that I recognize the need to reexamine the policies, procedures, and criteria for determining eligibility of applicant school districts if section 305(a)(3) of the law is extended. In my opinion, however, it is not fair to imply that the grants approved in the amount of $142.6 million to some 549 school districts in 34 States during the 10 years of this program are subject to serious question principally on the basis of the detailed examination of the documentation supporting the claim of one California school district for 1956 to 1958. The fact is that the requirements set by Congress for eligibility under this section of the statute are so broadly stated as to leave a wide area for discretion or judgment by the Commissioner in his determination of eligibility. While the report makes a strong case in support of the judgment of the GAO—that the policies, procedures, criteria, and documentation required in support of school district claims might well have been more precise, complete, and stringent—there is no ground for any implication that the determinations made by the Commissioner were not well within the intent of the Congress and the language of the statute itself.

Sincerely yours,

ABRAHAM RIBICOFF,
Secretary.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of a letter dated June 20, 1960, together with a report, from U.S. Commissioner of Education L. G. Derthick to Mr. R. S. Lindgren, of the General Accounting Office.

There being no objection, the letter and report were ordered to be printed in the RECORD, as follows:

JUNE 29, 1960.

Mr. R. S. LINDGREN,
Assistant Director, Civil Accounting and Auditing Division, U.S. General Accounting Office, Washington, D.C.

DEAR MR. LINDGREN: This will reply to your letter of April 29, 1960, enclosing copies of a draft report to the Congress on your "Review of Entitlements of School Districts for School Construction Assistance Because of Federal Activity, Office of Education, Department of Health, Education, and Welfare, February 1960." We appreciate your courtesy in affording us the opportunity to comment on the draft report, and our detailed comments are contained in the attachment hereto.

In summary, we feel that the procedures used by us in determining eligibility under subsection 305(a)(3) of Public Law 815 afforded proper protection of the Federal interest and were consonant with the intent of Congress. The report is based on a limited review of one school district and does not in our opinion establish a basis for the general finding that improper payments have been made under this subsection.

As requested in your letter, the draft report is also attached. Please let us know if we can be of further assistance.

Sincerely yours,

L. G. DERTHICK,
U.S. Commissioner of Education.

COMMENTS ON A DRAFT REPORT TO THE CONGRESS BY THE COMPTROLLER GENERAL ON A "REVIEW OF ENTITLEMENTS OF SCHOOL DISTRICTS FOR SCHOOL CONSTRUCTION ASSISTANCE BECAUSE OF FEDERAL ACTIVITY"

(Prepared by the Civil Accounting and Auditing Division of the General Accounting Office, February 1960)

PART I—SUGGESTED EDITORIAL CHANGES

We suggest the following changes in the wording of the draft:

1. Cover page and pages 1, 3, 10, and 11 delete "entitlements of" and substitute "grants to"; delete "entitlement(s)" and substitute "grant(s)."

2. Pages 1 and 4: Delete "had been or would be" and substitute "had been and/or would be."

3. Page 2: Delete "515 school districts" and substitute either "515 applications" or "405 school districts."

4. Page 5: In the first sentence add "and" after "or."

5. Page 5: Delete "for the fiscal year preceding the fiscal year in which its application is approved" and add "for the base year designated in the application."

6. Page 6: Delete "entitlements" and substitute "maximum grants."

7. Page 11—

(a) Delete "$970,087.50" and substitute "$970,987.50"

(b) Delete "1383" and substitute "1575."

(c) Delete "in average daily membership as of June 1956" and substitute "in average daily membership for the base year 1955–56."

(d) Delete "in average daily membership as of April 1958" and substitute "in actual membership as of April 1958."

PART II—GENERAL COMMENTS

Although the title of the draft report seems to imply a broad review of the determinations made as respects the maximum grants for financial assistance for school construction approved by the Office of Education for applicant school districts under the several provisions of Public Law 815, the report itself deals solely with a review of such determinations as respects one subsection of the law, namely subsection 305(a)(3), as amended, by Public Law 949 (84th Cong.), which authorizes such assistance on account of increases in school membership resulting from Federal activity carried on directly or through a contractor. We would suggest therefore that the title might properly be modified to read: "Review of the administration of subsection 305(a)(3) of Public Law 815 authorizing assistance for school construction because of increased enrollments resulting from Federal activity carried on directly or through a contractor."

Even this more restrictive title may be too broad. The draft report actually deals with a single aspect of the administration of only one subsection of a complicated statute. The aspect of subsection 305(a)(3) covered is that having to do with the determination of the estimated increase in the number of children in membership in schools of a local educational agency resulting from Federal activities carried on directly or through a contractor.

The report focuses "as an active example" on one school district in California which received assistance under subsection 305(a)(3) for the application period July 1, 1956 through June 30, 1958. The finding of the report respecting the determination made by this Office as to the increased number of children estimated to be in membership in this school district as a result of Federal contract activities for the increase period ending June 30, 1958, as compared with the number of such children in average daily membership in the school year 1955–56, is the central issue of the report. The report charges that there was inadequate proof required by this Office of a causal connection between the increase in the number of children claimed by the applicant school district and the Federal contract activities to which the increase was attributed.

From this finding of what is claimed to be inadequate proof of causal connection in the case of the California school district cited as an example, the generalization is made that adequate proof of causal connection was not required by the Office in the determination made for some 405 school districts involving some $136 million in Federal grants since the beginning of the program in 1950, and that in consequence question arises as to the propriety of some $136 million paid to these school districts. According to the report "officials of the Office" admitted that a

single method had been used to establish the Federal contract connection of the increase claimed by school districts applying for this category of assistance under the act since the beginning of the program. Accordingly, since this method was found to be inadequate in the case of the one school district presented "as an active example," the report concludes that it was inadequate in some 405 school districts involving some 515 applications over a period of 10 years.

Surely this is spreading a modicum of evidence over a very broad expanse of generalization.

The report states that the auditors examined 139 of some 458 reports from employers of the parents of children claimed by the school district as resulting from Federal contract activity. Some 26 of the 139 reports were singled out for attention in the report as to the adequacy of the evidence of Federal contract activity therein contained. Associated with these 26 reports in question were some 205 children claimed by the school district as an increase resulting from Federal contract activity. From the data presented in the report only one question can properly be raised—was the Office justified in accepting this increase of 205 children in membership as resulting from activities of the United States carried on directly or through a contractor?

These 205 children represented $126,382 of the $970,987 in total Federal grant approved by the Office for this school district, or some 13 percent of the total amount. Even assuming the validity of the auditor's finding as to the inadequacy of proof of causal connection in the case of these 205 children in this 1 applicant school district, representing 13 percent of the grant approved for that district, the inadequacy of the sample and the fact that during the 10 years of the program, which covered several other application periods during which a number of different provisions of the law affecting the administration of this category of Federal connection were in effect, make it difficult to understand why the full amount of $136 million in grants to 405 school districts made under this subsection for the 10 years of the program should be questioned when there is serious doubt of the propriety of any projection.

Thus, we do not feel that the limited evidence cited in the report is sufficient to warrant a generalization which questions the propriety of 13 percent of the $14.1 million in grants made during the 1956–58 application period. The evidence cited by the report as to inadequacy of proof of causal connection between the 205 children in this school district and Federal contract activity is predicated mainly on the auditor's interpretation of the meaning of the terms "resulting from" and "activities of the United States (carried on directly or through a contractor)." Although nowhere in the report is there a precise statement as to the type of proof which the auditors believe necessary to support a determination that an increase in school membership resulted from Federal contract activity, on page 7 of the report appears this general statement:

"In order to establish that 'school membership resulted' from activities of the United States carried on through a contractor, we believe there would need to be a showing of relationship between 'Federal activities' and the cause of the parents residing within the school district. This was not done, but would have been a logical procedure because an immediate cause of school membership is the pupil living within the geographical boundaries of the school district."

Again, on page 3 of the summary appears this paragraph:

"Section 305(a)(3) of the law authorizes assistance when school construction is needed because certain school membership has resulted from activities of the United States but the Office of Education granted assistance under this section of the law when the only proof of the effect of activities of the United States on school membership was statements from employers in communities that the employers sold something directly or indirectly to a Federal agency. No consideration was given to such factors as the nature of the products the employers sold to the Government, what proportion of total sales was to the Government, or whether the employers' sales or manufacturing were local to the school district or were carried on far away from the school district applying for assistance."

If we interpret the first quoted statement correctly it means that the auditors think that the Office should have required evidence to be presented by the applicant to show (1) that the parent of every child which entered school in the applicant's school district subsequent to the school year which constitutes the base year for determining estimated increases in school membership had moved into the school district after the base year, and (2) that the selection of this school district for residence purposes by the parent was in consequence of (or the result of) "activities of the United States carried on directly or through a contractor." Although item (1) above might seem logically to have been a necessary requirement it was not required by the Office for reasons to be indicated later in these comments. Item (2) above also seems at first glance to be logical. But upon further consideration it would appear to be administratively impracticable, in that it would have required the applicant to secure a statement over the parent's signature as to the parent's primary motivation in selecting the applicant school district for residence purposes. Even assuming that parents would have been willing to provide such statements and that they could have been accepted as reliable evidence of the parent's primary reason for inmigration the Office would then have logically been required to count for purposes of eligibility the child of every parent so certifying that his primary motive or reason for moving to the applicant school district was the desire, hope, or expectation of employment in activities of the United States carried on directly or through a contractor," and this would have been true whether or not such employment was in fact secured. We seriously doubt that this procedure would have elicited acceptable information from parents or have resulted in more adequate proof of causal connection between enrollment increases and Federal contract activity than the method actually used. We have little doubt that it would have been regarded by most parents as an unwarranted inquiry and intrusion by school officials into the parent's personal affairs.

Reverting to the question of why evidence was not required from applicant school districts that children counted as a Federal-contract-connected increase had moved into the school district subsequent to the base-year, it is freely admitted that this was administratively feasible and might well have been required, except during the first 2 years of the program when the act provided for a different concept for counting increases in school attendance for determining eligibility and payment. It was seriously considered when the law was first amended and extended by Public Law 246 in 1953. In retrospect and in the light of the criticism made in the draft report the requirement of such evidence of inmigration might have been a desirable additional element of proof of increase resulting from Federal contract activities.

However, the amendments made by Public Law 246 in 1953 provided as a new limitation for the subsection 305(a)(3) category, a Presidential finding that an applicant school district is located in a critical defense area and that a substantial inmigration of defense workers or military personnel into such an area was required to man the new or expanded defense plants or military installations.

Under the Presidential finding clause of subsection 305(a)(3), the President issued an Executive order dated March 31, 1954, directing the Office of Defense Mobilization to make recommendation to the Secretary of the Department of Health, Education, and Welfare, on the question of whether a new defense plant "has been or is to be established or an existing defense plant or installation is to be reactivated or its operations substantially expanded." The Secretary of the Department of Labor was also directed to make the finding as to whether substantial inmigration of defense workers or military personnel was required to carry out activities at such defense plant or installation. The findings of these two agencies were binding on the Secretary of Health, Education, and Welfare, who also was required to determine whether additional school facilities were required for the children of the inmigrant defense workers and military personnel and whether a particular applicant school district was in an area meeting these conditions.

After this order was issued there followed a series of intensive discussions with the Federal agencies setting up the procedures that would be followed by each in making and certifying these findings. This office developed, with assistance of the Office of General Counsel, the procedure by which a determination was made as to whether an applicant school district was in an area affected by a given plant it had listed.

It was felt that the findings required to be made by the ODM and the Department of Labor under Presidential delegation relating to plants having Federal defense contracts and requiring substantial inmigration of labor necessary to man expanded activities in such plants established the facts of inmigration because of Federal contract activities in the area.[1]

The procedure or method which continued to be used consisted essentially of requiring the applicant school district to conduct: (1) a pupil-parent survey or surveys for the purpose of identifying the place of employment of the parents of pupils enrolled in the schools of the district, (2) a survey or surveys of the places of employment indicated on the pupil-parent survey cards to identify those employers engaged in activities in fulfillment of a Federal contract or subcontract, (3) the number of children in membership in the applicant school district in the school year of application whose parents are employed by such employers, (4) the number of children in average daily membership in the base year whose parents had been employed by such employers in that year, and (5) attributing any increase in the number of children in item (3) over the number in item (4) to have resulted from Federal contract activities.

With the elimination from the law of the requirement under subsection 305(a)(3)

[1] It may be noted also that the same amending legislation introduced another limitation to the effect that the total increase in membership approved for a school district for all categories of federally connected children must be reduced to the extent that the estimated increase in nonfederally connected children in the same 2-year increase period fell short of 10 percent over the base year.

of a Presidential finding as respects the location of an applicant school district in a critical defense area made by Public Law 85–620 amendments (see new sec. 5(a)(3) of Public Law 85–620), it appears in retrospect that it might have been preferable to require that the applicant school district count under item (c) of the procedures outlined above only the number of children of parents entering the school district of residence subsequent to the base year. While this method of counting eligible children would in some respects provide more specificity and would tend to be more conservative than the method actually employed, we would not agree that the method adopted resulted in "improper payments."

Consequently, we plan hereafter in the processing of applications under this subsection of the law, to require from applicants additional and more direct evidence of inmigration of parents subsequent to the base year as a condition for counting children in the increase claimed for purposes of eligibility and/or payment.

Before concluding our comments, attention is directed briefly to the paragraph of the draft report quoted from page 3 of the summary of finding and recommendation. This paragraph summary, taken together with the discussion in the body of the report and notes 1 and 2 on the last page of the appendix, indicates that the GAO auditors are inclined to interpret "activities of the United States (carried on directly or through a contractor)" in such a way as to eliminate certain types of Federal contract activities whose effects on increased school enrollment they feel is rather tenuous and remote. It appears they would rule out procurement contracts (involving the sale of products or services to the Government) particularly if such contracts were entered into by a home office of the company and the items supplied were from a branch located in or near the applicant school district. They seem to feel that parents and children counted should only be in proportion to the number of a contractor's employees engaged in fulfilling a Federal contract, or alternatively in the proportion of the company's sales to the Government. They seem to feel that these and other limitations should have been spelled out in the instructions and requirements issued by the Office.

We have not had an opportunity as yet to reexamine with our field representative the data on file in the school district as respects the 26 examples listed in the appendix of companies claimed by the school district as having contracts or subcontracts for Federal activities. The audit report does not establish the grounds for a specific finding of ineligibility of the cited cases and in the absence of such we cannot conclude that we erred in judgment finding these cases eligible. We believe the statute intended the Commissioner to exercise his judgment broadly in the absence of precise criteria in the law, and we do not accept the conclusion of the report that a few borderline cases establish a basis for the generalization that "improper payments" have been made. Admittedly, judgments on individual cases would be expected to differ in view of the fact that the spectrum of eligibility is not sharply defined.

Instructions issued to our field representative[2] for this increase period included the following as respects section 305(a)(3): "You should examine the plants or installations which the applicant claims have contracts with the United States. You will be expected to satisfy yourself that the plants or installations involved actually have such contracts. You should then determine the estimated ADM for 1955–56 and the estimated membership for June 1958 of the children whose parents work in such plants or installations. Any increase other than the normal (3.5 percent annually) should be justified before being recommended."

We agree in the light of the criticisms made in the draft report that these instructions would have been improved had they been more specific as respects the procedure and evidence involved on the basis of which the field representative would be expected to satisfy himself that the plants or installations involved actually had Federal contracts.

Our experience in attempting to determine increases resulting from this category of Federal-contract-connection, both in Public Law 815 and in Public Law 874, has shown however that many plant officials are reluctant to reveal the existence of Federal contracts, or the nature of the contract, or the proportionate volume of business or employment generated by the contract. As a result of this reluctance (and frequent refusal) by employers to provide school officials or our field representatives with more detailed information concerning their Federal contract activities, we adopted the procedure previously indicated as being the most practical under all the circumstances considered.

In summary and conclusion then, the Office of Education and its Division of School Assistance in Federally Affected Areas were faced with a complicated and difficult administrative problem in the category of Federal connection with which the draft report deals. Administratively the problem was further complicated by four distinct and different legislative authorizations over the period of ten years. For 6 of those 10 years two other Federal agencies were given responsibility under Executive order for making the Presidential findings which affected eligibility and the amount of entitlement of applicants under this subsection of the act. These findings could not be questioned by this office.

Careful consideration was given by the office to various methods of carrying out its responsibilities under this subsection of the act with one aspect of which the report deals. We believe that the method employed provided reasonably adequate evidence for a determination that the estimated increase in the number of children approved as the basis for grants to school districts was in consequence of or resulted from Federal contract activities. However, in the light of the GAO criticism, we plan hereafter in the processing of applications under this subsection of the law, to require from applicants additional and more direct evidence of inmigration of parents subsequent to the base year as a condition for counting children in the increase claimed for purposes of eligibility and/or payment.

We do not believe that the broad generalization made on the basis of the findings reported for the one school district selected "as an active example" is justified. Even as applied to the 59 school districts and the $14.1 million approved for the 1956–58 increase period under the terms of the statute in effect at that time we believe the generalization would not be justified were all the applications for that period examined with respect to all of the factors involved in a determination of eligibility and amount of grant under this subsection of the law.

An indication of the care with which the Office of Education reviewed the applications submitted under this subsection of the law, and of the effectiveness of the procedures used is to be seen in the attached table summarizing the results of the processing of all such applications for the 1956–58 increase period. During that period 129 applications claiming eligibility under subsection 305(a)(3) were received from school districts. These 129 applications claimed an estimated 74,283 Federal-contract-connected children representing estimated total Federal grants of $43,368,700. After review by the Office of Education only 59 of these 129 applications were found to be eligible. These 59 eligible applicants had originally claimed 44,748 Federal-contract-connected children for a total of $25,798,819 in Federal funds. The processing procedures of the Office of Education reduced the number of children from the 44,748 claimed to 24,191 approved and thus reduced the Federal funds granted from $25,798,819 to $14,140,399. In other words in these 59 applications found eligible the Office of Education disapproved the claim of Federal-contract connection of 20,557 children which would otherwise have resulted in additional grants of $11.6 million in Federal funds.

It should be noted also that 70 of the 129 applications were determined to be ineligible and these ineligible applications had claimed 29,535 children to have Federal-contract connection representing Federal grants of $17.5 million.

It would appear from the facts cited above that the procedures employed by the Office of Education in determining the estimated increase in the number of Federal-contract-connected children resulted in a substantial reduction in the number of children and in the amount of grants under this subsection 305(a)(3) category. The major reason for determining school districts ineligible, as well as for reducing the number of children in those applications found eligible, was the elimination by the field representatives and the central office in the processing procedure of plants and children claimed for which evidence of Federal-contract activity and connection was not satisfactorily established.

Consequently we believe that substantial revision of the report and amendment of its finding and recommendation are in order.

Summary of information regarding all applications claiming payment for children under subsec. 305(a)(3) of Public Law 815, submitted by school districts for the 1956–58 increase period, number determined to be eligible and number determined to be ineligible

	Number	Amount of Federal funds [1]
A. Applications filed	129	
1. Children claimed for payment	74,283	$43,368,700
B. Applications found eligible	59	
1. Children claimed for payment	44,748	25,798,819
2. Children approved for payment	24,191	14,140,399
3. Children not approved for payment	20,557	11,658,420
C. Applications found ineligible (A—B)	70	
1. Children claimed but not approved for payment (A1—B1)	29,535	17,569,881
D. Total children claimed but not approved for payment (B3+C1)	50,092	29,228,301

[1] The figures in this column were obtained by multiplying the number of children shown by 45 percent of the approved average construction cost per pupil in the respective States which is the rate of payment authorized by Public Law 815 for children in subsec. 305(a)(3). It is also to be noted that only the Federal funds shown on line B2 were approved for payment. The remaining figures in this column represent claims made by applicants which were not approved.

[2] Field operations memo. No. 39, dated Aug. 31, 1956 (p. 10).

JULY 1, 1960.

Mr. R. S. LINDGREN,
Assistant Director, Civil Accounting and Auditing Division, U.S. General Accounting Office, Washington, D.C.

DEAR MR. LINDGREN: The General Accounting Office report titled "Review of Entitlements of School Districts for School Construction Assistance Because of Federal Activity, Office of Education, February 1960," has been referred to me for comment.

The report deals with the administartion by Office of Education of subsection 305 (a)(3) of Public Law 815. The Office of Education has prepared detailed comments in response to the findings and recommendations of the report which should prove helpful to the GAO.

The principal findings of the report refer to (1) the failure of the Office of Education to require the school districts applying for school construction assistance under subsection 305(a)(3) to adequately support their application for entitlements and (2) the policies and procedures of Office of Education that may have permitted some improper payments to be made. A recommendation is made, based on a judgment of insufficiency of proof of Federal connection in the system approved by the Office of Education, requiring the Commissioner to discontinue approving applications submitted under subsection 305(a)(3) of the law until the Commissioner establishes a "more realistic" basis for the school districts to use in determining the required Federal connection.

The Office of Education has indicated on page 9 in its comments that while the findings do not appear to warrant discontinuing the approval of applications, steps are being taken to require additional and more direct evidence of inmigration of parents as a condition in establishing eligibility.

In connection with the above, it should be noted that the category covered by subsection 305(a)(3) will be automatically eliminated under the terms of the present law, as of June 1961, unless Congress acts to extend it, and there are very few applications under this subsection anticipated in fiscal 1961.

Sincerely yours,

RUFUS E. MILES, Jr.,
Director of Administration.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of S. 2393; and for the assistance of interested persons throughout the country, I ask unanimous consent that excerpts from the report on S. 2393 also be printed at this point in the RECORD.

There being no objection, the bill and excerpts from the report (Rept. No. 743) were ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of section 3 of the Act of September 23, 1950, as amended (20 U.S.C. 633), is amended by striking out "1961" and inserting in lieu thereof "1962".

(b) Subsection (b) of section 14 of such Act is amended (1) by striking out "1961" each time it appears therein and inserting in lieu thereof "1962", and (2) by striking out "$40,000,000" and inserting in lieu thereof "$60,000,000".

(c) Paragraph (15) of section 15 of such Act is amended by striking out "1958–1959" and inserting in lieu there "1959–1960".

SEC. 2. The Act of September 30, 1950, as amended (20 U.S.C. 236–244), is amended by striking out "1961" each time it appears in sections 2(a), 3(b), and 4(a) and inserting "1962" in lieu thereof.

SEC. 3. (a) The Act of September 30, 1950, as amended (20 U.S.C. 236–244), is amended by inserting "American Samoa," after "Guam," each time it appears in sections 3(d), 6(c), and 9(8).

(b) The Act of September 23, 1950, as amended (20 U.S.C. 631–645), is amended by inserting "American Samoa," after "Guam," in section 15(13).

GENERAL STATEMENT

Public Laws 815 and 874, 81st Congress, provide for assistance to school districts in federally impacted areas. Under Public Law 815, payments are made to help build schools in districts burdened with substantial increases in their school memberships due to Federal activities. Under Public Law 874, payments are made to school districts to help meet their operating and maintenance expenses where such districts are providing education for federally connected children.

Both laws provide Federal payments for three categories of federally connected children to whom the recipient school districts provide free public education. The so-called A children are those whose parents both reside and work on Federal property; B children are those whose parents either reside on Federal property or work on Federal property, but not both; and C children are those whose parents are employed in activities of the Federal Government carried on directly or through a contractor, and whose enrollment in the public schools of the applicant local education agencies has resulted in a substantial increase in the aggregate enrollment of such schools. In addition, section 2 of Public Law 874 authorizes payments to certain school districts which have lost substantial school revenue resources by reason of Federal acquisition of property in the districts, while section 14 of Public Law 815 authorizes special school construction assistance to school districts with large enrollments of children living on Indian reservations.

Both laws also provide for direct provision of free public education by the Federal Government to children who live on Federal military bases or other Federal reservations in situations where the local educational agencies are not able to provide free public education to the children.

The statutory provisions for Federal payments on account of A children are now permanent law, as are the provisions for the Federal operation of public schools in those few cases where local public school agencies are unable to provide this service. However, the provisions authorizing payments to school districts on account of B children and C children (under which the bulk of Public Laws 815 and 874 payments are made), as well as the provisions authorizing payments under section 2 of Public Law 874 and section 14 of Public Law 815, have never been made permanent and all these provisions expired on June 30, 1961.

The principal purpose of the bill is to extend for 1 year those provisions of both laws described above which expired on June 30, 1961. In addition, the bill would increase from $40 million to $60 million the appropriation authorization for special payments to school districts with large enrollments of Indian children (sec. 14 of Public Law 815) since appropriations under this section have already reached the $40 million ceiling. Finally, the bill would extend both laws (which now apply to the 50 States, Puerto Rico, the Virgin Islands, Guam, and Wake Island) to American Samoa.

PREVIOUS SENATE ACTION, 87TH CONGRESS

On May 25, 1961, the Senate by a vote of 49 to 34 passed S. 1021. Title II of this measure was concerned with an extension of, and amendments to, Public Laws 815 and 874. That title differs from the provision of S. 2393 in the following respects:

	Title II of S. 1021	Expiration date	S. 2393	Expiration date
Period of extension	3 years	1964	1 year	1962
Sec. 204	Included	------	Excluded	------

Section 204 of S. 1021 reads as follows:

"The Commissioner shall submit to the Secretary of Health, Education, and Welfare for transmission to the Congress on or before January 1, 1963, a full report of the operation of Public Laws 815 and 874, as extended by this Act, including an analysis of the relation between Federal payments under these laws and Federal payments under title I of this Act, and his recommendations as to what the future relation between these laws and that title should be if they are further extended."

It is the view of the majority of the committee that a 1-year extension of the impacted areas legislation is warranted upon the basis of the justification presented in the following sections of the report. It is further the considered judgment of the majority of the committee that only a 1-year extension of the programs, at this time, is advisable. This position is based upon the belief that the special needs of the impacted areas should be related to the provisions of a general Federal aid to education measure, designed as was title I of S. 1021 to provide broad-purpose financial assistance to school districts through the education agencies of the 50 States. It was for this purpose that section 204 of S. 1021 was drafted. Since it is the belief of a majority of the committee that, within the life span of the 87th Congress, S. 1021, or a similar measure, will be enacted into law, an extension of the impacted areas legislation for longer than a 1-year period is not warranted.

NUMBER OF FEDERALLY CONNECTED CHILDREN AND REQUIREMENTS FOR FEDERAL FUNDS BY CATEGORY OF FEDERAL IMPACT DURING SPECIFIED YEARS UNDER PUBLIC LAW 874

Table I, which was taken from the 10th Annual Report of the Commissioner of Education on the administration of Public Laws 815 and 874, shows for each State and for the United States, the number of school districts eligible for Federal payments under Public Law 874, the number of children counted for payment in the A category of Federal impact, the amount of the Federal payments made for children in this category and similar information for the B category of Federal impact. This information is based on processing actions as of July 31, 1960.

A category children are those who live on Federal property with a parent employed on Federal property. Public Law 85–620, approved August 12, 1958, authorized payments for this category of Federal impact on a permanent basis.

B category children are those children who live on private property with a parent employed on Federal property, or who live on Federal property with a parent employed on private property. Authorization for payments for children in this category of Federal impact, as well as for payments under section 2 and section 4(a) of Public Law 874, ended June 30, 1961.

The 1960 fiscal year is the latest year for which information is available by States showing the number of children and the amount of the Federal payments by category of impact. Estimated data are available,

however, for the Nation as a whole for the 1961 and 1962 fiscal years. That information is presented in tables II and III. The information for the 1961 fiscal year is based on the initial processing of applications. Final data will not be available until final reports for the year are submitted by all applicant districts, analyzed and processed for payment. Data for the 1962 fiscal year are estimates based on the trends shown in the administration of this program over the past several years.

TABLE I.—*State summary of eligible applicants and entitlements, secs. 2, 3, and 4, respectively, Public Law 874, as amended, and eligible average daily attendance, secs. 3 and 4 (entitlements to financial assistance, as of Oct. 31, 1960, for current expenditure purposes for fiscal year 1960)*

State	Number of eligible applicants	Sec. 2, net entitlement	Sec. 3										Sec. 4		Total net entitlement [1]
			Number of pupils in ADA			Entitlement						Average local contribution rate for 3(c)(1) (3(a)+½ 3(b))	Number of pupils in ADA 4(a) 1st-year assistance	Net entitlement	
			3(a)	3(b)	3(c)(4)	3(a)	3(b)	3(c)(4)	Total	Deductible funds	Net entitlement				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Alabama	53		3,076	44,586		$502,095	$3,638,887		$4,140,982	$41,888	$4,099,094	$163.23			$4,099,094
Alaska	19		9,894	9,143		4,579,609	1,374,382		5,953,991	53,101	5,900,890	411.60			5,900,890
Arizona	102		10,177	13,890	2,649	2,061,346	1,672,738	$159,092	4,090,458	77,534	4,012,924	218.09	513	$197,084	4,210,008
Arkansas	37	$10,192	1,927	7,080		314,544	577,834		892,378	341	892,037	163.23			902,229
California	498	70,240	31,260	229,494		6,661,196	25,039,764		31,811,988	626,355	31,185,633	217.12			31,255,873
Colorado	68		4,256	28,883	1,323	1,200,740	3,801,295	21,468	5,023,503	117,910	4,905,593	267.52	278	78,454	4,984,047
Connecticut	45		706	10,632		219,786	1,375,653		1,595,439	15,752	1,579,687	264.94	151	52,861	1,632,548
Delaware	9			1,927			209,956		209,956	4	209,952	217.91			209,952
Florida	18	24,359	4,138	46,775		675,445	3,817,542		4,492,987	826	4,492,161	163.23	1,234	277,736	4,794,256
Georgia	75		2,390	51,684		391,587	4,216,723		4,608,310	24,604	4,583,706	163.23	883	118,175	4,701,881
Hawaii	1		11,995	24,992		1,957,944	2,039,722		3,997,666	800	3,996,866	163.23			3,996,866
Idaho	36		2,385	7,992		541,752	795,327		1,337,079	17,681	1,319,398	209.54			1,319,398
Illinois	92	70,974	4,500	11,061		1,395,589	1,588,357		2,983,946	33,446	2,950,500	207.49			3,021,474
Indiana	101	46,873	876	6,457	680	170,237	567,697	6,567	744,501	18,784	725,717	179.79	357	99,696	872,286
Iowa	24		313	3,540		96,952	551,130		652,286	321	651,965	311.13			651,965
Kansas	181	15,266	4,874	27,865		1,136,771	3,339,898		4,476,669	102,655	4,374,014	238.04			4,389,280
Kentucky	47	6,502	109	13,241		18,444	1,158,904		1,177,348	32,321	1,145,027	174.95			1,151,529
Louisiana	9		1,393	6,877		227,379	561,266		788,645	15,885	772,760	163.23			772,760
Maine	71		2,729	8,371		672,805	859,540		1,552,235	1,627	1,550,608	221.61	43	9,748	1,560,356
Maryland	15		5,534	71,629		998,334	6,451,916		7,450,250	25,074	7,425,176	180.40			7,425,176
Massachusetts	154		3,618	29,926		1,049,757	4,256,111		5,305,868	51,291	5,254,577	285.55			5,254,577
Michigan	50		906	8,540		169,411	794,131		963,542	5,036	958,506	186.16			958,506
Minnesota	28		1,612	1,207		305,200	114,260		419,460	19,150	400,310	189.33			400,310
Mississippi	22		1,548	13,080		245,853	1,038,682		1,284,535	4,948	1,279,587	158.82			1,279,587
Missouri	118	30,217	2,296	15,737		413,545	1,628,100		2,041,645	7,760	2,033,885	200.86	425	138,692	2,202,794
Montana	63		3,836	4,036		1,031,437	478,681		1,510,118	89,141	1,420,977	257.96			1,420,977
Nebraska	35	5,278	2,026	7,929		582,575	1,111,383		1,693,958	3,681	1,690,277	282.77	332	68,952	1,764,507
Nevada	11		3,607	5,445		679,739	513,055		1,192,794	41,806	1,150,988	188.45			1,150,988
New Hampshire	35		1,235	4,604		376,502	667,646		1,044,148		1,044,148	295.21			1,644,148
New Jersey	127		3,471	18,187		863,736	2,438,877		3,302,613	41,377	3,621,236	262.85	486	161,804	3,423,040
New Mexico	39		10,905	28,899		1,843,489	2,442,686		4,286,175	173,584	4,112,591	169.05		25,134	4,137,725
New York	161	2,496	2,809	25,242		752,807	3,780,833		4,533,640	47,589	4,486,051	293.82	875	301,432	4,789,979
North Carolina	32		3,337	19,665		543,097	1,606,560		2,149,657	15,284	2,134,373	163.23			2,134,373
North Dakota	28	967	1,028	1,600		217,395	159,985		377,380	1,688	375,692	206.44			376,659
Ohio	148	33,209	1,431	37,014		250,745	4,150,162		4,441,699	121,508	4,320,191	220.73			4,353,400
Oklahoma	323	23,459	7,759	41,087		1,600,596	4,786,629		6,387,225	21,563	6,365,662	225.68	518	109,526	6,498,647
Oregon	77		886	5,909		220,862	758,595		979,457	144,626	834,831	255.03			834,831
Pennsylvania	150	237,132	754	34,768		144,607	4,152,229		4,296,836	8,878	4,287,958	236.90			4,525,090
Rhode Island	21		1,621	7,851		471,116	1,117,760		1,588,876	7,040	1,581,836	286.46			1,581,836
South Carolina	32	5,309	3,267	30,035		533,273	2,451,306		2,984,579	41	2,984,538	163.23			2,989,847
South Dakota	56	9,243	3,251	5,096	996	942,918	731,644	29,865	1,729,546	6,704	1,722,842	288.77	38	12,081	1,744,166
Tennessee	45	5,348	1,153	22,883		188,205	1,867,596		2,055,801	98,382	1,957,419	163.23			1,962,767
Texas	244	6,200	13,811	100,852		2,623,530	8,232,150		10,877,226	128,497	10,748,729	168.99			10,754,929
Utah	11		1,391	17,468		227,053	1,425,652		1,652,705	1,284	1,651,421	163.23			1,651,421
Vermont	5		80	379		28,930	55,036		83,966	10,098	73,868	311.56			73,868
Virginia	45		5,237	108,435		1,041,346	11,823,624		12,879,484	12,059	12,867,425	216.38			12,867,425
Washington	194		10,355	62,483		1,881,513	5,649,302		7,530,815	71,944	7,458,871	181.04			7,458,871
West Virginia	5		26	1,320		4,244	107,732		111,976	7,580	104,396	163.23			104,396
Wisconsin	34		890	2,591		220,962	349,412		570,374	15	570,359	260.98			570,359
Wyoming	15		1,136	3,096		434,292	322,762		757,054	99,143	657,911	282.06			657,911
Guam	1		2,399	3,858		391,589	314,871		706,460	47,112	659,348	163.23			659,348
Virgin Islands	1		155	690		25,301	56,314		81,615	4,185	77,430	163.23			77,430
Total	3,821	603,264	200,368	1,295,931	5,648	44,128,180	133,022,297	217,592	[2]177,801,844	2,499,903	175,301,941	208.82	6,133	[3]1,651,375	177,556,580

[1] Net entitlement figures from table 1; may be changed on basis of additional information.

[2] Includes $433,775 for subsec. 3(f) applicants.

[3] Includes $25,134 for subsec. 4(a) 2d-year assistance, New Mexico, and $15,327 for subsec. 4(d), Missouri; other entitlements shown are for subsec. 4(a) 1st-year assistance.

TABLE II.—*Estimated average daily attendance of eligible federally connected children under sec. 3 of Public Law 874, fiscal years 1960, 1961, and 1962*

Category of Federal impact	Fiscal year 1960 (actual as of July 31, 1961)	Fiscal year 1961 (estimate)	Fiscal year 1962 (estimate)
(1)	(2)	(3)	(4)
Sec. 3(a) A category	$200,357	$230,423	$264,985
Estimated percentage increase over 1960		15	32
Sec. 3(b) B category	$1,285,194	$1,347,768	$1,401,678
Estimated percentage increase over 1960		4.9	9

TABLE III.—*Estimated gross entitlements under sec. 3 of Public Law 874, fiscal years 1960, 1961, and 1962*

Category of Federal impact	Fiscal year 1960 (actual as of July 31, 1961)	Fiscal year 1961 (estimate)	Fiscal year 1962 (estimate)
(1)	(2)	(3)	(4)
Subsec. 3(a) A category	$44,108,956	$55,967,400	$69,187,500
Estimated percentage increase over 1960		27	57
Subsec. 3(b) B category	$131,752,925	$146,475,400	$163,758,000
Estimated percentage increase over 1960		11	24
Total	$175,861,881	$202,442,800	$232,945,500
Percentage increase over 1960		15	32

It will be noted from the above tables that there were over 200,000 A category children for whom payments were made in 1960 and that the amount of the Federal payment exceeded over $44 million. It is estimated that there will be 264,900 A category children eligible for payment in fiscal year 1962, which is a 32-percent increase over the 1960 fiscal year. The payments under this category were expected to increase from $44 million in 1960 to $69 million in 1962, an increase of 57 percent. When the requirements for Federal operations under section 6 of Public Law 874 for Federal operation of schools for children living on certain Federal properties authorized under section 6 of Public Law 874 are considered the requirements under this section in 1962 are slightly over $85 million. This is the category of Federal impact for which payments are authorized on a continuing basis.

The number of children counted for payment in the B category in fiscal year 1960 was 1,285,194 and their Federal entitlement amounted to $131.7 million. It is estimated there will be over 1.4 million B category children in fiscal year 1962 and that the Federal payment on account of these children would total $163.7 million. This is an increase over 1960 of 9 percent in the number of children and 24 percent in the amount of Federal entitlement. This is the category of Federal impact for which payment expired June 30, 1961.

As stated above, estimates are not available for the number of B category children and the amount of B category payments by State for 1962. It is believed that generally the percent increase from 1960 to 1962 in number of children and Federal payments in each of the categories shown for the Nation as a whole can be applied to obtain a rough estimate for each State.

In summary, it is estimated that 4,100 school districts will apply for Federal assistance under all sections of Public Law 874 of which 3,950 will be eligible for payment if the provisions of the law were extended at their present levels of payment. The estimated total requirements would be $250,046,000.

It is also estimated that approximately 1,000 school districts will be eligible for Federal payments for A category children only in fiscal year 1962 and that the requirements under this category, including Federal operations under section 6, will be $85,700,000.

FISCAL YEAR 1962 BUDGET AND OPERATING PROBLEMS FACED BY SCHOOL DISTRICTS THAT HAVE RECEIVED FEDERAL ASSISTANCE UNDER PUBLIC LAW 874

State laws generally specify final dates by which school budgets must be approved for a forthcoming school year. State laws also generally set forth specific requirements regarding revenue receipts that may be anticipated for budget purposes. The majority of the school districts in the Nation are required to have tax rates set and budgets approved for the following school year by June or July. In a few States final actions may be taken as late as August, and, in still other States, budgets for the following year are set as early as May or June.

Under the State requirements most school districts can anticipate in their budgets only those funds which they have a reasonable assurance of receiving. It is not known precisely what action individual school districts which are recipients of Public Law 874 assistance have taken in their budgets regarding the anticipated receipt of Federal payments under those provisions of the act which expired June 30, 1961. It is quite probable that some school districts relying on the administration's recommendation for continuing the temporary provisions of the law, but at a reduced rate of payment, have anticipated in their budgets receipt of Federal payments in terms of this recommendation. Some school districts may have anticipated, for budget purposes, full payments under the expiring provisions of the law based on the fact that the Senate-passed bill S. 1021 made provision to extend these two laws at their present rate of payment for 3 more years. In still other school districts it is probable that no funds under the expiring provisions of the law were anticipated for budget purposes.

Under most State laws it is extremely difficult to increase tax rates or to secure funds from other sources after a budget has once been approved. Thus, those districts that anticipated Federal payments under the expiring provisions of Public Law 874 will be in an extremely difficult position in fiscal year 1962 if the expiring provisions of Public Law 874 are not extended. Those districts in which Federal payments under the B category constitute a substantial portion of their year's operating budget may find it necessary to curtail the school year by a month or two in the spring. Other districts will be under the necessity of restricting expenditures throughout the entire school year in order to continue school for the full term but on a greatly restricted basis. This would mean eliminating some teachers, increasing size of classes, restricting transportation, reducing necessary maintenance of buildings, and in other ways curtailing their school programs. These reductions would come in numerous communities at a critical time when the pressure of increasing enrollments resulting from expanding employment on Federal projects is becoming more and more acute. In short, those communities whose school enrollments are greatly increased by the presence nearby of major Federal projects vital to the national defense and welfare would find it impossible to maintain an acceptable level of educational services for the children of those military personnel and workers who have been assigned to these Federal projects.

There is listed in table IV some examples of school districts showing the proportion of the year's operating budget that comes from Public Law 874 funds.

TABLE IV.—*Selected school districts receiving Federal assistance under Public Law 874 showing number of A and B category children, Federal entitlement, total operating budget, for fiscal year 1961*

State	Applicant district	Number of children claimed,[1] category—		Total average daily attendance [1]	Percent Federal ADA is of total	Total operating expenses [1]		Percent Federal entitlement is of total budget	Chief Federal properties claimed
		A	B			Public Law 874 entitlement	Total current expense budget		
Alabama	Huntsville City Board of Education	743	7,430	15,351	53	$756,924	$3,306,945	23	Redstone Arsenal, TVA plant, weather station.
California	Hueneme School District, Port Hueneme.	365	1,914	4,650	49	255,688	1,540,448	17	Naval construction battalion, Oxnard Air Force Base, ships, missile test center, county airport.
	Folsom Joint Unified School District, Folsom.	960	1,756	5,900	46	363,934	2,096,055	17	Mather Air Force Base.
	Coronado Unified School District, Coronado.	55	2,262	3,365	69	269,662	1,379,815	20	Naval air station, naval amphibious base, sonar school, naval hospital, ships.
	Fairfield School District, Fairfield	----------	1,921	3,120	62	185,770	950,000	20	Travis Air Force Base, Fairfield Air Force Station, Mare Island Naval Shipyard, Benicia Arsenal.
	South Bay Union School District, Imperial Beach.	70	3,150	5,800	56	318,159	1,954,163	16	Naval station, training center and housing, Air Force Plant No. 19, border patrol station and ships, amphibious base.
	Marina Elementary School District, Marina.	----------	591	850	70	57,153	277,421	21	Fort Ord, Navy P. G. School, Army Language School.
Colorado	School District No. 1, Las Animas	48	334	849	45	43,791	271,264	16	VA hospital.
	El Paso County School District No. 3, Colorado Springs.	----------	1,490	3,207	46	196,285	1,082,804	18	Fort Carson, Air Force Academy site, Ent Air Base.
	Consolidated School District No. 38, Monument.	6	107	323	35	18,339	149,461	12	Air Force Academy site, national forest, Ent Air Base, Martin plant, missile base.
Connecticut	Groton Board of Education, Groton	559	2,283	5,893	48	568,277	2,514,080	23	Coast Guard Training Station and Academy, submarine base, Underwater Sound Laboratory, Electric Boat Co. (commingled).
Florida	Brevard County Board of Public Instruction, Titusville.	780	9,859	22,604	47	1,219,495	7,322,718	17	Patrick Air Force Base and housing.
Georgia	Cobb County Board of Education, Marietta.	18	5,682	21,242	27	485,430	4,304,600	11	Lockheed Aircraft Corp., Dobbins Air Force Base, naval air station, Atlanta General Depot, Fort McPherson.
Idaho	Arco Joint Class Amalgamated School District No. 3, Arco.	9	464	883	54	61,925	305,000	20	National reactor testing station.
	Independent Class Amalgamated School District No. 193, Mountain Home.	1,070	1,040	2,975	71	404,905	945,483	43	Mountain Home Air Force Base and housing, Titan missile base.

Footnotes at end of table.

TABLE IV.—*Selected school districts receiving Federal assistance under Public Law 874 showing number of A and B category children, Federal entitlement, total operating budget, for fiscal year 1961*—Continued

State	Applicant district	Number of children claimed,[1] category— A	Number of children claimed,[1] category— B	Total average daily attendance [1]	Percent Federal ADA is of total	Total operating expenses [1] Public Law 874 entitlement	Total operating expenses [1] Total current expense budget	Percent Federal entitlement is of total budget	Chief Federal properties claimed
Illinois	North Chicago School District No. 64, North Chicago.	1,349	380	2,488	69	$535,141	$1,144,119	47	Great Lakes Naval Training Ground, VA, Fort Sheridan.
Kansas	Board of Education, Junction City	1,537	1,590	4,633	67	541,607	1,620,000	33	Fort Riley Military Reservation.
Kentucky	West Point Independent School District, West Point.		142	291	49	12,055	64,549	19	Fort Knox.
Maine	Kittery	178	1,140	2,084	63	172,982	637,509	27	Portsmouth Naval Base and housing, Pease Air Force Base.
Mississippi	Pascagoula		1,705	4,419	39	143,046	1,032,615	14	Ingalls Shipbuilding Corp., Keesler Air Force Base, Fish and Wildlife, Brookley Air Force Base.
Missouri	Laquey		151	371	41	12,819	86,675	15	Fort Leonard Wood.
	Big Piney		32	42	76	2,784	13,556	21	Do.
New Jersey	Lakehurst	65	378	589	75	71,911	219,340	33	Naval air station, McGuire Air Force Base, Fort Dix.
Oklahoma	Midwest City	350	6,787	13,047	55	950,332	3,790,831	25	Tinker Air Force Base, Will Rogers Field (FAA), VA hospital, missile sites.
South Carolina	School District No. 2 of Richland County, Columbia.	365	1,316	4,126	41	178,002	823,263	22	Fort Jackson.
	Summerville	43	764	3,144	26	72,161	530,000	14	Charleston Air Force Base and housing, naval base, naval ammunition depot.
South Dakota	Douglas School District No. 3, Ellsworth Air Force Base.	[2] 1,029	139	1,187	98	[3] 366,990	428,135	[3] 86	Ellsworth Air Force Base and housing, Nike sites, Titan installations.
Texas	Ysleta		5,000	16,750	30	424,475	3,540,115	12	Fort Bliss Military Reservation, Briggs Air Force Base, courthouse (El Paso), Border Patrol, Reclamation headquarters, International Bridge, processing center, CAA and Weather Bureau.
Utah	Tooele County School District, Tooele	730	1,800	4,520	56	275,961	1,482,580	19	Dugway Proving Grounds, Ordnance Depot, Deseret Depot activity, Wendover Air Force Base.

[1] Data are estimated based on initial processing of applications submitted by school districts.

[2] Includes 226 under subsec. 3(f).

[3] Includes $11,100 under sec. 2.

INFORMATION REGARDING NUMBER OF FEDERALLY CONNECTED CHILDREN AND REQUIREMENTS FOR FEDERAL FUNDS UNDER PUBLIC LAW 815, BY CATEGORY OF FEDERAL IMPACT

Under Public Law 815 as currently in effect school districts are authorized to apply for Federal assistance for construction of school facilities for increases in school membership of category A children only that are expected to occur by June 30, 1963. Category A children are those who live on Federal property with a parent employed on Federal property. Authorization for payments for children in this category was made permanent by the passage of Public Law 85-620 in 1958. It is estimated that $24 million will be required under this category for fiscal year 1962 for 17,200 children.

If Public Law 815 is extended to authorize payment for B category children for fiscal year 1962, which provisions expired June 30, 1961, a local educational agency will be authorized to apply for school construction assistance for estimated increases in the number of pupils residing on Federal property or residing with a parent employed on Federal property, that are expected to occur by June 30, 1962. Most of the districts qualifying for assistance under this category (subsec. 5(a)(2)) do so on account of increased numbers of children who reside with a parent employed on Federal property. Based on past experience, it is estimated that in fiscal year 1962, school districts will have an increase of some 42,000 B category children and the estimated payments to the school districts on account of these children will be approximately $32,400,000.

Listed below in table V are examples of school districts which are heavily impacted because of B category children in school membership which have received assistance under Public Law 815 in the past and are expected to have further increases in the number of such children in their schools.

Section 14 of Public Law 815 provides for financial aid to school districts which urgently need additional school facilities primarily for Indian children living on tax-exempt Indian lands and attending or who would attend the public schools if school facilities were available in the district for them.

TABLE V

School district	A category children	B category children	Non-Federal membership	Total
Midwest City Independent School District No. 52, Midwest City, Okla	350	6,909	6,039	13,298
Lompoc Unified School District, Lompoc, Calif	2,513	2,528	1,990	7,031
Monterey City School District, Monterey, Calif	2,809	3,561	4,336	10,706
Ysleta Independent School District, Ysleta, Tex	0	5,093	12,262	17,355
Brevard County Board of Public Instruction, Titusville, Fla	795	10,667	12,990	24,452

These school districts are seldom eligible for assistance under section 5 of the act because they cannot show the required increase in membership for a specific 2-year increase period as required by that section, even though they have large numbers of Indian children living on tax-exempt Indian lands in their school district. Some of these children do not attend any school while others attend boarding schools located outside of the district. If school facilities were available in the district, many of these children not now in any school as well as those attending out-of-district boarding schools, would enroll in the public school. Since most of these school districts have little or no bonding capacity or other financial resources available for construction of school facilities, Federal assistance under section 14 is essential if the school facilities are to be constructed.

The law as now enacted authorizes the appropriation of not to exceed $40 million to carry out the provisions of this section. This amount has now been allocated to eligible school districts. There are several school districts now eligible for a grant under section 14 but no funds can be reserved for them. It is estimated that $2 million will be required for fiscal year 1962 under this section if the act is extended and the authorization for appropriation is increased.

Examples of this type of school district follow:

TABLE VI

School district	Sec. 14 membership	Other membership	Total membership
(1)	(2)	(3)	(4)
Chinle School District No. 24, Chinle, Ariz	828	0	828
Tuba City elementary School District No. 15, Tuba City, Ariz	700	19	719

Mr. MORSE. Mr. President, I am about to suggest the absence of a quorum. Before doing so, it should be noted that I have said little about the National Defense Education Act. All of us know that an amendment may be offered seeking to extend the National Defense Education Act for 2 or more years. When that amendment has been offered and the speech in support of it has been made, I shall have something to say about that subject.

I know other members of the committee wish to speak today or tomorrow or the next day. I sought this afternoon only to lay before the Senate the general framework and the major premises of those of us who support the Hill-Morse bill to extend the impacted areas legislation for another year.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 197]

Bartlett	Hill	Mundt
Byrd, Va.	Mansfield	Pastore
Clark	McClellan	Randolph
Cooper	McNamara	Saltonstall
Dirksen	Metcalf	Smith, Maine
Ellender	Monroney	Sparkman
Hart	Morse	

The PRESIDING OFFICER. A quorum is not present.

Mr. MORSE. Mr. President, I move that the Sergeant at Arms be notified that a quorum is not present, and directed to request the attendance of absent Senators.

The PRESIDING OFFICER (Mr. METCALF in the chair). The question is on agreeing to the motion of the Senator from Oregon.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. ALLOTT, Mr. BENNETT, Mr. BIBLE, Mr. BOGGS, Mr. BURDICK, Mr. BUSH, Mr. BYRD of West Virginia, Mr. CANNON, Mr. CAPEHART, Mr. CARLSON, Mr. CARROLL, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHURCH, Mr. COTTON, Mr. DODD, Mr. DOUGLAS, Mr. DWORSHAK, Mr. EASTLAND, Mr. ENGLE, Mr. ERVIN, Mr. FONG, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. GORE, Mr. GRUENING, Mr. HARTKE, Mr. HICKEY, Mr. HOLLAND, Mr. HUMPHREY, Mr. JACKSON, Mr. JOHNSTON, Mr. JORDAN, Mr. KEATING, Mr. KEFAUVER, Mr. KUCHEL, Mr. LAUSCHE, Mr. LONG of Hawaii, Mr. LONG of Louisiana, Mr. MAGNUSON, Mr. MCCARTHY, Mr. MCGEE, Mr. MORTON, Mr. MOSS, Mr. MUSKIE, Mr. PELL, Mr. PROXMIRE, Mr. ROBERTSON, Mr. RUSSELL, Mr. SCHOEPPEL, Mr. SCOTT, Mr. SMATHERS, Mr. SMITH of Massachusetts, Mr. STENNIS, Mr. SYMINGTON, Mr. TALMADGE, Mr. THURMOND, Mr. TOWER, Mr. WILEY, Mr. WILLIAMS of New Jersey, Mr. WILLIAMS of Delaware, Mr. YARBOROUGH, Mr. YOUNG of North Dakota, and Mr. YOUNG of Ohio entered the Chamber and answered to their names.

Mr. HUMPHREY. I announce that the Senator from Arizona [Mr. HAYDEN], the Senator from Oklahoma [Mr. KERR], the Senator from Missouri [Mr. LONG], and the Senator from Oregon [Mrs. NEUBERGER] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from New Mexico [Mr. ANDERSON] are absent because of illness.

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER] are absent on official business.

The Senator from Maryland [Mr. BEALL], the Senator from Nebraska [Mr. CURTIS], the Senator from Nebraska [Mr. HRUSKA], the Senator from New York [Mr. JAVITS], and the Senator from Vermont [Mr. PROUTY] are necessarily absent.

The Senator from Maryland [Mr. BUTLER] is detained on official business.

The PRESIDING OFFICER. A quorum is present.

Mr. MORSE. Mr. President, I am sending to the desk an amendment which will extend the National Defense Education Act for 1 year, exactly as we propose to extend the impacted areas law under Public Laws 815 and 874 for 1 year.

The same arguments that I used this afternoon in my speech for extension of Public Laws 815 and 874 for 1 year apply equally in support of my amendment for the extension of NDEA for 1 year.

Mr. President, I send an amendment to the desk, for printing under the rule, and ask unanimous consent that the amendment may lie on the table and may be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table; and, without objection, the amendment will be printed in the RECORD.

On page 1, after line 2, insert the following:

"TITLE I—PUBLIC LAWS 815 AND 874"

On page 1, line 3, strike out "That (a) the" and insert in lieu thereof the following: "SECTION 1. (a) The".

On page 2, after line 16, insert the following:

"TITLE II—ONE-YEAR EXTENSION OF THE NATIONAL DEFENSE EDUCATION ACT OF 1958

"Amendments to title II (loans to students in institutions of higher education)

"SEC. 201. (a) Section 201 of the National Defense Education Act of 1958 is amended by striking out 'for the fiscal year ending June 30, 1962, and such sums for the fiscal year ending June 30, 1963, and each of the three succeeding fiscal years as may be necessary to enable students who have received a loan for any school year ending prior to July 1, 1962' and inserting in lieu thereof the following: 'each for the fiscal year ending June 30, 1962, and for the succeeding fiscal year, and such sums for the fiscal year ending June 30, 1964, and each of the three succeeding fiscal years as may be necessary to enable students who have received a loan for any school year ending prior to July 1, 1963'.

"(b) Section 202 of such Act is amended by striking out '1962' each place where it appears therein and inserting in lieu thereof '1963'.

"(c) Section 206 of such Act is amended by striking out '1966' each place where it appears therein and inserting in lieu thereof '1967'.

"Amendments to title III (financial assistance for strengthening science, mathematics, and modern foreign language instruction)

"SEC. 202. (a) Section 301 of the National Defense Education Act of 1958 is amended by striking out 'three succeeding fiscal years' both places where it appears therein and inserting in lieu thereof 'four succeeding fiscal years'.

"(b) The last sentence of section 302(a)(2) of such Act is amended by striking out 'two fiscal years in the period beginning July 1, 1960, and ending June 30, 1962' and inserting in lieu thereof the following: 'three fiscal years in the period beginning July 1, 1960, and ending June 30, 1963'.

"(c) The second sentence of section 304(b) of such Act is amended by striking out 'two succeeding fiscal years' and inserting in lieu thereof 'three succeeding fiscal years'.

"Amendment to title IV (national defense fellowships)

"SEC. 203. Section 402 of the National Defense Education Act of 1958 is amended by striking out 'three succeeding fiscal years' and inserting in lieu thereof 'four succeeding fiscal years'.

"Amendments to title V (guidance, counseling, and testing; identification and encouragement of able students)

"SEC. 204. (a) Section 501 of the National Defense Education Act of 1958 is amended by striking out 'three succeeding fiscal years' and inserting in lieu thereof 'four succeeding fiscal years'.

"(b) The second sentence of section 504(a) of such Act is amended by striking out 'two succeeding fiscal years' and inserting in lieu thereof 'three succeeding fiscal years'.

"(c) the first sentence of section 504(b) of such Act is amended by striking out 'three succeeding fiscal years' and inserting in lieu thereof 'four succeeding fiscal years'.

"(d) The first sentence of section 511 of such Act is amended by striking out 'three succeeding fiscal years' and inserting in lieu thereof 'four succeeding fiscal years'.

"Amendments to title VI (language development)

"SEC. 205. (a) Section 601 of the National Defense Education Act of 1958 is amended by striking out '1962' both places where it appears therein and inserting in lieu thereof '1963'.

"(b) Section 611 of such Act is amended by striking out 'three succeeding fiscal years' and inserting in lieu thereof 'four succeeding fiscal years'.

"Amendment to title VII (research and experimentation in more effective utilization of educational media)

"SEC. 206. Section 763 of the National Defense Education Act of 1958 is amended by striking out 'three succeeding fiscal years' and inserting in lieu thereof 'four succeeding fiscal years'.

"Amendment to title VIII (area vocational education programs)

"SEC. 207. Section 301 of the Vocational Education Act of 1946 is amended by striking out 'three succeeding fiscal years' and inserting in lieu thereof 'four succeeding fiscal years'.

"Amendment to section 1009 (improvement of statistical services)

"SEC. 208. Section 1009(a) of the National Defense Education Act of 1958 is amended by striking out 'three succeeding fiscal years' and inserting in lieu thereof 'four succeeding fiscal years'.

Amend the title so as to read: "A bill to extend for one year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas, to provide for the application of such laws to American Samoa, and to extend the provisions of the National Defense Education Act of 1958 for one year."

Mr. MCNAMARA. Mr. President, at the outset I wish to say I heartily subscribe to the presentation so ably made by the chairman of the Subcommittee on Education. I think the Senator from Oregon probably has worked harder and more diligently at this session of Congress on the problem of aid to education than has any other Senator up to this time. I subscribe thoroughly to what he has said.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MCNAMARA. I yield.

Mr. MORSE. I thank the Senator from Michigan for the wonderful help he has been to me and to the chairman of the committee [Mr. HILL] all this year in connection not only with education problems but also in his capacity as chairman of the Subcommittee on Labor. We could not have made the progress we have made thus far if it had not been for the dedicated service to the educational needs of this country rendered by the Senator from Michigan [Mr. MCNAMARA].

Mr. MCNAMARA. I thank the Senator from Oregon. I was about to say that none of this could have been accomplished without the cooperation of the distinguished Senator from Alabama [Mr. HILL], who has been cooperative not only in regard to education but also in regard to proposed health legislation, proposed labor legislation, and other problems which come before the committee.

Mr. President, I wish to start my remarks by calling up the amendment which has been at the desk a week or so, and to make certain modifications to correct typographical errors.

Mr. President, the typographical errors in the amendment 8–16–61—B, offered for myself and the Senator from Maine [Mr. MUSKIE] are as follows: On page 2, line 6, the words "three-year" should be "two-year."

On page 11, lines 11 and 16, the figures "108" should be deleted where they appear and the figures "208" should be inserted in lieu thereof.

The PRESIDING OFFICER. The Senator has a right to modify his amendment. Without objection, the amendment, as modified, will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 1, after line 2, insert the following:

"TITLE I—PUBLIC LAWS 815 AND 874"

On page 1, line 3, strike out "That (a) the" and insert in lieu thereof the following: "SECTION 1. (a) The".

On page 2, after line 16, insert the following:

"TITLE II—SCHOOL ASSISTANCE ACT OF 1961

"SEC. 201. This title may be cited as the 'School Assistance Act of 1961'.

"Declaration of purpose

"SEC. 202. It is the purpose of this title to authorize a two-year program of Federal grants to States to assist their local education agencies to construct urgently needed public elementary and secondary school facilities. It is the intent of Congress that with this assistance the quality of public elementary and secondary education will be substantially improved in all States and that inequalities of educational opportunities within and between States will be substantially reduced.

"Assurance against Federal interference in schools

"SEC. 203. In the administration of this title, no department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over the policy determination, personnel, curriculum, program of instruction, or the administration or operation of any school or school system.

"Authorization of appropriations

"SEC. 204. There is hereby authorized to be appropriated, without any limitation of such appropriation or condition inconsistent with or contrary to the terms or purposes of this title, for the fiscal year beginning July 1, 1961, and for the succeeding fiscal year, $325,000,000, for the purpose of making payments to State education agencies as provided in this title.

"Allotment to States

"SEC. 205. (a) The sums appropriated pursuant to section 204 shall be allotted among the States on the basis of the income per child of school age, the number of children of school age, and the effort for public school purposes of the respective States. A State allotment under this section for any fiscal year shall be available for obligation by the State, in accordance with the provisions of this title, during such year and the next fiscal year (and for those two years only). Except as provided by section 206, such allotments shall be made as follows: The Commissioner shall allot to each State for each fiscal year an amount which bears the same ratio to the sums appropriated pursuant to section 204 for such year as the product of—

"(1) the number of children of school age in the State in the preceding fiscal year, and

"(2) the State's allotment ratio (as determined under subsection (b)),

bears to the sum of corresponding products for all the States.

"(b) For purposes of this title—

"(1) The 'allotment ratio' for any State shall be 1.00 less the product of (A) .50 and (B) the quotient obtained by dividing the income per child of school age for the State by the income per child of school age for all the States (exclusive of Puerto Rico, Guam, American Samoa, the District of Columbia, and the Virgin Islands), except that (i) the allotment ratio shall in no case be less than .25 or more than .75 and (ii) the allotment ratio for Puerto Rico, Guam, American Samoa, and the Virgin Islands shall be .75, (iii) the allotment ratio for the District of Columbia shall be .50, and (iv) the allotment ratio of any State shall be .50 for any fiscal year if the Commissioner finds that the cost of education in such State exceeds the median of such costs in all the States by a factor of 2 or more as determined by him on the basis of an index of the average per pupil cost of constructing minimum school facilities in the States as determined for such fiscal year under section 15(6) of the Act of September 23, 1950, as amended (20 U.S.C. 645), or, in the Commissioner's discretion, on the basis of such index and such other statistics and data as the Commissioner shall deem adequate and appropriate.

"(2) The allotment ratios shall be promulgated by the Commissioner for each fiscal year, between July 1 and August 31 of such fiscal year, except that for the fiscal year beginning July 1, 1961, such allotment ratios shall be promulgated as soon as possible after the enactment of this title. Allotment ratios for each fiscal year shall be computed on the basis of the average of the incomes per child of school age for the States and for all the States (exclusive of Puerto Rico, Guam, American Samoa, the District of Columbia, and the Virgin Islands) for the three most recent consecutive fiscal years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for the purposes of this title, except that the Commissioner may estimate and subsequently revise such allotment ratios, and, as so revised and promulgated, such promulgation shall be equally conclusive.

"(3) The term 'income per child of school age' for any fiscal year for a State or for all the States means the total personal income for the State or for all the States in the calendar year ending in such fiscal year (exclusive of Puerto Rico, Guam, American Samoa, the District of Columbia, and the Virgin Islands), respectively, divided by the number of children of school age in the State or in all such States, respectively, in such fiscal year.

"(4) The term 'child of school age' means a member of the population between the ages of five and seventeen, both inclusive.

"Maintenance and improvement of State and local support for public school financing

"SEC. 206. (a) The sum otherwise allocable to any State under section 205 for any fiscal year after the fiscal year beginning July 1, 1961, shall be reduced if such State's effort for such fiscal year is not at least equal to such State's base effort for such year. The amount of such reduction shall be the difference between the State's public school expenditures in such year and the public school expenditures it would have made in such year had it exerted the State's base effort for such year.

"(b) The sum otherwise allocable to any State under section 205 for any fiscal year after the fiscal year beginning July 1, 1961, shall also be reduced if such State's effort for such year is not at least equal to the State's base effort for such year plus the average annual rate of increase in the national effort over the five fiscal year period beginning July 1, 1956, and ending June 30, 1961. The amount of the reduction under this subsection (which shall be in addition to the reduction, if any, under subsection (a)) shall bear the same relation to the sum otherwise allocable to the State under section 205, (1) as the difference between the State's effort and the national effort for such year bears to the national effort for such year, or (2) if it would result in a smaller reduction, as the difference between the State's expenditure per public school pupil and 110 per centum of the national expenditure per public school pupil for such year, bears to 110 per centum of the national expenditure per public school pupil for such year. This subsection shall not apply to any State for any year for which the State's effort equaled or exceeded the national effort for such year or the State's expenditure per public school pupil equaled or exceeded 110 per centum of the national expenditure per public school pupil for such year.

"(c) The total reductions which may be made under subsections (a) and (b) from the sum otherwise allocable to a State for any fiscal year shall not exceed one-third of such sum.

"(d) The sum of the reductions under this section for each fiscal year shall be reallotted by proportionately increasing the allotments under section 205 for such year of those remaining States (other than the District of Columbia, Puerto Rico, Guam, American Samoa, and the Virgin Islands) whose allotments for such year have not been reduced under this section.

"(e) For purposes of this section—

"(1)(A) A 'State's effort' for any State for a fiscal year is the quotient obtained by dividing (i) the State's expenditure per public school pupil by (ii) the income per such pupil for the State; except that the State's effort shall be deemed to be equal to the State's base effort and to the national effort in the case of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the District of Columbia.

"(B) A State's 'base effort' for a fiscal year means the average State effort over the three immediately preceding fiscal years.

"(C) The 'income per public school pupil' for a State or for all the States for any fiscal year means the total personal income for the State or for all the States in the calendar year ending in such fiscal year (exclusive of Puerto Rico, Guam, American Samoa,

and the Virgin Islands), respectively, divided by the number of public school pupils in the State or in all such States, respectively, in such fiscal year.

"(2)(A) The 'national effort' for any fiscal year is the quotient obtained by dividing (i) the expenditure per public school pupil for all the States (exclusive of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the District of Columbia) by (ii) the income per such pupil for all such States.

"(B) The average annual rate of increase in the national effort over the five fiscal year period beginning July 1, 1956, and ending June 30, 1961, shall be determined by dividing the difference between the national effort for the fiscal year beginning July 1, 1956, and for the fiscal year beginning July 1, 1960, by four.

"(3)(A) The 'public school expenditures' of any State in any fiscal year means the total expenditures by the State and subdivisions thereof in such year for public elementary and secondary education made from funds derived from State and local sources in the State (including payments in the nature of payments in lieu of taxes from any sources).

"(B) The 'expenditure per public school pupil' for any State for any fiscal year means the quotient obtained by dividing the State's public school expenditures in such year by the number of its public school pupils for such year.

"(C) The 'national expenditure per public school pupil' for any fiscal year means the quotient obtained by dividing (i) the public school expenditures of all the States in such year (exclusive of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the District of Columbia) by (ii) the number of public school pupils in all such States for such year.

"(4) The Commissioner's determinations of the State effort, base effort, income, public school expenditures, and expenditure per public school pupil, for any State, and his determinations of the national effort, average rate of increase, and expenditure per public school pupil, shall be conclusive for purposes of this title, except that the Commissioner may estimate and subsequently revise any such determination, and as so revised, such determination shall be equally conclusive.

"Payment of allotments to States

"SEC. 207. Payments to States which have submitted and had approved their applications under this title of Federal funds allotted to them pursuant to section 205 (as adjusted by the application of the provisions of section 206 and as adjusted on account of overpayments or underpayments previously made) shall be made by the Commissioner on the basis of such estimates, in such installments, and at such times, as may be reasonably required for expenditure by the States of the funds so allotted.

"State agency administrative costs

"SEC. 208. From the sums allotted to it under section 205, as adjusted by section 206, for each fiscal year, a State education agency may use such amount as it deems necessary for any supervision, services, and other costs of administering its activities under this title in that year, except that such amount shall not be more than whichever is the lesser of (1) ten cents multiplied by the number of public school pupils in the State during the prior fiscal year, and (2) $150,000, except that if, for any State, such lesser amount is less than $25,000, such amount shall be increased to $25,000.

"State applications

"SEC. 209. (a) A State which desires to receive its allotments under this title shall submit through its State education agency an application to the Commissioner which—

"(1) provides assurance that the State education agency shall be the sole agency for administering the funds received under this title;

"(2) provides that such allotment, except for sums used in accordance with section 208, shall be used exclusively for the construction of public elementary and secondary school facilities;

"(3) sets forth criteria and procedures to insure that in allocating funds received under this title (exclusive of amounts to be used under section 208) to local education agencies priority will be given to local education agencies which, in the judgment of the State education agency, have the greatest need for additional school facilities and which are least able to finance the cost of needed school facilities;

"(4) provides assurance that every local education agency whose application for funds under this title is denied will be given an opportunity for a hearing before the State education agency;

"(5) sets forth procedures for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, funds paid to the State and by the State to the local education agencies under this title, which procedures shall include provision for repayment to the United States of any sums received by the State from its allotment for any fiscal year under this title which are not obligated by it in accordance with the provisions of this title by the end of the fiscal year following that for which such allotment was made, or which are not expended in accordance therewith by the end of the second fiscal year following that in which they were obligated (unless such sums have been deducted from subsequent payments pursuant to section 207);

"(6) provides assurance that the requirements of section 211 will be complied with on all construction projects in the State assisted under this title; and

"(7) provides for making such reports in such form and containing such information as the Commissioner may from time to time reasonably require and for access by the Commissioner, upon request, to the records upon which such information is based.

"(b) With respect to any public school operated by a public agency or institution other than a State or local education agency, and in the case of any State in which a State education agency has exclusive responsibility for financing the construction of school facilities within the entire State, within a given geographical area within the State, or with respect to particular categories of public schools, the Commissioner may modify or make inapplicable any of the provisions of subsection (a), to the extent he deems such action appropriate in the light of the special governmental or school organization of such State.

"Review of State applications

"SEC. 210. (a)(1) The Commissioner shall approve an application of a State which fulfills the conditions specified in section 209(a), and shall not finally disapprove a State application except after reasonable notice and opportunity for hearing to the State education agency.

"(2) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State education agency, finds that such agency is not complying substantially with the provisions required to be included in its application under section 209(a), or that any funds have been diverted from the purposes for which they have been paid, the Commissioner shall forthwith notify the State education agency, and he shall thereafter withhold further payments to the State under this title until there is no longer any such failure to comply, or, if compliance is impossible, there is a repayment, or an arrangement for repayment, of Federal moneys which have been diverted or improperly expended.

"(b)(1) A State education agency dissatisfied with a final action of the Commissioner under subsection (a) of this section may appeal to the United States court of appeals for the circuit in which such State or agency is located by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner, or any officer designated by him for that purpose. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(2) Upon the filing of the petition referred to in paragraph (1) of this subsection, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part, temporarily or permanently. The findings of the Commissioner as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(3) The judgment of the court affirming or setting aside, in whole or in part, any action of the Commissioner shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"Labor standards

"SEC. 211. All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part under this title shall be paid wages at rates not less than those prevailing on similar construction in the locality to be determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276c–5), for construction projects under this title, and every such employee shall receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any workday or forty hours in the workweek, as the case may be. The State education agency of each State shall take such steps as shall be necessary to assure that the wage standards required above shall be set out in each project advertisement for bids and in each bid proposal form and shall be made a part of the contract covering the project. The Secretary of Labor shall have with respect to the labor standards specified in this provision the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z–15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

"SEC. 212. The State education agency may waive the application of section 211 in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of the project, voluntarily donate their services for the purpose of lowering the costs of construction and the State education agency determines that any amounts saved thereby are fully credited to the education agency undertaking the construction.

"Definitions

"SEC. 213. For the purposes of this title—

"(1) The term 'Commissioner' means the United States Commissioner of Education.

"(2) The term 'local education agency' means a board of education or other legally constituted local school authority having

administrative control and direction of public schools in a city, county, township, school district, or political subdivision.

"(3) The term 'State' includes the District of Columbia, Puerto Rico, Guam, American Samoa, and the Virgin Islands.

"(4) The term 'State education agency' means the State board of education or other agency or officer primarily responsible for the State supervision of public schools.

"(5) The term 'public school pupils' means pupils in average daily attendance at public schools within a State, or within all of the States, as determined by the Commissioner in accordance with criteria developed by him to assure uniform determinations for all the States.

"(6) The term 'public schools' means schools providing free education at public expense, under public supervision and direction and without tuition charge to resident pupils, and which is provided as elementary or secondary school education—

"(a) by a State or local education agency, or

"(b) if the State application approved under this title so provides, by another State or local public agency or institution.

"(7) The term 'elementary and secondary education' shall not include any education provided below the kindergarten level or beyond grade 12.

"(8) The terms 'school facilities' and 'public school facilities' means classrooms and related facilities (including furniture, instructional materials other than textbooks, equipment, machinery, and utilities necessary or appropriate for school purposes) for public schools, and interests in land (including site, grading, and improvement) on which such facilities are constructed. Such terms shall include gymnasiums and similar facilities, except those intended primarily for exhibitions for which admission is to be charged to the general public.

"(9) The terms 'construct', 'constructing', and 'construction' include the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities."

Amend the title so as to read: "A bill to extend for one year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas, to provide for the application of such laws to American Samoa, and to provide a two-year program of financial assistance to the States for public elementary and secondary school construction."

Mr. McNAMARA. Mr. President, the Senate today once again takes up the school bill.

The reason we are involved again in such a debate is, we are told, because of the refusal of the House of Representatives to accept our previous action on schools.

In short, we are being told to walk into this Chamber with the House, in effect, handing each of us, as we enter, our new senatorial symbol, the rubber stamp.

I would find it difficult to accept such an argument were there a semblance of proof to accompany it, but it is impossible to accept the argument when the evidence is so skimpy.

The simple fact is that the House of Representatives has never voted on a school bill during this session of Congress.

The closest that body came to a vote was on a procedural matter, an issue in which the exact wishes of the House on education were so obscured as to be unrecognizable.

I would remind the Senate that there have been many occasions in the past year when the House gave all of us some pleasant surprises.

I happened to be deeply involved in regard to a bill early in the session, the minimum wage bill, which was once pronounced even more lifeless than is the school bill.

The foreign aid appropriation bill now on our calendar, while still not the optimum bill, was made a far stronger measure by the full House than that which came from House committee.

I cannot believe that we cannot enact a minimum education program in this Congress if the House is given an opportunity to vote on it.

President Kennedy is not a man given to overstatement, and his characterization of the educational problem as this Nation's single most important domestic issue is accurate.

The Senate for 2 years running has given convincing proof of its concern for education.

We should make the effort to present our colleagues in the House with what every rational person would recognize as a reasonable compromise.

That would be simply the addition of a 2-year construction program to H.R. 9000.

It is on that amendment and the necessity for it that I propose to speak at length.

There are obviously, as this Senate has demonstrated, two major educational efforts the Nation must undertake.

First, we must take that action necessary to insure a sizable increase in both the quantity and quality of our teaching personnel.

And second, we must do everything within our power to build the classrooms necessary, to give every American child the educational facilities which our experience and desires demand.

We have tried to accomplish that in our action which sent S. 1021 to the House of Representatives.

That bill has been resting on the table of the House since our action and I am, at this stage of the session, prepared to admit that its chances for House action are slight.

However, I do believe that we can, by the enactment of the construction amendment to the bill before us now, do much to alleviate our classroom problems and indirectly provide more funds for the recruitment of teachers and the upgrading of teaching skills.

My only purpose today is to refresh the memory of this Congress on the reasons why educational legislation has been before us for so long.

To that end I shall read from documents that treat, at length, the subject under discussion.

For those who still express concern about the future role of the Federal Government if it does provide financial aid for schools, I wish to cite some past instances of Federal support of education.

The National Education Association has compiled a list of such Federal activities, and I wish to quote from that list. The title is "Some Landmarks in Federal Legislation for Education."

The list of Federal statutes making grants for education is long. Some of the most important are these:

EARLY PUBLIC LAND GRANTS

1785, Land Ordinance: Specified the manner in which the western lands should be surveyed and stipulated that "there shall be reserved the lot No. 16 of every township for the maintenance of public schools within said township."

Later I shall quote from a statement by President George Washington, who advocated Federal aid to education back in those early days.

I continue to read from the presentation before me:

1787, Northwest Ordinance: Stated that "religion, morality and knowledge, being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged."

1802, Ohio Enabling Act: Granted section 16 of each township in the States carved from the public domain to the township inhabitants for the support of schools. With the exception of Texas, Maine, and West Virginia, the same policy applied to all States admitted to the Union until 1848.

1803, Further land grants to new States: Granted a township to Ohio for a seminary of learning and stipulated that all educational land grants were to be "for schools and for no other use, intent or purposes whatever." Similar grants extended to other States carved from the public domain.

LAND-GRANT COLLEGE STATUTES

1862, Morrill Land-Grant Act: Granted to each State an amount of 30,000 acres of public land (or its equivalent in scrip) per Congressman for the support of a college which would have as its primary purpose the teaching of "such branches of learning as are related to agriculture and the mechanic arts * * *." Provision was also made for military training.

1890, Second Morrill Act: Increased the support of the land-grant colleges and universities.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. McNAMARA. I am happy to yield to the chairman of our Subcommittee on Education.

Mr. MORSE. I think the 1862 Morrill Act is a very interesting one. It was signed by Lincoln after a similar bill in Buchanan's administration had been vetoed. Buchanan made the argument against it. One of the arguments in his veto message against the bill was the old argument that we are still dealing with today. It was feared that the bill might lead to too much Federal control of education. It did not worry Lincoln and, of course, it has not worried the President of any land-grant college since, although over the years we have poured millions of dollars into our land-grant colleges. In the hearings which I have conducted or in which I have participated since I have been in the Senate, we have kept asking for evidence that would show there would be any Federal interference in

the land-grant colleges. Of course, no such evidence has been produced, because it does not exist.

The speech of the Senator from Michigan is very interesting, and I commend him for it. It is well to put down in chronological order, as the Senator has done, the great historic landmarks as to what has happened in the field of education. We ought to show every citizen that we are not dealing with something new today. This problem has confronted the Republic for years, but we think the time has come when we ought to make much more rapid progress than we have been making.

Mr. McNAMARA. I thank the Senator.

All the arguments used against Federal aid to education since I have been in the Senate, for the past 7 years, have gone into the business of Federal intervention following Federal aid.

Those using such arguments have opposed Federal funds for such purposes as building classrooms, helping to pay teachers' salaries, and assisting the States to pay such costs as those. But now we find in both Houses of Congress a great sentiment for the extension of impacted-area legislation. The proposed impacted-area legislation has in it all the elements that the opponents to Federal aid to education have been talking against for years. All those elements are implicit in the proposed legislation which it is now sought to extend for longer than the Subcommittee on Education wants to extend it.

The Senator made a good case on that point. I do not propose to go into it in any degree, except to say for the record that if those elements were bad in the general aid to education bill, they are certainly bad in the proposed extension of the Federal aid to impacted areas legislation. I do not think they are bad in either instance. I do not think there is a danger of Federal intervention.

As I have studied the record, it certainly appears that there has been no Federal intervention down through the history of the country.

I continue to read from my presentation:

1908, Nelson amendment to Morrill Act: Increased the support of the land-grant colleges and universities. The permanent annual appropriation under this act is now $2,550,000.

1935, Bankhead-Jones Act: Increased annual appropriations for support of land-grant colleges and universities. Congress now appropriates $2,501,000 annually.

VOCATIONAL EDUCATION ACTS

1917, Smith-Hughes Act: Provided grants for promoting vocational training in the public schools and for encouraging special education for teachers of vocational subjects. Contained exacting requirements and stipulations as to the use of the funds. Permanent annual appropriation amounts to $7,138,000.

1929, George-Reed Act: Increased annual appropriations for vocational training in the public schools under the Smith-Hughes Act.

1936, George-Deen Act: Continued policy of Federal aid for vocational training in the public schools and extended Smith-Hughes Act to include education in distributive occupations.

1946, George-Barden Act (Public Law 586, 79th Cong.): Supplementary legislation to the Smith-Hughes and George-Deen vocational education acts. Authorizes up to $29 million in Federal grants. With additional funds for practical nursing and fishery education appropriations for fiscal 1958 are at an alltime high of $33.8 million.

1956, Public Laws 911 and 1027, 84th Congress: Amend the George-Barden Act to include Federal aid for practical nurse training of less than college level (up to $5 million a year for 5 years) and training in the fishery trades ($375,000 a year).

1958, National Defense Education Act: Title X of Public Law 85-864 adds area vocational programs and emphasizes new technical skills. (For other details, see also "Defense Education.")

SCHOOL LUNCHES

1946, National School Lunch Act (Public Law 396, 79th Cong.): Distributes funds and federally purchased foods to schools, public and nonpublic, to be used for school lunches.

1954, school milk program (Public Law 690, 83d Cong.): An important adjunct to the school lunch program. In 1958, Public Law 85-478 extended this program until 1961 and authorized $75 million per year to make surplus milk available to nonprofit elementary and secondary schools, as well as child care centers, settlement houses, and summer camps.

VETERANS EDUCATION

1944, Servicemen's Readjustment Act (Public Law 346, 78th Cong.): Provided for educational and training benefits for veterans on the basis of 1 year plus 1 day for each day spent in the service. The GI bill of rights.

1952, Veterans Readjustment Assistance Act (Public Law 550, 82d Cong.): The Korean GI bill provides educational and training benefits for persons who served between June 27, 1950, and January 31, 1955.

1956, War Orphans Educational Assistance Act (Public Law 634, 84th Cong.): Extends benefits of Korean GI bill to orphans of servicemen killed in World War II or Korean conflict.

FEDERALLY AFFECTED AREAS

1941, Lanham Act: Provided Federal assistance including school building aid, for communities adversely affected by Federal activities.

1950, Public Laws 815 and 874, 81st Congress: Provided assistance for school construction (Public Law 81-815), and maintenance and operation (Public Law 81-874) in federally affected areas. Authorized national school facilities survey.

1958, Public Law 85-620 continues Federal assistance for construction and operation of schools in federally affected areas.

RURAL LIBRARIES

1956, Public Law 597, 84th Congress: Established a 5-year program of Federal grants to the States for extension of library services in rural areas. Federal appropriations up to $7.5 million a year are authorized.

1960, Public Law 86-679: Extends the act for 5 years.

EXCEPTIONAL CHILDREN

1958, Public Law 85-926: The Fogarty-McGovern Act, authorizes Federal grants to help train teachers for the mentally retarded.

1958, Public Law 85-905: Authorizes Federal funds to acquire and distribute films with printed captions for use with deaf persons.

DEFENSE EDUCATION

1958, Public Law 85-864: The National Defense Education Act, authorizes $887 million in Federal funds over a period of 4 years to strengthen critical areas in education.

Includes science, mathematics, foreign languages; counseling, testing, guidance; graduate fellowships; research and experimentation in modern teaching tools (TV, films, etc.); and improvement in statistical and information services.

Mr. President, in the specific area of school construction—I should like to read from a report of the Legislative Reference Service dated February 1955.

This analysis treats of the historical role of Federal school construction activity.

CHAPTER II. HISTORICAL BACKGROUND OF THE QUESTION

(Contents: (A) Origin of Federal aid for school construction; (B) programs during the depression of the 1930's; (C) the World War II program; (D) postwar aid to December 31, 1954; and (E) legislative proposals and action, 1948-54.)

A. ORIGIN OF FEDERAL AID TO SCHOOL CONSTRUCTION

It might be said that Federal aid to school construction began with early land and monetary grants for the support of education in States formed from the public domain. Antedating the Constitution, the origin of these grants lies in an ordinance adopted by the Congress of the Confederation in 1785 for the disposal of public lands in the western territory.

As a result of this ordinance and subsequent action by the Congress of the Confederation and later by the Congress of the United States, education in each new State admitted to the Union received an endowment of public lands and in some cases monetary grants derived from the sales of public lands. However, these grants were for the establishment and support of schools in general. Some of the income from the early grants probably was expended by local communities for the construction of school buildings, but the Congress did not specify what portion of the lands or funds derived from the sale of them, if any, should be used for this purpose.

By furnishing sites for school buildings in some instances, and in other ways the early Federal land grants for the support of education undoubtedly gave an impetus to school construction.

In relatively recent years the Federal Government has extensively participated directly in financing the construction of public schools in times of (a) economic depression and (b) war or intensive activity for the national defense.

B. PROGRAMS DURING THE DEPRESSION OF THE 1930'S

During the economic depression of the 1930's the Federal Government provided large-scale financial assistance to communities throughout the Nation for the construction of public schools. The principal Federal agencies which disbursed Federal aid for school construction were the Public Works Administration (earlier called the Federal Emergency Administration of Public Works) and the Work Projects Administration (earlier called the Works Progress Administration). The methods of operation and policies of the PWA and of the WPA differed substantially.

In addition to making allotments for Federal public works the PWA advanced about $2.5 billion in loans and grants to local governments for public works. Besides thus aiding the localities in constructing schools, hospitals, et cetera, vital to community life, the PWA program provided much-needed employment.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. MORSE. I am very glad the Senator from Michigan has spoken of the

PWA Federal aid to education program. When I go about the country, to talk about Federal aid to education, I find that many persons labor under misapprehension in regard to the amount of money—the millions and millions of dollars—which the Federal Government has for many years contributed to education in the States. In some of my speeches I have stated that one of the most substantial programs by way of Federal aid to education was the PWA program itself. Many a school building in the United States was really built by the Federal Government, in large measure through PWA funds. Many taxpayers do not realize that.

Does the Senator from Michigan happen to have the total amount of PWA funds which were expended for education? He has given us the total of expenditures; but is that amount broken down so as to show the amount of money which was expended for education?

Mr. McNAMARA. Yes; I shall present those figures later.

Mr. MORSE. I have interrupted now simply to emphasize this point, because the Senator from Michigan is rendering a great service by placing this body of information in the RECORD for future reference.

The American people simply are not aware of the fact that they have been spending millions of dollars for many years for aid to education; but they seem to get some kind of blockage when such a program is proposed in a bill for general aid to elementary and secondary schools. However, the Federal Government has built many elementary and secondary schools.

Also, I think it will be found that the WPA program benefited education, too.

Mr. McNAMARA. There is no question about it. In addition to what the Senator from Oregon has stated, the amount of money involved has been spent without Federal intervention. School boards still control their operations. Down through a long series of generations there has been Federal aid, but there has not been Federal intervention. That is an old bugaboo. It is an old saw which is dragged out every time Congress considers such a bill.

I think this statement will help to underscore that point as well as the point which the Senator from Oregon has raised.

Since the chief aim of the PWA was employment rather than relief, jobs on PWA projects were generally not restricted to the needy unemployed; nor were the locations of the projects confined to those areas especially hard hit.

PWA made allotments from July 1933 through June 30, 1942, for 6,687 elementary and secondary school-building projects costing over $979 million. In the territories and possessions of the United States as well as in every State of the Union, communities participated in this program of school-building construction. The importance communities attached to this type of construction was shown by the fact that construction of school buildings comprised about 40 percent of all non-Federal projects for which PWA made allotments.

Besides assisting communities in school construction, the PWA, over a period of 6 years, at a cost of $6,141,000, built 90 educational buildings on Federal lands reserved for Indians.

Unlike the PWA program, the program of the Work Projects Administration, initiated in the summer of 1935, concentrated on providing work for needy unemployed persons rather than for construction workers in general. The WPA program utilized nonrelief workers only for special jobs for which qualified relief workers were not available.

The WPA did not make lump-sum grants to State and local governments as did the PWA. The WPA bore the primary responsibility for the operation of a program of useful public works, of which school construction accounted for about one-third of the total cost. Although States and localities played important roles in the program, the Federal Government directly paid project workers and purchased materials supplied by WPA.

Under the WPA program, over 5,900 new school buildings were constructed and more than 33,000 other school buildings were enlarged, improved, or modernized over a period of 8 years. The estimated total cost—

And this is the figure about which the Senator from Oregon asked—

was $466,700,000, of which the Federal Government provided about 71 percent. New schools built with WPA assistance in practically all the States ranged from small buildings in rural areas to large city institutions. The types and materials of construction and the percentage of sponsor contribution varied widely according to the needs and means of the localities.

During the depression period the Federal Government also provided aid to school construction through other agencies besides the PWA and the WPA. In the 1933–34 school year alone, the Federal Civil Works Administration furnished about $19,500,000 and the Federal Emergency Relief Administration about $44 million for the construction and improvement of educational facilities throughout the country. Under the out-of-school work program of the National Youth Administration, over a period of several years, about 3,700 small educational buildings were erected and about 18,000 were improved or remodeled.

Owing to the impossibility of accurately segregating some of the Federal expenditures by purpose, an estimate of the total expenditure by the Federal Government in aid to school construction during the depression of the 1930's might be misleading. However, it is certain that the Federal expenditure which might be charged to this specific purpose during the depression period amounted to hundreds of millions of dollars.

C. THE WORLD WAR II PROGRAM

Federal aid to school construction during the depression of the 1930's was distributed fairly generally throughout the United States and its territories and possessions. On the other hand, such assistance during World War II was limited to localities having swollen school populations due to the influx of military personnel and warworkers. Under the Lanham Act (55 Stat. 351) these communities received assistance in the construction and maintenance of community facilities, including schools.

The Federal Works Agency initially administered the Lanham Act program, which, along with other functions of the FWA, was transferred to the General Services Administration in 1949.

Under the Lanham Act, municipalities applying for Federal aid in the construction of community facilities were expected to contribute toward the financing of construction. However, the act authorized construction of facilities wholly at Federal cost in case the community was unable to contribute and the facilities were adjudged essential to the successful prosecution of the war. Facilities thus constructed were generally rented to the communities during the war and afterward sold to them.

School construction accounted for about 27 percent of all construction costs under the Lanham Act program. As of June 30, 1946, Federal allotments had amounted to $80,700,000 on 1,151 school projects constructed at a total cost of $98,400,000.

D. POSTWAR AID TO DECEMBER 31, 1954

From July 1946 until after the enactment of Public Law 815, 81st Congress, approved September 23, 1950, no Federal aid was provided for the construction of local public schools.

However, title V of the War Mobilization and Reconversion Act of 1944 had authorized loans to States and localities for the advance planning of public works, including schools. Under this program new planning advances were approved until June 30, 1947, when such advances ceased temporarily. In October 1949 Congress reactivated the program with an authorization of $100 million in Federal aid for advance planning of various community facilities, including schools.

With the enactment of Public Law 815, in September 1950, the Congress established a new program of Federal aid to school construction in federally affected localities.

Public Law 815 recognized a responsibility on the part of the Federal Government for the impact of Federal activities on school-construction needs in certain types of localities. The act provided for Federal payment of the cost of constructing school facilities in federally affected areas in the manner and to the extent prescribed in the law.

Title I of Public Law 815 relates to surveys and State plans for school construction. A brief statement of the provisions of this title appears in a subsequent section of this report.

Mr. SPARKMAN. Mr. President, will the Senator from Michigan yield for a question?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Michigan yield to the Senator from Alabama?

Mr. McNAMARA. I am happy to yield to the distinguished Senator from Alabama.

Mr. SPARKMAN. I wish to say that I, for one, am very much pleased to have the Senator from Michigan detail this program, which has meant so much to various parts of the country.

I happen to live in a city which is an impacted area—Huntsville, Ala.—near the Redstone Arsenal, which probably is responsibile for more than doubling the population of that area during the last 10 years. In fact, if I correctly recall the census figures, in the last 10 years the population there has increased more than 300 percent, and I would say the major cause of that is the activities of the Federal Government.

We have a fine school system there; but it would have been absolutely impossible for the city—and also the county, I may add, although the county as a whole has not been affected as much as the city has—to have taken care of the schoolchildren there, if it had not been for this program, which the Senator from Michigan is outlining at the present time.

I think it is excellent that he is reminding us of what the program has done in the past; and of course I am happy

that this measure has been brought to the floor at this time. Certainly the program should continue.

I have favored an overall program; but certainly the Congress should not adjourn without extending this program, which has meant so much to the federally impacted areas. So I commend the Senator from Michigan and his subcommittee, or is it the subcommittee of the Senator from Oregon?

Mr. McNAMARA. The chairman of the subcommittee is the Senator from Oregon [Mr. MORSE].

Mr. SPARKMAN. I commend them for reporting this measure to the floor, and I am indebted to the Senator from Michigan [Mr. McNAMARA] for his presentation.

Mr. McNAMARA. Mr. President, I wish to thank the Senator from Alabama for his remarks on the pending aid-to-education bill. I assure him that I know of his activities in this field, and also those of his colleague, the chairman of the Committee on Education and Labor, which handles these measures—the distinguished senior Senator from Alabama [Mr. HILL]. They have long been in favor of a program of this type, and I appreciate their continued help.

Mr. SPARKMAN. Let me say that in 1936, when I first ran for election to Congress, one of the few planks I had in my platform, and had printed on the back of a small campaign card which I used, was "Federal aid for education, without Federal control."

I remember that quite well. I advocated it then. I have advocated it ever since.

Mr. McNAMARA. I am certainly glad to have the Senator's help in the passage of this legislation.

Title II of Public Law 815 provided for Federal aid to school construction in federally affected areas. Following is a condensed statement of the principal provisions of this title.[1]

The title authorized, during the fiscal years 1951 to 1953 inclusive, the appropriation of necessary sums for grants to local school districts for emergency school construction. The need for such construction must have arisen from certain Federal activities.

The title provided for such Federal contributions in the amount of 95, 70, and 45 percent of the average per pupil cost of school construction in the State concerned, multiplied by the number of schoolchildren in three respective categories: (1) Children residing on Federal property with a parent employed on Federal property, if, during the current fiscal year they were 15 or more in number and constituted at least 5 percent of the estimated average daily attendance of the local educational agency; (2) children residing on Federal property partly or wholly situated in the same State as the local educational agency if they were 15 or more in number and constituted at least 5 percent of the attendance; and (3) children whose attendance resulted from activities of the United States if they were 20 or more in number and constituted at least 10 percent of the attendance, and if the construction of additional facilities would impose an undue burden on the taxing and borrowing ability of the local agency.

In the case of agencies having an average daily attendance of over 35,000 during the fiscal year 1950, the percentage-of-attendance requirement was doubled in each category, and provision was made for payment only on the basis of the number of such children in the three respective categories in excess of 5, 5, and 10 percent of average daily attendance during the current fiscal year.

The act provided for the deduction from grants of the amount of Federal assistance to local school construction since 1939, and authorized the reimbursement of local agencies which had already provided facilities for children in the categories named. It made special arrangements for cases in which the effect of Federal activities was determined to be temporary, and in which local agencies were unable to provide education to children residing on Federal property. It authorized the Commissioner of Education to reserve 10 percent of appropriations for special additional grants, in the most urgent cases, to local agencies unable to finance the non-Federal share.

The act prohibited all Federal direction, supervision, or control of the personnel, curriculum, or program of instruction of any school or school system of any local or State educational agency.

Total appropriations, to remain until expended, for school construction in federally affected areas under title II of Public Law 815 had amounted to $341,500,000 as of June 30, 1953.

As of that date the U.S. Commissioner of Education had reserved funds in the amount of $338,195,500 for the construction of 1,336 schoolbuilding projects to house approximately 350,000 pupils. These were located in the federally impacted areas in 44 States, Alaska, Hawaii, and Puerto Rico.

As of June 30, 1953, 191 projects had been completed and 972 were in varying stages of completion. On these 1,220 projects $169,190,368.16 had been paid to date of which $37,608,037.51 was for final payments on completed projects and $131,582,330.57 was for partial payments on the remaining 972 still under construction. In addition to the Federal funds expended and obligated, the applicants had furnished an additional $80 million, or approximately 25 percent, from State and local funds to supplement the Federal grants on the projects.

The administration of the law had accomplished in large measure its major purpose for the period of its effectiveness. Federal funds had not been made available, however, for (1) reimbursement of school districts for expenditures already made on account of increased enrollments due to Federal activities, and (2) aid to districts still experiencing rapid growth because of Federal activities. A new authorization of appropriations for these purposes, and other amendments to Public Law 815 were made effective by Public Laws 246 and 731, 83d Congress. Chapter III of this report contains a digest of these laws.

As of December 31, 1954, the Commissioner of Education had reserved funds on a total of 2,438 school-construction projects under all sections of Public Law 815 as amended by Public Law 246 and as provided under Public Law 357, the Third Supplemental Appropriation Act of 1954. (No funds had been reserved on projects under Public Law 731 as of that date.) Federal funds committed on these projects amounted to $501,280,000.

Of these projects, 1,242 were completed and 498 were under construction on December 31, 1954. Of the 698 approved projects not yet under construction, 266 were pending final revision under Public Law 357, which gave school districts an election as to whether to request reimbursement on previously constructed projects or to initiate new construction.

Total Federal payments under the program as of December 31, 1954, amounted to $370,085,000. Local funds added to approved projects partly financed with Federal funds amounted to over $170 million. All projects authorized to December 31, 1954, are estimated to house in excess of 600,000 pupils.

Mr. President, I turn now to our present needs in school construction.

The U.S. Office of Education, Department of Health, Education, and Welfare, has furnished us a chart, detailing our needs on a State-by-State basis.

I ask unanimous consent that it be printed in the RECORD at the conclusion of this portion of my statement.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Is there objection to the request of the Senator from Michigan? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Needs in housing and full-time public elementary and secondary day schools, by State—Additional instruction rooms needed (as of fall 1960)

Total United States (50 States and District of Columbia)	142,160
Region and State:	
North Atlantic	36,076
Connecticut	1,060
Delaware	155
Maine	893
Maryland	2,912
Massachusetts	2,342
New Hampshire	294
New Jersey	3,839
New York	16,000
Pennsylvania	6,548
Rhode Island	407
Vermont	849
District of Columbia	777
Great Lakes and Plains	39,213
Illinois	8,699
Indiana	1,321
Iowa	705
Kansas	2,007
Michigan	10,762
Minnesota	3,816
Missouri	4,354
Nebraska	358
North Dakota	902
Ohio	3,919
South Dakota	820
Wisconsin	1,550
Southeast	45,968
Alabama	7,335
Arkansas	2,410
Florida	4,744
Georgia	3,714
Kentucky	8,906
Louisiana	1,457
Mississippi	2,597
North Carolina	3,714
South Carolina	1,859
Tennessee	2,984
Virginia	4,326
West Virginia	1,922
West and Southwest	20,162
Arizona	1,085
California	4,000
Colorado	1,371
Idaho	812
Montana	443
Nevada	302
New Mexico	1,104
Oklahoma	2,300
Oregon	699

[1] Subsequent statement based upon Digest of Public General Bills With Index, 81st Cong., 2d sess., final issue. Prepared in the Legislative Reference Service, Library of Congress. For the full text of Public Law 815, see 64 Stat. 967, ch. 995.

Needs in housing and full-time public elementary and secondary day schools, by State—Additional instruction rooms needed (as of fall 1960)—Continued

Region and State:	
Texas	4,438
Utah	962
Washington	2,383
Wyoming	263
Alaska	295
Hawaii	446
Outlying parts:	
American Samoa	35
Canal Zone	7
Guam	243
Puerto Rico	4,860
Virgin Islands	97

Mr. McNAMARA. I refer to the table I had already obtained unanimous consent to have inserted in the RECORD. I should like, for the purpose of identification, to say that this is a table prepared by the Department of Health, Education, and Welfare and is headed "Housing in Full-Time Public Elementary and Secondary Day Schools by States."

I mention only a few of the States and the additional instruction rooms needed as of the fall of 1960. Connecticut, which according to this compilation prepared by the Department of Health, Education, and Welfare, stands third, 1,060 classrooms; Delaware, 155; Maine, 893; Maryland, 2,912; Massachusetts, 2,342; New Hampshire, 294; New Jersey, 3,839; New York, 16,000; and Pennsylvania, 6,548.

Dropping down the schedule, Michigan is short 10,762 classrooms, according to this compilation. I shall not take the time to read all these figures. Unanimous consent has been granted to have the table printed.

Mr. President, earlier this evening the distinguished majority leader expressed the desire that the Senate adjourn this evening between 8 and 8:30. The material I have prepared for this discussion of my school construction amendment is by no means exhausted. I expect to bring more of it to the attention of the Senate. However, in compliance with the desire of the majority leader, I am prepared to halt my presentation at this time until tomorrow.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that there be printed at the conclusion of the remarks by the distinguished senior Senator from Michigan a statement by the distinguished junior Senator from Maryland [Mr. BEALL] with respect to S. 2393, indicating his support therefor.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BEALL

I support S. 2393, which would extend for 1 year aid to impacted areas under Public Laws 815 and 874. At the same time, I hope the Senate will adopt an amendment to extend the program for 2 or 3 years.

It is not necessary to justify the extension of these laws at this time. School districts throughout the country have already committed themselves to faculty assignments and curriculums for the 1961–62 school year. To allow these programs to terminate now, would be an unconscionable breach of responsibility on the part of the Federal Government. Even the strongest opponents of this program agree that any termination must be gradual, thus allowing a transition period during which the local school districts could make necessary adjustments in their budgets.

I favor a 2- or 3-year extension because I feel that this program should be considered separate and apart from any general education bill. Earlier this year efforts were made to solicit votes for a general aid bill by including an extension of the impacted areas program. If a 1-year extension is approved, I have no doubt that the proponents of a general aid to education bill will repeat their efforts next year.

The impacted areas legislation was not enacted to improve the educational standards of this Nation. Rather, the purpose of these laws is to compensate the States for lands taken off the tax rolls by the Federal Government. I submit that the provisions of these laws have no place in a general aid to education bill. For this reason, I support an extension of 3 years or, at the very least, the 2-year extension provided by the House bill.

Mr. McNAMARA. Mr. President, I ask unanimous consent that I may yield to my colleague from Michigan [Mr. HART], with the understanding that I shall not lose the floor, and that his remarks will follow the conclusion of my own speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, as a cosponsor with the distinguished senior Senator from Michigan [Mr. McNAMARA], of the bill S. 8, in both the 86th and 87th Congresses, it is obvious that I would be and am wholeheartedly in favor of his amendment.

However, all of us are aware of the inequities which might result from legislation which allows Federal funds to be spent solely for new construction.

Every Senator can cite districts in his own State which have exerted a monumental effort to build the schools necessary to house their children.

These districts have, at enormous sacrifice, passed bond issue after bond issue so that their children would not be on double shifts or receive their instruction in dangerous, overcrowded, ill-lighted classrooms.

These very same districts, because of this construction effort, are hard put to find the funds necessary to attract and keep a qualified teaching staff.

Whatever legislation Congress passes in the nature of a broadly based Federal assistance program should take into account the plight of such courageous and responsible school districts.

For that reason I have offered an amendment to the McNamara amendment which would permit States to allocate not more than 20 percent of their Federal grants for debt service.

Thus a district which had already taken care of its school construction needs, and is unable to raise the funds necessary to hire fully qualified teachers, would be able to use its Federal grant to retire existing construction obligations.

As a consequence, the funds which it is now spending from its own resources for construction obligations would be released for operational purposes.

The amendment I offer would, I believe, provide the kind of flexibility in a school assistance program which would enable the States to put the Federal money where they consider the need to be most justified. As other Senators have indicated, I regret that the broad comprehensive Federal aid to education bill (S. 1021), which the Senate passed earlier this year, has not become law. As in so many areas, here is one where we are running out of time. As we approach the end of this session I hope we can at least add funds for school construction, with the amendment which I propose permitting some flexibility and regard for the school districts which have done a real job.

Senator McNAMARA has told me that he will accept my amendment to his proposal, and I hope that the Senate shares his views.

Surely I hope that the Senate will limit to 1 year only the extension of the 2 impacted areas laws.

Mr. MORSE. Mr. President, will the senior Senator from Michigan yield, to allow me to ask the junior Senator from Michigan a question or two, with the understanding that my interruption will not cause him to lose the floor?

Mr. McNAMARA. I am happy to yield to the senior Senator from Oregon with that understanding.

Mr. MORSE. If I correctly understand the amendment of the junior Senator from Michigan [Mr. HART], I believe it is a very sound one. I should like to ask him the following questions:

Is the amendment offered because he recognizes that in a number of places in the Nation, including, apparently, a number in his own State, a considerable number of bond issues have been voted by the taxpayers, thereby increasing their taxes on their real property, although they felt they could ill afford those bond issues and the increased taxes; but when they had to make a choice between unreasonable taxes on their real property and denying their children the adequate educational opportunities which they believe they should have, of course they have been voting for the bond issues. Nevertheless, that has worked an injustice on those districts; and I understand that, therefore, the Senator from Michigan believes it is only fair that if Congress passes a school construction amendment or, next year, a bill, school districts which already have passed such bond issues and have raised their taxes accordingly should be able to receive some Federal aid to help them retire those bond issues. Is that the way the Senator from Michigan feels about this matter?

Mr. HART. It is, and for the reasons the Senator from Oregon has so excellently stated. That is exactly the way I feel about this matter.

Mr. MORSE. At the hearings this year some of the witnesses who stated that there is no need for Federal aid to education cited the instances in which bond issues had been voted by the people of various districts, and the conclusion those witnesses reached was that that fact shows that no Federal aid is needed. But I replied that it does not show that at all, and that all one need to do is

look at the districts in which the bond issues have been voted and determine whether the districts can afford the bond issues or whether the situations were such that the people were willing to make the further sacrifice—but an unreasonable one to expect of them—of floating the bond issues in order to provide their children with the education which the parents felt they needed.

And, of course, that means more than regressive taxation on the real property, and is very unfair to the real property owners; and, as we said at the time of the issuance of the bond issues, we did not feel that that was a proper way to treat the taxpayers.

So I enthusiastically support the position of the Senator from Michigan, and I believe there should be Federal aid to school construction; and then we should determine how many districts have imposed such bond issue burdens upon themselves. Certainly they should be in line to receive assistance to the extent of the whole or a certain percentage of the money for school construction made available by them, through the issuance of the bonds. I think the Senator has proposed 20 percent. That would be only pure equity.

Mr. HART. I was sure that would be the position of the Senator from Oregon, even though I did not inquire in advance as to his attitude.

Let me say that in dealing with an area such as this one, which involves education, I would always discuss with my distinguished senior colleague [Mr. McNAMARA] any amendment which I proposed to offer. I would do so for the reason that Senator McNAMARA long has been a leader in the effort to raise educational levels and his leadership predates the presence of either of us in this body. If I correctly understood his remarks—and he does not speak obscurely—he will accept this amendment.

Mr. MUSKIE. Mr. President, will the Senator from Michigan yield?

Mr. McNAMARA. I yield.

Mr. MUSKIE. In addition to the statement the Senators have made, I believe it should be stated that there are districts which have so committed their revenues to the servicing of such bond issues that for some years in the future they cannot be expected to do an adequate job in the fields of school construction and the payment of teachers' salaries. For that reason, as well as the other reasons stated, I hope the senior Senator from Michigan will accept the amendment offered by his junior colleague [Mr. HART].

Mr. McNAMARA. Mr. President, if I have the right—and I believe I do—to accept this amendment as a perfecting amendment to my pending amendment, I shall be happy to accept it, and also to thank the Senators who have spoken in favor of it.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The Senator has a right to modify his amendment.

Mr. McNAMARA. Then I am happy to modify my amendment accordingly, at the request of my junior colleague [Mr. HART] and other Senators.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1528. An act to increase the relief or retirement compensation of certain former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service; and of widows and children of certain deceased former officers and members of such forces, department, or service;

S. 1529. An act to amend the act entitled "An act to regulate the height of buildings in the District of Columbia," approved June 1, 1910, as amended; and

S. 1762. An act to regulate the practice of physical therapy in the District of Columbia.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 4669) to amend the law relating to gambling in the District of Columbia.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 4670) to amend the law relating to indecent publications in the District of Columbia; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOWDY, Mr. ST. GERMAIN, and Mr. HARSHA were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7035) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 15, 24, 36, 41, 45, 46, and 48 to the bill and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 7, 29, and 50 to the bill, and concurred therein severally with an amendment, in which it requested the concurrence of the Senate.

PROHIBITION OF TRAVEL OR TRANSPORTATION IN COMMERCE IN AID OF RACKETEERING ENTERPRISES—CONFERENCE REPORT

Mr. EASTLAND. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill—S. 1653—to amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

ORDER FOR ADJOURNMENT TO 9 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns tonight, it adjourn until 9 a.m., tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FEDERAL MUTUAL SAVINGS BANK BILL

Mr. SPARKMAN. Mr. President, on July 1, 1960, for the senior Senator from Connecticut [Mr. BUSH] and myself, I introduced a bill to authorize Federal mutual savings banks—S. 3796. At the time I noted that leaders in the mutual savings banking industry requested us to introduce such a measure for study and discussion of its merits by interested groups and the public. On that day I also inserted in the RECORD an article by Mr. Arthur Upgren, an outstanding economist, who noted that the Commission on Money and Credit, originally set up by the Committee for Economic Development, would be studying the adequacy of the Nation's monetary supply. Mr. Upgren stated that no more important report for our welfare would be written in this decade. A copy of S. 3796 was invited to the attention of the Chairman of the Commission, Mr. Frazar B. Wilde, chairman of the Connecticut General Life Insurance Co.

I am pleased to report that the bill has received helpful consideration both from private and Government organizations.

In his preface to the June 1961 report of the Commission on Money and Credit, Chairman Wilde stated that Commission members were deliberately selected with the advice of a distinguished selection committee to provide a group with different backgrounds, including banking, business, Government, labor, and the professions. Noting that all members had broad, practical economic experience, he commented:

It could fairly be said that their conclusions represent a consensus of American philosophy and economic judgment today.

Among the recommendations made by this noteworthy Commission of private citizens in its report was the following:

The Commission recommends that Federal charters be made available for mutual savings banks.

In support of this recommendation, the Commission stated:

At present commercial banks and savings and loan associations may obtain Federal charters. Since only 17 States now provide for the establishment of savings banks, it is not possible to establish savings banks in two-thirds of our States. Federal charters

for savings banks would permit operation in any State, and this would stimulate competition and enterprise among financial institutions, improve the banking facilities in some communities, and perhaps encourage greater conventional mortgage lending activity in all areas.

Federal agencies expressed the opinion that establishment of Federal mutual savings banks should also be helpful in expanding the flow of funds into the Federal Housing Administration and Veterans' Administration sectors of the home mortgage market. Both FHA and VA responded to an invitation from the Senate Committee on Banking and Currency to comment upon S. 3796.

The Housing and Home Finance Agency stated:

This Agency believes that legislation providing for the Federal chartering of mutual savings banks would be desirable because it would encourage an increased flow of funds into the mortgage market.

It is probable that the encouragement which Federal chartering would give to the organization of additional mutual savings banks, now operating under State charters in only 17 States, would attract a portion of savings now being placed in commercial bank time deposits. This would tend to enlarge the supply of mortgage funds since mutual savings banks traditionally have invested more of their funds in mortgages than have commercial banks. Also, the anticipated geographically expanded operation should tend to improve the interregional flow of FHA insured and VA guaranteed mortgages. Finally, by increasing competition among different types of lending institutions, the net result would most likely be an increase in total savings placed with financial establishments, including those which customarily provide major sources of mortgage credit.

The Veterans' Administration had the following comment to make on that bill:

Mutual savings banks have actively participated in the GI loan program. As of December 31, 1959, nearly 30 percent of the outstanding VA guaranteed loans were held in their portfolios. To the extent that the proposed legislation would encourage new mutual savings banks in areas where the system would attract new savings for mortgage loan investment, it would doubtless aid veterans in their search for home loan financing.

In reply to a similar invitation from the Senate Committee on Banking and Currency, the Board of Governors of the Federal Reserve System stated that the bill merits careful consideration in determining whether it can make an important contribution to the economy.

Of all the Federal agencies that commented on that bill to the committee, only the Federal Home Loan Bank Board expressed fear that the conversion of savings and loan associations to Federal mutual savings banks would be accompanied by a decrease of funds flowing into the home mortgage market. However, certain evidence has since been developed to allay that fear. I am pleased to note that, in response to my June 22, 1961, letter to the new Chairman of the Federal Home Loan Bank Board, the matter of Federal charters for mutual savings banks is being discussed by a task force established by that Chairman. In anticipation of a favorable outcome of that study, the senior Senator from Connecticut and I have decided to introduce for study a revised version of S. 3796. The bill being introduced by us today will name the Federal Home Loan Bank Board as the chartering and supervisory agency for Federal mutual savings banks, instead of entrusting these functions to the newly created independent agency proposed in S. 3796. The revised bill will continue the S. 3796 requirement that each Federal mutual savings bank qualify for deposit insurance by the Federal Deposit Insurance Corporation.

Other changes from S. 3796 include the following:

The new bill deletes the authority of Federal mutual savings banks to exercise all powers now or hereafter generally possessed by State-chartered mutual savings banks. Thus, these Federal institutions will look to the provisions of this bill for their powers.

Expenses of examining Federal mutual savings banks may be charged to the institutions examined.

Some specific investment powers of Federal mutual savings banks have been expanded, but there has been deleted all power of the supervisory agency to expand investment powers beyond those expressly designated in the new bill.

Express authority has been granted to Federal mutual savings banks to issue certificates of deposit in $100 multiples for maturity of 2 years or more at an interest rate, terms, and conditions prescribed in the certificate.

Commercial banks accepting savings are expressly added to the list of thrift institutions to be protected against undue injury through the chartering of a Federal mutual savings bank.

Branching powers of Federal mutual savings banks have been enlarged to include States that permit chain or group banking even though they do not permit branches as such for financial institutions.

This new bill clarifies actions that an out-of-State Federal mutual savings bank may take within a State without being deemed to do business in that State.

All these changes are designed to improve the operation of Federal mutual savings banks and the public benefits to be derived from such institutions. Together with basic provisions retained from S. 3796, they combine the best features of State laws affecting mutual savings banks.

The senior Senator from Connecticut and I wish to afford an opportunity for further study of this improved version of a Federal mutual savings bank bill. Therefore, we join in introducing this bill near the end of the current session of the present Congress in the hope that further valuable comments on the bill will be ready for consideration by the Congress when it reconvenes early in 1962.

Mr. President, I ask unanimous consent to introduce, out of order, the bill to which I have referred, that it be printed at this point in the RECORD, and that there also be printed in the RECORD a section-by-section analysis of the bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and the analysis will be printed in the RECORD.

The bill (S. 2528) to authorize the establishment of Federal mutual savings banks, introduced by Mr. SPARKMAN (for himself and Mr. BUSH), was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Mutual Savings Bank Act."

DECLARATION OF POLICY

SEC. 2. The Congress declares that, to carry out more effectively its responsibility for promoting maximum employment, production, and purchasing power in the national economy, it must facilitate and encourage an increased flow of real savings to finance new housing and other capital formation on a sustainable noninflationary basis. The Congress further declares that the increased savings necessary to the security and welfare of the individual as well as to the Nation should be provided within the private institutional framework of our competitive economy and within the dual banking system. These objectives will be advanced by authorizing the establishment of privately managed federally supervised mutual savings banks. Consistent with these objectives, the Congress recognizes the continuing need for maintaining and strengthening the vitality of our State-chartered banking system under the supervision of the various State banking departments. Federal mutual savings banks, together with State-chartered mutual savings banks, will bring to individuals in all States the opportunity of having mutual banks of deposit available to them which are dedicated to encouraging the practice of thrift, thereby increasing the total flow of voluntary savings in the economy. The record of mutual savings banks over nearly a century and a half of providing safety, ready availability of deposits and reasonable returns on these deposits, indicates that new Federal mutual savings banks will stimulate additional savings in the areas in which they are located. The record further indicates that these institutions will devote the bulk of their accumulated savings to the sound, economical financing of housing and home ownership. Moreover, additional funds will become available to support local business enterprise, urban redevelopment, and governmental capital outlays. The welfare of the public will be enhanced not only because economic growth will be fostered by capital formation but also because the earnings of Federal mutual savings banks, after expenses and provision for necessary reserves for safety of deposits, will be distributed entirely to depositors.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "Board" means the Federal Home Loan Bank Board;

(2) The term "conventional loan" means a loan secured by a first mortgage or deed of trust on real property or a leasehold estate other than a loan guaranteed or insured by a Federal or State agency;

(3) The term "doing business" shall not be considered to include any one or more of the following activities:

(a) The acquisition of loans (including the negotiation thereof) secured by mortgages or deeds of trust on real property situated in a nondomiciliary State pursuant to

commitment agreements or arrangements made prior to or following the origination or creation of such loans;

(b) The physical inspection and appraisal of property in a nondomiciliary State as security for mortgages or deeds of trust;

(c) The ownership, modification, renewal, extension, transfer, or foreclosure of such loans, or the acceptance of substitute or additional obligors thereon;

(d) The making, collecting, and servicing of such loans through a concern engaged in a nondomiciliary State in the business of servicing real estate loans for investors;

(e) Maintaining or defending any action or suit or any administrative or arbitration proceeding arising as a result of such loans;

(f) The acquisition of title to property which is the security for such a loan in the event of default on such loan;

(g) Pending liquidation of its investment therein within a reasonable time, operating, maintaining, renting, or otherwise dealing with, selling, or disposing of, real property acquired under foreclosure sale, or by agreement in lieu thereof;

(4) The term "financial institution" means a thrift institution, a commercial bank, a trust company, or an insurance company;

(5) The term "mutual bank" means a Federal Mutual Savings Bank chartered under this Act;

(6) The term "State" includes the Commonwealth of Puerto Rico, the Virgin Islands, Guam, Samoa and the District of Columbia;

(7) The terms "State of domicile" and "domiciliary State" mean the State in which a mutual bank's principal office is located; and

(8) The term "thrift institution" means a State-chartered mutual savings bank, a cooperative bank, a homestead association, a mutual savings and loan association, a mutual building and loan association, or a mutual bank.

CHARTERING OF MUTUAL BANKS

SEC. 4. (a) Upon written application by five signatories from among not less than twenty-one individuals acting in the capacity of qualified corporators named in the application, the Board may issue a charter for a mutual bank.

(b) Such a charter shall be issued whenever the Board finds that a mutual bank will serve a useful purpose in the community in which it is proposed to be established, that there is reasonable expectation of its financial success and that its operation will not unduly injure existing thrift institutions or commercial banks accepting funds from savers on deposit.

(c) Any mutual bank shall include the words "Federal", "Mutual", and "Savings" in its title.

(d) Any mutual bank, upon being chartered, shall become a member of the Federal Home Loan Bank of the district in which it is located or, if convenience shall require and the Board approves, shall become a member of the Federal Home Loan Bank of an adjoining district. Mutual banks shall qualify for such membership in the manner provided in the Federal Home Loan Bank Act with respect to other members.

CORPORATORS

SEC. 5. (a) Each corporator of a mutual bank shall be an individual of financial responsibility and good character and shall never have been adjudged a bankrupt, and shall, within such time after his election, and in such form as the Board may prescribe, file proof of his compliance with these requirements with the Board. Without in any way limiting, by the enactment of this subsection, the general regulatory power granted the Board by this or any other Act, the Board is hereby expressly authorized to prescribe standards of conduct for corporators, except that any such standards shall be no more (and may be less) restrictive than those set forth for trustees in section 6(e)(1).

(b) No person shall be a corporator of a mutual bank who is not a resident of the State in which the principal office of the mutual bank is located, except that one less than one-half of the whole board of corporators may be residents of other States.

(c) At their organizational meeting, the corporators shall adopt rules governing the conduct of their business and may amend them from time to time. Such rules shall set forth the number of corporators and shall prescribe that any number not less than one-quarter of those at the time in office shall constitute a quorum for the purpose of doing business. At such organization meeting, or any adjournment thereof, the corporators shall divide the total number of corporators into three classes of equal size, one class to serve for a term of four years, one class to serve for a term of seven years, and one class to serve for a term of ten years, so that at each election of corporators following the first meeting an equal number of corporators shall be elected. The requirements of this section shall be satisfied if the number of corporators in any class does not exceed by more than one the number of corporators in any other class. Thereafter, each corporator shall be elected for a term of ten years, and until his successor is elected and shall have qualified. Successor and additional corporators shall be elected, subject to the requirements of this section, by a majority vote of the corporators, including those whose terms are expiring, present at a duly constituted meeting. Any corporator may be removed from office for cause upon the affirmative vote of two-thirds of the whole number of corporators.

TRUSTEES

SEC. 6. The board of trustees of a mutual bank shall be elected by and from the corporators and shall consist of not less than seven nor more than twenty-five. No person shall be a trustee of a mutual bank who is not a resident of the State in which the principal office of the mutual bank is located, except that one less than one-half of the whole board of trustees may be residents of other States. The corporators shall, by majority vote of those present at their organization meeting, elect a board of trustees, in three classes in the following manner: One-third for a term of one year; one-third for a term of two years; and one-third for a term of three years. Thereafter trustees shall be elected to serve for a term of three years. The requirements of this section shall be satisfied if the number of trustees in any one class does not exceed by more than one the number of trustees in any other class. The office of any trustee shall become vacant if he shall cease for any reason to hold office as a corporator.

(b) The management and control of the affairs of a mutual bank shall be vested in the trustees. The trustees may adopt, amend and repeal bylaws governing the affairs of the mutual bank.

(c) No person acting as trustee of a mutual bank shall hold office as trustee, director, or officer of another thrift institution.

(d) The office of a trustee shall become vacant whenever he shall have failed to attend regular meetings of the trustees for a period of six months, unless excused during such period by a resolution duly adopted by the trustees.

(e)(1) It shall be unlawful for any trustee—

(A) to receive remuneration as trustee except reasonable fees for attendance at meetings of trustees or for service as a member of a committee of trustees;

(B) to borrow funds other than pursuant to section 11(10)(B) or in any manner become an obligor for funds borrowed from the mutual bank for which he is trustee; and

(C) to make a profit, directly or indirectly, from any property sold to or services performed for the mutual bank or in connection with any loan made by the mutual bank for which he is a trustee.

Nothing contained in this subsection shall be deemed to prohibit or in any way limit any right of a trustee who is also an officer of or attorney for the mutual bank from receiving compensation for service as an officer or attorney.

(2) Upon application by a mutual bank, exceptions may be granted to any prohibition contained in this subsection following a determination by the Board that the exception sought is equitable and in the best interests of the depositors of the mutual bank.

(3) The Board may from time to time grant, by regulation, exceptions of general application to the prohibitions contained in this subsection.

(f) No mutual bank shall deposit any of its funds except with a depositary approved by vote of a majority of all trustees of the mutual bank, exclusive of any trustee who is an officer, partner, director, or trustee of the depositary so designated.

COMMENCEMENT OF OPERATION

SEC. 7. (a) No mutual bank may commence operations except upon approval by the Board, which shall not be granted prior to qualification by such mutual bank as an insured bank under the Federal Deposit Insurance Act. Any mutual bank may so qualify in the same general manner as is provided for a State nonmember bank under that Act. No mutual bank shall continue operations if it shall at any time cease to be so qualified.

(b) No mutual bank may commence operations until there shall have been advanced in cash to the credit of such mutual bank, as an expense fund, such sums as the Board may require. Any such sums so advanced shall be evidenced by transferable deferred payment certificates. Outstanding certificates may have such terms and be repaid pro rata in such installments, and shall be entitled to receive interest at such rate, as may be approved by the Board.

RESERVE FUND

SEC. 8. (a) Prior to authorizing the issuance of a charter for a mutual bank, the Board shall require that there be advanced in cash to the credit of such mutual bank not less than $50,000, which shall constitute the initial reserve fund. All sums so advanced as the initial reserve fund shall be evidenced by transferable deferred payment certificates. Outstanding certificates may have such terms and may be repaid pro rata in such installments, and shall be entitled to receive interest at such rate, as may be approved by the Board.

(b) As soon as practicable following the close of each of its first ten fiscal years, each mutual bank shall credit to the reserve fund an amount not less than 10 per centum of its net earnings before interest for such preceding fiscal year and at the close of each fiscal year following the first ten fiscal years shall credit to the reserve fund such proportion of its net earnings for such preceding fiscal year, not exceeding 10 per centum, as the Board may by regulation prescribe; except that credits to the reserve fund shall be required only when the reserve fund shall not equal 12 per centum of deposit liabilities. A mutual bank may credit such further amounts to the reserve fund as it may determine.

(c) The reserve fund of an operating mutual bank shall be available only for the purpose of meeting losses.

BORROWING

SEC. 9. A mutual bank may borrow funds subject to such regulations as the Board may prescribe.

DEPOSITS

SEC. 10. (a) A mutual bank may accept any savings deposit and may issue a passbook or other evidence of its obligation to repay any such savings deposit.

(b) A mutual bank, subject to such regulations and restrictions as the Board finds to be necessary and proper, may accept deposits and issue its certificate of deposit therefor in units or denominations of one hundred dollars or multiples thereof for periods of not less than two years and agree to pay interest thereon at the rate, for the term and subject to the conditions specified on the face of such certificate.

(c) Each mutual bank may:

(1) reject any sums offered for deposit; and

(2) repay any deposit at any time.

(d) Except as otherwise provided in this Act, a mutual bank may pay interest on deposits from net earnings and undivided profits at such rates and at such intervals as shall be approved by its trustees.

(e) A mutual bank may at any time by resolution of its board of trustees require that up to ninety days' advance notice be given to it by each depositor before the withdrawal of any deposit or portion thereof; and whenever the board of trustees shall adopt such resolution, no deposit need be paid until the expiration of the notice period applicable thereto in accordance with such resolution. A mutual bank shall notify the Board in writing on the day of adoption of such resolution. Notwithstanding adoption of such resolution, a mutual bank may, in its discretion, permit withdrawal of all or any part of all deposits prior to the expiration of the notice period prescribed by such resolution. Any such resolution may be rescinded at any time.

(f) Whenever any mutual bank shall have been closed by action of its board of trustees or by the authority having supervision of such bank, as the case may be, on account of inability to meet the demands of its depositors, the Board shall appoint the Federal Deposit Insurance Corporation receiver for such closed mutual bank and the Federal Deposit Insurance Corporation shall accept appointment as receiver thereof. The Board and the Federal Deposit Insurance Corporation shall thereupon proceed to handle the affairs of the mutual bank in accordance with the provisions of the Federal Deposit Insurance Act applicable to a closed national bank.

(g) In order to prevent the closing of a mutual bank determined by the Federal Deposit Insurance Corporation to be in danger of closing, or in order to reopen a closed mutual bank, the Federal Deposit Insurance Corporation may exercise any or all of the authority conferred upon it by the provisions of section 13(c) of the Federal Deposit Insurance Act.

(h) The Federal Deposit Insurance Corporation, in its own right as receiver of a closed mutual bank, may exercise any or all authority conferred upon it in either capacity by the provisions of section 13(d) of the Federal Deposit Insurance Act.

(i) In order to facilitate the sale of the assets of an open or closed mutual bank to and assumption of its liabilities by another insured bank, as defined in the Federal Deposit Insurance Act, or to facilitate a merger or consolidation of a mutual bank with another insured bank, as so defined, the Federal Deposit Insurance Corporation may exercise any or all of the authority conferred upon it by the provisions of section 13(e) of the Federal Deposit Insurance Act, subject to the conditions therein expressed. Any mutual bank is authorized to contract for sales or loans and pledge any of its assets to secure loans effected pursuant to the provisions of such section.

INVESTMENTS

SEC. 11. A mutual bank may invest in the following: (1) Obligations of the United States and those for which the faith of the United States is pledged to provide for the payment of the interest and principal and obligations of any agency of the United States;

(2) Obligations of any State and those for which the faith of any State is pledged to provide for the payment of the interest and principal;

(3) Obligations issued by a city, village, town, or county in the United States or by a department, agency, district, authority, commission or other public body of the United States, or of any one or more States, but in so doing the mutual bank shall exercise the same degree of care and prudence that persons prompted by self-interest generally exercise in their own affairs;

(4) Any property improvement note issued pursuant to the provisions of title I of the National Housing Act; and other property improvement loans subject to such regulation as the Board may prescribe;

(5) Obligations of the Dominion of Canada or Provinces of the Dominion of Canada payable in United States funds;

(6) Bonds, notes, or other evidences of indebtedness which are secured by property registered and recorded first mortgages or deeds of trust upon legal property, including leasehold estates, if the security for the loan is a first lien upon the real property or leasehold estate, and subject to the following conditions:

(A) No investment in mortgages executed by any one mortgagor shall in the aggregate exceed 2 per centum of the assets of the mutual bank at the time the investment is made or $25,000, whichever is greater;

(B) No investment in any one mortgage shall exceed 2 per centum of the assets of the mutual bank at the time the investment is made, or $25,000, whichever is greater, or more than 80 per centum of the appraised value of a one- to four-family residence securing a conventional loan or more than 90 per centum of the appraised value of such a residence constructed within not more than ten years before the making of the loan, or more than 75 per centum of the appraised value of any other real property securing a conventional loan;

(C) No investment shall be made in a conventional loan secured by a mortgage on a one- to four-family residence unless the mortgaged property is located either within the State in which the mutual bank has its principal office or within a radius of one hundred miles of its principal office and unless the mortgage has a maturity of not longer than thirty years from the date the loan is made;

(D) No investment shall be made in a conventional loan if the aggregate unpaid principal of all conventional loans in which the mutual bank has invested exceeds 80 per centum of its assets at the time;

(E) A mutual bank may (i) participate with one or more financial institutions, trusts, or pension funds in any bond or note or other evidence of indebtedness secured by a mortgage or deed of trust which such mutual bank is authorized to invest in its own account: Provided, That the participating interest of such mutual bank is not subordinated or inferior to any other participating interest; and (ii) participate in the same securities with other than financial institutions, trusts, or pension funds: Provided, That the participating interest of such mutual bank is superior to the participating interests of such other participants;

(F) No investment shall be made in a mortgage upon a leasehold unless (i) the principal amount of the mortgage loan is not in excess of 70 per centum of the appraised value of the leasehold, and (ii) provision is made for complete amortization of the loan prior to the expiration of 80 per centum of the remainder of the term by periodic payments as the Board may prescribe; and

(G) Nothing contained in this paragraph (6) shall be deemed to prevent investment by a mutual bank in any bond, note, or other evidence of indebtedness which is guaranteed or insured by a Federal or State agency, or for which a commitment to guarantee or insure has been issued by a Federal or State agency;

(7) Bankers' acceptances eligible for purchase by Federal Reserve banks;

(8) Corporate securities, but in so doing the mutual bank shall exercise the same degree of care and prudence that persons prompted by self-interest generally exercise in their own affairs, and subject to the following further conditions:

(A) No mutual bank shall invest in any corporate obligation, other than pursuant to paragraph (10), that (i) will mature by its terms within one year from the date of issuance, or (ii) if issued or made in series, or repayable in installments, will have an average maturity as of the date of issuance of less than one year; and

(B) No mutual bank shall invest in stocks an amount greater than 5 per centum of its assets or 100 per centum of its reserve fund and undivided profits, whichever is the greater; and

(9) Obligations of a mutual bank or of a State-chartered mutual savings bank;

(10) Promissory notes of the following types:

(A) Any promissory note payable to the order of the mutual bank which is (i) secured by one or more mortgages in which a mutual bank may invest, if the amount so invested in any such note shall not exceed 90 per centum of the principal sum secured by such mortgage or mortgages. The assignment of every mortgage taken as security for any such note shall be recorded or registered in the office of the proper recording officer of the county in which the real property described in such mortgage is located, unless such mortgage or mortgages have been so assigned by a mutual bank; (ii) secured by any of the stocks and bonds in which a mutual bank may invest; or (iii) secured by a life insurance policy, to the extent of such policy's cash surrender value; and

(B) Any promissory note payable to the order of the mutual bank which is secured by the assignment of a deposit or share account in any thrift institution, if the amount of the investment in any such note is not in excess of the amount of such deposit or share account.

BRANCHES

SEC. 12. (a) A mutual bank may, with the approval of the Board, establish and operate one or more branches in the State in which its principal office is located, but only if and to the extent that any financial institution accepting funds from savers on deposit or share accounts and chartered by such State is authorized to establish and operate branches: *Provided*, That in any State where the law expressly prohibits branches or, in the absence of any such law, the establishment and operation of branches are not in conformity with the practice within the State, if the Board determines that chain, group or affiliated financial institutions operate within the State, a mutual bank may with the approval of the Board establish and operate one or more branches in the State.

(b) Before approving the establishment and operation of a branch office by a mutual bank, the Board shall make with respect thereto to the findings required prior to the granting of a charter to a mutual bank.

(c) Notwithstanding any provision of this Act, a mutual bank resulting from conversion, consolidation, or merger may retain and operate any one or more offices in operation on the date of such conversion, consolidation, or merger, and, in addition, may retain any and all unexercised branch rights or privileges enjoyed prior to such date, but only if such office is situated, or such branch right or privilege was exercisable, within the State in which the principal office is located.

CONVERSION

SEC. 13. (a) With the approval of the Board, and subject to all other provisions of this Act applicable to the chartering of a newly organized mutual bank, unless specifically excepted herein, any thrift institution other than a mutual bank may convert itself into a mutual bank upon the affirmative vote of not less than a majority of the votes cast by those entitled to vote upon the affairs of such thrift institution at a meeting duly called and held for that purpose, and shall thereupon possess the powers of and be subject to the duties imposed upon mutual banks under the provisions of this Act: *Provided*, That any such conversion shall not be in contravention of the laws under which the converting thrift institution is organized.

(b) The minimum requirements of twenty-one corporators and seven trustees prescribed by sections 4(a) and 6(a) shall not apply in the case of a thrift institution making application to convert to a mutual bank.

(c) Before approving any such conversion, the Board shall find that the thrift institution seeking conversion has the ability to discharge the duties and conform to the restrictions upon mutual banks and has previously so conformed to the extent required by the Board. However, such institution may retain and service all accounts lawfully held by it on the date of its conversion.

(d) Any mutual bank upon affirmative vote of a majority of its corporators may convert itself into any type of thrift institution organized pursuant to Federal law or the laws of the State in which its principal office is located, but any such conversion of a mutual bank shall be subject to requisite approval of any regulatory authority having jurisdiction over the creation of the thrift institution into which the mutual bank seeks to convert and no such conversion of a mutual bank shall take place unless under the law of the State in which such mutual bank is located the type of thrift institution into which the mutual bank is seeking to convert may, without approval by any State authority, convert into a mutual bank under limitations or conditions no more restrictive than those contained in this section with respect to the conversion of a mutual bank into such a thrift institution.

(e) Any conversion pursuant to this Act shall be subject to section 18(c) of the Federal Deposit Insurance Act.

MERGER AND CONSOLIDATION

SEC. 14. (a) (1) Subject to the provisions of section 18(c) of the Federal Deposit Insurance Act, any two or more mutual banks having their principal offices in the same State, or any one or more mutual banks and one or more State-chartered mutual savings banks having their principal offices in the same State, may (A) with the approval of the Board where the surviving or consolidated institution is a mutual bank or with the approval of the appropriate State authority where the surviving or consolidated institution is a State-chartered mutual savings bank, (B) upon the affirmative vote of not less than two-thirds of the corporators of each such mutual bank, and (C), where applicable, upon compliance with the procedure prescribed by the State, enter into an agreement of merger or consolidation. Thereafter the merger or consolidation shall be effective in accordance with the terms of such agreement.

(2) No mutual bank may participate in a merger or consolidation, when the surviving or consolidated institution is to be a State-chartered mutual savings bank, unless under the law of the State in which the mutual bank is located State-chartered mutual savings banks may participate without approval by any State authority, under limitations or conditions no more restrictive than those contained in this section, in a merger or consolidation in which the surviving or consolidated institution is to be a mutual bank.

(b) Before approving a merger or consolidation the Board shall give consideration to the purposes of this Act and the prospects of the surviving or consolidated mutual bank for financial success and its ability to discharge the duties and conform to the restrictions imposed upon a mutual bank.

(c) Upon such a consolidation or merger, the corporate existence of each of the constituent institutions shall be merged into and continued in the surviving or consolidated institution, which shall be deemed to be the same corporation as each of the constituent institutions.

(d) All rights, franchises, and property interests of the merged or consolidating mutual bank or banks or State-chartered mutual savings bank or banks shall be transferred to and vested in the surviving or consolidated institution by virtue of the merger or consolidation without the requirement under this Act of any deed or other instrument of transfer; and the surviving or consolidated institution shall be entitled to exercise all rights and privileges of the merged or consolidating mutual bank or banks, or the State-chartered mutual savings bank or banks, in accordance with the terms of the merger or consolidation agreement.

(e) The surviving or consolidated institution shall be responsible for all debts and obligations of the merged or consolidating mutual bank or banks or the State-chartered mutual savings bank or banks, in accordance with the terms of the merger or consolidation agreement.

GENERAL POWERS

SEC. 15. (a) For the purpose of carrying out its functions under this Act, a mutual bank—

(1) shall have indefinite succession;

(2) may adopt and use a seal;

(3) may sue and be sued;

(4) may adopt, amend, and repeal rules and regulations governing the manner in which its business may be conducted and the powers vested in it may be exercised;

(5) may make and carry out such contracts and agreements, provide such benefits to its personnel, and take such other action as it may deem necessary or desirable in the conduct of its business;

(6) may service mortgages for others;

(7) may appoint and fix the compensation of such officers, attorneys, and employees as may be desirable for the conduct of its business, define their authority and duties, require bonds of such of them as the trustees may designate and fix the penalties and pay the premiums on such bonds;

(8) may acquire by purchase or lease such real property or interest therein as the trustees may deem necessary or desirable for the conduct of its business, and sell, lease, or otherwise dispose of such real property or interest therein;

(9) shall have authority, notwithstanding any provision of this or any other Act or regulation, to exercise all the powers possessed now or hereafter by any mutual savings bank chartered by the State in which the mutual bank is located.

(b) In addition to powers expressly enumerated or defined herein, a mutual bank shall have power to do all things reasonably incident to the exercise of such powers.

ANNUAL REPORT

SEC. 16. The Board shall submit to the President for transmission to the Congress an annual report of its operation under this Act.

EXAMINATION

SEC. 17. The Board shall conduct an examination twice in each calendar year into the affairs and management of each mutual bank for the purpose of determining whether such bank is being operated in conformity with the provisions of this Act, any rules and regulations promulgated hereunder, and sound banking practice, but the Board, in the exercise of its discretion, may waive one such examination or cause such examinations to be made more frequently if considered necessary. The waiver of one such examination as above provided shall not be exercised more frequently than once during any two-year period. The Board may accept, for any year, in lieu of such examination of any mutual bank, an examination of the mutual bank in such year by the Federal Deposit Insurance Corporation. The expenses of the Board examination herein provided for shall be assessed by the Board upon mutual banks in proportion to their assets. The assessments may be made more frequently than annually at the discretion of the Board. The annual rate of assessment shall be the same for all mutual banks, except that mutual banks examined more frequently than twice in one calendar year shall in addition be assessed the expenses of the additional examinations.

TAXATION

SEC. 18. (a) No State shall impose or permit to be imposed any tax on such mutual banks or their franchise, deposits, assets, reserve funds, loans, or income greater than that imposed or permitted by such State on other similar local mutual or cooperative thrift or home financing institutions.

(b) No State other than the State of domicile shall impose or permit to be imposed any tax on franchises, deposits, assets, reserve funds, loans, or income of institutions chartered hereunder whose transactions within such State do not constitute doing business.

AUTHORITY TO APPOINT CONSERVATORS AND RECEIVERS

SEC. 19. (a) The Board may, in its discretion, take possession forthwith of the business and property of any mutual bank and appoint a conservator or receiver for such bank, whenever it shall appear that such bank—

(1) has violated any provision of this Act;

(2) is conducting its business in an unauthorized, unsound, or unsafe manner;

(3) is in an unsound or unsafe condition to transact its business;

(4) has neglected or refused upon proper demand to comply with the terms of any order, rule, or regulation of the Board; or

(5) has refused to submit its records and affairs for inspection by the Board or the Federal Deposit Insurance Corporation.

(b) The Board shall appoint only the Federal Deposit Insurance Corporation as receiver for any mutual bank.

(c) At any time within ten days after the Board has taken possession of the property and business of any mutual bank, any officer of such mutual bank may apply to the United States district court for the district in which the mutual bank has its principal office for an order requiring the Board to show cause why it should not be enjoined from continuing such possession and, if a conservator or receiver has been appointed, why such appointment should not be vacated; and the district court is hereby granted jurisdiction to hear such cause, to grant such injunction, to direct the Board to surrender such possession, to vacate such appointment, and to take such other action as is necessary or appropriate to carry out the purposes of this

section. Any such proceeding in the district court shall be given precedence over other cases pending therein, and shall be in every way expedited.

SEPARABILITY

SEC. 20. If any provision of this Act or the application of such provision to any person or circumstance shall be held invalid, the remainder of this Act and the application of such provision to any other person or circumstance shall not be affected thereby.

RIGHT TO AMEND

SEC. 21. The right to alter, amend, or repeal this Act is hereby expressly reserved.

The section-by-section analysis presented by Mr. SPARKMAN is as follows:

SECTION-BY-SECTION ANALYSIS OF THE FEDERAL MUTUAL SAVINGS BANK ACT

Section 1. Title: Federal Mutual Savings Bank Act.

Section 2. Declaration of policy: The purpose of establishing a system of Federal mutual savings banks is to promote thrift and use the accumulated savings for home financing and other investments.

Section 3. Definitions: The following terms are defined: "Board," "conventional loan," "doing business," "financial institutions," "mutual bank," "State," "State of domicile," and "thrift institution." "Thrift institution" includes mutual savings banks and mutual savings and loan associations. "Financial institution" includes thrift institutions as so defined, commercial banks, trust companies, and insurance companies.

Section 4. Chartering of mutual banks: Five signatories from 21 or more individual corporators may apply for a charter from the Federal Home Loan Bank Board. To issue a charter, the board must find the mutual bank will serve a useful purpose in the community, have reasonable expectation of financial success, and not unduly injure thrift institutions or commercial banks accepting savings deposits. Mutual banks must have the words Federal, mutual, and savings in their titles. Each must join the Federal home loan bank system.

Section 5. Corporators: Qualifications for corporators, who select trustees for their mutual bank, and their method of procedure, are prescribed. They are chosen for staggered terms of 10 years.

Section 6. Trustees: Qualifications for trustees of a mutual bank, who manage and control affairs of the mutual bank, are prescribed. The board numbers from 7 to 25. Restrictions against self-dealing are imposed. Trustees are elected by corporators for staggered terms of 3 years.

Section 7. Commencement of operation: Mutual banks must qualify for and maintain Federal Deposit Insurance Corporation insurance of deposits to commence or continue operations. Before opening, a mutual bank must have a cash expense fund in the amount required by the Board. Contributions to the fund will be evidenced by transferable deferred payment certificates.

Section 8. Reserve fund: Before obtaining a charter, a mutual bank must also have a cash initial reserve fund of $50,000 or more as fixed by the Board. Contributions to this fund will also be evidenced by transferable deferred payment certificates. For the first 10 years each mutual bank must place in its reserve fund at least 10 percent of net earnings before interest. Thereafter the percentage shall be fixed by the Board, not over 10 percent. The reserve fund need not be built higher than 12 percent of deposits. The reserve fund is usable only to meet losses.

Section 9. Borrowing: A mutual bank may borrow subject to Board regulations.

Section 10. Deposits: A mutual bank may accept or reject deposits and repay them any time. It may use a passbook or other evidence of its obligation to the depositor. It may issue certificates of deposit for 2 or more years in hundred dollar multiples and agree to pay interest at the rate specified in the certificate. It may pay interest on deposits from net earnings and undivided profits as approved by the trustees. It may invoke a 90-day advance notice of withdrawal. Any closed or weak mutual bank may be treated as specified in the Federal Deposit Insurance Act.

Section 11. Investments: A mutual bank may invest in Federal obligations, municipal securities, property improvement loans insured by FHA under its Title I or subject to Board regulation, Canadian Dominion or Provincial obligations payable in U.S. dollars, bankers' acceptances, corporate securities under the prudent man rule plus stated restrictions, mutual savings bank obligations, certain promissory notes, and first mortgage loans on real property under specified restrictions on class of loan, maturity, geographical limits and loan-to-value ratio. A mutual bank may participate in mortgage loans subject to requirements as to equality or priority of lien.

Section 12. Branches: With Board approval, a mutual bank may establish branches in the State of its principal office only to the extent any State-chartered financial institution can, or in chain or group banking States that otherwise permit no branch banking. The Board must first make the findings required for issuing a mutual bank charter. A mutual bank resulting from conversion or consolidation may retain all existing offices and unexercised branch rights within the State of its principal office.

Section 13. Conversion: With Board approval and subject to new charter provisions, any thrift institution may convert into a mutual bank, under the specified procedure. Such conversion cannot contravene laws of the State under which the converting institution is organized. Minimum requirements for corporators and trustees need not apply to converted institutions. To approve conversion the Board must find the converting institution can perform the duties of and meet the restrictions on, mutual banks. A converted mutual bank may retain all accounts lawful on the date of conversion.

A mutual bank may convert into any thrift institution, with approval of the authority regulating the resulting institution. Before a mutual bank can convert to a State-chartered thrift institution, the State must allow conversion in the opposite direction on no more restrictive terms. Conversion is subject to FDIC controls under section 18(c) of the Federal Deposit Insurance Act.

Section 14. Merger and consolidation: Mutual banks may merge or consolidate with each other or with State-chartered mutual savings banks in the same State (with State approval if the resulting mutual savings bank is State-chartered). The law of the State must allow State-chartered mutual savings banks to merge or consolidate with a mutual bank without State approval, before a mutual bank can merge or consolidate with a resulting State-chartered mutual savings bank. Before approving, the Board must consider the purposes of this act, the prospects of financial success and ability to perform duties and meet restrictions of a mutual bank. The corporate existence of all institutions taking part in a consolidation or merger is continued in the survivor, and all rights and obligations are automatically transferred.

Section 15. General powers: A mutual bank is expressly given general operational powers by this section. It also may exercise all powers possessed now or hereafter by mutual savings banks chartered by the State in which the mutual bank is located. A mutual bank is also given powers reasonably incident to the exercise of express powers.

Section 16. Annual report: The Board must submit an annual report to the President for transmission to the Congress.

Section 17. Examination: The Board must examine each mutual bank at least three times every 2 years, but may accept FDIC examinations instead. Expenses of examinations are to be assessed upon mutual banks in proportion to assets under a uniform annual rate, but additional examinations over two a year may be assessed against the mutual bank so examined.

Section 18. Taxation: No State shall tax mutual banks higher than they do similar local mutual or cooperative thrift or home financing institutions. No State other than the State of domicile shall tax mutual banks for transactions within the State that do not constitute doing business.

Section 19. Authority to appoint conservators and receivers: The Board may take over a mutual bank and name a conservator or receiver for any of the reasons listed in this section. It shall name only the FDIC as receiver. Within 10 days after takeover, any mutual bank officer may apply to the proper U.S. district court for an order to the Board to show cause why it should not be enjoined from continuing in possession. The court is empowered to vacate the appointment of a conservator or receiver if warranted. The court proceedings are entitled to precedence over other pending cases.

Section 20. Separability: If any provision of the act or its application to any person or circumstance is held invalid, the rest of the act and its application to other persons or circumstances is not affected by that fact.

Section 21. Right to Amend: The right to alter, amend, or repeal the act is expressly reserved.

Mr. BUSH. Mr. President, I am pleased to join my friend, the distinguished Senator from Alabama [Mr. SPARKMAN], in introducing a bill to authorize Federal mutual savings banks. For well over a century mutual savings banks have enjoyed an enviable and well-deserved reputation for public service and safety in my State of Connecticut and in other States where they provide service. Mutual savings banks were first established in the United States in 1816. The first mutual savings bank in Connecticut was organized in 1819 and is still operating successfully. Mutual savings banks now total 515 in number, of which 71 are located in my State of Connecticut. On the boards of trustees that guide the operations of mutual savings banks are found outstanding citizens of their communities. Mutual savings banks are located in 17 States in this Nation. All presently operate under charters issued by the respective States in which they operate.

Enactment of the bill we are introducing today will make it possible for mutual savings banks to operate in any State in this Nation, provided the qualifications for organization and operation are met.

Commercial banking operates under a dual system of Federal charters for National banks and State charters for State banks. Credit unions have the opportunity to organize under either Federal or State charters. Savings and loan associations enjoy the privilege of organizing under State charter or seeking a Federal charter from the Federal Home Loan Bank Board.

Our bill would remove the discrimination in this respect that now exists against the $42 billion mutual savings

banking industry by authorizing mutual savings banks also to seek Federal charters from the Federal Home Loan Bank Board. By this process, mutual savings banks could extend their location to States in which they presently cannot organize. The residents of these States would then have an opportunity to enjoy the benefits of local mutual savings banking.

On July 1, 1960, I introduced an earlier version of a bill—S. 3796, 86th Congress—to authorize Federal charters for mutual savings banks.

Meanwhile many private and governmental groups have studied its provisions. I note with satisfaction that the idea of Federal charters for mutual savings banks has had the benefit of considered study by the Commission on Money and Credit, a carefully selected group of members having broad, practical economic experience. This Commission operated under the chairmanship of a very capable gentleman from Connecticut, Mr. Frazar B. Wilde, who is chairman of the Connecticut General Life Insurance Co. The Commission in its June 1961 report recommended that Federal charters be made available for mutual savings banks. I believe that the Congress should give great weight to that objective recommendation of such a committee of private citizens that includes many who are expert in the field of banking and finance.

Under the presidency of my friend, Samuel W. Hawley, of Bridgeport, Conn., the National Association of Mutual Savings Banks has performed a most helpful service in collecting and evaluating the results of studies of S. 3796. The revision of the bill we are introducing today reflects many worthwhile suggestions made as a result of these studies. I think it most appropriate that the bill as so revised be introduced before the present session of the Congress ends, so that further careful study can be given to those provisions that presently seem to represent the best thought of the mutual savings banking industry and other knowledgeable groups that have taken the time to consider this idea. At an appropriate time during the next session of the 87th Congress, our bill will be ready for further congressional action. Enactment of a bill along these lines would bring to a logical state of development the dual banking system in the United States.

I commend this bill to the attention of my colleagues and others who may be interested in extending the field of public service rendered by the financial institutions of this country.

EXTENSION OF SALINE WATER CONVERSION PROGRAM—CONFERENCE REPORT

Mr. BIBLE. Mr. President, will the Senator yield so that I may call up a conference report?

Mr. McNAMARA. I will yield to the Senator with the understanding that I shall not lose my right to the floor.

The PRESIDING OFFICER (Mr. Boggs in the chair). Is there objection to the request of the Senator from Michigan? The Chair hears none and it is so ordered.

Mr. BIBLE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7916) to expand and extend the saline water conversion program being conducted by the Secretary of the Interior. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. Boggs in the chair). The report will be read for the information of the Senate.

The report was read, as follows:

CONFERENCE REPORT (H. REPT. No. 1158)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7916) to expand and extend the saline water conversion program being conducted by the Secretary of the Interior, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate, and agree to the same with an amendment as follows:

"In lieu of the language inserted by the Senate amendment insert the following:

"That the Act of July 3, 1952 (66 Stat. 328), as amended (42 U.S.C. 1951–1958), is further amended to read as follows:

"'SECTION 1. In view of the increasing shortage of usable surface and ground water in many parts of the Nation and the importance of finding new sources of supply to meet its present and future water needs, it is the policy of the Congress to provide for the development of practicable low-cost means for the large-scale production of water of a quality suitable for municipal, industrial, agricultural, and other beneficial consumptive uses from saline water, and for studies and research related thereto. As used in this Act, the term "saline water" includes sea water, brackish water, and other mineralized or chemically charged water, and the term "United States" extends to and includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

"'SEC. 2. In order to accomplish the purposes of this Act, the Secretary of the Interior shall—

"'(a) conduct, encourage, and promote fundamental scientific research and basic studies to develop the best and most economical processes and methods for converting saline water into water suitable for beneficial consumptive purposes;

"'(b) conduct engineering research and technical development work to determine, by laboratory and pilot plant testing, the results of the research and studies aforesaid in order to develop processes and plant designs to the point where they can be demonstrated on a large and practical scale;

"'(c) recommend to the Congress from time to time authorization for construction and operation, or for participation in the construction and operation, of a demonstration plant for any process which he determines, on the basis of subsections (a) and (b) above, has great promise of accomplishing the purposes of this Act, such recommendation to be accompanied by a report on the size, location, and cost of the proposed plant and the engineering and economic details with respect thereto;

"'(d) study methods for the recovery and marketing of commercially valuable byproducts resulting from the conversion of saline water; and

"'(e) undertake economic studies and surveys to determine present and prospective costs of producing water for beneficial consumptive purposes in various parts of the United States by the leading saline water processes as compared with other standard methods.

"'SEC. 3. In carrying out his functions under section 2 of this Act, the Secretary may—

"'(a) acquire the services of chemists, physicists, engineers, and other personnel by contract or otherwise;

"'(b) enter into contracts with educational institutions, scientific organizations, and industrial and engineering firms;

"'(c) make research and training grants;

"'(d) utilize the facilities of Federal scientific laboratories;

"'(e) establish and operate necessary facilities and test sites at which to carry on the continuous research, testing, development, and programing necessary to effectuate the purposes of this Act;

"'(f) acquire secret processes, technical data, inventions, patent applications, patents, licenses, land and interests in land (including water rights), plants and facilities, and other property or rights by purchase, license, lease, or donation;

"'(g) assemble and maintain pertinent and current scientific literature, both domestic and foreign, and issue bibliographical data with respect thereto;

"'(h) cause on-site inspections to be made of promising projects, domestic and foreign, and, in the case of projects located in the United States, cooperate and participate in their development in instances in which the purposes of this Act shall be served thereby;

"'(i) foster and participate in regional, national, and international conferences relating to saline water conversion:

"'(j) coordinate, correlate, and publish information with a view to advancing the development of low-cost saline water conversion projects; and

"'(k) cooperate with other Federal departments and agencies, with State and local departments, agencies, and instrumentalities, and with interested persons, firms, institutions, and organizations.

"'SEC. 4. (a) Research and development activities undertaken by the Secretary shall be coordinated or conducted jointly with the Department of Defense to the end that developments under this Act which are primarily of a civil nature will contribute to the defense of the Nation and that developments which are primarily of a military nature will, to the greatest practicable extent compatible with military and security requirements, be available to advance the purposes of this Act and to strengthen the civil economy of the Nation. The fullest cooperation by and with Atomic Energy Commission, the Department of Health, Education, and Welfare, the Department of State, and other concerned agencies shall also be carried out in the interest of achieving the objectives of this Act.

"'(b) All research within the United States contracted for, sponsored, cosponsored, or authorized under authority of this Act, shall be provided for in such manner that all information, uses, products, processes, patents, and other developments resulting from such research developed by Government expenditure will (with such exceptions and limitations, if any, as the Secretary may find to be necessary in the interest of national defense) be available to the general public. This subsection shall not be construed as to deprive the owner of any background patent relating thereto of such rights as he may have thereunder.

"'SEC. 5. (a) The Secretary may dispose of water and byproducts resulting from his operations under this Act. All moneys received from dispositions under this section shall be paid into the Treasury as miscellaneous receipts.

"'(b) Nothing in this Act shall be construed to alter existing law with respect to the ownership and control of water.

"'SEC. 6. The Secretary shall make reports to the President and the Congress at the beginning of each regular session of the action taken or instituted by him under the provisions of this Act and of prospective action during the ensuing year.

"'SEC. 7. The Secretary of the Interior may issue rules and regulations to effectuate the purposes of this Act.

"'SEC. 8. There are authorized to be appropriated such sums, to remain available until expended, as may be necessary, but not more than $75,000,000 in all, (a) to carry out the provisions of this Act during the fiscal years 1962 to 1967, inclusive; (b) to finance, for not more than two years beyond the end of said period, such grants, contracts, cooperative agreements, and studies as may theretofore have been undertaken pursuant to this Act; and (c) to finance, for not more than three years beyond the end of said period, such activities as are required to correlate, coordinate, and round out the results of studies and research undertaken pursuant to this Act: *Provided*, That funds available in any one year for research and development may, subject to the approval of the Secretary of State to assure that such activities are consistent with the foreign policy objectives of the United States, be expended in cooperation with public or private agencies in foreign countries in the development of processes useful to the program in the United States: *And provided further*, That every such contract or agreement made with any public or private agency in a foreign country shall contain provisions effective to insure that the results or information developed in connection therewith shall be available without cost to the United States for the use of the United States throughout the world and for the use of the general public within the United States.'

"SEC. 2. Section 4 of the joint resolution of September 2, 1958 (72 Stat. 1707; 42 U.S.C. 1958 (d)), is hereby amended to read:

"'The authority of the Secretary of the Interior under this joint resolution to construct, operate, and maintain demonstration plants shall terminate upon the expiration of twelve years after the date on which this joint resolution is approved. Upon the expiration of a period deemed adequate for demonstration purposes for each plant, but not to exceed such twelve-year period, the Secretary shall proceed as promptly as practicable to dispose of any plants so constructed by sale to the highest bidder, or as may otherwise be directed by Act of Congress. Upon such sale, there shall be returned to any State or public agency which has contributed financial assistance under section 3 of this joint resolution a proper share of the net proceeds of the sale.'"

HENRY M. JACKSON,
ALAN BIBLE,
JOHN A. CARROLL,
THOMAS H. KUCHEL,
GORDON ALLOTT,
Managers on the Part of the Senate.

WAYNE N. ASPINALL,
LEO W. O'BRIEN,
WALTER ROGERS,
JOHN P. SAYLOR,
CRAIG HOSMER,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. BIBLE. Mr. President, on August 31, the Senate debated and amended S. 2156, the saline water bill, sponsored by the distinguished chairman of the Senate Interior and Insular Affairs Committee [Mr. ANDERSON] and 17 other Senators from both sides of the aisle. After the third reading of S. 2156, the Senate took up the House measure, H.R. 7916, which had passed the House subsequent to the reporting by the Interior and Insular Affairs Committee of the Senate bill. The Senate struck out all after the enacting clause in H.R. 7916 and in lieu thereof inserted the text of the Senate bill as amended.

The House and Senate conferees on H.R. 7916, as amended by the Senate, met and after a full discussion reached an agreement.

The conference report was signed by all members of the conference. The principal provisions upon which the two Houses had differed and upon which agreement was reached by the conferees are as follows:

One. Appropriations of $75 million over a 6-year period are authorized for the research and development program. The House originally had authorized $50 million for a 5-year period, while the Senate had followed the recommendation of the Secretary of the Interior and had authorized $100 million over a 10-year period.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. BIBLE. I am happy to yield to the distinguished Senator from South Dakota, one of the outstanding leaders in the field of salt water conversion.

Mr. CASE of South Dakota. I am glad to note the report is a unanimous report on the part of the conferees. I have a couple of questions to ask the senior member of the conferees with respect to the provisions he has mentioned.

With respect to the change in the amount of authorization, as I understand, the research program is to be put upon a 6-year basis, and the amount to be available or authorized for appropriation is to be $75 million, which is half way between the $50 million originally proposed by the House and the $100 million proposed by the Senate.

Mr. BIBLE. That is true so far as the amount is concerned. Actually, the time was shortened. The Senate version, as the Senator will recall, authorized $100 million over a period of 10 years. The House version was $50 million over a period of 5 years. In the conference, we compromised between the $100 million and the $50 million, by providing $75 million, but we shortened the period of time for carrying out the program. I think we were in agreement completely on the point that the saline water conversion program should be accelerated, particularly on research in basic and applied sciences.

Mr. CASE of South Dakota. The language agreed to by the conferees would permit that. Does the language also provide that the research program may be continued 2 years, or that the appropriation will be available for an additional 2-year period of time?

Mr. BIBLE. The program could continue for an additional 2 years to permit fulfillment of contracts entered into during the 6-year period.

Mr. CASE of South Dakota. If a project is getting underway, or is midway, there will be 2 additional years in which to complete it?

Mr. BIBLE. The Senator is correct. That is for the purpose of completing contracts. I wish to make the RECORD clear.

Mr. CASE of South Dakota. That refers to contracts made within the period of 6 years.

Mr. BIBLE. There would be an additional 2-year period permitted for the purpose of completing such contracts.

Mr. CASE of South Dakota. Under that program will it be possible for the Department of the Interior, Office of Saline Water, to contract with municipalities for a part of that research program?

Mr. BIBLE. I should think that is abundantly clear. I invite the attention of the Senate to section 3 of the bill, which was unchanged in the conference. Section 3 of the bill provides that the Secretary of the Interior may cooperate "with other Federal departments and agencies, with State and local departments, agencies and instrumentalities." I think that language makes it abundantly clear that cooperation with the agencies mentioned, including municipalities, would come under the specific authorization.

Mr. CASE of South Dakota. Mr. President, I think the language is broad enough to cover that. I have asked these questions for the purpose of establishing the understanding of the senior Senator from Nevada as chairman of the conferees in this regard. I think it is a part of the legislative history, and it will make the record abundantly clear.

Mr. BIBLE. I may say that the House managers concur in this understanding of the provision. There was no difference between the Senate and the House versions as to the language I have read.

Mr. CASE of South Dakota. The Senator has referred to the deletion of the section in the Senate bill which would have authorized a special demonstration plant construction program.

Mr. BIBLE. Yes.

Mr. CASE of South Dakota. The Senator from Nevada has called attention to the extension of time in the basic Demonstration Plant Act, which is the act of September 2, 1958. I have a copy of that act before me. It provides authority for the construction, operation, and maintenance of not less than five demonstration plants.

The act went on to specify that not less than three should be designed for the conversion of sea waters and not less than two plants should be designed for the treatment of brackish waters.

Can the Senator state for the RECORD what balance there may be in the authorization of appropriations under the 1958 act which would be available during the period of the operation of the act, which was extended by the conference, as I understand, from the original 7 to 12 years?

Mr. BIBLE. Yes, we amended the 1958 act by extending it, as the Senator has pointed out, from 7 years to 12 years. The last section of the 1958 act provided for an authorization of $10 million. During the hearings on the Senate bill, the committee was advised that today approximately $7 million of this authorization has been appropriated, so there still is a remaining authorization of $3 million under the 1958 act.

Mr. CASE of South Dakota. The Senator has referred to $7 million as having been appropriated. I assume that amount is essentially obligated?

Mr. BIBLE. I think it is by straight appropriation. I understand most of it has been obligated.

Mr. CASE of South Dakota. So there remains approximately a $3 million authorization for appropriations which could be obligated subsequently during the extended period?

Mr. BIBLE. The Senator has stated my own understanding of the situation. There is substantially $3 million remaining of the original authorization of $10 million for construction of demonstration plants. This $3 million has not yet been appropriated; we extended the authorization.

Mr. CASE of South Dakota. Did the conferees make any recommendation or give any indication of their intent with respect to whether or not the amount available for appropriation should be devoted to the conversion of sea water or the treatment of brackish water, or were they silent in that respect?

Mr. BIBLE. We did not specifically deal with that point, because, as the Senator from South Dakota knows, during debate in the Senate on the measure we incorporated an amendment which he offered on the floor of the Senate to define saline water in rather broad language to include salt water, brackish water, and other mineralized or chemically charged water. The term "saline water" is carried throughout the act and reads back to the definition, which is a rather all-embracing definition.

Mr. CASE of South Dakota. The Senator from South Dakota is satisfied with the explanation. In view of the fact that the basic 1958 act authorizing the demonstration plants specified that not less than three plants should be devoted to the conversion of sea water and not less than two plants for the treatment of brackish water, and both those requirements have been met in the plants already designated, it is satisfactory to the Senator from South Dakota that, with the definition which embraces brackish water as well as ocean water, the determination of the greatest need for additional demonstration plants be left to the administrators of the act, and I have no objection on that point.

I merely want to bring out that the possibility exists, and I assume that the Senator will agree with me that the responsibility would rest with the Secretary of the Interior to determine where the greatest benefit could be achieved in placing additional demonstration plants.

Mr. BIBLE. The Senator is correct. The Administrator is charged with that responsibility. Of course, the Secretary of the Interior has established an Office of Saline Water in the Department of the Interior, with which the Senator from South Dakota is very familiar.

Mr. CASE of South Dakota. Mr. President, in conclusion, I wish to say to the distinguished Senator from Nevada that I think that we, as Members of Congress, and the people of the country as a whole are indebted to him and his coworkers on the committee and in the conference for presenting a good, workable bill in the conference report. I hope progress in the years ahead can be as significant to the country as the progress that has already been made.

Mr. BIBLE. I thank the Senator. I share his hope that we may have even greater acceleration of the program in the future.

Mr. MONRONEY. I join the Senator from South Dakota in complimenting the acting committee chairman who was charged with the handling of the bill, the senior Senator from Nevada, for achieving a very excellent result in the conference with the House. The bill was funded with only about $50 million when it came from the House and was limited to a 5-year period, and the Senate agreed to an amendment, of which I was the sponsor, increasing the program to $100 million for a period of 10 years.

I believe that with all the problems in arriving at an adequate compromise, the members of the committee have protected as well as possible the principal purpose of the Monroney amendment. The main purpose of the amendment was to accelerate the program as rapidly as humanly possible because of the great impact which we could achieve if we were able to unlock the secret of turning sea water into fresh water for human use and for the production of an adequate supply of food for hundreds of millions of people who live near the sea.

I should again like to ask the distinguished Senator whether the Appropriations Committees would be free to provide any portion of the $75 million which is authorized for research at any stage, rather than providing an equal amount for each year of the 6-year period. I would not like to see the program dragged out on a basis of equal annual appropriations in each of the 6 years.

It seems to me that the faster we can get the great scientific minds of America working to improve our already developing systems, the sooner we shall be able to say to the world that the genius of America has made this great contribution to science for life instead of science for death.

The program will have far greater impact on the minds of the people of the developing nations of the world than anything that we could do in outer space or in development of missiles.

If the conference report provides for acceleration beyond the 6-year average, which I understand it does, I think the conference committee has created a very satisfactory arrangement to move the program forward at an accelerated rate.

Mr. BIBLE. Mr. President, I respond to my distinguished friend from Oklahoma in much the same manner as I did when we discussed the same question at the time the bill was under debate in the Senate.

The Senate committee report makes abundantly clear that there is no intention to limit funds for the program on an annual basis by dividing the amount which was at that time in the bill, $100 million, by 10, or $75 million by 10, so that an equal amount would be spent each year. I think we made abundantly clear in the Senate report and I am of the impression—I have asked the staff to check it out—that there was a similar provision in the House report on the question of the flexibility and size of the program. We specifically so stated in our report. That is also my analysis of the bill as it comes to us from the conference. There is no intention of limiting any annual appropriation to a pro rata share of the total.

In a program involving a fast-moving science and technology, funds should be available to take advantage of the promising opportunities offered. That provision was written into the Senate report on the problem of the size of the program and the need for its acceleration.

I share the hope of the Senator from Oklahoma. That was one of the reasons why we shortened the program from a 10-year program to a 6-year program. We wished to score some breakthroughs, if possible, in the field of basic research and applied research, because it is in those fields that the real impetus must be given.

I think that the Senator from Oklahoma, as a member of the Committee on Appropriations, will realize that justification may be made for, say, a $20-million program in the first year of operation. The provision is not written into the bill. I do not want to mislead the Senator from Oklahoma. But I think the legislative history is very clear that the expenditures could be $20 million the first year, $20 million the second year, possibly $10 million the third year, and possibly $10 million the fourth year, or any other combination that developments might merit. There is no intention to limit the expenditures to equal annual amounts.

Mr. MONRONEY. I am very glad to have this bit of legislative history in the RECORD. What has been said, and what is contained in the original report, shows the great advantage of acceleration.

I would like to again raise another matter which perhaps is a little beyond the jurisdiction of the committee. As we develop these pilot plants, which are already beginning to prove an economical source of municipal water supply for human consumption, there is no limitation in the bill which would prevent the foreign aid agency from using its own funds to establish demonstration plants in extremely arid parts of the world, where water for human consumption is so desperately needed. In countries where starvation is a daily experience, because of the lack of food or lack of water, we could build pilot plants in order to demonstrate the progress that I feel will be made by our technicians.

Mr. BIBLE. In responding to the Senator from Oklahoma—again I do not want to mislead him in the slightest—title III of the bill as it came from the Senate, which was the title to which the Senator from Oklahoma has alluded, was deleted in conference.

This was a provision which was drafted by the administration and submitted to the committee. It was retained in the Senate version. There was considerable discussion on it during debate in the Senate. The bill as it comes from the conference does not contain that title.

That is, the open-end appropriation authorization for large-scale demonstration plants was deleted, and is therefore no longer in the bill. The thinking was that the great need today is in the field of basic and applied research, not in the need for more demonstration plants. There was a conviction on the part of many of the conferees that private industry was ready, willing, and able to construct operating plants.

I say to the Senator from Oklahoma that I feel section 8 of both the House and Senate versions of the bill, which was retained in the conference measure, states that there is hereby authorized appropriation of certain sums of money—$75 million for a period of 6 years, "*Provided*, That the funds available in any one year for research and development may, subject to the approval of the Secretary of State to assure that such activities are consistent with the foreign policy objectives of the United States, be expended in cooperation with public or private agencies in foreign countries in the development of processes useful to the program in the United States."

I take this to mean, in view of the fact that it is retained in the context of the research and development program, that expenditure of funds authorized by the bill is limited to developing processes in basic and applied research. I do not want to indicate that the bill now before the Senate provides authorization for construction of demonstration plants overseas with Federal funds made available by this program.

Mr. MONRONEY. The Senator and I are in agreement on this point. I did not mean to indicate that there are any funds authorized in this bill that would be available for such an operation. What I am saying is that as the virtues of this operation become apparent in this country, there is no limitation in the bill which would prohibit the use of foreign aid funds for certain demonstration projects, provided they were funded and authorized by the foreign aid bill.

Mr. BIBLE. The Senator's statement is correct. The point is that funds authorized by this particular measure for this particular program could not be used for construction of demonstration plants in foreign countries.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. BIBLE. I yield.

Mr. CASE of South Dakota. I should like to see this statement clarified a little. I have every desire that the foreign aid funds shall be used for the best benefits that can be derived from whatever expenditure we are making under the authority of the Foreign Aid Act; and, in my judgment, no better use could be made of those funds in many places in the world than by assisting in the development of a good water supply. A water supply is basic in any foreign aid development of improvement. I believe that foreign aid funds can be logically used for that purpose.

Also, I hope that the processes that we might develop here might give some guidance to those who expend the foreign aid funds. However, it is my understanding—and I should like to have a positive statement on it by the distinguished chairman of the conference committee—that, having deleted the section in the bill which authorized a new program of demonstration plants in the United States that funds in the bill and the $3 million balance out of the 1958 act would not be used to establish demonstration plants in other countries.

Mr. BIBLE. I think that is a correct statement. I do not believe we can use these funds for the development of demonstration plants in foreign countries.

Mr. MONRONEY. I agree with both of my colleagues. What I am trying to say is that the limitation on demonstration plants in the United States does not exclude the construction of plants which are otherwise eligible under the Foreign Aid Act, if they are funded under the Foreign Aid Act. Whatever technology develops from this program would be useful if interchanged; provided that no funds would be allowed to be transferred from this program to the foreign aid program, but plants would have to be funded by the foreign aid program. If it were eligible under that program, it would seem to me that we would be wise in trying two or three of these plants at strategic points of the world where it would do the most good in America's search for these secrets.

Let us take, for example, the area of the Sahara Desert where the problem of Algeria threatens the stability of the Republic of France. In that area has been discovered one of the world's largest fields of methane gas. There is no use for this gas. It cannot be bottled. It cannot be piped under the Mediterranean. Yet it might serve as the fuel which would make this process practical and produce fresh water comparable to surface water. It could accomplish a great deal in our effort to demonstrate America's scientific competence. Even though in the United States the high fuel cost of such a project would not make it possible to consider it an economical project, over there, with water so scarce, we might find it possible to use this gas for this purpose.

Mr. BIBLE. I thank the Senator.

Mr. President, I believe I can finish my presentation of the conference report in 2 or 3 minutes. First, I wish to read an additional statement from the report of the managers on the part of the House of Representatives:

The Department would have flexibility in the use of these funds in that no year-by-year limitation is intended. So both the Senate and the House have nailed that point down.

Now, as to the second major point of difference between the House and Senate bills. As has been made clear, the open-end appropriation authorization for large-scale demonstration plants, which the Senate had approved upon the recommendation of the Department of Interior, was deleted. Instead, the current authorization for construction and operation of such plants provided for in the joint resolution of 1958 was extended from the 7 years provided in the 1958 resolution to 12 years. No increase in appropriation authorization for construction and operation of demonstration plants was provided. The majority of the conferees were of the opinion that private industry is willing and able to construct and operate such plants.

The third point also has been discussed. Title III of the Senate bill as amended, which authorized technical and financial assistance to foreign nations for establishing saline water conversion plants in their countries, was deleted by the conferees. This provision had been in the draft of legislation submitted by the administration, and was adopted by the Senate. Since provision for construction and operation of demonstration plants in the United States was dropped from the legislation, the conferees did not believe that public funds should be used to assist foreign nations to construct and operate such plants in their countries.

The fourth point is the acceptance in its entirety of the Senate's patent provision. This provision insures that the results of research and developmental activity into saline water conversion undertaken by use of Federal funds, whether in the United States or a foreign country, shall be available to the general public. Included in the patent provision is protection for the owner of any background patent and the Secretary is authorized to make exceptions to the general rule in the interest of national defense.

Mr. President, the Senate conferees are convinced that the agreement reached between the managers on the part of the House and those of the Senate is a fair and reasonable compromise of the differences between the two Houses. The resulting measure is, in our opinion, a strong bill, and one that will accomplish the purposes of the legislation. Again I point out that the report was signed by each of the House and Senate conferees.

I move acceptance of the conference report on the part of the Senate.

The PRESIDING OFFICER (Mr. BOGGS in the chair). The question is on agreeing to the conference report.

The report was agreed to.

ORDER OF BUSINESS

Mr. METCALF. Mr. President, will the Senator yield to me so that I may make a statement, with the understanding that the Senator will not lose his right to the floor?

Mr. CASE of New Jersey. Mr. President, reserving the right to object——

Mr. McNAMARA. Mr. President, I shall be glad to yield if there is no objection.

Mr. CASE of New Jersey. Mr. President, reserving the right to object, I wonder if I may inquire as to the intention of my distinguished and beloved colleagues, as to how long they intend to occupy the floor tonight.

Mr. McNAMARA. I shall refer that question to the majority leader. I have no way of knowing. I am sure the majority leader has something in mind.

Mr. President, I ask unanimous consent that I may do so without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. All I can say is that I hope it will be possible for the Senate to adjourn some time between 8 and 8:30 p.m. I think that is a reasonable time.

Mr. CASE of New Jersey. It is not too early.

Mr. MANSFIELD. No.

Mr. McNAMARA. The Senator from Michigan is very happy to go along with the suggestion of the Senator from Montana, the majority leader.

Mr. CASE of New Jersey. I had no intention of interfering with the Senator's remarks.

Mr. McNAMARA. I assume I shall be permitted to yield to the junior Senator from Montana without losing my right to the floor.

Mr. CASE of New Jersey. I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan? The Chair hears none, and it is so ordered.

Mr. METCALF. Mr. President, the yielding is with the further understanding that the remarks may be printed at another point in the RECORD, so that the remarks of the Senator from Michigan may continue uninterrupted.

The PRESIDING OFFICER. Without objection, it is so ordered.

AID TO SCHOOLS IN FEDERALLY IMPACTED AREAS

The Senate resumed the consideration of the bill (S. 2393) to extend for 1 year the temporary provision of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas and to provide for the application of such laws to American Samoa.

Mr. METCALF. Mr. President, I have some misgivings and trepidation about getting into the debate following the Senator from Oregon and the Senator from Michigan, who have made fine statements, who have fine records of knowledge of the educational problems, and who have demonstrated friendship for the boys and girls of America.

However, I feel that at this time we should reappraise some of the educational programs we have adopted in recent years and adopt some basic principles as to a measure of the program we shall enact for the future.

In my research on Federal aid to education in all its various components—and I have been associated with the program ever since I first came to Congress, 8 years in the House, and a year as a Member of this body—one of the best reports and one of the best analyses of the problem I have come across is a report of the National Advisory Committee on Education appointed by President Hoover in 1930. The report was issued in 1931.

The members of the Commission were all outstanding educators of that period. I was attending Stanford University at the time. Our great and distinguished dean of education on that campus was a member of the Commission. That was Mr. E. P. Cubberley. Other members of the Commission included the former famous and longtime Commissioner of Education, Mr. George F. Zook, former president of the University of Akron at Akron, Ohio; the man who later became secretary of the National Education Association, J. W. Crabtree, and others. Outstanding educators of that period participated in the survey and made a report of the National Advisory Committee on Education to President Hoover.

The commission said that the controlling principles and policies, in laying down the responsibility of the Federal Government with respect to education in the States, were as follows:

1. Responsibility: There are national responsibilities for education which only the Federal Government can adequately meet.

(a) From an early period of our national life, the leaders of the American people have recognized their obligation to cooperate in fostering the education of all the people, without regard to State jurisdiction.

(b) The children of the people in all the States are neither more nor less the potential units of popular sovereignty when regarded as potential citizens of the United States than when regarded as potential citizens of the various States.

(c) The collective citizenship of the United States is not different from the aggregate citizenship of all the States.

(d) The preservation of the spirit and the method of the American democratic civilization, which underlies all our governments, is an obligation of all the people, as expressing their will both through the Federal Government and the State governments.

2. Management: Although the educational obligations of each of the three levels of American government—Federal, State, and local—are equally full and binding, these obligations may and ought, in fact, to be discharged by each of these governments in a somewhat different manner.

(a) Our long political experience reveals that each type of governmental operation can best contribute to the provision and management of public education, if the different strengths and weaknesses manifestly inherent in Federal Government, State government, and local government are recognized in each case. Assignment of governmental responsibilities and function with regard to education should follow the inclusions and omissions of responsibilities and functions suggested thereby.

Obviously no one type of government should attempt to parallel all the responsibilities and all the functions of the others. Nor should we foster the disposition to locate all responsibility and commensurate authority in education upon any single governmental level. Together they should supplement, complement, and reinforce each other in the achievement of the common national purpose.

Our civilization seems to call for neither complete local decentralization, where we began, nor for the exercise of complete State power, which is the existing legal theory, nor for an increasing Federal management and control, toward which policy we have been recently tending.

(b) Experience seems to indicate that we require a balanced distribution of educational obligations and functions on all governmental levels. In some cases these functions will be exercised in different degree on more than one level; in other cases they will be specialized and exercised on a single level. Always the total governmental situation must be viewed as a whole since American popular sovereignty is a unit, though several governments with different geographical scope may be utilized in the full and final expression of the popular will.

There is the problem with which we are today confronted. At the Federal, State, and local levels we have responsibilities for education. But in order to carry out the responsibilities, we have a different manner and a different approach. At the Federal level we make a contribution. At the State level we may have equalization, establish standards for teachers, and establish courses of study. At the local level we have direct control by boards, commissioners, or whatever they are called, in the various local districts.

The Commission then continued:

3. Decentralization: It is particularly unwise to centralize in the Federal Government the power of determining the social purposes to be served by educational institutions or of establishing the techniques of educational procedure.

(a) Centralization is a radical departure from the longstanding American tradition of school management, which has given the American people a system of schools that is so responsive to the democratic popular will, need, and aspiration. It is most nearly free from social caste or class bias. In all its present trends it aims to discover and to cultivate in each member of the whole population the personal talents most useful to society and to the individual.

(b) A system of decentralized school management is best adapted to a democratic nation of wide geographical expanse and varied economic, social, and other human conditions. The political domination of education by a remote central government, managed by administrative officers far removed from local conditions and sympathies, has always led to the evils of bureaucratic unresponsiveness to local and to changing needs, to bureaucratic standardization, redtape, and delay, and to official insensitiveness to the criticism of far-distant parents and citizens. Education is of too intimate concern to the American parents to be brought under a far-removed civil administration which tends toward relative inflexibility.

(c) Partisan or class propaganda bringing itself to bear upon mature citizens in legislation is a serious enough difficulty for a democracy. Once it is allowed to operate on the plastic and uncritical minds of youth at school, democracy faces a catastrophe. A decentralized system of management and control of schools is the one absolutely reliable antidote to the easy capture of schools by the propagandists of an economic, social, or political cult.

A class or party may capture a central government by revolution or by some exigency of politics; it cannot as readily capture 48 States and more than 145,000 local school communities which really determine by their agreements what the national educational policy and procedure shall be. Two national school systems of Europe have been captured under centralized, national control of education. In the United States one or two States may for a time be the victims of propaganda on a single subject of instruction, but not all States on all subjects. A few misguided local communities may distort their schools with propaganda on a number of subjects. But the State law often, and the examples of other communities and States always check this tendency. A decentralized national system of schools, uniform in all essential respects because of the common response of all its units to the common soul of America, can never be completely captured.

Our highly decentralized school system is a peculiar and effective American characteristic. We alone among the democracies possess this final safeguard against a class or individual dictatorship which might usurp a central government, and by decrees indoctrinate the young with partial and prejudiced teachings designed to sustain and perpetuate class government, favorable to only some of the people, as opposed to a democratic government considerate of the interests of all the people.

That section again points out the same problem we have had, which is finding where the social issues will be determined, the problem of finding out who will decide what the textbooks will be, who the teachers will be, who will make the contracts with the teachers, hire and fire them. Who will make the decisions that will shake the minds of the boys and girls in the local schools with everyone working toward the end that control will be at the local level?

Awhile ago the Senator from Alabama [Mr. SPARKMAN] told us that when he first ran for Congress many years ago he had on his campaign card, "Federal aid to education without Federal control." They were thinking about the same things in those days.

When Mr. Hoover's Commission was studying the problem of decentralization of our school districts—about 150,000 in those days and about 40,000 in these days—there were considered ways to keep Federal control out of the courses of study, the curriculums, and the books that the boys and girls would work on in the local districts.

The report of the National Advisory Commission in paragraph 4 continued as follows:

4. Tax systems: The American people are justified in using their Federal tax system to give financial aid to education in the States, provided they do this in a manner that does not delegate to the Federal Government any control of the social purposes and specific processes of education.

(a) Such a policy is old, not new. It has been the accepted practice of the American people since the preconstitutional period. The simple policy of making land and money grants to the States for education in general was followed up to the Civil War.

(b) Such financial grants covering a considerable period in our history did not foster control of education in the States by the Federal Government. The grants were made in a manner to foster local initiative and self-government.

(c) Federal money grants given since the Civil War were made to foster specific types of education believed to be necessary for special groups of people. Many of the acts granting these subsidies define limited specific purposes for which the moneys granted may be used; they establish limiting conditions as to so specific a matter as length of class exercises; and they often provide that many details of the work are subject to the approval of Federal officials with authority to reject plans and withhold funds. True, these acts are not effective unless the conditions of the act are accepted by State legislatures. But when a State legislature, in order to secure the money grant, accepts those conditions, it thereby delegates to the Federal Government some of its own responsibility for control of the social purposes and specific processes of education.

(d) Changing economic conditions in the United States have increased the income disparities of States without relieving them of a common national obligation to educate each citizen resident within their boundaries. The drift toward greater fiscal disparities is indicated by such evidence as we have. If this should prove to be the case, Federal aid to education in general may prove to be a necessary fiscal policy.

(e) Adequate data are not now available to prove on economic grounds whether Federal grants to the States in aid of education are or are not justified. With the wide variations in the methods of taxation used in the various States and with the rapidly changing economic conditions, it is not at present possible to determine unequivocally whether Federal aid to education or to other public services will tend to retard or to promote reforms in local systems of taxation. Adequate studies on these points are needed, if the American people are to settle this vital question wisely in their own ultimate interest and not as a mere matter of guesswork, sentiment, and passing philanthropic impulse.

The Senator from Michigan [Mr. MCNAMARA] in his historical development of the way in which Federal aid to education has grown, has borne out and developed, since 1930, the same principle that this Commission brought out in the report.

The report of the National Advisory Commission continued:

5. Grants: If federally collected tax money is used to give financial aid to the States, it should be given to aid education as a whole and not as special grants for the stimulation of particular types of training.

(a) Our long experience shows that general Federal grants do not tend to interfere with our essentially American method of keeping educational management as close to the people as is consistent with effective service.

(b) The widely current notion that control of education always follows any and all types of financial grants is not verified by experience; this false generalization arises from our comparatively recent Federal attempts to stimulate and standardize special types of education in the States through money rewards and deprivals. Federal control followed, not from financial aid as a major purpose but from its use as an instrument for enforcing certain specific educational policies and methods in the States.

(c) Complete financial audit gives the publicity that protects the Federal Government and is an adequate safeguard against State expenditure of Federal funds for anything outside the broad educational purposes contemplated.

(d) Wisdom in State allocation and expenditure of funds given by the Federal Government is best guaranteed by full and detailed reports to the Federal Government. The printing and wide distribution of the same by the Federal Government will inform public opinion, the only competent check upon which popular government may rely in the long run.

(e) State governments are closer to the needs and aspirations of their communities than is the Federal Government. They can check results better than a more remote and centralized political authority. The smaller the area of governments, the more intimate, accurate, direct, and insistent is the criticism of administrative officers by citizens.

When a central government has jurisdiction over a country as geographically large, as industrially varied, as socially differentiated, as historically accustomed to local self-government, and as democratically constituted as is the United States, the inflexible rules inevitably associated with highly centralized administration seriously interfere with effective local action. Smaller governmental units have less difficulty in adapting their own procedures to their own conditions and needs.

(f) Increased Federal control and weakened local initiative have been distinct products of attempts to use the Federal Government to spread desirable, special types of education by money controls used to achieve quick, wide and uniform conduct of the special education stimulated.

Such use of special grants has steadily increased the tendency of the Federal Government to impose its educational policy on the State governments through the psychological influence of Federal participation, through bureau or board administration, and finally through specific legal enactments. Each succeeding special grant has tended to widen, intensify, and fix final control by a Federal agency.

Federal standards of procedure when first inaugurated generally represent the best selections from the then existent widely divergent, and spontaneous experiments of many local communities. Such experimentation tends to be discouraged and restricted after a decade or more of standardization under central governmental influences, and progress halts with the retardation of free inquiry and experiment.

(g) When special grants by the Federal Government are inaugurated as temporary and transitional policies, in order to meet some apparent emergency of national importance, they tend to become permanent to a far greater degree than when made by State and local governments. The administrative officers interested in the financing of such projects are more remote from the scene of local action. While theoretically the servants of the people, they operate closer to the seat of Federal Government and often have a greater argumentative influence in Congress than do the unorganized millions of people supposed to be served by the special grants. This is not true in anything like the same degree where a State government sets up a special, transient policy, and administration. A policy which has served its purpose is more readily revised or revoked in the States.

(h) Such Federal favoring of special types of education obstructs the growing American tendency and aspiration to see and deal with the child's life and with society's needs as a balanced whole.

A tendency to set up more than one system of educational management within the States seems to have inhered in the system of special grants and special managements set up by Federal grants, in spite of the natural resistance of the States.

Mr. HART. Mr. President, will the Senator yield?

Mr. METCALF. I gladly yield.

Mr. HART. I wonder if the Senator would not agree, in light of the section of the report he has read, that Members of Congress who voted for the NDEA program in fact must conclude that they are not greatly concerned about controls, because is it not true that the Federal Government under the NDEA program exerts a greater force and direction to education than would be true in the omnibus Federal-aid proposal? Specifically, did not Congress in the NDEA program, when it adopted it into law, say to the States, "You shall have the money provided you use it to teach A, B, C, D, and E"? A majority of Senators saw no danger in such a provision. Where is the majority now when we talk about an omnibus bill?

Mr. METCALF. The Senator has stated a point that would be very well to discuss now. I was building up to that very point. I am glad that the Senator from Michigan has injected it at this time. It is ironic that the very people who are talking to us about Federal control of education are the ones who are saying that we should extend the National Defense Education Act for 2, 3, or 4 years. The very ones who come in this Chamber to deplore the fact that a general aid to education bill would mean Federal control are the ones who write this indirect Federal control into the proposed legislation.

Mr. HART. Mr. President, will the Senator yield further?

Mr. METCALF. I yield.

Mr. HART. Is not the same irony involved when one of those who are half way along the road with us says: "I am for construction but not for teachers salaries"? Is he not in effect saying that the Federal Government will tell the State what to do with the money rather than letting the State use its own judgment?

Mr. METCALF. In their foresight and wisdom those people say, "We are going to use this as money reward or a deprival for the States."

Let me give the Senator from Michigan a specific example of the kind of Federal control that is built into the National Defense Education Act.

As the Senator knows, we have in one of the titles a provision that, in order to stimulate science and scientific education, we will match dollar for dollar on scientific equipment. In a little while I shall discuss the subject of matching.

However, in my State, a rather wealthy district built a new school. It is a very attractive school. They had a separate room set aside for a school library. When it came time to purchase the books for the school library, the commissioners of the district and the school trustees sat down and they said, "Wait a minute. We do not know how long the National Defense Education Act will be in effect. It is in effect now. For every dollar we spend for scientific equipment, we can get a matching dollar. So let us not buy any books for the school library this year. Let us buy some extra scientific equipment." So there is that beautiful library, empty, without a reference book in it. Yet they have established for themselves a backlog of scientific equipment, because they had the opportunity to get some matching funds under the National Defense Education Act.

I have cited a specific example. It means that the course of study is going to be distorted. It means that the trustees in the districts are always going to say, "We actually need an English teacher. We need to strengthen our history department. However, we can get a little National Defense Education Act money. So let us spend our money for a mathematics teacher, or someone in the foreign language department."

That is the very point that I wish to make. It is that we must be cautious about extending these emergency programs. Let us not make the National Defense Education Act a permanent program or semipermanent program until we have had an opportunity to do as was suggested in 1930 and has been suggested every since, to pass a general education law that will be fair and will relieve us of these inequities and will not bring about Federal control that we inherently find in these specialized programs.

The senior Senator from Michigan has pointed out how these programs have grown—the Smith-Hughes Act, the Vocational Act, the Distributive Education Act, the National Education Act, and so on. These are the specialized programs that he talked about. Time after time they have distorted courses of study in the curricular and have indirectly inspired Federal control and Federal supervision over these school districts.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. METCALF. I am glad to yield.

Mr. MUSKIE. I know that the junior Senator from Montana is a longtime friend of education and has become an expert in the field of this kind of control. I would like to ask what his impression is of the control exerted by the Federal Government in the matter of the impacted area program.

Mr. METCALF. I am glad the Senator from Maine has brought up the special problem connected with this subject, because as a Member of the House of Representatives I served on the special subcommittee of the Committee on Education and Labor that handled two of the extensions of this bill. I was chairman of that subcommittee the last time Public Law 815 and Public Law 874 were extended.

Mr. MUSKIE. It is my impression, from my experience with the school districts in my State, which have benefited from these programs—and we have had many of them—that there has been no Federal control, or at least there has been none which has been considered undesirable.

Mr. METCALF. The Senator's impression is correct. Time after time, from witness after witness, the challenge has been thrown during the hearings in the House—and I know the same thing has happened in the Senate committee—"Show me one example of Federal control over the textbooks or over the choice of teachers or over the curriculums in these impacted areas."

Of course there is some Federal control. Federal control must be had, for example, in connection with compliance with the Davis-Bacon provisions in connection with labor standards, and there must be some control in connection with the Walsh-Healey Act. However, there is no Federal control over education. That is what we are driving at.

Mr. MUSKIE. And no dictation as to the curricula or the educational policy that must be followed by the local districts.

Mr. METCALF. In the 11 years of this act the opponents of the act and the enemies of Federal aid to education have been unable to come forth with one example of dictation so far as curricula is concerned or dictation with respect to textbooks or courses of study.

Mr. MUSKIE. Would the Senator say that within the districts which qualify as impacted areas the Federal program is a general school aid bill?

Mr. METCALF. Of course it is a general school aid bill. As the Senator from Oregon has repeatedly said, this money even goes to pay the janitor and to buy the chalk. It is for operation and maintenance.

Let me point out another difference. Under Public Law 814, which is for the operation and maintenance of schools in impacted areas, the school district goes directly to the Office of Education. It makes its application directly to that office. There is no intervening State agency, such as we have put into S. 1021, in the Morse bill that passed the Senate. In connection with this general aid to education bill we have said that the money will go to the States, to be distributed as the State school officer or the person in charge of education in the State shall determine. However, under Public Law 874, the local district comes directly to the Office of Education and makes application direct to that office for money that is to be used for textbooks and teachers' salaries and for the operation and maintenance of the schools. In some districts, such as those across the river, more than 50 percent of the cost that goes for operating and maintaining the schools comes from the Federal Government.

If there had been any inherent danger, in the last 11 years it would have come out.

Mr. MUSKIE. The lesson to be learned from our experience and from the colloquy here today is that there is greater danger of Federal control under these specialized programs, such as NDEA, than there is from a general school aid bill. Is that not correct?

Mr. METCALF. Yes; because regardless of the good will we have, this indirect sort of Federal control creeps into a specialized program.

Mr. MUSKIE. I thank the Senator.

Mr. METCALF. I thank the Senator from Michigan and the Senator from Maine for their contributions.

Mr. HART. Mr. President, will the Senator yield?

Mr. METCALF. I yield.

Mr. HART. I wonder, as a conclusion, whether we could not agree that we do not have overall support for Federal education?

Mr. METCALF. That is, general support for an education act that would provide that the State and local districts would determine where the Federal money would go would take care of most of the problems that we have involved in these specialized programs. If we stimulate some sort of specialized program it should be added onto a general Federal aid to education act instead of the other way around, whereby we pass a national defense education act, and a vocational education act, separately, and then we try to fill in the cracks with a very modest general aid to education bill.

Mr. MUSKIE. Mr. President, will the Senator yield once more?

Mr. METCALF. Gladly.

Mr. MUSKIE. I am tempted to ask the Senator this question. As I observe the almost overwhelming support which the impact area program has in both Houses of Congress, I am tempted to believe that whether or not the program for education gets support depends on whether or not it has been in effect. For example, if a general school-aid bill should ever pass and should be signed by the President, I suspect that it would have thereafter, whenever it came before Congress for renewal, the same kind of overwhelming support that the impact area legislation has.

Mr. METCALF. The Senator has made an argument, perhaps, against a general aid bill, because we have seen today the Senator from Oregon reciting some of the abuses that have crept into Public Law 874. Our friends who are in favor of a 2- or 3- or 4-year extension would continue the abuses. Before I am through I hope to be able to point out some of the inequities and injustices inherent in the basic law. It would be desired to continue those, too.

Mr. MUSKIE. I would suggest to the distinguished Senator from Montana that perhaps we ought to enact the amendment proposed by the senior Senator from Michigan and myself. That would be a step toward progress.

Mr. METCALF. I do not think it is quite long enough a step. I would prefer to take the long step that the Senate took earlier this year.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. METCALF. I gladly yield.

Mr. MORSE. I am very glad that the Senator from Maine has made the comment that he has made just now. I believe that we ought to pass in this Congress a general Federal aid to education bill such as S. 1021, which permits aid for teachers' salaries and school construction and school maintenance. Referring to what the Senator from Montana said a few moments ago, the responsibility is up to the local authorities to decide where they can best spend each Federal dollar for the benefit of the boys and girls going to school in their districts. That is the ideal. That is what I had hoped could be done this year. The Senate did it. I think it is most regrettable that the House did not do it. It is the program which the President stood for in the election of 1960; it is the program he has recommended this year.

The Senator from Maine is unanswerably correct when he says that if we cannot get that program, we ought to get at least the principle of a general Federal aid to education bill on the books. I do not quote anyone in the administration, but I say I am satisfied that the administration is dedicated to the goal of seeking to have the principle of Federal aid to education established. The amendment of the Senator from Michigan would do that.

We recall the controversy not so many weeks ago over the compromise package proposal which the Secretary of Health, Education, and Welfare, Mr. Ribicoff, representing the administration, tried to reach with our associates on the House side. For a time it appeared as though that package proposal might succeed. Had it succeeded, the principle of Federal aid to education would have been adopted. I did not like the package proposal for a good many reasons; but I had to admit that there was one feature of it which I thought outweighed its disadvantages: it would, at least, have written onto the statute books general, not special legislation, such as Public Law 815 and Public Law 874, or the National Defense Education Act. It would have retained the general principle of Federal aid to education. I am satisfied that if we could pass such a bill, as the Senator from Maine has stated, and have a little experience with it, the people would demand not only its continuance but its enlargement.

I think once we get across the bridge, on the other side of the stream, the main part of the legislative journey will have been completed. The people will then receive such legislation with open arms, because I think they will then come to realize how sound we are in seeking to get an assurance of funds which will be available to help the schoolchildren of the country for years to come.

We all know there is another very tough factor connected with this problem. It is one of the reasons why a barricade has been thrown up at the entrance to the bridge. That is, what are we to do about private schools? In my judgment, we cannot justify ignoring that problem in any of these discussions. I repeat my plea: Let us get the principle of Federal aid to public school education enacted. Then let us go ahead to place on the books another general law to provide Federal aid to private schools within the limitations which the Constitution imposes upon us, whatever those limitations are, whether it is the type of limitation contained in the Clark-Morse bill or some other limitation in another bill.

In the Clark-Morse bill, we have said that we will provide for loans subject to judicial review.

I am at a loss to understand why some of the advocates of private school assistance are putting those of us who are advocating this kind of legislation at the whipping post these days. They seek to give the impression that we are performing some disservice to private school education. We know also, that there are other groups which are doing the same thing to us, but for opposite reasons.

It does not make any difference to me where the boy or girl goes to school, so long as the aid goes to the boy or girl. We must keep our eyes on the educational needs of the boys and girls of America. We live under a constitutional system of Government which puts some limits on us. I favor staying within that constitutional framework, but I am glad the Senator from Montana [Mr. METCALF] is saying what he is saying tonight, and that the Senator from Maine is asking him these penetrating questions.

I have one further comment, if the Senate from Montana will bear with me. The fallacious argument which is being used by the private school advocates, that unless private schools are incorporated in the same bill, we are somehow discriminating against the taxpayers representing the private school groups, whether they are Catholic taxpayers, Baptist taxpayers, Presbyterian taxpayers, Quaker taxpayers, or whatnot. The argument is a complete fallacy. I say to my Catholic friends: Remember 50 percent of the Catholic boys and girls are attending public schools, not Catholic schools. When a bill for general Federal aid to public schools is passed, those boys and girls will be benefited, as will every Catholic taxpayer be benefited—not only the Catholic taxpayers who send their boys and girls to public schools, but also the Catholic taxpayers who send their boys and girls to Catholic schools, because as we come to the aid of the public school with Federal funds, we pave the way for a reduction in real property taxes for all taxpayers in the school district, including the Catholic taxpayers. It is the height of fallacy to argue that when the Senator from Montana and the Senator from Oregon fight for a general school bill for public schools, we are somehow, in some way, discriminating against Catholics. It is a completely fallacious argument.

When a public school bill is on the books, I have made it clear—and I certainly have demonstrated by my record that I deliver on a program—that I will press for an independent bill for loans to private schools. Let the extent to which we can go be legally determined. That is the way I think the problem ought to be handled.

I know, as well as does any other Member of the Senate, that a part of the reason why a school bill did not pass the House is the religious reason. We do not have time, from the standpoint of the security of the country, to let an issue such as the religious issue rise to becloud the problem which confronts us. I shall continue to fight for a public school bill and for a private school bill, because I know when I do that I am fighting for the benefit of the boys and girls who need the educational

development that Federal aid to education will give them. Without a Federal aid to education bill, we will sacrifice the full development of millions of minds of boys and girls throughout the country.

I thank the Senator from Montana and the Senator from Maine for making a distinct contribution to the RECORD of the debate by the colloquy which has just occurred between them.

Mr. METCALF. I thank the Senator from Oregon.

Mr. MUSKIE. I thank the Senator from Oregon. I should like to make a comment and then ask one or two more questions.

First, in my judgment, a national program of general aid to education is coming. It is coming because the country needs it. I think the people see it. They see it perhaps even better than do Members of Congress.

As an illustration of that point, the lower house of the Maine Legislature—and it is an overwhelmingly rural, Republican house, conservative by all its inclinations—last winter voted overwhelmingly in support of the principle of Federal aid to education. So the people see its necessity. It seems to me it is a national objective, imposed upon those of us who see it as a national objective, with a responsibility to move toward it as quickly, as best, and as far as we can. This is why I support the amendment of the senior Senator from Michigan.

I understand that among Senators who agree upon this national objective there is a difference of opinion as to the sound tactics—namely, as to what gains we should be prepared to sacrifice today, in order to make some progress. This is a matter of tactical judgment. I must say that those who, like the junior Senator from Montana [Mr. METCALF], have been in the Congress longer than I have, probably are in a better position to make that tactical judgment.

But I should like to ask a few questions. I understand that, aside from the impacted areas bill and the National Defense Education Act, only one school bill has been passed, and that is the school construction bill of last year. Is that correct?

Mr. METCALF. That is correct.

Let me emphasize a statement made in the opening remarks today of the Senator from Oregon [Mr. MORSE], namely, that in the previous Congress the House of Representatives passed a general Federal aid to school construction bill; and the Senate passed a very similar bill, and the senior Senator from Michigan [Mr. MCNAMARA] succeeded in having added to that bill an amendment which called for aid for the construction of schools. So, under our constitutional system, both Houses passed a general aid to education bill. But thereafter the House Rules Committee, by a vote of 7 to 5, prevented the bill from going to conference.

If we believe in the bicameral legislative system, which we have under the Constitution, we must believe there is a way to iron out the differences between the two Houses.

This afternoon we were talking about the lack of majority rule in the House of Representatives. But consider the lack of majority rule in the Congress when the Senate is not allowed to carry out its constitutional function because of a vote of 7 to 5 in a committee of the other body.

Mr. MUSKIE. It is too bad that we cannot have all the victories at one time. This year the House won a victory in connection with the Rules Committee.

Mr. METCALF. But that was the first general Federal aid to education bill that had ever passed the House of Representatives.

Mr. MUSKIE. Prior to that the House came close to passing a bill for aid to school construction, did it not?

Mr. METCALF. Yes, within 5 votes.

Mr. MUSKIE. So it seems to me, as it does to the senior Senator from Michigan, that an aid-to-school-construction bill holds the best promise of enactment during this Congress. The bill which lost by 5 votes in the House of Representatives came up during the Eisenhower administration, I believe, and it did not generate all the controversy that this year's bill has generated.

So it seems to me that the combination of experience, both in terms of the private school controversy and acceptance by the House, holds high promise for the success of a bill for school construction, if passed and approved by the Senate. This is my reason for supporting the McNamara amendment.

Mr. MORSE. Mr. President, will the Senator from Montana yield?

Mr. METCALF. I am glad to yield.

Mr. MORSE. Again I think the Senator from Maine has made a very signal contribution to the debate, and I am glad he has referred to the record under the Eisenhower administration. But there is one fact that cannot be forgotten, and it is that during the Eisenhower administration high spokesmen for the private school groups did not take the position that there had to be a combined bill which covered both the public schools and the private schools.

But the sad fact is that this year, under a Democratic administration, after the President campaigned on a promise of providing Federal aid to education, spokesmen for the private school groups take the position—for the first time—of "all or nothing." Therefore, not only the House, but they, too, are going to have to assume their share of the responsibility for the fact that we cannot get all our victories at one time, as the Senator from Maine has pointed out.

So we might as well face the fact that all the groups involved—the public school groups, the private school groups, and the Congress itself—should be willing to take this a step at a time—namely, to pass a public school bill, and then to do as much as possible for the private school group. The groups should stop shooting at each other, because, after all, when they get into power plays between the legislative forces, the only group that really suffers is the group composed of the boys and girls of America.

Mr. METCALF. I suggest to the Senator from Oregon that that is another one of the irons in connection with the consideration of this proposed legislation. When we have a general Federal aid to education bill before the Senate, the private school groups want to participate. But when we have a simple extension of Public Law 874 before the Senate—a bill which, as the Senator from Maine [Mr. MUSKIE] has pointed out, is a general Federal aid to education bill for districts which are unable to enjoy these benefits—we do not hear a word from our friends who called for aid to the private schools; we do not hear from them a word about the areas that are paying increased taxes, but are not getting the benefits of this general type of Federal aid to education legislation.

Mr. MUSKIE. Before I conclude this colloquy with the junior Senator from Montana and the senior Senator from Oregon—a colloquy which has been stimulating and educational for me—I should like to state that it seems to me that what is needed at this point in the session, in connection with this issue, is practical wisdom. I can understand—although I do not agree with it—the position of those who ideologically oppose the idea of Federal aid to education. That is their prerogative, and is a matter of their conscience; and I do not quarrel with their right to entertain those views. But to those who believe this is a national objective toward which the country must move in the national interest, I say we must apply to our ideal the kind of practical wisdom that has been enunciated by the Senator from Oregon [Mr. MORSE] and the Senator from Michigan [Mr. MCNAMARA] as they have addressed the Senate; and I hope we can get in support of the McNamara amendment the combined support of all those who believe in Federal aid in the national field of education.

Mr. GRUENING. Mr. President, will the Senator from Montana yield to me?

Mr. METCALF. I yield.

Mr. GRUENING. I should like to ask whether the Senator doubts—in view of the fact that earlier in the session the Senate passed an excellent aid-to-education bill—that the amendment of the Senator from Michigan will receive the support of this body. It is an excellent amendment, and it should be supported by the same vote by which the Senate earlier in the session passed the aid-to-education bill.

Mr. MUSKIE. I hope that will happen. But there seems to have developed a general psychology to the effect that "We cannot get an aid-to-education bill enacted at this time. So let us retire from the field, and prepare as best we can for the battle at the next session."

Personally, I do not believe the prospects then will be any better than they are now. I am willing to carry on the fight then if we cannot succeed now; but I believe that some of those who favor Federal aid to education have already thrown in the towel—believing that we cannot get such a bill through the House, and that therefore it is best to give up the fight at this time, and continue the fight next year.

My children have just returned to school, so I am willing to fight for the bill either now or next year. But I think it better to continue the fight now.

The Senator from Alaska may be correct in believing that the McNamara amendment will be adopted; but I am afraid he may not be correct in assuming that all supporters of Federal aid to education will support the McNamara amendment.

Mr. GRUENING. Mr. President, will the Senator yield for a further comment?

Mr. METCALF. I yield.

Mr. GRUENING. Believing, as I strongly do, in Federal aid to education, I think it is our duty to stand firm for a better bill and see this through. If those who are so concerned for Federal aid for impacted areas, and only for impacted areas, were as much concerned as they appear to be, perhaps they would be willing to accept something additional, like the McNamara amendment. They seem to be anxious for impacted areas and nothing else. It seems to me those of us who are concerned for all the schoolchildren should stand together and do something for all the schoolchildren, and not merely for those whose schools happen to be in impacted areas.

Mr. MUSKIE. The definition of an "impacted area" is an area whose ability to support a school system is affected by Federal activities. I suggest that the entire country is an impacted area by that definition. We are engaged in a total war, and that phrase has been used over and over again—a total war which we cannot hope to win unless we commit all our resources; and we cannot commit all our manpower resources to this war if we leave their development to the varying resources of 50 jurisdictions. Every school district of this country, by any realistic definition, is an impacted area and deserves the aid of the Federal Government.

Mr. METCALF. And there is a responsibility for the boys and girls in those districts.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. METCALF. I yield.

Mr. MORSE. I thank the Senator from Montana for his generosity and tolerance in yielding, but the Senator from Maine has stimulated me by his penetrating question and the comment made by the Senator from Alaska [Mr. GRUENING] causes me to make this comment. The Senator from Maine has said we need practical wisdom. We surely do. He has put his finger on a problem that concerns me. I always put my cards on the top of the table. I have the responsibility of being the floor leader on this bill. It is perfectly obvious that all afternoon I have not been champing at the bit to get to a vote; and the reason why I have not been champing at the bit is I do not think we have the votes yet. I think we need some passage of time in the Senate to reflect on the problem.

The Senator from Maine has talked about the need for practical wisdom and for unifying the leadership in regard to this matter. I wish to say something about that question for a moment or two. We have the leadership. We have it in the President of the United States. The President of the United States has made very clear his program. The President has suffered some setbacks in the House this year on education legislation. Up until now, the President of the United States has been able to get his program through the Senate. So we have this conflict between the two bodies.

We have now a proposal for extension of the Federal impacted areas law and the NDEA. The House has passed a bill which is not in line with the President's program at all—an extension that goes beyond 1 year; an extension which, in my judgment, pulls the rug out from under the President's program; an extension for a period of time which, in my judgment, will almost make certain, as I said earlier this afternoon, no general education bill next year if we pass the NDEA and impacted areas bill for the time as passed by the House.

Toward the end of the session our colleagues want to get home, or to Europe, or Africa, or Asia, or Latin America, or Outer Mongolia—anywhere but here. So I ask respectfully of our colleagues in the Senate, Are you prepared to accept temporarily a unicameral parliament for the United States of America—not a bicameral, but a unicameral parliament whereby you let the House of Representatives call the shots? I do not think either the House or the Senate should do that. I think differences ought to be adjusted in accordance with our constitutional processes. When the House is in disagreement with the Senate, or vice versa, we should get together to adjust the differences in a conference.

Now we have a mandate or a threat from the House that the Senate will either take its education bill on the extension or there will be no conference. My answer is, "Get on your way to Outer Mongolia, Europe, Tibet, or wherever else you want to go, if you do not want to stay here and transact the business that the people elected you to transact." The people did not elect a single Member of Congress to carry out that kind of legislative program, in my judgment.

So the Senator from Oregon is not in a great hurry to get to a vote on this question. I think we ought to have a few days of reflection here in the Senate, on the part of Republicans and Democrats alike, but particularly Democrats.

We all know that, as of the moment I speak, there are some Democrats who want to get this matter behind them. They are anxious to get to a vote, agree with the House, and go home, which means an extension as in the House program, and a further weakening of the President's position.

I am in a position where on this matter I can speak for the President, because I am his leader on the bill. I tell Senators again tonight, as I told them this afternoon, that the President does not want a 2-year extension. He wants a 1-year extension, because he believes that a 1-year extension is essential to his education program for next year. The President intends to keep his pledge on the matter of Federal aid to education. The President intends to do everything he can next year to get a general aid to education bill through Congress.

The Senator from Maine has said he is afraid chances will be no better next year than they are now. Our only hope is to take the question to the people between now and the time Congress convenes again. But if we pass a 2-year-plus extension on NDEA and impacted areas, we shall have given politician after politician the escape exit they are looking for. They will have satisfied the local interests, and that action is going to take the demand off them in enough jurisdictions in this country to the point where we will not have the votes next year to pass the bill which needs to be passed. Extend the law for only one year, and every local school district that comes under NDEA and federally impacted areas legislation is going to say, "Mr. Senator, Mr. Representative, what are you going to do about it this year?" Members of Congress will have to face up to the question again.

The President has told us he wants the program reviewed. He wants the time to present to the Congress the facts on the operation of the existing Federal aid to education program, the special programs the Senator from Montana is speaking about so eloquently here tonight.

I ask my Democratic colleagues, Does the President have the right to ask you to give him that support? Is not the support he is asking for really to carry out the Democratic platform? Are you going to deny the President this request, knowing that if you deny it to him you are going to weaken to a great degree the Democratic Party's promises to the American people on education? Is the President asking for anything unreasonable when he asks for a year's extension, which will take care of every school district in this country?

Not a single school district will suffer by a granting of the President's request. Every school district now receiving NDEA help in impacted areas help will be assured of it for another year.

We ask for leadership. We ask for practical wisdom. This is the President's wisdom.

Senators may say, "I am not bound to do what the President wishes me to do." Of course not. I do not know of any Senator who has demonstrated by his record more eloquently his honest, independent judgment, when he thinks the President is wrong, than has the senior Senator from Oregon.

I point out that what the President is asking cannot possibly damage a single school district in this country for the next year.

I make these remarks to my Democratic colleagues. I shall have some comments to make about the Republicans in a moment, but I am talking to Democrats now. I say to my Democratic colleagues in the Senate, "You ought to resolve this question in favor of the President." He is our leader for this

legislative program. He is the man, in behalf of all of us, who made the promises in the 1960 campaign. He is the man who took our party to victory in November 1960. He is the man who earned tens of thousands of votes upon the basis of the educational issue. He is the man who, in my judgment, on this issue ought to be supported by the Democrats in the Senate of the United States. He is the man to whom Senate Democrats should rally in view of the treatment he has received on the House side of the Capitol.

I do not think the Democrats in the Senate can countenance the course of action some Democrats took in the House against the leader of our party now in the White House. I think the time has come when, as Democrats, we must make perfectly clear that as a majority party we do not propose to let the Rules Committee of the House determine what legislation can be passed in the Senate and in what form it must be passed in the Senate. We must make clear that we shall not stand still for the position that if legislation is not passed in such a form as the House desires it will not even sit down in conference with us.

I say to my Democratic colleagues that whether we like it or not, this has now become—and it will be so interpreted across America in the months ahead—a clear party issue. The man on trial in connection with that issue is the President of the United States, John F. Kennedy. This bill happens to be the vehicle. This is the legislative issue which raises the question as to whether the Democrats in the Senate of the United States will rally behind their leader to support a 1-year extension of this program, thereby guaranteeing to every school district in this country a continuation of every dollar of aid it now gets under both the NDEA and impacted areas legislation.

One might say, "Senator, will that not drive Republicans away from us?" Not at all. Not at all, in my judgment, because I think many Republicans will recognize the soundness and merit of the points I am making. They will recognize that if we are to maintain the constitutional form of government set up as between the House and the Senate, with the separation of powers which exists between the two Houses—after all, Members of the Senate, even though they be Republicans, should support the proposal that we shall not let the House determine the form of legislation and the procedure to be followed by the Senate in considering legislation passed by the House, when it is legislation which ought to be passed by the Senate in accordance with its own policies.

I serve on a committee, which has had jurisdiction over this subject matter, with Republicans. I said earlier this afternoon, and I repeat tonight, we would not have had this proposed legislation before us all year long if we had not had Republicans on our committee who were educational statesmen, too. They recognize the importance of Federal aid to education.

I hope the Senate will reflect on the parliamentary situation confronting us. I am in no hurry to get to a vote. I agree with the Senator from Alaska [Mr. GRUENING]. We had better take a little time on this. I am perfectly willing to have it laid aside for a few days after we have made our case in chief, for people to reflect on it and for the country to be heard, because I will tell the Senators that once the American people take the time to know what this fight is all about I shall not worry as to whether the Senate will be sustained in the judgment of public opinion. Public opinion will be with us. We can take it before any jury. Any impartial jury will give us a unanimous verdict.

I am sorry I have taken so much time, but I thank the Senator from Maine [Mr. MUSKIE], because he made a call for practical wisdom. He was correct. I gave him the source of practical wisdom I think we ought to follow. That source is the President of the United States on this question. When the President asked for a 1-year extension and not a 2-year extension, I do not think local pressure from back home, any political consideration, any desire to get away quickly by capitulating to the House, can possibly be justified as a substitute for meeting the request of the President of the United States.

I say to fellow Democrats, "Relax. Study. Check back home. Look into the facts, such as the Senator from Michigan [Mr. MCNAMARA] and the Senator from Montana [Mr. METCALF] are putting into the RECORD."

After Senators have given this problem study, I have a feeling the vote may change. We may find we can get the program extended. We may adopt such amendments as the amendment of the Senator from Michigan. We may get a conference with the House.

I close on this note: What do Senators think would happen in a good many districts in this country if the Representative had to go back to face the fact that the reason the country did not get a bill passed was that the House would not go to conference with the Senate? We do not have to worry about the Senate's position in that kind of controversy. The responsibility will be clearly the responsibility of Members of the House of Representatives. They have asked for it. That is where I intend to put the responsibility.

I sincerely hope that when we finish with this debate a majority of our colleagues in the Senate will agree with us and that we shall get a 1-year extension, resulting in a conference with the House.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. GRUENING. I congratulate my good friend the senior Senator from Oregon for his great eloquence, and for his magnificent support of what to me is the most important legislation which could possibly be passed by the Congress.

We in this session have passed a great deal of excellent and important legislation. We passed a depressed areas bill. We passed an airport bill. We passed a farm bill. We have passed a number of excellent bills to carry out the President's enlightened domestic program, but I think no proposed legislation is comparable in importance to the aid to education bill, something which goes to the heart of democracy, which affects not only this generation but also generations to come.

I hope the Senator will stick to the fight, and I hope all of us who believe as he does will do our utmost to see the fight through.

Mr. MORSE. I thank the Senator from Alaska.

Mr. METCALF. Mr. President, I thank the Senator from Oregon for a splendid contribution to the debate and for a keen analysis of the questions which are before us at this time.

The specific question before us is how long to extend Public Laws 815 and 874. Around that specific question are all the other questions the senior Senator from Oregon has outlined so eloquently and so well. I hope Senators who are not present, who are not able to hear the remarks of the Senator from Oregon, will read the RECORD, and I hope it will change many votes.

I wish to go forward with the recommendation from the National Advisory Commission.

I ask unanimous consent that all the recommendations be printed at this point in the RECORD.

There being no objection, the recommendations were ordered to be printed in the RECORD, as follows:

RECOMMENDATIONS

The committee regards the foregoing principles and policies of dominant importance. Believing that they are the necessary guides in the evolution of Federal relations to American education and that it is essential to follow them if we would make the United States meet its responsibility for national aspects of education in ways that are consistent with our kind of democratic civilization, the committee submits the nine following specific proposals for action:

1. Continue special aid now in force: For at least 5 years and until the results of the finance surveys recommended in No. 4 below are adequate to provide a sound plan for an equitable and economical method of Federal financial assistance to the States, continue the special appropriations now in force for the purpose of aiding agricultural education and research, rural extension for adults, vocational education, and similar educational enterprises, but leave the States free to expend such moneys for the specific purpose designated without the requirement for matching of moneys and without Federal authority to approve or reject State plans.

2. Amend laws: Amend those existing laws which give or tend to give the Federal Government and its agencies power to interfere with the autonomy of the States in matters of education. These amendments should repeal all provisions that require the States and their local communities to match Federal funds or that grant power to the Federal agencies to approve or reject State educational plans, to prescribe the standards controlling instruction, or otherwise to supervise and direct educational or research activities within the States.

The foregoing discussion does not relate to Federal research activities in fields other than education save as these affect the autonomy of the States in the conduct of their educational affairs.

3. Restrict legislation: Enact no additional laws that grant Federal financial aid to the States in support of special types of education or that increase existing Federal grants for such special purposes as are already aided.

4. Study finances: In line with the study of school finance recently begun by the Office of Education, make further and continuing studies of tax systems, distribution of national income, living costs, public expenditures for eleemosynary institutions, bonded indebtedness, Federal aid to States for purposes other than education, and of such other features of the situation as may be necessary to understand the total economic, political, and fiscal organization of which the school system is a part. Such facts in particular should be sought as will reveal how far and by what methods the people are justified in using the Federal tax system to supplement State and local taxes in support of public education in the States in order to insure meeting fully the national responsibility for education.

Similar studies should also be made at once to answer two questions:

First: How far shall the Federal Government properly grant funds either to the States in support of specially designated institutions or directly to particular institutions?

Second: What are the right uses of the remainder of the public domain in the States for the uses of education?

5. Aid education generally: Make all future grants to States as grants-in-aid of education in general, expendable by each State for any or all educational purposes as the State itself may direct. Such grants should be made only after thorough educational and financial studies have shown to the satisfaction of the appropriating power that such Federal aid is justified. Such grants should in no case be flat grants of an equal amount for each State, but should be apportioned to the States on the basis of adequate educational and financial studies. Such grants should be made for a definite and not an inconclusive period, and be subject to review at the close of every 10-year census period, when needed readjustments may be made to meet changed conditions. The only restriction placed by Federal legislation on such educational grants should be the provision that every State, when it accepts the grant, agrees to make each year to the Federal headquarters for education a full report on all questions on which the Federal headquarters for education may require information concerning the manner in which the State has used the grant.

6. Restrict audits: Restrict the audits of the Federal Government to those made by the Treasury Department merely to determine whether or not monies granted have been spent for the general or special educational purposes as defined in the several Federal acts of appropriation, without making audit an indirect method of controlling or determining educational standards and processes.

7. Limit emergency aid: Emergency grants made by the Federal Government to meet some special and transient crisis involving the use of education should be restricted to financial aid to investigate the problem, to disseminate the needed information, and to promote cooperation among all the States and local communities. A new Federal agency may be created for this temporary purpose if the needs are such as to necessitate this, but financial grants to such a new agency should be made for a strictly limited period, and not renewed.

8. Create adequate Federal headquarters: Create an adequate Federal headquarters for educational research and information, so organized as to serve both as a reliable source of comprehensive, correlated, and accurate information regarding national aspects of education for all concerned in the States, Territories, and outlying possessions, and as a cooperating center for all Federal agencies with respect to the educational aspects of their work.

9. Increase appropriations: Increase the Federal appropriations for educational research and information service by the Office of Education, by the Federal Board of Vocational Education, by the Extension Service and the Office of Experiment Stations in the Department of Agriculture, and by other offices or bureaus of the Federal Government primarily concerned with the stimulation and improvement of various types of education in the States; and provide ample facilities to these offices for supplying to all concerned the results of research and statistical studies through publications and conferences.

Mr. METCALF. I wish to emphasize that the National Advisory Commission made recommendations that are particularly pertinent to the debate today. They said that we must continue the special aid now in force, and recommended that it be phased out.

No. 3. But we enact no additional laws that grant Federal financial aid to the States in support of special types of education or that increase existing Federal grants for special purposes as are already aided.

The Senator from Oregon said that President Kennedy had asked that the program be reviewed, but periodically the administration has asked that it be reviewed before.

In 1956, in his educational message, President Eisenhower said:

In continued recognition of the special school enrollment problems created in many communities by military and civilian activities of the Federal Government, I am recommending the extension for 2 years of the authority for providing assistance in paying for new school buildings in federaly affected areas.

Listen to this statement:

With the enactment of legislation to authorize general Federal assistance for school construction, the necessity for the further extension of special Federal aids for construction, and for maintenance and operation in these school districts will require reconsideration.

That was President Eisenhower's statement in 1956.

In 1958 he said:

Schools in federally affected areas: The Federal Government has a responsibility for aiding school districts when it creates serious financial problems for them. It has recognized this responsibility in the past by providing grants to help build and operate schools in districts where enrollment is swelled by Federal activities. Experience with these programs, however, suggests that they should be modified; many of the communities for which grants have been made no longer have problems as acute as those suddenly generated by the migration of workers and families to them during the Korean crisis.

In view of the continued maintenance of a substantial Defense Establishment with shifting locations, authority for grants for construction and operation of schools should be extended, but the assistance should be restricted to instances where the Federal personnel both live and work on Federal property. However, grants for operation of schools on behalf of people living on taxable property should be gradually reduced during an adjustment period, and then terminated.

The special increase in Federal employment during World War II, which led to the enactment of this legislation in 1950—

That is the impacted area legislation—

has been superseded by a relatively stable Federal Establishment. In many cases the presence of Federal installations in the community adds to rather than detracts from the revenue base for the support of schools.

President Eisenhower then came out in support of the proposal of the senior Senator from Michigan:

The pressing need now is not for aid to federally affected districts on the basis initiated in 1950, but for general aid to help localities with limited resources to build public schools.

So we have before the Senate S. 2393 to extend the impacted program for 1 year. The President this year asked for a review. President Eisenhower asked for a review and reappraisal several times during his administration. We have a program that started as an emergency program and has been extended 1, 2, and at one time 3-year periods. But we have never sat down and considered just what the equities of the program are as compared with the permanent general school program, and it is time for us to do so. One of the best features of S. 1021 when it passed the Senate was that it provided for just such a review and just such an appraisal.

This afternoon in his opening address the senior Senator from Oregon pointed out some of the abuses and some of the misuses of Public Laws 815 and 874. He pointed out specifically examples in school districts that had been uncovered by the Comptroller General and investigators from the Office of Health, Education, and Welfare. In the few minutes that I have remaining I should like to point out some of the inequities and injustices that are inherent in the basic law that need to be reanalyzed and reappraised.

The basic principle then under which we have adopted Public Law 874 is that the Federal Government should provide assistance in the operation of the schools in those local school districts whose school revenues are impaired as a result of Federal activity on tax-exempt Federal property.

The same is true of Public Law 815. It is founded on the concept that where we have a Federal activity on tax exempt Federal property, and the local school facilities are overcrowded, then the Federal Government has a responsibility for providing for adequate facilities.

The reason for this Federal responsibility is that the children of parents who live and work on tax exempt Federal property are a burden on the district whose chief source of revenue is the property tax, and therefore the district cannot achieve a property tax on tax exempt Federal property. The ordinary tax resources available to finance school programs, either construction or operation and maintenance, are not available to the districts. Once such an entitlement is established, however, the Federal Government does not carry out its

responsibility on a basis of in lieu of taxpayments.

It carries them out rather on a measure of how much it would cost to educate that individual child.

During the hearings there was quite a discussion as to whether or not Public Laws 815 and 874 were in lieu of a tax program. Of course, they are not. In many areas the amount of money the Federal Government pays for the education of boys and girls who are federally affected would be 10 or 20 times as much as the tax revenues lost as a result of tax-exempt properties.

In other areas where we have highly complex and complicated Federal installations, perhaps the taxes lost would be many times the value of the local contributions. But we are looking at the cost to the school district for educating the federally affected boy and girl.

The Commissioner of Education ascertains the local contribution rate per child, which would be equal to the current expenditures per child in generally comparable districts.

That is subject to a proviso that the rate is not less than one-half the State average per pupil cost or one-half the national average per pupil cost in the second preceding year.

For example, in fiscal 1960 the average local contribution rate varied from $158.62 to $411.60. The average nationally was $208.82. But here is another one of those inequities in the legislation.

We talk about the local contribution rate. However, the State government also contributes. I am calling attention to table 26 on page 244 of volume 1 of the hearings. I ask unanimous consent that the table may be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 26.—*Estimated percent of revenue for public elementary and secondary schools received from the State, 1960–61*

	Percent
50 States	40.1
1. Delaware	79.6
2. South Carolina	71.8
3. North Carolina	71.1
4. Hawaii	70.8
5. New Mexico	70.6
6. Alabama	69.1
7. Louisiana	68.2
8. Georgia	64.1
9. Washington	61.6
10. West Virginia	57.0
11. Kentucky	55.3
12. Tennessee	55.2
13. Nevada	55.1
14. Florida	55.0
15. Mississippi	54.4
16. Pennsylvania	51.1
17. Arkansas	50.8
18. Texas	50.0
19. Alaska	47.5
20. Wyoming	45.2
21. Michigan	43.6
22. Utah	43.4
23. Oklahoma	42.8
24. New York	42.4
25. Arizona	40.9
26. California	40.4
27. Minnesota	37.9
28. Maryland	36.5
29. Virginia	36.1
30. Idaho	32.6
31. Indiana	31.4

TABLE 26.—*Estimated percent of revenue for public elementary and secondary schools received from the State, 1960–61*—Con.

	Percent
32. Maine	29.6
33. Missouri	29.4
34. Oregon	29.4
35. Ohio	29.1
36. North Dakota	28.3
37. Massachusetts	26.9
38. Connecticut	26.6
39. Montana	25.3
40. Rhode Island	24.9
41. New Jersey	23.8
42. Kansas	22.7
43. Colorado	22.1
44. Vermont	22.0
45. Wisconsin	21.3
46. Illinois	20.4
47. Iowa	11.6
48. South Dakota	8.2
49. New Hampshire	5.7
50. Nebraska	4.0

Mr. METCALF. Mr. President, the table demonstrates that Delaware, for example, has 79.6 percent of the cost for public elementary and secondary schools paid by the State government. Nebraska, which is No. 50 on the list, had about 4 percent paid by the State government. So the local contribution rate varies from something around 4 percent, in the case of Nebraska, to 80 percent in the case of Delaware. Here is one inequity that should be taken care of and rectified in subsequent legislation. If we extend the act for 2 or 3 or 4 years, we will not have the opportunity to rectify that inequity which is inherent in the present law.

Several situations occur wherein the Federal responsibility arises and payment is made under existing law.

The first is where the parent both lives and works on tax-exempt Federal property. Under these circumstances there is no question but that the local school district which educates these children should be reimbursed for the cost incurred by the school district. Under Public Law 874 the Federal contribution is an amount equal to the amount of the local contribution in the comparable areas. We have said that there is a permanent and continuing Federal responsibility in such a situation, and have made that permanent legislation. So that most of the situations that have been brought forward in the past few weeks as horrible examples which would work great injustices and hardships on school districts, if we failed to extend the law, just will not come about, because they are the result of children whose parents both live and work on Federal property, and the permament and continuing and general law is not affected by whether or not this law is continued.

The second situation is where parent works on tax-exempt Federal property but lives off the property. In such a case under Public Law 874 the district is entitled to one-half the local contribution rate. Sometimes, as when this law was first enacted, it was 70 percent. It has varied. There is no magic about this ratio. It is an arbitrary figure which is fixed at 50 percent now. That is unfair.

It is clear, under the premise which is the basis for aid, that if the Federal property is in the district in which the school is located, that school is entitled to assistance. However the Bureau of the Census report demonstrates that in the Nation as a whole commercial and industrial property constitutes only 27.7 percent of the locally assessed real estate tax base. In no State does the local assessed valuation of all commercial and industrial property reach 40 percent. The national range is from 37.1 percent to 9.3 percent. Therefore, the arbitrary rate of 50 percent gives a definite tax break to the districts that are the beneficiaries of aid under this category B. Some of them get as much as 40 percent of a tax break, but they all get a tax break under this provision.

On the other hand, where the parent lives in one school district and works on tax-exempt Federal property in another district, there is no point in giving any assistance. There is no need for one school district to tax real property in another, whether it is tax-exempt Federal property or private property. This is an indefensible proposition, whereby we pay category B for children whose federally-affected parent lives in one district and works in another, or, as locally, who lives in one State and comes to work in the District of Columbia. Perhaps that is why the State of Virginia, for example enjoys a 9.3 percent contribution from the Federal Government, when the national average is only 3.6 percent.

The third situation is where parents live on tax-exempt Federal property but work off that property. In such a case the payments are the same as in the other category, or Federal category B pupils. However, as we have seen, the tax impact is entirely different in such a situation because the majority of the local property tax is on residential property, rather than on commercial or industrial property.

These situations create an inequity in the other direction. However, the objections are the same when the district in which the parent lives is not the same district in which the school is located.

Then we have the so-called category C, where we have industrial or manufacturing property. An examination of the last report of the Office of Education on administration of the so-called impacted area demonstrates that while there are inequities it is not substantial reason, and perhaps that should be continued.

When President Kennedy suggested several changes in Public Law 815 and Public Law 874, he was not only thinking about the abuses and the misuses that have grown up as a result of the Comptroller General's letter or the investigation by members of the Office of Education, but he was also thinking of the very injustices that are inherent in the law. In my opinion some of them should be taken care of right away. Some of the suggestions that the President made at the beginning of this year were too far reaching. I think it was proper and right for the committee to say, "Let us extend it for another 2 years and have a study made, and let us have a report made and find out what the facts are."

That is what we are not faced with today. Unless we pass S. 2393 just as it is before us, for a 1-year extension, or if

we adopt some of the amendments for a 2- or 3- or 4-year extension, we will not have the opportunity to do that. We will not have the opportunity to make changes, and we will not have an opportunity to rectify the inequities that are inherent in the law.

I have every praise for the committee for increasing the amount of money that is available for Indian schools. We have exhausted the fund in title IV of the act.

I believe that title IV should be made permanent legislation for that sort of impact, because it is just as much a Federal responsibility as the impact on the boys and girls whose parents both live and work on Federal property.

On the other hand, there are parts of the program for category B children whose parents enjoy benefits to which they are not entitled and who are taking benefits away from districts that have much more need and much more impact.

So I urge the Senate to pass S. 2393, for a simple 1-year extension. If we do otherwise, we will go further and further away from the basic principle that a general school aid bill is the bill that gives the fairest distribution of Federal tax money, gives the least control, and makes it possible to have these specialized programs phased out and tapered out so that we can reappraise them as they go out, and give us an opportunity to pass the kind of bill that will bring justice to the boys and girls of America.

OUR GOOD NEIGHBOR: MEXICO, AND ITS PROGRESS

Mr. GRUENING. Mr. President, last Thursday the Senate, by unanimous vote, passed a bill introduced by my good friend, the senior Senator from California [Mr. KUCHEL] and cosponsored by a number of Senators of whom I was happy to be one, to present a statue to the people of Mexico.

The original draft of the bill, introduced over a year ago, proposed that this gift commemorate the independence of Mexico on the occasion of its 150th anniversity in 1960, and also the triumph, 100 years ago, of Benito Juarez, the great mid-19th century statesman who both promulgated the basic principles of social reform in Mexico and had them incorporated in the constitution of 1857, and drove out the French military invasion which made Maximilian, the Austrian prince, for a few years Emperor of Mexico.

The original intent of the Senators who sponsored this legislation was to give to Mexico a statue of Miguel Hidalgo y Costilla, the parish priest who, in 1810, sounded the call to revolution which severed Mexico from Spain, and is rightly deemed in Mexico to be the father of its independence.

But the Mexican Government made the suggestion that the monument be to one of our great men, and nominated Abraham Lincoln. It seems to me that in proposing a statue of Lincoln, the Government of Mexico effectively reaffirmed its own faith in the equality of men, its adherence to their unceasing quest for freedom, its belief in a government of, by, and for the people, all of which basic human aspirations Abraham Lincoln will eternally symbolize. As my distinguished colleague, the junior Senator from California [Mr. ENGLE] said, in speaking for the bill, this suggestion of the Mexican Government was "one more example to prove that Abraham Lincoln not only belongs to the ages but to all nations."

There is much that is heartening in this troubled and tragic era with its peril of impending cataclysm in the sane attitudes and friendly relations of the three nations that constitute the North American Continent: Canada, the United States, and Mexico.

The long-held, unprecedented relations with our northern neighbor; the uniquely undefended 3,400-mile common boundary, have long been matters of record and of appropriate rejoicing. Heirs to the same traditions of law and freedom, allies in two great wars for their preservation, we know that there are no differences between us that cannot be settled peacefully, at the conference table, in the manner of civilized people.

But it is of Mexico, our other land neighbor, that I would speak. For here, I deeply believe, that our two peoples, with far different heritages and backgrounds, have likewise entered—and I trust and believe, irrevocably—the phase of history when not only are our ideology, our aspirations, and our purposes compatible, but that the prospect for a close and harmonious relationship, of a partnership of purpose, lies invitingly before us. The alliance for progress has already begun here.

It was my privilege, some weeks ago, on the floor of the Senate, to insert in the CONGRESSIONAL RECORD, and to comment upon, the notable address delivered in Mexico City on the occasion of Freedom of the Press Day by Mexico's President, Adolfo Lopez Mateos.

That freedom of the press is not only celebrated in Mexico, but is a living reality—as it is enduringly in very few Ibero-American countries—is itself a fact of enormous significance. On that occasion, Mexico's President made clear that his country rejected the totalitarian philosophy of the right and of the left; that neither fascism nor communism were ideologies which appealed to the Mexican people, and that their Constitution, wrought during the political and social revolution of this century's second decade, was an indigenous and homegrown product derived out of Mexico's experience, designed to correct inherited evils and to respond to the needs of the Mexican people.

My interest in the prospect of an increasingly warm and constructive relation between our country and our only land neighbor to the south, indeed the geographic entry and bridge to all Latin America, led me to read President Adolfo Lopez Mateos' "state of the Union" address delivered to the Mexican Congress on September 1. I found this long, comprehensive report by the nation's chief executive to its legislative branch, a notable document and a heartening one, containing, in addition to a wealth of contemporary information, declarations of policy and purpose of historic import. Running through its recording of impressive progress in every sector of Mexican life—financial, economic, industrial, agricultural, social, hygienic, cultural, artistic, political, and, above all, spiritual—is implicit the long, arduous, and tortuous path over which the Mexican people have climbed.

For Mexico's history is far different from ours. While our early pioneers and their successors, deliberate refugees from Old World limitations, seeking liberty and opportunity, found both in a promised land abounding in natural resources which they could fashion as they would, Mexico appeared on the stage of recorded history as a conquered nation. Its established society, the most advanced self-evolved culture in America, was overthrown by force and subjected to an alien rule whose motivations in the 16th century were the established concept that to the victor belong the spoils.

For three centuries the people of Mexico suffered under an oppressive colonial domination. But unlike our Thirteen Colonies' severance from a far less restrictive oversea colonial rule, independence gave Mexicans little relief from the abuses of colonialism. The people of Mexico had merely changed masters. Political independence was followed by no economic or social liberation. The inherited feudalism, the mold of a caste society, continued. Juarez, in midcentury, fought for its abolition, but his political, economic, and social reforms were, after his death, obliterated by deeply intrenched and inherited habits, and by the long dictatorship of Porfirio Diaz. Under Diaz, Mexico, despite a financial stability, fostered by the entry of foreign capital and a Porfirian peace, which eliminated pretorian uprisings and banditry, was a feudal fief dominated by a small number of great hacendados and the representatives of foreign interests. The great mass of the people lived in abject poverty and squalor, illiterate and diseased. Peonage—virtual slavery—existed.

The revolution begun in 1911, and after Francisco Madero's, its leader's, murder, carried on by other leaders—Carranza, Zapata, Obregon, Calles—wrought, through the constitution of 1917, what were deemed the necessary political and social reforms, updating many which Benito Juarez had for a time established nearly three-quarters of a century earlier. It is under that constitution that Mexico has operated and progressed for something less than half a century.

The striking fact is that the history of the new Mexico, the Mexico of today, the emerging Mexico, the Mexico conscious and proud of its nationalism and of its uniquely characteristic traits, is of relatively recent origin. Although its political, social, and economic aspirations and, increasingly their validation in fact, have their ideological roots in "the reform"—as it is referred to in Mexican historiography—of Benito Juarez of a

century ago, subsequently to be dissipated and in 1917 revitalized and updated, the Mexico of today began with the revolution of the century's second decade, began with what is known universally in Mexico as the revolution.

Much of Mexico's rich cultural legacy, its delightful folkways and notable indigenous craftsmanship, go way back, long before the coming of Cortez, Aztec, Toltec, Maya, Zapotec, and other less famed regional arts and artifacts are all preconquest, and thus, in the Western sense, prehistoric. Spain made enduring contributions in its architecture, painting, literature, language, religion, and customs. But withal, Mexico, until 1911, was a feudal principality, ruthlessly dominated by a few for the few. The rest of the people could be characterized by the title of the work of the great Mexican novelist, Mariano Azuela—"Los de Abajo"—"those who are underneath." It is a novel of the revolution written during the revolution and its three-word title summarizes why the revolution had to be fought and was fought.

The great change that has come derives its ideology from the constitution of 1917. It is for Mexico what our Declaration of Independence and our Constitution are for the United States. But its implementation has been due to a succession of practical, intelligent, and generally public-spirited presidential administrators and their associates from Alvaro Obregon, the military genius of the revolution and the statesman President of the peace that followed, to President Adolfo Lopez Mateos. They have been men imbued with a sense of Mexico's destiny and of its potentials as a great nation. That sense of nationality, of nationhood has grown steadily. Its clarion call was sounded 45 years ago, during the chaos of revolution and before the drafting of the constitution of 1917, by Manuel Gamio, one of Mexico's great and internationally famed archeologists and ethnologists, in a classic volume entitled "Forjando Patria"—"forging the fatherland."

That awareness of nationhood, that new confidence in Mexico's destiny, has shown itself in a fusion of once disparate elements of class and race; in a shrewd domestic program; in a sound fiscal policy for which Antonio Ortiz Mena, the Secretario of Hacienda y Credito Publico—the equivalent of our Secretary of the Treasury—deserves much credit; in an enlightened foreign policy; in a flowering of the arts—music, painting, architecture, archeology, literature—the expressions of a naturally gifted people, and in increasing participation of Mexicans in the sciences and skills of this expanding age of invention.

But what is most striking, considering the long heritage, the wreckage of a decade of violent revolution, the lack of many kinds of essential experience, the brevity of the new purposefulness—less than half a century—is the fresh breath of freedom that has blown away the encrusted privilege, the ancient rigidities, the recurrence of caudillismo—the man on horseback—that have bedeviled and still throttle in varying degree the sister Hispanic nations. Note that dictatorship was never more intrenched than it is today in the mother countries of the Iberian Peninsula. Consider the political history of nearly all the New World offspring of Mother Spain and Mother Portugal: alternations of dictatorship and chaos interspersed with occasional attempts—always short lived—of representative government, and a persistent economic feudalism which stubbornly bars progress. This is one of the great obstacles to the success of President Kennedy's alliance for progress. Would that the other nations of this hemisphere who are scheduled for membership in this "alianza para progreso" had the orientation and purpose of Mexico.

Which brings me to President Lopez Mateos' great state of the union message. It is, I feel, far too long to ask that all of it be printed in the CONGRESSIONAL RECORD; moreover, much of it deals with details of direct concern to Mexicans only. But I should like to quote a few salient passages.

First, as to national purpose:

General development so that without sacrificing liberty social justice may prevail—that is the political, economic, and social objective of the Mexican people. For this reason, our most important tasks are those which accelerate, without warping, the national growth * * * and so that the benefits of such development may be equitably distributed both geographically and socially.

But lest the purposefulness and direction of Mexican programs imply an easy and certain realization of them we should heed the President's warning of the magnitude and duration of the task:

The fundamental tasks of Mexico are clearly within her territory. We have not reached sufficient level of development that permits us to think of the future without deep preoccupation. Mexicans, for several generations to come, will have to dedicate their best efforts to elevate the living standards which still retard the progress of great sectors of our population. Mexico—we must say without mincing words—is not a rich country, and besides we form part of a world which is growing smaller but more complex, where it is not possible to ignore the growing interdependence which day by day draws one state to another, including the more remote.

This statement of social responsibility which, called the Declaration of Mexico, was approved unanimously at the sixth reunion of the Inter-American Conference to which Mexico was host, and is quoted by the President:

We believe that subhuman conditions of existence should be eliminated with the utmost urgency; that prosperity should be shared; that conditions of special privilege should yield to a growing and more widespread enjoyment, and that by a fulfillment of individual and collective obligations may be demonstrated that poverty, wherever it exists, constitutes a peril to the liberty of all men.

On private enterprise and labor:

With the most profound revolutionary and democratic faith, my administration has invariably respected the autonomy of private enterprise. In the case of labor unions it believes in their control of their internal organization. In the case of both, the state will limit itself to the enforcement of existing statutes.

On foreign policy:

In the last year the international climate has been afflicted with exacerbated tensions, and has grown graver. The world appears to have forgotten the experiences of two great wars in this century and circumstances cast dark shadows over the hopes for a better world—a world of peace and justice—for which millions of men gave their blood.

Serene judgment, the exercise of a normal rationality, and mere consideration of the destructive power of nuclear weapons, which should absolutely bar any use of force, are set aside. And states, particularly the small or medium sized, such as Mexico, which need peace to solve their own urgent problems, are subject to pressures and currents which emphasize the need for serenity of mind and strict adherence to the validation of the rights of man.

Notwithstanding these unfavorable conditions, the Government of Mexico has worked intensively in the field of bilateral relations and in the international organizations to which we belong, sustaining our traditional foreign policy and emphasizing respect for the dignity of man under conditions of social justice; striving for the liberty and independence of peoples, and for the complete sovereignty of all states with all the attributes thereof, such as the right to decide freely its external and internal policies. In the midst of skepticism which clouds these concepts, we persist in the quest for a rebirth of confidence, of mutual understanding, of tolerance, and of the elementary impulse of solidarity which unites men so that they may face the unknown future without anxiety. The foreign policy of Mexico, like its domestic policy, is based on the unbreakable faith we have in the moral values of man.

When we advocate absolute respect for the principle of self-determination of peoples whether it be in Europe, Asia, Africa or America, we do not pretend—as has been erroneously or perversely interpreted—that nations should convert themselves into islands, removed from the reality of the world in which we live. On the contrary, we are convinced that this principle does not impede, but helps states to collaborate with each other to facilitate the spiritual and material conquests of humanity.

In this connection, I would like to make clear once more our position on the question of Cuba. Mexico has invariably asked, as in many other cases, that the principle of nonintervention be applied, but has never suggested, nor can suggest, that this principle be observed by only one group of states, since the vigor of the doctrine depends on the universality of its application. On the other hand, I would like to remind you that a year ago, on this same occasion, upon reiterating the sentiments of sympathy for the revolutionary aspiration of the Cuban people, I placed them clearly in the sphere of inter-American solidarity when I said that "our Republics constitute a family of nations formed in history and for history" and that "our mission of each one of these nations, consists in maintaining ourselves united in peace and concord within the great common causes."

On several occasions, particularly during my trip to South America, I expressed the conviction that culture is the best vehicle for communication between peoples. Like no other, it facilitates the comprehension between men who, regardless of nationality, political views or religion, recognize equality in the great enterprise of human thought. Therefore, we have tried within the limits of our resources to accentuate Mexico's cultural participation abroad in expositions, conferences, interchange of people, donations of books, etc., which have had great results.

The activity of Mexico in international organizations has been particularly intense. The increasing of tensions has been felt with intensity in these organizations even in those of technical character, but most especially in the General Assembly of the United Nations. The juridical position of countries like Mexico, who wish to maintain their freedom of criteria has become delicate and sharp, exposed to misunderstanding and misinterpretation.

Mexico attends international meetings in a spirit of sincere cooperation. Her invariable line is to help find conciliatory solutions which can contribute to progress in international relations. Mexico has no possessions beyond her frontiers. Her armaments are limited to those indispensable to guarantee internal security. She does not belong to any organized bloc in the cold war. What can she follow, then, without the conservation of the principles of law, which make international friendship possible, such as the right of self-determination of peoples and of nonintervention consecrated in the Charter of the United Nations? In these circumstances it is necessary to underline the preoccupation with which we view the risk that the international community drift away from the principles and purposes of the charter and fail to comply with its aims. The principle of collective security would be exposed to a second and more serious failure with all the grave consequences which this would carry. Mexico proposes to maintain inalterable her well-known fidelity to this basic principle of the modern international organization—we want to erase the least doubt in this respect—whether it is suggested as a purpose of the United Nations and the Organization of American States or as the result of treaties and agreements, voluntarily accepted by our country in exercise of her sovereignty to guarantee the collective security.

Mexico has attended in the past year no less than 30 international conferences.

In the sphere of the Organization of American States there were two events of exceptional interest. The first, the meeting of the Special Commission To Study the Formulation of New Methods of Economic Cooperation held in Bogotá in September 1960, where the Act of Bogotá recognized that the social and economic progress of the countries of Latin America is of importance for all and that deficiencies in any of them have repercussion in the rest. At the same time it declared that the primordial object of all economic development is the promotion of social justice.

The other event was the recent extraordinary meeting of the Inter-American Economic and Social Council in Punta del Este, Uruguay, in which for the first time the American Republics have considered the possibility of vigorously promoting their development toward necessary goals on a program which assures a substantial flow of economic assistance to Latin America in advantageous conditions with absolute respect for sovereignty.

Like other nations of Latin America, Mexico has high hopes in this development which, if carried forward with decision and wisdom, will permit the multiplication of resources, indispensable base for any economic expansion to provide well-being for our peoples.

I have already spoken of the participation of our country in the Latin American Association for Free Trade which today will begin negotiations on products for which various member states will request exemption or reduction of import taxes.

As I have stated, Mexico was the site of several international conferences. I mention the Mexico-North American Parliamentary Meeting in Guadalajara, although it concerns the field of action of your sovereignty, because I wish to congratulate the Mexican legislators for the atmosphere of sincerity in which they carried out their conversations and for the light they gave toward better understanding of our mutual problems.

We must underline the importance of technical assistance, necessary factor for the acceleration of progress and we propose to participate in it, more and more, within the limits imposed by our resources.

The foreign policy of a nation is the product of a combination of many elements. Among these is the geographic situation, history, relative power, national interests, commitments through treaties and agreements freely arrived at, universal desire to improve, and the noble concept of collaboration among peoples. The play of all these elements is dominated by the order, very weak still, of international law. Force, unfortunately, continues to be preponderant in the march of the world.

Within this situation, the foreign policy of Mexico follows concrete objectives. Historically it is the result of painful experiences which her people—her dignified men and resigned women—remember without bitterness but with the objectivity that a stern lesson engraves in the memory. It is not possible, from the historic viewpoint, to fail to take into account the experience of this people, in a partial estimation of our foreign policy. Mexico never has fought a war of aggression nor has represented a threat to anyone nor has tried to impose her political or social ideas on another country. The Mexican revolution is of Mexico and for Mexico.

Geography has placed us on the same continent together with countries which were born almost with us, at the end of the 18th or beginning of the 19th century, within a mold of revolutions—democratic and republican of the epoch. We have political, economic, and social ties with these nations which contribute to a unity achieved only in this region of the planet. America, as I have said on other occasions, is our natural habitat.

This does not prevent us from having ties with other nations of the world, or of making specific commitments such as bind all in their status as members of the United Nations. Consequently, neither as part of the inter-American system nor as members of the world organization are we neutrals. We have been, we are, and we shall continue to be independent; but we hope that independence which is not neutrality shall be respected, in whatever way it manifests itself, as one of the loftiest expressions of the dignity of a nation. The Government of Mexico cannot associate with international movements which are imperialistic in character, whether of the extreme right or of the extreme left. The will of the Mexican people is to maintain a representative republic, democratic and Federal, and the prime responsibility of its officials is to carry out the mandate of the constitution of the Republic.

The words of Mexico's great President speak for themselves. But although, clearly, Mexico is on the march, I would be remiss if I did not particularly call attention to his warning that his country's inherited problems will not be solved overnight; that the road ahead is still long and arduous; that there is still great economic disparity, great poverty, unemployment, undernourishment, disease, illiteracy, in Mexico, and that generations of dedicated effort will be required to reach the goals of economic and social equality and generally high living standards to which Mexicans rightfully aspire.

What to me is inspiring is that despite the profound differences between the history and the heritage of our two neighbor nations, our thinking, our ideals, and our objectives have today become similar, and indeed in many respects identical. As never before, I believe, our mutual understanding is at its highest level. It is true, as the Senator from Montana [Mr. MANSFIELD], our esteemed majority leader, said in paying tribute to "the great amity, friendship, understanding, and tolerance which exists between the great Republic of Mexico, at the present time under the leadership of one of the great leaders in the hemisphere and of the world, Adolfo Lopez Mateos and our country," that "there are many things in the past we would like to forget or at least not to remember."

True. But, fortunately, times change. We know now that the people of Mexico and the people of the United States have much to give to each other; much to learn from each other; and that we can and shall, now and henceforth, work together in harmony, with mutual respect and affection for common goals, and for the solution of each other's problems. We shall, in short, be good neighbors and carry out, by deeds, the good-neighbor policy that one of our greatest Presidents, Franklin Delano Roosevelt, proclaimed and sought to implement nearly 30 years ago.

Mr. KUCHEL. Mr. President, that was a splendid address by the Senator from Alaska. No one in American Government is better acquainted than the Senator from Alaska with the people of Mexico, their culture, and their history. I have had the honor of reading his book on Mexico and its history, which is acknowledged today to be one of the outstanding works on that subject.

Surely, Mr. President, it is thrilling to realize that we in this country live in peace, with no barbed wires separating us, with our neighbor to the south and our neighbor to the north, and with no military personnel patrolling the borders on either side. I think that is eloquent testimony to the fact that the hopes and aspirations of the people and the Government of Mexico are identical with those of the people and the Government of the United States. We live in freedom. We pray for freedom for all peoples. We seek peace with justice for all.

I wish to congratulate my friend, the Senator from Alaska [Mr. GRUENING], and to pay testimony to the fact that, perhaps unique in the background of those of us who serve the Government of our country, is his long acquaintance, on the basis of having spent some years of his life in that country, with our great sister republic to the south of us.

Mr. GRUENING. I thank the Senator from California, whose State is one of the four States which border on our great neighbor to the south. Many of his constituents are of Mexican birth or origin; and he must know, as I do, what friendly, kindly, and lovable people they are. I know of no particular phase of our foreign policy which is of greater

importance than the demonstration by our deeds of our ability to live in peace and amity with our immediate neighbors.

As I said a few minutes ago, we have taken that for granted for many years in our relations with Canada. We take pride in the 3,000 miles of undefended boundary line—now 4,300 miles, since Alaska has become a State—between our country and Canada; and many years ago it seemed to me most important to establish a similar relationship with our neighbor to the south. We are doing that now, most definitely; and it is a matter of great satisfaction, not only to me, but to all the rest of those who prize peace and good will to men on earth.

I know of no people who are more responsive to good will and kindness than our neighbors to the south. They are pretty generally practitioners of the Golden Rule, and their country is enchanting and lovely. Its arts and crafts, ancient temples, snow-covered peaks, folkways, and beautiful songs emanating from the humblest huts combine to make it a beautiful and charming country. We can contribute much to it, and it can contribute much to us. I believe that a mutual exchange of what each has to give will make for a happy development on both sides of the border; and I believe we are making excellent progress in that direction.

Mr. KUCHEL. I agree with the Senator from Alaska; and I look forward to the further growth of that progress and to the time when the existing amity between the two countries will be even greater.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL REPORTS OF A COMMITTEE

The following additional reports of a committee were submitted:

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 6494. An act to provide for withdrawal and reservation for the use of the Department of the Air Force of certain public lands of the United States at Nellis Air Force Range, Nev., for defense purposes (Rept. No. 972).

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, with amendments:

S. 1063. A bill to amend the act of April 22, 1960, entitled "An act to provide for the establishment of the Wilson's Creek Battlefield National Park, in the State of Missouri" (Rept. No. 970); and

H.R. 2470. An act to provide for the establishment of the Lincoln Boyhood National Memorial in the State of Indiana, and for other purposes (Rept. No. 971).

ADDITIONAL BILL AND JOINT RESOLUTION INTRODUCED

The following additional bill and joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred, as indicated:

By Mr. HOLLAND:

S. 2529. A bill to authorize the appropriation of adequate funds to provide for the completion of the construction of the Inter-American Highway; to the Committee on Public Works.

(See the remarks of Mr. HOLLAND when he introduced the above bill, which appear under a separate heading.)

By Mr. McGEE:

S.J. Res. 136. Joint resolution to determine the susceptibility of minerals to electrometallurgical processes and other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. McGEE when he introduced the above joint resolution, which appear under a separate heading.)

CONCURRENT RESOLUTION—PREVENTION OF ACCIDENTS AND PROMOTION OF SAFETY ACTIVITIES

Mr. CAPEHART submitted the following concurrent resolution (S. Con. Res. 46); which was referred to the Committee on Commerce:

Whereas ninety thousand Americans are killed yearly in accidents; and

Whereas nine hundred thousand Americans are injured every year in accidents; and

Whereas the annual monetary costs of all accidents in the United States have been estimated at $13,000,000,000; and

Whereas the cost in human suffering and heartaches of such accidents is incalculable; and

Whereas it is the duty of all of the citizens of the United States to take the strongest measures possible and exert utmost efforts to help lessen this waste of our Nation's most valuable resource, its people: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that (1) existing safety organizations and all interested citizens in each State should combine their efforts to establish therein, as a division of the National Safety Council, a State safety council whose main function would be to provide leadership and knowledge to intensify safety activities and programs in such State in all safety fields, and (2) each State safety council would reach its greatest effectiveness by the establishment, in each of the counties (or other comparable political subdivisions) of each State, of a local safety council whose main functions would be to develop and promote community support for governmental agencies charged with the promotion of public safety and to make safety a matter of concern in every home.

AUTHORIZATION FOR APPROPRIATION TO COMPLETE CONSTRUCTION OF INTER-AMERICAN HIGHWAY

Mr. HOLLAND. Mr. President, under authority granted me by the distinguished chairman of the Appropriations Committee, the Senator from Arizona [Mr. HAYDEN], I had the privilege between December 10 and 20 of last year of making a field trip over virtually the entire mileage of the Inter-American Highway below the Republic of Mexico.

Our party began our inspection trip in the vicinity of the Mexican-Guatemalan border and completed it at Panama City. I reported this field trip to the Senate in detail on February 9, together with certain comments on the highway and recommendations regarding the importance of completing the highway. At that time, I was advised by the Bureau of Public Roads that in its judgment approximately $28 million was needed to complete our commitments on that part of the highway lying below the Mexican border. I had hoped that a specific administration proposal for the needed authorizations and appropriations would have reached Congress and been enacted into law prior to this time, since I regarded the completion of this highway as the most important commitment we have to our Latin American friends. However, apparently it has not been possible to formulate specific recommendations, particularly in view of the many crucial decisions which have pressed upon the leaders of the executive branch during the earlier portions of this year.

Mr. President, today I am introducing a bill to authorize an additional $28 million as our contribution to complete this highway in the friendly republics of Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama and in belated recognition of the fact that the friendly Republic of Mexico has completed, through her own resources, construction of the entire mileage of the Inter-American Highway lying within her borders. In doing so, it is my hope that my proposal will be a means of bringing forth for the consideration of Congress in January specific recommendations of the Bureau of Public Roads and of the Bureau of the Budget. It is further my hope that by means of this proposal Congress may have the benefit of the planning of the various executive branches and agencies when this matter is considered next year.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2529) to authorize the appropriation of adequate funds to provide for the completion of the construction of the Inter-American Highway, introduced by Mr. HOLLAND, was received, read twice by its title, and referred to the Committee on Foreign Relations.

STUDY OF MINERALS IN ROCKY MOUNTAIN AREA

Mr. McGEE. Mr. President, I introduce, for appropriate reference, a joint resolution which I believe can make a significant contribution to the development of our water and mineral resources which is a prime concern to those of us in the Rocky Mountain area.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 136) to determine the susceptibility of minerals to electrometallurgical processes and other purposes, introduced by Mr. McGEE, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

Mr. McGEE. Mr. President, it is a Senate joint resolution which calls on the Secretary of Interior to undertake,

in cooperation with appropriate departments and agencies in the Federal Government and with the individual States and private industry, a comprehensive study of the minerals in the Rocky Mountain area. The study would determine the susceptibility of those minerals to electrometallurgical processes, the potential economic impact upon the economy of the Rocky Mountain area and the Nation of the development through electrometallurgical processing of these minerals to economic utility and marketability, the relation of such mineral development to the development of potential hydro and thermal power supplies and requirements in the Rocky Mountain area and to the energy requirements of the entire Nation and the relationship of this mineral development to the security needs of the United States. Under the resolution, the Secretary would report the results of this study to the President and the Congress within 12 months after approval of this resolution.

Also, Mr. President, I ask unanimous consent to have printed at this point a letter from the junior Senator from Utah [Mr. Moss], the junior Senator from Montana [Mr. METCALF], the junior Senator from California [Mr. ENGLE], and me to the chairman of the Senate Interior and Insular Affairs Committee [Mr. ANDERSON], written on August 31, urging the committee to give special attention during the approaching recess of Congress to speeding up research work on the reduction of evaporation of water from reservoirs.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
August 31, 1961.

HON. CLINTON P. ANDERSON,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Extensive drought in the Western States this year has underscored the need for acceleration of research in water conservation as recommended by the Select Committee on Water Resources in its January 30, 1961, report.

We are particularly interested in seeing the research work on control of evaporation from reservoirs and other water impoundments speeded up to the fullest extent that can soundly be done. This work gives promise of greatly increasing useful water supplies from existing facilities at comparatively small costs and without requiring large investments or long waits through construction periods.

Inasmuch as agencies in the Department of the Interior are conducting research on evaporation control, directly and through contracts with universities and colleges, this is written to urge that the Committee on Interior and Insular Affairs undertake, during the coming recess of Congress, such studies and hearings as are advisable to determine the current status of these research programs, and to guide us in the 1962 session on a program to assure all-out effort in this field.

If increase in facilities, personnel, or authorities will speed this promising work it should be provided as early as possible.

The initiative you have taken during the past few months to implement the recommendations of the Committee on Water Resources has been a great service to the West and the Nation. We hope it will be as possible to give some special attention to evaporation control and the conservation and more efficient use of available water supplies.

Sincerely yours,

FRANK E. MOSS.
LEE METCALF.
GALE W. MCGEE.
CLAIR ENGLE.

Mr. McGEE. Mr. President, this measure is being introduced because of my growing concern for a greater sense of urgency in the development of our God-given resources. Almost 3 years ago I made my first address to this body, which was my "maiden" speech, as the first speech of freshmen Senators is called. At that time my remarks centered on the relationship between the building of a more productive economy for the United States and our ability to meet the obligations of the cold war by an aggressive development program for our natural resources. It was with a great deal of pleasure that same year that we saw the passage of Senate Resolution 48 creating the Senate Select Committee on National Water Resources, and it was particularly gratifying to me since I firmly believe if any one resource can be described as basic to the development of all others, that resource is water. This fact became even more clear to me as a member of that newly created Water Committee when, for more than 2 years, we held hearings, gathered the results of expert studies by various departments and agencies, and heard hundreds of witnesses all across the country.

The impact of that report, Mr. President, was sobering and challenging. It revealed that in the next 20 years this Nation, on both a public and private basis, is going to have to spend more than $200 billion on the development of water resources alone. This task, Mr. President, is not only one that might be done; it not only could be done; it not only should be done—it is one that must be done. In view of this staggering challenge, those of us who served on the Water Committee were greatly heartened that the theme of natural resource development formed such a significant part of President Kennedy's campaign appeal; and we were also pleased with the President's stirring words to the Congress on the subject of resource development. We had hoped that the completion of our report, when coupled with the administration's viewpoint, would make two significant impacts—first, an absolutely indispensible, popular understanding of the magnitude, the urgency, and the importance of the need to develop our water resources; and second, the catalytic effect which would result in a series of specific legislative recommendations by Members of Congress.

However, since the day of the committee report, our legislative record has not reflected the urgency which I, at least, had hoped. Excluding bills which duplicate each other, as well as bills which are so similar as for all practical purposes to duplicate each other, a total of 102 bills has been introduced in this Congress on the subject of water development. Yet, after 8 months have elapsed, only four of these bills have even been reported from committee. This is not, of course, a reflection on the record of any Senator nor of any committee, but is pointed out only to suggest that this record can hardly be claimed as an adequate response to our Nation's needs.

Another discouraging aspect of our overall attack, or lack of it, in the water resources field is the current program of the Bureau of Reclamation. The Bureau has reported that between now and the end of the century its program, involving the construction of 75 percent of Federal projects and 90 percent of the non-Federal projects included in the list of 1,085 reclamation projects furnished to the committee, could provide food and fiber for 25 million more people; would enable us to build a quarter of a million full-time family size farm units; would add 40,000 new local retail enterprises to our economy; and would add nearly a billion dollars to the Federal Treasury each year. However, when I asked the Bureau what definite plan it had to build its share of the total of the $18 billion worth of the water storage needed by the year 2000, the Bureau's reply was that their rate of progress was "on the minimum side," that their general investigations program would have to be doubled at least, and that it would not be physically possible to complete a list of projects already authorized within the next 6 years.

Equally disheartening was the Bureau's information that the predicted need of 440 million acre-feet of additional water storage by the year 2000 cannot be met at the present rate of development. They now have 26 reservoirs under construction which would increase our storage capacity by 41 million acre-feet, and they say there are 150 additional projects which, if completed within the next 6 years, would add another 22 million acre-feet to our total storage capacity. Between the years 1967 and 2000, however, they could add only an additional 50 million acre-feet even at twice the present rate of Federal reclamation development.

These figures are not cited here today to embarrass the Bureau of Reclamation or the Interior Department. They are given as an example of the type of metamorphosis that can set in if we allow ourselves to become sidetracked or if we do not become sufficiently aroused to tackle the job that must be done. It is abundantly clear to me, Mr. President, that without public disposition to accept or even demand greater activity and increased expenditures in the field of water development there can be but little hope for major strides forward.

Mr. President, we cannot hope to maintain our position of world leadership by overcautious programs and compromise measures which do little to add to the real strength of our Nation's economy. Ours is not a nation of unending resource abundance, whose resources need only minimal development by man to supply his needs. It is true that we have the resources, but they must be developed. The economy of this country does not, without adequate resource development that in turn abets

national economic growth, contain within itself sufficient strength to win the world contest in which we are now engaged.

I believe it is highly significant that Nikita Khrushchev in his latest Communist Manifesto—the draft of the program of the Soviet Communist Party to be presented in October—says that "priority will be given to developing easily exploitable resources that provide the greatest economic effect."

He continued his statement:

> The industry in the areas to the east of the Urals, where there are immense natural riches, raw materials, and power resources, will expand greatly.
>
> The following must be achieved within the next 20 years; in Siberia and Kazakhstan—the creation of new large power bases using deposits of cheap coal or the water power resources of the Angara and Yenisei Rivers, the organization of big centers of power-consuming industries and the completion in Siberia of the country's third metallurgical base, the development of new rich ore and coal deposits, etc.

These words should serve as a sufficiently grim and ominous warning to convince anyone that, whether we develop our own resources or not, the Soviet Union surely intends to develop its resources. What Russia is going to do is what we have been waiting to do. Are we, Mr. President, some day in the future going to look back and say that we can recall the time when, if we had had the vision and the courage to begin aggressive development of our natural resources, we would still be able to maintain our pace with the Soviet Union and we would still enjoy the position of world leadership which we have lost to them? Obviously none of us looks forward to such a bleak prospect. But I submit, Mr. President, that time is running out.

New dams, new industrial plants, new power facilities do not come into being overnight. Indeed, were we to launch a massive resource development program this very instant, it would be many years in the future before it would be brought to fruition. Thanks to such studies as that conducted by the Select Water Committee, as well as hundreds of other studies and reports by various Government and private agencies and industries, the guidelines to achieving the task ahead are well defined and numerous.

We have but to merely follow them—to act decisively—to wake ourselves from the lethargy which has so destructively hindered our national effort.

It is what we do, or fail to do, in the field of resource development that will determine whether we achieve the goals that we, as a Nation, have set for ourselves. Only an economy that has been stimulated to the extent that a rate of economic growth of at least 4½ or 5 percent is achieved and maintained; only an economy that is stimulated to an extent that just, sensible, and nonconfiscatory tax rates will yield drastically increased public revenues; only an economy that has been stimulated by a resource development to the extent that stubborn, chronic, and large-scale unemployment is wiped out—only such an economy can afford to do the things that this Nation must do in the areas of national defense, foreign aid, education, and other domestic programs in the next four decades. The concept that must be thoroughly understood by the American people is that this program must take place and become effective before these other goals can be achieved—not at some time in the future when it becomes fiscally possible by conservative standards to do the job—it must take place now.

AID TO FEDERALLY IMPACTED SCHOOLS—AMENDMENTS

Mr. MONRONEY (for himself, Mr. KERR, Mr. FULBRIGHT, Mr. SMATHERS, Mr. HOLLAND, Mr. CASE of South Dakota, and Mr. COTTON) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 2393) to extend for 1 year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas and to provide for the application of such laws to American Samoa, which were ordered to lie on the table and to be printed.

PROPOSED STUDY RELATING TO DEVELOPMENT OF PUMPED STORAGE—ADDITIONAL COSPONSOR OF BILL

Mr. McGEE. Mr. President, a few days ago, the junior Senator from New Mexico [Mr. ANDERSON], and the senior Senator from Oklahoma [Mr. KERR] introduced Senate bill 2460.

S. 2460 calls on the Secretary of the Interior to conduct a study of the need or desirability of developing pumped storage in connection with Federal reservoir projects.

Mr. President, I compliment the Senator from New Mexico and the Senator from Oklahoma for introducing this proposed legislation, for I believe it can have a very beneficial effect in approaching a solution to the staggering resource development challenge we face in the future. I ask unanimous consent, Mr. President, that my name be added as a cosponsor of S. 2460.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, September 11, 1961, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 48. An act to authorize the Secretary of the Army to modify certain leases entered into for the provision of recreation facilities in reservoir areas;

S. 203. An act to declare that the United States holds trust for the pueblo of Santa Ana, Zia, Jemez, San Felipe, Santo Domingo, Cochiti, Isleta, and San Ildefonso certain public lands;

S. 322. An act to make certain funds available to the Nez Perce Tribe of Idaho;

S. 344. An act to amend the Seneca Leasing Act of August 14, 1950 (64 Stat. 442);

S. 541. An act to amend the act of June 1, 1948 (62 Stat. 281), to empower the Administrator of General Services to appoint nonuniformed special policemen;

S. 685. An act to amend the Coast and Geodetic Survey Commissioned Officers Act of 1948, as amended, and for other purposes;

S. 931. An act to repeal that part of the act of March 2, 1889, which requires that grantors furnish, free of all expenses to the Government, all requisite abstracts, official certifications, and evidence of title;

S. 935. An act for the relief of certain members of the Army National Guard of the United States and the Air National Guard of the United States;

S. 1368. An act to amend the Shipping Act of 1916, to provide for licensing independent ocean freight forwarders, and for other purposes;

S. 1501. An act to authorize the Secretary of the Interior to contract for the sale, operation, maintenance, repair, or relocation of Government-owned electric and telephone lines and other utility facilities used for the administration of the Bureau of Indian Affairs;

S. 1518. An act providing for the disposition of judgment funds of the Omaha Tribe of Indians;

S. 2016. An act to give to the Walker River Paiute Tribe the reserved minerals underlying its reservation;

S. 2216. An act to authorize the transfer of three units of the Fort Belknap Indian irrigation project to the landowners within the project;

S. 2224. An act to grant minerals, including oil, gas, and other natural deposits, on certain lands in the Northern Cheyenne Indian Reservation, Mont., to certain Indians, and for other purposes;

S. 2395. An act to amend the Railroad Retirement Act of 1937 to provide reduced annuities to male employees who have attained the age of 62, and for other purposes;

S. 2422. An act concerning the White House and providing for the care and preservation of its historic and artistic contents; and

S. J. Res. 98. Joint resolution to provide for the observance of the centennial of the enactment of the Homestead Act.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. McNAMARA. Mr. President, in accordance with the order previously entered, I move that the Senate now adjourn until tomorrow, at 9 a.m.

The motion was agreed to; and (at 8 o'clock and 6 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Tuesday, September 12, 1961, at 9 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate September 11, 1961:

INTERNATIONAL ATOMIC ENERGY AGENCY

Glenn T. Seaborg, of California, to be the Representative of the United States of America to the fifth session of the General Conference of the International Atomic Energy Agency.

The following-named persons to be Alternate Representatives of the United States of America to the fifth session of the General Conference of the International Atomic Energy Agency:

Henry DeFolf Smyth, of New Jersey.

William I. Cargo, of Maryland.
John S. Graham, of North Carolina.
Leland J. Haworth, of New York.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 11, 1961:

CALIFORNIA DEBRIS COMMISSION

Col. Arthur H. Frye, Jr., Corps of Engineers, to be president and senior member of the California Debris Commission, under the provisions of section 1 of the act of Congress approved March 1, 1893 (27 Stat. 507; 33 U.S.C. 661).

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service, subject to qualifications therefor as provided by law and regulations:

Harold C. Woodworth to be senior surgeon.

Winsor V. Morrison to be senior assistant surgeon.

Morris L. Shoss to be senior sanitary engineer.

James H. Eagen to be assistant sanitary engineer.

Gerald R. Stowe to be assistant pharmacist.

Trygve O. Berge to be scientist director.

U.S. Grant III to be senior veterinary officer.

Mildred Kaufman to be dietitian.

Lamont B. Smith to be senior assistant therapist.

EXTENSIONS OF REMARKS

Farm Legislation in the 87th Congress, 1st Session

EXTENSION OF REMARKS
OF
HON. HAROLD D. COOLEY
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Monday, September 11, 1961

Mr. COOLEY. Mr. Speaker, the 1st session of the 87th Congress is drawing to a close, and it is my duty, as chairman of the House Committee on Agriculture, to review for the Members of the House the work of this Congress, thus far, in behalf of agriculture.

This report is a matter of great pride for me, and I am sure the majority of the Members of this body feel the same deep satisfaction in what is accomplished.

This 87th Congress, which convened in January, already has done more to change and improve the fortunes of the farm families of America than perhaps any Congress since the enactment of the basic agricultural laws that were designed to lift agriculture out of the great depression.

We have moved effectively to ease the cost-price squeeze that for almost a decade has strangled the farm economy. We have reversed the long downward trend in farm income. The effects of our work already are evident. During the month ended August 15, the index of prices received by farmers rose nearly 2 percent. The mid-August index was 3 percent above a year earlier.

This is being achieved because we have an administration and the Congress working together, with common objectives.

When this Congress convened in January, the time was nearing when farmers would plant their crops. A new administration was coming into power. Time was of the essence, if we were to come to grips in 1961 with the deepening depression that had settled upon the farmlands of our Nation. The situation demanded courageous and swift action.

The most pressing problem of agriculture confronting us was the great and burdensome surplus of wheat and feed grains, and the prospect that crops to be planted this year would build this surplus to more costly and staggering proportions.

The new administration, after Orville Freeman had been named the Secretary of Agriculture, and after he had consulted with farm legislators in the Congress, came forward with a proposal that offered the one great promise of injecting stability in a large area of agriculture in 1961. This was the feed grains bill.

This bill proposed to establish a one-year emergency program to reduce the production of feed grains in 1961, and thereby to alleviate the conditions of oversupply and low prices then seriously depressing a major segment of the Nation's agriculture and placing on taxpayers the burden of holding nearly $4 billion of these grains.

Our Committee on Agriculture called this legislation up for consideration against a background of almost a decade of national controversy and bickering on farm policy, during which time the farm economy had gradually deteriorated. The basic issue in this background was between those who would remove restraints upon an already exploding production and those who contended that the only way for agriculture to achieve a fair price structure is to adjust production to the needs of the markets. Our Committee on Agriculture, with remarkable speed, resolved the issue in a determination to make the law of supply and demand work for the farmer, and not against him. We reported the legislation to provide incentives for farmers to reduce their production of feed grains. The Congress promptly passed the bill, and it was signed into law by the President.

Farmers responded magnificiently. They cooperated in the new program far beyond expectations. Consequently, feed grains production has been brought into reasonable bounds in 1961, to the great benefit of farmers and taxpayers as well.

Mr. Speaker, the program is expected to add around $750 million, in 1961, as compared with 1960, to the income of corn, grain sorghum, oats, barley and soybean producers.

This 1961 feed grain program has worked, as follows:

First. Payment in cash or in kind for retiring 20 percent of corn and grain sorghum acreage—or up to 20 acres, whichever is greater on individual farms. Eligibility for price support for corn and grain sorghum to be contingent upon participation in this diversion of 20 percent of acreage or 20 acres.

Second. Payment in kind for retiring an additional 20 percent of corn and grain sorghum acreage. However, this additional acreage diversion would not be required as a condition for price support eligibility.

Third. An increase in the price support level for corn from $1.06 to $1.20 a bushel, and increases in the supports for grain sorghums and other feed grains. Also, an increase in the support level of soybeans, intended to divert at least 2 million acres from corn and grain sorghums.

Mr. Speaker, the Committee on Agriculture, with the feed grains program underway early in the spring, turned forthwith to work upon general farm legislation, to be effective with the 1962 crops.

I want to commend the members of our committee and the Members of the House, regardless of political party affiliations, who worked so long, so hard, and with such dedication, to reverse the long, desperate, downward trend in farm prices which had depressed the farm economy and impoverished large areas of agriculture. I am especially encouraged at the substantial support many Members representing city constituencies gave to this effort to stabilize the farm economy.

Agriculture is by far the Nation's largest industry. Farming employs more persons than the steel industry, automobile industry, transportation industry, and public utilities combined. This 87th Congress has demonstrated a sound awareness that what happens in agriculture bears directly not only upon farmers but ultimately upon consumers, taxpayers, and the economy as a whole.

Mr. Speaker, notwithstanding the great range of clashing views abroad in this country on the direction farm policy should take, this Congress proceeded with the job that had to be done. We passed, and the President has signed, the Agricultural Act of 1961. I think it is the most important piece of legislation, in the interest of farmers, to be enacted in a decade.

Following are the major provisions of the Agricultural Act of 1961:

DECLARATION OF POLICY

The act makes a broad declaration in behalf of policies in order more fully and effectively to improve, maintain, and protect the prices and incomes of farmers, to enlarge rural purchasing power, to achieve a better balance between supplies of agricultural commodities and the requirements of consumers therefor, to preserve and strengthen the structure of agriculture, and

to revitalize and stabilize the overall economy at reasonable costs to the Government. It specifically declares it to be the policy of the Congress to "recognize the importance of the family farm as an efficient unit of production and as an economic base for towns and cities in rural areas and encourage, promote, and strengthen this form of farm enterprise."

TITLE I—SUPPLY AND PRICE STABILIZATION

Consultation on agricultural programs

Provides authority for consultation and advising with farmers and farm and commodity organizations in developing agricultural programs.

The 1962 wheat program

1. A mandatory reduction of 10 percent in wheat acreage and incentives for producers to reduce their acreage voluntarily another 30 percent to a maximum 40-percent acreage curtailment on individual farms. A producer could retire up to 40 percent of his allotment or 10 acres, whichever is greater, and receive payment for such diversion.

2. An exemption from marketing quotas limited to 13.5 acres per farm or the highest acreage planted for harvest in 1959, 1960, or 1961. The present exemption is 15 acres.

3. Price support limited to producers who do not exceed their reduced 1962 acreage allotment and who divert an acreage at least equal to 10 percent of their previous acreage allotment to conservation uses, with payments in cash or in kind on up to 45 percent of normal production for such diversion.

Secretary Freeman has set the 1962 wheat support at a national average of $2 a bushel. This is 83½ percent of parity. The support this year is $1.79 or 75 percent of parity.

4. Payments in cash or in kind up to 60 percent on normal production on wheat acres voluntarily removed from production above the mandatory 10-percent diversion.

5. Authority for producers to plant castor beans, guar, sunflower, safflower, or sesame, if designated by the Secretary, subject to the conditions that no payment shall be made with respect to diverted acreage devoted to any such commodity.

6. Increases the marketing penalty from 45 to 65 percent of parity price and establishes stricter computation of amount subject to penalty, in cases of noncompliance with allotments.

7. Provides that where producers can prove their 1959 and 1960 acreages and yields, these figures shall be accepted.

8. Authority for 3 years, beginning with 1962, for the Secretary to increase Durum wheat acreage allotments if the supply warrants. No export subsidies on Durum if acreage is increased.

The 1962 feed grains program

1. A voluntary retirement of acreage previously devoted to corn, grain sorghum, and barley. The 1962 program would add barley to the grain program in operation for corn and grain sorghum in 1961. A special exemption is provided for producers of malting barley.

2. Payments to producers on retired acreage up to 50 percent of the normal value of production on these acres, at the current support rate, for the first 20 percent of the corn, grain sorghum, and barley acres retired to a conservation use, and payment up to 60 percent of the normal value of production on land retired above 20 percent of the previous acreage in these crops. Any producer may place a minimum of 20 acres of cropland in conservation use and receive payments.

3. A price support level determined at the discretion of the Secretary of Agriculture, but not less than 65 percent of parity. Under similar provision in the 1961 program the Secretary set the support of corn at $1.20 a bushel, or 74 percent of parity, and grain sorghum at $1.93 a hundredweight, or 78 percent of parity. The corn support in 1960 was $1.06 and grain sorghum $1.52.

4. As a condition of eligibility for price support a producer of corn, grain sorghum or barley (except as provided for malting barley) must participate in the acreage reduction program for these crops in 1962, to the extent prescribed by the Secretary. To be in compliance with the program, a producer of corn or grain must not increase his acreage of barley and a producer of barley must not increase his acreage of corn or grain sorghum.

Marketing orders

1. Adds to the Agricultural Marketing Agreement Act of 1937, peanuts by areas of production, turkeys and turkey hatching eggs, cherries and cranberries for canning or freezing; and also adds apples, both fresh and for canning and freezing (and products except canned or frozen products are covered) in Michigan, New York, New England, Maryland, New Jersey, Indiana, and California. The provision relating to peanuts requires that if any orders are developed for peanuts, each of such orders shall be limited to peanuts produced in one of the areas named in the bill. Tobacco would remain in the list of commodities where producers, if they wish, could develop marketing orders. Soybeans are deleted from this list.

2. Requires processors representing over 50 percent of the volume of cranberries, cherries, and apples for canning or freezing to approve any marketing order, as well as producers, before it can become effective.

3. Also includes provisions: (a) amending the above-parity provision of the act to prevent termination of orders prior to the end of the marketing season; (b) changing the civil penalty provision to aid enforcement by reducing the penalty and dropping "willful"; (c) permitting orders for groups or portions of commodities; (d) requiring referendums for initial orders and that the ballot describe the order; and (e) providing for processor referendums in cases where processor approval is required.

4. Adds to the commodities subject to import regulation under section 8e, when marketing orders are in effect on the same commodities in the United States, oranges, onions, walnuts, and dates except dates for processing.

Wool

Extends the National Wool Act for 4 years to March 31, 1966.

TITLE II—EXTENSION AND AMENDMENT OF PUBLIC LAW 480—AGRICULTURE TRADE DEVELOPMENT AND ASSISTANCE ACT

1. Amends title I (sales of commodities for foreign currencies) of Public Law 480 to (a) extend title for 3 years; (b) establish a limitation of $4.5 billion on disposal of surpluses under title I agreements for a 3-year period and an annual limit of $2.5 billion; (c) authorize the use of foreign currencies for dollar sales to American tourists; (d) improve the agricultural market development activities in foreign nations by setting aside 5 percent of the foreign currencies acquired each year to this purpose and by requiring that not less than 2 percent of the foreign currency sales proceeds be convertible into the currencies of other foreign nations as the Secretary of Agriculture deems necessary to improve overall U.S. market development activities.

2. Amends title II (food donations to relieve distress among friendly peoples) to (a) extend title II for 3 years through December 31, 1964; (b) extend authority for economic development for 3 years through December 31, 1964; (c) continue present authorization of $300 million per year, plus carryover; (d) make annual limitation applicable to amount programed rather than amount spent.

TITLE III—AGRICULTURAL CREDIT

1. Real estate loans:

(a) To persons who are or will become owner-operators of not larger than family farms.

(b) Available to all farm owners and tenants for soil and water conservation measures.

(c) May be made to certain nonprofit associations for soil and water conservation, drainage, and flood control, with an insured loan limit of $1 million and a direct loan limit of $500,000.

(d) Sets the limit on loans to individuals for land acquisition at $60,000.

(e) Both insured and direct loans may be made up to 100 percent of normal value of the farm.

(f) Provides interest rate of not to exceed 5 percent plus fees. Out of 5 percent paid by insured loan borrowers, one-half of 1 percent to go to insurance fund and one-half of 1 percent now used for administrative expenses could go to the lender as additional interest.

(g) In determining eligibility for real estate loans the Secretary must consider prevailing private and cooperative interest rates in the community and must determine that the applicant is a U.S. citizen, has farm background and either training or experience, and is or will become a family farm owner-operator.

2. Operating loans:

(a) Increases loan limit from $20,000 to $35,000, and limits term of loan to 7 years. Not more than 25 percent of the annual appropriation can be used to create borrower indebtedness in excess of $15,000.

(b) Authorizes participation loans up to 80 percent with private lenders.

(c) Provides interest rate of not to exceed 5 percent.

(d) Authorizes loans to soil conservation districts which are unable to obtain necessary credit elsewhere on reasonable terms and conditions, to purchase farm equipment customarily used for soil conservation purposes. Single loans are limited to $35,000 outstanding indebtedness and total loans cannot exceed $500,000 in any 1 year.

(e) In determining eligibility for operating loans the Secretary must consider prevailing interest rates in the local community and must determine that the applicant is a U.S. citizen, has farm background and either training or experience and is or will become a family farm owner-operator.

3. Emergency loans:

(a) Authorized in areas suffering from natural disaster conditions.

(b) Provides interest rate of not to exceed 3 percent under terms applicable to regular real estate or operating loans.

(c) In determining eligibility for emergency loans the Secretary must consider any established farmer or rancher or citizen of the United States or a private domestic corporation or partnership engaged primarily in farming or ranching in designated areas with experience and resources sufficient for probable successful operation, and persons or corporations outside designated areas who have suffered severe production losses not general to the area.

TITLE IV—GENERAL

1. Extension of Great Plains conservation program to December 31, 1971.

2. Extension of the school milk program for 5 years through June 30, 1967, with the House provision requiring annual appropriations.

3. Extension of the veterans and Armed Forces dairy programs for 3 years through December 31, 1964.

Mr. Speaker, the Agricultural Act of 1961 and the earlier special feed grains bill are the major enactments of the

87th Congress thus far, in behalf of agriculture. But along with this work we have developed and enacted other important legislation relating to the well-being of agriculture, thus contributing to the strength of the general economy.

Of particular importance was the bill to extend and amend the Sugar Act.

In July 1960, Congress enacted Public Law 86–592, which, first, extended the Sugar Act for 3 months—from December 31, 1960, to March 31, 1961—second, authorized the President to set the Cuban sugar quota for the balance of the calendar year 1960 and for the first 3 months of 1961 at any level not in excess of the Cuban quota under the basic quota system of the Sugar Act, and, third, directed the manner in which replacement supplies of sugar were to be obtained upon reduction of the Cuban quota.

Under this authority the Cuban quota has been cut to zero.

The sugar bill we enacted this year extended the Sugar Act from March 31, 1961, to June 30, 1962. It did not change the basic provisions of the act, although the legislation embraced two amendments to the emergency authority: First, to relieve the President of the obligation to purchase any part of the sugar formerly supplied by Cuba from any country with which the United States does not maintain diplomatic relations; and second, to require that in above-quota foreign purchases consideration should be given to countries of the Western Hemisphere and to those countries purchasing U.S. agricultural commodities.

The necessity of passing the bill before the Sugar Act expired on March 31 this year, and the complicated nature of the Sugar Act, which finds all of its provisions interrelated and dependent upon each other, made it impossible for the committee to take action on several propositions which would have made substantial changes in the basic act.

It was the committee's intention, upon completing work on the Agricultural Act of 1961, to return to sugar problems and hold the necessary hearings and conduct the essential studies to enact long-term sugar legislation, dealing with quota adjustments for foreign supplies and with the desire for expansion of domestic sugar production in old and new areas. We were awaiting recommendations from the Department of Agriculture, which administers the sugar program.

On August 3, I received a letter from Secretary Freeman advising that for several reasons it appeared inadvisable for the Department to present recommendations for amending and extending the Sugar Act before the beginning of the next session of Congress. He said "world production and marketing of sugar are undergong realinement and the situation has not yet stabilized," and this fact, coupled with other uncertainties in the international fields "lead us to believe it wise to reserve judgment for the present about some of the major issues respecting sugar import quotas." Moreover, the Secretary said "within the domestic sugar industry there are also important unresolved issues."

I subsequently announced that no further sugar legislation would be considered at this session but that such legislation will be given preferred treatment when the Congress returns in January. But, ever alert to the problems relating to sugar, internationally and among our own producers, our committee on September 7 adopted resolutions:

First. That the President be requested to instruct those in charge of administering the sugar program that it is the clear intent of Congress that in making any foreign purchases of sugar for the calendar year 1962 clear preference is to be given those countries which offer to buy a reasonable quantity of U.S. agricultural commodities in return for our purchase of their sugar.

Second. That it is the sense of the committee that in allocating the sugar tonnage necessary to supply the domestic growth factor, the Secretary of Agriculture should make allocations to new mills so that this new tonnage can support the development of the sugar industry in new areas in anticipation of passage of legislation revising the Sugar Act in 1962.

Third. That the committee would regard with extreme disfavor any action or statement by any representative of the United States at the Conference in Geneva, Switzerland, on the International Sugar Agreement, which would commit the United States or imply, either directly or indirectly, any commitment on the part of the United States to adopt any system of sugar importation other than fixed statutory quotas such as have heretofore operated so effectively under the Sugar Act of 1948 and previous laws.

Mr. Speaker, the three major farm enactments I have discussed are Public Law 87–5—the special feed grains program for 1961; Public Law 87–15—amend and extend the Sugar Act; and Public Law 87–128—the Agricultural Act of 1961.

Our committee has considered and reported to the House many other bills in this session dealing with specific matters relating to agriculture. A number have become public law, including:

Public Law 87–8—Farmers Home Administration loans (ceiling increase).

Public Law 87–10—extend time for application of 1959 amendment to Federal Nematocide, Fungicide and Rodenticide Act.

Public Law 87–28—amend title I of Public Law 480 (provides $2 billion additional authority during 1961).

Public Law 87–33—temporary release and reapportionment of pooled acreage allotments.

Public Law 87–37—cotton acreage allotments transfer from flooded areas.

Public Law 87–62—emergency hay harvesting on conservation reserve acreage in drought areas.

Public Law 87–67—special milk program for children, expanded and extended to June 30, 1962.

Public Law 87–104—wheat referendum time extension to August 26, 1961.

Public Law 87–106—emergency livestock loans extension.

Public Law 87–127—surplus grain sales in disaster areas.

As I make this report, several bills relating to agriculture are awaiting final action before we adjourn. Among these is the Mexican farm labor bill.

Mr. Speaker, in closing this report, let me emphasize again to my colleagues that the work we have done in this first session of the 87th Congress, particularly in the enactment of the Agricultural Act of 1961 and the special feed grains program for 1961, will restore stability to large areas of agriculture. It will reduce burdensome farm surpluses. It will save taxpayers almost $1 billion by diminishing expenditures on farm programs.

However, Mr. Speaker, we by no means have solved all of the problems of agriculture. Some commodities will not be helped by what we have done. They still will be in trouble when this session is adjourned.

In most of these commodities, effective action by the Congress must await the development of unity among producers on what kind of program they want.

The 2d session of the 87th Congress, which convenes next January, will write further general farm legislation. I am hopeful, and I am sure my colleagues here are hopeful, that leadership and unity among farmers themselves will develop in such a way that we may then be able to take another great stride to provide adequate rewards for the people of this country who have made us the best fed nation on the face of the earth.

Status of the Regular Appropriation Bills and Legislative Back-Door Appropriation Provisions, 87th Congress, 1st Session

EXTENSION OF REMARKS

OF

HON. CLARENCE CANNON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, September 11, 1961

Mr. CANNON. Mr. Speaker, for the information of the House and the country, I include up-to-date tabulations on the status of the regular appropriation bills and identified legislative bills carrying back-door provisions of one kind or another.

With presentation of the two conference reports today and the public works bill scheduled in the House tomorrow, we are near the conclusion of the regular appropriations schedule of the session. The usual last supplemental bill of the session will be reported tomorrow and disposed of this week. As disclosed by the tabulation, the District and foreign assistance bills are in the Senate. The State, Justice, judiciary bill is in conference and will be forthcoming.

The appropriations business has been delayed inordinately this session by the unexplained lateness of the growing practice of processing authorization bills annually. The Committee on Appropriations has been marking time for several weeks on certain bills waiting for the authorizations to clear.

The tables follow.

Table of appropriation bills, 87th Cong., 1st sess., as of Sept. 11, 1961

[Does not include any back-door appropriation bills]

Title	Budget estimates to House	Amount as passed House	House action compared with budget estimates	Budget estimates to Senate	Amount as passed Senate	Senate action compared with—		Final conference action	Increase or decrease compared to budget estimates to date
						Budget estimates	House action		
1961 SUPPLEMENTALS									
3d supplemental	$1,235,482,769	$803,506,119	−$431,976,650	$5,275,213,127	$4,637,419,970	−$637,793,157	+$3,833,913,851	$1,694,055,637	[1] −$3,581,157,490
Inter-American program	600,000,000	600,000,000		600,000,000	600,000,000			600,000,000	
4th supplemental	88,024,000	47,214,000	−40,810,000	88,024,000	47,214,000	−40,810,000		47,214,000	−40,810,000
Total, 1961 supplementals	1,923,506,769	1,450,720,119	−472,786,650	5,963,237,127	5,284,633,970	−678,603,157	+3,833,913,851	2,341,269,637	−3,621,967,490
1962 APPROPRIATIONS									
Treasury-Post Office	5,371,801,000	5,281,865,000	−89,936,000	5,371,801,000	5,327,631,000	−44,170,000	+45,766,000	5,298,765,000	−73,036,000
Interior [2]	782,387,000	753,319,000	−29,068,000	782,387,000	813,399,850	+31,012,850	+60,080,850	779,158,650	−3,228,350
Labor-HEW	4,282,148,081	4,327,457,000	+45,308,919	5,004,281,081	5,161,380,000	+157,098,919	+833,923,000	4,915,965,000	−88,316,081
Legislative	105,647,577	104,353,335	−1,294,242	136,082,802	135,432,065	−650,737	+31,078,730	135,432,065	−650,737
State, Justice, Judiciary	795,891,202	751,300,050	−44,591,152	795,891,202	762,038,550	−33,852,652	+10,738,500		
Agriculture	6,089,244,000	5,948,466,000	−140,778,000	6,089,244,000	5,967,457,500	−121,786,500	+18,991,500	5,967,494,500	−121,749,500
Loan authorizations	(612,000,000)	(629,900,000)	(+17,900,000)	(612,000,000)	(725,500,000)	(+113,500,000)	(+95,600,000)	(725,500,000)	(+113,500,000)
Independent offices	8,625,561,000	8,404,098,000	−221,463,000	9,174,561,000	9,098,769,500	−75,791,500	+694,671,500	8,966,285,000	−208,276,000
General Government-Commerce	666,278,000	626,958,000	−39,320,000	666,278,000	650,438,200	−15,839,800	+23,480,200	641,135,800	−25,142,200
Defense	42,942,345,000	42,711,105,000	−231,240,000	46,396,945,000	46,848,292,000	+451,347,000	+4,137,187,000	46,662,556,000	+265,611,000
District of Columbia	(292,438,188)	(268,122,400)	(−24,315,788)						
Loan authorization	(24,600,000)	(29,000,000)	(+4,400,000)						
Federal payment	39,753,000	32,753,000	−7,000,000						
Military construction	1,047,568,000	883,359,000	−164,209,000	1,047,568,000	1,020,146,750	−27,421,250	+136,787,750	[3] 947,878,750	−99,689,250
Foreign assistance	4,993,991,000	3,835,245,000	−1,158,746,000						
Public works	3,732,038,000								
Supplemental									
Total, 1962 appropriations	79,474,652,860	73,660,278,385	−2,082,336,475	75,465,039,085	75,784,985,415	+319,946,330	+5,992,705,030	74,314,670,765	−354,477,118
Total, all appropriations	81,398,159,629	75,110,998,504	2,555,123,125	81,428,276,212	81,069,619,385	−358,656,827	+9,826,618,881	76,655,940,402	−3,976,444,608
Total, loan authorizations	(636,600,000)	(658,900,000)	(+22,300,000)	(612,000,000)	(725,500,000)	(+113,500,000)	(+95,600,000)	(725,500,000)	(+113,500,000)

[1] Major reductions include 2 items submitted directly to Senate (S. Doc. 19): (1) $2,969,525,000 to restore funds of Commodity Credit Corporation. Entire estimate disallowed in conference; $1,951,915,000 resubmitted for 1962 in budget estimates for Agriculture (H. Doc. 155); (2) $490,000,000 for "Payment to the Federal extended compensation account." Reduction made by Senate. Resubmitted to Senate for 1962 in Labor-HEW bill (S. Doc. 30).

[2] Includes borrowing authority as follows: Budget estimate, $15,000,000; House reported and passed, $10,000,000; Senate reported and passed, $10,000,000.

[3] Pending final disposition in House, with $3,812,000 not settled (and not included in this figure).

NOTE.—Indefinite appropriations are included in this table.

New authority to obligate the Government carried in identified legislative bills—1st sess., 87th Cong. (public debt borrowing, contract authority, use of receipts, and authority to use existing authority)

[Please note that for some bills no amounts are shown; thus the grand totals understate the situation]

Bill and subject	Executive requests		Senate	House	Enacted	Enacted compared with executive requests—	
	Full basis	Basis comparable to enacted				Full basis	Comparable basis
1. Veterans' direct loans, multiyear (H.R. 5723; Public Law 87-84) (public debt)	[4]	[4]	$1,050,000,000	$1,050,000,000	$1,050,000,000	+$1,050,000,000	+$1,050,000,000
2. Area redevelopment, multiyear (S. 1; Public Law 87-27) (public debt)	[5] ($300,000,000)	[5] ($300,000,000)	[6] 300,000,000	[5] (300,000,000)	[6] 300,000,000	+300,000,000	+300,000,000
3. Agricultural commodities, sales for foreign currencies, for calendar year 1961 (S. 1027; Public Law 87-28) (contract authority involving subsequent reimbursement of CCC)	[7] 2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000		
4. Special milk program for fiscal year 1962 (S. 146; Public Law 87-67) (contract authority involving subsequent reimbursement of CCC)	[8] 105,000,000	[8] 105,000,000	105,000,000	105,000,000	105,000,000		
5. Special feed grain program for 1961 (H.R. 4510; Public Law 87-5) (contract authority involving subsequent reimbursement of CCC)	[9]	[9]	[9]	[9]	[9]		
6. Housing Act of 1961, multiyear (S. 1922; Public Law 87-70) (public debt and contract authority):							
(a) FNMA, special assistance (public debt)	750,000,000	750,000,000	750,000,000	[10] 1,550,000,000	[10] 1,550,000,000	+800,000,000	+800,000,000
(b) College housing loans (public debt)	1,350,000,000	1,000,000,000	1,350,000,000	1,200,000,000	[11] 1,200,000,000	−150,000,000	+200,000,000
(c) Public facility loans (public debt)	50,000,000	50,000,000	50,000,000	500,000,000	450,000,000	+400,000,000	+400,000,000
(1) Mass transportation loans (public debt)			100,000,000		50,000,000	+50,000,000	+50,000,000
(d) Urban renewal grants (contract authority)	[12] 2,500,000,000	[12] 2,500,000,000	[12] 2,500,000,000	[12] 2,000,000,000	[12] 2,000,000,000	−500,000,000	−500,000,000
(e) Public housing (contract authority):							
(1) Annual contributions	[13] 3,146,000,000	[13] 3,146,000,000	[13] 3,146,000,000	[13] 3,146,000,000	[13] 3,146,000,000		
(2) Demonstration grants	[14] (10,000,000)	[14] (10,000,000)	[14] (10,000,000)		[14] 5,000,000	+5,000,000	+5,000,000
(f) Open space land grants (contract authority)	[15] (100,000,000)	[15] (100,000,000)		[15] (100,000,000)	[15] 50,000,000	+50,000,000	+50,000,000
(g) Mass transportation demonstration grants (contract authority)	[16] (10,000,000)	[16] (10,000,000)	[16] (50,000,000)		[16] (25,000,000)	(+15,000,000)	(+15,000,000)
(h) Farm housing loans (public debt)	[17] 207,000,000	[17] 207,000,000	[17] 207,000,000	[17] 407,000,000	[17] 407,000,000	+200,000,000	+200,000,000
Total, housing bill	8,003,000,000	7,653,000,000	[18] 8,103,000,000	8,803,000,000	8,858,000,000	+855,000,000	+1,205,000,000
Loans	(2,357,000,000)	(2,007,000,000)	(2,457,000,000)	(3,657,000,000)	(3,657,000,000)	(+1,300,000,000)	(+1,650,000,000)
Grants	(5,646,000,000)	(5,646,000,000)	(5,646,000,000)	(5,146,000,000)	(5,201,000,000)	(−445,000,000)	(−445,000,000)
7. Cape Cod National Seashore Park (S. 857; H.R. 5768; Public Law 87-126) (contract authority)	[19] (16,000,000)	[19] (16,000,000)	16,000,000	[19] (16,000,000)	[19] (16,000,000)		
8. Federal aid to airports, 5 years (H.R. 6580; S. 1703; H.R. 8102) (contract authority)	375,000,000	375,000,000	375,000,000	[20] (375,000,000)			

See footnotes at end of table.

New authority to obligate the Government carried in identified legislative bills—1st sess., 87th Cong. (public debt borrowing, contract authority, use of receipts, and authority to use existing authority)—Continued

[Please note that for some bills no amounts are shown; thus the grand totals understate the situation]

Bill and subject	Executive requests		Senate	House	Enacted	Enacted compared with executive requests—	
	Full basis	Basis comparable to enacted				Full basis	Comparable basis
9. Mutual security loans, 5 years (H.R. 8400; S. 1983; Public Law 87-195) (public debt borrowing, use of certain repayments, and contract authority):							
(a) Public debt borrowing for development loans	$7,300,000,000	$7,300,000,000	$7,987,000,000	[17]	[18]($7,200,000,000)	−$7,300,000,000	−$7,300,000,000
(b) Use of receipts from old loans for development loans	[19] 1,487,000,000	[19] 1,487,000,000				−1,487,000,000	−1,487,000,000
(c) Drawdown on Defense stocks and services for military assistance purposes (Defense can incur obligations in anticipation of reimbursement) (sec. 510)	400,000,000	400,000,000	200,000,000	$400,000,000	300,000,000	−100,000,000	−100,000,000
(d) Use for foreign currencies (House, sec. 611; Senate, sec. 612)	[20]	[20]	[20]	[20]	[20]		
Total, mutual security	9,187,000,000	9,187,000,000	8,187,000,000	400,000,000	300,000,000	−8,887,000,000	−8,887,000,000
10. Highway Act of 1961 (H.R. 6713; Public Law 87-61) (diversion of general fund revenues to "trust" fund; contract authority):							
(a) Diversion of ½ of 10 percent tax on trucks, buses, and trailers [21]			1,660,000,000	1,803,000,000	1,660,000,000	+1,660,000,000	+1,660,000,000
11. Agricultural Act of 1961 (H.R. 6400; H.R. 8230; S. 1983; Public Law 87-128):							
(a) 1962 wheat program (use of CCC funds involving subsequent reimbursement of CCC)			[6]	[6]	[6]		
(b) 1962 feed grain program (contract authority and use of CCC funds involving subsequent reimbursement of CCC)			[6]	[6]	[6]		
(c) Agricultural commodities, sales for foreign currencies (contract authority involving subsequent reimbursement of CCC)	[23] 7,500,000,000	[22] 4,500,000,000	[22] 4,500,000,000	[22] 4,500,000,000	[22] 4,500,000,000	−3,000,000,000	
(d) Famine relief (contract authority involving subsequent reimbursement of CCC)	[23] 1,500,000,000	[23] 900,000,000	[23] 900,000,000	[23] 900,000,000	[23] 900,000,000	−600,000,000	
Total, Agricultural Act	9,000,000,000	5,400,000,000	5,400,000,000	5,400,000,000	5,400,000,000	−3,600,000,000	
Grand total (as to amounts listed)	28,670,000,000	24,720,000,000	27,196,000,000	19,561,000,000			

[1] Department endorsed need for some legislation, but no specific request was submitted by the administration. Bill extends over 6 years.
[2] Recommended usual-type authorization of appropriation to 3 revolving funds plus use of receipts derived from operations. House concurred.
[3] For 3 revolving funds plus use of receipts derived from operations.
[4] For calendar year 1961 only (to a total of $3,500,000,000).
[5] Originally submitted as part of the general farm bill, to be financed in this manner for fiscal 1962 and thereafter through the more usual annual advance appropriation.
[6] Amounts not precisely determinable.
[7] Basis for this figure is set out on pp. 54-55, H. Rept. 447.
[8] For 4-year period; full executive request and Senate bill were for 5-year period.
[9] For 4-year period.
[10] Represents estimated maximum cost of annual contributions for 100,000 units of public housing to be paid out over period 40 to 45 years. See pp. 55-56, H. Rept. 447.
[11] Regular authorization for appropriation in Executive request and Senate bill. House bill made no provision. Bill changed at conference stage to contract authority.
[12] Regular authorization for appropriation. Senate bill made no provision. Bill changed at conference stage to contract authority.
[13] Part of, and included in, item 6(d), urban renewal grant authority.
[14] Executive request and Senate bill proposed a 5-year extension of availability of the uncommitted balance of previous authority otherwise due to expire on June 30, 1961. (Amount variously estimated at $207,000,000 to $235,000,000; actually turned out to be $227,612,000.) House bill and final version extend such balance and add $200,000,000 additional—limited, however, to a 4-year period. See pp. 57-58, H. Rept. 447.
[15] Excludes $1,200,000,000 carried in Senate bill for veterans direct loans inasmuch as the program is also accounted for in the first bill listed in tabulation.
[16] Regular authorization for appropriation.
[17] Usual form of appropriation authorization—$1,200,000,000 for fiscal 1962 only.
[18] Authorizes this amount to be appropriated over 5 years, 1962-66, but confers authority on the President to make agreements "committing" such appropriation authorizations, "subject only to the annual appropriation of such funds."
[19] Officially estimated at $287,000,000 for 1962 and $300,000,000 for each succeeding year.
[20] Precise amounts not identified.
[21] While technically this is not "New authority to obligate the Government," it has the same effect insofar as general budget totals and results are concerned in that it is, in final effect, the same as an expenditure from the general fund. Amounts shown taken from p. 12, S. Rept. 367. "New authority to obligate the Government" carried in the law, and requested, is $11,560,000,000 for the interstate program over the period through 1972; but it is against the highway "trust" fund, not the general fund. Not shown here are the executive proposals (1) to increase new obligating authority for the A-B-C program; (2) to shift financing of forest and public land highways from the general fund to the "trust" fund; and (3) to redivert aviation gas tax revenues from the "trust" fund to the general fund. They are not shown because action was postponed to a later time.
[22] Enacted and Senate bills for 3 calendar years, 1962-64. Full executive request was 5 years, 1962-66. House was for 3 years, 1962-64, with no limit, but in order to avoid gross distortion of totals and comparisons, $4,500,000,000 is arbitrarily inserted.
[23] Full executive request was for 5 calendar years, 1962-66. Senate, House, and enacted are for 3 calendar years, 1962-64.

Nine New Plants Financed by MIBA Will Be Completed and in Operation This Year

EXTENSION OF REMARKS
OF
HON. CLIFFORD G. McINTIRE
OF MAINE
IN THE HOUSE OF REPRESENTATIVES

Monday, September 11, 1961

Mr. McINTIRE. Mr. Speaker, the State of Maine is populated by an enterprising citizenry that assiduously adheres to a do-it-yourself philosophy.

In consonance with this theme of citizens and State independence, the Maine Industrial Building Authority Act of 1957 established a unique organization designed to promote industrial development in the State of Maine.

Under this act, an industrial authority was set up, such an authority being empowered to guarantee up to $20 million in loans extended by banks and other lending institutions to local nonprofit corporations located throughout the State.

This authority, in order to meet its obligations, was authorized to issue up to $20 million of its own bonds, and these bonds are fully supported by the full credit of the State of Maine.

Only nonprofit development corporations are entitled to borrow under this program, the maximum for any single loan being $1 million. Under the program's operation local development corporations rent building facilities to existing and new industries on a lease or lease-purchase basis. New structures are built only at such times as clients give adequate assurance of active interest.

The act provides that the local agencies must have a minimum of 10-percent equity in any undertaking; hence, participating banks could lend as much as 90 percent of the valuation. Furthermore, the act permits that such loans may be made for periods up to 25 years.

Mr. Chairman, I have a particular interest in the functions of this authority, for prior to 1958 the Federal Reserve Act prohibited national banks from making loans in excess of 66⅔ percent of valuation. This had the effect of preventing national banks in the State of

Maine from participating in full accord with the 90-percent-of-valuation loan provision of the Maine Industrial Building Authority Act.

Through legislation introduced by me and other interested Congressmen, this restriction was lifted through an amendment to the Small Business Act of 1958, which permitted 90-percent-of-valuation loans to be made by national banks in those instances where the bonds of a lending authority were supported by the full credit of a State. Through such an amendment the financial resources of national banks in Maine became sufficiently available to implement the provisions of the Maine Industrial Building Authority Act.

That this State-advanced effort is bearing fruit is borne out by the results, and in this respect I would like to insert into the RECORD an article from the August 31 issue of the Houlton Pioneer Times that gives some insight into the economic dynamics generated by this State-sponsored authority:

[From the Houlton Pioneer Times, Aug. 31, 1961]

NINE NEW PLANTS FINANCED BY MIBA WILL BE COMPLETED AND IN OPERATION THIS YEAR

(By Roderic C. O'Connor, manager, Maine Industrial Building Authority)

Nine new industrial plants, financed with the assistance of the Maine Industrial Building Authority, will be completed and start operations this year.

These plants will provide jobs for 1,300 employees and provide a total payroll of more than $4 million. The plants will have a total floor area of about 500,000 square feet.

Total cost of the nine plants is over $5 million; insured mortgage loans involve $4.25 million, with $3 million of such loans made by private Maine lending institutions.

The nine new plants, their location, cost, footage, and products are:

Tenant firm	Location	Project cost	Square footage	Product
Morningstar-Paisley, Inc.	Houlton	$1,100,000	60,000	Potato starch modifications.
Hamilton & Sons, Inc.	Auburn	33,000	5,000	Metal fabrications.
Northeast Gases, Inc.	Saco	80,000	8,000	Industrial gases.
Potato Service, Inc.	Presque Isle	1,250,000	120,000	Processed potatoes.
Hancock-Ellsworth Tanners, Inc.	Hancock	800,000	70,000	Sheepskin leather.
R. & L. Manufacturing Co., Inc.	Waterboro	160,000	23,000	Trophies.
Vahlsing, Inc., Maine	Easton	1,150,000	95,000	Processed potatoes.
Casco Printing Co.	Portland	130,000	15,000	Job printing.
Lynn Innersole Co., Inc.	Saco	65,000	98,000	Shoe innersoles.

Strengthening the Two-Party System

EXTENSION OF REMARKS
OF
HON. KEN HECHLER
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES

Monday, September 11, 1961

Mr. HECHLER. Mr. Speaker, a strong two-party system is one of the bulwarks of our democracy. Believing as I do that we must all take advantage of any opportunity afforded to strengthen the two-party system, a few days ago I addressed the following letter to the Honorable Cecil H. Underwood, former Governor of the State of West Virginia:

SEPTEMBER 7, 1961.

Hon. CECIL H. UNDERWOOD,
Huntington, W. Va.

DEAR CECIL: I hope you will run against me for Congress in 1962.

It seems to me that in the interests of the two-party system the Republican Party should run its strongest candidate. As a former Governor of West Virginia and temporary chairman of the Republican National Convention in 1960, you are far and away the strongest possible candidate.

There are three reasons which may have kept you from wanting to run for Congress: (1) the responsibilities of your present position as a coal executive; (2) a dislike for the 2-year term; (3) a feeling that the three new counties added to the Fourth Congressional District make Republican success difficult.

Let me analyze each of these. (1) You have made a great contribution to the development of the coal industry in your present position. But no man should refuse a call to the higher duty of public office, where your talents would be available on a far broader scale in the interests of the State we love.

(2) A campaign every 2 years is admittedly difficult. Yet if you should win in 1962, this would be an excellent stepping stone for another statewide race in 1964 for a longer term as Governor or Senator. Meanwhile, by defeating me in 1962, you would not only win the congressional seat for the Republicans, but also make the task easier for the Republican Party in the 1964 congressional race—even if you decided in 1964 to leave Congress in order to run for the Senate or the governorship.

(3) Despite the new counties added, the Fourth Congressional District is still a swing district where the vote will be very close.

In case you are concerned by the Democratic registration majority, perhaps the following figures on your 1960 Senate race within the counties of the new Fourth Congressional District are very revealing:

1960 U.S. Senate race

County	Underwood majority	Randolph majority
Cabell	3,454	
Jackson	1,362	
Lincoln		825
Logan		7,921
Mason	978	
Pleasants	5	
Putnam		406
Ritchie	2,044	
Roane	889	
Tyler	2,001	
Wayne		2,018
Wirt	16	
Wood	3,327	

As you can see, you carried 9 out of the 13 counties in the new Fourth Congressional District. Your total vote in these 13 counties was 96,372 to 93,466 for Senator JENNINGS RANDOLPH—a majority of 2,906 against a superb campaigner and a peerless orator. If you could get close to a 3,000 majority over a powerful candidate like Senator RANDOLPH, you should not be afraid of me.

I think if you ran against me we would help to bring the issues forcefully to the attention of the voters, and thereby strengthen the forces of democracy. Such a campaign would stimulate greater interest in government by the people. Whatever the result, the people of West Virginia would gain through wider participation as we both worked constructively for the interests of our State.

You owe it to the Republican Party to make this fight. Even more, you owe it to the State of West Virginia. I hope you will decide to make the race.

Sincerely,

KEN HECHLER.

Take the Guesswork Out of Air Crashes

EXTENSION OF REMARKS
OF
HON. ROMAN C. PUCINSKI
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Monday, September 11, 1961

Mr. PUCINSKI. Mr. Speaker, last week 78 persons were killed when a commercial airliner crashed just a few minutes after taking off from Chicago's Midway Airport. This was the worst plane crash in Chicago's history.

During this past weekend another airplane crashed shortly after taking off from Shannon, Ireland, killing another 80 people.

Two of Chicago's outstanding newspapers, the Chicago Sun-Times and the Chicago Tribune, have spoken out in support of legislation which I have introduced which would require all commercial airliners to carry a recording device in a shock-proof, heat-proof container installed in the cabin of the aircraft with an open microphone constantly recording all conversations in the cockpit of the aircraft.

I introduced this legislation more than 2 years ago with the sincere hope that we would be able to eliminate a good part of the agonizing speculation which follows every major air disaster by having a record of the pilot's efforts to save his plane during the last tragic moments before a crash. I am convinced this information from the pilot would provide vital information to establish the cause of a disaster.

The Federal Aviation Agency has advised Congress that it already has the authority to order installation of such recording devices.

The Administrator of the Federal Aviation Agency, Najeeb Halaby, told a press conference in Chicago last week there are technical problems involved in the installation of such devices. I have the highest degree of confidence in Mr. Halaby and am sure that if he will order an urgent program for the development of this equipment, such equipment can be perfected very quickly. I hope there will be no further delay in ordering these recorders installed in commercial airliners.

These recorders in themselves could not have avoided the two most recent crashes, but certainly had they been ordered installed at the time I introduced the original legislation, we would be in a much better position today to evaluate the causes of these crashes and take ap-

propriate action to prevent similar tragedies in the future.

It is inconceivable to me that there would be any further delay in the installation of this equipment. The Airline Pilots Association favors such an order; in my discussions with operators of commercial airlines I have found no one who has raised any serious objections; and the Federal Aviation Agency itself has been working on this project for more than 2 years now.

I am confident that with all the technological gains we have made in practically every field of human endeavor, we should have no problem perfecting a device that will do this job effectively and will at least give us a better idea of what is the cause of these crashes.

I hope the FAA Administrator will order the installation of these devices forthwith; and in support of my contention, I include in the RECORD today two excellent editorials. The first appeared in the Chicago Sun-Times on September 2; the second appeared in the Chicago Tribune on September 9.

I hope there will be no further delay in carrying out this project.

The articles follow:

[From the Chicago Tribune, Sept. 9, 1961]

THE MISSING CLUE

Unofficial reports from the men investigating last week's airplane disaster seem to confirm the belief that there was a structural failure and that part of the tail assembly, including a rudder, broke away just before the plane crashed. This would explain why this section was found, relatively undamaged, about a quarter of a mile to the rear of where the rest of the plane first hit the ground.

Weakening of the tail assembly, it is theorized, would have interfered with and perhaps destroyed the pilot's control of the plane. This might explain the sharp right turn which the plane made just before crashing. The captain may have called on the copilot for help, thus explaining why no radio call was made. Then, as part of the tail broke off, the rest of the plane would have been thrown into an uncontrollable dive.

If the investigators could be sure that this was what happened, they could promptly rule out other theories and concentrate on why the metal gave way. They would be done with their job sooner, their conclusions would probably carry more conviction than otherwise, and their recommendations would be that much more likely to prevent a recurrence. It would help them immeasurably to know what was said in the cockpit just before the crash.

The same could be said of previous crashes in which, for one reason or another, no hint of trouble was given by radio.

Nearly 2 years ago, after an earlier and inadequately explained crash, we suggested that a tape recorder might provide much necessary information. Representative ROMAN PUCINSKI, of Chicago, has asked Congress to require airlines to install one in the cockpit, where it would run constantly while the plane is in flight.

The record need only cover a few minutes; older sounds and voices could be automatically erased as later ones are recorded. The tape would have to be in a shockproof and fireproof container, but the evidence it provided would save time and uncertainty during investigations and would very likely save lives. It should be worth the relatively insignificant cost of the equipment.

[From the Chicago Sun-Times, Sept. 2, 1961]

CHICAGO'S WORST AIR DISASTER

The worst plane crash in Chicago's history, and the worst in U.S. commercial aviation involving a single plane, killed 78 persons early yesterday only minutes after takeoff from Midway Airport. Especially poignant, entire families on gay vacations with their children were among the victims.

With the rest of the community, we join in mourning the losses which have been suffered by so many loved ones and friends of those aboard the craft.

At this writing, the cause of the disaster is not known. A passenger on an earlier leg of the cross-country flight, who disembarked at Chicago, has told of hearing a strange noise and feeling unusual vibration during the flight here. The FBI is investigating the possibility that a bomb was responsible. Witnesses said they saw a "blinding flash" as the plane circled before falling.

A regular procedure is to reconstruct the plane from the wreckage in an effort to determine what structural failure or operational difficulty was responsible for the tragedy. This is a long-drawn process and offers no certain prospect that the cause of the crash will ever be found.

U.S. Representative ROMAN PUCINSKI, Democrat, of Illinois, has proposed that all planes be equipped with automatic tape recording devices, in crashproof, sealed containers, that would preserve the last 5 minutes of a pilot's and a copilot's conversation. It would continually erase earlier conversation.

Thus, after a crash, investigators would have the testimony of the nature of the trouble from the best possible source, the men flying the plane. Plane-to-ground radio does not assure any such message. Contact can be lost in a storm, or the radio can be destroyed in a fire.

Such recording devices exist and the Federal Aviation Agency has authority to install them. We understand that an order for them to be put in use was to have been issued earlier this year but got sidetracked. There should be no further delay on this.

With airliners steadily increasing in size and passenger capacity, everything possible should be done to prevent disasters such as yesterday's. Determining the cause of crashes is part of prevention. The tape idea should at least be tried.

A Long History of Service

EXTENSION OF REMARKS

OF

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 11, 1961

Mr. CORMAN. Mr. Speaker, the motion picture industry's long history of outstanding service to the Nation in time of need is a familiar story to all of us. But perhaps less known to many is the fact that each year Hollywood contributes over a million dollars to national and local charities through a unique fund-raising organization known as Motion Picture Permanent Charities.

This year, Motion Picture Permanent Charities will conduct its 20th anniversary campaign throughout the film and allied industries with a goal of raising $1,250,000 for the 22 major health and welfare agencies it supports.

Notable in this 20th anniversary year is the fact that some time during the campaign, the Motion Picture Permanent Charities will reach a total of $25 million raised to help worthwhile charitable organizations. This, I think, is a truly remarkable achievement for a single industry to accomplish. But the record for outstanding achievements by Motion Picture Permanent Charities is equally remarkable.

It was formed in 1940 as a clearinghouse to screen and approve agencies appealing to the film industry for funds, but by 1942 it became evident to its leaders that a different kind of fundraising organization was needed by the film industry.

Thus, late in 1942 Motion Picture Permanent Charities, under Samuel Goldwyn's leadership, created its own campaign organization and consolidated all charity appeals within the film industry, the first such comprehensive program undertaken by a single American industry.

Following this pioneering venture, Motion Picture Permanent Charities set another first in the charity field by instituting the fair plan, payroll deduction system by which an employee contributes voluntarily a fixed amount from each paycheck. So successful was this system that other industries and other charity federations have modeled their fund-raising programs after the fair plan.

Undoubtedly Motion Picture Permanent Charities will pioneer other programs in the future, but on this 20th anniversary I think it appropriate to extend to Hollywood and the Motion Picture Permanent Charities the applause and thanks quite properly due them.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 11, 1961

Mr. ALGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following newsletter of September 9, 1961.

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas)

SEPTEMBER 9, 1961.

As predicted in my newsletter of August 19 a greatly amended foreign aid authorization bill was sent back to the House from conference and was approved on August 31, 260 to 132. The final bill authorized appropriations of $4,253,500,000 for foreign economic and military aid in fiscal 1962 and $1.5 billion in each of the following 4 years for Development Loan Fund long-term, low interest development loans. The bill also authorized the President to establish a new foreign aid agency. The final bill did not include the long-term borrowing authority requested by the President. He had asked for authority to borrow $8.8 billion from the Treasury for the Development Loan Fund over a 5-year period fiscal 1962–66 to finance long-term, low interest development loans. The final bill authorized $1.2 billion for fiscal 1962 and $1.5 billion a year for fiscal

1963–66, making $7.2 billion available for development loans over the 5 years but required annual appropriation of funds (at least a partial victory for those of us in the House who fought the transfer of responsibility for appropriations from Congress to the Executive).

The foreign aid appropriation bill was whipped through the House in 1 day, September 5, by a record vote, 270–123. The bill as approved appropriated $3,357,500,000 for foreign aid, $896 million less than carried in the authorization bill, but $300 million more than recommended by the House Appropriations Committee.

One of my principal objections to foreign aid is the money we give to our enemies and so-called neutral nations. This objection was supported during the debate on the foreign aid bill by Congressman GLENARD P. LIPSCOMB, of California, who pointed out that the dollars of U.S. taxpayers are being sent to Cuba to bolster the Communist regime of Fidel Castro. Congressman LIPSCOMB, a member of the House Appropriations Committee, pointed to the report on the Foreign Aid Appropriations Bill. He said each year the President requests millions of dollars to cover U.S. contributions to international organizations. In just one instance, LIPSCOMB pointed out, the Pan American Health Organization is providing 32 Russian jeeps for a malaria eradication program in Cuba. Although malaria has a low incidence rate there, the eradication allotment in 1961 is $79,766, or 20 times the amount budgeted in 1958—before Fidel Castro came to power. This has been augmented by a $99,000 allotment from the World Health Organization Malaria Eradication Special Account, for the purpose of providing the Soviet jeeps to Cuba. The American taypayer pays 66 percent of the cost of the so-called health plan for Cuba instigated by PAHO.

UNITED NATIONS SPECIAL FUND

LIPSCOMB reminded Congress that this Fund, to which the United States contributes 40 percent, on May 24 granted $1,157,600 to aid agricultural research programs in Cuba. U.S. contributions for the fiscal year 1961, both assessed and voluntary, amounted to $241,799,522 to over 50 international organizations and their related activities. According to Congressman LIPSCOMB, it appears that very few, if anyone, have ever attempted to figure out where this money actually goes, and actually what it is used for.

Add to these startling statements of how the U.S. taxpayer is contributing to countries dedicated to our destruction, the utter contempt for the United States and our ideals expressed by the delegates to the Conference of Uncommitted Nations at Belgrade last week, and the course we are taking to our own national suicide (newsletter of Aug. 26) becomes more apparent. The nations present at the Belgrade Conference have been the recipients of $7.2 billion from the American taxpayers. Yet not one voice was raised in behalf of American policies. Not a single delegate protested a vicious attack on the United States by the Communist delegate from Cuba. On the other hand, no official action was taken by the Conference to condemn the Soviet Union for its wanton disregard of humanity for its devious use of 3 years of useless negotiations on banning nuclear testing to build up its own arsenal and then arrogantly begin testing within hours of an announcement that it would. No protests from the uncommitted nations for the enslavement of 17 million human beings in East Germany. While India's Nehru piously asks the United States to negotiate with the Communists on issues which are not negotiable, he utters not a word of protest at the brutal and barbaric invasion of Tibet and the inhuman atrocities practiced on her people by the Communists.

It's time we faced facts. The uncommitted nations are not uncommitted, nor are they neutral. For whatever reason, fear or self-interest, they are alined with Soviet Russia and when the chips are down, in the final contest between freedom and Communist slavery, they will be against us unless they are convinced that we are stronger and will win the battle. There are no moral grounds for neutralism in a fight to the death. Those countries which give aid and comfort to our enemy also become our enemies. My own position is opposed to foreign aid until it is used in the self-interest of the United States.

Myers Bros.: Diamond Jubilee

EXTENSION OF REMARKS
OF
HON. PETER F. MACK, JR.
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, September 11, 1961

Mr. MACK. Mr. Speaker, this year Myers Bros. Department Store of Springfield, Ill., is celebrating its diamond jubilee. This store is as much a part of that city as the historic Lincoln shrines. In a sense it is a Lincoln shrine, as the present store is located on the site once occupied by a law office of Abraham Lincoln.

This occasion commemorates more than just 75 years in the retail business. It marks the consistent policy of the Myers Bros. to follow fundamental rules of responsibility of business in a country of free enterprise.

The combination of energetic work, business ingenuity, forward thinking, and a tradition of providing top quality merchandise at the lowest possible price are the major ingredients of success in this "store that quality built." Coupled with this strictly business attitude, however, is the family's pride in their hometown. "Civic duty is the rent we pay for the space we occupy in our community" has been the motto of the Myers brothers since the founding of their business in 1886.

There is quite a contrast between the first and present stores. Myers Bros. in the beginning was a two-story building, 22 feet wide, located on the west side of Lincoln Square and the Sangamon County Courthouse. Albert and Louis Myers, later joined by their younger brother Julius, purchased the business in 1886 from Sam Rosenwald, whose faith in these young men was so profound that he personally chose them as the new owners and lent them money for the purchase of the store. Rosenwald was the father of Julius Rosenwald, who later became famous through his association with Sears, Roebuck & Co., and as a great philanthropist.

Albert and Louis started out with one clerk and credit to buy merchandise. But through economical management, they had cleared their indebtedness and were making a profit from their venture before the first year was out.

By 1900 the store had expanded from the potbellied stove and kerosene lamp atmosphere, and the business was moved into a brandnew five-storied building on the corner of Fifth and Washington Streets.

In 1924, disaster struck, and the store was burned to the ground. Undaunted by this setback, the Myers brothers bought out a store down the street—lock, stock, and barrel—and were back in business the next day, making plans for their present 10-story home. Without a halt in operation or inconvenience to their customers, Myers Bros. were back with an expanded business in only 1 year.

This example is typical of how the Myers brothers weathered other rough times—wars, depressions, boomlets and booms. But as times and methods change, the Myers brothers family proved not only adaptable to such change, but succeeded in accumulating a record of leadership in both local and national business affairs.

Locally, Myers Bros. collected a string of "firsts." Their store was the first Springfield business ever honored with front-page recognition in the Wall Street Journal; the first to use color advertising, first to hold a live flower show in connection with spring openings, first to publish an extensive Sunday rotogravure section, first to carry a noncontributory pension plan for their employees, and first with store-home deliveries for their customers.

Countrywide recognition came when Julius Myers, now deceased, became the first president of the National Retail Merchants Association. Myers Bros. are also recipients of the sixth annual retail award plaque, 1954, citing them as brand name retailer of the year.

Thus, what began as a small store in a pioneer town has now blossomed into an established business with six branch stores throughout central Illinois, servicing Jacksonville, Danville, Lincoln, Mattoon, Havana, and Alton.

Myers Bros. have come the long way from a one-clerk operation to a payroll of 250 persons. Their average employee has 6 years' service, and many have 25 years or more. The store now has 67 selling departments, and 14 service departments, all coordinated and timed in buying and selling procedures to keep up with and anticipate current trends in the market.

The brothers themselves have contributed three generations of service to their business and their community. There is virtually no major civic group that has not felt the personal help and leadership of one or more of the Myers brothers. From the founders to the present managers, Stanley C., Albert M., Alan J., James E., Morris, and Louis, the Illinois State capital and subsequently other communities have benefited by their devotion as active citizens.

Whether it is a Boy Scout, junior college, YMCA, hospital or civic club drive, one of the Myers family can always be found in assistance. To these men, such work is merely in keeping with their philosophy that "a growing and progres-

sive community and a growing and progressive business are one and the same."

Thus, credit to Myers Bros. is not just a passing recognition of a successful business, which it is; but also the recognition of a sincere application of principles and integrity, in the quest for a better future. Myers Bros. are evidence of the fact that a strong community is based on the permanence of economic enterprise and faithful citizenship.

In closing I would like to note that the founders of this fine and upstanding business were close friends of my father, Peter F. Mack, Sr., and I am proud to say that the present owners are good friends of mine.

Progress Report on Rural Areas Redevelopment

EXTENSION OF REMARKS
OF

HON. WINFIELD K. DENTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 11, 1961

Mr. DENTON. Mr. Speaker, the progress of the rural counties of the United States is just as vital, if not more vital in many ways, to the continued progress and prosperity of this country as our great cities. The establishment of the Area Redevelopment Agency in the U.S. Department of Commerce has been a good step in the right direction toward the relief of those cities hard hit by the recession which this country experienced the past year. I have long been interested in the plight of some of our more rural communities, and am pleased to be able to insert in the RECORD at this time the following statement provided me by the U.S. Department of Agriculture telling of that Department's activities in the rural areas of the country. This is just another sign of the tremendous interest of the Kennedy administration in all our peoples, be they in cities or the rural areas. Under unanimous consent, I include this information in the RECORD:

PROGRESS REPORT ON RURAL AREAS DEVELOPMENT

The Department of Agriculture has launched a full-scale campaign to end rural poverty by aggressively promoting more jobs and other opportunities in the Nation's rural counties.

Since January 20 the Department has moved rapidly to mobilize its resources and personnel for a total program of rural areas development, which Secretary Freeman terms "more important to the long-range future of our Nation than any other program now being conducted by the Department."

In the short space of 7 months the new RAD program has gone into operation throughout the Nation, reinforced by new and strengthened services of the Department. Some highlights of the remarkable progress that's been made:

Establishment of a top level Department of Agriculture RAD Board and staff to get the program into operation.

Organization of State and local RAD activities, with Farmers Home Administration, Rural Electrification Administration, and Federal Extension Service assigned the full-time job of helping local groups get underway.

Naming of 487 rural counties as eligible for financial aid under the new Area Redevelopment Act, and direct USDA assistance to leaders in making use of ARA to strengthen their economies.

Stepped up rural electrification, farm credit, and small watershed work of the Department to make even greater resources available for rural development. Of particular importance is more imaginative use of REA section 5 loans to finance machinery in rural industries.

The task of rural areas development is national in scope, international in gravity. Today in the United States more than 36 percent of all farm families have incomes of less than $2,000 a year. Last year, if underemployment in the Nation's farm regions were converted into terms of unemployment, there would have been 1.4 million persons in rural America unemployed.

RAD aims at more rapid economic growth in farm communities and small towns where these underemployed families live. This is a key factor in winning the cold war. The United States must prove to noncommitted peoples of the world, most of whom live in rural sections, that rural poverty and suffering can be eliminated at home. Otherwise they will turn to other governmental systems for an answer to their problems.

For both domestic and international reasons, therefore, Secretary Freeman has placed RAD at the top of his priority list of USDA objectives. In March 1961, as a first step, he established the Rural Areas Development Board representing 12 USDA agencies. In June he set up an Office of Rural Areas Development to staff and coordinate the program. At that time, the Secretary also assigned specific jobs to three key USDA agencies, with the aim of getting work started at the grassroots as soon as possible.

Farmers Home Administration is responsible for establishing RAD panels to supply State and local leaders with technical aid in promoting new enterprises.

Federal Extension Service is responsible for providing organizational and educational leadership to State and local RAD committees. These include civic leaders, farm and business representatives, rural electric borrowers, State development agencies, trade union representatives, and all other interested groups.

Rural Electrification Administration has the job of stimulating new business and other enterprises to build employment in rural areas.

Drawing on a broad background of work with farm and other rural people, each of these key USDA agencies has rapidly geared up for its RAD assignments.

Farmers Home Administration set up a special staff to handle RAD work, and is now holding a series of training meetings with key field personnel. REA also has a new staff of some 15 specialists who are helping communities develop new rural enterprises. Rural electric and telephone co-ops are enthusiastically joining in local RAD programs. For many rural electric co-ops, rural development is tied in closely with their future operations. And in July Federal and State extension officials mobilized additional resources at National, State and county levels to support the program and conducted a series of regional meetings to intensify staff contributions for the program.

Other USDA agencies represented on the Department's RAD Board have also acted to strengthen and step up those programs that promote area development.

This rapid action on the part of the Department of Agriculture has resulted in RAD program organizations in 38 States, with local program districts of two or more rural counties already organized in 25 States.

The Department of Agriculture also has the job of helping eligible rural counties obtain benefits under the new Area Redevelopment Act. These benefits include Federal loans and grants for public works and industrial development, technical aid, and retraining of workers, including farmers and farmworkers.

Among the Department's major assignments under the act are selecting rural counties to receive assistance; reviewing area plans for development; and most important, helping local leaders put together plans and projects that will take full advantage of the new ARA program.

Because of the Department's already existing organization for Rural Areas Development, rapid progress has been made in selecting rural counties for the ARA programs, formulating area-wide plans, and setting up local groups capable of running the program in the rural (5b) areas.

Nearly a third of the Nation's counties are covered by areas now eligible to apply for the ARA program, including 487 rural counties in 41 States and Puerto Rico. Long-range economic development plans for revitalizing their economies already have been approved for 180 counties in 22 States. The majority of these are rural redevelopment counties, assisted by the Department of Agriculture, or other similar areas with large numbers of underemployed people living in farm areas.

ARA is another tool the Department of Agriculture is using to promote maximum economic development in farming areas, along with its own extremely important kit of area development services and aids.

Many of these regular programs of the Department which implement and further local area development plans have been stepped up in this revitalized Rural Areas Development campaign against rural poverty.

Since early 1961, REA has approved 144 electrification loans amounting to $166,781,000 and 125 telephone loans totaling $42,594,000. Loans for generating and transmission facilities amounted to 57.6 percent of the electric total, and included a $60 million loan, largest in REA's 26-year history, to Hoosier Cooperative Energy, Inc., of Indiana.

On September 8, REA approved a $25,000 loan to a rural electric cooperative which will enable a small North Dakota firm to add equipment and create new jobs in a farming area. It was made under the consumer financing provision (sec. 5) of the Rural Electrification Act. REA policy on loans to help consumers acquire electrical equipment has been expanded to gear this lending program to the needs of rural areas for increased nonfarm income.

Between January 1 and August 1, 1961, 55 small watershed projects including 4.5 million acres were authorized to receive planning assistance, and 36 projects including 1.6 million acres were authorized for operations. On August 1, 325 projects including 18.6 million acres had been authorized for operations.

Between May 19 and August 14 President Kennedy sent to the Congress for approval work plans for 54 watershed projects including 3.9 million acres, the largest number sent to the Congress in a 90-day period since the program was authorized in 1954.

The Farmers Home Administration had a sharp rise in lending activity during the past 7 months and ended the 1961 fiscal year lending $397 million, an alltime high.

Recent legislation is now being implemented which will make a more adequately financed, broadened, and expanded credit program available to a wider range of farmers, particularly young farmers just

getting started and farm families on the smaller farms.

Under the Housing Act of 1961 rural residents including those living in small communities are now eligible along with farmers for more than $430 million rural housing loan funds available over the next 4 years to construct, improve, or repair homes and related facilities.

Secretary Freeman has called the achievement of full prosperity in America's rural areas a key factor in the world contest with communism.

"I believe that in the rural areas development program we have the weapon to wipe away the chronic depression which now enchains many areas, it can lift the curse of underemployment which saps the strength of our rural economy in every area and it takes the first step toward the permanent prosperity of the rural community.

"This program, combined with the freedom of economic choice which the Kennedy farm legislation will provide the farmer, will help restore full freedom of economic opportunity to those who live in rural America," the Secretary said.

SENATE

TUESDAY, SEPTEMBER 12, 1961

The Senate met at 9 o'clock a.m., and was called to order by Hon. E. L. BARTLETT, a Senator from the State of Alaska.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Thou God of grace and glory, whose clearest and most searching words are heard in the silences of the soul, give, we beseech Thee, to Thy servants who here wrestle with the Nation's problems, quiet hearts and open minds that welcome all truths from whatever direction it may come. May the fret and fever of their spirits not add to the confusion of a bewildered age instead of helping and healing.

Lift our eyes, we pray Thee, above the foggy valley of narrow loyalties and partisan interests to vaster vistas where small things are seen as small, and great things as great. Remove far from us even unrecognized bigotries and prejudices based on a lack of understanding.

In the crises of our time join us with those who across the waste and wilderness of human hate and need, preparing the way of the Lord, throw up a highway for our God. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 12, 1961.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. E. L. BARTLETT, a Senator from the State of Alaska, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. BARTLETT thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. METCALF, and by unanimous consent, the reading of the Journal of the proceedings of Monday, September 11, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 2838. An act to exempt from taxation certain property of the Army Distaff Foundation; and

H.R. 9080. An act to authorize the Philadelphia, Baltimore, & Washington Railroad Co., to construct, maintain, and operate branch sidings over First Street SW., in the District of Columbia.

ENROLLED BILL SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the enrolled bill (S. 1653) to amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises, and it was signed by the President pro tempore.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred to the Committee on the District of Columbia:

H.R. 2838. An act to exempt from taxation certain property of the Army Distaff Foundation; and

H.R. 9080. An act to authorize the Philadelphia, Baltimore & Washington Railroad Co. to construct, maintain, and operate branch sidings over First Street SW., in the District of Columbia.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. METCALF. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. KUCHEL, and by unanimous consent, the Irrigation and Reclamation Subcommittee of the Committee on Interior and Insular Affairs was authorized to meet during the session of the Senate today.

On request of Mr. MCNAMARA, and by unanimous consent, the Irrigation and Reclamation Subcommittee of the Committee on Interior and Insular Affairs was authorized to meet during the session of the Senate today.

COMMITTEE MEETING DURING SENATE SESSION FOR WEDNESDAY AND FRIDAY

Upon request of Mr. HUMPHREY, and by unanimous consent, the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary was authorized to meet during the session of the Senate tomorrow, September 13, 1961, and Friday, September 15, 1961, to take testimony on the bill (S. 1522) from the Honorable Abraham Ribicoff and the Honorable Lee Loevinger.

RESTITUTION FOR SENECAS—RESOLUTION

Mr. KEATING. Mr. President, for some time I have been carrying on a fight to win fair treatment for the Seneca Indians in western New York in connection with the proposed construction of the Kinzua Dam project.

I have said, and I say again, that this country, particularly at this hour in our history when we are prepared to accept the risk of armed conflict rather than yield our treaty rights in Berlin, should not take lightly the obligations of a solemn treaty with the American Indians.

However, I realize that we have reached a late hour in this controversy. Plans for construction of the dam are going ahead.

If the Indian lands are flooded, as is now planned, that does not end the story so far as I am concerned. We still have the duty to make all possible restitution to the Senecas.

Such restitution must be not only economic but also moral. In this connection I call the attention of the Senate to a wise and generous and honorable act of the Board of Supervisors of Cattaraugus County, N.Y. I ask unanimous consent that at this point in the RECORD there be printed a resolution by the Cattaraugus County Board of Supervisors, suggesting that the bridge to be built across the Allegheny River as part of the dam project be designated the Seneca Memorial Bridge.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION 250

Whereas the plans for the construction of the Kinzua Dam project include the erection of a new bridge across the Allegany River in the vicinity of Coldspring; and

Whereas the Kinzua Dam project has worked an extreme hardship upon the Seneca Nation of Indians in depriving them of lands where, for many generations, their

families had resided, and the propriety of the taking of such lands from them raised serious legal and moral questions: Now, therefore, be it

Resolved, That the Cattaraugus County Board of Supervisors does hereby memorialize all legally constituted public officials in charge of the location and erection of the new bridge to name and dedicate the proposed new bridge as a memorial to the Seneca Nation of Indians; and be it further

Resolved, That such bridge, when erected, shall be appropriately designated the "Seneca Memorial Bridge," either by arches or tablets erected at or near both approaches of said bridge; and be it further

Resolved, That certified copies of this resolution, when adopted, be forwarded by the clerk of the board to President Kennedy, Senators Keating and Javits, to Congressman Goodell, to President Basil Williams of the Seneca Nation of Indians, to the Army Corps of Engineers, to Governor Rockefeller, and to the New York State Department of Public Works; and be it further

Resolved, That the Cattaraugus County Board of Supervisors does hereby respectively solicit their aid and support in so naming and dedicating the proposed new bridge.

Adopted September 6, 1961.

THE COMMUNIST MENACE—RESOLUTION

Mr. ERVIN. Mr. President, the North Carolina State Council of the Junior Order of United American Mechanics, which is a constituent element of one of America's greatest patriotic organizations, adopted at its recent State meeting a resolution pointing out the threat which communism poses to America and to the free world. I ask unanimous consent that a copy of this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION 9

COMMUNISTIC MENACE

Whereas the threat of communism lies in its titanic struggle for the physical conquest of nations and the minds and souls of their people; and

Whereas in four decades communism has developed like a huge cancerous growth infecting and threatening the life of Western culture and during this period has taken over the life, death, and thought of more than 800 million people, in more than a dozen nations. To use the words of elder statesman, James A. Farley, "The enslavement has been accomplished through broken promises, broken treaties, skilled deceits, insidious propaganda, blatant lies, strangling economic pressures, and brute force"; and

Whereas the Communist enemy has advanced to its present degree in this country because so many—especially some of our youth—are misinformed, indifferent, complacent, or receptive to Communist ideology: Now, therefore, be it

Resolved by the State Council of North Carolina assembled in Asheville this 11th day of August 1961, That there is an imperative need to create a full awareness in the minds of our citizenry of the Communist real aims and their widespread growth and influence at home and abroad; that informative, relevant governmental releases be made with greater frequency; that the Senate Committee on Internal Security and the House Committee on Un-American Activities have continuing support and be encouraged to further publicize their findings relative to the subject; that we favor the making of Hon. J. Edgar Hoover's book, "Masters of Deceit," required reading in our schools and colleges; and be it further

Resolved, That as a patriotic order and as individuals we will lend our assistance and make every proper effort to accomplish the foregoing, in the belief that it benefits the welfare of the Nation, and will contribute to the preservation of freedom; and be it further

Resolved, That the State secretary be and hereby is directed to send copies of this resolution to the President of the United States and to Members of Congress from this State.

M. J. STOKES.
J. D. BOBBITT.
J. L. WHITE.
JOHNNIE C. CURRIN.
A. C. EDWARDS.

Approved by the good of the order committee:

DEWEY WILLIAMS.
JAMES E. MOSTELLER.
WALTER E. CRISSMAN.

COMMUNISM AND WEST BERLIN—LETTER

Mr. ERVIN. Mr. President, Thomas C. Hoyle III, of Greensboro, N.C., belongs to a family which has made significant contributions to religion, law, politics, and government in North Carolina. During recent months, he has been a student at the University of Vienna, in Vienna, Austria. During his sojourn there, he visited West Berlin and various other sections of that general area of Europe. On July 15, 1961, he wrote to his father, Thomas C. Hoyle, Jr., a distinguished member of the North Carolina bar, a letter in which he set out with remarkable clarity his appraisal of communism, the neo-Nazi movement in Austria, and the attitude of West Berliners to the pending crisis. Representative HORACE R. KORNEGAY, of the Sixth North Carolina Congressional District, and I share the opinion that this letter makes these things readily understandable, and, for this reason, ought to be made available to our colleagues in the Congress and to the public. Having obtained authority to do so from both the author and the recipient of this letter, I ask, in behalf of Representative KORNEGAY and myself, that a copy of the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 15, 1961.

DEAR DAD: You asked me several months ago to write you a detailed account of what I had learned about the neo-Nazi movement in Austria. I have waited until now in order to study the problem more carefully. If you think this information would be of interest to Representative KORNEGAY, please send a copy to him.

I first learned of the problem of the neo-Nazis through conversations with an American student who was studying with me in Vienna. I also had several conversations with his Austrian roommate. The Austrian seems to have several friends who are members of the movement and may himself have attended several meetings, but is definitely not a member himself. It seems that the center of the movement lies in some of the fencing fraternities in the University of Vienna. These fraternities have been in existence since before 1900; their purpose is to keep active the interest in fencing which is a symbol of masculinity to the Austrians. Not all of the members of these fraternities are neo-Nazis, but some of them are.

It is most probable that those who are members of the movement have been taught some of the principles of national socialism by their fathers who were active Nazis. The main interest seems to be in the reunification with Germany; the reason for this is perhaps the strength of the West German economy today. Also there are strong anti-Semitic feelings within the group, but these have been strong in Austria since before the time of Hitler.

On several occasions I discussed the neo-Nazi with a very intelligent 28-year-old who works as a consultant for a pharmaceutical company. He has no direct connection with the main part of the University of Vienna where the members of the neo-Nazi group study. When I told him what I had heard about this group, he said he did not believe that such a group existed. I talked with a good number of Austrians, 35 years old and older, and they knew nothing of the existence of such a movement. It is my belief that most Austrians know nothing of the neo-Nazi movement, but nevertheless, many neo-Nazi symbols are painted or scratched on the walls of buildings in Vienna. I am certain of the existence of a group with neo-Nazi feelings in Austria today, but as to their organization and strength, I do not know the details. I do know that there is a strong dislike of the Jews and that neo-Nazi signs are rather prevalent in Vienna's old Jewish section.

After learning of this situation, I became more fully aware of a problem which is of much greater danger to America today than neonazism—that is communism. I made a 3-day trip by bus with a tourist bureau to Prague, Czechoslovakia. I have also traveled through Yugoslavia twice, stopping for 12 hours in Belgrade because of a train wreck, and I have just returned from Berlin where I visited the East sector several times.

I was in Prague for the May 1 parade which is one of the great celebrations of the Communist Party. I cannot say I know all about communism or that I understand it completely, but I can say that I carefully observed the people who are living under the Communist regime. Prague is supposed to be the showplace of communism, and I think that the people there are more prosperous than in other parts of Czechoslovakia or in other satellite countries. I saw no beggars on the streets of Prague, but there were also no people who were "well off." I got the impression that all of the people were the same. I saw no one who seemed to be really happy or who seemed to be enjoying life.

I watched the people line up for the May 1 parade; they were carrying pictures of Lenin, Marx, and the other Communist leaders. These people were forced by the government to march in the parade; very few of them, I felt, actually knew why they were marching. Among these marchers were the university students with whom several of my friends had talked; these Czechoslovakian students knew and were opposed to the reasons for marching—they said they were fed up with communism and wanted to escape, but there was no possibility.

When the parade was underway, I observed that only a few of the marchers exhibited any real enthusiasm after they passed the reviewing stand. It is most difficult for me to describe the conditions in Prague; there exists an atmosphere of resignation in the minds of the people. This atmosphere envelops the entire city; it seems as if everything is dead; any interest in an active life is absent.

In Berlin I found a situation which made me most proud to be an American. The West sector was largely rebuilt and modern,

although some of the ruins still remain. The East sector, however, is the direct opposite; Stalin Alley, one of the main streets, is modern, while much more of the sector is still in ruins. In the West sector I was shown by a tour guide the monument to the American, British, and French pilots who lost their lives during the airlift in 1949. The guide made a special point to emphasize how important this time was to the West. As a member of this tour, I could not help but realize how strongly the West Berliners felt about this airlift. I believe, and many Europeans have told me that they have the same opinion, that this was the West's and especially America's finest hour since 1945. America proved to the world that she was willing to stand behind her words and support free peoples.

Of the numerous West Berliners with whom I have spoken, each has stressed the necessity of keeping American troops in Berlin. The West Berliners want the American troops to remain in Berlin for their protection; they believe that if America gives up in Berlin that she will have lost the cold war and thus will be subjecting the entire free world to communism.

In Prague, in Yugoslavia, and in East Berlin, the people seem to exist instead of live. It is quite evident to a Westerner that the people lack a purpose or meaning to live. This may seem to be abstract, but most of my fellow students who have visited these places have the same impression I do. The conditions of these people living under communism can be more easily and more thoroughly understood when one has an opportunity to observe them personally. The reasons I said that communism is such a great danger to America are: first, it is an ideology aimed at destroying man as Westerners understand him; secondly, most Americans say they hate communism, but they don't know what communism is. Communism is a religion whose purpose is to destroy the mind of man and man's power to think and reason. Under communism, man's sole justification is in his service to the state. Freedom, individualism, and God, which are all important to the Western man, have no place in the Communist way of life.

These are some of the things I have learned in the past several months, but where do we go now? I have several suggestions:

1. We should teach in the public school the meaning of democracy as contrasted with communism.

2. The high schools and especially the universities should put a strong emphasis on the history of the world since 1914 and the significance of this period.

3. We should teach in our colleges and universities courses on communism, its ideals and its methods so that we can understand it and more intelligently fight it.

4. We should attempt to help those citizens who have finished their formal education to understand communism. This could be done through civic clubs and similar organizations.

It is my belief after studying in Europe for 6 months and after talking with hundreds of Europeans and Americans that America and the American public must decide today to enlighten themselves. We must diligently study our own way of life and study the ideals and methods of the Communist ideology so we can intelligently understand and defeat it. We must make the decision to protect and preserve the ideals which made America great. We must decide to stand for and to support at any price the rights of freemen in their attempt to maintain their independence. If America fails to make her stand today, she will not have a second opportunity.

Love,

BUCK.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 1581. A bill for the allocation of costs on the Wapato-Satus unit of the Wapato Indian irrigation project (Rept. No. 974).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 1060. A bill to authorize the Secretary of Interior to construct, operate, and maintain the Oroville-Tonasket unit of the Okanogan-Similkameen division, Chief Joseph Dam project, Washington, and for other purposes (Rept. No. 973).

By Mr. BURDICK, from the Committee on Interior and Insular Affairs, without amendment:

S. 1139. A bill to amend the act granting the consent of Congress to the States of Montana, North Dakota, South Dakota, and Wyoming to negotiate and enter into a compact relating to the waters of the Little Missouri River in order to extend the expiration date of such act (Rept. No. 975).

By Mr. KUCHEL, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 1378. An act to authorize the Secretary of the Interior to enter into an exchange of certain land in Madera County, California, with Mary Saunders Moses (Rept. No. 981).

By Mr. GRUENING, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 2924. An act to repeal an act entitled "An act extending the time in which to file adverse claims and institute adverse suits against mineral entries in the district of Alaska," approved June 7, 1910 (36 Stat. 459) (Rept. No. 982).

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, with amendments:

S. 1760. A bill to establish the Great Basin National Park in Nevada, and for other purposes (Rept. No. 983).

By Mr. GOLDWATER, from the Committee on Interior and Insular Affairs, with amendments:

S. 522. A bill to authorize the establishment of the Hubbell Trading Post National Historic Site, in the State of Arizona, and for other purposes (Rept. No. 986).

By Mr. ENGLE, from the Committee on Commerce, without amendment:

S. 2524. A bill to amend the Shipping Act, 1916 (Rept. No. 980).

By Mr. ENGLE, from the Committee on Commerce, with an amendment:

H.R. 3156. An act to make the Panama Canal Company immune from attachment or garnishment of salaries owed to its employees (Rept. No. 979).

By Mr. KERR, from the Committee on Public Works, without amendment:

H.R. 8678. An act to provide for the conveyance of a portion of the Henry G. Shirley Memorial Highway and other highways on the Pentagon road network to the Commonwealth of Virginia, and for other purposes (Rept. No. 984).

By Mr. KERR, from the Committee on Public Works, with an amendment:

S. 856. A bill to create a regional agency by intergovernmental compact for the planning, conservation, utilization, development, management, and control of the water and related natural resources of the Delaware River Basin, for the improvement of navigation, reduction of flood damage, regulation of water quality, control of pollution, development of water supply, hydroelectric energy, fish and wildlife habitat, and public recreational facilities, and other purposes, and defining the functions, powers, and duties of such agency (Rept. No. 985); and

S. 2394. A bill to authorize the improvement of Portland Harbor, Maine (Rept. No. 978).

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, without amendment:

H.R. 3587. An act to amend section 612 of title 38, United States Code, to provide outpatient medical and dental treatment for veterans of the Indian wars on the same basis as such treatment is furnished to veterans of the Spanish-American War (Rept. No. 987).

By Mr. JOHNSTON, from the Committee on Post Office and Civil Service, without amendment:

H.R. 6007. An act to amend section 505(d) of the Classification Act of 1949, as amended, with respect to certain positions in the General Accounting Office (Rept. No. 988).

By Mr. FULBRIGHT, from the Committee on Foreign Relations, with amendments:

H.R. 8291. An act to enable the United States to participate in the assistance rendered to certain migrants and refugees (Rept. No. 989).

YOUTH CONSERVATION CORPS AND YOUTH PUBLIC SERVICE PROGRAM—REPORT OF A COMMITTEE—MINORITY AND INDIVIDUAL VIEWS (S. REPT. NO. 976)

Mr. CLARK. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, the bill (S. 404) to authorize the establishment of a Youth Conservation Corps to provide healthful outdoor training and employment for young men and to advance the conservation, development, and management of national resources of timber, soil, and range, and of recreational areas, and I submit a report thereon. I ask that the report be printed, together with the minority views of Senators GOLDWATER, PROUTY, and TOWER, and the individual views of Senators CASE of New Jersey, and JAVITS.

The ACTING PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Pennsylvania.

ESTABLISHMENT OF ADDITIONAL SUPERGRADE AND SCIENTIFIC TYPE POSITIONS—REPORT OF A COMMITTEE: INDIVIDUAL VIEWS: ADDITIONAL AMENDMENTS—(S. REPT. NO. 977)

Mr. JOHNSTON. Mr. President, from the Committee on Post Office and Civil Service, I report favorably, with amendments, the bill (S. 1732) to increase the limitation on the number of positions that may be placed in the top grades of the Classification Act of 1949, as amended, and the limitation on the number of research and development positions of scientists and engineers for which special rates of pay are authorized; to fix the compensation of hearings examiners; and for other purposes, and I submit a report thereon. I ask that the report be printed, together with the individual views of the Senator from Pennsylvania [Mr. CLARK].

The ACTING PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from South Carolina.

Mr. JOHNSTON. Mr. President, subsequent to the approval of the bill, the committee agreed to additional amendments relating to a small group of positions, which, because of a misunderstanding, was not dealt with in the bill as reported. I ask that the additional amendments be printed.

The ACTING PRESIDENT pro tempore. Without objection, the additional amendments will be printed.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Robert F. Corrigan, and sundry other persons, for personnel action in the foreign and diplomatic service; and

Executive J, 86th Congress, 2d session. International Telecommunication Convention, with annexes, and the final protocol to the convention, signed for the United States at Geneva on December 21, 1959 (Ex. Rept. No. 10).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GRUENING:

S. 2530. A bill regarding a homestead entry of Lewis S. Cass; to the Committee on Interior and Insular Affairs.

By Mr. BOGGS (for himself and Mr. WILLIAMS of Delaware):

S. 2531. A bill making Columbus Day a legal holiday; to the Committee on the Judiciary.

By Mr. CARLSON:

S. 2532. A bill to amend subsection (h) of section 124 of the Agricultural Enabling Amendments Act of 1961; and

S. 2533. A bill to amend subsection (d) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended; to the Committee on Agriculture and Forestry.

S. 2534. A bill to amend the Internal Revenue Code of 1954 with respect to the taxation of distributions of stock and dispositions of property made pursuant to orders enforcing the antitrust laws; to the Committee on Finance.

By Mrs. NEUBERGER (for herself, Mr. CARLSON, Mr. MANSFIELD, Mr. METCALF, Mr. CASE of South Dakota, Mr. MAGNUSON, Mr. BURDICK, Mr. CHURCH, Mr. CARROLL, Mr. MOSS, Mr. HUMPHREY, Mr. MORSE, Mr. MCCARTHY, Mr. MCGEE, and Mr. ALLOTT):

S. 2535. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to establish a marketing program for wheat; to the Committee on Agriculture and Forestry.

(See the remarks of Mrs. NEUBERGER when she introduced the above bill, which appear under a separate heading.)

By Mr. CARLSON:

S. 2536. A bill to provide for the issuance of a special postage stamp in honor of the 50th anniversary of the liquefied petroleum gas industry; to the Committee on Post Office and Civil Service.

By Mr. CHURCH:

S. 2537. A bill to add certain public lands to the Craters of the Moon National Monument, Idaho, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HUMPHREY:

S. 2538. A bill for the relief of Benjamin M. Storey; to the Committee on Finance.

By Mr. GORE:

S. 2539. A bill to amend the Internal Revenue Code of 1954 with respect to income from sources outside the United States, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. GORE when he introduced the above bill, which appear under a separate heading.)

THE WHEAT BUSHEL MANAGEMENT PROGRAM

Mrs. NEUBERGER. Mr. President, today it is my privilege to introduce, on behalf of the Senator from Kansas [Mr. CARLSON] and myself, proposed legislation which makes possible a wheat bushel management program. A number of other Senators have joined us as cosponsors.

Technically, our bill is titled "The Wheat Marketing Act of 1961." It amends the Agricultural Adjustment Act of 1938, as amended.

Realistically, it provides the tools which will enable the Department of Agriculture to—

First. Deal positively in decreasing our burgeoning wheat surpluses;

Second. Improve the income of all wheat farmers; and

Third. Prevent wasteful spending of taxpayer dollars for storage.

These are big problems, perhaps oversimplified, but I believe the wheat bushel management program can solve them. I ask unanimous consent that this legislation lay over until Friday, September 15, for additional sponsors.

Such a bushel quota program would replace our ineffective acreage limitation program. The program is designed to aid both our wheat producers and the general public. It will reduce high storage costs, now approaching $1 million each day. It will encourage higher quality wheat production. It will allow higher per bushel monetary returns and greater total income to the wheat farmer.

There are definite advantages in establishing wheat quotas on a bushel basis:

First. Bushel quotas provide a mechanism for an orderly reduction in Commodity Credit Corporation stocks. They shift storage responsibility to individual growers.

The Secretary of Agriculture, under this proposal, determines U.S. wheat needs for the coming year. He makes that determination by adding the domestic bushel consumption for food to those bushels needed for export.

For example, let us say he finds our wheat needs for the coming year are 1,100 million bushels. This includes 500 million bushels for domestic food use, the average for the past 10 years, and 600 million bushels for exports under programs such as food for peace and for sale under other sections of Public Law 480.

Under the wheat bushel management program, CCC stocks would be reduced by 175 million bushels leaving 925 million bushels to be supplied by the producers.

These bushels are divided among States, the counties, and down to the farm level in a manner similar to that used in the present apportionment of acreage allotments. Each farm quota would be based on the historical wheat acreage of the individual farm and the farm's normal yield, which have been determined previously.

Under the program proposed the CCC storage would be reduced by a minimum of 100 million bushels and possibly by as much as 250 million bushels per year until the surplus has been used.

Second. Bushel quotas encourage the production of higher quality wheat. Each producer has a limited number of bushels certificated by the Department of Agriculture which he may sell into the market for food and export. The natural incentive to the grower is to produce the highest possible quality of wheat to receive the highest possible dollar return for this limited quantity.

Should the producer decide to produce more wheat than he may legally sell for food and export use, he may. But he must store the surplus on his farm or in an elevator at his own expense, or he may use the overproduction of wheat for feed, seed, or industrial purposes.

Third. Bushel quotas, as suggested, allow the price of certificated wheat to be determined on the free market.

The Commodity Credit Corporation would offer a loan at 75 percent of parity only on the producer's quota for primary use. Any wheat sold by CCC for food or export could not be released for less than the full parity price for wheat. Since the quantity eligible to be marketed by producers is less than the market demand, and since the market can obtain the additional quantities needed for food and export only from CCC at full parity, the free market price to producers would approach parity. Thus, producers will receive a fair price for the wheat sold into the primary market with a minimum of cost to the American taxpayer.

Fourth. Bushel quotas allow the price per bushel for feed wheat to be competitive with other feed grains. The market price prevails on feed wheat and on other noncertified wheat.

On August 31, 26 Senators from wheat producing regions signed a joint letter to Secretary of Agriculture Freeman. We pointed to the need for reducing surplus and growing a better quality of wheat to increase demand for U.S. wheat on the world market.

We concluded:

We strongly urge that your Department develop, under the procedures provided by the Agricultural Act of 1961, recommendations for a comprehensive, long-range wheat program, embodying the principles of the bushel program, in sufficient time to submit your recommendations to the Congress by January 1962.

We emphasize the purpose of that letter today. We have introduced this legislation to provide further encouragement to the Secretary of Agriculture and

to insure the Senate's having a work base for the next session. I understand our concern is shared by Members of the other body where identical legislation is to be introduced.

Our proposal is similar to that introduced in the 86th Congress. The wheat bushel management program is endorsed by the National Association of Wheat Growers, the National Farmers Union and the National Grange. It has other friends but I would be remiss if I did not admit it has critics. I am reassured, however, when I consider that the men who know wheat best feel this approach is best.

Some wheat farmers know this proposed legislation more familiarly as the wheat certificate plan. Farmers qualifying as wheat producers would be issued marketing certificates for their share of of the national wheat requirements for primary use. When we speak of "primary use" we refer to the amount of wheat to be used for domestic food consumption and total exports for the next marketing year.

The proposed legislation requires that certificates must be accompanied by wheat. They cannot be transferred. They are valid at the producer level only for the marketing year for which they have been issued.

The wheat bushel management program stipulates that no one can process wheat for food or export which is not covered by marketing certificates. The program specifies that CCC wheat sold for primary use shall not be sold for less than 100 percent of the effective parity price.

The 1-year emergency wheat program passed by Congress this year made mandatory a 10-percent reduction in wheat acreage. Farmers have responded by reducing their acreage even more, as was possible under law. Department of Agriculture experts have estimated that the harvested acreage of the 1962 crop could be 41 to 42 million acres, compared to 51.45 million acres this year. Let me point out that a 20 percent acreage reduction will decrease the number of bushels less substantially. For example, the crop for 1962 is estimated at around 1,100 million bushels compared to 1,200 million bushels for 1961.

I have mentioned the cost of storing our wheat surplus. August 1961 figures from the Department of Agriculture show that the public, the taxpayer, now has about $3 billion invested in wheat. The bushel carryover estimate is 1,400 million. Last crop year, says USDA, the total disappearance of wheat was an estimated 1,271 million bushels—606 million for domestic use and 665 million exported. The export figure is the highest in our history.

Many bushels of wheat have been sent abroad under the Food for Peace program. Deputy Director James W. Symington tells me the figure, beginning January 1 through August 31, is 265 million bushels.

I asked him for a bushel breakdown by countries. That breakdown is:

[In millions of bushels]

India	44
Brazil	39
Egypt	28
Pakistan	23.5
Turkey	18
Yugoslavia	16
Poland	13.7
Tunisia	5
Korea	2.3
Jordan	4.3
Morocco	4.2
Algeria	.225
Libya	.280
Ethiopia	.1

The totals for the sub-Sahara African nations are being prepared. I am advised that each figure will be less than 1 million bushels.

But the increase in wheat exports has not prevented the Department from stating that without the emergency 1-year program the stocks of Government wheat were "likely to keep increasing." The simple "why" is American agricultural ability. It is easy to keep the minimum national wheat acreage allotment stable at 55 million acres. It is impossible to curtail rapidly rising acre yields.

A wheat production cutback of 100 million bushels saves taxpayers about $258 million, according to Department figures. Our wheat carryover of 1,400 million bushels is about 100 million bushels above last year's figure. It is 5½ times larger than the carryover of 255 million bushels 9 years ago.

Do experts believe the wheat bushel management program will be successful?

When the Senate Committee on Agriculture and Forestry asked witnesses to testify on the omnibus farm bill this spring, Mr. Carl Bruns, president of the National Association of Wheat Growers, and Mr. James B. Dyess, executive vice president of the association, responded. The association is composed of 10 independent State wheat grower organizations. It represents an area in the Great Plains and the Pacific Northwest where approximately 60 percent of the wheat in the United States is produced.

I would like to quote briefly from Mr. Bruns' testimony. He said:

> A new approach is needed for wheat. Acreage controls have not been an overwhelming success in keeping wheat production in line with needs.
>
> This bushel-management program would provide the needed increase in wheat producer's income by tailoring marketing of wheat for food and export to market needs.

Mr. Bruns earlier has said the bushel-management plan had widespread understanding and support of wheat producers. This certainly is true of wheat growers in my State of Oregon.

Were we to permit a continued use of the acreage program we would be pyramiding CCC stocks and Government costs. The acreage program has made possible business ventures which ought not ever to have spotted American agriculture.

Many of you have read the 1960 report of the House Committee on Government Operations whose study found that grain storage for the Government had become a $500 million a year industry. The Intergovernment Relations Subcommittee reported, for example, that a Kansas warehouseman received nearly $2 million in storage fees for storing wheat in buildings rented from the Air Force for $29,000 entirely in accordance with CCC policy.

At this moment the Government has in storage nearly 1⅓ billion bushels of wheat. This enormous inventory of 1.242 billion bushels was acquired by CCC at a cost of $2½ billion. It includes wheat grown in the past 5 years, starting in 1956. Since acquisition, the added storage and transportation costs have increased the cost of wheat by more than half a billion dollars. As of June 30, 1961, the financial inventory of CCC wheat was $3,087 million.

The cost of storing one bushel of wheat the first year is approximately 45 cents. Charges include 13.5 cents for storage; 5 cents for handling; 21 cents for transportation to the terminal market; and 6 cents for interest. Thereafter for each year of storage the cost increases 18.5 cents for storage and interest.

The Department of Agriculture tells me that in fiscal year 1960 the storage cost for wheat was $214 million plus $38 million for transportation. This total varies and can be higher than the 1960 figure of $252 million. And it invites critics and friends alike to deplore daily million-dollar storage costs.

Again we see the urgent need for legislation to enable the Department of Agriculture to deal effectively with surpluses.

The Denver Post is a fair and fearless Rocky Mountain newspaper that keeps watch on congressional activities. On September 8, 1961, the Post approved the bushel-quota plan and said the idea was sound.

The Denver Post notes:

> Under the bushel controls, a plan which the National Wheat Growers Association has boosted for several years, the amount of wheat grown would be geared much more closely to actual needs.

And, that is what we hope to do.

Senator CARLSON and I are pleased to be joined in introducing the wheat bushel management program by Senators MANSFIELD, METCALF, CASE of South Dakota, MAGNUSON, BURDICK, CHURCH, CARROLL, MOSS, HUMPHREY, MORSE, MCCARTHY, MCGEE, and ALLOTT.

Mr. President, I ask unanimous consent that the editorial "A Hopeful Trend in Wheat Legislation," which appeared in the Denver Post be inserted in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the editorial will be printed in the RECORD.

The bill (S. 2535) to amend the Agricultural Adjustment Act of 1938, as amended, to establish a marketing program for wheat, introduced by Mrs. NEUBERGER (for herself and other Senators), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The editorial presented by Mrs. NEUBERGER is as follows:

A HOPEFUL TREND IN WHEAT LEGISLATION

Twenty-six Senators, primarily from the western half of the Nation, have taken a significant step forward in the field of wheat legislation.

By signing a letter to Agriculture Secretary Orville Freeman endorsing bushel-quota controls, the Senators last week gave real impetus to the prospect of a major breakthrough in one important aspect of the farm surplus problem.

The letter asks Freeman to prepare for submission to Congress in January proposed legislation on a permanent wheat program. Such legislation, the Senators said, should be based on a bushel-quota plan.

This means that the 26 Senators have apparently decided the time has come to face realities in wheat. For years the USDA has tried to administer jerry-built surplus controls based on the theory of acreage limits.

Such controls haven't worked. Farmers have cut their acreage—as stipulated by the programs—but they've taken, quite naturally, steps to boost the yield from the acres retained in production. The result is that fewer acres still produce a surplus.

Under bushel controls, a plan which the National Wheat Growers Association has boosted for several years, the amount of wheat grown would be geared much more closely to actual needs.

Much of the guesswork will disappear if the new program is enacted. A wheat farmer will be given certificates for so much production—in bushels—based on the Agriculture Secretary's overall determination of how much wheat the Nation will need.

The farmer can market for domestic food use only as much wheat as his certificates permit. He can grow extra wheat but such excess must be held for the next year (when he might need it to fill out that year's quota) or it could be used as livestock feed.

By estimating the Nation's wheat needs the Secretary could, in effect, regulate the price of wheat, much as he does in determining U.S. sugar needs and, consequently, the price paid to growers.

There may be hazards involved in the program. Some will fear tighter controls. But the present surplus pile of 1.3 billion bushels of wheat, maintained at enormous cost, appear to outweigh the disadvantages.

One of the major advantages of this program would be in upgrading wheat quality. In the past, farmers have tended to grow for quantity rather than quality, figuring that the important thing was to get as much wheat as possible for the acreage permitted. This has been true despite limited penalties for poor-quality wheat.

Under the new program, farmers would be encouraged to get the highest price offered by the processors on the number of bushels allotted. They would thus make more money by putting on the market, under certificate, the highest quality grains.

The bushel-quota plan, if passed, is aimed at 1963. If passed early next year it will permit winter-wheat growers to plant for the new program a year from now.

The idea is sound. Colorado's Senators, GORDON ALLOTT and JOHN CARROLL, will get the thanks of the majority of their wheat-growing constituents for signing the letter to Freeman.

Next January they should support it strongly.

Mr. CARLSON. Mr. President, I associate myself with the Senator from Oregon [Mrs. NEUBERGER] and other Senators in sponsoring legislation proposing an amendment to the Agricultural Adjustment Act, involving a marketing program for wheat.

This session of Congress, which is now nearing adjournment, has enacted two bills affecting agriculture; namely, a feed grain program and a wheat program. The effect of these programs on our surpluses of feed grains and wheat cannot be determined until after the feed grain production for 1961 has been determined and for wheat, not until the 1962 harvest has been completed.

These programs have been well received by our farmers, but it is generally agreed that they are temporary programs and we should be working on programs with some permanency for agriculture.

Wheat is one of our problems that should be studied by the Department of Agriculture during the congressional recess, with a view to making recommendations to Congress for a workable permanent program for the wheat producers of the Nation. It was with this thought in mind that the Secretary of Agriculture, Mr. Freeman, appointed a committee of outstanding citizens familiar with and interested in finding a solution to the wheat problem, with a view of making recommendations for a long-range permanent program.

Mr. Anson Horning, of Larned, Kans., president of the Kansas Wheat Growers Association and second vice president of the National Association of Wheat Growers, has been selected by Secretary Freeman to head this study committee. In my opinion, Mr. Horning's background and knowledge of our wheat program qualifies him eminently for this position.

The appointment of this committee and its study of the wheat program makes it important that Congress have before it, for its consideration, a proposal that is designed to stabilize the income of wheatgrowers at a fair level and reduce the stocks of wheat now in the hands of the Government, thereby providing a much-needed saving for the taxpayers.

The bill that is being introduced in the Senate today provides that basis.

The U.S. Department of Agriculture published for the month of August this year the wheat situation and the USDA report reads as follows:

> The total wheat supply for the marketing year beginning July 1, 1961, is now estimated at 2,619 million bushels, 2 percent below the record of 2,672 million bushels a year earlier. A decrease of 146 million bushels in the indicated production more than offsets an increase of 93 million bushels in the carryover on July 1, 1961.
>
> Domestic disappearance for 1961–62 is now estimated at about 594 million bushels, slightly below last year because of reduced use of wheat for seed; exports at 675 million would be slightly above the record 662 million in 1960–61 and continue to reflect a large proportion shipped under Government programs. On the basis of these estimates, about 1,350 million bushels would be carried over on July 1, 1962—about 60 million bushels below the 1961 carryover. This would be the first decline in stocks since 1958, when the carryover was 881 million bushels.

Recent figures from the Department of Agriculture fully indicate the need for further study and improvement in our wheat program. I sincerely hope that the Department will make a thorough study of the legislation we are introducing today and that Congress will have an opportunity to consider it in the next session.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954 WITH RESPECT TO INCOME FROM SOURCES OUTSIDE THE UNITED STATES

Mr. GORE. Mr. President, at the time the corporate and excise tax rate bill was before the Senate, the Senate understood, I am sure in good faith by all concerned, that the Senate would have an opportunity during this session to consider a major taxation bill, and thereby afford the Senate opportunity to seek to work its will with respect to tax legislation.

Such a bill has not been forthcoming from the other body. This is regrettable. The tax reform measures recommended by the President have not been considered by the Senate. The tax writing committee of the other body, however, has now reported to the House, and it is my informal understanding that the House will now consider, a major tax bill generally known as a bill for tax relief for the Du Pont Co. In any event, the Senate Finance Committee begins hearings on that bill tomorrow.

I have no objection to the fact that the Senate Committee on Finance will hold hearings on this bill before the House considers it. That seems to me to be entirely proper. Such procedure facilitates Senate consideration of measures passed by the other body.

Once a major tax bill is presented to the Senate, as the Du Pont tax relief bill would be, then consideration of the field of dividend credit, intercorporate transfers—indeed, the whole field of taxation of corporations, officials, and stockholders of corporations, will then be in order.

So that it will be available for consideration at the time, I introduce for appropriate reference a bill which embodies most of the administration's original recommendations regarding taxation of income earned abroad. I send the bill to the desk and ask that it be appropriately referred.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2539) to amend the Internal Revenue Code of 1954 with respect to income from sources outside the United States, and for other purposes, introduced by Mr. GORE, was received, read twice by its title, and referred to the Committee on Finance.

Mr. GORE. Other bills relating to the administration's recommendations for tax reform, or some of them at least, will be introduced tomorrow.

These bills will be in printed form and available for consideration by the Committee on Finance during its consideration of the Du Pont tax relief bill, and by the Senate if such a bill is reported to the Senate.

AMENDMENT OF SHIPPING ACT OF 1916—AMENDMENT

Mr. KEFAUVER submitted an amendment, intended to be proposed by him, to the bill (S. 2524) to amend the Shipping Act of 1916, which was ordered to lie on the table and to be printed.

ESTABLISHMENT OF LINCOLN BOYHOOD NATIONAL MEMORIAL, IND.—AMENDMENTS

Mr. HARTKE submitted amendments, intended to be proposed by him to the bill (H.R. 2470) to provide for the establishment of the Lincoln Boyhood National Memorial in the State of Indiana, and for other purposes, which were ordered to lie on the table and to be printed.

IMMUNIZATION FROM ATTACHMENT OF SALARIES OWED BY PANAMA CANAL COMPANY—AMENDMENT

Mr. KEFAUVER submitted an amendment, intended to be proposed by him, to the bill (H.R. 3156) to make the Panama Canal Company immune from attachment or garnishment of salaries owed to its employees and to amend the Shipping Act of 1916, which was ordered to lie on the table and to be printed.

PROTOCOL RELATING TO AN AMENDMENT OF CONVENTION ON INTERNATIONAL CIVIL AVIATION—REMOVAL OF INJUNCTION OF SECRECY

Mr. MANSFIELD. Mr. President, there was transmitted to the Senate today Executive N, 87th Congress, 1st session, being a protocol relating to an amendment to the Convention on International Civil Aviation. As in executive session, I ask unanimous consent that the injunction of secrecy be removed from the protocol, and that the protocol, together with the President's message be referred to the Committee on Foreign Relations, and that the message from the President be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of a protocol dated at Montreal June 21, 1961, relating to an amendment to the Convention on International Civil Aviation.

The protocol, embodying a proposed amendment to article 50(a) of the convention, enlarges the membership of the Council of the International Civil Aviation Organization from 21 to 27.

I also transmit herewith, for the information of the Senate, the report of the Secretary of State regarding the protocol.

JOHN F. KENNEDY.

Enclosures:

1. Report of the Secretary of State.
2. Certified copy of protocol dated at Montreal June 21, 1961, relating to an amendment to the Convention on International Civil Aviation.

THE WHITE HOUSE, *September 12, 1961.*

NOTICE CONCERNING NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

William H. Murdock, of North Carolina, to be U.S. attorney, middle district of North Carolina, term of 4 years, vice James E. Holshouser, resigned; and

William Medford, of North Carolina, to be U.S. attorney, eastern district of North Carolina, term of 4 years, vice James M. Baley, Jr., resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Tuesday, September 19, 1961, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, September 12, 1961, he presented to the President of the United States the enrolled bill (S. 1653) to amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises.

DEATH OF LEO CARRILLO

Mr. KUCHEL. Mr. President, the people in my State and the Nation mourn the passing of a distinguished actor, a native-born Californian, who traced his patrimony back many generations. Leo Carrillo passed away over the weekend. I had the pleasure of knowing him during his life. He was most proud of his forebears. He was proud, too, of his native State.

Quite aside from the eminence which he reached as a great actor, his was the life of an active American citizen, who devoted much of his time to the cause of government. He served on the State parks commission, commencing with the administration of Earl Warren. He continued serving the people of his State subsequent to Governor Warren's tenure as our State's chief executive.

During all his lifetime he brought happiness and smiles to the people of our country, and, I think I may say, the world, in the happy motion pictures in which he played, continuingly, stellar roles.

I ask unanimous consent that an obituary which appeared in the New York Herald Tribune of this morning be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEO CARRILLO DIES AT 81; SCREEN'S LOVABLE BADMAN

SANTA MONICA, CALIF.—Actor Leo Carrillo, 81, a descendant of the Spanish dons whose great-grandfather was first provisional governor of California, died of cancer at his home here Sunday.

He had been in a coma for several days. His physician, Dr. Adolph Kosky, said Mr. Carrillo had battled the encroaching disease since the actor was first operated on in September 1959.

IN BADMAN ROLES

Leo Antonio Carrillo was one of the first of Hollywood's goodhearted badmen. He portrayed the likable heavy in a succession of melodramas of the thirties such as "Frontier Bad Man," "The Gay Desperado," "Wyoming" and "Twenty Mule Team."

A far cry from the typical villain who gets hissed by the audience and punished by the law, Mr. Carrillo combined malevolence and charm in a mixture that sometimes won the heroine in the final reel.

In 1934 he costarred in the Wallace Beery epic "Viva Villa," and impressed reviewers in the role of Villa's treacherous lieutenant with a "characterization at the same time lighthearted and sinister."

Mr. Carrillo graduated to his roles of badman after a career on the legitimate stage where he became something of a matinee idol. An interviewer in 1928 asked him: "Is it so that you have invariably played the role of a great lover?"

To which he replied: "Yes, I have always derived great joy in playing such parts, for love is the greatest force in the world and these roles satisfy my yearning for expression."

Some of Mr. Carrillo's stage vehicle's were "Gypsy Jim," "Lombardi, Ltd.", "The Brigand," and "Mike Angelo," where he employed a mellifluous talent for Italian dialect.

Mr. Carrillo was a native Californian. His ancestors came to this country with Cortez. His great grandfather became the first provisional governor of California in 1837 and his father was mayor of Santa Monica.

BEGAN AS CARTOONIST

After an early career as cartoonist on the San Francisco Examiner, he turned to the stage and got his first breaks on vaudeville, doing the rounds of orpheums and palaces.

It was on the vaudeville circuit that Mr. Carrillo met Will Rogers, then doing a silent cowboy act with a little riding and a lot of roping. Mr. Carrillo noted the cowboy's easy wit and persuaded him to add dialogue to his act.

In his vaudeville act Mr. Carrillo was billed as "the undisputed champion of broken English," and it was this talent for mimicry that landed him his first parts in dialect plays on the legitimate stage.

After the dialect period came the matinee idol era and, after that, Mr. Carrillo arrived in Hollywood at about the same time as sound pictures. He was always in demand as a character actor and was able to ride the horseback sequences himself in westerns.

Mr. Carrillo had a brief fling in politics. In 1937, he was urged by friends to run for the governorship of California. His campaign never got off the ground, however, and the actor lent his support to Earl Warren.

Mr. Warren was elected by a landslide, and grateful for Mr. Carrillo's help, asked the actor what political plum he wanted. Mr. Carrillo requested an appointment on the State parks commission, explaining that one of his hobbies was restoring old missions. Once appointed, Mr. Carrillo was known as the most active member on the commission.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. METCALF. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that further proceedings under the quorum call be suspended.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SALUTE TO "UNCLE SAM" WILSON, OF TROY, N.Y.

Mr. DIRKSEN. Mr. President, I ask the Chair to lay before the Senate the amendments of the House of Representatives to Senate Concurrent Resolution 14.

The ACTING PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the concurrent resolution (S. Con. Res. 14) saluting "Uncle Sam" Wilson, of Troy, N.Y., as the progenitor of America's national symbol of "Uncle Sam," which were, on page 2, strike out all after the resolving clause and insert: "That the Congress salutes "Uncle Sam" Wilson, of Troy, N.Y., as the progenitor of America's national symbol of "Uncle Sam," and on page 1, in the preamble, strike out lines 13 through 16, inclusive, and on page 2 of said preamble strike out lines 1 through 3, inclusive.

Mr. DIRKSEN. Mr. President, I move that the Senate disagree to the House amendments, request a conference thereon with the House of Representatives, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. McCLELLAN, Mr. KEATING, and Mr. COTTON conferees on the part of the Senate.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. METCALF. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MEDICAL AND SURGICAL CARE FOR ELDERLY WITHIN SOCIAL SECURITY THE ONLY WAY

Mr. YOUNG of Ohio. Mr. President, the firing squad of the American Medical Association has packed away its propaganda guns. Due, in part, to a heavy AMA barrage of falsehoods, action on medical care for the elderly, which many of us hoped would be taken during this session of the Congress, will be postponed until next year.

If ever a propaganda campaign was based on misrepresentation and a smokescreen of distortions, it has been the AMA campaign against health care for the elderly, under the framework of social security.

Mr. President, if one were to take seriously the propaganda of the American Medical Association, one would weep bitter tears for the downtrodden members of the medical profession. They are faced—or so the AMA story goes—with a regimentation more complete, more ruthless, and more stringent than anything in history.

Indeed, judging from the hysterical propaganda of the high-paid AMA publicity and public relations men, the medical profession, which just happens to be on the average the wealthiest profession in America, will find itself enslaved in chains.

Who is the villain who would perpetrate such cruel injustice? Apparently, it is President Kennedy himself, for it is he who has proposed to bring medical and surgical care for the elderly under the framework of the social security system, a proposal which has caused shockwaves of revulsion in AMA leaders.

In the face of this, the professional medical politicians who dictate policy of the AMA are aghast. Their patriotism obliges them, they say, to protect the American people from the ultimate horror, socialized medicine.

Of course, Mr. President, I do not happen to take AMA propaganda seriously. It obviously stems from a fantasy land of shortsighted self-interest and arrogant indifference to the needs of the American people. It is an indifference which I hasten to say is not shared by most of the 180,000 American physicians and surgeons whom the AMA house of delegates claims to represent.

You and I know, Mr. President, that AMA propaganda is sheer nonsense. President Kennedy's program would not change the traditional doctor-patient relationship. Supporters of the proposal have no wish to alter the general practice of medicine.

We Americans take pride in the high standing, advancements, and great scientific achievements of the specialists engaged in scientific medical research and in the medical profession as a whole.

The plain fact is that the AMA is laying a thick smokescreen to hide from the American people its own narrow self-interest and its immutable habit of standing squarely in the path of progress and shouting "Stop." I refer to the 192-member house of delegates ruling the AMA, less than one-fourth of whom are general practitioners. At least 150 are specialists or political doctors.

In order to appear not entirely negative, chieftains of the AMA have thrown their weight behind the inadequate medical care bill enacted last year. They have tried, and failed, to make a case for this law, which requires enabling action by State legislatures, and which clearly does not meet the urgent medical needs of our elderly people.

I voted against it. Its passage has not aided one person in my State of Ohio who was not already on relief.

Mr. President, the truth is that fraudulent AMA propaganda cannot obscure the fact that only 10,000 elderly Americans throughout our Nation, previously unprotected by any Federal-State program, have benefited from the bill enacted last year during the Eisenhower administration.

This is feeble advertisement for the program, considering that at the present time, more than 16 million Americans are 65 years of age or older.

Mr. President, the leaders of the AMA are long on noise and short on memory, for it is significant to note that in 1950 they were strangely silent when a Federal-State matching program for the elderly indigent was enacted.

Indeed, I suggest that the AMA would oppose the program enacted last year if it were not faced with what its ruling group hysterically considers a greater threat—the proposal to place medical care for the elderly under social security.

The ACTING PRESIDENT pro tempore. The time available to the Senator from Ohio, under the 3-minute limitation, has expired.

Mr. METCALF. Mr. President, I ask unanimous consent that the Senator from Ohio may proceed for 3 additional minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. YOUNG of Ohio. Mr. President, it is a fact that in this case, as in so many others, the AMA once again stands stalwart against the wishes and welfare of the American people. The small band of willful men who control AMA policy assert our people do not support this program. Yet, a recent Gallup poll shows conclusively that the people overwhelmingly endorse President Kennedy's proposal. Two out of three persons interviewed indicated they are in favor of increasing the social security tax, if necessary, to finance medical care for the elderly. Only 26 percent are opposed.

Apparently, Americans refuse to swallow the propaganda pills prescribed by the professional medical politicians who presume to speak for 180,000 American physicians and surgeons.

Mr. President, during this session of the Congress we provided medical care for hogs—to curb hog cholera—but we failed to provide medical care for needy elderly men and women.

It is my hope that we shall enact the administration's medical care program during the next session of the Congress.

This is the fairest, most equitable, and most practical way to meet the urgent health needs of elderly Americans.

The basic problem is that persons 65 years of age or older cannot purchase adequate health insurance from private corporations, except at exorbitant rates. This often results in having medical expenses wipe out lifetime savings or force older men and women to live on the charity of relatives or on public charity.

Adding medical aid to the present social security system would be a simple matter. The employer and employee, by the payment of only one-quarter of 1 percent each during the time when the employee is working, would cause enough additional revenue to flow into the social security fund to keep it actuarially sound to accommodate the new program. Self-employed persons would

pay three-eighths of 1 percent from their earnings. The medical care plan would be self-financing, and would protect men and women at age 65, following their retirement from employment.

Mr. President, we must be realistic and we must legislate in recognition of the fact that medical and surgical expenses for older people are three times the expenses incurred by those in their forties, or even those in their fifties. It is a fact that medical expenses rise sharply with increasing years. At the same time, for most people the ability to meet them declines rapidly, once they are off the payroll.

It is a tragic situation that here in the richest country in the world, millions of our elderly live in constant fear that their savings, if any, set aside for a dignified old age will be washed away by one prolonged illness or a serious accident.

Mr. President, I will never advocate any change in the freedom we Americans enjoy to be attended by doctors of our choice, or in the doctor's freedom to select his patients, and determine for himself all the details of his treatment.

We simply must make it possible for persons during their working years to provide for medical and surgical care in their old age. The most sensible way to do this is within our social security system, which is correctly termed our Nation's old-age, survivors' and disability insurance system. In fact, in my view there is no other adequate way.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. METCALF. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METCALF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Without objection, it is so ordered.

THE NIBBLE INDEX

Mr. KEATING. Mr. President, on August 11, when the Agriculture Department released last month's grain production figures, I spoke on the floor of the Senate on this subject. I called attention to the fact that the estimate in August of the still unharvested 1961 corn crop was 3,352,037,000 bushels. The August estimate represented an increase of 176 million bushels over July.

Yesterday the Department released the September estimate of the corn crop for 1961, which is 3,519,000,000. This is 167 million bushels over the August estimate.

To put it all together, in July the Department of Agriculture estimated that the feed grain program would result in a 716-million bushel cut in corn production. Right now, the Department estimates that the 1961 crop will be 372 million bushels less than last year. The originally projected decrease in production has been cut in half.

Mr. President, some slippery varmint has been nibbling away at our corn statistics. Perhaps we should call these monthly reports the "nibble index." This is just another indication that the feed grain program is not doing the job. I oppose this program and I think it is worthwhile to continue to place these figures in the RECORD.

What do these figures mean? The emergency feed grain bill program increased price supports as an incentive to cut production. It has failed. Production has not been materially cut. Consumer prices are bound to increase. Feed prices to dairy, poultry, and livestock farmers have gone up.

We are throwing money at the farm problem without even aiming. Our solution is no solution. Almost everyone agrees that new directions are needed to deal with our Nation's farm problem. Why must we continue going in the old direction, which is backward?

HELPING AN ANTI-COMMUNIST FIGHTER

Mr. WILEY. Mr. President, an article which was published recently in the Polish Courier, of Milwaukee, tells an interesting story of how a U.S. Senator was able to help save an anti-Communist fighter from deportation to Poland, where many years of imprisonment were undoubtedly awaiting him. The credit in this case goes to the distinguished Senator from New York [Mr. KEATING], who has again displayed his humanitarian spirit.

The Senator from New York introduced a bill for the relief of Jozef Budny, who had fought against communism for most of his adult life in Poland, and was ordered deported from this country by the Immigration Service. Senator KEATING realized the injustice in this case and intervened in Mr. Budny's behalf, through the introduction of a private bill to grant permanent status in the United States to Mr. Budny.

Knowing that many of my colleagues would be interested in this story, I ask unanimous consent to have printed at this point in the RECORD the English translation of the Budny story as it appears in the Polish Courier, of Milwaukee, July 27, 1961.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR KEATING SAVES A POLE FROM DEPORTATION

WASHINGTON, D.C.—Another Pole has all reason to be forever grateful to the U.S. Senator from New York, KEATING, for saving him from a compulsory deportation to Poland and from delivering him to the Communist catchpoles now ruling Poland.

The man recently saved by Senator KEATING, is Josef Budny, an old anti-Communist fighter. A compulsory return to Poland would mean for him, at best, many years in the security prisons.

The deportation order was already issued. On July 11, Budny was supposed to report to the American immigration authorities with his hand baggage. He had to be transported to Montreal where, on board of the *Batory*, room was reserved for him and paid for by the American authorities.

Before the war Budny used to work in the investigating department of the state police at Poznan with a special assignment to fight Communist diversion. During the war he played a similar role in the Polish underground movement. A special unit for the combat of Communist diversion existed within the AK (Polish revolutionary army) and, because of his valuable experience, Josef Budny was attached to it.

After the war, when the German occupation was replaced by the Communist occupation, the authorities of the new regime were, at first, not able to identify Budny with the member of the anti-Communist unit of AK, whose name was known to them only as a pseudonym. However, he was suspected of anti-Communist sentiments and he was not spared persecution. During all this time the security did not stop in its efforts to find out the true name of the sought-for member of the underground, as, according to its information, he was living and residing within the country. Thus the noose tightened more and more.

In 1960, Budny succeeded, by a trick, to receive a foreign passport and a visa to visit a distant relative in California. As a result, he stopped in New York and immediately went to the Polish Immigration Committee with the request to take care of his asylum.

Budny's deposition concerning his activities in the country, were confirmed both by private persons living in the United States and the AK headquarters in London. In spite of that, the immigration authorities rejected Budny's request. The appeal of the committee to the central immigration authorities in Washington met with the same fate. The answers of the Immigration Office made it clear that it regarded persons who left Poland after the "magic date" of 1956, as safe from persecution in case of deportation to Poland. The Immigration Office did not question the credibility of Budny's statements. Simply, a very dangerous proposition prevailed, that after Gomulka's takeover in Poland, nobody is subject to political persecution.

When all other means of saving Budny failed, Senator KEATING, to whom Polish Immigration Committee presented the case in detail, agreed to introduce a private bill in the Senate. Although the bill has not yet been passed, there is hope for its favorable acceptance. The introduction of the bill alone, caused an automatic suspension of the deportation proceeding.

It deserves to be mentioned that Senator KEATING recently took a firm stand in the Senate against the deportation policy, as now practiced by the Immigration Office in respect to political refugees and escapees.

The PRESIDING OFFICER. Is there further morning business?

Mr. METCALF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METCALF. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further morning business? If not, morning business is closed.

Mr. METCALF. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. METCALF. What is the unfinished business?

The PRESIDING OFFICER. There is no unfinished business at this time before the Senate. It may come up by unanimous consent or motion at this time.

AID TO SCHOOLS IN FEDERALLY IMPACTED AREAS

Mr. METCALF. I ask unanimous consent that S. 2393 be made the unfinished business.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2393) to extend for 1 year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas and to provide for the application of such laws to American Samoa.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. METCALF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UTAH'S UNIQUE ROLE IN NATIONAL DEFENSE

Mr. BENNETT. Mr. President, the recent callup of National Guard and Reserve units draw attention once more to a fact of which all Utahans are proud, namely the exceptionally high percentage of Utah men who have participated in the defense of their country in the past and who are answering the call today.

On a per capita basis, Utah is contributing 2½ times as many men to the armed services in the recent call to active duty as the national average.

There are 1200 Utah National Guardsmen being called to active duty at the end of this month, representing .13 percent of the State's population, which compares with .05 percent of the national population represented by the 76,500 men being called up. Thus, Utah's rate is 2½ times the national average.

In this connection it is interesting to note that Utah has traditionally been the No. 1 State in percentage of draft-eligible men who were found acceptable for military service.

The national rejection rate for selective service during the period 1948 to 1961 was 39.1 percent. The rejection rate for Utah is only 21.3 percent—roughly half as much. Utah leads the 50 States in this respect.

In this hour of national peril, Utahans are particularly proud of the disproportionate role they are playing in the Nation's defense.

I ask unanimous consent to have printed in the RECORD an editorial from the Deseret News in Salt Lake City for September 6, commenting on Utah's unusual role in supplying manpower for the armed services.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TWO AND ONE-HALF TIMES AS MANY UTAHANS

Ever since the call of the Mormon Battalion, the people of this State have been fully represented in every call to national military duty—sometimes, it has seemed in numbers considerably higher than the size of our population would seem to indicate.

Usually, the extra burden assumed by our people has been for one simple reason: They have been available and prepared. That was the case, certainly, with the Mormon Battalion, called to make that historic march to southern California. It has been the case in the past two World Wars, when our boys have suffered fewer rejections for physical, mental, or moral reasons and so have served their country in numbers higher than the national per capita averages.

It seems, also, to be the case with the current callup of National Guard units.

The some 1,200 Utah guardsmen who will be entering active duty at the end of this month represent .13 percent of the State's population. That compares with the .05 percent of the national population represented by the 76,500 men called up nationally. Utah's rate in this initial call is more than 2½ times the national average.

The reason seems to be—and our military officers and men can take pride in the fact—that the Utah units represent a level of training several cuts above the average nationally. They have the needed technical specialties and are at authorized strength—a position most National Guard outfits seldom reach.

So Utah is again in the front of the call to military service, and no Utahan who loves his country will resent the heavier service our men give. But one notes that the 76,500 men Reserve troops called so far are only a small part of the 250,000 the President is authorized to call. Many more may be pressed into service before our international tensions are reduced.

In calling attention to Utah's generous military contribution, we do not do so in the spirit of complaint. Perhaps we are somewhat like the rooster who rolled the ostrich egg out among his chickens and explained that he was not complaining but just wanted them to see what was going on next door.

If and as new Reserves must be called up, we hope our neighbor States and the rest of the Nation can do as well as Utah.

Mr. BENNETT. Mr. President, in the field of education probably the most important Federal program which has been in existence for the past several years has been the program of Federal assistance to areas which have been adversely affected by Government installations or by an influx of schoolchildren because of the location of defense installations.

On April 19 I introduced a bill, S. 1678, proposing to extend Public Laws 815 and 874 for a period of 3 years. I, of course, will support any extension of these laws, but I would urge the Senate to grant us as long an extension as possible so that the school districts can make their plans.

The basic intention of these public laws is to compensate school districts in reasonable amounts for the cost of educating schoolchildren whose parents are employed in Federal activities and where unusual local school problems result. Section 1 of Public Law 874 reads as follows:

In recognition of the responsibility of the United States for the impact which certain Federal activities have on the local educational agencies in the area in which such activities are carried on, the Congress hereby declares it to be the policy of the United States to provide financial assistance for those local educational agencies upon which the United States has placed financial burdens by reason of the fact that—

(1) the revenues available to such agencies from local sources have been reduced as the result of the acquisition of real property by the United States; or

(2) such agencies provide education for children residing on Federal property; or

(3) such agencies provide education for children whose parents are employed on Federal property; or

(4) there has been a sudden and substantial increase in school attendance as the result of Federal activities.

Public Law 874 provides Federal assistance for the operation and maintenance of public schools. Its companion law, Public Law 815, provides assistance for the construction of school facilities, and the general declaration of policy is similar in both laws.

I would like to emphasize that the federally affected areas program is not a handout program. Defense installations are mixed blessings to a community, even in the case of those installations which are privately operated. One example of such a situation is Box Elder County, Utah, where the Thiokol Chemical Co. has established a testing ground for missile solid fuels. This operation has created a tremendous impact on the entire economy of the area. The strain on the local taxpayers has been almost unbearable. For one thing, local property levies cannot keep pace with the rapid and sudden increases in Government service needs. Adustments come slowly and ponderously. Not only have the schools in the area been affected but there are problems connected with sewage, roads, and other public services. If Public Laws 815 and 874 funds cannot be made available to this community and other communities similarly situated, I fear the consequences on the school operations for the children living in those areas.

Whatever one may think of general Federal aid to education, there is no question of the justice of the impacted areas program, whereby the Federal Government, which pays no local taxes, helps to meet the demands thrust on the local districts by the Federal operations. I urge the Senate to extend this vital program. At this point for the information of the Senate I wish to insert in the RECORD a table showing entitlements of Utah school districts under Public Laws 815 and 874 for the fiscal year 1961.

I also ask consent to have printed a table prepared by the U.S. Office of Education showing the estimated entitlements for Utah as a whole if these laws are extended for 1 or 2 years. The communities to which this money goes are performing a vital function in contributing to our defense program.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—*Public Laws 815 and 874—Entitlements and reservations for Utah school districts, fiscal year 1961*

Applicant	Public Law 815 [1]	Public Law 874
Board of Education, Tooele County School District, Tooele		$275,961
Weber County School District, Ogden	$501,670	315,805
Ogden City Board of Education		330,578
Davis County School District, Farmington		641,975
Grand County School District, Moab	110,780	59,659
Board of Education, Daggett School District, Manila		30,479
Kane County School District, Kanab		27,251
Box Elder School District, Brigham City	191,168	138,448
Logan City Board of Education		10,611
Duchesne County School District		23,635
Washington County School District, St. George		12,064
Cache County Board of Education, Logan		41,599
Total	803,618	1,908,065

[1] In addition to these grants to regular school districts, the Dugway Proving Grounds in Tooele County received $133,032 for school construction on this Federal installation.

TABLE II.—*Estimated entitlements and reservations under Public Laws 815 and 874, fiscal years 1962 and 1963*

	Fiscal year	Extension without amendment [1]
Public law 874	1962	$2,150,700
Public Law 815	1962	522,400
Public Law 874	1963	2,466,900
Public Law 815	1963	1,284,400

[1] Considering Public Laws 815 and 874 are extended without amendment for fiscal years 1962 and 1963.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METCALF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AID TO SCHOOLS IN FEDERALLY IMPACTED AREAS

The Senate resumed the consideration of the bill (S. 2393) to extend for 1 year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas and to provide for the application of such laws to American Samoa.

Mr. MORSE. Mr. President, some of our colleagues are away this morning on official business. The Democratic leadership is at the White House. The Senator from Michigan [Mr. MCNAMARA] will be here soon, to continue the presentation of his amendment. Later, I shall submit and discuss my amendment to add the District of Columbia to the impacted area proposal. I believe that later this morning we shall have a better understanding of our schedule in connection with the bill.

I wish to announce that I shall call a meeting, in a room near the floor of the Senate, of the Democratic members of the Education Subcommittee, to discuss certain questions of policy which have arisen.

Mr. President, this morning I wish to say that every argument I made yesterday, I now restate by reference. The observations I made yesterday on the importance of sustaining the President's hand in connection with NDEA and impacted area legislation, I consider to be even more important this morning.

As the Senator in charge of the pending bill, I think it much better that we pass no legislation of this type at all, rather than to pass the measure the House has passed concerning NDEA and impacted area legislation. My judgment is based on two reasons: First, I think the substance of that proposed legislation is unsound. I believe it very unsound to pass a measure in the field of impacted areas beyond a 1-year period. All of us know, if we but read, that there already exists a prima facie case which calls for reappraisal and reexamination of the expenditures for impacted areas.

I can state for a certainty that the President strongly supports aid to truly federally impacted area school districts; but the President could not ignore, and does not ignore, the evidence which is accumulating from the Comptroller General, which bears out the argument I made yesterday in the Senate; namely, that there is need for reexamination, reappraisal, and modification of the aid going to some of the school districts. Such abuses must be corrected.

It is not fair to the taxpayer. It is not fair to the school districts which do not claim to be subjected to any Federal impact, but in which the educational situation, from the standpoint of pupil impact on the crowded conditions, a lack of funds, and an inadequate tax base in the community to support the school, results in serious educational crises in such districts. The President is aware of all this, and therefore he has asked the Senate to extend this legislation for only 1 year.

I repeat, this morning, that one of the policy questions the Democratic Members of the Senate must decide is whether they will back up their President or whether they will pull the rug from under him, as the House of Representatives did.

This morning, I repeat that in the 1960 campaign the President made very definite commitments in regard to the issue of Federal aid to education. The President promised aid, not only for school construction, but also for teachers' salaries. He promised a general school bill such as Senate bill 1021. We in the Senate kept faith with the President. I am very proud we did: We passed Senate bill 1021. The House of Representatives did not even let that bill reach a vote. The House permitted its Rules Committee, acting under an archaic procedural system, to deny to the elected Representatives of the various congressional districts of the country an opportunity to vote on the President's program.

I wish to say a goodly number of Democratic Members of the House of Representatives rode into office in 1960 on the President's coattails. In my judgment, many of them never would have been elected in 1960 if it had not been for the forthright and courageous campaign conducted by John F. Kennedy. In the House there are many Democrats who cannot possibly justify the treatment they have given the President in regard to the aid to education bill, and neither can the Democratic leadership in the House. Of course, we did not expect to receive any help from the Republican Members; but we have a right to expect the Democratic Members at least to take their President's program to the House for a vote. They should not hide behind an archaic rules system which gives to the House Rules Committee dictatorial power, and thereby prevents the people of the country, through their representatives, from exercising a voice in connection with aid to education.

As I suggested in my speech last night—and I wish to restate it this morning, for purposes of emphasis—we have a fairly good idea why some Members of the House and some Members of the Senate are so anxious to get NDEA and federally impacted area legislation extended beyond 1962: They think they would have less to answer for in the 1962 campaign. I think they are dead wrong, and I do not believe the American people will forget the way this whole educational matter is being handled in the Senate by some of the Democratic Members.

The people are going to understand that extending impacted area legislation and National Defense Education Act legislation beyond 1962 greatly reduces, if it does not absolutely kill, for all intents and purposes, any chance of getting the President's program adopted in 1962. It is not fair to the President, and it is not fair to the platform of the Democratic Party, because in our 1960 platform we solemnly promised that we were going to pass a Federal aid to education bill. We have a majority in the Congress; and if the bill is not passed, the Democratic Party escapes its responsibility for the failure to pass it. I am not at all interested in the coalition argument, the old argument that the bill would have been passed if it had not been for the fact that certain ultraconservative Democratic Members joined with an overwhelming majority of ultraconservative Republican Members. I never accept that argument; it does not excuse the Democratic Party for not keeping its word.

In view of what I consider to be the very shabby treatment he received at the hands of the House of Representatives, the President is entitled to be supported by the Democrats in the Senate. He is entitled to be supported particu-

larly when he has made it very clear to the leadership of the Senate, and made it very clear to the chairman of the Subcommittee on Education, that he does not want the NDEA and the impacted areas legislation extended beyond a year. He wants the entire question of the educational problems of this country reevaluated next year. He wants a new attempt made to pass a general aid to education bill. He wants a bill which would include an extension of impacted areas and NDEA legislation, modified in whatever respect those laws need to be modified in light of the facts which I believe will be brought out by the Department of Health, Education, and Welfare and the Comptroller General.

It is a pretty clear issue, so far as party politics is concerned. If there are any Democrats who think they can duck the issue by extending NDEA and impacted areas legislation for 2 years, and thus to minimize the chance of having to come to grips with the Federal aid to education problems next year, prior to the 1962 election, I think they have another thought coming. I think they are riding for a terrific fall as far as the voters are concerned. I think the mothers and fathers of schoolchildren are not going to appreciate such parliamentary tactics. I do not think the parents of this country are going to appreciate such party irresponsibility.

If such Democrats want to make this an issue in 1962, I am perfectly willing to make it an issue in each one of their constituencies across the country. I have no more desire to see elected Democrats who walk out on their responsibilities and on their President, on a matter of policy such as this, than I desire to see Republicans elected. This is a political issue, and there is not a Democrat in the Senate who can escape the political consequences of the issue. If there must be a fight within the Democratic Party to support the President of the United States, I am ready to take on any Democrat in the Senate in my defense of the President.

In view of the inexcusably shabby treatment the Democratic Members in the House of Representatives gave the whole education question procedurally, I think the time has come for the Democrats to back up the President in the Senate in connection with his request that the legislation be extended for only 1 year.

Do not misunderstand me. I respect the right of any Democrat or of any Republican to vote against the President on the substance of any issue. I do, myself, time and time again, and always will feel free to, as long as I serve in the Senate.

This issue however, is no longer a substantive one in regard to NDEA and impacted areas. This question becomes an issue as to what the Democrats in the Senate of the United States are going to do procedurally, in connection with passage of legislation in the Senate. The issue is whether or not we are going to surrender to the House attitude of "take it or leave it. Our bill, no conference, or no bill."

My answer is, "A conference on legislation, or no bill." And then let the Members of the House of Representatives go back home to explain their decision to the voters.

I have spoken very frankly, Mr. President. My speech, of course, does not make some people very happy. I am well aware of the fact that I have colleagues on this side of the aisle who are quite unhappy about the position of the Senator from Oregon. The Senator from Oregon, as chairman of the Subcommittee on Education, has a solemn obligation to the President of the United States. I know what the President's wishes are. I have reported the President's wishes to the Senate. I am pleading with the Senate not to present to this country a spectacle in the Senate of a surrender to the House, and thus do in the Senate the same kind of an injustice which was done to the President in the House.

I cannot escape the conclusion that the extension for 1 year, as asked for by the President, protects every school district in the country. It gives us an opportunity to consider the evidence which will be submitted by the General Accounting Office and the Department of Health, Education, and Welfare during the next year; it particularly gives to the President an opportunity to take the Federal aid to education issue to the American people again prior to the 1962 election, and it gives the people next year an opportunity to make clear to the Members of the House of Representatives what their will is. That is what we are asking for.

I was going to discuss my NDEA amendment——

Mr. METCALF. Mr. President, before the Senator gets into the NDEA amendment, will he yield for a question?

Mr. MORSE. I am glad to yield.

Mr. METCALF. I do not think there has been adequately discussed here the effect on the proposed legislation of the Supreme Court decision on segregated and integrated schools. When this was emergency legislation and when it was considered as temporary legislation, many of us salved our consciences by saying, "Well, this is just an emergency, and it will go along for just a year or so." So we did not do anything about the fact that segregated schools were being built all over certain areas of America. If the law is extended for more than 1 year, after 11 years of existence, it will become practically permanent legislation. We should begin to think about the fact that the expenditures for school construction have been a billion dollars or more, and millions of those dollars have been spent to build segregated schools in the last 11 years, in defiance of the Supreme Court decision.

I wonder where are the people who are always asking for segregated school amendments on general education bills? Why are they not present, saying, "If we extend the law for more than 1 year, if we make this more than temporary legislation, we shall have to add an amendment to provide that there shall be no segregated schools constructed with Federal money"?

Mr. MORSE. I think the Senator from Montana is completely correct. This only illustrates what is involved in the question.

I intend, before this day is out, to submit some evidence in regard to what some of the States, whose Senators are "raring to go" for an extension of this legislation for as many years as they can get it extended, receive. The evidence will show that in some of these States there are gross abuses in regard to impacted area aid.

The Comptroller General has reported on one abuse after another, as to one school district which is getting aid from the Federal Government which, in my judgment, is not really entitled to that aid.

This is what concerns the President. Of course, an instance such as this is doing great damage to all the eggs in the nest. The story among farmers is that if there is a rotten egg broken in a nest, it will spoil the fertility of the other eggs, if the nest is not cleaned up very quickly.

I say to the Senator from Montana, all the President is asking for is help in order that there can be good, honest administration of the federally impacted area aid program. He is concerned about the findings of the Comptroller General. He is concerned about the findings of the Department of Health, Education, and Welfare.

I think we ought to work with our President, not against him, so long as what he is asking us to do will protect for 1 year every school district. Not a school district will lose a single dollar. All the districts will get the money. The investigations can be made. We ought to extend the law for only 1 year, and then carry out the provisions of section 204 of S. 1021. I hope that investigation will proceed anyway. We should call upon the Department of Health, Education, and Welfare to conduct an investigation into the question of the difficulties of the administration of federally impacted area legislation.

As I have told the Senate many times this year, at the beginning of the year, I believe this investigation will be conducted in any event because the President is concerned about the proof he has of abuse and waste in the allocation of money which some school districts may not be entitled to receive.

I pointed out yesterday the Federal impact connection in one instance involves only a surgical manufacturing company which sells some surgical supplies to some Government office; or, in one other case, involves a company which manufactures and sells to the Government some adhesive tape; or involves a telephone company in a locality which also supplies telephone service to a military installation in the area. That school district gets federally impacted area funds.

Mr. President, there is no question about the fact that there is an injustice in connection with this program which might take on the characteristics of fraud. That is what bothers the President. That is what concerned him at the beginning of this year, when he asked

for a tapering off of the program. In my judgment, he was mistaken when he asked for a blanket tapering off of the program. As the Senator from Montana knows, I opposed the President at that time in respect to his proposal. I said, "Let us get the rotten apples out of this barrel. Let us not take the position we shall throw away half of the barrel simply because there are a few rotten apples in it."

The President came to recognize the soundness of our position, and adopted our recommendation. Now what is proposed? It is proposed to continue the abuses by freezing them into the program for another 2 or 3 or 4 years.

The President said, "Give me a program for a year, and then next year we can review the entire question of Federal aid to education."

I do not know how anyone can state it more clearly. Though I do not quote the President, I tell the Senate that the President next year will make the education program one of his major efforts so far as domestic policy is concerned. I am perfectly satisfied that when we hear the state of the Union message next year, we shall have no doubt as to where the President stands on this question. The President is concerned about education from the standpoint of the domestic needs of our country, just as he is concerned about it from the standpoint of our foreign needs, because the President knows we cannot continue to miss the mark as widely as we are missing the mark in regard to adequate support of the school system of this country and still keep pace with Russia. This is one of the ugly realities confronting us.

I plead again: Give to the President the support for which he is asking. He proposes no harm to a single school district of a single State. I do not think any Senator has the right to say, "I want to get it behind me. I do not want to have to touch it until after the 1962 elections, and perhaps I will not have to touch it then."

I have had a news ticker release handed to me, from the UPI. I have glanced at it quickly. It certainly sustains the observations I am making. It reads as follows:

President Kennedy made it known today that he wants a 1-year limit on renewal of aid to impacted school districts so a broader program can be considered in 1962.

The President's wishes were made known by congressional leaders after their weekly breakfast with Kennedy.

Senate Democratic leader MIKE MANSFIELD told newsmen about the President's views. This put Kennedy and the congressional leaders behind a fight which Senator WAYNE MORSE, Democrat, of Oregon, and other Senators are waging on the issue.

MORSE planned a friendly little filibuster—

All my filibusters are friendly.

MORSE planned a friendly little filibuster in the Senate to assure action next year on a broad school aid program by slapping a 12-month ceiling on further aid to federally impacted areas and extension of the National Defense Education Act.

I am not planning any filibuster at the moment. I am merely taking the time necessary for the educational process to work. It takes a little time for the country to become aware of what is involved in an issue. Most respectfully I say, sometimes it takes a little time for my colleagues in the Senate to find out what the issues are all about. Too many of us get on the tramway, after there has been a long bell, and what do we do? We say to each other, "What is the vote on?" So we tell each other, coming over on the tramway, or someone tells us what he thinks the issue is. Sometimes when we get to the floor we find the issue is quite different. I know how those things happen. I do not wish to have anybody come to the floor of the Senate without having been fully prepared quite some time in advance as to the importance of this issue. So if taking time to discuss this matter thoroughly causes me to be charged with a filibuster, I plead guilty.

Mr. METCALF. Mr. President, will the Senator yield at this point?

Mr. MORSE. I wish to make it perfectly clear that I shall not prevent a vote from eventually occurring, but I am going to be sure that the Senate is ready for the vote when the vote occurs.

I yield to the Senator from Montana.

Mr. METCALF. I was also informed that this morning that one of the radio commentators suggested that the Senator from Oregon might conduct a mild filibuster. I am encouraged that our friends of the press have learned of the friendliness and mildness of the Senator from Oregon and know that, even with respect to difficult and controversial problems such as we have confronting us today, he addresses the Senate in the same friendly and mild spirit with which he meets us in our general relations off the floor of the Senate.

Mr. MORSE. The Senator is very kind. I assure the Senator that I have very patiently tried to perform my duties in the Senate as the Senator in charge of the bill with the assistance of such wonderful friends as the Senator from Montana [Mr. METCALF] and the Senator from Michigan [Mr. MCNAMARA].

I think that what is needed is that later this morning all of us who have a responsibility as members of the Subcommittee on Education should have a huddle on this question. I should like to be joined by my friend from Montana in that huddle so that we can decide what legislative policy we should follow.

Mr. MCNAMARA. Mr. President, will the Senator yield?

Mr. MORSE. I am delighted to yield.

Mr. MCNAMARA. I think the suggestion is quite essential and timely. The news item read by the Senator from Oregon indicates that the President stands firmly for a 1-year extension of the impacted areas bill. I have material here which includes the minutes of the White House Conference on Education about which the people have completely forgotten.

Mr. MORSE. I do not think it was ever well publicized.

Mr. MCNAMARA. No, it was not well publicized. There was nothing dramatic about it. The records of school boards all over the country are cluttered with testimony indicating the need for aid to education. Even with a White House Conference at which the facts were so well established, it is hard to dramatize the present day needs in education, and how we are falling behind in classroom construction, teachers' salaries and adequately trained teachers.

As the Senator from Michigan has said, the White House Conference was not very well publicized. There was nothing dramatic about it. It was a review of information that had been accumulated by school officials and interested parties from all over the country for many years. What we are attempting to do is not very dramatic. It is "old hat." It is established. But the great need exists. No one denies the need. Perhaps we should take more time. Perhaps we should take several days to review what has happened at the White House.

Mr. MORSE. Does not the Senator from Michigan agree with me that if we are to conduct a course on the educational problems facing America, the volumes published on the White House Conference on Education ought to be required reading for any student in that seminar?

Mr. MCNAMARA. I think so. We should go back through the fine record that the Senator's committee has made on the testimony presented and underscore some of those views. There are many things we could do. What we need to do at this point is to decide, in the light of the position taken by the President, whether we should consider moving expeditiously in the direction suggested.

Mr. MORSE. There are several alternatives. We have the alternative of conducting a seminar for 2, 3, or 4, or 5 weeks.

Mr. MCNAMARA. I believe it would be comfortable in Washington around Thanksgiving time. The weather will cool off. We shall be rid of the humid weather. I think the Senate would be comfortable in Washington around the holidays.

Mr. MORSE. I think it would do more good and it would be better for the country if Members of Congress remained for such a seminar, than if they took junkets to Asia, Europe, Africa, and elsewhere. The country would be better served if they did something to help the children of America in regard to their school problems. It would be cheaper, too.

Mr. MCNAMARA. In many ways I think the proposed seminar would be better, but I presume the things to which the Senator has referred are necessary in the processes that we follow.

Mr. MORSE. If we took enough time to make the country aware of what is really concerning the people of this country with regard to the school crisis, possibly there might be some effect upon their representatives in Congress. We would like to think so.

Mr. MCNAMARA. That is true; but even if it were not, the record should be made.

Mr. MORSE. I think we owe it to the children to make the record.

Another thing we need to keep in mind is that as we make the record and explain to the American people how serious the crisis is, the President himself may wish to take the next step. I do not speak for him on that point. If Congress will not support him in his request for a year's extension, and if Members of the House are so eager to go home, it would be interesting to have them come back and decide what they want to do about a veto. I do not know what the President will do, but I know what I would do if I were President. I would veto the bill. I would carry the fight to my party in both Houses of Congress.

I would find out whether or not the members of my party are ready to have me continue as the leader of my party. I think that question is involved in this education issue. I do not think the President can take lying down what the House has done on the educational issue this year. I do not think the Senate can justify supporting the House, and thereby repudiating the President on this issue. It is about time for Democrats to decide whether or not we are going to fish or cut bait on this issue.

So far as the senior Senator from Oregon is concerned, I am fed up with the attitude that the House has taken on this issue. I am fed up with having the Democratic leadership in the House say to Democrats in the Senate, "Take our bill or no bill at all."

My answer is, "No bill at all."

We did not ask for this fight. This fight was forced upon us. I believe the Senator from Michigan has pending a very sound amendment.

I have received another AP ticker tape message. The message is from Kossuth, Miss.:

KOSSUTH, MISS.—The floor in an old building at Kossuth High School collapsed during a recess today, injuring an estimated 20 persons.

Corinth Community Hospital reported it received 17 victims for treatment, but none was considered serious. Some of the students, the hospital said, would be hospitalized.

The Senator from Michigan knows that there is before the Senate Subcommittee on Education much evidence that shows that many school buildings in which children are going to school ought to be condemned. Children should not enter their portals a single day. Risks are being taken with the lives and physical well-being of the most precious wealth we have—our children. Members of the House of Representatives want to go home without passing the school aid bill.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. McNAMARA. The Senator makes an important point when he cites the condition of the school in Mississippi; but it is unusual for such things to be recognized by the press. The news is not very sensational. Those things happen every day in dilapidated, outmoded classrooms, to say nothing of totally inadequate school buildings which are unsafe, improperly ventilated, without proper sanitary facilities, and containing fire hazards.

As the Senator has pointed out, more children attend classes in buildings that were not designed to be schools, such as basements of churches, and other places, which do not have adequate facilities, and have improper ventilation. It is astonishing that there is not more contagious disease caused by these conditions, because of improper ventilation, for example. There is a great need for construction of classrooms. If the Senator will permit me to do so, I should like to read the words of the Senator from Arkansas [Mr. FULBRIGHT] in his presentation before the Senator's committee. The Senator will remember that that was one of the finest presentations that we heard.

Mr. MORSE. I think it would be helpful to have that statement in the RECORD, and to restate it.

Mr. McNAMARA. I hope every Senator will read it. I wish to read a short section of the statement by the Senator from Arkansas. The Senator from Arkansas said:

CLASSROOM SHORTAGES

The status of education in America today leaves much to be desired. There was a shortage of 142,100 classrooms in the fall of 1960, an increase of 6,900 from the previous year. There are nearly 2 million students in excess of normal classroom capacity, and almost three-fourths million students attending school on curtailed or half-day sessions. In a report released by the Department of Health, Education, and Welfare last January, it was estimated that construction of 607,000 classrooms will be required by 1970. Four hundred sixteen thousand and six hundred should be built by the end of 1964 to take care of the classroom backlog, increased enrollment, and current replacements. This will require a construction rate of over 10,000 classrooms a year above the current construction rate. This construction will require an estimated $26.8 billion in revenue, or an annual revenue requirement of $2.7 billion for the remainder of the decade.

Mr. MORSE. I think that is an excellent statement.

Mr. McNAMARA. Is it logical to assume that the local property owner, whether he owns a home or a business, can assume a burden like that, in addition to what he is already carrying at the local level? Is it not time that someone speak up in behalf of the already overburdened homeowner and property owner in the school districts throughout the country?

Mr. MORSE. I am so glad the Senator from Michigan has spoken up again. He spoke up before in connection with his Federal aid to education presentation. Yesterday the Senator adopted the modifying amendment offered by his junior colleague, to provide that 20 percent of the school construction money which is made available could go to a district which has already built a school by issuing a bond which has placed a heavy tax burden on the real property of that community, and that that 20 percent could be used to help with that bond issue. What we must watch out for in a Federal aid to education bill is that we do not do an injustice to the school districts that have done their jobs.

Mr. McNAMARA. That is right.

Mr. MORSE. My State, for example, spends for its schools, in comparison with its wealth, far in excess of most States in the country. It is in the upper bracket. When we were working on the formula, we pointed out that some of our Midwestern States and Northwestern States had done a remarkably good job in support of their schools. In some other States there has not been a great sacrifice made, in some instances. That is why we asked for that to be considered in connection with the formula, and it was.

Now the Senator from Michigan proposes that it be considered in regard to the money that has to be used for school construction. I completely agree with him. I want the Senate to know that I will support his amendment. I am not at all interested in the argument that we must not do anything to the program, because if we do we will have to go into conference with the House. We ought to insist on a conference with the House. If we do not insist on a conference with the House, we will never escape the charge that we are legislating under a form of legislative blackmail imposed upon us by the House of Representatives. The Senate cannot justify such a surrender of its prerogatives.

This is a serious school situation which is typified by the school that partially collapsed in Mississippi. However, we do not have to go very far from the spot that the Senator from Michigan and I are now occupying, to discover school buildings in the District of Columbia which should be condemned. I remember back in 1957, when my subcommittee of the District of Columbia Committee was ably assisted by the Senator from Pennsylvania [Mr. CLARK] in making an investigation of the school situation in the District of Columbia. We warned then, for example, that the Hine Junior High School was a firetrap. Nothing was done about it. It was not so many months thereafter that a fire broke out, a rather damaging fire, in the Hine School. No children or adults were in the building. Too bad the building did not burn to the ground. The children got out of there in time. It could have been a catastrophe. Courageous action on the part of teachers and older children, through one act of heroism after another, led them to safety. The fire was put out. It is still an unsafe building. It should not be used.

Our school superintendent, Dr. Hansen, has warned us, in the District of Columbia Committee, on several occasions that we have a serious school building problem in the District of Columbia. When are we going to learn? Will we really have to wait until a catastrophe occurs? I shall offer, today or tomorrow, or the next day, depending on what policy we agree upon today in regard to the length of this seminar that we are conducting on educational problems of the country, an amendment which will bring the District of Columbia under

the provisions of federally impacted area legislation. It would be applicable only to Public Law 874, but it would help through release of other funds with what the Senator from Michigan has been so dedicated to, school construction. It will help the District of Columbia to the tune of about $5 million. As the Senator knows, we have a hard time getting Federal help for the people of the District of Columbia because they have no Senators and they have no Congressmen. They are voteless and they have no political pressure that they can bring to bear.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. McNAMARA. Are not the children of the United States in exactly the same position?

Mr. MORSE. That is right.

Mr. McNAMARA. They have no lobbyists.

Mr. MORSE. The schoolchildren have no powerful lobby.

Mr. McNAMARA. They have no vote. They have very weak spokesmen. They depend on people like the Senator and me to get legislation necessary in the field of education.

Mr. MORSE. The Senator is quite right. The District of Columbia labors under a handicap. I use the word handicap in connection only with the passage of legislation. Senator after Senator will probably deny, in righteous indignation, what the Senator from Oregon says, and even resent what he says, but it needs to be said. I have a feeling that we would get school buildings in the District of Columbia more quickly if it were not for the fact that 73 percent of the school population of the District of Columbia is colored.

Mr. President, each of those little colored children also happens to be a child of God; and, in my judgment, it is just as important, it is equally important, that we provide the same education for the colored children of America as for the white children. That is why we cannot justify a racial policy in connection with education. That is why my subcommittee will soon start hearings on the problem of segregation in America's schools. We cannot continue to hold our head high among the free nations of the world and participate in the disgraceful record of segregation in the United States. In my opinion, one of the difficulties in the whole matter of Federal aid to education is the lurking fear that it might hasten the day when America will keep faith with its Constitution and bring to an end the immoral segregation which exists in this country, to the damage of thousands and thousands of little colored children, who grow into citizenship eventually, but are scarred psychologically, injured emotionally, resentful and bitter, because they know that the people of the United States do not put into practice what we claim to be our ideals of first-class citizenship.

That is all bound up in this fight today. Let no one think it is not. It is far in the background, and some do not like to have it brought out for full public disclosure. I will make a fight for my amendment for the District of Columbia because I think those colored children are entitled to safe schools too. It may take us a few more years, but we will win. We are making progress. We will win.

I say to the President of the United States from the floor of the Senate today: "Mr. President, you have a fighting obligation which you owe to the American people on this issue right now. You have an obligation, Mr. President, to make clear that you will not take the treatment which the House of Representatives has given you in regard to education."

The friends of education have a right to expect no less from the President. Let me quickly add: I have no question about his fighting heart. I talked to him at length last week about this problem. I know how the President feels. The President is aware of what has happened in the field of Federal aid to education this year. He knows the forces that went to work to prevent the passage of education legislation in the House.

I am getting some interesting mail because I have spoken out against those forces—all of them. I care not where the opposition comes from. When it has come from the spokesmen of the private schools of America, I have spoken out against them. I have told them that if they want to make it an issue in 1962, I will take them on, because they are wrong, and they know they are wrong. They have no right to take an all-or-nothing position. As I stated on the floor of the Senate yesterday, they owe it to the taxpayers to see to it that we get a sound public school bill passed independently of any private school bill, and that we then get a private school bill passed within the framework of the Constitution as far as we can go within the Constitution. That has always been my position. A harder fighter for the private school interests in this country does not sit in the Senate today. I was the first to favor a loan bill for private schools. I know how costly it would be to me so far as politics is concerned. But if I ever take a position in this body for political reasons, then I have no reason to sit here, I say to the Senator from Michigan. I favor loans for private schools because, in my judgment, it is important, too, that children who go to the private schools have their intellectual potential developed to the maximum extent.

The Senator from Michigan [Mr. McNAMARA] knows we cannot rewrite the Constitution, but I favor going as far as the Supreme Court will go on this issue. That is why the Clark-Morse private school bill contains a section which provides for judicial review. The sooner we get that, the sooner we will put this splitting issue behind us. It is not good for the country to keep this issue alive. The way to get the issue settled is to have a bill passed and get it to the Supreme Court for determination. But I say to the spokesmen for the private schools that we have no right to jeopardize the interests of students who attend the public schools.

Those spokesmen should recognize that 50 percent of the children, for example, from Catholic families go to the public schools, not to the private schools. It is in the interest of the parents of those children that there be good public schools. It is in the interest of the taxpayers representing both public and private school children that we reduce this unconscionable tax upon American real property which is used primarily to support the school system of the country. It is regressive, not progressive, in nature.

These are some of the problems behind the scenes in this power play in the Senate today. Various lobbyist groups are well represented in the gallery these days. It was filled yesterday and it is again today. They do not relish my talk, but they do not have an answer to it.

Mr. President, this issue is pretty clear: We back up our President in his request. We reevaluate the whole educational matter in the next session of Congress. We give to the House of Representatives an opportunity to get home to talk to their constituents. We come back next January. We look at the whole problem as the President wants us to look at it. If we do not do that, we will let our President down. We will do him great damage, unjustifiably so.

If we follow the President's recommendations, we will support every school district in the country without the loss of a single dollar for the next year. We will have another chance to look at this situation next January 10.

But to pass an impacted areas bill and an NDEA bill for 2 or more years, as is proposed by some persons, contrary to the wishes of the President of the United States, will immediately weaken, if not absolutely destroy, any possible chance of the President succeeding next year in a reevaluation and a reconsideration of his educational program.

Mr. President, I send to the desk, and request to have printed, my amendment which would apply Public Law 874 to the District of Columbia; for Public Law 874 is the only one from which the District of Columbia can really benefit. I ask that the amendment be printed, subject to being called up whenever I decide to call it up.

The PRESIDING OFFICER. The amendment will be received and printed.

Mr. MORSE. Mr. President, I am about to suggest the absence of a quorum. I suggest that after that, the Senator from Michigan [Mr. McNAMARA] complete the presentation of his amendment. I want him to know that so far as I am concerned, I shall be happy to accept his amendment; but, as he knows, that will require Senate action.

I think I shall suggest the absence of a quorum, and then we can have a little conference and can decide what to do.

Mr. McNAMARA. Very well.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CASE of South Dakota. Mr. President, before the Senator from Oregon leaves the Chamber, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. MORSE. I object. I call for a live quorum.

The PRESIDING OFFICER. Objection is heard; and the call of the roll will continue.

The legislative clerk continued the call of the roll.

Mr. MORSE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. CASE of South Dakota. Mr. President, reserving the right to object——

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Does the Senator object or not object?,

Mr. CASE of South Dakota. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Mr. President, will the Senator withhold that objection——

Mr. McNAMARA. Mr. President, to resolve this matter, I object.

The PRESIDING OFFICER. Objection is heard. The clerk will continue the call of the roll.

The legislative clerk resumed the call of the roll, and the following Senators answered to their names:

[No. 198]

Bartlett	Ervin	Muskie
Bennett	Gruening	Pastore
Boggs	Hart	Prouty
Butler	Keating	Saltonstall
Case, S. Dak.	Long, Hawaii	Smith, Mass.
Church	Mansfield	Sparkman
Clark	McNamara	Williams, Del.
Dworshak	Morse	Young, Ohio

Mr. HUMPHREY. I announce that the Senator from Missouri [Mr. LONG], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from New Jersey [Mr. WILLIAMS], are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from New Mexico [Mr. ANDERSON] are absent because of illness.

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER] and the Senator from Texas [Mr. TOWER] are absent on official business.

The Senator from Maryland [Mr. BEALL], the Senator from Nebraska [Mr. CURTIS], and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The PRESIDING OFFICER. A quorum is not present.

Mr. MORSE. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. ALLOTT, Mr. BIBLE, Mr. BURDICK, Mr. BUSH, Mr. BYRD of Virginia, Mr. BYRD of West Virginia, Mr. CANNON, Mr. CAPEHART, Mr. CARLSON, Mr. CARROLL, Mr. CASE of New Jersey, Mr. COOPER, Mr. COTTON, Mr. DIRKSEN, Mr. DODD, Mr. DOUGLAS, Mr. EASTLAND, Mr. ELLENDER, Mr. ENGLE, Mr. FONG, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. GORE, Mr. HARTKE, Mr. HAYDEN, Mr. HICKEY, Mr. HILL, Mr. HOLLAND, Mr. HRUSKA, Mr. HUMPHREY, Mr. JACKSON, Mr. JAVITS, Mr. JOHNSTON, Mr. JORDAN, Mr. KEFAUVER, Mr. KERR, Mr. KUCHEL, Mr. LAUSCHE, Mr. LONG of Louisiana, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MCCARTHY, Mr. MCCLELLAN, Mr. MCGEE, Mr. METCALF, Mr. MONRONEY, Mr. MOSS, Mr. MUNDT, Mr. PELL, Mr. PROXMIRE, Mr. RANDOLPH, Mr. ROBERTSON, Mr. RUSSELL, Mr. SCHOEPPEL, Mr. SCOTT, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. STENNIS, Mr. SYMINGTON, Mr. TALMADGE, Mr. THURMOND, Mr. WILEY, Mr. YARBOROUGH, and Mr. YOUNG of North Dakota entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

AID TO SCHOOLS IN FEDERALLY IMPACTED AREAS

The Senate resumed the consideration of the bill (S. 2393) to extend for 1 year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas and to provide for the application of such laws to American Samoa.

Mr. McNAMARA. Mr. President, yesterday, in my remarks on the need for a school construction program this year, I placed in the RECORD evidence on the following points:

First. That the Federal Government has been in the field of education since the enactment of our Constitution.

Second. That in the precise field of school construction—there is a long and varied history of Federal participation through such programs as PWA, the impacted areas legislation and similar measures.

Third. That the latest figures available from the Office of Education show that the Nation needed—as of the fall of 1960—a total of more than 142,000 classrooms.

What does this classroom shortage mean?

Former President Eisenhower called for a White House Conference on Education in 1956.

I should like to read what that conference thought about our classroom needs.

Mr. President, at this point I yield the floor because it is necessary for me to attend a meeting off the floor.

BETTER GOVERNMENT

Mr. MOSS. Mr. President, at a hearing of the Subcommittee on Privileges and Elections, of the Committee on Rules and Administration, presided over by the present occupant of the chair, the Senator from Nevada [Mr. CANNON], evidence was heard on the question of contributions to political parties, and on various ways of amending the present law governing those contributions.

Recently the Deseret News, of Salt Lake City, published an article on this subject which accords very much with the position I took before the committee.

I ask unanimous consent that the editorial, entitled "For Better Government," published on September 7, 1961, be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Salt Lake Telegram, Sept. 7, 1961]

FOR BETTER GOVERNMENT

Congress is now considering a bill that could finally help attain that long-sought goal of political reformers—grassroots campaign contributions from the great mass of individual citizens.

The bill would attain this worthwhile goal by providing a tax incentive. Voters who contributed at least $20 to Federal general elections could trim $10 from their Federal income taxes. The tax deduction would not be increased by a larger donation.

This Nation has a long way to go before reaching such a goal. The hard fact is that only 2 percent of American voters now contribute to political campaigns. And of all campaign spending, 90 percent comes from about 1 percent of the population.

This, however, does not mean that citizens generally are unwilling to make small campaign contributions. A public poll has shown that 17 million American families would be willing to contribute $5 each to the parties of their choice. But for some reason most of them never get around to doing it.

If they did, the $85 million that would be raised could revolutionize American politics. It could reduce the disproportionate influence exercised by the "big money boys." Countless small, individual contributions could help remove from politics the temptation of large institutional or personal donors to try to pull strings. In fact, the clean breath of fresh air that such grassroots contributions could bring into politics is indicated by the fact that the $85 million or more that could be raised this way is more than twice the $33 million spent by the Republican and Democratic Parties combined in a presidential election.

In short, better politics and better government could easily result from a well-supported drive to obtain grassroots campaign contributions. It's about time we did something to make it a reality.

DISTRIBUTION OF POWER FROM UNITS OF THE UPPER COLORADO RIVER PROJECT

Mr. MOSS. Mr. President, the question of building the tie lines between the dams of the Colorado River storage project has been discussed extensively in my State and in all of the States of the Upper Colorado Basin.

There is great conflict on whether these lines should be built by the Federal Government, to tie the dams together, or whether private utilities should be given the opportunity to build the lines and charge a wheeling fee for wheeling the power. A great deal has been said on the subject.

Recently the Upper Colorado River Commission held a meeting in Denver at which private utilities offered some sort of an agreement to the Upper Colorado River Commission. I have called the Department of the Interior and the Bureau of Reclamation, and they have advised me that no such proposal has been made to them. Nevertheless the proposal was published in the press. There appeared in the Ogden Standard-Examiner, on September 3, of this year, a newspaper account of what had occurred at the meeting and what action was taken by the Upper Colorado River Commission.

Subsequently there appeared a resolution which was adopted by the Commission. That resolution was placed in the CONGRESSIONAL RECORD by my colleague, the senior Senator from Utah [Mr. BENNETT].

On September 6, I received a letter from Governor McNichols, of Colorado, discussing this same subject, and pointing out that the action of the Upper Colorado River Commission did not represent the official action of the State of Colorado, and was done without his knowledge or consent.

I believe this explains better than I could the controversy that has been revolving around this particular subject, and therefore I ask unanimous consent to place in the RECORD at this point the newspaper account from the Ogden Standard-Examiner, to which I have referred, and the letter from Governor McNichols dated September 5, 1961.

There being no objection, the article and letter were ordered to be printed in the RECORD, as follows:

[From the Ogden Standard-Examiner, Sept. 3, 1961]

PRIVATE FIRMS SCORE BIG POINT IN POWER TRANSMISSION BATTLE

DENVER.—Five private utility firms won a major victory when the Upper Colorado River Commission unanimously threw its support to their compromise plan for distributing power from units of the upper Colorado River project.

Commission members from Colorado, Utah, Wyoming, New Mexico, and one representing the Federal Government approved the plan.

The action allied the powerful policymaking agency with advocates of the private utility system in the private versus public power controversy, and set the stage for debate in Congress on the issue next week.

The Kennedy administration, like that of its Republican predecessor under President Eisenhower, has recommended an all-Federal system of power transmission from participating units of the upper Colorado project.

SAVE MILLIONS

The five private firms contend their own existing lines can be used for transmitting power to the Rocky Mountain region, thus saving millions of dollars for constructing a Federal system they claim would duplicate their own.

Gov. George Clyde, of Utah, a Republican and a Commission member, said the five-member agency met in executive session to discuss the revised plan submitted by the utilities.

In effect, the new proposal would reduce the cost of the private system development by $146 million and would require the Federal Government to pay the private utilities only taxes and normal maintenance after the transmission lines were amortized.

The original offer refused to consider a cost reduction to the Federal Government after the lines are amortized during the first 50 years.

SPECIAL CASE

L. R. Patterson, vice president of the Public Service Co. of Colorado, said in a letter to the Commission that "such procedure is definitely contrary to normal public utilities accounting practices."

But, his letter added, the private utilities "are willing to consider this particular service as a special case * * * in the interest of the earlier development of the participating projects."

Joining Public Service Co. of Colorado in the private groups' campaign are Public Service Co. of New Mexico, Utah Power & Light Co., Arizona Public Service Co., and Pacific Power & Light Co. of Portland, Oreg.

Voting in favor of their plan at the Commission meeting were Utah's Governor Clyde, former Gov. Edwin C. Johnson of Colorado, John Bliss of New Mexico, and Earl Lloyd of Wyoming.

The fifth Commission member is Robert Newell of Boise, Idaho, representing the Federal Government.

Newell's vote in behalf of the private utilities came as somewhat of a surprise, since the Federal Government's position favors the all-Federal transmission plan.

STATE OF COLORADO,
EXECUTIVE CHAMBERS,
Denver, September 5, 1961.

Hon. FRANK EDWARD MOSS,
U.S. Senate, Senate Office Building, Washington, D.C.

DEAR SENATOR MOSS: On September 1, 1961, the Upper Colorado River Commission adopted a resolution endorsing a proposal by various private power companies to permit those companies to construct, own, and operate major segments of the Colorado River storage project transmission system. A meeting of the commission was held in Denver, Colo., for this purpose, during my absence from the State. I am sure that you have already been advised of the commission's action.

The official agency of this State in matters pertaining to reclamation development is the Colorado Water Conservation Board. That board, after intensive staff study, adopted a resolution on August 2, 1961, endorsing the construction of the transmission system which heretofore has been approved by Secretary Seaton and Secretary Udall. I have already expressed my complete and continuing support of our State board's position.

The purpose of this communication is to advise you that the recent action of Colorado's commissioner on the Upper Colorado River Commission, who incidentally is my appointed representative to the commission, was undertaken without my knowledge or consent. The action was likewise taken without the knowledge, consent, or counsel of the Colorado Water Conservation Board, our official State agency.

I am also advised that the technical staff of the Commission was never requested to make and therefore never made a recommendation on the important issues which was the subject of the Commission's resolution.

I am further advised that the so-called new proposals of the private power companies were never made in writing until after the Commission adopted its resolution. I also have information that members of the Upper Colorado River Commission met in secret session with officials of the private power companies in Salt Lake City, Utah, about a week before the official commission meeting of September 1, 1961. The proposals made at the Salt Lake City meeting were never communicated to me, to the commission's own staff, nor to the responsible State agencies.

We would be pleased to receive any new proposals by the interested private power companies and to have such proposals made available for review and recommendation by the appropriate State agencies, by the commission's own staff, and by the Secretary of the Interior. Until such proper reviews and recommendations are made, I shall forthwith ask the Upper Colorado River Commission to withdraw its resolution of September 1, 1961.

Until the foregoing action takes place, I wish to emphasize that the action of the Upper Colorado River Commission and of Colorado's commissioner thereon, as herein described, was and is contrary to my position and to the official position of the State of Colorado.

Sincerely,

STEVE MCNICHOLS.

AID TO SCHOOLS IN FEDERALLY IMPACTED AREAS

The Senate resumed the consideration of the bill (S. 2393) to extend for 1 year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas and to provide for the application of such laws to American Samoa.

Mr. MOSS. Mr. President, the question before the Senate now, whether or not Federal aid should be extended to impacted areas, is one which is not controversial in and of itself. The coming of large Federal installations into our various States and the concentration there of families with children of school age made it perfectly apparent that these school districts locally could not support the load that was thrust upon them by the sudden change in population. Therefore, we began with the Federal aid to impacted districts. This has been of great significance in my State of Utah, because we have had large concentrations of population in and around Hill Air Force Base, and there have also been large concentrations in the Box Elder County area because of the erection of the Thiokol Chemical Co. plant, in which the first stage of the Minuteman is to be manufactured and where considerable R. & D. activities are going ahead with solid propellants. There are other areas of the State such as those in Tooele County, where the Tooele Depot has attracted a large number of people. Recently it has been given an increased mission because of the termination of the depots at Ranier and Benicia.

So this problem will continue. It has been urgent and necessary that aid to impacted areas be extended to districts of this sort. So I heartily support the position of the committee in continuing impacted area. This is Federal aid which is readily recognizable for this need. There has been a little controversy about it. The only controversy which seems to exist on this type of Federal aid is the length of time the extension of the program shall run, and the precise formula as to whether a district would or would not qualify.

The general idea of Federal aid to education is perfectly acceptable. Many persons have written and talked to me about Federal aid generally and have been concerned about Federal control resulting from this kind of aid. They seem to overlook the fact that Federal aid has been extended all these years, and there has never been a complaint or an instance, so far as I know, of Federal control of the areas claimed. It seems to me that the idea of Federal control of schools as a result of Federal aid to schools is entirely specious. The Federal contribution, even for the most ambitious of the bills offered, would amount to a mere 5 or 10 percent, or some small fraction of the total cost of supporting the schools. If the aid were extended in the way the formula required—that is, the money being made available according to a particular formula and extended to the State board of education or whatever State control agency is concerned, there being no further Federal supervision of the funds—certainly there could be no Federal control. So the argument of Federal control falls by the board.

It seems to me that the only argument which really has any substance is the one made by those who are simply unwilling that the Federal Government should contribute any of its resources to the States in assisting them to bear this great financial burden. The cost of education is one of the greatest tax burdens which has come to us in this country. In fact, it is one of the great burdens of all the major nations of the world. Whatever we may think of the Soviet Union and its system of government, we must recognize the tremendous financial expenditure that the Soviet Union has made in the field of education.

At the time of the Bolshevik revolution some 40 years ago, the population of the Soviet Union was largely illiterate. Estimates were that as high as 80 or 85 percent of the people of Russia were illiterate at that time.

By a determined and concentrated effort, in the intervening 40 years, the Communist rulers of Soviet Russia have built an educational system which is now universal and is compulsory. Literacy has become the rule in the Soviet Union. The estimates now are that from 95 to 98 percent of the population of the Soviet Union can read and write. In fact, a strong effort is being made in this particular field. One of the notable things to observe in the Soviet Union is the vast effort which is being made to print and publish all sorts of books and pamphlets. Of course, they are propagandistic in nature. It is the purpose of the government to propagandize the people. Nevertheless, they are made available, and everyone reads.

The Soviet system of economics is such that subsidies are readily granted for any purpose which the Government desires to stimulate, so the printing industry is subsidized, and the books are sold at a fraction of the actual cost of producing them.

But I come back to the point that this activity indicates that a complete changeover has been made in the Soviet Union from a population which was illiterate and unschooled to one which is highly literate, and with all children attending school. Great progress also has been made in the Soviet Union in the field of adult education.

It has been estimated that the Soviet Union contributes as much as 25 percent of its governmental budget in support of its schools. If a comparable contribution were made in the United States, our schools would be the best in the world. We could have adequate classrooms. We could provide more teachers who were qualified and trained in particular subjects; we could improve upon the very fine schools which we now have. One of the institutions which has made the United States prominent economically and politically in the world is the excellent public school system which we have developed. We too, have compulsory education in all States. The amount of education which is compulsory varies from State to State, and that is proper, because I believe education should remain in the control of the States.

However, our continuing problem is to improve the excellence of our instruction and to make available to our children the kind of instruction which will enable them to compete in the present-day world. The world has become more complex. Of course, that is a cliche, something we all recognize. But the schoolchildren of today, in the fourth, fifth, and sixth grades, are talking about nuclear fission, travel into space, and chemical equations and formulas which were not even thought of 20 years ago, even at the college level. As we move deeper into this field, we shall require more and more effort in the field of education. But proportionately America is falling behind; we are not keeping up. While we have contributed more in dollars to our schools, percentagewise, compared to our population and our gross national product, we are not keeping up.

Mr. Walter Lippmann wrote a very interesting article about the Federal aid to education bill. It bears repeating. I shall read it.

THE SCHOOL BILL

(By Walter Lippmann)

After foreign aid, the most urgent business before Congress is the bill known as the School Assistance Act of 1961. The Senate passed the administration bill on May 25 by a vote of 49 to 34. This bill authorizes for a period of 3 years the payment of $850 million a year in grants to the States for the construction of public schools, for payment of teachers' salaries, for operating and maintenance costs. The funds are to be allocated among the States in proportion to the number of children of school age weighted by an equalization formula based on personal income per child of school age in each State. The Federal Government would then be paying about 10 percent, instead of 5 percent as now, of the Nation's bill for public school education.

In the House, a bill authorizing substantially the same amount and kind of aid has been voted by the committee, and will presumably come to the floor during the last week of June.

In order to arrive at this point the administration has had to unravel the tangled question, raised by the Catholic hierarchy at the beginning of March, whether Congress could give aid to the public schools without providing some kind of aid for the parochial schools. President Kennedy's view has been that it is unconstitutional for the Federal Government to give to the parochial schools the same kind of aid it proposes to give to the public schools. The hierarchy did not deny this. But it argued that it would be constitutional to authorize not grants, as to the public schools, but loans over a long term and at low interest rates, and that this be done in the same legislation which makes grants to the public schools.

The administration response was that the public school aid issue should not be confused by linking it inseparably with private school loans. If the Congress later chose to provide loans to private schools in separate legislation, well and good; its constitutionality could be tested in the Supreme Court. The administration went so far as to provide the Senate Education Subcommittee with a memorandum of law concerning the constitutionality of various forms of aid to private schools. Grants and loans for general purpose across-the-board and tuition payments for all church school pupils would be clearly unconstitutional, it said. But it is probably possible, according to the memorandum, to grant loans to private schools for special national purposes, as in the National Defense Education Act, without constitutional objections. This memorandum pointed the way to the present plan to give aid for special purposes to private schools through expansion of the National Defense Education Act.

This was, it seems to me, the right course to take. It would be a grave matter, divisive in its effect throughout the Nation, if Congress were prevented from voting aid to the public schools unless it also voted aid to to the parochial schools. Speaker RAYBURN was surely right in his insistence last week that the original priorities be kept, that public school aid be considered before the question of limited aid to parochial schools.

On the other hand, the 5 million children in the parochial schools are just as important to the Nation as any other children. If, as has been made clear in an admirable series of articles by Terry Ferrer in the New York Herald Tribune, the parochial schools are in serious financial trouble, anything that can be done to help them which does not violate the constitutional principle of separation of church and state should be done.

It is often said by skeptics and by opponents that there is too much emphasis on money, and that what ails American education is not so much poverty as mediocrity. This might be described as a profound half-truth. It is true that a good educational system requires a lot more than money. It requires, in fact, a rising standard of intellectual interest and of moral purpose in the whole community. But it is also true that without money, without much more money, without at least twice as much money as is now spent on public education, the intellectual and moral standards of our schools will deteriorate in years to come. For with the enormous increase in the school population which is just ahead, the money now available will not pay for enough schoolrooms and enough qualified schoolteachers.

The most important and the most appealing point raised by the opponents of school aid is that education is a matter that belongs to the States and to the localities. There is no doubt of this. None of the supporters of the administration bill denies that education belongs to the States and localities, and there is nothing in the bill which impairs in any degree their control of the schools, their power to build them, their power to decide what shall be taught in them, their power to choose the men and women who shall teach in them.

With this principle undisputed, we are nevertheless confronted with a condition which cannot be wished away by ignoring it. The fact is that most of the States and localities cannot raise enough money to provide the public education which must be provided in the years ahead of us. In the past 10 years the States and localities have made a mighty effort. They have tripled their expenditure on public education from $5.8 billion in 1950 to $15.3 billion in 1960.

They cannot do what has to be done in the next 10 years, which at a conservative estimate is to raise the expenditure on education of $30 billion a year. Why not? Because the demands on State and localities have caused them to tax and to borrow at rates which cannot be raised much further. Besides the schools, they have gigantic burdens of public improvements made necessary by the growth of cities. In the postwar years State and local tax revenues have tripled and their debt has quadrupled. Furthermore, even prosperous States and localities are prevented from utilizing fully their taxpaying ability by a host of administrative, jurisdictional, and political factors.

Federal tax revenues on the other hand have less than doubled since the war and Federal indebtedness has risen only 6 percent, representing a decreased proportion of our GNP. The Federal Government has vast taxgathering advantages: Broad geographic distribution, freedom from fear of migration of people or industry, more efficient and better financed tax administration. The fiscal machinery of the Federal Government is such that given an adequate recovery and adequate economic growth, it can quite effectively and painlessly provide aid to the public schools.

The essence of the bill now before Congress is that it brings to the support of public education in America the fiscal powers of the Federal Government. Only if this is done can public education in America look to the future with hope.

Mr. MANSFIELD. Mr. President, will the Senator from Utah yield?

Mr. MOSS. I am happy to yield to the majority leader.

Mr. MANSFIELD. I should like to propose a unanimous-consent agreement. I have "touched bases," I believe, with all Senators who are interested in the proposed legislation now pending. I understand that debate on the McNamara amendment may be completed within 20 minutes or so, and I ask unanimous consent that at the conclusion of disposition of the McNamara amendment—which would be within 30 minutes?

Mr. McNAMARA. Yes.

Mr. MANSFIELD. I want that noted in the RECORD that 2 hours be allocated for each amendment thereafter, and 4 hours on the bill, with the time to be divided equally between the proponents and the opponents, and with the agreement to be prepared in accordance with the regular form.

The PRESIDING OFFICER (Mr. DODD in the chair). Is there objection? Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President——

Mr. MOSS. I yield.

Mr. DIRKSEN. At this time, I should like to ask the majority leader whether he has calendared the rest of the week, and what measures are likely to come up between now and the weekend.

Mr. MANSFIELD. At the conclusion of action on the pending bill, it is intended to bring up Calendar No. 886, House bill 7057, which has to do with the tax treatment of clay and shale; Calendar No. 851, House bill 8444, the District of Columbia elections bill; Calendar No. 844, House bill 6141, the so-called Hiss Act; Calendar No. 842, House bill 6775, the dual rate shipping bill; Calendar No. 862, Senate bill 2194, the District of Columbia unemployment bill; House bill 8072, the District of Columbia appropriation bill. It will be reported today, I believe. It can be considered sometime later in the week, and it is our intention to ask unanimous consent to have that done if conditions work out accordingly. The foreign aid bill, H.R. 9033, is in the Senate committee. It will be reported Wednesday and will be brought up on Friday of this week. I wish to notify the Senate that, so far as the leadership can find out, this is a definite commitment.

After that, the public works bill, which passed the House yesterday, will be reported next Tuesday, September 19, and be brought up as soon thereafter as reasonably possible.

The supplemental appropriation bill will be reported on September 20 or 21, and it will be called up as soon as possible.

I wish the Senate to pay close attention to this one: The resolution amending rule XXII will be taken up this Saturday, September 16.

Then, we will take up Calendar No. 853, S. 2426, the election bill, reported by the Senator from Nevada [Mr. CANNON].

We will have calendar calls at any time from now on, after the morning hour. Conference reports will always be in order.

It is the intention of the leadership to suggest that, once we adjourn sine die, the Senate return on Wednesday, January 10, next year.

One more matter. There is a bill which will be passed by the House, I understand, and will be taken up in the Senate Finance Committee. I do not know the number of it. The Senator from Delaware is interested in it. That will be brought up this year.

Mr. DIRKSEN. Mr. President, if the Senator will yield further, I have discussed the matter of reconvening in January with some Members on the minority side. Normally, the Congress would come into session on Wednesday, January 3, but I see no objection whatsoever to coming in on January 10.

Mr. MANSFIELD. In discussing the matter, we looked at the calendar and realized we would be fairly well caught up with the business of this session. In view of that fact, it was thought advisable to consider returning on January 10.

Mr. DIRKSEN. One other question to the distinguished majority leader: I am rather reluctant to make the suggestion in view of his complete cooperation throughout this session, but I am wondering if he contemplates a session on Saturday of this week.

Mr. MANSFIELD. Yes, indeed, but I do not anticipate any votes on that day. I could be mistaken. I intend to call up the resolution on rule XXII, and we do intend to lay down a petition that day seeking to invoke cloture. That petition will be under the sponsorship of my distinguished colleague, the minority leader [Mr. DIRKSEN] and myself.

Mr. McCLELLAN. Mr. President, will the Senator from Utah yield so I may ask the majority leader a question?

Mr. MOSS. I yield.

Mr. McCLELLAN. I may have misunderstood—I am not sure—but did I correctly understand that on this coming Saturday the majority leader will bring up a resolution to amend rule XXII?

Mr. MANSFIELD. Yes.

Mr. McCLELLAN. Did I also correctly understand the distinguished majority leader to say that on the same day there will be laid down a cloture petition?

Mr. MANSFIELD. Yes; a petition for cloture, by the majority leader and the minority leader.

Mr. McCLELLAN. On the same day? Will it be done on the same day that a motion is made to call up the resolution to amend rule XXII?

Mr. MANSFIELD. That is correct. It takes 1 day after that, and then 1 hour after the Senate meets on the following day, but one, to proceed. I think we all ought to face up to this matter as soon as possible.

Mr. McCLELLAN. I was not raising a debatable question. I wanted to be sure I understood what the majority leader said. Debate will come on the motion to take up, I assume, and there may be some debate at that time.

Mr. MANSFIELD. The Senator is always sure and always knows what his objective is.

Mr. DIRKSEN. Mr. President, I think I should ask unanimous consent that all of this colloquy not be taken out of the time being allotted to the McNamara amendment.

Mr. MANSFIELD. I agree. I ask unanimous consent that the 30 minutes allotted to the McNamara amendment will still hold.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. MOSS. I yield.

Mr. KEATING. Are we to understand the cloture petition will apply to a proposed amendment of rule XXII and any amendments thereto?

Mr. MANSFIELD. It will be offered under the regular procedure.

Mr. PASTORE. Mr. President, will the Senator yield for a parliamentary inquiry on that point?

Mr. MOSS. I am happy to yield.

Mr. PASTORE. I should like to propound a parliamentary inquiry. In the event that the proposal for the modification of rule XXII is laid before the Senate on Saturday, and a petition for cloture is sent to the desk on the same day, will that preclude a motion to postpone further discussion of this change until next January?

The PRESIDING OFFICER. Will the Senator state his inquiry again?

Mr. PASTORE. I will state it again. In the event that the resolution proposing a modification of rule XXII of the rules of the Senate is laid before the Senate as the pending business on Saturday next, and on the same day a petition is filed for the application of cloture, will that preclude at any time thereafter a motion being made to postpone further discussion of the change of the rule until the coming session in January of 1962?

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that such a motion would not be in order.

Mr. PASTORE. May I propound a further parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state it.

Mr. PASTORE. What if the motion to postpone further discussion is filed on the same day as the petition for the application of cloture? Would it be considered relevant to the same issue?

The PRESIDING OFFICER. That would not be in order, because one cannot move to postpone consideration of something which is not before the Senate.

Mr. MANSFIELD. Mr. President, if I may be heard, I would hope the Senate would consider facing up to the problem this year, rather than postponing it. Senators may recall that the distinguished minority leader and I made a pledge to this body that before we adjourned the 1st session of the 87th Congress we would have reported to the Senate a proposed change in rule XXII. That has been done. A resolution has been reported from the Committee on Rules and Administration. I would hope the Senate would face up to the issue and decide it one way or the other this year—and next week.

Mr. KEATING. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. MOSS. I yield to the Senator from New York for that purpose.

The PRESIDING OFFICER. The Senator from New York will state his parliamentary inquiry.

Mr. KEATING. Mr. President, I make the following parliamentary inquiry: If at the time the proposed amendment to rule XXII is laid before the Senate, the majority leader at that time files a cloture petition would the proposed amendment be open to amendment?

The PRESIDING OFFICER. The Chair rules it would be open to amendment when it is before the Senate.

Mr. KEATING. I take it that would be true at any time prior to the time when the Senate may vote cloture. Is that correct?

Mr. PASTORE. Mr. President, will the Senator yield to me?

Mr. KEATING. The Presiding Officer has not answered my parliamentary inquiry.

The PRESIDING OFFICER. The Chair is advised that the filing of the cloture petition would not prohibit the offering of amendments to the resolution.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MOSS. I yield.

Mr. PASTORE. In view of the statement made by the distinguished majority leader [Mr. MANSFIELD] I wish to make my position clear.

I am in favor of resolving the question, if it can be resolved. I think it would be most unfortunate, if we could not get the application of cloture, to have this question drag on and drag on, at a time when nearly every Member of the Senate is tired and in a testy mood. I would rather see the question debated and resolved in clear daylight, when we have the time to do it.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. MOSS. I yield.

Mr. DIRKSEN. In answer to the distinguished Senator from Rhode Island, I think the good faith of the majority leader and of the minority leader are involved in this question. When the extended discussion was terminated in January, mainly because it appeared that the President would be inaugurated and a Cabinet might not be confirmed, Senators will recall the meeting we had at that time, in which it was agreed the question would go to the Committee on Rule and Administration, and that the majority leader, in his capacity as chairman of the Committee on Rules and Administration, would undertake to have a resolution reported to the Senate.

That resolution is on the calendar. It comes to the Senate without recommendation. In view of the discussion we had and the representations made at that time, in good faith, I think there must be something better than a mere token effort made in order to evidence that good faith.

I think I speak for the majority leader and his understanding of the matter at the time the agreement was consummated.

Mr. MANSFIELD. That is correct.

Mr. PASTORE. I do not question the motives or the sincerity of the Senators. I realize that both the majority leader and the minority leader have no alternative but to follow the procedure they have laid down.

It would be unfortunate to have a filibuster at this time of this particular year, when the world seems struggling to come apart at the seams. Here we are quarreling among ourselves now, when the question could be settled when we really shall have the time to go around the clock and to resolve it once and for all.

Mr. MANSFIELD. Mr. President, I express the hope that we would under no circumstances go around the clock. While daylight hours are getting shorter, as fall approaches, there is still plenty of daylight to consider the resolution. I would hope there would be no filibuster of any kind. I think in this instance it would be nothing but a delaying tactic, no matter by which side engaged in, either the proponents or the opponents of this particular proposal.

So far as the debate is concerned, I think what we shall have to say will not change one vote in this body. We know what is the issue. We can face up to it. If we wish to make long speeches we can make them to the folks back home who may be interested; but let us get on with the business of the Senate, and quit, and settle the issue.

Mr. PASTORE. I agree with the majority leader. I hope and pray what he suggests will be what will happen—but I have my honest doubts.

Mr. MOSS. Mr. President——

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. MOSS. I am glad to yield to the Senator from Georgia.

Mr. RUSSELL. I merely wish to say that a large number of Senators have made plans to remain here to discuss this issue, relying on the statements of the majority leader and of the minority leader. We have no specific plans as to the length of the discussion, but I am of the opinion that no more important question will come before the Senate in this session of Congress or in the next session than the question of changing the rules.

I hope it is not proposed to bring that question to a conclusion without giving any of the Members of the Senate who desire an opportunity to express their views on it. Certainly it is one of the most important questions which will be before the Congress at this session, and I am sure we can see that the Members do have a right to at least express their views on the subject.

Mr. MANSFIELD. Mr. President, will the Senator yield further?

Mr. MOSS. I am happy to yield.

Mr. MANSFIELD. I agree that Senators have a right to express their views, but I would hope that they would express them temperately and briefly.

I point out to my colleagues that this is purely, only, and entirely a matter of the Senate and for the Senate. This is our business, and we should try to decide on it in our own way and on the basis of our own responsibility.

Mr. RUSSELL. Mr. President, I undertake to assure our distinguished and beloved leader that we shall discuss the matter temperately. [Laughter.]

AID TO SCHOOLS IN FEDERALLY IMPACTED AREAS

The Senate resumed the consideration of the bill (S. 2393) to extend for 1 year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas and to provide for the application of such laws to American Samoa.

Mr. MORSE. Mr. President, will the Senator yield so I may ask the majority leader a question?

Mr. MOSS. I yield.

Mr. MORSE. We have just entered into a unanimous consent agreement on the education issue. There is no doubt about the fact that the NDEA amendment will be germane, but I want to make perfectly certain, so we can understand that the proposal to extend NDEA,

as well as the impacted areas legislation, will be considered germane under the unanimous-consent agreement.

Mr. MANSFIELD. That was our understanding.

Mr. DIRKSEN. Yes.

Mr. MANSFIELD. Will the Chair so note?

The PRESIDING OFFICER. That will be the understanding.

Mr. MOSS. Mr. President, I conclude my remarks on the bill before the Senate by quoting two paragraphs from a letter I have received from John W. Fitzgerald, principal of the Morningside Elementary School, Granite District, Salt Lake County, Utah. This letter has to do with the general subject of Federal aid to education. The first two paragraphs read:

> May I compliment and commend you for your support of education, especially your fight for Federal aid? We, in Granite School District, with an enrollment this year in grades 1 through 12 of 41,000, with seven elementary schools being on part or complete double sessions, and with no relief in sight, know the problem at first hand.
>
> The people of Granite district, as you well know, pay one of the highest tax in the State for schools. Our local effort cannot meet our needs. Our classes are crowded. Already at Morningside we have 38 enrolled in sixth grade classes. Thirty-one students in second grade classes is the least we have in a class. Thirty-five to thirty-seven attend classes in the third, fourth, and fifth grades, except the first graders who, as you know, are on double sessions, with each teacher having 22 to 24 in a session, 3 hours each session. Before the school year is over we expect an additional 50 boys and girls.

Mr. President, this points up the great problem we have to consider. We have before us a bill limited in its scope. Unfortunately, we cannot address ourselves to the full bill we previously had before the Senate.

I plead for action in this body to approve at least the aid to be provided by this bill, so that we in America can move forward in the field of education, so that we can maintain the lead we established years ago, but which we may be about to relinquish by our negligence in support of our schools.

The support must come, as Walter Lippmann pointed out so eloquently, from the powers of the Federal Government to give the financial assistance needed.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MOSS. I am happy to yield to the majority whip, the distinguished Senator from Minnesota.

Mr. HUMPHREY. I commend the Senator on his statement and associate myself with the substance of his statement as to the urgent necessity of general aid to education, and particularly as to the necessity of action upon the particular proposal now before us. Public Laws 815 and 874 have helped a great deal. They relieved a difficult situation at the time of the Korean war.

I held the hearings on these laws, and I recall all too well the action of the committee and of the Congress when those two particular public laws became a part of the Federal Code. I feel that the action which the chairman of the Subcommittee on Education is proposing here; namely, for a 1-year extension, is the sound and proper way to proceed, because it would permit us again to review the effectiveness of Public Laws 815 and 874. It would permit us to review the entire educational needs of the Nation. As I have indicated to the Senator from Oregon, later in the debate I intend to address myself to the subject of education and the Federal Government's responsibility.

For example, there is the field of higher education, in which we will face a great problem in the very near future, with our college population doubling in the next 10 years. We shall face increased needs in the field of technical, professional, and vocational education. In those special fields of endeavor, it is proper for the Federal Government to extend a helping hand. We have done so in the past under the vocational education programs. We have done so in the field of medical education. We have done so in the field of scientific research, which, by the way, is one of our great educational efforts to date. I shall look forward to the opportunity again in the coming Congress to work on the question of assistance to education and strengthening our educational program.

POPE JOHN'S APPEAL FOR PEACE

Mr. HUMPHREY. Mr. President, yesterday Pope John XXIII once again made an appeal for peace and called upon the world's leaders to enter into sincere and free negotiations to remove the threat of war. In these trying days when the specter of war haunts mankind, the words of a great spiritual leader, Pope John, deserve the world's careful attention.

Mr. President I hope and pray that the Pope's words will be carefully weighed by those in whose hands the future of the world rests.

Those were words of encouragement. They were words of courage from a courageous man. Willingness to negotiate does not demonstrate weakness. It demonstrates a concern for mankind, and the kind of moral courage that is required of great leaders.

I ask unanimous consent that an article from the New York Times of September 11 on the Pope's message be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Sept. 11, 1961]

POPE BIDS CHIEFS END WAR THREAT—URGES LEADERS TO NEGOTIATE EAST-WEST DIFFERENCES TO PRESERVE PEACE

(By Arnaldo Cortesi)

ROME, September 10.—Pope John XXIII called on the leaders of the East and West today to negotiate their differences and remove the threat of war that hangs over the world.

In a moving and impassioned appeal for peace, the Pope mentioned no person or nation, but he was clearly addressing the Kremlin no less than the White House when he said:

"It is truly upon wisemen that the issue depends that force shall not prevail, but right, through free and sincere negotiations, that truth and justice shall be vindicated by safeguarding the essential liberties and the unsuppressible values of every nation and of every human person."

POPE APPEARS STERN

The Pope was serious and stern visaged as he delivered the address in tones of earnest entreaty.

He urged the leaders to "face squarely the tremendous responsibilities they bear before the tribunal of history and what is more before the judgment seat of God." He entreated them "not to fall victims to false and deceiving provocations."

Pope John said the leaders had enough time to negotiate and agreement because he did not believe the danger of war was imminent.

"By the mercy of God," he said, "we are persuaded that up to the present time there is no serious threat of either an immediate or a remote war. In making this reference of our own to a subject that the press of all nations is discussing, we mean nothing more than to take still another opportunity of appealing with confidence to the serene and sure wisdom of all men who guide the nations of the world."

The Pope's appeal was delivered just after he had celebrated a mass for peace in the large audience hall of his summer residence at Castel Gandolfo.

TWELVE CARDINALS AT MASS

About 15,000 people stood in the hall and in the square of Castel Gandolfo just outside the main entrance to the Pope's residence. Twelve Cardinals and members of the papal court attended the ceremony.

The mass was broadcast by radio networks, including Radio Free Europe, in seven West European countries and by a number of stations in the United States and Canada. The peace appeal was also made available to Western Europe on international television.

As soon as the Pope finished speaking, the Vatican radio started broadcasting his appeal in more than 30 languages. Several of these programs were beamed to Iron Curtain countries.

Pope John ended his appeal by asking all believers to pray for peace.

"We have prayed together and in so doing we have felt great joy in our hearts," he said. "Let us continue to pray in this way as St. Paul invites us to do.

"Let us pray with one another and for one another and for all the scattered creatures of God who make up the Holy Church and the human family, which is also all His own."

The Pope extended his "most urgent invitation" to "priests, to consecrated souls, to the innocent and to the suffering. Let us all together beg the Father of Light and of Grace to enlighten the minds and move the wills of those who hold the chief responsibility for life or death of the peoples."

Pope John said: "The world has no need of victorious wars and defeated peoples, but of renewed strength and salvation and of fruitfulness and calm of peace. This is its need and this it is for which it cries aloud: The dawn of salvation and the growth of peace."

PROJECT HOPE

Mr. HUMPHREY. Mr. President, in the Washington Post and Times Herald of September 8 appeared a story under the following headline: "ICA Aid Says Hospital Ship *Hope* Is Not Worth the Money Its Sponsors Ask."

I am sorry that that statement appeared, because it is my view that Project Hope, one of our people-to-people programs, has been a real suc-

cess. It has carried the message of American concern for humanity through the use of American technology, particularly in the fields of medical science and the healing arts. It has carried the message of American education and American democracy to literally millions of people as the ship has journeyed in the Asian areas of the world.

Dr. William B. Walsh, who is president of the People-to-People Health Foundation that sponsors Project Hope, made an answer to that critical article, and I believe that answer is worthy of the attention of every Senator.

I ask unanimous consent that the answer of Dr. Walsh, together with a report on the activities of Project Hope in Indonesia and a report on the activities of Project Hope in Vietnam, be printed at this point in the RECORD.

There being no objection, the statement and reports were ordered to be printed in the RECORD, as follows:

STATEMENT BY WILLIAM B. WALSH, M.D., PRESIDENT OF THE PEOPLE TO PEOPLE HEALTH FOUNDATION, SPONSORS OF PROJECT HOPE

A statement critical of Project Hope, attributed to an unnamed ICA official, has appeared in the press. It creates some serious misconceptions for the American people who have donated wholeheartedly to the *Hope*, and therefore requires a reply from me.

Obviously the ICA informant, who refused to reveal his name, has never been near the SS *Hope*. He called our hospital ship "showcase democracy." Let's examine this.

Granted, operation of a floating medical training school is not a dime store basement operation; $85 billion in foreign aid, invested since World War II, testifies that world needs are not solved by bargain-basement viewpoints. But the SS *Hope* has been one of the biggest bargains in all our foreign-aid efforts—in good will, understanding partnership, and service to fellow humans overseas.

The SS *Hope* has been a resounding success. This is attested by leading Indonesian and South Vietnamese, and our Ambassadors in the countries she has served, by USIA and State Department reports, and by dozens of Senators and Congressmen, who, unlike the anonymous ICA official, have troubled to get first hand information on her operation. Her success is apparent from the fact that other nations now want to operate such ships.

Granted, it is not cheap to operate under the American flag. But what is the point of billions invested in foreign aid if we are to decide that to save a million dollars we will run down the flag on a great project?

The anonymous critic of Project Hope says, in effect, "Take off all your wonderful volunteer American medical men and women. Take off all the 'expensive' union seamen ambassadors of good will. Do away with the vast amount of donated American medical products. Remove the American chaplains. Don't give this ship the subsidy benefit granted by the U.S. Government to all other merchant ships. Strip her of all American identity. Charter her to a country overseas."

Our anonymous critic does utter violence to the very principle behind our whole foreign-aid program—that of keeping the flag of freedom flying as a symbol to other nations of the right of self-determination. He does a disservice to the vast amount of worry and cooperation contributed to the *Hope's* success by legions of splendid Government people, from the White House through many agencies. He casts a slur on the contribution of organized labor—there's a great story yet to be told of the crewmen's part in this great project. From his ivory tower, he passes judgment on the efforts of the many leaders of industry and the professions who have given money and time to make this ship a reality.

We are proud to report that the SS *Hope* has been run as economically as possible. After all, most everything has been donated. Actual operating costs, such as safety management and crew requirements, were worked out very carefully by the operating agent, American President Lines, who donated all their management skill and took not a penny in fees.

The ship is due back in San Francisco next week some time, with a tired but satisfied medical complement and crew. Instead of impugning their efforts, let's give the *Hope* a rousing welcome. Through a partnership of private and Government effort, her 12-month cruise in southeast Asia has been a real breakthrough in an area where we have invested billions of dollars. If the *Hope* is showcase democracy let's have more of it.

REPORT ON ACTIVITIES OF PROJECT HOPE IN INDONESIA

The hospital ship *Hope* visited Djakarta, Surabaya, Bali, Sumbawa, Makassar, Ambon, Kupang, Bima, Lombok, Semarang, and Djakarta again; also operated in Bandung, Solo, Djokjakarta, and Malang.

Two hundred Indonesian doctors and three hundred Indonesian nurses in the various ports participated in the medical program of training and treatment.

Seven hundred major operations were performed.

Eighteen thousand patients were treated by the joint Indonesian-American committees.

Eight thousand patients were selected for special treatment on the hospital ship or at shore facilities by the joint medical teams.

Orthopedic teams began working in the Ibu Sukarno Hospital in Djakarta and the Solo Rehabilitation Center in December, and have continued their work ever since.

During the disasters in the South Moluccas and the Flores, medical supplies and relief goods were sent to the suffering islands.

Six thousand books and medical journals were given to hospitals and clinics.

Eight hundred lectures and seminars were held.

Eighty-six thousand pounds of medical supplies were left in Indonesia.

Eighty thousand pounds of powdered milk was left. This was supplied by the U.S. Department of Agriculture and *Hope* simply acted as agent for the delivery.

A screening chest survey was done in the outer islands on civil servants, schoolteachers, and children.

Americal medical personnel participating in Hope in Indonesia included: 73 physicians and dentists, representing all specialties of medicine, 26 nurses, 12 medical technicians, 4 medical secretaries, 2 pharmacists, 1 dental hygienist, 1 physical therapist, 1 dietitian, 1 medical equipment maintenance man.

(It might be mentioned that two members of the hospital ship lost their lives as a result of illness during the period the ship was in Indonesia.)

REPORT ON ACTIVITIES OF PROJECT HOPE IN VIETNAM

Between 10,000 and 11,000 patients seen. Over 500 operations of a major variety performed, both ashore and afloat.

Programs in 18 different specialities of medicine, including oral surgery and dentistry were carried out.

An orthopedic rehabilitation center in Saigon was opened, for which we gave them equipment, even including bed linen and some food. It is planned that we will maintain this center and maintain an orthopedic training program there.

The *Hope* staff worked ashore in clinics, in six civilian hospitals and one military hospital in Saigon.

Field units went both north and south out of Saigon to Cantho, Phung-Hiep, Hue, Dalat, and Nha-Trang.

The first mass inoculation program for children (including inoculations for diphtheria, typhoid, tetanus, and pertussus) was initiated and carried out. Local vaccination teams were trained. Program involved over 250,000 doses of vaccine. They were provided with ample syringes and 40,000 disposable needles to get them started.

Two thousand books provided for the local medical school library.

Twenty-eight interns and residents spent the entire tour in training on the *Hope*. It should be pointed out that these boys gave up their vacations to serve on the *Hope* and expressed the feeling that it was the most worthwhile thing they had done.

Two hundred Vietnamese nurses were rotated through in short periods for observation, teaching, and demonstration with 35 of these 200 remaining on board for a prolonged period.

There were weekly medical meetings. Because the ship remained in Saigon for the entire period, a regular medical school routine was simulated and there were daily rounds and daily conferences in all 18 specialties involved.

Oral surgery was introduced to Vietnam for the first time and we have been asked to maintain a continuous program in oral surgery in that country.

BERLIN CRISIS

Mr. HUMPHREY. Mr. President, the seriousness of the Berlin situation is of concern to us all. On September 3, 1961, the Minneapolis Tribune printed its poll showing that more than half the State's adults felt the United States should risk war with Russia over Berlin. I have selected five articles which perhaps give an insight into the feelings of the majority of the citizens of the great State I am privileged to serve.

I ask unanimous consent that these articles, along with the Minnesota poll, be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Minneapolis Sun, Sept. 3, 1961]

MAJORITY THINK UNITED STATES SHOULD RISK WAR OVER BERLIN CRISIS

The "stand firm on Berlin" attitude of a majority of Minnesotans in early July was still the view of more than half the State's adults in late August, despite the heightening of the crisis.

When the Minneapolis Tribune's Minnesota poll asked a representative cross section of voting age men and women whether we should risk war with Russia over Berlin, 54 percent of them answered "Yes."

The question asked was:

"Do you think the United States should or should not risk war with Russia over Berlin?"

The results of two surveys, carried out 6 weeks apart:

[In percent]

	July 7-11	August 18-22
Should risk war	58	54
Should not	32	33
Qualified answers	1	1
No opinion	9	12
Total	100	100

In terms of statistical meaning, there has been very little change in Minnesotans' reaction since the July study.

The late-August survey also indicates:

Nearly 4 out of 5 people are in favor of having the Western Powers—the United States, France, and Britain—enter into new talks with Russia over Berlin and the whole German question.

A majority believe Russia is not ready to risk war over Berlin.

The idea most frequently expressed by people on what can be done to prevent war in the Berlin crisis is stand firm.

One of the questions asked by interviewers during the statewide survey was:

"Are you in favor of, or against, having the United States, France, and Britain begin new talks with Russia about Berlin and the German question?"

The answers:

[In percent]

	Total	Men	Women
In favor	79	85	73
Against	10	9	11
Other replies	1	1	1
No opinion	10	5	15
Total	100	100	100

Support for new talks is found rather uniformly among city, town, and farm residents, and among Democratic, farmer-laborites, Republicans, and independent voters.

Another question was:

Do you think the Russians would or would not risk war with us over Berlin?

The replies, compared with the results of a similar survey in July:

[In percent]

	July 7-11	Aug. 18-22
Think they would	27	30
Think they would not	62	57
Other replies	(1)	1
No opinion	11	12
Total	100	100

[1] Less than 1 percent.

Women are more apprehensive than men; 35 percent of the women—as compared with 26 percent of the men—think the Russians are willing to chance war on the Berlin question.

Interviewers also asked:

"What do you think can be done by us to prevent war over Berlin?"

The leading suggestions fall into these groups:

1. Stand firm, refuse to give in to Russia.
2. Negotiate; hold talks; have a summit meeting.
3. Strengthen our military forces in Berlin; increase defense spending.
4. Continue our present program; do nothing more than we're now doing.

One percent of the people suggest prayer. Another 1 percent are in favor of "compromise." Two percent believe nothing can be done; "we're going to have a war."

More than one-third of Minnesota's adults (36 percent) have no ideas to suggest. In many cases, though, it's not because they lack opinion, as these remarks of a Minneapolis man show:

"I don't know what can be done; talking won't help. Giving in would stop a Berlin war, but we would be fools to do that."

[From the Minneapolis Morning Tribune, Sept. 5, 1961]

WEST BERLIN'S FUTURE

Western observers are showing increasing concern over the fate of West Berlin now that it has been sealed off from East Berlin by the Communists in order to halt the flow of refugees across the border.

As long as West Berlin remained as an escape hatch, it had a reason for being. It stood as a monument to freedom inside one of the Soviet Union's satellites, East Germany. It served as a symbol of hope to those East Germans and East Berliners who knew they could flee to that sanctuary if conditions became too severe inside the Communist empire.

Now that symbolism has been destroyed. West Berlin is a city that no longer has any meaningful contacts with East Berlin. The East Berliners no longer can come across the border to see what life is like in a free and democratic city. They no longer can stroll along West Berlin's streets to view the consumer goods that are available in profusion to the "capitalists" of West Berlin—and to those of East Berlin, too, if they had the money. The East Berliners now truly are living behind the Iron Curtain.

So what does this leave for West Berlin? To date, neither the West German Government, nor the West Berlin city government, nor the Western allies has come up with a good answer. The Soviet Union meanwhile, continues to attack the contacts between West Germany and West Berlin, charging that West German spies are using West Berlin as a base for their operations. It is even challenging the use of the air corridors to West Berlin by civilian planes.

Under these circumstances, it is not enough for the allies to say that their essential positions in West Berlin were not damaged by the closing of the border between East and West Berlin. It is not enough for Chancellor Adenauer to predict cheerily that everything will turn out all right in the end. It is not enough for the Western allies to contend stoutly that they will not be driven out of West Berlin—although they must say this and mean it, too.

Unless some new kind of symbolism is found for West Berlin—unless some new reason for being is discovered for that city—it may well wither and die on the vine. Premier Khrushchev may be able to wait for economic factors to make West Berlin so inhospitable that the West Berliners themselves would begin to move out. And if the West Berliners should give up, what would there be left for the Western Powers to defend?

Unless the Western allies and West Germany find a satisfactory answer to this question of West Berlin's future, the Soviet Union may win an easy victory there. It has been said that he who controls Berlin controls Germany, and he who controls Germany controls Europe. Is this not sufficient reason for insisting that the Western allies consider West Berlin's future as a matter of first importance?

[From the Minneapolis Star, Sept. 4, 1961]

WEST MUST KEEP BERLIN RADIO—REDS WOULD LIKE TO SILENCE VOICE OF FREEDOM

(By Roscoe Drummond)

BERLIN.—President Kennedy has said there are three Western rights in West Berlin which are not negotiable: the right of its people to a government of their own choosing, the right of Western access, and the presence of Western troops to prove that we will defend these rights.

I would like to add a fourth.

The fourth Western right which we ought not to yield or negotiate away is the Western voice of freedom in Berlin, which has the largest audience of any radio station in all East Germany, which symbolizes the very heart of what we stand for—freedom of thought—and which the Soviets yearn to snuff out.

I refer to RIAS (Radio in the American Sector), which is the only free radio station with strong enough signal to be heard widely throughout East Germany. Its reporting is so nearly the lone source of truth about what is going on in the world that it is listended to by more East Germans than heed what is put on the air by the Ulbricht Government.

It ought not to be sacrificed on the altar of negotiation. The Soviets would never pay the price it is worth to the West. They would take its liquidation as a welcome dividend, but they would not give anything significant or reliable in return.

Let's be clear about this. The only way Western rights in West Berlin can be secured is to show that we have the will and the means to defend those rights—by force if necessary.

These rights will not be any more secure by giving away the freedom and the facility to report the truth.

Recently East Berlin newspapers and radio commentators have pounced on President Kennedy's reference to "any actual irritants in West Berlin" which the United States would be ready to remove. They have suggested that above all they would like to rid themselves of RIAS.

Of course they would. But there is no evidence whatsoever that the core of Western rights to West Berlin would be more secure if RIAS were liquidated.

RIAS is an irritant to the Soviets and East German Communists only because any freedom of speech, any freedom of the press, is an irritant. But just because the Soviets would like us to throttle the Western voice of freedom in West Berlin is no reason we should do so.

The denial of freedom of speech and freedom of the press in East Germany is an irritant to us, but I hear no suggestion from Khrushchev or Ulbricht that they would put its removal on the agenda of negotiation with the West.

Let's not throw away RIAS for nothing. In fact, let's not throw away RIAS for anything. I doubt that President Kennedy intends to do so. Let us not be tempted into the mistake of believing that abandoning RIAS would reduce by one iota the Soviet threat to Western rights in West Berlin. It wouldn't.

It would only mean that we would be abandoning our only effective communication with the otherwise nearly totally isolated East German people and depressing by our own action the morale of West Berlin.

The very violence of the East German attack on RIAS is evidence of its effectiveness. During the time I have been in Berlin, RIAS has been the continued target of Communist vituperation, describing it as the "swamp flower of the U.S. Government" and accusing it of being "inducer of youths to become incendiaries" and as "director of the NATO spies."

I have examined the RIAS programs in detail and they contain no appeal to the East Germans to revolt, no call to arms. They are provocative if factual reporting of the news and calm expression of Western views are provocative. They are provocative only if it is provocative to report to

the East Germans news and views they cannot get elsewhere.

Now that the border has been sealed by Khrushchev, the work of RIAS is more necessary and more wanted by the East Germans than before. It is a revealing fact that RIAS is receiving more letters from East German listeners now than before travel to West Berlin was banned.

No German radio station has the kilowatt strength under the Amsterdam treaty to reach East Germany effectively. RIAS is needed as the Western voice of freedom. We ought not to let Khrushchev talk us or threaten us out of it.

[From the New York Times, Sept. 5, 1961]

ISOLATED WEST BERLIN SHOWS SAG IN MORALE

(By Sydney Gruson)

BONN, GERMANY.—A reporter standing off a distance from the emotion packed weeks in West Berlin finds a sharp and sad conviction coming to the surface.

It is that the morale restorative administered by Vice President JOHNSON'S visit and the reinforcement of the U.S. garrison was a temporary emotional thing.

The letdown appears to be setting in. Now that it is happening, everybody says it was inevitable. But everyone seems surprised that it has begun so quickly.

Here are a few examples picked at random to indicate the mood simmering just below the surface calm of the West Berliners:

When President Heinrich Luebke of West Germany visited the West Berlin refugee reception camp August 20, he was asked by an elderly woman: "Herr President, is it safe to remain in West Berlin?"

A baggage porter at Tempelhof airfield was showing off a dollar tip he had received from an American tourist.

"Not bad," said a second porter. "Aren't you going to change it?"

"Not on your life," was the reply. "When the Communists come, West marks will be like East marks but the dollar will keep its value."

A hairdresser signed a contract on August 9 to enlarge and redecorate his shop. On August 13, the East German Communists sealed the border. The hairdresser canceled the contract a few days ago.

Everybody who has been in West Berlin over the past 3 weeks has his own examples of an uneasiness and pessimism that will not be shaken off by the answer President Luebke gave the woman at the refugee camp.

"It takes a little while for the Anglo-Saxons to move," President Luebke told her. "But they have given their sacred oath to maintain this city."

Without questioning the Western allies' word, more and more West Berliners have come to see a difference between their own and the allies' interpretation of what "maintaining this city" should mean.

As the allied pledge is understood, military force would be used if the Communists cut off military or civilian access to West Berlin, moved physically against the allied presence or against the ability of the West Berliners to lead a new life.

The first and second conditions that could lead to allied military action are easily demonstrable. The West Berliners do not expect the Communists to give the allies any such clear case.

But there is an equally strong conviction that the Communists will slice away successfully at the city's links with West Germany on which its economic well-being depends, and at its openly anti-Communist stance.

These are examples that the West Berliners cite as being significant of the trend.

Also, the character of the annual gathering in West Berlin of former residents of Germany's eastern territories now under Polish sovereignty has quietly changed. The onetime easterners used to come to West Berlin from all over West Germany. The gathering this weekend was confined to a West Berlin regional conference, apparently on the suggestion of both the West German Government and the allies.

Inevitably unless something is done soon the economy is going to be threatened.

[From the Washington Post, Sept. 7, 1961]

SINCE VIENNA

(By Walter Lippmann)

Last June at the meeting in Vienna the President realized how seriously Mr. Khrushchev meant business about Berlin. A Western policy had to be formed at once and measures had to be taken before the end of the year. However, it is apparent now that while the Vienna conversations alerted and aroused the President, they did not provide him with the practical working basis of a policy. In order to have a policy he needed to know not only that Mr. Khrushchev would move on Berlin, but how he intended to go about it.

Not knowing this, the President and his advisers supposed that Khrushchev in 1961 would repeat what Stalin had done in 1948, that he would try to conquer West Berlin by blockading it. Thus far, the assumption has proved to be wrong. As a result, the Western allies were caught unprepared to deal with the actual, as distinguished from the supposed, Soviet strategy, which is revealed by the action of August 13. For instead of blockading West Berlin, Khrushchev sealed off East Berlin.

The administration had failed to take into account the fact that Khrushchev could act powerfully, but with measures short of war, to reduce the Western position in West Berlin. It has long been known that an embargo was a possibility. But the preoccupation of the President's advisers with the memory of Stalin's blockade in 1948 prevented them from preparing adequately for the formidable measures short of war which were available to Khrushchev.

The effect of the miscalculation has been far reaching. It led the administration to concentrate its energy on convincing Khrushchev that the West would fight if he interferred with physical access to West Berlin. This is true. It will fight if he interferes with Western access to West Berlin. It was a prudent precaution to make this plain to Khrushchev. But it should not have been sold to the American people and to the world as a policy. The exclusive and excessive preoccupation with proving our will to fight a blockade left us unprepared to deal with the actual embargo. On August 13 we had no policy, and there is reason to ask whether we are on the way to having one now.

By concentrating so exclusively on deterring another blockade, the President found himself accepting the advice which came to him from Paris and from Bonn and in Washington from the veterans of Stalin's blockade. He was told that if he stood firm, he could stand pat. Khrushchev was bluffing and if the President did not flinch first, Khrushchev would flinch first, and would once more retreat, as he did in 1958, leaving everything as it is. Until it was swept away by events, this pipedream clouded the vision and narcotized the will to face the realities of the German situation.

On August 13 Khrushchev went into action. He used a very different strategy than the one which this country had been told to prepare for, and so the test of wills turned out to be not a wrestling match but jujitsu. By the embargo, which was illegal and cruel but was a measure well short of war, Khrushchev struck a deep and damaging blow at the Western position in West Berlin and West Germany.

His highly sophisticated action could not, I think, have been improvised in the few weeks after the President had called for a degree of mobilization. The sealing off of half a city is a highly technical operation. The action had all the marks of long deliberation on how to strike most surely and most accurately, without the risk of war, at the Achilles' heel of the Western position. Moreover, only if we assume that the plan has long been in Khrushchev's mind can we explain why he has been swearing that he would get the Berlin bone out of his throat this year and at the same time that he would do it without a blockade and a war.

The Achilles' heel of the Western position is that the moral of the West Berliners, their will to stay in the city and to resist pressure and blandishment, depends on their faith in the Atlantic alliance. They have to believe that they will live to see the alliance bring about the unification of the two Germanys and the restoration of their own city as the German capital. This belief is what Khrushchev struck at on August 13. Without attacking West Berlin, he raised a wall which was designed not only to stop the refugees but also to prove to the Germans that the Western allies were unable to reunify Germany. The Germans understood this at once. But so unprepared was Washington for the reality of the German question that days passed before it realized how momentous a change had been brought about. Washington had no policy to deal with what actually happened—unless sending the Vice President and General Clay to West Berlin can be called a policy.

For a true measure of what has happened, we may take an official statement, made in 1959, by Dr. Grewe, who is Dr. Adenauer's Ambassador in Washington. He was writing about the previous Berlin crisis. "West Berlin cannot, in the long run, be held," he said, "if its population must come to the conclusion that the West has in fact accepted the division of Germany." Why? Because if Berlin cannot again become the captial of Germany, many of its people, particularly the younger ones, will drift to the West and others will make their peace with the East.

We are now in the preliminary stages of those negotiations which both sides have declared they want. The negotiations will begin with the stark fact that Khrushchev has forced the Western allies to acquiesce in, to acknowledge tacitly, the partition of Germany. He is, to be sure, some distances from his full objective which, in the current campaign, is to bring about what he calls the codification of the German settlement, that is the formal and legal recognition that World War II has ended with the partition of Germany. But during this summer he has put himself in the position of negotiating from the accomplished fact that the partition has taken place and that it has not been opposed. He holds in the iron grip of the Red army the thing on which negotiation will turn.

With the division of Germany a physical fact, the significance of West Berlin has been greatly reduced. Berlin is no longer the escape hatch from the East. It is very much less than it was before the entry point of Western propaganda and intelligence. Its economic expansion is throttled down, and almost certainly its working population will decline. Above all West Berlin is no longer the visible symbol and tangible pledge that

communism will be pushed back of the Oder-Neisse line, perhaps back of the Vistula River. What is left is a human and moral commitment, which will be honored, to protect the physical basis of the way of life which people of West Berlin now enjoy.

There is no denying that our bargaining position has been diminished. It will take a very high order of statesmanship to repair it. Such statesmanship does not come cheaply. Besides insight and imagination it will need the kind of moral courage which is very rare, the courage to tell the people hard and unpopular truths which it has long been thought inexpedient to speak about.

In another article I shall attempt to describe some of the problems of negotiating about Berlin.

[From the Minneapolis Tribune, Aug. 31, 1961]

WESTERN RIGHTS IN BERLIN REST ON AN AGREEMENT SIGNED IN 1944

(By Graham Hovey)

Many Americans are not clear as to what our Government means when it refers to the "rights" of the Western allies in Berlin. This brief review, suggested by several readers, may be useful.

Our legal case for the presence of American, British, and French forces in West Berlin rests on a document signed in London September 12, 1944. This was an American-British-Soviet agreement "on the zones of occupation in Germany and on the administration of Greater Berlin."

It was amended subsequently to allow for inclusion of France as one of the occupying powers. In final form it provided:

"Germany will, for the purposes of occupation, be divided into four zones, one of which will be alloted to each of the Four Powers, and a special Berlin area, which will be under joint occupation by the Four Powers."

It specified the boundaries of each zone and provided also for division of the territory of Greater Berlin, which, it said, "will be jointly occupied by the armed forces" of the four countries. A key paragraph said:

"An interallied governing authority (Kommandatura), consisting of four commandants, appointed by their respective commanders in chief, will be established to direct jointly the administration of the 'Greater Berlin' area."

The special arrangement was made for Berlin on the assumption by all parties that it would someday become again the capital city of a reunified Germany.

Our side contends that Russia cannot end this agreement or modify it without American, British, and French consent.

We say the fact that Russia frustrated joint administration and eventually set up Communist rule in its sector, dividing Berlin into two cities, does not abrogate the 1944 agreement or end Western rights in the city.

Thus, what is illegal in Berlin today is not the presence of Western troops in West Berlin, but the fact that the Communist East German regime has established its "capital" in East Berlin.

This interpretation also makes illegal, of course, the recent East German action to shut down the flow of East Germans and East Berliners into West Berlin.

The other pertinent agreement between Russia and the West in the Berlin crisis is one reached in New York May 4, 1949, providing for the lifting of the 10-month Soviet blockade. A key paragraph said:

"All the restrictions imposed since March 1, 1948, by the Government of the U.S.S.R. on communications, transportation, and trade between Berlin and the Western Zones of Germany and between the Eastern Zone and the Western Zones will be removed on May 12, 1949."

It is this agreement on which the allies base their contention that Russia cannot turn over responsibility for their rights of access to Berlin to the East German regime, even if it signs a separate "peace" treaty with that regime.

There are countless "ifs" and "might have beens" that constantly fascinate students of the Berlin problem, but these are the documents on which our side's legal case for access and presence in the threatened city rest.

The present Berlin crisis was touched off not by recent Soviet actions but by Moscow's note of November 27, 1958, saying it would "no longer consider itself bound" by the agreement of September 12, 1944, "and the related supplementary agreements."

Since then, even when Soviet pressures were temporarily relaxed, Western statesmen have been grappling with the excruciatingly difficult problem of how to defend these rights in a city 100 miles inside the Iron Curtain.

THE ROLE OF MUTUAL SAVINGS BANKS IN OUR FOREIGN-AID PROGRAM

Mr. HUMPHREY. Mr. President, recently I received a letter from Mr. William F. McKenna, director-counsel of the National Association of Mutual Savings Banks. His letter to me was prompted by my amendment to the recent foreign-aid bill, S. 1983, which urged the development of cooperatives and savings and loan associations in Latin America as a part of our aid program.

Mr. President, I would like to invite the attention of my colleagues to some excerpts of what Mr. McKenna had to say in his letter:

We happen, we think justifiably, to believe that mutual savings banking presents a type of financial organization best adapted to adoption by underdeveloped nations. It is not too great a step from confidence in leaders of the tribal or clan system to reliance on a group of trustees in whom the people can repose confidence to safeguard the modest amounts they can afford to set aside as savings. As has been proven throughout the more developed areas of the world where mutual savings banking thrives, the sums accumulated through the moderate savings of many people can be made available for economic development in that area suited to the local demands.

The National Association of Mutual Savings Banks, by invitation of the International Cooperation Administration, has been cooperating in its Cooperative Review Committee to contribute ideas for the most effective utilization of U.S. aid to underdeveloped nations. A copy of the material contributed to date by the National Association of Mutual Savings Banks is enclosed.

What we would like to impress upon you is that the mutual savings banking industry with over $40 billion in assets in the United States and a long history of successful operation in Europe is ready, willing, and able to offer its know-how to underdeveloped nations in encouraging thrift on a basis that unsophisticated nations can understand to accumulate funds that can contribute to local economic development in a framework of private enterprise.

We would be happy if you see fit to add these remarks to those you have already inserted in the CONGRESSIONAL RECORD as evidence of still another $40 billion industry that falls within the spirit and broad connotation of cooperatives, credit unions, and savings and loan associations.

Mr. President, I ask unanimous consent that the two memorandums referred to in Mr. McKenna's letter be inserted at this point in the RECORD.

There being no objection, the memorandums were ordered to be printed in the RECORD, as follows:

MEMORANDUM TO INTERNATIONAL COOPERATION ADMINISTRATION REGARDING REVIEW AND STUDY OF COOPERATIVES IN FOREIGN ASSISTANCE AND SOCIAL DEVELOPMENT

(From Grover W. Ensley, executive vice president, National Association of Mutual Savings Banks)

The following material has been arranged in conformity with the outline of the working paper provided by the International Cooperation Administration Cooperative Review Committee for the guidance of nongovernmental organizations.

According to the types of cooperatives included within the broad definition provided by the Review Committee, mutual savings banks fall within the category—C. Services and Welfare.

Mutual savings banks are organized to proved thrift facilities for the mutual benefits of those who save. The major portion of the assets of the mutual savings banks of the United States is in mortgages (nearly 70 percent). Their establishment in underdeveloped countries could be expected to provide similar mortgage funds, thus mutual savings banks can also be considered under the broad definition of self-help credit facilities for housing.

A. BACKGROUND

Mutual savings banks have functioned successfully since 1810, fulfilling a role in the socioeconomic development process of the countries in which they now operate. They have helped individuals, most of them of small means, to gain a measure of financial security in an economic environment subject to many fluctuations. No longer dependent on private or public charity or assistance during periods of unemployment, sickness or other financial emergencies, those who have saved in mutual savings banks have experienced financial independence and personal freedom—ingredients essential to the full development of the democratic process. Since their deposits in mutual savings banks have been invested in long-term productive enterprises, both by private corporations and governmental organizations, depositors in mutual savings banks have had a stake in the economic progress in their community and Nation.

II. (d) Through their State and National organizations mutual savings banks in the United States have developed programs and services to strengthen the savings banking system and to extend it to other areas of the United States. In particular, they have supported the introduction of legislation providing for Federal chartering of mutual savings banks; they have assisted citizens of Anchorage, Alaska, in the formation of the Alaskan Mutual Savings Bank which expects to begin operation in the fall of 1961; through the facilities of the National Association of Mutual Savings Banks, they have recently organized a central industry fund, one purpose of which is to provide assistance in the establishment of new mutual savings banks; and NAMSB is a member of the International Thrift Institute—a service and educational organization promoting savings banking throughout the world.

III. Before a mutual savings bank can be established in the United States or for that matter in foreign countries, enabling legislation to provide for chartering must be enacted. Attached is a model bill developed by the national association for guidance in State chartering legislation, attached also

is a proposed bill providing for Federal chartering.

The second step in establishing a mutual savings bank is the formation of a group of individuals willing to act as incorporators and to contribute to a guarantee fund. The incorporators would then elect a board of trustees which in turn would be charged with the responsibility for managing the affairs of the new bank. Contributors to the initial guarantee fund would be repaid as the bank's earnings permitted, usually at a rate no higher than that paid to depositors. Members of the board would be prohibited by law and the tradition of trusteeship from profiting personally from any of the bank's operations. As vacancies occur on the board, new members would be elected. The supervision of the new bank would be under State and/or Federal authority and, as in the case of the United States, some type of deposit insurance would be required.

IV. The attached model legislations for either State or Federal chartering could serve as the starting point for the development of legislation in new countries appropriate to that country's needs and customs. The national association is interested in any effort to establish new savings banks. To this end it is ready to send savings bankers to the areas in which new savings banks are contemplated, where they may provide technical assistance in setting up operating procedures, developing investment programs, and in planning thrift promotion efforts. It is possible that the national association could even provide some modest form of financial assistance, calling upon its recently organized central industry fund.

V. Local government officials can play a major role in support of enabling legislation as well as serving as incorporators and/or members of the board of trustees. Interest on the part of these officials can be achieved by indicating the broad objectives and functions of mutual savings banks, to wit: stimulating those of small means to set aside a portion of their income for future personal needs, thus helping to build financially independent citizens; and providing funds for home mortgage loans. As indicated in the attached reprint, a major problem of the under-developed nations is the shortage of capital to finance housing and essential government services and to assist in the development of natural resources and the establishment of industries. Another is the rising number of people who, for the first time, are dependent on wages for their subsistence. These wage earners present a particularly urgent problem. They must be housed; they must be provided with some facility, private and/or public, to help them weather periods of unemployment, sickness and old age; and they must be helped to develop skills in managing their own finances. It is apparent that mutual savings banking as it is now practiced in the United States and 33 other countries of the world, provides the answer to these interrelated problems.

VI. The major problems which may be encountered in the development of mutual savings banks in the less developed countries appear to be:

1. The difficulty in obtaining the necessary initial guaranty fund.

2. Inadequate skilled and professional staff.

B. U.S. foreign aid in development and functioning of cooperative institutions such as mutual savings banks could take the form of helping to solve the two major problems as cited above. Contributions to the initial guaranty fund could come from a number of sources, including perhaps the Inter-American Development Bank. As suggested earlier, some of the guaranty fund for a new mutual savings bank might be contributed by Central Industry Fund, and, of course, there may be savings bankers who as individuals would be interested in contributing to the guaranty fund. Alternatively, the local government may consider savings banks sufficiently important to provide some form of underwriting.

When mutual savings banks were first organized, those who had incorporated the banks and provided the initial guaranty fund frequently served without pay as the officers of the banks. These individuals were educated and relatively sophisticated in the management of funds. Today, mutual savings banks are managed by skilled and professional personnel. Recognizing that such personnel are practically nonexistent in some of the underdeveloped countries, a vigorous educational program to train bank employees and officers should be undertaken. The National Association of Mutual Savings Banks and its member banks have cooperated in the past with ICA's bank training program. The savings banks stand ready to increase their participation in training and exchange programs. In addition, savings bankers, as stated earlier, are willing to travel to communities seeking to establish a savings bank where they could assist in setting up operating procedures and training programs.

CONCLUSION

By establishing mutual savings banks, assistance would be given to the newly emergent countries striving for rapid financial and economic progress. Mutual savings banks can also function as one of the tools for achieving a wider distribution of economic power. The establishment of mutual savings banks would give adequate recognition to the role of the private sector in economic development.

Savings banking as it has operated for 150 years has demonstrated its ability to promote savings and to invest these savings in production enterprises for the economic growth of the nations in which they have functioned. They have promoted thrift, first by providing facilities for savings. They have also promoted thrift by rewarding savers, and making savings readily available to the depositor. They have contributed to economic growth by channeling the voluntary savings of millions of individuals of modest income into productive, long-term investments. To expand and modernize productive capacity and upgrade general levels of living, capital formation is essential. This can be achieved with price stability only through a steady rise in personal savings. The existence of savings banks would materially assist the encouragement of voluntary savings by individuals and thus provide noninflationary funds for long-term investment. The NAMSB is eager to cooperate in any efforts, public or private, to establish new mutual savings banks abroad.

MEMORANDUM TO INTERNATIONAL COOPERATION ADMINISTRATION REGARDING REQUEST FOR INFORMATION ON MUTUAL SAVINGS BANKS FOR USE BY THE ICA COOPERATION REVIEW GROUP

(From Grover W. Ensley, executive vice president, National Association of Mutual Savings Banks)

I. INTRODUCTION

Mutual savings banks now exist in 34 countries of the world. While there are differences in the scope of their operations and degree of government supervision and support, their broad structure, objectives, and economic functions are remarkably similar. Basically, mutual savings banks are what their name implies—"mutual" in that the earnings from their operations are shared only by those who make the earnings possible—the depositors, that is—there being no stockholders to claim a portion of the banks' earnings; "savings" in that their prime function is to promote thrift among all ages and all income levels, thus serving as a prime facility for both stimulating savings and moving them into the capital market; and, finally, "banks" in that savings are deposited with the bank, thereby becoming liabilities of the bank owed to the depositor.

While mutual savings banks do not fall within the strictest definition of a cooperative since depositors do not select trustees of the institution, these banks have always functioned effectively as closely supervised, publicly motivated institutions through which individuals can help themselves to a better financial future. In addition, the fact that they are "mutual," assures the sharing of the benefits of their operations among depositors only.

Mutual savings banks are supervised by public authorities and their operations and investment programs are so circumscribed as to provide maximum safety of deposits. In recent years, the housing needs of most of the countries in which mutual savings banks are now located, particularly in the United States, have resulted in a substantial increase in home mortgage loans of mutual savings banks. Here, too, the movement of personal savings into desired economic and social goals gives to mutual savings banks their publicly oriented bias.

These features of mutual savings banks make them institutions which with obvious modifications and necessary changes could be adapted to the economic and social needs of the underdeveloped areas of Asia, Africa, and South and Central America. Two factors are here involved: (1) Many of the citizens of these new nations are wage earners for the first time. They need some savings facility, private or public, to help in developing skill in managing their own finances. They also must be housed. (2) There is a shortage of capital in these nations for financing housing, providing essential government services, developing natural resources, and establishing industries.

A system of mutual savings banks in these countries could stimulate a regular savings program among wage earners and could, at the same time, provide capital for housing and other long-term economic advances.

II. HISTORY

Mutual savings banks were first estabished in the early 19th century in response to the need to provide the rising groups of individuals who were for the first time dependent on wages for their subsistence, with some measure of financial security against unemployment, sickness, and other family emergencies. Quite definitely, these early institutions were seen as agencies for alleviating pressures on public or private charities. The early organizers of the banks were public-spirited citizens, philanthropists, and public officials who undertook to receive deposits in very small amounts, to invest them prudently for the benefit of the depositors, and make them available when needed. The first organizers of the banks not only undertook to manage the funds but contributed to a guaranty fund that would protect depositors until the bank itself could accumulate sufficient reserves from earnings for this purpose.

The first mutual savings bank was organized in 1810, in Scotland. The idea spread rapidly throughout Great Britain and was transplanted to the United States where the first banks were organized in 1816—one in Philadelphia, now the Philadelphia Saving Fund Society, and the other in Boston, The Provident Institution for Savings in the Town of Boston. Thereafter, in the United States and the European countries, many savings banks were formed, all along lines similar to the first ones in Scotland.

III. ORGANIZATION

Once chartering provisions are incorporated into the banking legislation of a State

(in the case of the United States) or by a national government (in the case of the European countries), a body of individuals applies for a charter from the proper governmental agency. As incorporators they contribute to a "guaranty" (i.e., initial reserves) fund to protect deposits until the bank itself can accumulate reserves from its earnings.

The first incorporators choose a board of trustees, which establishes bank policy. These trustees do not share in the profits from the earnings of the bank and tradition and supervisory rulings prevent any self-dealing on the part of the members of these boards in their management of the banks' operations and its investments.

IV. RELATIONS TO DEPOSITORS

Mutual savings banks are organized to accommodate the thrift needs of individuals. As banks of deposit, they accept sums of money from individuals who may withdraw them without delay.

The names of some of the mutual savings banks in the United States suggest the groups of individuals they were trying to serve and the small amounts of money they were willing to accept as deposits—Dime Savings Bank, Farmers & Mechanics Savings Bank, Boston Five Cents Savings Bank, Emigrant Industrial Savings Bank, and Seamen's Bank for Savings.

Since they are mutual institutions, without stockholders, all benefits of the operations accrue to depositors. The trustees may not benefit personally from any of the bank's operations. The earnings realized on savings bank investments are distributed in the following manner: A portion of each year's earnings is retained and added to a reserve fund. This fund protects the depositor against any possible losses on investments. Earnings, also of course, pay operating expenses. The remaining earnings are distributed to depositors in the form of interest credited to their accounts at regular periods.

The consistent record of interest payment to depositors in mutual savings banks is unequaled by any other type of organization. In 1960, interest paid to savings bank depositors totaled $1.2 billion.

The ability of mutual savings banks to stimulate thrift among the indviduals in their communities is directly related to the three cardinal bases on which they operate—(1) safety, provided by prudent management of the bank by highly respected community leaders and by the reserve funds accumulated slowly from earnings; (2) ready availability of deposits, made possible by their reserve funds, their cash positions, and their holdings of short-term Government securities; and (3) maximum returns, consistent with safety and availability, made possible by the nature of their investments.

V. INVESTMENTS

Diversity and flexibility have always characterized the investment programs of mutual savings banks, with the major emphasis, however, being placed on mortgage loans. At present, mortgages account for two-thirds of the total assets of mutual savings banks. Thus, more than $26 billion is invested in mortgages, principally on individual homes.

U.S. Government securities also have been dominant investment outlets for deposits in mutual savings banks. These securities are purchased to provide maximum safety and ready cash. U.S. Government securities currently represent 15.2 percent of total assets.

The remaining assets are divided among corporate securities—the types and amount of which are carefully regulated by State banking officials—and State and municipal securities.

VI. SAVINGS BANKS IN FOREIGN COUNTRIES

Savings banks exist in 33 foreign countries in the world. There follows a discussion of some of these foreign thrift facilities.

Argentina: National Post Office Savings Bank, with 4,354 branches plus 15,531 branch offices in schools. Organized by the Government in 1915; all deposits insured by the Government.

Australia: 5 savings banks, with 776 branch offices. Four trustee savings banks, similar to U.S. mutual savings banks, plus the Commonwealth Savings Bank, operated by the Government since 1912.

Austria: 175 savings banks, with 265 branches, plus the Post Office Savings Bank operated by the Government, with 2,226 agencies.

Belgium: The General Bank for Savings and Pensions (operated by the Government), plus 2 municipal and 27 private savings banks. In 1918, the Bank for the Belgian Congo created a savings department.

Canada: 2 local savings banks with 31 branches; 2 provincial Government savings banks with 69 branches; post office savings bank, with 1,497 branch offices; the "Caisses populaires Desjardins," with 1,139 member banks.

Colombia: Three savings banks held more than one-third of the nation's savings.

Denmark: 482 savings banks plus 486 branches.

Finland: 390 savings banks plus 567 branches.

France: 585 savings banks with 3,200 branches; Post Office Savings Bank with 14,651 branch offices.

West Germany: 866 savings banks with 11,093 branch offices; plus 5 postal savings bank offices.

Great Britain: 210 savings banks plus 1,000 branch offices. Also postal savings in 19,000 branch offices.

Italy: 89 savings banks with 2,519 branch offices. Also Post Office Savings Bank.

Japan: Post Office Savings Bank, with 15,265 agencies. Also 81 commercial banks have savings departments.

Luxembourg: State Savings Bank with 50 branches.

Mexico: Five savings banks.

Netherlands: 279 savings banks with 246 branches. Also Post Office Savings Bank with 2,030 offices.

New Zealand: 5 local savings banks with 34 branches; Post Office Savings Bank with 973 offices.

Norway: 600 savings banks, plus 254 branches which hold more than half of Norwegian savings, plus a Post Office Savings Bank which plays a minor role in savings.

Portugal: 21 savings banks with 82 branches; Post Savings, with 703 offices.

Saar: 13 savings banks with 204 branches.

Spain: 80 local savings banks with 1,347 branch offices. Also postal savings.

Sweden: 434 ordinary savings banks with 1,100 branches; also postal savings.

Switzerland: 72 cooperative savings banks; 26 municipal savings banks; 1 state savings bank; 19 other savings banks; plus 246 branches.

Turkey: Only savings bank is the Istanbul Savings Bank, which has eight branches.

Uruguay: National Post Office Savings Bank with 124 branch offices.

Savings facilities also exist in Brazil and Thailand though we do not at this time have very accurate or detailed information about them. While the promotion of savings is apparent in almost all of the countries of the Western World, the continent of South America, including Central America, is an exception. The few savings facilities in the Latin American nations generally are restricted to postal savings accounts.

While the mutual savings banks of the United States have not yet made any direct contributions to the establishment of savings banks in foreign countries, they stand ready to do so. In the first place, the National Association of Mutual Savings Banks, which represents the savings banks of the United States at the national level, is a member of the International Thrift Institute. The object of this institute is "the promotion of thrift throughout the world by the cooperation of all savings banks." The institute serves as a center of information and service for savings banks throughout the world and through its information and education programs seeks to extend and improve savings banking throughout the world. The headquarters of the institute is at Singel 542, Amsterdam, the Netherlands, and Mr. M. H. Verrijn Stuart is managing director.

In the second place, the national association has recently organized a central industry fund for the purpose of extending and strengthening the mutual savings banking industry. Mutual savings banks can become members of the fund by responding voluntarily to the membership pledges requested from time to time by the corporation. One significant use of the fund would be to provide assistance in the formation of new savings banks. It is contemplated that the fund will have its first opportunity to realize its aims by assisting the incorporators of the Alaskan Mutual Savings Bank of Anchorage. It is conceivable that, as the fund develops, some of its resources could be used to assist in the establishment of savings banks in new areas of the Western World.

In addition, individual savings bankers have expressed their willingness to provide technical assistance to newly established banks.

VII. CONCLUSIONS

The inclusion of savings banks in the newly emergent nations of the world would be valuable for several reasons:

1. They would be able to provide long-term capital for investment in such needed developments as new and improved housing and other capital facilities.

2. They would serve to educate the people not only in the values of thrift and saving but also in more general areas of economics. Education in this field is one of the more-needed branches of technical assistance in many parts of the world; and "learning by doing" would make the means almost as valuable as the end.

3. The concept of mutuality as developed in savings banks throughout the United States and Europe is one that should have a strong appeal to people in recently liberated countries. In the ideological battle between communism and freedom, it is important to show that people of a community can work together for the common good as individuals rather than as part of an impersonal government operation.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 336. An act to make available to children who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities and to make available to individuals suffering speech and hearing impairments the specially trained speech pathologists and audiologists needed to help them overcome their handicaps; and

S. 1292. An act to amend the act of June 19, 1948, relating to the workweek of the

Fire Department of the District of Columbia, and for other purposes.

The message also announced that the House insisted upon its amendments to the bill (S. 739) to amend the Civil Service Retirement Act, as amended, with respect to the method of computing interest earnings of special Treasury issues held by the civil service retirement and disability fund, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MURRAY, Mr. MORRISON, and Mr. CORBETT were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H.R. 5490) to provide for more effective participation in the Reserve components of the Armed Forces, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 8666) to provide for the improvement and strengthening of the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HAYS, Mr. FARBSTEIN, Mr. MONAGAN, Mr. ADAIR, and Mr. SEELY-BROWN were appointed managers on the part of the House at the conference.

AID TO SCHOOLS IN FEDERALLY IMPACTED AREAS

The Senate resumed the consideration of the bill (S. 2393) to extend for 1 year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas and to provide for the application of such laws to American Samoa.

Mr. MCNAMARA. Mr. President, I had reached a point in my presentation at which I had made reference to what our school buildings need. I ask that a statement I have prepared in this connection be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. HICKEY in the chair). Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WHAT ARE OUR SCHOOL BUILDING NEEDS?

It is common knowledge that there is a grave shortage of school buildings in the United States. In many communities, the average size of classes is ranging far above the desirable maximum of 25 pupils. Forty or more pupils in one room is not unsual. Some schools have had to resort to double sessions, a plan which requires half the children to attend school only in the morning, and the other half to attend only in the afternoon. School basements and school libraries have often been converted into makeshift classrooms. Buildings which should be retired are still in use. These are the ways the shortage makes itself felt.

REASONS FOR THE SHORTAGE

There are many reasons for the shortage, some well known, some little understood. For about 18 years, from 1930 to 1948, hardly any schools were constructed. During the depression of the thirties, credit was restricted and interest rates were high. In those times of almost universal belt tightening, the public often would refuse to support bond issues for new schools. The expenditure for school construction throughout the Nation in 1934 was less than one-sixth of what it had been in 1930. Government relief measures were inadequate to meet the need.

In 1941 conditions began to improve, but World War II forced the Government to place restrictions on building materials, and much less was spent on school construction than during the worst years of the depression. In 1944, the low year, only $54 million were spent for building schools throughout the whole United States. Until 1948 less was spent each year on school construction than had been spent in 1930. The Korean war further delayed construction, but expenditures for new schools have mounted steadily since 1944. In 1954, only a decade later, a total of more than $2 billion was spent in this Nation for new schools, but still the shortage continued.

Like "Alice in Wonderland," the people of the United States found that as far as the shortage of classrooms was concerned, they had to run faster and faster in order to stand still. The reason was the great rise in the birthrate during and after World War II. Between 1930 and 1939, an average of 2,437,400 babies were born each year in the United States. Between 1940 and 1949, the figure was 3,166,600, and between 1950 and 1954, it was 3,882,000. An estimated total of 4,091,000 children were born in the United States in 1955.

More than the high birthrate contributed to the shortage of school buildings. Not only are there more children in the Nation at present, but a higher percentage of them go to school than in the past, and they remain in school longer. This is a sign of great social progress—something to cheer, not to mourn—but it does require additional school buildings. State legislation steadily extends the age of compulsory school attendance, and laws barring child labor grow more strict. Every State now requires that a child attend school through the age of 16; four of these keep children in the classroom through the age of 17; and five more States, through the age of 18. All States require school attendance by children 8 years old, and 37 States demand that children begin school at the age of 7. Five set the beginning age at 6.

The long-range view of increasing school attendance is extraordinary. In the past 80 years, the population of the United States has more than tripled, but high school enrollments have been multiplied by about 75. Obviously, high school buildings should have been multiplied by about 75 during the same period, but partly because of the 18-year school building vacation caused by depression and war, this did not occur. There never have been enough school buildings in this or any other nation to enable all children to go to school. America simply has not had time to build up to its ideals. The low birthrate which prevailed during the depression has saved the high schools from being overcrowded during recent years, but soon the secondary schools will be besieged by new pupils, as the elementary schools are now. The shortage of school buildings essentially is a reflection of the fact that universal education is more than a law or an ideal. It is something which must be built, which this Nation has agreed to build, but which it has not completely built yet.

The fact that change is constant in this Nation contributes further to the shortage of school buildings. People move much more than they used to. Drawn by new industries begun during the war and by less calculable forces, countless families have left their home States during the past decade. The result has been far more drastic shortages of classrooms in some regions than the increase in the national birthrate would indicate, and empty classrooms in others. From 1940 to 1950 the population of the United States increased 14.5 percent, but the three Pacific States as a group had a population growth of 48.8 percent. Four States offered a net loss in population during the same period.

Such population shifts often create problems in the deserted region as well as in the place to which families move. Fewer people remain behind to pay off bonded debt on schools which have already been built but are not yet paid for.

Another kind of population shift which creates problems is that from the city to the suburbs. Many large cities have empty classrooms in spite of an acute shortage of school space all around them. A surplus of classrooms in one place cannot be applied against a deficit in another.

NEW DUTIES OF SCHOOLS

Another big reason for the shortage of school buildings is the great expansion of school duties described in the section on "What Should Our Schools Accomplish?" This is another aspect of the American people's need to build up to their ideals. Nearly every time new courses of instruction are added, more room is needed in the school building. The big change from schools concerned mostly with teaching the fundamental skills of the intellect to schools attempting to offer vocational education, college preparation, and all else in the modern high school catalog, almost automatically outmoded existing school plants. As has been pointed out in the section on organization, bigger schools were needed to make practical the bigger, more highly specialized faculties and to make maximum use of elaborate equipment. The one-room schoolhouse, and even the two- and three-room schoolhouse, became as old fashioned as the wooden plow.

There is one more big reason for the great demand for new schools: Americans want a better quality of school building than ever before, just as they are demanding homes and automobiles and almost everything else of better quality. The standard of living is up, and schools are not to be left behind. It is easy to say that the ideal school is Mark Hopkins at one end of a log and the pupil at the other, but most Americans want their children in well-heated, well-ventilated, fireproof quarters, with the best lighting obtainable for young eyes. They want separate classrooms for each grade, and they do not want the classes too large. They want auditoriums for school plays, lunchrooms where children can eat, and gymnasiums for basketball games. They want school buildings to be handsome both inside and out. They want at least 5 acres of lawn, parking space, and playgrounds to surround each elementary school, and 10 acres for each high school. In short, the American people are not inclined to stint themselves when it comes to building schools.

This has been proved time and again by boards of education and citizen committees working with school architects in all parts of the Nation. It is easier to get a bond issue passed for a good school than for a poor one. The school building apparently has become the chief public expression of American concern for children. Often the school is the finest building for miles around, a center of community pride as well as community activities. One of the great reasons

why new schools are demanded is that there is so much new hope and new energy in America. Much of this new hope and energy is built or kindled by schools themselves. It is not unnatural that the success of the American system of education is one of the causes of the need for more educational facilities. If Americans believe strongly in the advantages of education, they must believe equally strongly in providing the facilities where education can take place.

THE EXTENT OF THE SHORTAGE

There is a great deal of conflicting information on the size of the Nation's classroom shortage. Although the range of these estimated needs is wide, there is one common factor which runs through all of them: the shortage is immense.

The task of compiling figures to show the Nation's total building need would appear at first to be a simple one: ask each school district what is needed, total it for each State, and add all State totals. Then subtract the number of classrooms being built, count the number of children born but not yet in school, and divide their number by the number of children expected to be in each classroom. Thus a projection of need is born.

Regrettably, this system is not infallible. There is no uniform test of need; it may be one thing in one community and something entirely different in another. There is no national agreement on the number of children of a certain age to be taught in a single classroom, and assigning a low number of pupils to a classroom (which means more classrooms) runs one head-on into the problem of teacher supply. There is no certain way of knowing that a building finished today will not be far from the center of community population in the next several years, and there is no way to know for sure that buildings anticipated for the future will be assured by bond elections which have not yet been called.

Moreover, there are variances in the number of buildings which the States and territories have said they will need. For example, when the U.S. Office of Education obtained results for phase 2 of its school facilities survey, one territory reported that by September 1959, it would need 4,271 classrooms. The same territory reported, in answer to a questionnaire sent out by this committee, that by September 1960—1 year later—its classroom need would be 11,672. This is a difference of 173 percent. One State reported its 1959 need as 28,126 and its 1960 need as 43,530. Still another State said its 1959 need would be 26,698 classrooms, but that in 1960 it would be only 3,490.

These are flagrant examples, to be sure, but they point up the confusion which arises when an attempt is made to survey the total classroom need in this country. Much of the confusion comes from a lack of communication between the school districts and the States, on one hand, and the States and the Federal Government, on the other, compounded by a difference in the definition of terms.

This committee is not persuaded that there is a high value in pinpointing the national building need, so long as it is certain that the need is within a certain range. Building needs are always local, and they can change by alterations in community attitudes toward the school program. The chief purpose of national estimates of school needs is their effect on national legislation.

Nevertheless, this committee attempted to determine, from the chief State school officers, an estimate of the total national building need. One purpose of this survey was to determine whether the States and territories are keeping up with their building need, getting ahead of it, or losing ground. Simultaneously, an attempt was made to determine the existing and projected need for nonpublic school buildings, but the information available on this subject was so fragmentary that it was discarded entirely. The summaries dealt with here are public school need only.

The committee's survey questionnaire went to all States and territories, and was returned by 41. These 41 stated that their total need for classrooms for the 1955–56 school year was 165,693. When projected for all States and territories on the basis of the school enrollment represented by the 41 States and territories, the total classroom need for the entire Nation is 198,625 at present. If the expected enrollment of 1959–60 were enrolled now, the need would be for an estimated 375,000 classrooms. This 1959–60 need will be affected favorably by construction between now and then, and unfavorably by retirement of buildings presently in use and by population shifts away from existing buildings. How much of the 1959–60 need will be met by new construction cannot be known since it is a matter for future determination. The present construction rate, based on figures furnished to this committee, however, is less than 60,000 classrooms per year. If this rate continues or decreases, simple arithmetic shows the need has no chance to be met.

Three-fourths of the present need, or about 150,000 classrooms, is caused by a backlog of shortage; and the other fourth, or 50,000 classrooms, is stated to be due to increased enrollments. Thus the backlog can be expected to diminish very slowly. These are the figures reported to this committee.

Of the 41 States and territories which reported, only 10 said their present building program was gaining on need; 12 said they were holding their own; and 19 said they were losing ground. Thus only 10 out of 41 are eating into their backlog of building requirements, while the remaining States and territories either are managing only to keep up with increased need without affecting backlog or are losing ground to an ever-increasing cumulative need.

Just as forecasts of future need are not strictly calculable, neither is future cost. Construction costs vary from year to year and from one part of the Nation to another. If needed reorganization of school districts can be accomplished quickly, the necessary new classrooms could be built less expensively than they can be built now. Whether school boards stick to their apparent resolve to build classrooms of high quality, with additional facilities such as gymnasiums, cafeterias, and auditoriums, or whether they decide to resort to emergency construction measures will have great effect upon cost. Because so many of these factors are imponderable at the present time—and subject to change from one estimate to the next—this committee has made no attempt to pinpoint the shortage of school buildings in terms of dollars. Responsible people have estimated the sum which should be spent on school buildings by 1960 as everything from $10 billion to $15 billion. These figures are useful mainly to give a rough idea of the extent of the problem, and as a framework for national planning. More precise estimates will have to await additional research, many decisions made at the State and local levels concerning the reorganization of school districts, and the quality of buildings wanted. If the people of this Nation continue to want school buildings of high quality, if resistance to the reorganization of school districts continues in many States, if the birth rate remains high, and if construction costs rise, most estimates of the amount of money needed for new schools will prove to be low.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. McNAMARA. I am happy to yield briefly to the Senator from Montana.

Mr. MANSFIELD. Mr. President, several days ago I wrote a letter to the President of the United States to ask his views on the proposed legislation pending before the Senate at this time. I am now in receipt of a reply, which I should like to read to the Senate for its consideration:

SEPTEMBER 9, 1961.

Hon. MIKE MANSFIELD,
Majority Leader, U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: You have asked my views concerning legislation to extend aid for schools in federally impacted areas and to extend the National Defense Education Act.

As you know, my recommendations to the Congress for legislation to help achieve educational excellence in this country included continuation of the federally impacted area program and extension and strengthening of the National Defense Education Act. I still believe that both of these steps are urgently needed.

An extension of these programs should make it possible for the Congress to make a careful review of their content and costs next year. School aid to federally impacted areas could then be reexamined to update its operation and effect possible economies. Also, the increased demands which are being thrust upon this Nation make it especially important that we give consideration next year to strengthening those provisions of the National Defense Education Act which improve the quality of education in this country.

Therefore in my judgment a 1-year extension of school aid for impacted areas and the National Defense Education Act provide the best assurance that reevaluation of legislation affecting education will take place early next year.

Sincerely yours,

JOHN F. KENNEDY.

I hope, therefore, that what we will be able to do is agree in the Senate to the proposal which was reported by the Committee on Labor and Public Welfare, the proposal which is now pending; and I would express the further hope that to this, on a 1-year basis, would be attached an amendment for the extension of the National Defense Education Act.

I would express the hope also that we would consider, in view of the circumstances, time limitations, and other factors, that at this time these would be the two main items for consideration before the Senate, and that those Senators who have other amendments would seriously consider withdrawing them. This, of course, is something which they and they alone must decide, because it is the privilege of any Senator to offer an amendment to any bill pending in the Senate. But I do make this suggestion, which I hope will be given serious consideration.

Mr. McNAMARA. Mr. President, we are told that the way to meet this classroom shortage is by State and local action.

Contrary to the myth which has general currency, liberal Democrats do favor State and local solutions to problems.

But only if they are capable of solving them, and only if continued delay in solution does not jeopardize the national interest.

In this age of missiles, of electronics, of indeed the problems of man's very survival, I will not offer the patent evidence on the Nation's interest in education.

I only wish to point out one fact.

We have in this session of Congress recognized the mistakes of recent years in our military preparedness programs.

It took a slowly developed crisis in Laos, and a bristling, bomb-testing Khrushchev at Berlin to convince us. We will not enjoy such obvious omens to help us make amends in education.

The attrition taken by an inadequate school system will only become apparent at a far later date, if we are even here to see it. The needs are obvious—can they be met by State and local action?

At the beginning of the 86th Congress the Senate Subcommittee on Education was privileged to take testimony from Dr. Walter Heller, now Chairman of the President's Council of Economic Advisers. Part of his testimony was entitled "The Fiscal Position of State and Local Governments."

Mr. President, in view of recent developments, I ask unanimous consent that the statement be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE FISCAL POSITION OF STATE AND LOCAL GOVERNMENTS

In spite of the foregoing arguments, it is often alleged that State and local governments are in a strong fiscal position to meet the rapidly expanding needs in the field of education. Indeed, it is pointed out that very substantial advances have been made in the levels of teachers' salaries, in the building of schools, and in the aggregate provision for education, without the benefit of Federal aid. This assertion, though true, not only ignores the Federal Government's growing responsibility for supporting schools to achieve national ends, but also fails to take account of the hard fiscal facts of life with which State and local governments are confronted today:

1. They have been under relentless pressures in the postwar period, pressures which have multiplied State-local spending and gross debt almost fourfold and State-local revenues approximately threefold from 1946 to 1958. (See table 3.)

2. State-local spending, taxes, and debt have risen relatively much faster than Federal during this period in spite of Korea and the cold war. Federal expenditures and taxes roughly doubled, while Federal debt rose only 7 percent in the period ending 1958.

3. Unabated upward pressure of spending during the recent recession, combined with flattening out or actual decreases of revenue, have put many State and local governments in severe financial straits: Some (for example, Massachusetts, Michigan, and New York) are incurring deficits this year, and a recent survey by Newsweek magazine indicated that 36 of the 49 States would have to ask their 1959 legislatures to increase tax rates.

TABLE 3.—*Postwar growth of State-local and Federal expenditures, revenues, and debt (selected fiscal years 1946 to current)*

Fiscal year	Expenditures [1] (in billions)		Revenues (in billions)		Gross debt (in billions)	
	State-local [2]	Federal (cash) [3]	State-local [4]	Federal [5]	State-local	Federal
1	2	3	4	5	6	7
1946	$12.3	(6)	$13.4	(6)	$15.9	(6)
1947	(6)	$36.1	(6)	$43.5	(6)	$258.3
1948	18.9	36.5	17.4	45.4	18.7	252.3
1950	25.2	43.1	20.4	40.9	24.1	257.4
1952	27.8	68.0	25.4	68.0	30.1	259.1
1954	33.1	71.9	28.9	71.6	38.9	271.3
1956	39.1	72.6	34.5	77.1	49.2	272.8
1957	43.2	80.0	38.1	82.1	52.7	270.5
1958	[6] 47.0	83.3	[6] 40.7	81.9	[6] 56.0	276.3
1959	-------	[6] 94.1	-------	[6] 80.4	-------	[6] 283.0
INDEX OF POSTWAR GROWTH						
1946	100.0	-------	100.0	-------	100.0	-------
1947	-------	100.0	-------	100.0	-------	100.0
1948	153.7	101.1	129.9	104.4	117.6	97.7
1950	204.9	119.4	152.3	94.0	151.6	99.7
1952	226.0	188.4	189.6	156.3	189.3	100.3
1954	269.1	199.2	215.7	164.6	244.7	105.
1956	317.9	201.1	257.5	177.3	309.4	105.
1957	351.2	221.6	284.3	188.7	331.4	104.
1958	382.1	230.7	303.7	188.3	352.2	107.0
1959	-------	260.7	-------	184.8	-------	109.6

[1] Federal aids are included in both Federal and State-local expenditures.
[2] Excludes expenditures of publicly owned utilities and liquor stores.
[3] These figures are more than the conventional or administrative budget figures in that they include social security, highway, and other trust fund receipts and payments to the public.
[4] Excludes Federal aids; includes taxes, charges and miscellaneous, insurance trust revenue, and excess of receipts over expenditures of publicly owned utilities and liquor stores.
[5] The 1947 State-local figures are not available while 1946 Federal figures are not representative because of the impact of World War II.
[6] Estimated.

Sources: State-local data for 1946–52 from U.S. Department of Commerce, Bureau of the Census, "Historical Statistics on State and Local Government Finances, 1902–53," table 1, pp. 17, 18, and for 1954–57 from "Summary of Governmental Finances." Series G–GF 56 and G–GF 1957. Federal data from U.S. Department of Commerce, Bureau of the Census, "Statistical Abstract of the United States: 1958," table 458, p. 368, and Bureau of the Budget, "1959 Federal Budget, Mid-year Review," pp. 19 and 42.

The explosive postwar resurgence of State-local government is primarily a response to the fourfold pressures of population, prosperity, public works backlogs, and price inflation.

First, the sheer force of numbers—the growth of total population by 40 percent from 1946 to 1965 (projected)—has immensely increased the demand for local government services. Population imbalance intensifies the problem. The expensive age groups are expanding much faster than the productive age groups. From 1946 to 1965, school-age population (ages 5 to 17) is rising by 78 percent, and the 65-and-over age group is rising by 63 percent. But the most productive group in between is rising by only 21 percent. In other words, the schoolage population is increasing almost twice as fast as the total population and 4 times as fast as the 18–64 age group.

Second, prosperity generates more demands for new and improved State-local services than revenues to pay for them. As the average family's disposable income (after taxes) rises from $5,300 in 1956 to $7,100 in 1975 (as estimated by the Committee for Economic Development), people are demanding new services and higher levels of existing services from government. In the 1930's and 1940's, when we were fighting first for economic and then for military survival, only one Government—the National Government—could cope with these national crises. But currently and in the foreseeable future, both the pressure of numbers and the pressure of quality will focus primarily on new and improved State and local services: schools, roads, health, parks, sewer systems, smoke abatement, urban redevelopment, and the like.

Third, these pressures are further compounded by the huge backlog of public construction born of depression and war, combined with vast new demands arising from the flight to the suburbs and deterioration of the core of our metropolitan centers. Various estimates have placed average annual State-local public construction outlays in the second postwar decade at a level nearly double that of the first. Compilations and estimates made by financial analyst Harry L. Severson, based on the pivot year 1956, dramatically established this point, as follows:

Year	Total construction expenditures	School construction expenditures	Percent average is of 1956	
			Total	Schools
1946–55:	*Billions*	*Billions*		
Total	$56.0	$12.3		
Average	5.6	1.2	56	48
1956	10.0	2.5		
1957–66:				
Total	172.5	40.4		
Average	17.2	4.0	172	160

Note that in relation to the 1956 rate of spending, the average annual rate of construction expenditures in general would rise by nearly three-quarters, and the school construction rate by three-fifths.

Fourth, inflation has hit State-local government disproportionately hard. Such governments are heavy buyers in markets for services and products whose prices have risen especially fast. The so-called price deflators—roughly equivalent to price indexes—for various segments of the economy reflect this pressure. Taking 1947 as 100, the preliminary 1958 "deflator" for gross national product as a whole was 133; for Federal purchases of goods and services, 146; for new construction, 150; and for State-local purchases, the highest figure of all, 162. Even between 1954 and 1958, when the consumer price index increased only 8 percent, the price per unit of goods and services purchased by State-local governments rose 16 percent.

Superimposed on rising prices for goods and personal services is the sharply rising cost of money. Interest rates on the huge volume of State and local bonds have risen not only absolutely but relative to other interest rates. As table 4 shows, the yield on high-grade municipal bonds has risen from 2 percent in 1951 to 3.84 percent in December 1958.

Even more revealing is the ratio of municipal to U.S. Government bond yields: In 1951 it was 78 percent; by December 1958 it was 101 percent. In spite of the exemption of State and local bond interest from Federal income taxes, State and local governments now have to pay higher rates on long-term money than the U.S. Treasury. In other words, the market for municipals has become so heavy that the tax exemption privilege has lost much of its effectiveness in holding down State-local interest rates. This implicit Federal subsidy is going more and more to the bondholder and less and less to the hard-pressed school districts and other State-local units.

TABLE 4.—*Percent that interest rates on high-grade municipal bonds are of U.S. Government taxable bonds and on Aaa corporate bonds*

Period	Annual interest rates			Percent that interest rates on high-grade municipal bonds are of—	
	High-grade municipal bonds (Standard and Poor's)	U.S. Government taxable bonds	Aaa corporate bonds (Moody's)	U.S. Government taxable bonds	Aaa corporate bonds
(1)	(2)	(3)	(4)	(5)	(6)
1951	2.00	2.57	2.86	77.8	69.9
1952	2.19	2.68	2.96	81.7	74.0
1953	2.72	2.94	3.20	92.5	85.0
1954	2.37	2.55	2.90	92.9	81.7
1955	2.53	2.84	3.06	89.1	82.7
1956	2.93	3.08	3.36	95.1	87.2
1957	3.60	3.47	3.89	103.7	92.5
1958	3.56	3.43	3.79	103.8	93.9
October	3.94	3.76	4.11	104.8	95.9
November	3.84	3.70	4.09	103.8	93.9
December	3.84	3.80	4.08	101.1	94.1

Source: U.S. 86th Cong., 1st sess., "Bond Yields and Interest Rates," Economic Indicators, January 1959, p. 29.

The impact of these multiple pressures has been cushioned to a considerable extent, first by substantial balances built up in State and local treasuries during the war, and then by revenues flowing from rapid economic growth during the period 1948 to 1957. But the 1958 recession drove home how razor-thin the State fiscal margin has been. State-local expenditures continued their uninterrupted rise from an annual rate of $38.6 billion in the first half of 1957 (as shown in the national income account) to $43.4 billion in the second half of 1958, a 12-percent increase. But tax revenues rose much less rapidly from $33.4 billion to $36.3 billion, a rise of only 9 percent.

The foregoing is not to say that State and local units should relax for a moment their efforts to adjust their administrative structures and revenue systems to provide more adequate support for governmental services. In fact, the problem cannot be solved by action at one level of government alone—it must be a concerted attack at all levels of government.

What, then, can be done at the State-local level? First, every effort must be made to collect taxes already on the books, both fully and equitably. For example, only one-third of the 31 income tax States have adopted withholding—this, in spite of the fact that in the States which have adopted it, withholding has increased collections materially (in several States, from 5 to 10 percent) without any increase in tax rates. In the property tax field, it is high time that efforts were mobilized to raise average levels of assessment from 15, 20, and 25 percent to the levels well above 50 percent which leading States have achieved, at the same time removing the inequities in valuation which serve as a barrier to full use of the property tax. We are all painfully aware from our own property tax bills that this source is already doing yeoman service in the interest of school financing (producing 99 percent of all local school district taxes), and that the main task should now fall to other sources of revenue at the State and National levels. But efforts for greater equity and higher assessed valuations should be unremitting.

Apart from improved administration, every source of State revenue must be closely examined for possible additional contributions to schools and other governmental functions. One can readily find States that have done a courageous fiscal job in this respect. Several States of widely differing characteristics draw nearly half of their State tax revenues from the income tax although the 49 States as a whole draw only about one-sixth of their taxes from this source. Similar comparisons can be made for the sales tax. When speaking of possible additional State and local tax potential, we should consider (without any necessary policy implications) that only 31 States have a personal income tax, only 35 have a sales tax, and only 19 have both. Also, we may note that State cigarette taxes range from 2 cents to 8 cents a pack, and beer taxes from 50 cents to $13 a barrel.

Moving from such specific avenues of inquiry to the more general question of whether State-local efforts to support public education are adequate, taxpayers and legislators in each State should ask themselves several questions in the course of deciding how much additional financing should be provided at the State-local level and how much of the job logically falls within the Federal Government's province.

First, is a large enough percentage of the State's personal income being devoted to schools? Second, is the deficiency, if there is one, due to too little overall tax effort? Third, is the State making a sufficient allocation of its total tax dollar to schools, or are its schools getting less than their fair proportion of the total tax dollar? Fourth, is school financing in any given State too heavily dependent on local tax sources, particularly on the property tax or too heavily dependent on State tax sources? Fifth, where one finds an adequate total taxing effort (in terms of school expenditures as a percent of the State's personal income) and yet finds teachers' salaries far below average, can this be attributed to poor organization, in particular to an excessive number of administrative units?

The foregoing process of self-appraisal will surely bring to light many State and local jurisdictions whose fiscal effort on behalf of schools is below par and should be stepped up. Yet, as noted earlier, the States and localities labor under substantial fiscal handicaps. Limited tax jurisdiction, fears of interstate migration and competition, and sharply focused interest-group pressures characterize all States. By and large, State and local governments rely chiefly on property and consumption taxes which are more regressive and repressive than Federal taxes. In addition, the level of per capita income in our poorest States is only one-third to one-half that of the richest States. Under these circumstances, some States already find themselves near the end of their fiscal rope, and many if not most others, will be hard pressed to raise the revenues needed to close the gap between expanding State-local services and the natural growth in State-local revenues.

The demonstrated pressures on, and limitation of, State-local tax sources intensify the need for Federal support. Exclusive reliance on State and local taxation to do the job simply means that it will not be done. Unless a program of Federal support is adopted, the National Government will, in effect, be asking the States and localities to assume educational costs which (a) they should not be asked to assume because they are spent in furtherance of the Federal Government's programs and responsibilities, and (b) they cannot be asked to assume in full because of limitations on their taxable capacity.

Mr. MCNAMARA. The best confirmation of Dr. Heller's data can be found in the classroom shortage chart which I have inserted in the RECORD.

Only Federal assistance can meet these shortages with both the speed and magnitude necessary.

I sometimes wonder if we are aware of what our present society would be like without the efforts of the Federal Government.

Our ability to move from coast to coast, by air, auto, truck, or train, is largely the result of Federal action.

By land grants, construction grants, mail subsidies, and other efforts, we either built or maintained these great systems of transport.

Our ability to provide hospital space in every State in the Union can be traced to the Hill-Burton Act.

The aged, widows, and dependents and the handicapped are able to live in the reaches of dignity because of the social security programs.

The involuntary unemployed need not suffer the indignities of poverty because of our Federal unemployment insurance system.

So that the full sweep of Government partnership in our efforts to progress can be realized, I would like to insert in

the RECORD data outlining Federal financial effort in the 50 States.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the Federal grants to each State.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Total Federal grants-in-aid to State and local agencies and to individuals, plus specific amount granted for selected purposes—fiscal year ending June 30, 1959

ALABAMA

Total grants:	
Total grants-in-aid to State and local agencies (62)	$131,529,385
Total Federal grants to individuals (93)	81,213,106
Grand total for State and local agencies and to individuals (94)	212,742,491
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	33,257,392
2. Agricultural conservation (63)	5,752,696
3. Agricultural experimentation (1)	82,541
4. Agricultural extension work (2)	1,872,575
Subtotal of No. 1 through 4	41,705,204
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	3,134,844
2. Value of commodities donated (9)	2,270,059
3. State and private forestry cooperation (7)	384,903
4. Cooperative projects in marketing (6)	45,503
5. Watershed protection and flood prevention (8)	198,420
Subtotal of No. 1 through 5	6,033,729
Total to farmers (No. 1 through 4) and agricultural miscellaneous (No. 1 through 5)	47,738,933
Highways and airports:	
1. Federal highways (trust fund) (12)	41,583,312
2. Other road construction projects (13)	22,947
Subtotal of No. 1 and 2	41,606,259
3. Federal airport program (57)	950,591
Total of No. 1 through 3	42,556,850
Health and hospitals:	
1. Hospital construction (33)	4,072,592
2. Public health services (26 through 32)	809,356
Total of No. 1 and 2	4,881,948

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

ALABAMA

Amounts granted for some selected purposes:	
Welfare:	
1. Old-age assistance	$37,372,070
2. Aid to dependent children (42)	5,906,306
3. Disabled (43)	3,706,414
	489,234
5 Vocational rehabilitation (45)	1,452,307
Total of No. 1 through 5	48,926,331
Unemployment:	
1. Unemployment compensation and employment service administration (51)	3,952,689
2. Veterans, Federal and temporary employees (86, 87)	11,217,853
Subtotal of No. 1 and 2	15,170,542
3. Veterans' readjustment benefits (92)	16,897,926
Total of No. 1 through 3	32,068,468
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	2,644,060
2. Land-grant colleges (20)	100,541
Total of No. 1 and 2	2,744,601
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	4,871,415
2. Waste treatment (34)	816,090
Total of No. 1 and 2	5,687,505
Schools:	
1. School construction (Public Law 815) (22)	1,578,114
2. Maintenance and operation (Public Law 874) (23)	3,076,487
3. Vocational education (21)	990,257
4. National Defense Education Act (25)	1,710,314
Subtotal of No. 1 through 4	7,355,172
5. School lunch and milk program (3, 10)	5,312,426
Total of No. 1 through 5	12,667,598
Fiscal 1959:	
State tax revenue	[1] 246,649,000
Total Federal grants-in-aid (equivalent to 86.3 percent of State tax revenue)	212,742,491

ALASKA

Total grants:	
Total grants-in-aid to State and local agencies (62)	36,530,044

Total Federal grants-in-aid, etc.—Continued

ALASKA

Total grants:	
Total Federal grants to individuals (93)	$6,641,177
Grand total for State and local agencies and to individuals (94)	43,171,221
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	
2. Agricultural conservation (63)	47,350
3. Agricultural experimentation (1)	204,093
4. Agricultural extension work (2)	105,493
Subtotal of Nos. 1 through 4	356,936
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	68,418
2. Value of commodities donated (9)	49,544
3. State and private Forestry cooperation (7)	
4. Cooperative projects in marketing (6)	23,814
5. Water shed protection and flood prevention (8)	
Subtotal of Nos. 1 through 5	141,776
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	498,712
Highways and airports:	
1. Federal highways (trust fund) (12)	13,174,591
2. Other road construction projects (13)	1,838,469
Subtotal of No. 1 and 2	15,013,060
3. Federal airport program (57)	1,686,142
Total of No. 1 through 3	16,699,202
Health and hospitals:	
1. Hospital construction (33)	11,622
2. Public health services (26 through 32)	1,782,936
Total of No. 1 and 2	1,794,558
Welfare:	
1. Old-age assistance (41)	726,115
2. Aid to dependent children (42)	974,852
3. Disabled (43)	
4. Blind persons (44)	51,869
5. Vocational rehabilitation (45)	99,947
Total of No. 1 through 5	1,852,783
Unemployment:	
1. Unemployment compensation and employment service administration (51)	1,178,623

Total Federal grants-in-aid, etc.—Continued

ALASKA

Amounts granted for some selected purposes:	
Unemployment:	
2. Veterans and Federal and temporary employees (86, 87)	$2,325,810
Subtotal of No. 1 and 2	3,504,433
3. Veterans' readjustment benefits (92)	176,006
Total of No. 1 through 3	3,680,439
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	735,863
2. Land-grant colleges (20)	71,283
Total of No. 1 and 2	807,146
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	758,890
2. Waste treatment (34)	
Total of Nos. 1 and 2	758,890
Schools:	
1. School construction (Public Law 815), (22)	961,323
2. Maintenance and operation (Public Law 874), (23)	5,133,304
3. Vocational education (21)	86,520
4. National Defense Education Act (25)	58,650
Subtotal of Nos. 1 through 4	6,239,797
5. School lunch and milk program (3, 10)	93,798
Total of Nos. 1 through 5	6,333,595
Fiscal 1959:	
State tax revenue	[1] 24,045,000
Total Federal grants-in-aid (equivalent to 179.5 percent of State tax revenue)	43,171,221

ARIZONA

Total grants:	
Total grants-in-aid to State and local agencies (62)	70,064,725
Total Federal grants to individuals (93)	18,087,098
Grand total for State and local agencies and to individuals (94)	88,151,823
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	1,995,860
2. Agricultural conservation (63)	2,738,808
3. Agricultural experimentation (1)	366,257
4. Agricultural extension work (2)	329,761
Subtotal of No. 1 through 4	5,430,686

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

ARIZONA

Amounts granted for some selected purposes:	
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	$894,021
2. Value of commodities donated (9)	647,394
3. State and private forestry cooperation (7)	-------
4. Cooperative projects in marketing (6)	12,700
5. Watershed protection and flood prevention (8)	-------
Subtotal of No. 1 through 5	1,554,115
Total to farmers (No. 1 through 4) and agricultural miscellaneous (No. 1 through 5)	6,984,801
Highways and airports:	
1. Federal highways (trust fund) (12)	33,949,774
2. Other road construction projects (13)	2,099,900
Subtotal of No. 1 and 2	36,049,674
3. Federal airport program (57)	589,606
Total of Nos. 1 through 3	36,639,280
Health and hospitals:	
1. Hospital construction (33)	981,688
2. Public health services (26 through 32)	268,261
Total of Nos. 1 through 2	1,249,949
Welfare:	
1. Old-age assistance (41)	6,945,107
2. Aid to dependent children (42)	6,361,425
3. Disabled (43)	-------
4. Blind persons (44)	453,544
5. Vocational rehabilitation (45)	385,411
Subtotal of Nos. 1 and 5	14,145,487
Unemployment:	
1. Unemployment compensation and employment service administration (51)	3,273,809
2. Veteran's and Federal and temporary employees (86, 87)	1,195,254
Total of Nos. 1 through 2	4,469,063
3. Veteran's readjustment benefits (92)	4,550,072
Total of Nos. 1 through 3	9,019,135
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	2,376,680

Total Federal grants-in-aid, etc.—Continued

ARIZONA

Amounts granted for, etc.:	
Colleges and research, etc.:	
2. Land grant colleges (20)	$77,477
Total of Nos. 1 and 2	2,454,157
Municipal aid:	
1. Public housing (56)	386,969
2. Waste treatment (34)	853,775
Total of Nos. 1 and 2	1,240,744
Schools:	
1. School construction (Public Law 815), (22)	2,621,924
2. Maintenance and operation (Public Law 874), (23)	3,157,506
3. Vocational education (21)	205,553
4. National Defense Education Act (25)	18,430
Subtotal of Nos. 1 through 4	6,003,413
5. School lunch and milk program (3, 10)	1,426,384
Total of Nos. 1 through 5	7,429,797
Fiscal 1959:	
State tax revenue	[1] 129,213,000
Total Federal grants-in-aid (equivalent to 68.2 percent of State tax revenue)	88,151,823

ARKANSAS

Total grants:	
Total grants-in-aid to State and local agencies (62)	90,727,047
Total federal grants to individuals (93)	47,891,119
Grand total for State and local agencies and to individuals (94)	138,618,166
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	23,489,659
2. Agricultural conservation (63)	5,211,891
3. Agricultural experimentation (1)	690,017
4. Agricultural extension work (2)	1,565,802
Subtotal of No. 1 through 4	30,957,369
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	4,812,031
2. Value of commodities donated (9)	3,484,575
3. State and private forestry cooperation (7)	317,920
4. Cooperative projects in marketing (6)	29,749
5. Watershed protection and flood prevention (8)	220,387
Subtotal of No. 1 through 5	8,864,662

Total Federal grants-in-aid, etc.—Continued

ARKANSAS

Amounts granted for, etc.	
Total to farmers (No. 1 through 4) and agricultural miscellaneous (No. 1 through 5)	$39,822,031
Highways and airports:	
1. Federal highways (trust fund) (12)	30,397,989
2. Other road construction projects (13)	136,928
Subtotal of Nos. 1 and 2	30,534,917
3. Federal airport program (57)	239,776
Total of Nos. 1 through 3	30,774,693
Health and hospitals:	
1. Hospital construction (33)	2,291,649
2. Public health services (26 through 32)	569,898
Total of Nos. 1 and 2	2,861,547
Welfare:	
1. Old-age assistance (41)	23,791,419
2. Aid to dependent children (42)	4,661,395
3. Disabled (43)	2,411,047
4. Blind persons (44)	949,286
5. Vocational rehabilitation (45)	1,149,758
Total of Nos. 1 through 5	32,962,905
Unemployment:	
1. Unemployment compensation and employment service administration (51)	3,030,736
2. Veterans' and Federal and temporary employees (86, 87)	4,247,155
Subtotal of Nos. 1 and 2	7,277,891
3. Veterans' readjustment benefits (92)	6,290,868
Total of Nos. 1 through 3	13,568,759
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	1,076,400
2. Land grant colleges (20)	89,048
Total of Nos. 1 and 2	1,165,448
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	1,156,471
2. Waste treatment (34)	665,859
Total of No. 1 and 2	1,822,330
Schools:	
1. School construction (Public Law 815), (22)	259,730
2. Maintenance and operation (Public Law 874), (23)	746,984
3. Vocational education (21)	783,606

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

ARKANSAS

Amounts granted for, etc.:	
Schools:	
4. National Defense Education Act (25)	$367,176
Subtotal of No. 1 through 4	2,157,496
5. School lunch and milk program (3, 10)	3,222,124
Total of No. 1 through 5	5,379,620
Fiscal 1959:	
State tax revenue	[1] 149,382,000
Total Federal grants-in-aid (equivalent to 92.8 percent of State tax revenue)	138,618,166

CALIFORNIA

Total grants:	
Total grants-in-aid to State and local agencies (62) [1]	552,684,113
Total Federal grants to individuals (93)	197,836,804
Grand total for State and local agencies and to individuals (94)	750,520,917
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	7,849,801
2. Agricultural conservation (63)	5,374,495
3. Agricultural experimentation (1)	864,157
4. Agricultural extension work (2)	1,325,295
Subtotal of Nos. 1 through 4	15,413,748
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	3,609,531
2. Value of commodities donated (9)	2,613,799
3. State and private forestry cooperation (7)	1,308,886
4. Cooperative projects in marketing (6)	165,753
5. Watershed protection and flood prevention (8)	715,466
Subtotal of Nos. 1 through 5	8,413,435
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	23,827,183
Highways and airports:	
1. Federal highways (trust fund) (12)	189,890,094
2. Other road construction projects (13)	4,518,702
Subtotal of No. 1 and 2	194,408,796
3. Federal airport program (57)	4,319,051
Total of No. 1 through 3	198,727,847

Total Federal grants-in-aid, etc.—Continued

CALIFORNIA

Amounts granted for, etc.:	
Health and hospitals:	
1. Hospital construction (33)	$5,453,565
2. Public health services (26 through 32)	1,905,260
Total of No. 1 and 2	7,358,825
Welfare:	
1. Old-age assistance (41)	127,422,156
2. Aid to dependent children (42)	68,190,657
3. Disabled (43)	4,356,734
4. Blind persons (44)	7,482,439
5. Vocational rehabilitation (45)	2,838,769
Total of No. 1 through 5	220,290,755
Unemployment:	
1. Unemployment compensation and employment service administration (51)	29,890,489
2. Veteran's and Federal and temporary employees (86, 87)	63,726,549
Subtotal of No. 1 and 2	152,779,692
3. Veteran's readjustment benefits (92)	59,162,654
Total of No. 1 through 3	93,617,038
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	29,317,661
2. Land grant colleges (20)	175,599
Total of No. 1 and 2	29,493,260
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	9,707,976
2. Waste treatment (34)	2,249,143
Total of No. 1 and 2	11,957,119
Schools:	
1. School construction (Public Law 815), (22)	13,385,738
2. Maintenance and operation (Public Law 874), (23)	24,857,719
3. Vocational education (21)	2,013,198
4. National Defense Education Act (25)	3,180,840
Subtotal of No. 1 through 4	43,437,495
5. School lunch and milk program (3, 10)	14,145,896
Total of No. 1 through 5	57,583,391
Fiscal 1959:	
State tax revenue	[1] 1,812,567,000
Total Federal grants-in-aid (equivalent to 41.4 percent of State tax revenue)	750,520,917

Total Federal grants-in-aid, etc.—Continued

COLORADO

Total grants:	
Total grants-in-aid to State and local agencies (62)	$99,417,154
Total Federal grants to individuals (93)	37,192,779
Grand total for State and local agencies and to individuals (94)	136,609,933
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	10,448,916
2. Agricultural conservation (63)	3,292,528
3. Agricultural experimentation (1)	485,901
4. Agricultural extension work (2)	533,564
Subtotal of Nos. 1 through 4	14,760,909
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	811,849
2. Value of commodities donated (9)	587,890
3. State and private forestry cooperation (7)	46,112
4. Cooperative projects in marketing (6)	15,882
5. Watershed protection and flood prevention (8)	462,189
Subtotal of Nos. 1 through 5	1,923,922
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	16,684,831
Highways and airports:	
1. Federal highways (trust fund) (12)	37,342,416
2. Other road construction projects (13)	2,051,354
Subtotal of Nos. 1 and 2	39,393,770
3. Federal airport program (57)	803,206
Total of Nos. 1 through 3	40,196,976
Health and hospitals:	
1. Hospital construction (33)	1,047,064
2. Public health services (26 through 32)	336,535
Total of Nos. 1 and 2	1,383,599
Welfare:	
1. Old-age assistance (41)	25,037,752
2. Aid to dependent children (42)	7,220,312
3. Disabled (43)	2,945,819
4. Blind persons (44)	177,322
5. Vocational rehabilitation (45)	324,674
Total of Nos. 1 through 5	35,705,879

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

COLORADO

Amounts granted for, etc.:	
Unemployment:	
1. Unemployment compensation and employment service administration (51)	$2,786,935
2. Veteran's and Federal and temporary employees (86, 87)	1,308,663
Subtotal of Nos. 1 and 2	4,095,598
3. Veteran's readjustment benefits (92)	7,385,207
Total of Nos. 1 through 3	11,480,085
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	4,298,836
2. Land grant colleges (20)	83,218
Total of Nos. 1 and 2	4,382,054
Municipal aid:	
1. Urban planning and public housing (55 and 56)	1,127,135
2. Waste treatment (34)	890,991
Total of Nos. 1 and 2	2,018,126
Schools:	
1. School construction (Public Law 815), (22)	2,747,927
2. Maintenance and operation (Public Law 874), (23)	3,324,256
3. Vocational education (21)	340,562
4. National Defense Education Act (25)	302,753
Subtotal of Nos. 1 through 4	6,715,498
5. School lunch and milk program (3, 10)	1,794,911
Total of Nos. 1 through 5	8,510,409
Fiscal 1959:	
State tax revenue	182,754,000
Total Federal grants-in-aid (equivalent to 74.8 percent of State tax revenue)	136,609,933

CONNECTICUT

Total grants:	
Total grants-in-aid to State and local agencies (62)	63,837,556
Total Federal grants to individuals (93)	23,164,633
Grand total for State and local agencies and to individuals (94)	87,002,189
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	1,811,902
2. Agricultural conservation (63)	412,870
3. Agricultural experimentation (1)	353,712

Total Federal grants-in-aid, etc.—Continued

CONNECTICUT

Amounts granted for, etc.:	
Farmers:	
4. Agricultural extension work (2)	$266,944
Subtotal of Nos. 1 through 4	2,845,428
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	616,397
2. Value of commodities donated (9)	446,357
3. State and private forestry cooperation (7)	83,096
4. Cooperative projects in marketing (6)	13,022
5. Watershed protection and flood prevention (8)	60,954
Subtotal of Nos. 1 through 5	1,219,826
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	4,065,254
Highways and airports:	
1. Federal highways (trust fund) (12)	23,723,942
2. Other road construction projects (13)	366
Subtotal of Nos. 1 and 2	23,724,308
3. Federal airport program (57)	588,878
Total of Nos. 1 through 3	24,313,186
Health and hospitals:	
1. Hospital construction (33)	1,271,844
2. Public health services (26 through 32)	298,851
Total of Nos. 1 and 2	1,570,695
Welfare:	
1. Old-age assistance (41)	7,566,502
2. Aid to dependent children (42)	6,386,344
3. Disabled (43)	1,131,593
4. Blind persons (44)	159,597
5. Vocational rehabilitation (45)	398,611
Total of Nos. 1 through 5	15,642,647
Unemployment:	
1. Unemployment compensation and employment service administration (51)	5,198,976
2. Veterans and Federal and temporary employees (86, 87)	2,029,115
Subtotal of Nos. 1 and 2	7,228,091
3. Veterans' readjustment benefits (92)	5,785,747
Total of Nos. 1 through 3	13,013,838

Total Federal grants-in-aid, etc.—Continued

CONNECTICUT

Amounts granted for, etc.:	
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	$7,597,625
2. Land-grant colleges (20)	90,023
Total of Nos. 1 and 2	7,687,648
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	8,363,579
2. Waste treatment (34)	577,594
Total of Nos. 1 and 2	8,941,173
Schools:	
1. School construction (Public Law 815), (22)	589,986
2. Maintenance and operation (Public Law 874) (23)	1,198,954
3. Vocational education (21)	339,496
4. National Defense Education Act (25)	553,504
Subtotal of Nos. 1 through 4	2,681,890
5. School lunch and milk program (3, 10)	1,855,423
Total of Nos. 1 through 5	4,537,313
Fiscal 1959:	
State tax revenue	[1] 218,723,000
Total Federal grants-in-aid (equivalent to 39.8 percent of State tax revenue)	87,002,189

DELAWARE

Total grants:	
Total grants-in-aid to State and local agencies (62)	14,360,623
Total Federal grants to individuals (93)	7,876,230
Grand total for State and local agencies and to individuals (94)	22,236,853
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	1,529,929
2. Agricultural conservation (63)	404,518
3. Agricultural experimentation (1)	254,146
4. Agricultural extension work (2)	136,179
Subtotal of Nos. 1 through 4	2,324,772
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	111,680
2. Value of commodities donated (9)	80,871
3. State and private forestry cooperation (7)	24,132
4. Cooperative projects in marketing (6)	28,000

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

DELAWARE

Amounts granted for, etc.:	
Agricultural miscellaneous:	
5. Watershed protection and flood prevention (8)	$82,972
Subtotal of Nos. 1 through 5	327,655
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	2,652,427
Highways and airports:	
1. Federal highways (trust fund) (12)	7,846,041
2. Other road construction projects (13)	375
Subtotal of Nos. 1 and 2	7,846,416
3. Federal airport program (57)	
Total of Nos. 1 through 3	7,846,416
Health and hospitals:	
1. Hospital construction (33)	577,934
2. Public health services (26 through 32)	131,358
Total of Nos. 1 and 2	709,292
Welfare:	
1. Old-age assistance (41)	626,474
2. Aid to dependent children (42)	1,359,469
3. Disabled (43)	174,701
4. Blind persons (44)	143,525
5. Vocational rehabilitation (45)	183,479
Total of Nos. 1 through 5	2,487,648
Unemployment:	
1. Unemployment compensation and employment service administration (51)	708,024
2. Veteran's and Federal and temporary employees (86, 87)	1,722,709
Subtotal of Nos. 1 and 2	2,430,733
3. Veterans' readjustment benefits (92)	529,974
Total of Nos. 1 through 3	2,960,707
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	355,851
2. Land-grant colleges (20)	73,173
Total of Nos. 1 and 2	429,024
Municipal aid:	
1. Public housing (56)	246,205
2. Waste treatment (34)	33,391
Total of Nos. 1 and 2	279,566

Total Federal grants-in-aid, etc.—Continued

DELAWARE

Amounts granted for, etc.:	
Schools:	
1. School construction (Public Law 815) (22)	$10,010
2. Maintenance and operation (Public Law 874 (23)	311,429
3. Vocational education (21)	163,207
4. National Defense Education Act (25)	133,484
Subtotal of Nos. 1 through 4	618,130
5. School lunch and milk program (3 10)	372,048
Total of Nos. 1 through 5	990,178
Fiscal 1959:	
State tax revenue	[1] 67,860,000
Total Federal grants-in aid (equivalent to 32.8 percent of State tax revenue)	22,236,853

DISTRICT OF COLUMBIA

Total grants:	
Total grants-in-aid to State and local agencies (62)	56,628,389
Total Federal grants to individuals (93)	28,554,835
Grand total for State and local agencies and to individuals (94)	85,183,224
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)[1]	
2. Agricultural conservation (63)	
3. Agricultural experimentation (1)	
4. Agricultural extension work (2)	
Subtotal of Nos. 1 through 4	
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	546,475
2. Value of commodities donated (9)	395,724
3. State and private forestry cooperation (7)	
4. Cooperative projects in marketing (6)	
5. Watershed protection and flood prevention (8)	
Subtotal of Nos. 1 through 5	942,199
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	942,199
Highways and airports:	
1. Federal highways (trust fund) (12)	10,655,068
2. Other road construction projects (13)	
Subtotal of Nos. 1 and 2	10,655,068

Total Federal grants-in-aid, etc.—Continued

DISTRICT OF COLUMBIA

Amounts granted for, etc.:	
Highways and airports:	
3. Federal airport program (57)	
Total of Nos. 1 through 3	$10,655,068
Health and hospitals:	
1. Hospital construction (33)	399,528
2. Public health services (26 through 32)	238,634
Total of Nos. 1 and 2	638,162
Welfare:	
1. Old-age assistance (41)	1,736,041
2. Aid to dependent children (42)	4,133,073
3. Disabled (43)	1,276,712
4. Blind persons (44)	116,142
5. Vocational rehabilitation (45)	254,543
Total of Nos. 1 through 5	7,516,511
Unemployment:	
1. Unemployment compensation and employment service administration (51)	2,220,079
2. Veterans and Federal and temporary employees (86, 87)	4,605,796
Subtotal of Nos. 1 and 2	6,825,875
3. Veterans readjustment benefits (92)	9,380,463
Total of Nos. 1 through 3	16,206,338
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	10,561,534
2. Land grant colleges (20)	
Total of Nos. 1 and 2	10,561,534
Municipal aid:	
1. Urban renewal and public housing (54, 56)	6,525,638
2. Waste treatment (34)	249,200
Total of No. 1 and 2	6,774,838
Schools:	
1. School construction (Public Law 815) (22)	
2. Maintenance and operation (P.L. 874) (23)	
3. Vocational education (21)	145,070
4. National Defense Education Act (25)	51,379
Subtotal of Nos. 1 through 4	196,449
5. School lunch and milk program (3, 10)	620,196
Total of Nos. 1 through 5	816,645

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

DISTRICT OF COLUMBIA

Fiscal 1959:	
State tax revenue	
Total Federal grants-in-aid (equivalent to percent of State tax revenue)	$85,133,224
FLORIDA	
Total grants:	
Total grants-in-aid to State and local agencies (62)	142,877,595
Total Federal grants to individuals (93)	38,606,732
Grand total for State and local agencies and to individuals (94)	181,484,327
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)[1]	2,974,760
2. Agricultural conservation (63)	2,941,888
3. Agricultural experimentation (1)	461,032
4. Agricultural extension work (2)	595,631
Subtotal of Nos. 1 through 4	6,973,311
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	1,306,027
2. Value of commodities donated (9)	945,743
3. State and private forestry cooperation (7)	681,087
4. Cooperative projects in marketing (6)	66,461
5. Watershed protection and flood prevention (8)	222,147
Subtotal of Nos. 1 through 5	3,221,465
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	10,194,776
Highways and airports:	
1. Federal highways (trust fund) (12)	53,919,439
2. Other road construction projects (13)	52,124
Subtotal of Nos. 1 and 2	53,971,563
3. Federal airport program (57)	2,507,710
Total of Nos. 1 through 3	56,479,273
Health and hospitals:	
1. Hospital construction (33)	3,610,169
2. Public health services (26 through 32)	770,032
Total of Nos. 1 and 2	4,380,201
Welfare:	
1. Old-age assistance (41)	29,888,023
2. Aid to dependent children (42)	15,537,375
3. Disabled (43)	3,522,697
4. Blind persons (44)	1,172,521

Total Federal grants-in-aid, etc.—Continued

FLORIDA

Amounts granted for, etc.:	
Welfare:	
5. Vocational rehabilitation (45)	$1,692,591
Total of Nos. 1 through 5	51,813,207
Unemployment:	
1. Unemployment compensation and employment service administration (51)	5,596,852
2. Veterans and Federal and temporary employees (86, 87)	2,377,798
Subtotal of Nos. 1 and 2	7,974,650
3. Veterans' readjustment benefits (92)	17,919,128
Total of Nos. 1 through 3	25,893,778
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	4,807,425
2. Land-grant colleges (20)	97,644
Total of Nos. 1 and 2	4,905,069
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	2,033,873
2. Waste treatment (34)	838,689
Total of Nos. 1 and 2	2,872,562
Schools	
1. School construction (Public Law 815) (22)	3,790,055
2. Maintenance and operation (Public Law 874 (23)	3,967,290
3. Vocational education (21)	628,510
4. National Defense Education Act (25)	1,385,466
Subtotal of Nos. 1 through 4	9,771,321
5. School lunch and milk program (3,	4,789,491
Total of Nos. 1 through 5	14,560,812
Fiscal 1959:	
State tax revenue	[1] 471,720,000
Total Federal grants-in-aid equivalent to 38.5 percent of State tax revenue	181,484,327
GEORGIA	
Total grants:	
Total grants-in-aid to State and local agencies (62)	154,345,899
Total Federal grants to individuals (93)	78,976,623
Grand total for State and local agencies and to individuals (94)	233,322,522
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)[1]	34,911,673
2. Agricultural conservation (63)	7,624,524

Total Federal grants-in-aid, etc.—Continued

GEORGIA

Amounts granted for, etc.:	
Farmers:	
3. Agricultural experimentation (1)	$892,622
4. Agricultural extension work (2)	2,021,147
Subtotal of Nos. 1 through 4	45,449,966
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	2,358,961
2. Value of commodities donated (9)	1,708,214
3. State and private forestry cooperation (7)	680,257
4. Cooperative projects in marketing (6)	97,153
5. Watershed protection and flood prevention (8)	1,094,231
Subtotal of Nos. 1 through 5	5,938,816
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	51,388,782
Highways and airports:	
1. Federal highways (trust fund) (12)	44,085,121
2. Other road construction projects (13)	94,063
Subtotal of Nos. 1 and 2	44,179,184
3. Federal airport program (57)	2,065,459
Total of Nos. 1 through 3	46,244,643
Health and hospitals:	
1. Hospital construction (33)	3,812,549
2. Public health services (26 through 32)	934,313
Total of Nos. 1 and 2	4,746,862
Welfare:	
1. Old-age assistance (41)	42,004,673
2. Aid to dependent children (42)	13,530,685
3. Disabled (43)	8,133,691
4. Blind persons (44)	1,653,173
5. Vocational rehabilitation (45)	2,290,450
Totals of Nos. 1 through 5	67,612,672
Unemployment:	
1. Unemployment compensation and employment service administration (51)	3,979,232
2. Veterans and Federal employees (86)	2,675,312
Subtotal of Nos 1 and 2	6,654,544
3. Veterans' readjustment benefits (92)	18,553,374
Total of Nos. 1 through 3	25,207,918

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

GEORGIA

Amounts granted for, etc.:	
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	$4,350,159
2. Land-grant colleges (20)	104,360
Total of Nos. 1 and 2	4,454,519
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	6,722,335
2. Waste treatment (34)	313,239
Total of Nos. 1 and 2	7,035,574
Schools:	
1. School construction (Public Law 815) (22)	628,418
2. Maintenance and operation (Public Law 874) (23)	3,693,022
3. Vocational education (21)	1,158,760
4. National Defense Education Act (25)	2,050,303
Subtotal of Nos. 1 through 4	7,530,503
5. School lunch and milk program (3, 10)	5,784,303
Total of Nos. 1 through 5	13,314,806
Fiscal 1959:	
State tax revenue	[1] 337,394,000
Total Federal grants-in-aid equivalent to 69.2 percent of State tax revenue	233,322,522

HAWAII

Total grants:	
Total grants-in-aid to State and local agencies (62)	19,150,462
Total Federal grants to individuals (93)	17,293,886
Grand total for State and local agencies and to individuals (94)	36,444,348
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	
2. Agricultural conservation (63)	201,972
3. Agricultural experimentation (1)	277,235
4. Agricultural extension work (2)	244,359
Subtotal of Nos. 1 through 4	723,566
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	222,623
2. Value of commodities donated (9)	161,209
3. State and private forestry cooperation (7)	29,528
4. Cooperative projects in marketing (6)	20,829

Total Federal grants-in-aid, etc.—Continued

HAWAII

Amounts granted for, etc.:	
Agricultural miscellaneous:	
5. Watershed protection and flood prevention (8)	
Subtotal of Nos. 1 through 5	$434,189
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	1,157,755
Highways and airports:	
1. Federal highways (trust fund) (12)	4,272,750
2. Other road construction projects (13)	
Subtotal of Nos. 1 and 2	4,272,750
3. Federal airport program (57)	254,363
Total of Nos. 1 through 3	4,527,113
Health and hospitals:	
1. Hospital construction (33)	593,799
2. Public health services (26 through 32)	1,198,375
Total of Nos. 1 and 2	1,792,174
Welfare:	
1. Old-age assistance (41)	724,212
2. Aid to dependent children (42)	2,690,773
3. Disabled (43)	568,640
4. Blind persons (44)	50,454
5. Vocational rehabilitation (45)	173,857
Total of Nos. 1 through 5	4,207,936
Unemployment:	
1. Unemployment compensation and employment service administration (51)	857,748
2. Veterans and Federal and temporary employees (86, 87)	730,018
Subtotal of Nos. 1 and 2	1,587,766
3. Veterans' readjustment benefits (92)	1,583,653
Total of Nos. 1 through 3	3,171,419
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	693,532
2. Land-grant colleges (20)	74,986
Total of Nos. 1 and 2	768,518
Municipal aid:	
1. Urban renewal and public housing (55, 56)	465,927

Total Federal grants-in-aid, etc.—Continued

HAWAII

Amounts granted for, etc.:	
Municipal aid:	
2. Waste treatment (34)	$41,055
Total of Nos. 1 and 2	506,982
Schools:	
1. School construction (Public Law 815, (22)	2,044,041
2. Maintenance and operation (Public Law 874), (23)	2,354,720
3. Vocational education (21)	178,651
4. National Defense Education Act (25)	176,860
Subtotal of Nos. 1 through 4	4,754,272
5. School lunch and milk program (3, 10)	903,607
Total of Nos. 1 through 5	5,657,879
Fiscal 1959:	
State tax revenue	[1] 111,485,000
Total Federal grants-in-aid (equivalent to 32.7 percent of State tax revenue)	36,444,348

IDAHO

Total grants:	
Total grants-in-aid to State and local agencies (62)	43,642,954
Total Federal grants to individuals (93)	16,337,673
Grand total for State and local agencies and to individuals (94)	59,980,627
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	2,082,573
2. Agricultural conservation (63)	1,770,505
3. Agriculture experimentation (1)	378,386
4. Agricultural extension work (2)	394,210
Subtotal of Nos. 1 through 4	4,625,674
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	201,812
2. Value of commodities donated (9)	146,140
3. State and private forestry cooperation (7)	269,157
4. Cooperative projects in marketing (6)	10,171
5. Watershed protection and flood prevention (8)	15,857
Subtotal of Nos. 1 through 5	643,137
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	5,268,811

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

IDAHO

Amounts granted for, etc.:	
Highways and airports:	
1. Federal highways (trust fund) (12)	$23,032,145
2. Other road construction projects (13)	2,798,547
Subtotal of Nos. 1 and 2	25,830,692
3. Federal airport program (57)	195,999
Total of Nos. 1 through 3	26,026,691
Health and hospitals:	
1. Hospital construction (33)	503,542
2. Public health services (26 through 32)	189,453
Total of Nos. 1 and 2	692,995
Welfare:	
1. Old-age assistance (41)	4,140,842
2. Aid to dependent children (42)	1,988,056
3. Disabled (43)	555,835
4. Blind persons (44)	101,536
5. Vocational rehabilitation (45)	139,659
Total of Nos. 1 through 5	6,925,928
Unemployment:	
1. Unemployment compensation and employee service administration (51)	3,040,737
2. Veterans and Federal and temporary employees (86, 87)	823,350
Subtotal of Nos. 1 and 2	3,864,087
3. Veterans' readjustment benefits (92)	2,284,618
Total of Nos. 1 through 3	6,148,705
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	179,996
2. Land-grant colleges (20)	75,872
Total of Nos. 1 and 2	255,868
Municipal aid:	
1. Public housing (56)	39,544
2. Waste treatment (34)	567,941
Total of Nos. 1 and 2	607,485
Schools:	
1. School construction (Public Law 815) (22)	689,231
2. Maintenance and operation (Public Law 874) (23)	912,214
3. Vocational education (21)	228,437
4. National Defense Education Act (25)	171,542
Subtotal of Nos. 1 through 4	2,001,424

Total Federal grants-in-aid, etc.—Continued

IDAHO

Amounts granted for, etc.:	
Schools:	
5. School lunch and milk program (3, (10)	$821,600
Total of Nos. 1 through 5	2,823,024
Fiscal 1959:	
State tax revenue	[1] 57,596,000
Total Federal grants-in-aid (equivalent to 104.1 percent of State tax revenue)	59,980,627

ILLINOIS

Total grants:	
Total grants-in-aid to State and local agencies (62)	272,345,874
Total Federal grants to individuals (93)	101,473,153
Grand total for State and local agencies and to individuals (94)	373,819,027
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	32,272,306
2. Agricultural conservation (63)	9,163,232
3. Agricultural experimentation (1)	853,990
4. Agricultural extension work (2)	1,578,104
Subtotal of Nos. 1 through 4	43,867,632
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	3,180,011
2. Value of commodities donated (9)	2,302,766
3. State and private forestry cooperation (7)	136,364
4. Cooperative projects in marketing (6)	61,048
5. Watershed protection and flood prevention (8)	318,669
Subtotal of Nos. 1 through 5	5,998,858
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	49,866,490
Highways and airports:	
1. Federal highways (trust fund) (12)	104,318,466
2. Other road construction projects (13)	----------
Subtotal of Nos. 1 and 2	104,318,466
3. Federal airport program (57)	3,365,225
Total of Nos. 1 through 3	107,683,691
Health and hospitals:	
1. Hospital construction (33)	5,372,898
2. Public health services (26 through 32)	1,489,621
Total of Nos. 1 and 2	6,862,519

Total Federal grants-in-aid, etc.—Continued

ILLINOIS

Amounts granted for, etc.:	
Welfare:	
1. Old-age assistance (41)	$43,800,497
2. Aid to dependent children (42)	38,808,197
3. Disabled (43)	10,232,960
4. Blind persons (44)	1,848,968
5. Vocational rehabilitation (45)	1,919,495
Total of Nos. 1 through 5	96,610,117
Unemployment:	
1. Unemployment compensation and employment service administration (51)	13,325,196
2. Veterans, Federal and temporary employees (86, 87)	6,784,851
Subtotal of Nos. 1 and 2	20,110,047
3. Veterans' readjustment benefits (92)	24,760,379
Total of Nos. 1 through 3	44,870,426
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	15,610,789
2. Land-grant colleges (20)	156,906
Total of Nos. 1 and 2	15,767,695
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	14,565,851
2. Waste treatment (34)	1,654,391
Total of Nos. 1 and 2	16,220,242
Schools:	
1. School construction (Public Law 815) (22)	1,594,022
2. Maintenance and operation (Public Law 874) (23)	2,271,067
3. Vocational education (21)	1,638,313
4. National Defense Education Act (25)	2,392,691
Subtotal of Nos. 1 through 4	7,896,093
5. School lunch and milk program (3, 10)	10,717,022
Total of Nos. 1 through 5	18,613,115
Fiscal 1959:	
State tax revenue	[1] 742,462,000
Total Federal grants-in-aid (equivalent to 50.3 percent of State tax revenue)	373,819,027

INDIANA

Total grants:	
Total grants-in-aid to State and local agencies (62)	97,199,466
Total Federal grants to individuals (93)	89,811,686
Grand total for State and local agencies and to individuals (94)	187,011,152

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

INDIANA

Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	$30,182,696
2. Agricultural conservation (63)	7,074,879
3. Agricultural experimentation (1)	770,824
4. Agricultural extension work (2)	1,286,431
Subtotal of Nos. 1 through 4	39,314,830
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	2,374,470
2. Value of commodities donated (9)	1,719,443
3. State and private forestry cooperation (7)	136,524
4. Cooperative projects in marketing (6)	107,498
5. Watershed protection and flood prevention (8)	106,225
Subtotal of Nos. 1 through 5	4,444,160
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	43,758,990
Highways and airports:	
1. Federal highways (trust fund) (12)	43,339,113
2. Other road construction projects (13)	41,447
Subtotal of Nos. 1 and 2	43,380,560
3. Federal airport program (57)	594,153
Total of Nos. 1 through 3	43,974,713
Health and hospitals:	
1. Hospital construction (33)	2,827,040
2. Public health services (26 through 32)	685,274
Total of Nos. 1 and 2	3,512,314
Welfare:	
1. Old-age assistance (41)	13,525,180
2. Aid to dependent children (42)	10,276,709
3. Disabled (43)	----------
4. Blind persons (44)	1,034,547
5. Vocational rehabilitation (45)	509,552
Total of Nos. 1 through 5	25,345,988
Unemployment:	
1. Unemployment compensation and employment service administration (51)	5,178,801
2. Veterans and Federal and temporary employees (86, 87)	25,954,456
Subtotal of Nos. 1 and 2	31,133,257

Total Federal grants-in-aid, etc.—Continued

INDIANA

Amounts granted for, etc.:	
Unemployment:	
3. Veterans' readjustment benefits (92)	$12,190,656
Total of Nos. 1 through 3	43,323,913
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	5,035,887
2. Land-grant colleges (20)	109,245
Total of Nos. 1 and 2	5,145,132
Municipal aid:	
1. Public housing (56)	817,388
2. Waste treatment (34)	949,190
Total of Nos. 1 and 2	1,766,578
Schools:	
1. School construction (Public Law 815), (22)	966,887
2. Maintenance and operation (Public Law 874), (23)	686,383
3. Vocational education (21)	962,773
4. National Defense Education Act (25)	1,628,077
Subtotal of Nos. 1 through 4	4,244,120
5. School lunch and milk program (3, 10)	4,983,901
Total of Nos. 1 through 5	9,228,021
Fiscal 1959:	
State tax revenue	[1] 379,822,000
Total Federal grants-in-aid (equivalent to 49.2 percent of State tax revenue)	187,011,152

IOWA

Total grants:	
Total grants-in-aid to State and local agencies (62)	110,108,724
Total Federal grants to individuals (93)	70,260,057
Grand total for State and local agencies and to individuals (94)	180,368,781
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	39,884,961
2. Agricultural conservation (63)	7,887,656
3. Agricultural experimentation (1)	818,151
4. Agricultural extension work (2)	1,414,934
Subtotal of Nos. 1 through 4	50,005,702
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	1,695,007
2. Value of commodities donated (9)	1,227,419

Total Federal grants-in-aid, etc.—Continued

IOWA

Amounts granted for, etc.:	
Agricultural miscellaneous:	
3. State and private forestry cooperation (7)	$44,965
4. Cooperative projects in marketing (6)	80,587
5. Watershed protection and flood prevention (8)	1,085,858
Subtotal of Nos. 1 through 5	4,133,836
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	54,139,538
Highways and airports:	
1. Federal highways (trust fund) (12)	59,032,034
2. Other road construction projects (13)	----------
Subtotal of Nos. 1 and 2	59,032,034
3. Federal airport program (57)	305,120
Total of Nos. 1 through 3	59,337,154
Health and hospitals:	
1. Hospital construction (33)	2,763,712
2. Public health services (26 through 32)	442,592
Total of Nos. 1 and 2	3,206,304
Welfare:	
1. Old-age assistance (41)	19,618,162
2. Aid to dependent children (42)	8,458,313
3. Disabled (43)	----------
4. Blind persons (44)	826,182
5. Vocational rehabilitation (45)	759,540
Total of Nos. 1 through 5	29,662,197
Unemployment:	
1. Unemployment compensation and employee service administration (51)	2,602,870
2. Veterans and Federal employees (86)	646,659
Subtotal of Nos. 1 and 2	3,249,529
3. Veterans' readjustment benefits (92)	10,740,831
Total of Nos. 1 through 3	13,990,360
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	4,005,965
2. Land-grant colleges (20)	96,146
Total of Nos. 1 and 2	4,102,111

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

IOWA

Amounts granted for, etc.:	
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	----------
2. Waste treatment (34)	$795,064
Total of Nos. 1 and 2	795,064
Schools:	
1. School construction (Public Law 815), (22)	34,742
2. Maintenance and operation (Public law 874), (23)	362,951
3. Vocational education (21)	841,098
4. National Defense Education Act (25)	1,108,798
Subtotal of Nos. 1 through 4	2,347,589
5. School lunch and milk program (3, 10)	4,073,034
Total of Nos. 1 through 5	6,420,623
Fiscal 1959:	
State tax revenue	[1] 250,960,000
Total Federal grants-in-aid (equivalent to 71.9 percent of State tax revenue)	180,368,781

KANSAS

Total grants:	
Total grants-in-aid to State and local agencies (62)	100,308,480
Total Federal grants to individuals (93)	53,400,862
Grand total for State and local agencies and to individuals (94)	153,709,342
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	29,511,844
2. Agricultural conservation (63)	6,293,302
3. Agricultural experimentation (1)	539,313
4. Agricultural extension work (2)	989,410
Subtotal of Nos. 1 through 4	37,333,869
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	880,866
2. Value of commodities donated (9)	637,868
3. State and private forestry cooperation (7)	2,996
4. Cooperative projects in marketing (6)	122,084
5. Watershed protection and flood prevention (8)	202,798
Subtotal of Nos. 1 through 5	1,846,612
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	39,180,481

Total Federal grants-in-aid, etc.—Continued

KANSAS

Amounts granted for, etc.:	
Highways and airports:	
1. Federal highways (trust fund) (12)	$56,041,957
2. Other road construction projects (13)	----------
Subtotal of Nos. 1 and 2	56,041,957
3. Federal airport program (57)	290,013
Total of Nos. 1 through 3	56,331,970
Health and hospitals:	
1. Hospital construction (33)	1,358,929
2. Public health services (26 through 32)	404,062
Total of Nos. 1 and 2	1,762,991
Welfare:	
1. Old-age assistance (41)	16,461,192
2. Aid to dependent children (42)	5,889,225
3. Disabled (43)	2,347,684
4. Blind persons (44)	350,805
5. Vocational rehabilitation (45)	537,993
Total of Nos. 1 through 5	25,586,899
Unemployment:	
1. Unemployment compensation and employment service administration (51)	2,150,831
2. Veterans and Federal employees (86)	936,042
Subtotal of Nos. 1 and 2	3,086,873
3. Veterans' readjustment benefits (92)	5,928,164
Total of Nos. 1 through 3	9,015,037
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	3,818,620
2. Land-grant colleges (20)	89,006
Total of Nos. 1 and 2	3,907,626
Municipal aid:	
1. Urban renewal (55)	15,967
2. Waste treatment (34)	794,802
Total of Nos. 1 and 2	810,769
Schools:	
1. School construction (Public Law 815), (22)	1,243,224
2. Maintenance and operation (Public Law 874), (23)	3,541,652
3. Vocational education (21)	573,903
4. National Defense Education Act (25)	804,076
Subtotal of Nos. 1 through 4	6,162,855

Total Federal grants-in-aid, etc.—Continued

KANSAS

Amounts granted for, etc.:	
Schools:	
5. School lunch and milk program (3, 10)	$2,497,194
Total of Nos. 1 through 5	8,660,049
Fiscal 1959:	
State tax revenue	[1] 199,036,000
Total Federal grants-in-aid (equivalent to 77.2 percent of State tax revenue)	153,709,342

KENTUCKY

Total grants:	
Total grants-in-aid to State and local agencies (62)	124,267,844
Total Federal grants to individuals (93)	43,926,385
Grand total for State and local agencies and to individuals (94)	168,194,229
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	15,306,608
2. Agricultural conservation (63)	7,889,778
3. Agricultural experimentation (1)	850,893
4. Agricultural extension work (2)	1,884,550
Subtotal of Nos. 1 through 4	25,931,829
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	5,052,933
2. Value of commodities donated (9)	3,659,021
3. State and private forestry cooperation (7)	109,832
4. Cooperative projects in marketing (6)	97,646
5. Water shed protection and flood prevention (8)	390,937
Subtotal of Nos. 1 through 5	9,310,369
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	35,242,198
Highways and airports:	
1. Federal highways (trust fund 12)	48,201,011
2. Other road construction projects (13)	20,997
Subtotal of Nos. 1 and 2	48,222,008
3. Federal airport program (57)	1,046,703
Total of Nos. 1 through 3	49,268,711

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

KENTUCKY

Amounts granted for, etc.:	
Health and hospitals:	
1. Hospital construction (33)	$4,779,125
2. Public health services (26 through 32)	752,590
Total of Nos. 1 and 2	5,331,715
Welfare:	
1. Old-age assistance (41)	20,729,883
2. Aid to dependent children (42)	13,795,366
3. Disabled (43)	2,889,058
4. Blind persons (44)	1,187,682
5. Vocational rehabilitation (45)	474,858
Total of Nos. 1 through 5	39,076,847
Unemployment:	
1. Unemployment compensation and employment service administration (51)	3,486,292
2. Veterans and Federal and temporary employees (86, 87)	4,187,327
Subtotal of Nos. 1 and 2	7,673,619
3. Veterans' readjustment benefits (92)	8,920,491
Total of Nos. 1 through 3	16,594,110
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	1,958,184
2. Land-grant colleges (20)	99,375
Total of Nos. 1 and 2	2,057,559
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	3,025,616
2. Waste treatment (34)	325,102
Total of Nos. 1 and 2	3,350,718
Schools:	
1. School construction (Public Law 815), (22)	105,517
2. Maintenance and operation (Public Law 874), (23)	975,435
3. Vocational education (21)	1,007,471
4. National Defense Education Act (25)	1,563,999
Subtotal of Nos. 1 through 4	3,652,422
5. School lunch and milk program (3, 10)	5,017,741
Total of Nos. 1 through 5	8,670,163
Fiscal 1959:	
State tax revenue	[1] 213,130,000
Total Federal grants-in-aid (equivalent to 78.9 percent of State tax revenue)	168,194,229

Total Federal grants-in-aid, etc.—Continued

LOUISIANA

Total grants:	
Total grants-in-aid to State and local agencies (62)[1]	$198,049,922
Total Federal grants to individuals (93)	58,659,555
Grand total for State and local agencies and to individuals (94)	256,709,477
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	19,778,282
2. Agricultural conservation (63)	4,500,920
3. Agricultural experimentation (1)	605,869
4. Agricultural extension work (2)	1,265,080
Subtotal of Nos. 1 through 4	26,150,151
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	3,525,842
2. Value of commodities donated (9)	2,553,196
3. State and private forestry cooperation (7)	406,445
4. Cooperative projects in marketing (6)	110,531
5. Watershed protection and flood prevention (8)	447,015
Subtotal of Nos. 1 through 5	7,043,029
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	33,193,180
Highways and airports:	
1. Federal highways (trust fund) (12)	60,470,608
2. Other road construction projects (13)	36,900
Subtotal of Nos. 1 and 2	60,507,508
3. Federal airport program (57)	2,861,910
Total of Nos. 1 through 3	63,369,418
Health and hospitals:	
1. Hospital construction (33)	3,519,503
2. Public health services (26 through 32)	694,010
Total of Nos. 1 and 2	4,213,513
Welfare:	
1. Old-age assistance (41)	69,611,093
2. Aid to dependent children (42)	21,835,433
3. Disabled (43)	7,978,343
4. Blind persons (44)	1,474,855
5. Vocational rehabilitation (45)	924,363
Total of Nos. 1 through 5	101,824,087

Total Federal grants-in-aid, etc.—Continued

LOUISIANA

Amounts granted for, etc.:	
Unemployment:	
1. Unemployment compensation and employment service administration (51)	$3,583,155
2. Veteran's and Federal employees (86)	2,420,177
Subtotal of Nos. 1 and 2	6,003,332
3. Veterans' readjustment benefits (92)	14,144,481
Total of Nos. 1 through 3	20,147,813
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	4,521,794
2. Land-grant colleges (20)	96,769
Total of Nos. 1 and 2	4,618,563
Municipal aid:	
1. Urban renewal and public housing (55, 56)	3,815,412
2. Waste treatment (34)	694,267
Total of Nos. 1 and 2	4,509,679
Schools:	
1. School construction (Public Law 815), (22)	644,150
2. Maintenance and operation (Public Law 874), (23)	797,426
3. Vocational education (21)	824,326
4. National Defense Education Act (25)	1,614,186
Subtotal of Nos. 1 through 4	3,880,088
5. School lunch and milk program (3, 10)	4,816,018
Total of Nos. 1 through 5	8,696,106
Fiscal 1959:	
State tax revenue	[1] 432,413,000
Total Federal grants-in-aid equivalent to 59.4 percent of State tax revenue	256,709,477

MAINE

Total grants:	
Total grants-in-aid to State and local agencies (62)	41,225,119
Total Federal grants to individuals (93)	11,010,763
Grand total for State and local agencies and to individuals (94)	52,235,882
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	716,540
2. Agricultural conservation (63)	959,108
3. Agricultural experimentation (1)	375,848

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

MAINE

Amounts granted for, etc.:	
Farmers:	
4. Agricultural extension work (2)	$348,556
Subtotal of Nos. 1 through 4	2,400,052
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	928,584
2. Value of commodities donated (9)	672,423
3. State and private forestry cooperation (7)	331,040
4. Cooperative projects in marketing (6)	95,677
5. Watershed protection and flood prevention (8)	-------
Subtotal of Nos. 1 through 5	2,027,724
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	4,427,776
Highways and Airports:	
1. Federal highways (trust fund) (12)	19,755,754
2. Other road construction projects (13)	757
Subtotal of Nos. 1 and 2	19,756,511
3. Federal airport program (57)	165,026
Total of Nos. 1 through 3	19,921,537
Health and hospitals:	
1. Hospital construction (33)	1,202,168
2. Public health services (26 through 32)	199,057
Total of Nos. 1 and 2	1,401,225
Welfare:	
1. Old-age assistance (41)	5,788,659
2. Aid to dependent children (42)	4,421,783
3. Disabled (43)	912,806
4. Blind persons (44)	233,201
5. Vocational rehabilitation (45)	289,378
Total of Nos. 1 through 5	11,645,827
Unemployment:	
1. Unemployment compensation and employment services administration (51)	1,466,716
2. Veterans and Federal employees (86)	1,187,879
Subtotal of Nos. 1 and 2	2,654,595
3. Veterans' readjustment benefits (92)	2,070,301
Total of Nos. 1 through 3	4,724,896

Total Federal grants-in-aid, etc.—Continued

MAINE

Amounts granted for, etc.:	
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	$1,689,032
2. Land-grant colleges (20)	79,115
Total of Nos. 1 and 2	1,768,147
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	158,618
2. Waste treatment (34)	34,800
Total of Nos. 1 and 2	193,418
Schools:	
1. School construction (Public Law 815), (22)	137,243
2. Maintenance and operation (Public Law 874), (23)	1,113,677
3. Vocational education (21)	250,006
4. National Defense Education Act (25)	208,137
Subtotal of Nos. 1 through 4	1,709,063
5. School lunch and milk program (3, 10)	1,112,283
Total of Nos. 1 through 5	2,821,346
Fiscal 1959:	
State tax revenue	[1] 81,165,000
Total Federal grants-in-aid equivalent to 64.4 percent of State tax revenue	52,235,882

MARYLAND

Total grants:	
Total grants-in-aid to State and local agencies (62)	85,095,489
Total Federal grants to individuals (93)	42,749,841
Grand total for State and local agencies and to individuals (94)	127,845,330
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	4,136,234
2. Agricultural conservation (63)	1,354,165
3. Agricultural experimentation (1)	432,508
4. Agricultural extension work (2)	488,371
Subtotal of Nos. 1 through 4	4,411,278
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	1,040,107
2. Value of commodities donated (9)	753,181
3. State and private forestry cooperation (7)	176,055
4. Cooperative projects in marketing (6)	62,353

Total Federal grants-in-aid, etc.—Continued

MARYLAND

Amounts granted for, etc.:	
Agricultural miscellaneous:	
5. Watershed protection and flood prevention (8)	$112,147
Subtotal of Nos. 1 through 5	2,143,843
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5	8,555,121
Highways and airports:	
1. Federal highways (trust fund) (12)	37,800,712
2. Other road construction projects (13)	384
Subtotal of Nos. 1 and 2	37,801,096
3. Federal airport program (57)	812,801
Total of Nos. 1 through 3	38,613,897
Health and hospitals:	
1. Hospital construction (33)	1,840,509
2. Public health services (26 through 32)	509,499
Total of Nos. 1 and 2	2,350,008
Welfare:	
1. Old-age assistance (41)	4,411,133
2. Aid to dependent children (42)	8,142,475
3. Disabled (43)	2,715,499
4. Blind persons (44)	219,998
5. Vocational rehabilitation (45)	519,495
Total of Nos. 1 through 5	16,008,600
Unemployment:	
1. Unemployment compensation and employment service administration (51)	4,716,047
2. Veterans and Federal and temporary employees (86, 87)	15,101,241
Subtotal of Nos. 1 and 2	19,817,288
3. Veterans' readjustment benefits (92)	4,601,566
Total of Nos. 1 through 3	24,418,854
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	10,614,731
2. Land-grant colleges (20)	93,372
Total of Nos. 1 and 2	10,708,103
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	3,935,854
2. Waste treatment (34)	363,968
Total of Nos. 1 and 2	4,299,822

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

MARYLAND

Amounts granted for, etc.:	
Schools:	
1. School construction (Public Law 815) (22)	$4,131,981
2. Maintenance and operation (Public Law 874) (23)	5,455,295
3. Vocational education (21)	418,766
4. National Defense Education Act (25)	953,195
Subtotal of Nos. 1 through 4	10,959,237
5. School lunch and milk program (3, 10)	3,225,084
Total of Nos. 1 through 5	14,184,321
Fiscal 1959	
State tax revenue	[1] 311,654,000
Total Federal grants-in-aid equivalent to 41 percent of State tax revenue	127,845,330

MASSACHUSETTS

Total grants:	
Total grants-in-aid to State and local agencies (62)	157,051,782
Total Federal grants to individuals (93)	95,335,898
Grand total for State and local agencies and to individuals (94)	252,387,680
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	974,052
2. Agricultural conservation (63)	539,547
3. Agricultural experimentation (1)	428,470
4. Agricultural extension work (2)	378,634
Subtotal of Nos. 1 through 4	2,320,703
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	1,666,166
2. Value of commodities donated (9)	1,206,534
3. State and private forestry cooperation (7)	152,713
4. Cooperative projects in marketing (6)	40,664
5. Watershed protection and flood prevention (8)	1,457
Subtotal of Nos. 1 through 5	3,067,534
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	5,388,237
Highways and airports:	
1. Federal highways (trust fund) (12)	50,099,981
2. Other road construction projects (13)	
Subtotal of Nos. 1 and 2	50,099,981

Total Federal grants-in-aid, etc.—Continued

MASSACHUSETTS

Amounts granted for, etc.:	
Highways and airports:	
3. Federal airport program (57)	$874,520
Total of Nos. 1 through 3	50,974,501
Health and hospitals:	
1. Hospital construction (33)	2,745,903
2. Public health services (26 through 32)	727,609
Total of Nos. 1 and 2	3,473,512
Welfare:	
1. Old-age assistance (41)	43,478,567
2. Aid to dependent children (42)	13,180,372
3. Disabled (43)	5,478,106
4. Blind persons (44)	1,051,185
5. Vocational rehabilitation (45)	804,279
Total of Nos. 1 through 5	63,992,509
Unemployment:	
1. Unemployment compensation and employment service administration (51)	11,121,062
2. Veterans and Federal and temporary employees (86, 87)	29,930,570
Subtotal of Nos. 1 and 2	41,051,632
3. Veterans' readjustment benefits (92)	16,315,647
Total of Nos. 1 through 3	57,367,279
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	31,919,676
2. Land-grant colleges (20)	116,789
Total of Nos. 1 and 2	32,036,465
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	9,656,216
2. Waste treatment (34)	256,774
Total of Nos. 1 and 2	9,912,990
Schools:	
1. School construction (Public Law 815) (22)	277,779
2. Maintenance and operation (Public Law 874) (23)	3,818,192
3. Vocational education (21)	701,936
4. National Defense Education Act (25)	1,258,197
Subtotal of Nos. 1 through 4	6,056,104
5. School lunch and milk program (3, 10)	5,407,827
Total of Nos. 1 through 5	11,463,931

Total Federal grants-in-aid, etc.—Continued

MASSACHUSETTS

Fiscal 1959:	
State tax revenue	[1] $479,739,000
Total Federal grants-in-aid equivalent to 52.6 percent of State tax revenue	252,387,680
MICHIGAN	
Total grants:	
Total grants-in-aid to State and local agencies (62)	201,456,831
Total Federal grants to individuals (93)	153,288,140
Grand total for State and local agencies and to individuals (94)	354,744,971
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	17,163,376
2. Agricultural conservation (63)	4,918,244
3. Agricultural experimentation (1)	768,686
4. Agricultural extension work (2)	1,465,308
Subtotal of Nos. 1 through 4	24,315,614
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	7,656,503
2. Value of commodities donated (9)	5,544,365
3. State and private forestry cooperation (7)	581,902
4. Cooperative projects in marketing (6)	266,474
5. Watershed protection and flood prevention (8)	21,048
Subtotal of Nos. 1 through 5	14,070,292
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	38,385,906
Highways and airports:	
1. Federal highways (trust fund) (12)	75,836,844
2. Other road construction projects (13)	378,899
Subtotal of Nos. 1 and 2	76,215,743
3. Federal airport program (57)	3,098,470
Total of Nos. 1 through 3	79,314,213
Health and hospitals:	
1. Hospital construction (33)	5,021,157
2. Public health services (26 through 32)	1,176,502
Total of Nos. 1 and 2	6,197,659
Welfare:	
1. Old-age assistance (41)	33,107,092
2. Aid to dependent children (42)	24,204,257

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

MICHIGAN

Amounts granted for, etc.:	
Welfare:	
3. Disabled (43)	$2,046,172
4. Blind persons (44)	915,118
5. Vocational rehabilitation (45)	1,444,652
Total of Nos. 1 through 5	61,717,291
Unemployment:	
1. Unemployment compensation and employment service adminstration (51)	13,951,151
2. Veterans and Federal and temporary employees (86, 87)	84,006,973
Subtotal of Nos. 1 and 2	97,958,124
3. Veterans' readjustment benefits (92)	20,533,639
Total of Nos. 1 through 3	118,491,763
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	11,233,127
2. Land-grant colleges (20)	133,559
Total of Nos. 1 and 2	11,366,686
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	3,918,033
2. Waste treatment (34)	1,679,300
Total of Nos. 1 and 2	5,597,333
Schools:	
1. School construction (Public Law 815), (22)	2,222,873
2. Maintenance and operation (Public Law 874), (23)	754,543
3. Vocational education (21)	1,328,676
4. National Defense Education Act (25)	170,706
Subtotal of Nos. 1 through 4	4,476,798
5. School lunch and milk program (3, 10)	8,722,695
Total of Nos. 1 through 5	13,199,493
Fiscal 1959:	
State tax revenue	[1] 806,308,000
Total Federal grants-in-aid equivalent to 44 percent of State tax revenue	354,744,971
MINNESOTA	
Total grants:	
Total grants-in-aid to State and local agencies (62)	127,738,661
Total Federal grants to individuals (93)	85,516,673
Grand total for State and local agencies and to individuals (94)	213,255,334

Total Federal grants-in-aid, etc.—Continued

MINNESOTA

Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66) [1]	$32,132,625
2. Agricultural conservation (63)	6,674,575
3. Agricultural experimentation (1)	737,800
4. Agricultural extension work (2)	1,384,829
Subtotal of Nos. 1 through 4	40,929,829
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	1,586,145
2. Value of commodities donated (9)	1,148,587
3. State and private forestry cooperation (7)	441,925
4. Cooperative projects in marketing (6)	57,066
5. Watershed protection and flood prevention (8)	301,797
Subtotal of Nos. 1 through 5	3,535,520
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	44,465,349
Highways and airports:	
1. Federal highways (trust fund) (12)	59,980,037
2. Other road construction projects (13)	260,643
Subtotal of Nos. 1 and 2	60,240,680
3. Federal airport program (57)	2,094,836
Total of Nos. 1 through 3	62,335,516
Health and hospitals:	
1. Hospital construction (33)	2,476,120
2. Public health services (26 through 32)	551,413
Total of Nos. 1 and 2	3,027,533
Welfare:	
1. Old-age assistance (41)	25,665,822
2. Aid to dependent children (42)	8,971,745
3. Disabled (43)	1,141,775
4. Blind persons (44)	629,243
5. Vocational rehabilitation (45)	990,078
Total of Nos. 1 through 5	37,398,663
Unemployment:	
1. Unemployment compensation and employment service administration (51)	4,162,096
2. Veterans and Federal and temporary employees (86, 87)	12,653,586
Subtotal of Nos. 1 and 2	16,815,682

Total Federal grants-in-aid, etc.—Continued

MINNESOTA

Amounts granted for, etc.:	
Unemployment:	
3. Veterans' readjustment benefits (92)	$13,196,302
Total of Nos. 1 through 3	30,011,984
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	9,409,676
2. Land-grant colleges (20)	99,751
Total of Nos. 1 and 2	9,509,427
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	2,728,818
2. Waste treatment (34)	882,892
Total of Nos. 1 and 2	3,611,710
Schools:	
1. School construction (Public Law 815) (22)	140,108
2. Maintenance and operation (Public Law 874) (23)	308,919
3. Vocational education (21)	846,199
4. National Defense Education Act (25)	1,337,883
Subtotal of Nos. 1 through 4	2,633,109
5. School lunch and milk program (3, 10)	4,921,475
Total of Nos. 1 through 5	7,554,584
Fiscal 1959:	
State tax revenue	[1] 313,678,000
Total Federal grants-in-aid (equivalent to 68.0 percent of State tax revenue)	213,255,334

MISSISSIPPI

Total grants:	
Total grants-in-aid to State and local agencies (62)	108,658,442
Total Federal grants to individuals (93)	64,456,797
Grand total for State and local agencies and to individuals (94)	173,115,239
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	37,084,413
2. Agricultural conservation (63)	7,506,780
3. Agricultural experimentation (1)	845,219
4. Agricultural extension work (2)	1,977,606
Subtotal of Nos. 1 through 4	47,414,018

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

MISSISSIPPI

Amounts granted for, etc.:	
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	$4,467,973
2. Value of commodities donated (9)	3,235,428
3. State and private forestry cooperation (7)	432,000
4. Cooperative projects in marketing (6)	87,677
5. Watershed protection and flood prevention (8)	1,471,783
Subtotal of Nos. 1 through 5	9,694,861
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	57,108,879
Highways and airports:	
1. Federal highways (trust fund) (12)	40,395,600
2. Other road construction projects (13)	191,922
Subtotal of Nos. 1 and 2	40,587,522
3. Federal airport program (57)	316,163
Total of Nos. 1 through 3	40,903,685
Health and hospitals:	
1. Hospital construction (33)	3,020,756
2. Public health services (26 through 32)	717,139
Total of Nos. 1 and 2	3,737,895
Welfare:	
1. Old-age assistance (41)	23,851,147
2. Aid to dependent children (42)	7,565,310
3. Disabled (43)	2,346,300
4. Blind persons (44)	2,116,735
5. Vocational rehabilitation (45)	767,208
Total of Nos. 1 through 5	36,646,700
Unemployment:	
1. Unemployment compensation and employment service administration (51)	2,949,050
2. Veterans and Federal employees (86)	1,396,137
Subtotal of Nos. 1 and 2	4,345,187
3. Veterans' readjustment benefits (92)	7,027,164
Total of Nos. 1 through 3	11,372,351
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	1,139,367
2. Land-grant colleges (20)	91,735
Total of Nos. 1 and 2	1,231,102

Total Federal grants-in-aid, etc.—Continued

MISSISSPPI

Amounts granted for, etc.:	
Municipal aid:	
1. Public housing (56)	$856,377
2. Waste treatment (34)	323,645
Total of Nos. 1 and 2	1,180,022
Schools:	
1. School construction (Public Law 815), (22)	1,002,636
2. Maintenance and operation (Public Law 874), (23)	972,530
3. Vocational education (21)	940,761
4. National Defense Education Act (25)	559,035
Subtotal of Nos. 1 through 4	3,474,962
5. School lunch and milk program (3, 10)	4,628,007
Total of Nos. 1 through 5	8,102,969
Fiscal 1959:	
State tax revenue	[1] 183,073,000
Total Federal grants-in-aid equivalent to 94.6 percent of State tax revenue	173,115,239

MISSOURI

Total grants:	
Total grants-in-aid to State and local agencies (62)	205,461,898
Total Federal grants to individuals (93)	91,152,965
Grand total for State and local agencies and to individuals (94)	296,614,863
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	47,863,630
2. Agricultural conservation (63)	11,723,650
3. Agricultural experimentation (1)	740,980
4. Agricultural extension work (2)	1,695,517
Subtotal of Nos. 1 through 4	62,023,777
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	2,504,744
2. Value of commodities donated (9)	1,813,780
3. State and private forestry cooperation (7)	279,849
4. Cooperative projects in marketing (6)	107,883
5. Watershed protection and flood prevention (8)	156,160
Subtotal of Nos. 1 through 5	4,862,416
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	66,886,193

Total Federal grants-in-aid, etc.—Continued

MISSOURI

Amounts granted for, etc.:	
Highways and airports:	
1 Federal highways (trust fund) (12)	$80,881,406
2. Other road construction projects (13)	107,375
Subtotal of Nos. 1 and 2	80,988,781
3. Federal airport program (57)	1,403,437
Total of Nos. 1 through 3	82,392,218
Health and hospitals:	
1. Hospital construction (33)	2,574,461
2. Public health services (26 through 32)	771,556
Total of Nos. 1 and 2	3,346,017
Welfare:	
1. Old-age assistance (41)	56,182,755
2. Aid to dependent children (42)	20,343,593
3. Disabled (43)	7,399,187
4. Blind persons (44)	2,282,264
5. Vocational rehabilitation (45)	848,830
Total of Nos. 1 through 5	87,056,629
Unemployment:	
1. Unemployment compensation and employment service administration (51)	4,892,115
2. Veterans and Federal employees (86)	2,680,038
Subtotal of Nos. 1 and 2	7,572,153
3. Veterans' readjustment benefits (92)	15,527,362
Total of Nos. 1 through 3	23,099,515
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	3,909,966
2. Land-grant colleges (20)	109,448
Total of Nos. 1 and 2	4,019,414
Municipal aid:	
1. Urban renewal and public housing (54, 56)	7,234,022
2. Waste treatment (34)	697,421
Total of Nos. 1 and 2	7,931,443
Schools:	
1. School construction (Public Law 815) (22)	1,317,607
2. Maintenance and operation (Public Law 874), (23)	1,660,043
3. Vocational education (21)	1,067,243
4. National Defense Education Act (25)	1,302,518
Subtotal of Nos. 1 through 4	5,365,411

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

MISSOURI

Amounts granted for, etc.:	
Schools:	
5. School lunch and milk program (3, 10)	$5,275,461
Total of Nos. 1 through 5	10,640,872
Fiscal 1959:	
State tax revenue	[1] 289,384,000
Total Federal grants-in-aid (equivalent to 102.5 percent of State tax revenue)	296,614,863

MONTANA

Total grants:	
Total grants-in-aid to State and local agencies (62)	49,049,717
Total Federal grants to individuals (93)	19,337,825
Grand total for State and local agencies and to individuals (94)	68,387,542
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	5,695,462
2. Agricultural conservation (63)	3,430,144
3. Agricultural experimentation (1)	387,288
4. Agricultural extension work (2)	430,146
Subtotal of Nos. 1 through 4	9,943,040
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	306,910
2. Value of commodities donated (9)	222,246
3. State and private forestry cooperation (7)	129,964
4. Cooperative projects in marketing (6)	21,500
5. Watershed protection and flood prevention (8)	13,276
Subtotal of Nos. 1 through 5	693,896
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	10,369,936
Highways and airports:	
1. Federal highways (trust fund) (12)	29,099,390
2. Other road construction projects (13)	2,194,101
Subtotal of Nos. 1 and 2	31,293,491
3. Federal airport program (57)	93,184
Total of Nos. 1 through 3	31,386,675
Health and hospitals:	
1. Hospital construction (33)	785,692
2. Public health services (26 through 32)	181,746
Total of Nos. 1 and 2	967,438

Total Federal grants-in-aid, etc.—Continued

MONTANA

Amounts granted for, etc.:	
Welfare:	
1. Old-age assistance (41)	$3,795,613
2. Aid to dependent children (42)	1,920,104
3. Disabled (43)	811,509
4. Blind persons (44)	200,887
5. Vocational rehabilitation (45)	213,986
Total of Nos. 1 through 5	6,942,099
Unemployment:	
1. Unemployment compensation and employment service administration (51)	1,504,521
2. Veterans, Federal and temporary employees (86)	1,046,465
Subtotal of Nos. 1 and 2	2,550,986
3. Veterans' readjustment benefits (92)	2,252,339
Total of Nos. 1 through 3	4,803,325
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	742,861
2. Land-grant colleges (20)	75,896
Total of Nos. 1 and 2	818,757
Municipal aid:	
1. Urban renewal or public housing (54 55, 56)	84,165
2. Waste treatment (34)	244,896
Total of Nos. 1 and 2	329,061
Schools:	
1. School construction (Public Law 815), (22)	394,674
2. Maintenance and operation (Public Law 874), (23)	730,389
3. Vocational education (21)	205,341
4. National Defense Education Act (25)	283,245
Subtotal of Nos. 1 through 4	1,613,649
5. School lunch and milk program (3, 10)	688,550
Total of Nos. 1 through 5	2,302,199
Fiscal 1959:	
State tax revenue	[1] 60,396,000
Total Federal grants-in-aid (equivalent to 113.2 percent of State tax revenue)	68,387,542

NEBRASKA

Total grants:	
Total grants-in-aid to State and local agencies (62)	49,509,689
Total Federal grants to individuals (93)	47,878,711
Grand total for State and local agencies and to individuals (94)	97,388,400

Total Federal grants-in-aid, etc.—Continued

NEBRASKA

Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	$28,085,184
2. Agricultural conservation (63)	5,128,294
3. Agricultural experimentation (1)	529,771
4. Agricultural extension work (2)	834,902
Subtotal of Nos. 1 through 4	34,578,151
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	380,790
2. Value of commodities donated (9)	275,745
3. State and private forestry cooperation (7)	4,233
4. Cooperative projects in marketing (6)	28,500
5. Watershed protection and flood prevention (8)	467,052
Subtotal of Nos. 1 through 5	1,156,320
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	35,734,471
Highways and airports:	
1. Federal highways (trust fund) (12)	24,700,190
2. Other road construction projects (13)	293
Subtotal of Nos. 1 and 2	24,700,483
3. Federal airport program (57)	173,890
Total of Nos. 1 through 3	24,874,373
Health and hospitals:	
1. Hospital construction (33)	1,297,942
2. Public health services (26 through 32)	256,058
Total of Nos. 1 and 2	1,554,000
Welfare:	
1. Old-age assistance (41)	8,121,030
2. Aid to dependent children (42)	2,560,264
3. Disabled (43)	807,088
4. Blind persons (44)	510,624
5. Vocational rehabilitation (45)	336,734
Total of Nos. 1 through 5	12,335,740
Unemployment:	
1. Unemployment compensation and employment service administration (51)	1,267,025
2. Veterans and Federal and temporary employees (86, 87)	639,605
Subtotal of Nos. 1 and 2	1,906,630

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

NEBRASKA

Amounts granted for, etc.:	
Unemployment:	
3. Veterans' readjustment benefits (92)	$6,268,414
Total of Nos. 1 through 3	8,175,044
Colleges and research agencies:	
1. Research and training (17, 35, 70–82, 88–90)	1,505,282
2. Land-grant colleges (20)	83,222
Total of Nos. 1 and 2	1,588,504
Municipal aid:	
1. Public housing (56)	344,651
2. Waste treatment (34)	614,057
Total of Nos. 1 and 2	958,708
Schools:	
1. School construction (Public Law 815), (22)	910,764
2. Maintenance and operation (Public Law 874) (23)	1,047,151
3. Vocational education (21)	435,339
4. National Defense Education Act (25)	586,528
Subtotal of Nos. 1 through 4	2,979,782
5. School lunch and milk program (3, 10)	1,480,704
Total of Nos. 1 through 5	4,460,486
Fiscal 1959:	
State tax revenue	[1] 85,234,000
Total Federal grants-in-aid (equivalent to 114.3 percent of State tax revenue)	97,388,400

NEVADA

Total grants:	
Total grants-in-aid to State and local agencies (62)	26,683,748
Total Federal grants to individuals (93)	5,009,055
Grand total for State and local agencies and to individuals (94)	31,692,803
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	3,091
2. Agricultural conservation (63)	369,890
3. Agricultural experimentation (1)	263,447
4. Agricultural extension work (2)	182,614
Subtotal of Nos. 1 through 4	819,042
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	62,503
2. Value of commodities donated (9)	45,261

Total Federal grants-in-aid, etc.—Continued

NEVADA

Amounts granted for, etc.:	
Agriculture miscellaneous:	
3. State and private forestry cooperation (7)	$30,000
4. Cooperative projects in marketing (6)	
5. Watershed protection and flood prevention (8)	97,007
Subtotal of Nos. 1 through 5	234,771
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	1,053,813
Highways and airports:	
1. Federal highways (trust fund) (12)	16,412,069
2. Other road construction projects (13)	898,037
Subtotal of Nos. 1 and 2	17,310,106
3. Federal airport program (57)	1,694,288
Total of Nos. 1 through 3	19,004,394
Health and hospitals:	
1. Hospital construction (33)	293,568
2. Public health services (26 through 32)	109,971
Total of Nos. 1 and 2	403,539
Welfare:	
1. Old-age assistance (41)	1,382,573
2. Aid to dependent children (42)	832,363
3. Disabled (43)	
4. Blind persons (44)	106,418
5. Vocational rehabilitation (45)	44,469
Total of Nos. 1 through 5	2,365,823
Unemployment:	
1. Unemployment compensation and employment service administration (51)	1,068,189
2. Veterans and Federal and temporary employees (86, 87)	1,375,549
Subtotal of Nos. 1 and 2	2,461,738
3. Veterans' readjustment benefits (92)	498,790
Total of Nos. 1 through 3	2,960,528
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	148,002
2. Land-grant colleges (20)	71,597
Total of Nos. 1 and 2	219,599

Total Federal grants-in-aid, etc.—Continued

NEVADA

Amounts granted for, etc.:	
Municipal aid:	
1. Urban renewal and public housing (55, 56)	$38,388
2. Waste treatment (34)	104,806
Total of Nos. 1 and 2	133,194
Schools:	
1. School construction (Public Law 815), (22)	217,728
2. Maintenance and operation (Public Law 874) (23)	809,675
3. Vocational education (21)	179,430
4. National Defense Education Act (25)	90,739
Subtotal of Nos. 1 through 4	1,297,572
5. School lunch and milk program (3, 10)	213,248
Total of Nos. 1 through 5	1,510,820
Fiscal 1959:	
State tax revenue	[1] 38,723,000
Total Federal grants-in-aid (equivalent to 81.8 percent of State tax revenue)	31,692,803

NEW HAMPSHIRE

Total grants:	
Total grants-in-aid to State and local agencies (62)	24,867,368
Total Federal grants to individuals (93)	7,155,814
Grand total for State and local agencies and to individuals (94)	32,023,182
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	42,362
2. Agricultural conservation (63)	477,458
3. Agricultural experimentation (1)	288,315
4. Agricultural extension work (2)	180,613
Subtotal of Nos. 1 through 4	988,748
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	310,369
2. Value of commodities donated (9)	224,750
3. State and private forestry cooperation (7)	137,527
4. Cooperative projects in marketing (6)	8,152
5. Watershed protection and flood prevention (8)	7,460
Subtotal of Nos. 1 through 5	688,258

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

NEW HAMPSHIRE

Amounts granted for, etc.:	
Agriculture miscellaneous:	
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	$1,677,006
Highways and airports:	
1. Federal highways (trust fund) (12)	14,832,706
2. Other road construction projects (13)	348,750
Subtotal of Nos. 1 and 2	15,181,456
3. Federal airport program (57)	42,956
Total of Nos. 1 through 3	15,224,412
Health and hospitals:	
1. Hospital construction (33)	296,978
2. Public health services (26 through 32)	142,864
Total of Nos. 1 and 2	439,842
Welfare:	
1. Old-age assistance (41)	2,536,460
2. Aid to dependent children (42)	1,007,780
3. Disabled (43)	199,745
4. Blind persons (44)	127,922
5. Vocational rehabilitation (45)	120,029
Total of Nos. 1 through 5	3,991,936
Unemployment:	
1. Unemployment compensation and employment service administration (51)	1,181,305
2. Veterans and Federal employees (86)	378,795
Subtotal of Nos. 1 and 2	1,560,100
3. Veterans' readjustment benefits (92)	1,654,308
Total of Nos. 1 through 3	3,214,408
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	1,063,931
2. Land-grant colleges (20)	75,319
Total of Nos. 1 and 2	1,139,250
Municipal aid:	
1. Urban renewal and public housing (55, 56)	326,188
2. Waste treatment (34)	228,598
Total of Nos. 1 and 2	554,786
Schools:	
1. School construction (Public Law 815) (22)	75,674
2. Maintenance and operation (Public Law 874) (23)	607,480

Total Federal grants-in-aid, etc.—Continued

NEW HAMPSHIRE

Amounts granted for, etc.:	
Schools:	
3. Vocational education (21)	$160,672
4. National Defense Education Act (25)	99,403
Subtotal of Nos. 1 through 4	943,229
5. School lunch and milk program (3, 10)	626,924
Total of Nos. 1 through 5	1,570,153
Fiscal 1959:	
State tax revenue	[1] 37,927,000
Total Federal grants-in-aid (equivalent to 84.4 percent of State tax revenue)	32,023,182

NEW JERSEY

Total grants:	
Total grants-in-aid to State and local agencies (62)	99,969,403
Total Federal grants to individuals (93)	72,777,675
Grand total for State and local agencies and to individuals (94)	172,747,078
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	2,032,865
2. Agricultural conservation (63)	668,739
3. Agricultural experimentation (1)	429,341
4. Agricultural extension work (2)	371,785
Subtotal of Nos. 1 through 4	3,502,730
Agricultural miscellaneous:	
1 Removal of surplus agricultural commodities (11)	1,498,358
2. Value of commodities donated (9)	1,085,018
3. State and private forestry cooperation (7)	122,346
4. Cooperative projects in marketing (6)	63,721
5. Watershed protection and flood prevention (8)	220,630
Subtotal of Nos. 1 through 5	2,990,073
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	6,492,803
Highways and airports:	
1. Federal highways (trust fund) (12)	36,126,930
Subtotal of No. 1	36,126,930
2. Federal airport program (57)	231,136
Total of Nos. 1 and 2	36,358,066

Total Federal grants-in-aid, etc.—Continued

NEW JERSEY

Amounts granted for, etc.:	
Health and hospitals:	
1. Hospital construction (33)	$2,403,995
2. Public health services (26 through 32)	824,121
Total of Nos. 1 and 2	3,228,116
Welfare:	
1. Old-age assistance (41)	10,697,964
2. Aid to dependent children (42)	9,401,390
3. Disabled (43)	3,080,303
4. Blind persons (44)	539,548
5. Vocational rehabilitation (45)	1,064,633
Total of Nos. 1 through 5	24,783,838
Unemployment:	
1. Unemployment compensation and employment service administration (51)	11,304,628
2. Veterans, Federal and temporary employees (86, 87)	42,746,350
Subtotal of Nos. 1 and 2	54,050,978
3. Veterans' readjustment benefits (92)	10,609,359
Total of Nos. 1 through 3	64,660,337
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	3,156,424
2. Land-grant colleges (20)	118,233
Total of Nos. 1 and 2	3,274,657
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	9,873,895
2. Waste treatment (34)	1,061,933
Total of Nos. 1 and 2	10,935,826
Schools:	
1. School construction (Public Law 815), (22)	398,306
2. Maintenance and operation (Public Law 874) (23)	2,271,962
3. Vocational education (21)	791,070
4. National Defense Education Act (25)	642,756
Subtotal of Nos. 1 through 4	4,104,094
5. School lunch and milk program (3, 10)	4,215,495
Total of Nos. 1 through 5	8,319,589
Fiscal 1959:	
State tax revenue	[1] 336,299,000
Total Federal grants-in-aid (equivalent to 51.4 percent of State tax revenue)	172,747,078

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

NEW MEXICO

Total grants:	
Total grants-in-aid to State and local agencies (62)	$78,525,087
Total Federal grants to individuals (93)	22,520,089
Grand total for State and local agencies and to individuals (94)	101,045,176
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	10,302,277
2. Agricultural conservation (63)	2,178,892
3. Agricultural experimentation (1)	346,155
4. Agricultural extension work (2)	431,295
Subtotal of Nos. 1 through 4	13,258,619
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	1,049,194
2. Value of commodities donated (9)	759,761
3. State and private forestry cooperation (7)	42,108
4. Cooperative projects in marketing (6)	43,760
5. Watershed protection and flood prevention (8)	511,009
Subtotal of Nos. 1 through 5	2,405,832
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	15,664,451
Highways and airports:	
1. Federal highways (trust fund) (12)	36,860,209
2. Other road construction projects (13)	1,317,871
Subtotal of Nos. 1 and 2	38,178,080
3. Federal airport program (57)	698,459
Total of Nos. 1 through 3	38,876,539
Health and hospitals:	
1. Hospital construction (33)	1,620,605
2. Public health services (26 through 32)	263,049
Total of Nos. 1 and 2	1,883,654
Welfare:	
1. Old-age assistance (41)	5,859,074
2. Aid to dependent children (42)	7,455,165
3. Disabled (43)	1,269,136
4. Blind persons (44)	219,353

Total Federal grants-in-aid, etc.—Continued

NEW MEXICO

Amounts granted for, etc.:	
Welfare:	
5. Vocational rehabilitation (45)	$156,019
Total of Nos. 1 through 5	14,958,747
Unemployment:	
1. Unemployment compensation and employment service administration (51)	1,606,967
2. Veterans and Federal and temporary employees (86, 87)	777,131
Subtotal of Nos. 1 and 2	2,384,098
3. Veteran's readjustment benefits (92)	3,236,566
Total of Nos. 1 through 3	5,620,664
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	1,100,680
2. Land grant colleges (20)	76,795
Total of Nos. 1 and 2	1,177,475
Municipal aid:	
1. Public housing (56)	34,307
2. Waste treatment (34)	708,468
Total of Nos. 1 and 2	742,775
Schools:	
1. School construction (Public Law 815) (22)	3,438,301
2. Maintenance and operation (Public Law 874) (23)	2,991,621
3. Vocational education (21)	225,892
4. National Defense Education Act (25)	216,517
Subtotal of Nos. 1 through 4	6,872,331
5. School lunch and milk program (3, 10)	1,592,177
Total of Nos. 1 through 5	8,464,508
Fiscal 1959:	
State tax revenue	[1] 113,400,000
Total Federal grants-in-aid (equivalent to 89.1 percent of State tax revenue)	101,045,176

NEW YORK

Total grants:	
Total grants-in-aid to State and local agencies (62)	451,161,852
Total Federal grants, to individuals (93)	220,495,084
Grand total for State and local agencies and to individuals (94)	671,656,936
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	4,216,710

Total Federal grants-in-aid, etc.—Continued

NEW YORK

Amounts granted for, etc.:	
Farmers:	
2. Agricultural conservation (63)	$4,506,505
3. Agricultural experimentation (1)	892,457
4. Agricultural extension work (2)	1,358,173
Subtotal of Nos. 1 through 4	10,973,835
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	9,812,418
2. Value of commodities donated (9)	7,105,544
3. State and private forestry cooperation (7)	396,706
4. Cooperative projects in marketing (6)	101,281
5. Watershed protection and flood prevention (8)	410,323
Subtotal of Nos. 1 through 5	17,826,272
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	28,800,107
Highways and airports:	
1. Federal highways (trust fund) (12)	169,213,363
2. Other road construction projects (13)	3,306
Subtotal of Nos. 1 and 2	169,216,669
3. Federal airport program (57)	2,720,421
Total of Nos. 1 through 3	171,937,090
Health and hospitals:	
1. Hospital construction (33)	6,827,720
2. Public health services (26 through 32)	2,409,371
Total of Nos. 1 and 2	9,237,091
Welfare:	
1. Old-age assistance (41)	46,609,566
2. Aid to dependent children (42)	73,458,699
3. Disabled (43)	21,396,215
4. Blind persons (44)	2,345,595
5. Vocational rehabilitation (45)	3,263,537
Total of Nos. 1 through 5	147,073,612
Unemployment:	
1. Unemployment compensation and employment service administration (51)	41,450,732
2. Veterans, Federal, and temporary employees (86, 87)	96,488,597
Subtotal of Nos. 1 and 2	137,939,329

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

NEW YORK

Amounts granted for, etc.:	
Unemployment:	
3. Veterans' readjustment benefits (92)	$38,128,846
Total of Nos. 1 through 3	176,068,175
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	48,540,521
2. Land-grant colleges (20)	217,934
Total of Nos. 1 and 2	48,758,455
Municipal aid:	
1. Urban renewal and public housing (54, 56)	29,001,742
2. Waste treatment (34)	1,233,939
Total of Nos. 1 and 2	30,235,681
Schools:	
1. School construction (Public Law 815) (22)	474,510
2. Maintenance and operation (Public Law 874) (23)	3,613,401
3. Vocational education (21)	2,540,620
4. Natonal Defense Education Act (25)	3,798,528
Subtotal of Nos. 1 through 4	10,427,059
5. School lunch and milk program (3, 10)	17,040,261
Total of Nos. 1 through 5	27,467,320
Fiscal 1959:	
State tax revenue	[1] 1,586,066,000
Total Federal grants-in-aid (equivalent to 42.3 percent of State tax revenue)	671,656,936

NORTH CAROLINA

Total grants:	
Total grants-in-aid to State and local agencies (62)	140,473,909
Total Federal grants to individuals (93)	69,484,083
Grand total for State and local agencies and to individuals (94)	209,957,992
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	27,618,451
2. Agricultural conservation (63)	7,045,831
3. Agricultural experimentation (1)	1,127,280
4. Agricultural extension work (2)	2,560,992
Subtotal of Nos. 1 through 4	38,352,554
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	1,694,476

Total Federal grants-in-aid, etc.—Continued

NORTH CAROLINA

Amounts granted for, etc.:	
Agricultural miscellaneous:	
2. Value of commodities donated (9)	$1,227,035
3. State and private forestry cooperation (7)	401,502
4. Cooperative projects in marketing (6)	135,548
5. Watershed protection and flood prevention (8)	270,041
Subtotal of Nos. 1 through 5	3,728,602
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	42,081,156
Highways and airports:	
1. Federal highways (trust fund) (12)	51,993,912
2. Other road construction projects (13)	364,820
Subtotal of Nos. 1 and 2	52,358,732
3. Federal airport program (57)	1,093,112
Total of Nos. 1 through 3	53,451,844
Health and hospitals:	
1. Hospital construction (33)	3,977,832
2. Public health services (26 through 32)	1,075,966
Total of Nos. 1 and 2	5,053,798
Welfare:	
1. Old-age assistance (41)	18,597,352
2. Aid to dependent children (42)	18,829,237
3. Disabled (43)	7,405,542
4. Blind persons (44)	2,386,022
5. Vocational rehabilitation (45)	1,778,448
Total of Nos. 1 through 5	48,996,601
Unemployment:	
1. Unemployment compensation and employment service administration (51)	5,656,570
2. Veterans and Federal employees (86)	3,443,448
Subtotal of Nos. 1 and 2	9,100,018
3. Veterans' readjustment benefits (92)	14,670,775
Total of Nos. 1 through 3	23,770,793
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	8,204,151
2. Land-grant colleges (20)	110,518
Total of Nos. 1 and 2	8,314,669

Total Federal grants-in-aid, etc.—Continued

NORTH CAROLINA

Amounts granted for, etc.:	
Municipal aid:	
1. Urban planning and public housing (55 and 56)	$2,646,356
2. Waste treatment (34)	1,473,830
Total of Nos. 1 and 2	4,120,186
Schools:	
1. School construction (Public Law 815), (22)	773,163
2. Maintenance and operation (Public Law 874), (23)	1,448,569
3. Vocational education (21)	1,462,831
4. National Defense Education Act (25)	1,066,830
Subtotal of Nos. 1 through 4	4 751,393
5. School lunch and milk program (3, 10)	7,002,043
Total of Nos. 1 through 5	11,753,436
Fiscal 1959:	
State tax revenue	[1] 397,630,000
Total Federal grants-in-aid equivalent to 52.8 percent of State tax revenue	[1] 209,957,992

NORTH DAKOTA

Total grants:	
Total grants-in-aid to State and local agencies (62)	43,058,121
Total Federal grants to individuals (93)	34,147,644
Grand total for State and local agencies and to individuals (94)	77,205,765
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	20,657,033
2. Agricultural conservation (63)	3,821,741
3. Agricultural experimentation (1)	387,018
4. Agricultural extension work (2)	596,683
Subtotal of Nos. 1 through 4	25,462,475
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	344,568
2. Value of commodities donated (9)	249,514
3. State and private forestry cooperation (7)	18,030
4. Cooperative projects in marketing (6)	43,808
5. Watershed protection and flood prevention (8)	342,615
Subtotal of Nos. 1 through 5	998,535
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	26,461,010

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

NORTH DAKOTA

Amounts granted for, etc.:	
Highways and airports:	
1. Federal highways (trust fund) (12)	$27,268,324
2. Other road construction projects (13)	82,434
Subtotal of Nos. 1 and 2	27,350,758
3. Federal airport program (57)	139,511
Total of Nos. 1 through 3	27,490,269
Health and hospitals:	
1. Hospital construction (33)	932,880
2. Public health services (26 through 32)	206,748
Total of Nos. 1 and 2	1,139,628
Welfare:	
1. Old-age assistance (41)	4,242,583
2. Aid to dependent children (42)	1,831,805
3. Disabled (43)	615,265
4. Blind persons (44)	59,498
5. Vocational rehabilitation (45)	312,690
Total of Nos. 1 through 5	7,061,841
Unemployment:	
1. Unemployment compensation and employment service administration (51)	1,036,988
2. Veterans and Federal and temporary employees (86, 87)	465,644
Subtotal of Nos. 1 and 2	1,502,632
3. Veterans' readjustment benefits (92)	3,884,132
Total of Nos. 1 through 3	5,386,764
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	521,694
2. Land-grant colleges (20)	76,181
Total of Nos. 1 and 2	597,875
Municipal aid:	
1. Public housing (56)	17,756
2. Waste treatment (34)	425,968
Total of Nos. 1 and 2	443,724
Schools:	
1. School construction (Public Law 815), (22)	279,183
2. Maintenance and operation (Public Law 874), (23)	194,292
3. Vocational education (21)	275,856
4. National Defense Education Act (25)	338,639
Subtotal of Nos. 1 through 4	1,087,970

Total Federal grants-in-aid, etc.—Continued

NORTH DAKOTA

Amounts granted for, etc.:	
Schools:	
5. School lunch and milk program (3, 10)	$922,762
Total of Nos. 1 through 5	2,010,732
Fiscal 1959:	
State tax revenue	[1] 58,660,000
Total Federal grants-in-aid equivalent to 131.6 percent of State tax revenue	77,205,765

OHIO

Total grants:	
Total grants-in-aid to State and local agencies (62)	318,249,126
Total Federal grants to individuals (93)	88,504,501
Grand total for State local agencies and to individuals (94)	406,753,627
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	24,905,781
2. Agricultural conservation (63)	6,211,899
3. Agricultural experimentation (1)	918,168
4. Agricultural extension work (2)	1,771,576
Subtotal of Nos. 1 through 4	33,807,424
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	2,938,203
2. Value of commodities donated (9)	2,127,665
3. State and private forestry cooperation (7)	90,947
4. Cooperative projects in marketing (6)	53,320
5. Water shed protection and flood prevention (8)	104,690
Subtotal of Nos. 1 through 5	5,314,825
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	39,122,249
Highways and airports:	
1. Federal highways (trust fund) (12)	191,710,154
2. Other road construction projects (13)	33,181
Subtotal of Nos. 1 and 2	191,743,335
3. Federal airport program (57)	1,077,180
Total of Nos. 1 through 3	192,820,515
Health and hospitals:	
1. Hospital construction (33)	3,610,900
2. Public health services (26 through 32)	1,333,116
Total of Nos. 1 and 2	4,944,016

Total Federal grants-in-aid, etc.—Continued

OHIO

Amounts granted for, etc.:	
Welfare:	
1. Old-age assistance (41)	$39,914,424
2. Aid to dependent children (42)	20,571,329
3. Disabled (43)	4,852,404
4. Blind persons (44)	1,806,783
5. Vocational rehabilitation (45)	973,304
Total of Nos. 1 through 5	68,118,244
Unemployment:	
1. Unemployment compensation and employment service administration (51)	14,886,820
2. Veterans and Federal and temporary employees (86, 87)	10,459,122
Subtotal of Nos. 1 and 2	25,345,942
3. Veterans' readjustment benefits (92)	19,047,274
Total of Nos. 1 through 3	44,393,216
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	11,234,662
2. Land-grant colleges (20)	149,269
Total of Nos. 1 and 2	11,383,895
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	5,437,230
2. Waste treatment (34)	1,574,740
Total of Nos. 1 and 2	7,011,970
Schools:	
1. School construction (Public Law 815) (22)	680,961
2. Maintenance and operation (Public Law 874) (23)	3,157,886
3. Vocational education (21)	1,712,274
4. National Defense Education Act (25)	2,686,901
Subtotal of Nos. 1 through 4	8,238,022
5. School lunch and milk program (3, 10)	10,272,222
Total of Nos. 1 through 5	18,510,244
Fiscal 1959:	
State tax revenue	[1] 719,276,000
Total Federal grants-in-aid equivalent to 56.6 percent of State tax revenue	406,753,627

OKLAHOMA

Total grants:	
Total grants-in-aid to State and local agencies (62)	177,035,125
Total Federal grants to individuals (93)	56,431,889

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

OKLAHOMA

Total grants:	
Grand total for State and local agencies and to individuals (94)	$233,467,014
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	25,217,909
2. Agricultural conservation (63)	7,923,079
3. Agricultural experimentation (1)	590,382
4. Agricultural extension work (2)	1,343,842
Subtotal of Nos. 1 through 4	35,075,212
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	4,924,413
2. Value of commodities donated (9)	3,565,954
3. State and private forestry cooperation (7)	193,486
4. Cooperative projects in marketing (6)	43,676
5. Watershed protection and flood prevention (8)	4,318,487
Subtotal of Nos. 1 through 5	13,046,016
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	48,121,228
Highways and airports:	
1. Federal highways (trust fund) (12)	63,686,549
2. Other road construction projects (13)	517,117
Subtotal of Nos. 1 and 2	64,203,666
3. Federal airport program (57)	945,042
Total of Nos. 1 through 3	65,148,708
Health and hospitals:	
1. Hospital construction (33)	3,541,776
2. Public health services (26 through 32)	475,146
Total of Nos. 1 and 2	4,016,922
Welfare:	
1. Old-age assistance (41)	51,075,389
2. Aid to dependent children (42)	15,962,522
3. Disabled (43)	5,133,525
4. Blind persons (44)	1,055,754
5. Vocational rehabilitation (45)	1,061,022
Total of Nos. 1 through 5	74,228,212
Unemployment:	
1. Unemployment compensation and employment service administration (51)	3,535,691

Total Federal grants-in-aid, etc.—Continued

OKLAHOMA

Amounts granted for, etc.:	
Unemployment:	
2. Veterans and Federal employees (86)	$1,530,523
Subtotal of Nos. 1 and 2	5,066,214
3. Veterans' readjustment benefits (92)	10,520,978
Total of Nos. 1 through 3	15,587,192
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	3,008,709
2. Land-grant colleges (20)	92,278
Total of Nos. 1 and 2	3,100,987
Municipal aid:	
1. Urban renewal (55)	93,774
2. Waste treatment (34)	877,762
Total of Nos. 1 and 2	971,536
Schools:	
1. School construction (Public Law 815) (22)	1,757,306
2. Maintenance and operation (Public Law 874) (23)	4,796,164
3. Vocational education (21)	655,943
4. National Defense Education Act (25)	1,060,065
Subtotal of Nos 1 through 4	8,269,478
5. School lunch and milk program (3, 10)	2,989,363
Total of Nos. 1 through 5	11,258,841
Fiscal 1959:	
State tax revenue	[1] 256,326,000
Total Federal grants-in-aid equivalent to 91.1 percent of State tax revenue	233,467,014

OREGON

Total grants:	
Total grants-in-aid to State and local agencies (62)	93,746,141
Total Federal grants to individuals (93)	23,743,803
Grand total for State and local agencies and to individuals (94)	117,489,944
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	1,427,723
2. Agricultural conservation (63)	2,323,811
3. Agricultural experimentation (1)	494,517
4. Agricultural extension work (2)	568,590
Subtotal of Nos. 1 through 4	4,814,641

Total Federal grants-in-aid, etc.—Continued

OREGON

Amounts granted for, etc.:	
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	$512,532
2. Value of commodities donated (9)	371,143
3. State and private forestry cooperation (7)	638,572
4. Cooperative projects in marketing (6)	95,138
5. Water shed protection and flood prevention (8)	92,452
Subtotal of Nos. 1 through 5	1,709,837
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	6,524,478
Highways and airports:	
1. Federal highways (trust fund) (12)	38,608,842
2. Other road construction projects (13)	3,287,502
Subtotal of Nos. 1 and 2	41,896,344
3. Federal airport program (57)	578,745
Total of Nos. 1 through 3	42,475,089
Health and hospitals:	
1. Hospital construction (33)	1,593,364
2. Public health services (26 through 32)	299,644
Total of Nos. 1 and 2	1,893,008
Welfare:	
1. Old-age assistance (41)	9,555,755
2. Aid to dependent children (42)	5,535,477
3. Disabled (43)	2,737,957
4. Blind persons (44)	150,920
5. Vocational rehabilitation (45)	649,287
Total of Nos. 1 through 5	18,629,396
Unemployment:	
1. Unemployment compensation and employment services administration (51)	3,468,142
2. Veterans and Federal and temporary employees (86, 87)	2,177,772
Subtotal of Nos. 1 and 2	5,645,914
3. Veterans' readjustment benefits (92)	5,641,150
Total of Nos. 1 through 3	11,287,064
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	4,512,488
2. Land-grant colleges (20)	85,176
Total of Nos. 1 and 2	4,597,664

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

OREGON

Amounts granted for, etc.:	
Municipal aid:	
1. Urban renewal and public housing (55, 56)	$181,746
2. Waste treatment (34)	671,099
Total of Nos. 1 and 2	852,845
Schools:	
1. School construction (Public Law 815) (22)	111,405
2. Maintenance and operation (Public Law Law 874) (23)	839,415
3. Vocational education (21)	401,727
4. National Defense Education Act (25)	287,266
Subtotal of Nos. 1 through 4	1,639,813
5. School lunch and milk program (3, 10)	1,816,424
Total of Nos. 1 through 5	3,456,237
Fiscal 1959:	
State tax revenue	[1] 176,538,000
Total Federal grants-in-aid (equivalent to 66.6 percent of State tax revenue)	117,489,944

PENNSYLVANIA

Total grants:	
Total grants-in-aid to State and local agencies (62)	319,630,884
Total Federal grants to individuals (93)	169,526,926
Grand total for State and local agencies and to individuals (94)	489,157,810
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	4,178,841
2. Agricultural conservation (63)	4,729,714
3. Agricultural experimentation (1)	1,028,077
4. Agricultural extension work (2)	1,766,751
Subtotal of Nos. 1 through 4	11,703,383
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	11,519,513
2. Value of commodities donated (9)	8,341,716
3. State and private forestry cooperation (7)	292,035
4. Cooperative projects in marketing (6)	48,552
5. Watershed protection and flood prevention (8)	66,496
Subtotal of Nos. 1 through 5	20,268,312
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	31,971,695

Total Federal grants-in-aid, etc.—Continued

PENNSYLVANIA

Amounts granted for, etc.:	
Highways and airports:	
1. Federal highways (trust fund) (12)	$127,422,163
2. Other road construction projects (13)	141,413
Subtotal of Nos. 1 and 2	127,563,576
3. Federal airport program (57)	4,391,306
Total of Nos. 1 through 3	131,954,882
Health and hospitals:	
1. Hospital construction (33)	9,334,338
2. Public health services (26 through 32)	1,725,316
Total of Nos. 1 and 2	11,059,654
Welfare:	
1. Old-age assistance (41)	25,869,874
2. Aid to dependent children (42)	47,402,649
3. Disabled (43)	8,173,140
4. Blind persons (44)	3,937,418
5. Vocational rehabilitation (45)	3,535,981
Total of Nos. 1 through 5	88,919,062
Unemployment:	
1. Unemployment compensation and employment service administration (51)	21,946,189
2. Veterans, Federal and temporary employees (86, 87)	91,833,118
Subtotal of Nos. 1 and 2	113,779,307
3. Veterans' readjustment benefits (92)	32,848,775
Total of Nos. 1 through 3	146,628,082
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	18,173,350
2. Land grant colleges (20)	174,720
Total of Nos. 1 and 2	18,348,070
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	18,279,003
2. Waste treatment (34)	2,131,799
Total of Nos. 1 and 2	20,410,802
Schools:	
1. School construction (Public Law 815) (22)	94,100
2. Maintenance and operation (Public Law 874) (23)	1,773,018
3. Vocational education (21)	2,022,786

Total Federal grants-in-aid, etc.—Continued

PENNSYLVANIA

Amounts granted for, etc.:	
Schools:	
4. National Defense Education Act (25)	$1,493,298
Subtotal of Nos. 1 through 4	5,383,112
5. School lunch and milk program (3, 10)	10,522,171
Total of Nos. 1 through 5	15,905,283
Fiscal 1959:	
State tax revenue	[1] 901,608,000
Total Federal grants-in-aid equivalent to 54.3 percent of State tax revenue)	489,157,810

RHODE ISLAND

Total grants:	
Total grants-in-aid to State and local agencies (62)	30,932,690
Total Federal grants to individuals (93)	14,150,389
Grand total for State and local agencies and to individuals (94)	45,083,079
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	
2. Agricultural conservation (63)	77,990
3. Agricultural experimentation (1)	287,787
4. Agricultural extension work (2)	96,190
Subtotal of Nos. 1 through 4	461,967
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	296,430
2. Value of commodities donated (9)	214,656
3. State and private forestry cooperation (7)	45,924
4. Cooperative projects in marketing (6)	3,704
5. Watershed protection and flood prevention (8)	
Subtotal of Nos. 1 through 5	560,714
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	1,022,681
Highways and airports:	
1. Federal highways (trust fund) (12)	11,479,706
2. Other road construction projects (13)	539
Subtotal of Nos. 1 and 2	11,480,245
3. Federal airport program (57)	354,790
Total of Nos. 1 through 3	11,835,035

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

RHODE ISLAND

Amounts granted for, etc.:	
Health and hospitals:	
1. Hospital construction (33)	$665,829
2. Public health services (26 through 32)	155,707
Total of Nos. 1 and 2	821,536
Welfare:	
1. Old-age assistance (41)	3,619,059
2. Aid to dependent children (42)	4,148,705
3. Disabled (43)	1,408,494
4. Blind persons (44)	68,146
5. Vocational rehabilitation (45)	272,408
Total of Nos. 1 through 5	9,516,812
Unemployment:	
1. Unemployment compensation and employment service administration (51)	2,667,033
2. Veterans and Federal and temporary employees (86, 87)	5,629,541
Subtotal of Nos. 1 and 2	8,296,574
3. Veterans' readjustment benefits (92)	2,987,732
Total of Nos. 1 through 3	11,284,306
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	1,972,297
2. Land-grant colleges (20)	77,899
Total of Nos. 1 and 2	2,050,196
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	1,684,012
2. Waste treatment (34)	174,491
Total of Nos. 1 and 2	1,858,503
Schools:	
1. School construction (Public Law 815) (22)	197,307
2. Maintenance and operation (Public Law 874) (23)	1,128,301
3. Vocational education (21)	156,680
4. National Defense Education Act (25)	261,719
Subtotal of Nos. 1 through 4	1,744,007
5. School lunch and milk program (3, 10)	753,367
Total of Nos. 1 through 5	2,497,374
Fiscal 1959:	
State tax revenue	[1] 79,160,000
Total Federal grants-in-aid (equivalent to 57 percent of State tax revenue)	45,083,079

Total Federal grants-in-aid, etc.—Continued

SOUTH CAROLINA

Total grants:	
Total grants-in-aid to State and local agencies (62)	$79,302,891
Total Federal grants to individuals (93)	50,691,265
Grand total for State and local agencies and to individuals (94)	129,994,156
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	25,830,403
2. Agricultural conservation (63)	3,740,423
3. Agricultural experimentation (1)	669,036
4. Agricultural extension work (2)	1,380,776
Subtotal of Nos. 1 through 4	31,620,638
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	1,179,935
2. Value of commodities donated (9)	854,436
3. State and private forestry cooperation (7)	368,456
4. Cooperative projects in marketing (6)	19,463
5. Watershed protection and flood prevention (8)	97,187
Subtotal of Nos. 1 through 5	2,519,477
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	34,140,115
Highways and airports:	
1. Federal highways (trust fund) (12)	32,732,621
2. Other road construction projects (13)	121,600
Subtotal of Nos. 1 and 2	32,854,221
3. Federal airport program (57)	180,841
Total of Nos. 1 through 3	33,035,062
Health and hospitals:	
1. Hospital construction (33)	2,597,034
2. Public health services (26 through 32)	692,698
Total of Nos. 1 and 2	3,289,732
Welfare:	
1. Old-age assistance (41)	12,438,496
2. Aid to dependent children (42)	5,549,763
3. Disabled (43)	2,715,775
4. Blind persons (44)	699,200
5. Vocational rehabilitation (45)	704,201
Total of Nos. 1 through 5	22,107,435

Total Federal grants-in-aid, etc.—Continued

SOUTH CAROLINA

Amounts granted for, etc.:	
Unemployment:	
1. Unemployment compensation and employment service administration (51)	$2,950,492
2. Veterans and Federal and temporary employees (86, 87)	1,574,906
Subtotal of Nos. 1 and 2	4,525,398
3. Veterans' readjustment benefits (92)	9,770,105
Total of Nos. 1 through 3	14,295,503
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	995,861
2. Land-grant colleges (20)	91,118
Total of Nos. 1 and 2	1,086,979
Municipal aid:	
1. Public housing (56)	1,283,332
2. Waste treatment (34)	424,458
Total of Nos. 1 and 2	1,707,790
Schools:	
1. School construction (Public Law 815), (22)	1,467,224
2. Maintenance and operation (Public Law 874), (23)	2,146,571
3. Vocational education (21)	734,740
4. National Defense Education Act (25)	1,302,566
Subtotal of Nos. 1 through 4	5,651,101
5. School lunch and milk program (3), (10)	4,126,723
Total of Nos. 1 through 5	9,777,824
Fiscal 1959	
State tax revenue	[1] 194,599,000
Total Federal grants-in-aid equivalent to 66.8 percent of total State tax revenue	[1] 129,994,156

SOUTH DAKOTA

Total grants:	
Total grants-in-aid to State and local agencies (62)	35,631,350
Total Federal grants to individuals (93)	34,325,598
Grand total for State and local agencies and to individuals (94)	69,956,948
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	19,707,594
2. Agricultural conservation (63)	4,834,319
3. Agricultural experimentation (1)	405,956

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

SOUTH DAKOTA

Amounts granted for, etc.:	
Farmers:	
4. Agricultural extension work (2)	$554,101
Subtotal of Nos. 1 through 4	25,501,970
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	724,887
2. Value of commodities donated (9)	524,918
3. State and private forestry cooperation (7)	54,387
4. Cooperative projects in marketing (6)	19,188
5. Watershed protection and flood prevention (8)	4,421
Subtotal of Nos. 1 through 5	1,327,801
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	26,829,771
Highways and airports:	
1. Federal highways (trust fund) (12)	17,051,176
2. Other road construction projects (13)	199,713
Subtotal of Nos. 1 and 2	17,250,889
3. Federal airport program (57)	187,913
Total of Nos. 1 through 3	17,438,802
Health and hospitals:	
1. Hospital construction (33)	1,265,926
2. Public health services (26 through 32)	185,593
Total of Nos. 1 and 2	1,451,519
Welfare:	
1. Old-age assistance (41)	4,540,818
2. Aid to dependent children (42)	2,861,021
3. Disabled (43)	558,819
4. Blind persons (44)	90,729
5. Vocational rehabilitation (45)	221,212
Total of Nos. 1 through 5	8,272,599
Unemployment:	
1. Unemployment compensation and employment service administration (51)	762,615
2. Veterans and Federal employees (86)	372,792
Subtotal of Nos. 1 and 2	1,135,407
3. Veterans' readjustment benefits (92)	3,975,108
Total of Nos. 1 through 3	5,110,515

Total Federal grants-in-aid, etc.—Continued

SOUTH DAKOTA

Amounts granted for, etc.:	
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	$898,022
2. Land-grant colleges (20)	76,511
Total of Nos. 1 and 2	974,533
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	
2. Waste treatment (34)	127,900
Total of Nos. 1 and 2	127,900
Schools:	
1. School construction (Public Law 815), (22)	526,256
2. Maintenance and operation (Public Law 874), (23)	1,484,273
3. Vocation education (21)	282,820
4. National Defense Education Act (25)	345,344
Subtotal of Nos. 1 through 4	2,638,693
5. School lunch and milk program (3, 10)	1,029,768
Total of Nos. 1 through 5	3,668,461
Fiscal 1959:	
State tax revenue	[1] 50,433,000
Total Federal grants-in-aid (equivalent to 138.7 percent of State tax revenue)	69,956,948

TENNESSEE

Total grants:	
Total grants-in-aid to State and local agencies (62)	137,846,604
Total Federal grants to individuals (93)	59,294,173
Grand total for state and local agencies and to individuals (94)	197,140,777
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	19,735,283
2. Agricultural conservation (63)	6,328,435
3. Agricultural experimentation (1)	862,858
4. Agricultural extension work (2)	1,887,137
Subtotal of Nos. 1 through 4	28,813,713
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	4,323,126
2. Value of commodities donated (9)	3,130,539
3. State and private forestry cooperation (7)	311,579
4. Cooperative projects in marketing (6)	39,558

Total Federal grants-in-aid, etc.—Continued

TENNESSEE

Amounts granted for, etc.:	
Agricultural miscellaneous:	
5. Watershed protection and flood prevention (8)	$359,644
Subtotal of Nos. 1 through 5	8,164,446
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	36,978,159
Highways and airports:	
1. Federal highways (trust fund) (12)	48,080,767
2. Other road construction projects (13)	189,543
Subtotal of Nos. 1 and 2	48,270,310
3. Federal airport program (57)	2,440,650
Total of Nos. 1 through 3	50,710,960
Health and hospitals:	
1. Hospital construction (33)	5,113,892
2. Public health services (26 through 32)	840,129
Total of Nos. 1 and 2	5,954,021
Welfare:	
1. Old-age assistance (41)	22,679,441
2. Aid to dependent children (42)	15,097,228
3. Disabled (43)	3,075,586
4. Blind persons (44)	1,247,899
5. Vocational rehabilitation (45)	1,544,642
Total of Nos. 1 through 5	43,644,796
Unemployment:	
1. Unemployment compensation and employment service administration (51)	3,834,898
2. Veterans, Federal and temporary employees (86, 87)	4,779,128
Subtotal of Nos. 1 and 2	8,614,026
3. Veterans' readjustment benefits (92)	12,306,560
Total of Nos. 1 through 3	20,920,586
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	5,045,847
2. Land-grant colleges (20)	102,835
Total of Nos. 1 and 2	5,148,682
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	6,191,891
2. Waste treatment (34)	788,863
Total of Nos. 1 and 2	6,980,754

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

TENNESSEE

Amounts granted for, etc.:	
Schools:	
1. School construction (Public Law 815) (22)	$175,394
2. Maintenance and operation (Public Law 874) (23)	1,386,063
3. Vocational education (21)	1,091,496
4. National Defense Education Act (25)	782,833
Subtotal of Nos. 1 through 4	3,435,786
5. School lunch and milk program (3) (10)	5,991,295
Total of Nos. 1 through 5	9,427,081
Fiscal 1959:	
State tax revenue	[1] 280,933,000
Total Federal grants-in-aid (equivalent to 70.2 percent of State tax revenue)	197,140,777

TEXAS

Total grants:	
Total grants-in-aid to State and local agencies (62)	353,718,504
Total Federal grants to individuals (93)	167,416,571
Grand total for State and local agencies and to individuals (94)	521,135,075
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	78,121,659
2. Agricultural conservation (63)	22,839,665
3. Agricultural experimentation (1)	1,144,440
4. Agricultural extension work (2)	3,038,990
Subtotal of Nos. 1 through 4	105,144,754
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	4,259,371
2. Value of commodities donated (9)	3,084,372
3. State and private forestry cooperation (7)	291,443
4. Cooperative projects in marketing (6)	43,097
5. Water shed protection and flood prevention (8)	6,252,689
Subtotal of Nos. 1 through 5	13,930,972
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	119,075,726
Highways and airports:	
1. Federal highways (trust fund) (12)	145,554,500
2. Other road construction projects (13)	122,800
Subtotal of Nos. 1 and 2	145,677,300

Total Federal grants-in-aid, etc.—Continued

TEXAS

Amounts granted for, etc.:	
Highways and airports:	
3. Federal airport program (57)	$3,261,506
Total of Nos. 1 through 3	148,938,806
Health and hospitals:	
1. Hospital construction (33)	8,259,900
2. Public health services (26 through 32)	1,697,232
Total of Nos. 1 and 2	9,957,132
Welfare:	
1. Old-age assistance (41)	100,120,153
2. Aid to dependent children (42)	18,463,461
3. Disabled (43)	2,355,317
4. Blind persons (44)	3,093,067
5. Vocational rehabilitation (45)	1,548,791
Total of Nos. 1 through 5	125,580,789
Unemployment:	
1. Unemployment compensation and employment service administration (51)	11,440,673
2. Veterans, Federal and temporary employees (86, 87)	7,631,259
Subtotal of Nos. 1 and 2	19,071,932
3. Veterans' readjustment benefits (92)	28,555,799
Total of Nos. 1 through 3	47,627,731
Colleges and Research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	8,343,579
2. Land-grant colleges (20)	146,921
Total of Nos. 1 and 2	8,490,500
Municipal aid:	
1. Urban planning and public housing (55 and 56)	6,482,964
2. Waste treatment (34)	2,170,502
Total of Nos. 1 and 2	8,653,466
Schools:	
1. School construction (Public Law 815) (22)	4,683,739
2. Maintenance and operation (Public Law 874) (23)	8,471,670
3. Vocational education (21)	1,852,755
4. National Defense Education Act (25)	1,578,337
Subtotal of Nos. 1 through 4	16,586,501
5. School lunch and milk program (3, 10)	9,990,959
Total of Nos. 1 through 5	26,577,460

Total Federal grants-in-aid, etc.—Continued

TEXAS

Fiscal 1959:	
State tax revenue	[1] $702,919,000
Total Federal grants-in-aid (equivalent to 74.1 percent of State tax revenue)	521,135,075

UTAH

Total grants:	
Total grants-in-aid to State and local agencies (62)	50,206,417
Total Federal grants to individuals (93)	19,484,898
Grand total for State agencies and to individuals (94)	69,691,315
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	1,260,428
2. Agricultural conservation (63)	1,500,634
3. Agricultural experimentation (1)	370,711
4. Agricultural extension work (2)	310,891
Subtotal of Nos. 1 through 4	3,442,664
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	754,954
2. Value of commodities donated (9)	546,691
3. State and private forestry co-operation (7)	51,286
4. Cooperative projects in marketing (6)	17,021
5. Watershed protection and flood prevention (8)	272,077
Subtotal of Nos. 1 through 5	1,642,029
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	5,084,693
Highways and airports:	
1. Federal highways (trust fund) (12)	25,553,284
2. Other road construction projects (13)	1,055,150
Subtotal of Nos. 1 and 2	26,608,434
3. Federal airport program (57)	836,212
Total of Nos. 1 through 3	27,444,646
Health and hospitals:	
1. Hospital construction (33)	1,092,012
2. Public health services (26 through 32)	157,907
Total of Nos. 1 and 2	1,249,919
Welfare:	
1. Old-age assistance (41)	4,485,442

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

UTAH

Amounts granted for, etc.:	
Welfare:	
2. Aid to dependent children (42)	$3,472,090
3. Disabled (43)	1,171,839
4. Blind persons (44)	120,092
5. Vocational rehabilitation (45)	296,655
Total of Nos. 1 through 5	9,546,118
Unemployment:	
1. Unemployment compensation and employment service administration (51)	2,188,493
2. Veterans and Federal employees (86)	802,606
Subtotal of Nos. 1 and 2	2,991,099
3. Veterans' readjustment benefits (92)	5,898,792
Total of Nos. 1 through 3	8,889,891
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	4,030,239
2. Land-grant colleges (20)	76,871
Total of Nos. 1 and 2	4,107,110
Municipal aid:	
1. Waste treatment (34)	700,666
Schools:	
1. School construction (Public Law 815), (22)	243,743
2. Maintenance and operation (Public Law 874), (23)	1,211,174
3. Vocational education (21)	183,563
4. National Defense Education Act (25)	328,969
Subtotal of Nos. 1 through 4	1,967,449
5. School lunch and milk program (3, 10)	1,196,483
Total of Nos. 1 through 5	3,163,932
Fiscal 1959:	
State tax revenue	[1] 83,306,000
Total Federal grants-in-aid (equivalent to 83.7 percent of State tax revenue)	69,691,315

VERMONT

Total grants:	
Total grants-in-aid to State and local agencies (62)	18,300,164
Total Federal grants to individuals (93)	6,638,675
Grand total for State and local agencies and to individuals (94)	24,938,839
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	89,411

Total Federal grants-in-aid, etc.—Continued

VERMONT

Amounts granted for, etc.:	
Farmers:	
2. Agricultural conservation (63)	$912,587
3. Agricultural experimentation (1)	280,750
4. Agricultural extension work (2)	238,227
Subtotal of Nos. 1 through 4	1,520,97[illegible]
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	216,688
2. Value of commodities donated (9)	156,912
3. State and private forestry cooperation (7)	107,861
4. Cooperative projects in marketing (6)	15,346
5. Watershed protection and flood prevention (8)	274
Subtotal of Nos. 1 through 5	497,081
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	2,018,056
Highways and airports:	
1. Federal highways (trust fund) (12)	8,893,520
2. Other road construction projects (13)	233,784
Subtotal of No. 1 and 2	9,127,304
3. Federal airport program (57)	69,536
Total of Nos. 1 through 3	9,196,840
Health and hospitals:	
1. Hospital construction (33)	1,023,724
2. Public health services (26 through 32)	138,586
Total of Nos. 1 and 2	1,162,310
Welfare:	
1. Old-age assistance (41)	2,622,564
2. Aid to dependent children (42)	1,010,410
3. Disabled (43)	371,975
4. Blind persons (44)	64,133
5. Vocational rehabilitation (45)	214,726
Total of Nos. 1 through 5	4,283,808
Unemployment:	
1. Unemployment compensation and employment service administration (51)	900,322
2. Veteran's and Federal employees (86)	243,582
Subtotal of Nos. 1 and 2	1,143,904

Total Federal grants-in-aid, etc.—Continued

VERMONT

Amounts granted for, etc.:	
Unemployment:	
3. Veterans' readjustment benefits (92)	$928,812
Total of Nos. 1 through 3	2,072,716
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	1,131,679
2. Land-grant colleges (20)	73,768
Total of Nos. 1 and 2	1,205,447
Municipal aid:	
1. Urban renewal (55)	15,052
2. Waste treatment (34)	127,600
Total of Nos. 1 and 2	142,652
Schools:	
1. School construction (Public Law 815), (22)	
2. Maintenance and operation (Public Law 874), (23)	69,795
3. Vocational education (21)	183,749
4. National Defense Education Act (25)	37,094
Subtotal of Nos. 1 through 4	290,638
5. School lunch and milk program (3, 10)	451,460
Total of Nos. 1 through 5	742,098
Fiscal 1959:	
State tax revenue	[1] 38,882,000
Total Federal grants-in-aid (equivalent to 64.1 percent of State tax revenues)	24,938,839

VIRGINIA

Total grants:	
Total grants-in-aid to State and local agencies (62)	108,910,252
Total Federal grants to individuals (93)	35,979,513
Grand total for State and local agencies and to individuals (94)	144,889,765
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	4,707,264
2. Agricultural conservation (63)	4,626,978
3. Agricultural experimentation (1)	755,315
4. Agricultural extension work (2)	1,521,368
Subtotal of Nos. 1 through 4	11,610,925
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	2,122,921

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

VIRGINIA

Amounts granted for, etc.:	
Agricultural miscellaneous:	
2. Value of commodities donated (9)	$1,537,288
3. State and private forestry cooperation (7)	372,722
4. Cooperative projects in marketing (6)	68,582
5. Watershed protection and flood prevention (8)	386,789
Subtotal of Nos. 1 through 5	4,488,302
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	16,099,227
Highways and airports:	
1. Federal highways (trust fund) (12)	47,856,791
2. Other road construction projects (13)	311,549
Subtotal of Nos. 1 and 2	48,168,340
3. Federal airport program (57)	571,125
Total of Nos. 1 through 3	48,739,465
Health and hospitals:	
1. Hospital construction (33)	3,399,608
2. Public health services (26 through 32)	741,186
Total of Nos. 1 and 2	4,140,794
Welfare:	
1. Old-age assistance (41)	5,750,971
2. Aid to dependent children (42)	7,452,805
3. Disabled (43)	2,545,024
4. Blind persons (44)	538,329
5. Vocational rehabilitation (45)	1,081,347
Total of Nos. 1 through 5	17,368,476
Unemployment:	
1. Unemployment compensation and employee service administration (51)	2,570,802
2. Veterans and Federal employees (86)	2,036,954
Subtotal of Nos. 1 and 2	4,607,756
3. Veterans' readjustment benefits (92)	13,176,389
Total of No. 1 through 3	17,784,145
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	3,380,770
2. Land-grant colleges (20)	103,104
Total of Nos. 1 and 2	3,483,874
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	6,233,595

Total Federal grants-in-aid, etc.—Continued

VIRGINIA

Amounts granted for, etc.:	
Municipal aid:	
2. Waste treatment (34)	$884,023
Total of No. 1 and 2	7,117,618
Schools:	
1. School construction (Public Law 815), (22)	3,854,602
2. Maintenance and operation (Public Law 874), (23)	9,371,604
3. Vocational education (21)	976,717
4. National Defense Education Act (25)	356,369
Subtotal of Nos. 1 through 4	14,559,292
5. School lunch and milk program (3, 10)	5,055,641
Total of Nos. 1 through 5	19,614,933
Fiscal 1959:	
State tax revenue	[1] 270,192,000
Total Federal grants-in-aid (equivalent to 53.6 percent of State tax revenue)	144,889,765

WASHINGTON

Total grants:	
Total grants-in-aid to State and local agencies (62)	138,895,864
Total Federal grants to individuals (93)	39,382,579
Grand total for State and local agencies and to individuals (94)	178,278,443
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	1,907,161
2. Agricultural conservation (63)	2,420,770
3. Agricultural experimentation (1)	586,690
4. Agricultural extension work (2)	706,043
Subtotal of No. 1 through 4	5,620,664
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	926,993
2. Value of commodities donated (9)	671,271
3. State and private forestry cooperation (7)	645,074
4. Cooperative projects in marketing (6)	60,761
5. Watershed protection and flood prevention (8)	61,991
Subtotal of Nos. 1 through 5	2,366,090
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	7,986,754

Total Federal grants-in-aid, etc.—Continued

WASHINGTON

Amounts granted for, etc.:	
Highways and airports:	
1. Federal highways (trust fund) ((12)	$61,970,527
2. Other road construction projects (13)	1,900,766
Subtotal of Nos. 1 and 2	63,871,293
3. Federal airport program (57)	1,477,397
Total of Nos. 1 through 3	65,348,690
Health and hospitals:	
1. Hospital construction (33)	2,450,775
2. Public health services (26 through 32)	432,049
Total of Nos. 1 and 2	2,882,824
Welfare:	
1. Old-age assistance (41)	27,139,810
2. Aid to dependent children (42)	11,106,409
3. Disabled (43)	3,137,716
4. Blind persons (44)	385,601
5. Vocational rehabilitation (45)	821,128
Total of Nos. 1 through 5	42,590,664
Unemployment:	
1. Unemployment compensation and employment service administration (51)	5,348,189
2. Veterans and Federal and temporary employees (86, 87)	5,664,941
Subtotal of Nos. 1 and 2	11,013,130
3. Veterans' readjustment benefits (92)	9,869,320
Total of Nos. 1 through 3	20,882,450
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	9,062,383
2. Land grant colleges (20)	93,731
Total of Nos. 1 and 2	9,156,114
Municipal aid:	
1. Urban renewal and public housing (55, 56)	683,255
2. Waste treatment (34)	424,194
Total of Nos. 1 and 2	1,107,449
Schools:	
1. School construction (Public Law 815), (22)	1,739,257
2. Maintenance and operation (Public Law 874), (23)	5,801,016
3. Vocational education (21)	580,244
4. National Defense Education Act (25)	444,887
Subtotal of Nos. 1 through 4	8,565,404

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

WASHINGTON

Amounts granted for, etc.:	
Schools:	
5. School lunch and milk program (3, 10)	$3,345,125
Total of Nos. 1 through 5	11,910,529
Fiscal 1959:	
State tax revenue	[1] 417,975,000
Total Federal grants-in-aid (equivalent to 42.7 percent of State tax revenue)	178,278,443

WEST VIRGINIA

Total grants:	
Total grants-in-aid to State and local agencies (62)	77,708,469
Total Federal grants to individuals (93)	27,352,984
Grand total for State and local agencies and to individuals (94)	105,061,453
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)[1]	320,422
2. Agricultural conservation (63)	1,721,515
3. Agricultural experimentation (1)	598,768
4. Agricultural extension work (2)	880,238
Subtotal of Nos. 1 through 4	3,520,943
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	4,205,637
2. Value of commodities donated (9)	3,045,462
3. State and private forestry cooperation (7)	206,311
4. Cooperative projects in marketing (6)	36,725
5. Watershed protection and flood prevention (8)	436,408
Subtotal of Nos. 1 through 5	7,930,543
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	11,451,486
Highways and airports:	
1. Federal highways (trust fund) (12)	27,475,808
2. Other road construction projects (13)	17,732
Subtotal of Nos. 1 and 2	27,493,540
3. Federal airport program (57)	602,671
Total of Nos. 1 through 3	28,096,211
Health and hospitals:	
1. Hospital construction (33)	3,637,580
2. Public health services (26 through 32)	460,063
Total of Nos. 1 and 2	4,097,643

Total Federal grants-in-aid, etc.—Continued

WEST VIRGINIA

Amounts granted for, etc.:	
Welfare:	
1. Old-age assistance (41)	$6,852,995
2. Aid to dependent children (42)	16,846,888
3. Disabled (43)	2,655,868
4. Blind persons (44)	382,944
5. Vocational rehabilitation (45)	1,131,973
Total of Nos. 1 through 5	27,870,668
Unemployment:	
1. Unemployment compensation and employment service administration (51)	2,139,370
2. Veterans and Federal and temporary employees (86, 87)	13,416,633
Subtotal of Nos. 1 and 2	15,556,003
3. Veterans' readjustment benefits (92)	6,009,569
Total of Nos. 1 through 3	21,565,572
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	904,795
2. Land grant colleges (20)	90,006
Total of Nos. 1 and 2	994,801
Municipal aid:	
1. Public housing (56)	481,635
2. Waste treatment (34)	498,076
Total of Nos. 1 and 2	979,711
Schools:	
1. School construction (Public law 815), (22)	
2. Maintenance and operation (Public law 874) (23)	107,212
3. Vocational education (21)	615,305
4. National Defense Education Act (25)	449,909
Subtotal of Nos. 1 through 4	1,172,426
5. School lunch and milk program (3, 10)	2,492,202
Total of Nos. 1 through 5	3,664,628
Fiscal 1959:	
State tax revenue	[1] 161,645,000
Total Federal grants-in-aid (equivalent to 65.0 percent of State tax revenue)	105,061,453

WISCONSIN

Total grants:	
Total grants-in-aid to State and local agencies (62)	104,843,769
Total Federal grants to individuals (93)	51,373,082
Grand total for State and local agencies and to individuals (94)	156,216,851

Total Federal grants-in-aid, etc.—Continued

WISCONSIN

Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	$12,011,452
2. Agricultural conservation (63)	6,120,266
3. Agricultural experimentation (1)	764,236
4. Agricultural extension work (2)	1,387,880
Subtotal of Nos. 1 through 4	20,283,834
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	1,590,090
2. Value of commodities donated (9)	1,151,445
3. State and private forestry cooperation (7)	412,046
4. Cooperative projects in marketing (6)	77,313
5. Watershed protection and flood prevention (8)	193,959
Subtotal of Nos. 1 through 5	3,424,853
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	23,708,687
Highways and airports:	
1. Federal highways (trust fund) (12)	48,615,170
2. Other road construction projects (13)	177,313
Subtotal of Nos. 1 and 2	48,792,483
3. Federal airport program (57)	1,094,180
Total of Nos. 1 through 3	49,886,663
Health and hospitals:	
1. Hospital construction (33)	2,992,456
2. Public health services (26 through 32)	542,095
Total of Nos. 1 and 2	3,534,551
Welfare:	
1. Old-age assistance (41)	18,855,281
2. Aid to dependent children (42)	8,380,938
3. Disabled (43)	700,671
4. Blind persons (44)	550,468
5. Vocational rehabilitation (45)	1,122,575
Total of Nos. 1 through 5	29,609,933
Unemployment:	
1. Unemployment compensation and employment service administration (51)	4,313,037
2. Veterans and Federal and temporary employees (86, 87)	3,532,847
Subtotal of Nos. 1 and 2	7,845,884

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Total Federal grants-in-aid, etc.—Continued

WISCONSIN

Amounts granted for, etc.:	
Unemployment:	
3. Veterans' readjustment benefits (92)	$11,736,522
Total of Nos. 1 through 3	19,582,406
Colleges and research agencies:	
1. Research and training grants (17, 35, 70–82, 88–90)	7,071,617
2. Land-grant colleges (20)	104,260
Total of Nos. 1 and 2	7,175,877
Municipal aid:	
1. Urban renewal and public housing (54, 56)	1,474,854
2. Waste treatment (34)	855,231
Total of Nos. 1 and 2	2,330,085
Schools:	
1. School construction (Public Law 815) (22)	6,156
2. Maintenance and operation (Public Law 874) (23)	313,364
3. Vocational education (21)	992,587
4. National Defense Education Act (25)	135,364
Subtotal of Nos. 1 through 4	1,447,471
5. School lunch and milk program (3, 10)	5,458,569
Total of Nos. 1 through 5	6,906,040
Fiscal 1959:	
State tax revenue	[1] 382,075,000
Total Federal grants-in-aid equivalent to 40.9 percent of State tax revenue	156,216,851

WYOMING

Total grants:	
Total grants-in-aid to State and local agencies (62)	49,188,459
Total Federal grants to individuals (93)	9,243,590
Grand total for State and local agencies and to individuals (94)	58,432,049
Amounts granted for some selected purposes:	
Farmers:	
1. Soil bank program (66)	548,587
2. Agricultural conservation (63)	2,174,008
3. Agricultural experimentation (1)	324,262
4. Agricultural extension work (2)	279,794
Subtotal of Nos. 1 through 4	3,326,651

Total Federal grants-in-aid, etc.—Continued

WYOMING

Amounts granted for, etc.:	
Agricultural miscellaneous:	
1. Removal of surplus agricultural commodities (11)	$170,276
2. Value of commodities donated (9)	123,304
3. State and private forestry cooperation (7)	2,333
4. Cooperative projects in marketing (6)	19,300
5. Watershed protection and flood prevention (8)	236,652
Subtotal of Nos. 1 through 5	551,865
Total to farmers (Nos. 1 through 4) and agricultural miscellaneous (Nos. 1 through 5)	3,878,516
Highways and airports:	
1. Federal highways (trust fund) (12)	27,832,898
2. Other road construction projects (13)	1,291,157
Subtotal of Nos. 1 and 2	29,124,055
3. Federal airport program (57)	192,417
Total of Nos. 1 through 3	29,316,472
Health and hospitals:	
1. Hospital construction (33)	609,933
2. Public health services (26 through 32)	127,974
Total of Nos. 1 and 2	737,907
Welfare:	
1. Old-age assistance (41)	1,851,548
2. Aid to dependent children (42)	710,840
3. Disabled (43)	273,021
4. Blind persons (44)	35,415
5. Vocational rehabilitation (45)	96,871
Total of Nos. 1 through 5	2,967,695
Unemployment:	
1. Unemployment compensation and employment service administration (51)	778,724
2. Veterans and Federal employees (86)	394,850
Subtotal of Nos. 1 and 2	1,173,574
3. Veterans' readjustment benefits (92)	1,001,238
Total of Nos. 1 through 3	2,174,812
Colleges and research agencies:	
1. Research and training grants (17, 35 70–82, 88–90)	565,667

Total Federal grants-in-aid, etc.—Continued

WYOMING

Colleges and research agencies:	
2. Land-grant colleges (20)	$72,898
Total of Nos. 1 and 2	638,585
Municipal aid:	
1. Urban renewal and public housing (54, 55, 56)	
2. Waste treatment (34)	227,919
Total of Nos. 1 and 2	227,919
Schools:	
1. School construction (Public Law 815) (22)	207,234
2. Maintenance and operation (Public Law 874) (23)	353,540
3. Vocational education (21)	166,009
4. National Defense Education Act (25)	8,614
Subtotal of Nos. 1 through 4	735,397
5. School lunch and milk program (3, 10)	408,920
Total of Nos. 1 through 5	1,144,317
Fiscal 1959:	
State tax revenue	[1] 37,550,000
Total Federal grants-in-aid equivalent to 155.6 percent of State tax revenue	58,432,049

[1] U.S. Bureau of Census, "State Government Finances, 1959," p. 11.

Source: Data on Federal grants-in-aid from "Annual Report of the Secretary of the Treasury on the State of Finances for the Fiscal Year Ended June 30, 1959," Government Printing Office, table 88, pp. 612–626. Numbers in parentheses refer to column number in Treasurer's report.

Mr. McNAMARA. Mr. President, it is my hope that these exhibits will serve to recall once again the necessity of a Federal assistance program for the Nation's elementary and secondary schools.

I believe that education is just as necessary to the defense of this country as are guns and tanks and planes, and all the other implements of war.

It is regrettable that we have reached a point in Congress where we will have to settle for far less than the establishment of the general principle of Federal aid to education that I had hoped we might provide for in this session of Congress.

I could go on at some length, and perhaps the record should be made by quoting from those who appeared before the White House Conference on Education. That Conference is largely forgotten now. It established the need for education throughout the country.

However, after consultation with the senior Senator from Oregon, who is handling the bill on the floor, and who is the chairman of the Subcommittee on Education, and at the behest of the majority leader, the distinguished Senator from Montana [Mr. MANSFIELD] and also in the light of the letter from the President which has just been presented to the Senate, I feel that at this point I can best serve the cause of education by withdrawing my amendment.

Therefore, Mr. President, I withdraw the amendment.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. MUSKIE. It was my privilege to cosponsor the amendment with the distinguished Senator from Michigan. I consider it an honor to fight by his side in this crucial national cause. It seems clear that the tactical situation in the other body dictates that we concentrate our efforts in such a way as to achieve the maximum result at some later time. Therefore, I concur in the action of the senior Senator from Michigan in withdrawing this important amendment, which I hope some day, in the not too distant future, will see its way into the law of the land.

Mr. MORSE. I wish to commend the Senator from Michigan on his statesmanship. The Senator from Michigan and I and other Senators would like to see school construction legislation adopted at this session. However, we are legislative realists, and we believe the thing to do is to wait until January for pressing further on a school construction program. I think it is wise that we make the record we are making now, and to limit ourselves to the President's wishes in the matter. I think there are sound reasons backing up his wishes which are for an extension of NDEA and impacted area legislation for 1 year. I shall press forward with my bill on that matter and my amendment to it covering NDEA.

I thank the Senator from Michigan for his wonderful cooperation with the chairman of the subcommittee with respect to the procedure that has just been outlined to the Senate.

While I am on my feet, I wish to say that a group of us had a conference this morning. We feel that the only issue we should seek to take to conference with the House is the issue as to the period of time for which the impacted areas and the NDEA programs should be extended. We think the arguments and the facts all support the President's position that those programs should be extended for only 1 year. Every school district will thereby be protected. There is not a school district which will lose a dollar. An opportunity will then be afforded for the President to receive the reports which will be submitted about these programs before the Senate convenes again. This will give Congress an opportunity to consider the program anew in January.

There is no question, I may say to the school people back home, that they will get NDEA and impacted areas legislation extended again, based upon whatever modifications are warranted in light of the facts which will be produced by investigations which are being made. However, I think we simply could not justify a freezing into the law for another 2, 3, or 4 years of the inequities or the abuses which may exist. Therefore, I sincerely hope, in view of the cooperation which the Senator from Michigan is extending to the Senate, that the Senate will proceed to limit its action in this issue to a 1-year extension of the NDEA and impacted areas legislation.

I shall not press for an amendment in regard to the District of Columbia. I had a discussion with my colleagues in regard to that subject. That proposal will be raised immediately upon my return to the Senate next January. I shall offer it both as a separate bill and also as an amendment to any education bill which is introduced.

Mr. McNAMARA. Mr. President, I yield the floor.

Mr. MONRONEY. Mr. President, I call up my amendment designated "9–11–61—D." I ask unanimous consent that the reading of the amendment in its entirety be dispensed with. The amendment merely extends for 2 years the present defense impacted areas bill as it now is, and extends for 2 years the National Defense Education Act.

Mr. RUSSELL. Mr. President, reserving the right to object, this is a very important amendment, as I understand it, and is the only issue left in the bill. Would the Senator from Oklahoma be willing to have a quorum call?

Mr. MONRONEY. I would not object.

Mr. GOLDWATER. Mr. President, before the Senator suggests the absence of a quorum, would he be willing to have my name added as a cosponsor of his amendments?

Mr. MONRONEY. I would be honored to have the Senator from Arizona add his name as a cosponsor.

Mr. President, I ask unanimous consent that the name of the distinguished junior Senator from Arizona [Mr. GOLDWATER] be added as a cosponsor of the amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RUSSELL. Mr. President, I shall not object to the request of the Senator from Oklahoma if he does not object to having a quorum call.

Mr. MONRONEY. I do not object.

The PRESIDING OFFICER. Without objection, the reading of the amendment will be dispensed with; and without objection, the amendment will be printed in the RECORD.

The amendment is to strike out all after the enacting clause and insert the following:

TITLE I—EXTENSION OF PUBLIC LAWS 815 AND 874, EIGHTY-FIRST CONGRESS

Amendments to Public Law 815

SEC. 101. (a) The first sentence of section 3 of the Act of September 23, 1950, as amended (20 U.S.C. 633), is amended by striking out "1961" and inserting in lieu thereof "1963".

(b) Subsection (b) of section 14 of such Act is amended (1) by striking out "1961" each time it appears therein and inserting in lieu thereof "1963", and (2) by striking out "$40,000,000" and inserting in lieu thereof "$60,000,000".

(c) Paragraph (15) of section 15 of such Act is amended by striking out "1958–1959" and inserting in lieu thereof "1960–1961".

Amendments to Public Law 874

SEC. 102. (a) The Act of September 30, 1950, as amended (20 U.S.C. 236–244), is amended by striking out "1961" each place

where it appears in sections 2(a), 3(b), and 4(a) and inserting "1963" in lieu thereof in each such place.

Effective date

SEC. 103. The amendments made by this title shall be effective for the period beginning July 1, 1961.

TITLE II—EXTENSION OF NATIONAL DEFENSE EDUCATION ACT OF 1958

Amendments to title II (loans to students in institutions of higher education)

"SEC. 201. (a) Section 201 of the National Defense Education Act of 1958 is amended by striking out "for the fiscal year ending June 30, 1962, and such sums for the fiscal year ending June 30, 1963, and each of the three succeeding fiscal years as may be necessary to enable students who have received a loan for any school year ending prior to July 1, 1962" and inserting in lieu thereof the following: "each for the fiscal year ending June 30, 1962, and for the two succeeding fiscal years, and such sums for the fiscal year ending June 30, 1965, and each of the three succeeding fiscal years as may be necessary to enable students who have received a loan for any school year ending prior to July 1, 1964".

(b) Section 202 of such Act is amended by striking out "1962" each place where it appears therein and inserting in lieu thereof "1964".

(c) Section 206 of such Act is amended by striking out "1966" each place where it appears therein and inserting in lieu thereof "1968".

Amendments to title III (financial assistance for strengthening science, mathematics, and modern foreign language instruction)

SEC. 202. (a) Section 301 of the National Defense Education Act of 1958 is amended by striking out "three succeeding fiscal years" both places where it appears therein and inserting in lieu thereof "five succeeding fiscal years".

(b) The last sentence of section 302(a)(2) of such Act is amended by striking out "two fiscal years in the period beginning July 1, 1960, and ending June 30, 1962" and inserting in lieu thereof the following: "four fiscal years in the period beginning July 1, 1960, and ending June 30, 1964".

(c) The second sentence of section 304(b) of such Act is amended by striking out "two succeeding fiscal years" and inserting in lieu thereof "four succeeding fiscal years".

Amendment to title IV (national defense fellowships)

SEC. 203. Section 402 of the National Defense Education Act of 1958 is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

Amendments to title V (guidance, counseling, and testing; identification and encouragement of able students)

SEC. 204. (a) Section 501 of the National Defense Education Act of 1958 is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

(b) The second sentence of section 504(a) of such Act is amended by striking out "two succeeding fiscal years" and inserting in lieu thereof "four succeeding fiscal years".

(c) The first sentence of section 504(b) of such Act is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

(d) The first sentence of section 511 of such Act is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

Amendments to title VI (language development)

SEC. 205. (a) Section 601 of the National Defense Education Act of 1958 is amended by striking out "1962" both places where it appears therein and inserting in lieu thereof "1964".

(b) Section 611 of such Act is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

Amendment to title VII (research and experimentation in more effective utilization of educational media)

SEC. 206. Section 763 of the National Defense Education Act of 1958 is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

Amendment to title VIII (area vocational education programs)

SEC. 207. Section 301 of the Vocational Education Act of 1946 is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

Amendment to section 1009 (improvement of statistical services)

SEC. 208. Section 1009(a) of the National Defense Education Act of 1958 is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

Amend the title so as to read: "A bill to extend for two additional years the expired provisions of Public Laws 815 and 874, Eighty-first Congress, and the National Defense Education Act of 1958, and for other purposes."

Mr. RUSSELL. Mr. President I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield for the purpose of a quorum call?

Mr. MONRONEY. I yield for that purpose.

The PRESIDING OFFICER. The Senate is operating under a time limitation. To which side will the time for the quorum call be charged?

Mr. RUSSELL. Mr. President, since this is a very important amendment, which relates to the only subject of importance which is left in the bill, I ask unanimous consent that there be a quorum call without the time for the quorum call being charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. METCALF in the chair). Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. MANSFIELD. Is the Senate operating under controlled time at present?

The PRESIDING OFFICER. Yes. The time now is controlled in accordance with the unanimous-consent agreement which was proposed by the Senator from Montana.

The time available on the pending amendment is 2 hours—1 hour for the proponents and 1 hour for the opponents.

Mr. MANSFIELD. Who will be in control of the time?

The PRESIDING OFFICER. The Senator from Oklahoma [Mr. MONRONEY] has control of the time for the proponents of the amendment, and the Senator from Oregon [Mr. MORSE] has control of the time for the opponents of the amendment.

Mr. MANSFIELD. How much time is available on the bill?

The PRESIDING OFFICER. Four hours are available on the bill, and that time is under the control of the majority leader and the minority leader.

Mr. MONRONEY. Mr. President, I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 15 minutes.

Mr. MONRONEY. Mr. President, this amendment, which I have offered for myself and Senators KERR, FULBRIGHT, SMATHERS, HOLLAND, CASE of South Dakota, COTTON, SCOTT, and GOLDWATER would substitute the verbatim text of the House passed bill, H.R. 9000, for the bill reported by the Senate committee.

It would extend the programs of Federal aid to impacted areas under Public Laws 815 and 874 and the Hill-Elliott National Defense Education Act for a period of 2 years. Except for the 2-year extension rather than 1 year, there are no substantive differences between this amendment and the committee proposal. The bill before the Senate would extend Public Laws 815 and 874 for 1 year; and the senior Senator from Oregon [Mr. MORSE] has indicated his intention to offer an amendment, in behalf of the committee, similarly extending the provisions of the Hill-Elliott Act for 1 year.

Its sponsors urge the adoption of this amendment—in other words, calling for a 1-year extension—for the following reasons:

First. There is no valid reason for limiting any of these programs to 1 additional year.

Second. There is serious doubt as to whether it will be possible to secure a conference with the House if the Senate passes a different bill.

Third. Failure to conform to the House action and provide a 2-year extension of Public Laws 815 and 874 would raise a serious danger that these programs will not be revived at all at this session of Congress, so that no funds will be available for the current school year, inasmuch as the program expired on June 30—that is, the programs under the National Defense Education Act and under the Impacted Areas Act.

Fourth. Failure similarly to extend the Hill-Elliott Act for an additional 2 years will bring to a halt many of the gains which have been made under this fine legislation, and will inevitably result in confusion and uncertainty in the program.

It seems to me that there certainly are these four compelling reasons why the Senate should adopt the 2-year plan, because if the Senate does not do so, we shall be in a very difficult situation, because of the necessity of arriving, perhaps in the closing week of the activity of the House, at any program which will save this very vital aspect of the school system.

As Senators know, there are more than 1,650,000 schoolchildren whose educational opportunities will be seriously affected by this extension. It is true that a 1-year extension—if the House were to act on such a measure or were to agree to a conference on such a proposal or were to agree to a 1-year extension program—would give these schoolchildren a period of grace until June 30 of next year. But 3,821 school districts are affected; and in many of them there are many individual schools, and much of their revenue—in some cases 50 percent or more—depends upon the enactment now—and I emphasize the word "now"—of this legislation.

I, for one, am unwilling to have the Senate take the grave risk, with perhaps only 3 or 4 more days remaining, of hoping to have the House agree to do business with the Senate in conference, or, failing that, to have the Senate accept responsibility for failure to enact any bill at all on the subject.

I have listened to some of the debate on the 1-year extension proposal; and I fail to find any legitimacy in the argument that we must continue these laws for only 1 year in order to have a chance to review the acts. It seems passing strange that the same committee which only a few months ago, when this matter was before us in connection with the defense impacted areas act, urged a 3-year program, now insists that a 2-year program is too long, despite its previous sponsorship of the 3-year program, and without any further review.

This program is as well known to Members of the Senate as the palms of their hands. We have lived with the program, and we know about it, and we know the very grave difficulties which would face the schools in the defense impacted areas—areas defense impacted, not because of their own fault, but because of the activities of the Federal Government.

Mr. MUNDT. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield.

Mr. MUNDT. Do I correctly understand that the amendment of the Senator from Oklahoma would extend not only the defense impacted areas legislation but also the National Defense Education Act, as they are now operating, for 2 years, instead of 1 year?

Mr. MONRONEY. That is correct—and thus have this measure on all fours with the House-passed bill, thereby eliminating any need for a conference; and thus we can complete the congressional action on the bill, and can send it to the President this afternoon—with the realization that in that way the school districts and the schoolchildren will have some assurance of this aid for both this year and next year.

Mr. MUNDT. As one who earlier submitted an amendment providing for extension of only the impacted areas legislation for 2 years, I wish to state that I believe adoption by the Senate of the amendment submitted by the Senator from Oklahoma will better take care of the situation since it would avoid a conference; therefore, I wish to have my name added as a cosponsor of his amendment.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the name of the Senator from South Dakota [Mr. MUNDT] may be added to my amendment, as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUNDT. Mr. President, I think the amendment of the Senator from Oklahoma is a very sound one and a very excellent one, as is usually true of any amendment he submits.

Mr. MONRONEY. I thank the Senator from South Dakota.

Mr. President, I should like first to discuss extension of Public Law 815, providing Federal funds for school construction in impacted areas, and Public Law 874, providing Federal funds to help meet operating and maintenance expenses in impacted areas. It is now argued that these programs should be extended for only 1 year, for two reasons: First, because there are serious defects in the programs, which should be reviewed and corrected; and, second, because this is what the President wants.

In regard to the first contention, it is a little difficult for the Senate simultaneously to follow the committee in opposite directions. On May 12, 1961, the Senator from Oregon submitted from the committee a report on S. 1021 in which the committed stated:

> During the 7 days of hearings on S. 1021, dozens of witnesses testified on the proposed amendments to Public Laws 815 and 874, as well as on title I of the bill. * * * The committee was impressed also by the testimony as to the manner in which these programs have been administered. Witness after witness urged the committee that Federal payments under these laws be continued at their present levels, at least until the effect of title I legislation had been ascertained. Strong senatorial support was given to the committee from many Senators who appeared in person speaking about the urgent need for the continuation of these laws and the widespread and favorable acceptance of these two programs. * * * The committee has considered very carefully the recommendations for reducing the level of payments under these two laws in the light of all of the testimony and the evidence presented, and has recommended a 3-year extension without any significant change of those provisions which would otherwise expire June 30, 1961.

I suggest to the Senate that if the problems in connection with these programs are such that the programs should be continued for only 1 year, pending investigation, this is a discovery which has been made by the committee and by the senior Senator from Oregon since the hearings closed and since Senate bill 1021 was reported to and was passed by the Senate.

The second argument is that these programs should be extended for only 1 year, because this is the course the President desires. Here, again, we are faced with the difficulty of simultaneously following the President in opposite directions. When the matter was being considered by the House, the managers of the proposed legislation were advised that a 2-year extension would be perfectly satisfactory. Under these circumstances, it is difficult for me to believe that the President has any strong feelings in favor of a 1-year extension for any reason other than to accommodate and support the position recommended by the chairman of the subcommittee.

Whatever may be the position of the President in this matter, I think the proper attitude on the part of the Senate was suggested by the chairman of the subcommittee in his comments on the Senate floor on May 16 of this year. The Senator stated, in connection with the debate on S. 1021:

> We had the benefit of the advice, testimony, and consultation of the administration, principally through the Department of Health, Education, and Welfare. I am certain that I violate no confidence when I say that the Representative from New Jersey [Mr. THOMPSON], who occupies the same position of legislative responsibility in connection with this bill over on the House side that it is my honor to have here on the Senate side, in the course of the consideration of the matter, had a lengthy conference with the President in regard to the original S. 1021 bill. As the Representative from New Jersey will tell Senators, we made it very clear to the President that we welcomed the assistance we were getting from the White House and from the Department of Health, Education, and Welfare; we also made it very clear, however, that the final legislative responsibility rests with the Congress. * * *
>
> As we weighed the testimony and the facts and figures which were presented to us we felt, as I think the Senate will agree, that the committee was correct in its recommendation that the federally impacted areas legislation should be extended unchanged for another 3 years.

A somewhat different situation exists with respect to extension of the Hill-Elliott National Defense Education Act. This act expires June 30 of next year. The urgency of its extension at this time is probably best summarized in a statement by a group of distinguished American scientists which was placed in the CONGRESSIONAL RECORD by the Senator from Alabama [Mr. HILL] several days ago. These scientists and educators stated:

> We, the undersigned, are disturbed by the serious damage which will be done to the vital program of the National Defense Education Act if the Congress fails to extend that act before adjournment of the 1961 session. If action is delayed until 1962, State legislatures which must appropriate matching funds, school and university officials who must now plan for the 1962–63 academic year, and students whose educational plans are in part dependent on NDEA programs will be unable to plan with confidence. Unless the act is extended now, the school year of 1961–62 will inevitably be one of confusion, uncertainty, and partial loss of the gains already made.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a memorandum discussing this valuable program.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

> The year 1958 witnessed the beginnings of an extremely rewarding partnership between the Federal Government and State and local educational agencies; a partnership designed to reinforce the long-range defense posture

of our Nation by assuring a maximum realization of our educational potential. The year 1958 witnessed the passage of the National Defense Education Act, legislation implementing concrete school aid programs in recognition of the obvious fact that education plays a critical role in the strength of a nation.

The act acknowledged that the Soviet Union, which two generations ago was little more than a nation of peasants, today is challenging our America, the world's greatest industrial power, in the very field where we have claimed supremacy; the application of science to technology. Silently, yet eloquently underscoring the degree of the crisis back in 1958 as Congress enacted the Defense Education Act was a lone sphere orbiting the globe, the earth's first manmade satellite, sputnik.

At the opening of the hearings on this measure, Dr. Lee A. DuBridge, president of the California Institute of Technology, placed Soviet progress in proper perspective and related this Nation's need to assume a positive course of action:

"We must obviously examine every aspect of our national life to make certain that our sources of strength are secure," he said. "It is not that sputnik alone has forced us into this position. The rising threat of the Soviet power has been visible for many years. But sputnik has served as a dramatic symbol of the Russian danger. We can indeed be very thankful that sputnik has awakened the American people to their dangers and to their opportunities before it is too late.

"Our intellectual resources are the key to our future, and so it is imperative that they not be neglected. * * * The prime responsibility * * * rests, of course, on the local community, but it is also true that the minds of our people constitute a critical national asset. Hence the Federal Government cannot remain indifferent to the strength of the educational system and to the free access to it by all able students. * * * The needs of national defense and of national welfare demand a well-educated citizenry," Dr. DuBridge concluded.

There is a striking similarity between these remarks made in 1958 and those President Kennedy expressed in his message to Congress relative to American education on February 20 of this year (H. Doc. No. 92):

"Our progress as a nation can be no swifter than our progress in education. Our requirements for world leadership, our hopes for economic growth, and the demands of citizenship itself in an era such as this all require the maximum development of every young American's capacity.

"The human mind is our fundamental resource. A balanced Federal program must go well beyond incentives for investment in plant and equipment. It must include equally determined measures to invest in human beings—both in their basic education and training and in their more advanced preparation for professional work. Without such measures, the Federal Government will not be carrying out its responsibilities for expanding the base of our economic and military strength."

Hearings were first held in 1958 to determine specifically what the Federal Government might do to bolster certain deficiencies in American education affecting national defense. At that time the task appeared to be one for all our people, for both great political parties, for both the executive and legislative branches of our Government, for the States, the counties, the cities, and towns and local communities, for the schools, the colleges, the universities, and for all the other private and public resources that constitute the basis of our scientific and educational endeavors.

The particular task of the committee was to consider how best to stimulate and strengthen science and education for the defense of our country at the same time preserving the traditional principle, in which we all believe, that primary responsibility and control of education belongs and must remain with the States, local communities, and private institutions.

The National Defense Education Act became law in response to the growing threat to American security represented by sputnik and Soviet advances in ballistic missiles. Yet, in light of the current Berlin crisis, and the recent decision of the Kremlin to resume nuclear detonations, certainly the need for such a program has not decreased, but, on the contrary, has continued to grow as the Russian menace has continued to grow.

A 1958 statement of Dr. Detlev A. Bronk, president of the Rockefeller Institute of Medical Research and president of the National Academy of Sciences, is just as pertinent and timely today as it was when presented to the committee some 3 years ago:

"We cannot compete with Russia and China and other potential enemies in terms of numbers of men and women. Because of that, it is especially important that we have a very high level of education in our country in order to compete against greater numbers with men and women of greater competence. Only in this way can we defend our national strength and be effective champions and defendants of the human freedoms on which the whole free world depends."

Dr. Edward Teller, developer of the H-bomb, told the committee:

"I am quite sure that in science more than in other fields the young generation is the one which carries the greatest burden, and therefore the children who are now in school will be the ones on whom we will have to depend primarily 10 years from today."

Asked whether we should therefore do everything possible to encourage these students, Dr. Teller replied, "That is what we have to do or I think our way of life will not survive." On the same subject, Dr. Wernher von Braun, one of the world's greatest authorities on rockets and missiles, agreed that proper training and education of scientists, regardless of cost, "is a matter of national survival."

Recommendations of the National Academy of Sciences and National Research Council, presented by M. H. Trytten, Director of the Office of Scientific Personnel, outlined four principles and objectives for the selection of Federal support programs:

"1. All our youth should receive a broad basic education. Our scientists should be broadly educated, not narrow high-grade mechanics. The prevention of war, however, is not a matter of scientists alone. We need to consolidate our position in the world, to understand other peoples, their history, their cultures, and ways of looking at things.

"Our representatives abroad must be able to speak their languages. Successful diplomacy is as important as military threat. To this end, and for many other reasons, we need leaders in social, political, economic, and cultural areas as well as in science.

"2. We realize, however, that there is some imbalance in our educational program at present. Science, mathematics, and languages are not being stressed as much as they should, and their position in the curriculum should be strengthened.

"3. The Federal role should be to assist, guide, and catalyze the educational efforts of the State and local communities. The Federal Government should not assume major financial support of the schools, but it has a justifiable concern for insuring that education in all schools of the country be maintained at a high level.

"4. In initiating Federal programs, procedures should be established within the States which will insure that the general objectives of each program are met, allowing at the same time considerable freedom to the States for the determination of program details."

These recommendations closely parallel proposals made a few months earlier by then President Eisenhower before an audience in Oklahoma City:

"We need scientists in the 10 years ahead. (My scientific advisers) say we need them by thousands more than we are presently planning to have. The Federal Government can deal with only part of this difficulty, but it must and will do its part. * * * We should among other things have * * * a system of incentives for high-aptitude students to pursue scientific or professional studies; a program to stimulate good-quality teaching of mathematics and science; provision for more laboratory facilities; and measures, including fellowships, to increase the output of qualified teachers," President Eisenhower said.

Moreover, as suggested by the recommendations of the National Academy of Sciences, it became apparent as the hearings progressed that a major handicap in the conduct of our foreign affairs is the lack of language preparation for our representatives overseas. Because of these deficiencies they are too often unable to engage in the kind of person-to-person relationship which plays such a vital part in accurate information about foreign affairs, as well as in building friendship for our Nation throughout the world.

These problems underlined the urgent need for action in 1958. The fact that the identical problems and needs persist today renders it mandatory that the legislation shaped to meet these problems and fill these needs be continued. Fully trained competent people cannot be produced overnight. The National Defense Education Act was not intended to be and could not have been a crash program. The act represents a thoroughly researched, carefully investigated, and now appropriately tested program to help State, local, and private efforts to give greater support to basic scientific research, to quality in education, to instruction in the physical sciences, to training in foreign languages, and to the development of our full intellectual, cultural, and scientific capabilities.

U.S. Office of Education figures for the period immediately prior to 1958 indicate that before the Defense Education Act, only one out of three students took a chemistry course during their high school training. Only one out of four took physics, one out of three took intermediate algebra, only one out of eight took trigonometry or solid geometry and only one out of seven took a modern foreign language. Equally shocking is the fact that at that time about 100,000 high school seniors attended schools where there was offered no advanced mathematics of any kind. This, then, was the problem as it existed in 1958; specifically those subject areas most vital to national security were suffering from substantial neglect in the curriculum.

With this broad picture of the problems which the act was intended to resolve, let us now examine the precise solutions offered by the legislation, taking up each part of the act individually. Let us further review how these general problem areas were refined down to specific deficiencies which could be attacked by individual titles of a single piece of legislation.

Finally, let us survey the act's accomplishments since its inception. How well has the National Defense Education Act succeeded in overcoming the shortcomings in our education system? Recognizing that in the final analysis this is the inevitable crux of any legislative discussion concerning the possible renewal of an existing law, let us examine the act by individual title, summarizing the

achievements realized as a result of its having been in operation over the past several years.

Title II of NDEA provides loans to students in institutions of higher education. College costs are at the highest point in history. For the average student in a publicly controlled institution, the annual bill has risen to $1,500; and for his counterpart in a private institution it is $2,000. Even working full time through the summers and part time during the school year, many college students cannot meet that kind of expense singlehanded. If their families cannot help them, nor their colleges, nor someone else, they will have no choice but to drop out of college.

This is precisely the dilemma faced by thousands of young people each year. Some do not even make an attempt in the first place; figures show that only half of the top quarter of each year's high school graduating class enter college. Of those who enter, only about half continue on to graduate. There is little doubt that financial need is one of the biggest factors in the dropout.

Title II provides for substantial financial assistance to worthy and needy students. This assistance is in the form of loans that bear no interest until repayment begins, and the borrowing student need not begin repayment until he has been out of school for a year. A student may obtain as much as $1,000 a year for 5 years if he fulfills the conditions of the act.

The student loan program has achieved a measure of success which even its most ardent supporters would not have predicted. As of June 30 of this year 230,000 students have received loans under this program totaling nearly $130 million, and during the coming academic year another $93 million will be lent to 220,000 students. Many students with a desire for and the ability to profit from higher education were, by this program, given opportunity for advanced schooling which otherwise would have been an economic impossibility. Illustrating this is the fact that in fiscal 1960 many institutions found that they had so underestimated their needs, they would not be able to make commitments to students planning to enter college in the fall of 1960 unless they either denied or reduced loans during the year. To remedy this situation, a supplemental appropriation of $9.7 million was made by Congress to assure institutions of receiving sufficient funds to fulfill approved requests. More funds were appropriated in fiscal 1961, but again they proved inadequate and a supplemental appropriation was made to meet the student demand.

This program has already had significant effects on higher education, the most result probably being the striking change in attitude toward the uses of loans to enable deserving students who are economically restricted to meet the costs of higher education. In 1955-56, 83,000 students borrowed from all institutional loan sources only $13.5 million to provide funds for higher education, while in 1959–60, four times this amount was borrowed from NDEA funds alone. Indicative of this change in attitude is the fact that of the 1,357 institutions participating in the national defense student loan program, 639 of them had never before had loan funds on their campuses. Other colleges which did have loan facilities but were using them in an extremely limited manner are now greatly expanding their loan programs.

A second, but no less important effect of the program has been illustrated by the approach of many colleges and universities to financial assistance to students. Most institutions are now effectively using the "umbrella" approach, which entails bringing together all of the school's financial aid resources such as loans, scholarships, grants-in-aid, and work opportunities to more effectively meet the problems of the particular needs of each financially needy student. Colleges are now making many modifications of their own loan terms in light of NDEA practices. The loans-for-higher-education program has been solidly integrated into the entire financial aid program.

Further indication of the impact this program is having in meeting the needs of deserving students are these facts developed from a questionnaire sent to students who made national defense student loans: 9 out of 10 borrowers indicate that the availability of their student loan determined whether they were able to start or continue in college; 2 out of every 5 borrowers came from families whose annual incomes are $4,000 or less and 5 out of every 7 came from families whose incomes are $6,000 or less; a little over 9 out of 10 borrowers have no more than $500 in personal savings; 74 percent of the borrowers have brothers and sisters of college age.

There has been yet another significant development, and one which has been expressly encouraged by the act. This is the combination of counseling facilities of colleges and secondary schools to encourage an increasingly greater number of deserving but needy high school seniors to seek higher education. Illustrating the fact that this counseling combination has been effective is the fact that in 1959, 11,133 loan applications were approved by participating institutions from high school seniors planning to enter college in the fall. In the following spring of 1960, 18,000 such applications were approved. This total of 29,133 approved loans for the 2-year period for high school seniors represents about 20 percent of the total loans approved in both 1958–59 and 1959–60. From this percentage, it is obvious that the program is successfully appealing to financially restricted, qualified high school seniors desiring a college education.

Not to be overlooked is the fact that one of the major purposes of the student loan program is to encourage students benefiting from these loans to enter teaching in elementary and secondary schools by giving special consideration to them in granting loans and also by annually reducing the amount of the total sum owed proportionately to the number of postgraduate years spent in teaching, the total deduction not to exceed 50 percent. A recent survey shows that a little over one-half of the student borrowers have indicated they plan to teach in elementary or secondary schools after graduation.

The student loan program also provides special consideration in making loans for students having superior academic background in the fields of science, mathematics, engineering, or a modern foreign language. In 1958–59, 5,056 students had their loan applications approved because they were in need of the funds and had superior academic background in these fields. In 1959–60, this figure jumped to 24,950. Such a remarkable increase should certainly be considered proof that this program is successfully providing for more and more of the Nation's youth the means for advanced education so necessary to progress which would have otherwise been an economic impossibility for them. Loans to college freshmen have so far outnumbered those to any other class, that it can certainly be said to be obvious that many talented high school seniors now confidently plan to attend college because of this loan program.

Witness after witness appearing before both the House and Senate Committees on Education during the Defense Education Act hearings emphasized our need to strengthen instruction in the elementary and secondary grades in science, mathematics, and modern foreign languages. The fundamental weaknesses reported were three: (1) Neglect of these three subject areas in the curriculum, (2) an inferior quality of instruction, and (3) an inadequate budget for such things as laboratory equipment and audiovisual materials.

Regarding the latter weakness, Dr. Glenn O. Blough, then president of the National Science Teachers' Association, and associate professor of education, University of Maryland, testified: "The proper, resourceful teaching of science is expensive, compared to other fields of education. But efforts to teach science without adequate laboratory and demonstration equipment deprive students of experiences with the very heart and soul of scientific endeavor. In other words, to teach science without proper equipment is practically useless."

Title III meets this combined need for equipment and supervision. (Title VI provides teacher training for language instructors, and another act provides for a teacher-institute program for science and mathematics instructors under the administration of the National Science Foundation.)

Under title III, funds for equipment may be spent to acquire (1) equipment suitable for education in science, mathematics, or modern foreign languages in the elementary or secondary schools, or both, and (2) minor remodeling of laboratory or other space suitable for such equipment. Such funds are provided on a matching basis, and each Federal dollar must be equaled by either State or local money.

Some title III money is also reserved as loans for private schools. Each year 12 percent of the available funds is set aside and each State shares in this amount on the basis of its private school enrollment.

Finally, title III also authorizes funds to be paid over a 4-year period to State educational agencies for expanding or improving their supervisory or related services to public elementary or secondary schools in science, mathematics, and modern foreign languages.

It is an obvious and well-known fact that although many of our Nation's schools are well equipped, having excellent curriculum programs and qualified top-grade teachers, there are also many others which fall far short in equipment and personnel of fulfilling the educational needs of the students of their communities. The primary objective of title III is to provide for the elementary and secondary pupils in our country's public and nonpublic schools the needed equipment and materials necessary to assure superior and quality instruction in the subjects of science, mathematics, and modern foreign languages. Reports from State administrators and private school officials during fiscal year 1960 have been favorably indicative that the title III program is effectively implementing the achievement of this objective. These 1960 reports show purchases of larger amounts of material and equipment in schools where, prior to NDEA inception, these facilities were practically nonexistent.

In the courses of science and mathematics, the purchase of badly needed materials and equipment has resulted in modernization of classes and great improvement in the quality of instruction. In many cases, these purchases have led to the addition of new courses, and in all instances the addition of greatly improved facilities has generated striking increases in student interest and enrollment in the fields of science and mathematics. A number of States are experiencing gains as high as 50 percent. Many States have reported that the increased interest and the great improvement in the quality of these courses has, as an unexpected but gratifying side effect of the act, stimulated improvement in other instructional fields such as English and social studies.

One State administrator reported a 72-percent increase in foreign language enrollments. In a statement analyzing the effect on language classes of this title, he reports:

"Schools have increased enrollments in language study at all levels; students are more interested; dropouts are fewer; elementary programs are rated by teachers and administrators involved as highly desirable and effective. * * * The time given to languages did not lessen achievement in other areas, and in some instances, students performed better in other subjects."

Many States reported that the addition of new laboratory equipment, audiovisual aids, and new science materials and facilities has greatly contributed to the increased interest and enrollments in the science subjects. One State reported the following effects of the title III program:

Improved greatly the existing science laboratories in project schools and stimulated the building and equipping of new laboratory space.

Motivated attendance of science teachers in science institutes, resulting in improved teaching.

Increased the number of course offerings and student enrollment.

Caused schools to reprogram the offerings in mathematics and science so as to challenge more of the talented students.

Caused many elementary and secondary schools to incorporate into their science curriculum more meaningful and experimental approaches in methodology and content.

In dollars, projects, and classrooms, the powerful impact of title III during the first 2 fiscal years is demonstrated by the following figures:

One hundred and thirty million dollars' worth of new instructional equipment supplied through approximately 57,000 local school district projects.

More than 2,500 new electronic language laboratories, making possible the use of new and improved methods of teaching languages in the secondary schools. When the NDEA became law, about 64 such laboratories were in use in secondary schools.

More than 5,000 classrooms and laboratories remodeled to accommodate new equipment.

State supervisory staffs in science, mathematics, and modern foreign languages increased from a total of 33 in 1958 to approximately 209 today.

Yet another important effect of this program is the strengthening of State leadership and services which is one of the basic requirements of a stronger educational system. One State official was quoted as saying that this program has had more impact on the improvement of instruction in his State than any other effort in education in the past 25 years.

Still another notable point is the fact that under this title, the private nonprofit elementary and secondary schools have utilized loan funds to greatly broaden and improve their educational programs. Roughly half of these schools obtaining loans indicate plans to offer courses in science and modern foreign languages for the first time. Many of these schools assert that prior to NDEA they had been unable to furnish well-equipped laboratories for student instruction and use. All of these improvements greatly add to the schools' ability to attract and hold well-qualified instructors, meet certification standards, and more adequately prepare their students for college entrance.

It is apparent from these facts that the long-range beneficial effects of this program toward a stronger, more efficient national educational system are both immediately and potentially virtually limitless.

Title IV looks to the providing of more college teachers. It does so on the very eve of a crisis: Within the next few years, colleges will encounter an enormous increase in students, the first wave of the so-called baby boom which followed the end of World War II. The impact will find colleges short of room, but—worse still, it will find them short of teachers.

In the last few years, when the ranks of teachers with doctors' degrees should have been swelling, they have actually been thinning. The number of people earning Ph. D.'s has remained about the same since 1954, and of each year's total, only about half chose college teaching as a profession and only a fifth were new college teachers. In certain critical fields—science and engineering, for example—the proportion has been even less. Of those earning doctorates in chemistry in 1956–57 and 1957–58, only one-tenth entered college teaching. In recent years colleges have been adding about 3,000 to 4,000 teachers with Ph. D.'s every year; but additions like these will be woefully inadequate for the future. Conservative estimates say that in the coming decade colleges must recruit between 15,000 and 22,000 teachers a year.

One of the reasons for the shortage of college teachers is the fact that graduate programs are not widely available. Out of approximately 1,350 degree-granting institutions in the United States, only about 160 give doctoral degrees; and many of these have resources for only a few graduate students. In 1956–57, one-third of the new doctoral degrees granted in the entire Nation were granted by institutions in only three States.

To the solution of this double problem—the uneven distribution of graduate programs and the economic needs of the students—title IV addresses itself. It takes two approaches: Providing students with funds, and increasing the number and scope of graduate programs of study.

This title of the act provides funds for 5,500 fellowships which may be awarded over a 4-year period by the Commissioner. Each fellowship is for a period of 3 years or less. The graduate school in which the fellow is enrolled receives each year up to $2,500 to help pay the cost of the approved graduate program. The basis for approval of an institution's program is the Commissioner's finding: (1) That the program is either new or expanded; (2) that it is both a substantial addition to the Nation's graduate training facilities and that it contributes to the wider geographic distribution of such facilities; and (3) that the institution, in accepting students for fellowships, must give preference to persons interested in becoming college teachers.

Already, under title IV, 4,000 graduate fellowships have been awarded to students preparing for college teaching. With each of these fellowships the graduate school receives a grant of up to $2,500, and by the end of this coming academic year a total of $16 million will have been allocated to the participating graduate schools to help them establish the new and expand the existing graduate programs in which the national defense fellows are studying. This is obviously a great step forward in providing the qualified instructors necessary for our fast expanding higher education systems and rapidly increasing college enrollment.

The national defense graduate fellowship program has the unique characteristic among Federal fellowship programs of making no restriction as to the field of study and there is no priority set among the various areas of study in the award of fellowships. One of the major objectives of title IV is to encourage graduate students to prepare for college teaching. To obtain evidence that this objective is being achieved questionnaires were sent to all students who had received fellowships in 1959–60. These questionnaires were so phrased as to determine to what extent the award of the fellowships had affected the student's future career plans. When returned, the questionnaires indicated that 24 percent of the students would not have entered graduate school in 1959 if they had not received the fellowships and that 65 percent did not decide to work for a doctoral degree until they had received the award. Prior to receiving a fellowship, only about 21 percent had decided to become college teachers. Additionally, these students stated that the awards would save them an average of 2½ years in the time required to earn a doctoral degree. This would seem to be a significant figure, since one of the primary obstacles to earning a doctoral degree is the extreme length of time required.

Thus title IV is an integral part of the Defense Education Act, offering a great part of the answer required to the not-far-distant problem of overcrowded and understaffed college classrooms.

Every year about 200,000 able young people, some exceptionally talented, drop out of high school or turn their backs on college. For nearly half of them the problem is a simple lack of money; but all the rest drop out precisely because they no longer wish to attend school. Their lack of desire is more complex than lack of money and infinitely more complicated to overcome. Many have never discovered that they are bright and have never conceived of themselves as college material. Nearly all of them have aimed their individual sights toward goals far beneath their actual potential, chiefly because no one ever helped them look further and higher.

Title V of the National Defense Education Act established a broad program of guidance, counseling, and testing to reduce this flagrant waste of the Nation's intellectual resources. It aims at bringing closer the day when the benefits of wise guidance will be available to all children. Its immediate goals are two: More guidance, including testing, in every State, and enough professional counselors and other guidance staff to do the job.

Part A of title V authorizes funds for grants to State educational agencies for better guidance programs, including both testing and counseling. To assist in training the professional people to carry out the programs established in part A, part B authorizes counseling and guidence training institutes. The Commissioner arranges by contract with colleges and universities for them to operate these institutes.

Concrete statistics have already proven the worth and value of subtitles A and B of title V. During the 2 years of operation of title V–A, there has been a 50-percent increase in the number of qualified full-time equivalent counselors employed by secondary schools. As a whole, the counselor-pupil ratio for the Nation has gone from 1 to 750 to 1 to 610, a considerable stride toward the 1 to 300 which is established as acceptable. During the school year of 1959–60, aptitude and ability tests given to public secondary school students under title V–A exceeded 6.8 million, over one-third of the 19 million given in the country.

The progress just stated for the Nation as a whole becomes especially remarkable when cited for individual States in which major efforts have been prompted by this title. For instance, the number of full-time guidance counselors in North Carolina increased from 18 in 1958–59 to 100 in 1960–61. In Oklahoma, the expenditures for local guidance, counseling, and testing programs increased from $300,000, $70,000 of which was Federal funds, to $956,414, $185,000 of this figure being Federal funds, over the period January 1959 to July 1960.

Under section B of title V, 8,420 high school counselors and teachers preparing to be counselors have received training at 236 counseling and guidance training institutes, and during this academic year another 580 counselors will be attending 17 regular session institutes. Over the entire

Nation the effect of these institutes has been felt. Students from virtually every State have enrolled in these institutes in gratifying numbers.

The success and value of these institutes is shown in a number of ways. Counselors and teachers who have attended these institutes report great improvement in their skill as counselors accompanied by greater interest in and enthusiasm for this type of work. They express greater satisfaction in their jobs and in many instances have been inspired to continue their counseling education at their own expense.

An important part of achieving a strong and workable national education system is this program, which is finding an answer to the problem of giving our Nation's students necessary counseling and guidance required to salvage the myriad able and talented students who might otherwise fail to continue their education beyond high school and to properly channel their abilities.

Title VI of the act is directed toward the development of good teachers in modern foreign languages. The United States has substantial interests in overcoming the shortcomings in language instruction in our schools. Our investments outside our own shores are the largest of any nation in the world; our diplomatic corps represents us everywhere; our Armed Forces are stationed in many areas of the globe; and our citizens are the world's most ubiquitous tourists. Despite all this, we stand in desperate need for more and better modern foreign language instruction.

Title VI attacks the problem at its root—the shortage of good language teachers. Through part A it seeks more teachers of important but rarely taught languages; through part B it seeks better teachers for the elementary and secondary schools.

Actually, part A encourages three things—more study of neglected languages and also of the areas where they are spoken and more research on language instruction. Language and area centers are authorized to provide instruction not only in the languages themselves, but in the economic and cultural aspects of the countries or areas in which they are spoken. Students undergoing advanced training in one of the neglected languages are eligible to be awarded stipends. Part A also authorizes the Commissioner to make studies and surveys to determine the exact needs in foreign language instruction. In addition, the Commissioner is authorized to develop specialized materials that will be useful in training those who teach languages and related subjects.

The language institutes in part B focus on one thing—the improvement of the teaching of modern foreign languages in all of our elementary and secondary schools, particularly through new teaching methods and instructional materials. They offer advanced training to language teachers, both present and prospective, and to anyone who trains or supervises such teachers.

Title VI, divided into subtitles A and B, is effectively instrumental in the much needed strengthening of instruction in the languages uncommonly taught. There is an urgent need in education, Government, business, and industry for people who are proficient in these languages. Through the provisions of this title, scholars throughout the Nation are enabled to apply their talents and energies to the immediate need for improving language instruction.

There are three major ways in which language instruction has been strengthened by this Federal support, which is matched by the participating institutions:

First, institutions with programs in the uncommon languages and related studies have been able to intensify their language instruction programs—in some instances, to the extent of doubling the amount of class instruction. Forty-seven language and area centers are being supported this year with $1,751,000 in Federal funds. To this the institutions are not only contributing a matching amount but are adding another $1 million. This brings the total Federal investment in the first 3 years of the program to $3.8 million and the institutional investment to $4.8 million.

Secondly, as a result of the preceding improvement, a greater number of students are attracted by these language and area studies.

Third, the program is greatly implementing achievement of a balance at individual institutions between language and area studies. In the past, area studies of necessity have been disproportionately emphasized, but with the aid of the language and area program these institutions are able to focus more attention to the study of languages.

Supplementing these benefits are the additional two provisions under subtitle A of title VI, the allocations for modern foreign language fellowships and research and studies to provide the basis for improving and expanding the teaching of modern foreign languages in the schools and colleges.

The fellowship provision is in close association with the language and area centers program. Its primary objective is to provide economic aid at the graduate level in order to facilitate and expedite the flow of capable and proficient trained specialists in the uncommonly taught and neglected languages into institutions of higher education and public service.

Illustrating the success of the fellowship program is the fact that in fiscal year 1961, 769 fellowships were awarded for study in 37 languages at 47 graduate schools. This, in addition to the 171 fellowships awarded in fiscal year 1959 and the 472 fellowships awarded in fiscal 1960, means that a total of 1,412 graduate fellowships were awarded in the first 3 years of this program. Of the 769 fellowships awarded in fiscal 1960, 261 were renewals of fellowships awarded in 1959 and 1960.

Under the research and studies provisions, a total of 161 projects have been initiated at a cost of $8.5 million. The development of tests for languages teachers and of instructional materials emphasizing the speaking and understanding aspects of learning languages shows portent of having a definite and direct influence on language instruction. A large part of the instructional materials are presently being used on an experimental basis and the tests are in the process of completion.

Particularly significant in the research and studies program is the development of badly needed specialized instructional materials for the neglected languages. Roughly 200 such special materials for all countries on the globe are being developed at a cost of over $3.5 million of fiscal 1959, 1960, and 1961 funds. Included in these are linguistic analyses of various languages, basic courses, readers, reference grammars, dictionaries, manuals, bibliographies, and reports on conferences which have been held to more accurately determine needs and resources available for the development of a varied number of languages.

Through the language research and studies program under title VI, the resources of modern foreign language teaching and scholarship can be focused on one of the primary deficiencies in this Nation's education system.

Part B of title VI, the provision for language institutes, is successfully designed to equip language instructors with a greater proficiency and fluency in the language they teach and to provide them with new and more effective methods of language teaching.

The institutes program has enjoyed a high degree of success. From the start of the program up to and including institutes being conducted during the current academic year, 7,000 elementary and secondary school language teachers will have received training at 133 language institutes.

Over 25,000 language teachers made application to attend the 1961 summer and regular session institutes. This figure is about 2½ times the number who had applied to attend the 1960 institutes. Only about one-sixth of the qualified applicants could be accommodated at the 68 summer institutes in 1961.

Obviously these institutes are a dynamic and positive achievement toward solving the increasing problem of adequate language instruction in American schools. The results of this program have demonstrated an unprecedented experience in professional stimulus, in the improvement of language proficiency, and in cultural enrichment. It is calculated that, as a result of this advanced specialized training, 700,000 pupils throughout the Nation received the many benefits of greatly improved language instruction in the fall of 1960.

A new and important development which promises to have far-reaching effects upon our relations with Latin American countries is the implementation of a Latin American studies program. The program, which will be developed within the present authorization and appropriations of title VI, will focus new attention on Latin American languages and studies and will prepare high level specialists to work in Latin America. The Latin American studies program is, in a sense, a part of President Kennedy's Alliance for Progress.

The objective of title VII is exploration of the new educational media. It provides for research and experimentation in the more effective utilization of television, radio, motion pictures, and related media for educational purposes in a two-part title. Part A authorizes getting the facts on new media, and part B provides for the dissemination of this gathered material.

Quoting directly from the wording of the act, title VII calls for "* * * research and experimentation in the development and evaluation of projects involving television, radio, motion pictures, and related media of communication which may prove of value to State or local educational agencies in the operation of their public elementary or secondary schools, and to institutions of higher education, including the development of new and more effective techniques and methods (1) for utilizing and adapting motion pictures, video tapes, and other audiovisual aids, filmstrips, slides and other visual aids, recordings (including magnetic tapes) and other auditory aids, and radio or television program scripts for such purposes; (2) for training teachers to utilize such media with maximum effectiveness; and (3) for presenting academic subject matter through such media." The Commissioner is authorized to encourage this research and experimentation by either making grants-in-aid to public or nonprofit private agencies, organizations, and individuals, or by entering into contracts with public or private agencies, organizations, groups, or individuals.

Part B of title VII makes possible four ways the Commissioner may disseminate information on new education media: (1) Make studies and surveys; (2) publish catalogs, reviews, bibliographies, and other needed materials; (3) provide upon request, advice, technical assistance, and demonstrations to State and local agencies and institutions of higher education; and (4) publish an annual report of developments in the use of communications media for educational purposes, including projects initiated under the title.

Title VII is a vital and salient provision of the Defense Education Act. Part A of this program provides funds for progressive research and experimentation in modern educational media and new teaching tools which will necessarily be utilized to keep

up with the immediate and fast-growing demand for a greater number of qualified teachers for the much greater number of students.

Indicative of the interest in and success of this title of the act is the impressive fact that on the basis of only 3 years' activity, 150 title VII research projects have been initiated in 39 States and the District of Columbia. It is certainly apparent from this figure alone that this program will provide vitally important information in the form of research evidence about application and results of the uses of newer educational media such as educational television, teaching machines, language laboratories, and projection equipment.

In the next 2 years the results and findings of the projects now in progress will be available; new and additional projects will provide additional sources of knowledge relative to teaching and learning—thereby adding to the eventual success of the objectives of the National Defense Education Act: to provide for our country a strong, workable, and efficient system of education.

Subtitle B of the title VII program which provides for dissemination of information on the new educational media has already seen the completion of 40 high-priority projects and another 37 are now underway. A portion of these projects were emergency remedies to immediate and painfully urgent problems. Some were important segments of a long-range information program, the basic purpose of which is to provide the information pertinent to, and the means for, appropriate modification and improvement of present educational practices. Other projects under this portion of title VII have provided and are providing bases for solutions to fundamental problems regarding the role of these communication media in our schools.

The number of conferences, reports, surveys, and research results in the new media fields which have been developed under title VII are so numerous as to be virtually impossible to list. The results have been, and will prove to be even more invaluable in determining the educational uses of communication media. This title offers assurance of highest quality research in this field for years to come.

Title VIII established area vocational education programs. Every engineer needs five assistants behind him if he is to put his knowledge and skills to their best use. Yet, in the United States, though engineers are in short supply, we have more engineers than technicians. Scientists are performing jobs that technicians could do to better advantage. Our Nation needs these trained people in all areas of scientific development—electricity, electronics, atomic energy, engineering, chemistry instrumentation, tool design, aviation, and industrial planning. Not to produce them fast enough means denying ourselves many of the fine advances of science; it means weakening our first line of defense, skilled manpower, at the very moment we should be making it as strong as we can.

Title VIII, which aims at alleviating this manpower shortage, is in fact an amendment to another act. Actually, it adds a new title, title III, to the George-Barden Act, which for a dozen years has augmented the vocational education programs of less-than-college grade begun by the Smith-Hughes Act back in 1917. The new measures will provide training for highly skilled technicians in recognized occupations requiring scientific knowledge in those fields which are necessary for the national defense.

The effects of this title, which provides area vocational education programs to train less-than-college-grade individuals of varied ages, have been wide range and highly gratifying. Despite being initially handicapped by the fact that the program started after school programs and budgets were already planned in the 1958–59 school year, such programs speedily gathered momentum in 1960, the first full year of operation. Vocational educators across the Nation competently and efficiently met the challenge and assumed the responsibility for the training of highly skilled technicians. The greater portion of the preliminary phases of this program have been completed and it is apparent that the States have laid a solid and lasting foundation for the years ahead.

Factual statistics firmly support the great success and acceptance of this program. During fiscal 1960 a total of 101,279 persons, over twice as many as in fiscal 1959, were enrolled in 1,503 programs and courses for the training of technicians under title VIII. Approximately 32,937 persons were enrolled in 498 preparatory programs and 68,342 in 905 extension programs. The growth of this program in the first 2 years indicates that there will be a substantial increase in all these figures in fiscal 1961.

Preparatory courses offered to date consist of nine occupation fields: electronic, mechanical, electrical, chemical, aeronautical, production, civil, instrumentation, and data processing and computer programing. It is predicted with assurance that new curriculums in various other areas of technology will be established as the program develops.

After 2 years of operation under NDEA, title VIII has made possible a rigorous quality of instruction in the preparation of skilled technicians, many in geographic areas where such instruction was not previously available. This has resulted in greater commitments of funds by the States themselves, at their own initiative, to the area concept of vocational instruction.

Additionally, unit extension courses have been introduced which emphasize the applications of science and mathematics in special technologies such as tool optics, missile telemetry, servomechanism, radar theory, automation electronics, microwave theory, theory of transistors, electronic data processing, stress analysis, technical report writing, cost analysis, time study, quality control, and tool planning.

Title IX, the only part of the National Defense Education Act not charged to the Office of Education, authorizes the National Science Foundation to establish a Science Information Service and a Science Information Council. The second advises and consults with the first and both share one overriding objective: Providing the scientist with information he needs quickly and effectively.

The Science Information Service is charged with two responsibilities: It provides indexing, abstracting, translating, and other services necessary to disseminating scientific information; and it undertakes programs to develop better and faster methods of making information available, such as mechanized systems. The 19-member Science Information Council assists the Science Information Service in carrying out this twofold assignment.

Finally, section 1009 of title X, the only part of title X which authorizes a program, provides funds to improve the statistical services of State educational agencies. The goal sought here is a general improvement in the accuracy and availability of statistics on public schools in this Nation.

Under title X, many States have found it possible to begin or extend significant efforts toward improving the adequacy, reliability, and timeliness of educational data developed at the State and local school system level.

At present some 43 States are conducting extensive surveys, reviewing and evaluating existing statistical services, and, based on their findings, are realizing significant improvements in the systems and procedures for recording, collecting, verifying, and processing data. Recognizing the necessity for having a strong staff organization to carry out the provisions of statistical services, over half the States are taking positive steps to improve their organization, and 39 States have added competent professional and clerical personnel to strengthen internal services or increase field services.

With regard to the goal of obtaining comparable information from the individual States, to date all States are taking positive steps toward implementing the standard terms, items, and definitions which have been cooperatively developed and made available to the States in the areas of school finance and school sites, buildings, and equipment. This development represents a major breakthrough.

The addition of expansion of facilities for automatic data processing in 37 States, accelerated inservice training for State and local personnel, and improved dissemination of educational information through the use of modern techniques to improve the scope and quality of reports and publications, are among other important areas of improvement under title X.

At the time of its enactment, the National Defense Education Act was described as an effort to "mobilize our Nation's brainpower in the struggle for survival." On the basis of solid accomplishments realized in the brief period which has transpired since, it would appear that the act is indeed mobilizing our intellectual resources to the benefit of national security.

It is unthinkable that a program which has clearly demonstrated so much worth to the crucially important programs of education and national defense should not be extended for a minimum of 2 additional years so that it may continue to rapidly approach its extraordinary potential.

A statement on the matter which digests to a very few precise words the pertinent reasons why was recently released by some of the foremost men of American science. Though the full text of this statement was inserted in the August 25, 1961, CONGRESSIONAL RECORD, certainly a portion of it bears repeating:

"We, the undersigned, are disturbed by the serious damage which will be done to the vital program of the National Defense Education Act if the Congress fails to extend that act before adjournment of the 1961 session. If action is delayed until 1962, State legislatures which must appropriate matching funds, school and university officials who must now plan for the 1962–63 academic year, and students whose educational plans are in part dependent on NDEA programs will be unable to plan with confidence. Unless the act is extended now, the school year of 1961–62 will inevitably be one of confusion, uncertainty, and partial loss of the gains already made.

"The job is well started, but far from complete. The National Defense Education Act has been in effect for only 3 years. The first year was largely one of tooling up. The second and third were years of growth and improvement. There is good momentum now. However, failure to extend the National Defense Education Act this year will bring many of the gains to a halt. Extending this act this year will enable the Nation to continue to build upon the improvements that have already been started. These improvements in science education are too vital to the welfare of the Nation to allow the act to be weakened."

Signing this statement of firmest conviction were: Detlev W. Bronk, James B. Conant, Lee A. Du Bridge, Frederick L. Hovde, James R. Killian, George B. Kistiakowsky, W. A. Noyes, Thomas Park, and J. A. Stratton.

To this distinguished list of names I invite every Senator present to add his own, indicative of the ground swell of congressional support for a 2-year extension of this

tried and truly proven program. To those who support the Nation's security and the Nation's schools, I invite support for NDEA renewal, as this action will continue the substantial contribution to both. To those willing to act, I invite action now, because the need for extension is an immediate need. Join the many who, with a great concern for both the defense program of the Nation and the educational program of the Nation, call for immediate renewal of the National Defense Education Act for a minimum period of 2 additional years.

Mr. MONRONEY. Mr. President, there is now pending on the Senate calendar a bill to extend the National Defense Education Act and make major revisions in its provisions. Adoption of this amendment extending the provisions of the act, as would the House, for a 2-year period in no way prevents the leadership from calling up S. 2345 in the next session, nor in any way prevents the Congress from taking action on the substantive improvements in the program which have been recommended by the committee.

I should point out that the pending bill would extend all the provisions of the act for at least 3 years and in many cases would make them permanent. This illustrates the fact that there is in effect no opposition to the continuation of this excellent program.

A real merit of this amendment lies in the fact that it can eliminate the necessity of a conference with the House on the extension of these vital programs for American education supremacy. Upon the adoption of this amendment, the House and Senate bills would be identical and there would then be no reason why the House bill could not be passed by the Senate and sent immediately to the President for signature.

It is late in the session. There is no Senator who does not appreciate the fact that there is some danger in a course which requires a conference. The Rules Committee has in effect adjourned. While it may be argued that it would be possible to secure a conference on programs that are as strongly supported as these, the fact remains that there is also some danger that they might be imperiled by this course of action. What, then, is the reason for taking any risk at all of killing these essential programs?

I suggest to the Senate that the real reason is, not that there is anything wrong with the programs, but what was frankly stated in the report filed by the chairman of the subcommittee on the pending bill. This report states:

> It is further the considered judgment of the majority of the committee that only a 1-year extension of the programs, at this time, is advisable. This position is based upon the belief that the special needs of the impacted areas should be related to the provisions of a general Federal aid to education measure, designed as was title I of S. 1021 to provide broad-purpose financial assistance to school districts through the education agencies of the 50 States. It was for this purpose that section 204 of S. 1021 was drafted. Since it is the belief of a majority of the committee that, within the lifespan of the 87th Congress, S. 1021, or a similar measure, will be enacted into law, an extension of the impacted areas legislation for longer than a 1-year period is not warranted.

The whole argument comes down to this: Shall we endanger these programs in an effort to use them as carrots to lead the reluctant congressional mule to accept a general Federal aid to education bill next year? For we will be endangering these programs and we will be doing so for that sole purpose.

I need not yield to any Member of the Senate in my efforts on the floor or my support for the introduction of legislation to enact a general aid to education bill. I was the author, with the senior Senator from Pennsylvania [Mr. CLARK], of the amendment which added Federal aid for teachers' salaries in 1959. I sat here and secured as a cosponsor my desk mate, the then Senator Kennedy, of Massachusetts. He cosponsored this measure along with many other Senators, and it was the success in obtaining the large number of distinguished cosponsors that lead to making a breakthrough for including teachers' salaries as well as construction in any Federal aid bill that was to be considered by the Senate.

I am as interested today in the passage of Federal aid to education legislation as I can be. Let no man spread on the record from the floor of the Senate the statement that is not so because of my amendment, which was proposed purely out of my firm conviction that we dare not run the risk of not having a conference, or of not completing action on a conference with the House, and thereby destroy the impacted areas law or a timely extension of the National Defense Education Act, because I feel that this effort is all a part of bringing our educational facilities up to date. I do not wish to try, and I do not think it is necessary that we try, to blackmail anybody or try to show that this is an indivisible part of the National Defense Act. If this strategy were sound, it would have worked in the House of Representatives.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MONRONEY. I yield myself 5 more minutes.

The mess in the House of Representatives is partly the result of the poor liaison work, partly the result of other issues being injected into the question, and partly the result of the feeling that the legislation must be extended for 2 or 3 years to sweeten the potion of Federal aid which will not stand the test of broad daylight.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. GORE. How long has this particular program been in effect?

Mr. MONRONEY. The distinguished Senator from Tennessee and the junior Senator from Oklahoma, who were then Members of the House of Representatives, helped to nurture and enact the law for the first time at the conclusion of World War II—about 1950—when we had to face the danger to the educational systems in the vast areas that had been built up to serve this country in time of war, with the Lanham Act expiring and with no funds to continue the schools.

Mr. GORE. So the Senator is not proposing an innovation. He is not suggesting that the Senate experiment with a program. He is suggesting the continuation of a program which the Congress and the country has approved over the past 15 years.

Mr. MONRONEY. That is absolutely correct.

I came to the Senate in 1951. I know the program had been in effect a year or two when I came to the Senate.

Mr. METCALF. It was 1950.

Mr. MONRONEY. It is a vital program. I point out that the same committee which today is urging a 1-year extension of the law in May urged a 3-year extension. That was put in as a part of the omnibus bill. It was hoped it would pass. I hoped it would. I had hoped to help pass the National Defense Education Act. The strategy did not work out.

Now we are told we should not extend the law for more than 1 year, even at the risk of losing the program by not being able to get a conference with the House.

I am confident that the program can stand on its own four legs, and the National Defense Education Act can stand on its own four legs. We do not have to borrow a pair of legs for either program.

Mr. GORE. I congratulate the distinguished and able Senator for his leadership. I assure the Senator of my support.

Mr. MONRONEY. I appreciate deeply the support of my distinguished colleague.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield to my colleague from Massachusetts.

Mr. SALTONSTALL. I appreciate the Senator's yielding to me. I was not able to be present to hear the first portion of the Senator's speech.

Do I correctly understand that the amendment provides for a 2-year extension of the so-called impact aid and for a 2-year extension of the scholarship program?

Mr. MONRONEY. That is correct. It provides for an extension of the National Defense Education Act exactly as was provided in the bill passed by the House. We can pass the bill with my amendment, so that the bill can go to the President with both of these time-tested and well-supported pieces of legislation continued, rather than to provide a lingering death of a few months. It will be only 9 months until the expiration of any 1-year program.

Mr. SALTONSTALL. I am very happy to support the Senator's amendment.

I think any program of this character, which has always been provided on at least a 2-year basis, should be extended for 2 years, particularly in relation to the problems we face in Massachusetts. In Massachusetts there are, as the Senator knows, town meetings which are held in March and April. The citizens plan the appropriations for the year ahead. They vote at the town meetings.

If we prescribe in the bill the program is to last for only 1 year, the citizens at the town meetings which will take place in March and April will be left in the dark as to what will happen the following year. The town of Bourne, where Otis Air Force Base is situated derives approximately 40 percent of its school funds from the impacted area legislation. It is very important to be able to establish a program a year ahead and to know for 2 years instead of 1 what will occur.

I am happy the Senator has offered the amendment. I hope it will be agreed to.

Mr. MONRONEY. The Senator is absolutely correct. This is true not only with regard to town meetings but also with regard to school boards in Oklahoma. Teachers are being sought, by competitive school districts, for the 1,800 school districts which are to be so helped. The school boards must make contracts. These men are not able to read the mind of Congress. If we should be so arbitrary as to provide a 1-year limit on the program, every teacher who is employed—and many of the districts employ good teachers because the money provided makes it possible to secure them—will be worried as to whether he should take an offer from State A, State B, community X, or community Y, so that he will be sure to be working in a school district. Some of the school districts may find it necessary to cut 40 percent, or in some cases 50 percent, of the teachers or the salaries of the teachers.

Mr. SALTONSTALL. The program lends stability.

Mr. MONRONEY. It lends stability. It helps to build up real educational institutions. Nothing is as dangerous to education as instability.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield to the Senator from Connecticut.

Mr. BUSH. I congratulate the Senator for his able presentation of the case this afternoon.

If it were not for the identical nature of the amendment with the House bill I would ask the Senator to modify his amendment, or would submit an amendment to his amendment, to extend the impacted area legislation to 3 years or to 4 years.

Mr. MONRONEY. I should be willing to do that, except that we cannot, under the situation we face, if we expect to have the program continue.

The argument I make, I believe, is a most cogent one. We dare not risk having the bill lost because of a lack of resolution in the Congress. One body cannot legislate alone. Two are required.

Mr. BUSH. I appreciate that. I think the Senator is correct. Therefore, I shall support the Senator's amendment, exactly as it is offered, and I shall vote against any proposed changes in it, so that there will not be any danger. If the amendment is agreed to it will not be necessary to go to conference with the House. We can pass the 2-year extension of the program.

I express a deep regret that we find ourselves in this legislative box, so to speak, from which we cannot get out or even consider getting out with a bill which would have more stability, a bill which would give more stability to the budgets of the school districts and which would provide more assurance with respect to the employment of teachers.

The Senator has made an excellent point. If one goes to a district like Groton, Conn., one sees it is very heavily impacted by Federal work. It is very difficult for the people of the community to attract teachers, unless they can give to the teachers some assurance of permanent positions. If we should stop the assistance to impacted areas it would be necessary for many of the school districts to let many teachers go. In addition, the communities would not be able to hire the additional teachers needed for growing communities, which they should be in a position to do.

I think the Senator is rendering a great service in sponsoring the 2-year program, in spite of what his former seat mate said a few hours ago on this floor, when he called for a 1-year extension of both the impacted area legislation and the National Defense Education Act.

I am very happy the Senator has given me an opportunity to support him.

Mr. MONRONEY. I am very glad to support the President on his goals and on his programs, but I agree with what the chairman of the Subcommittee on Education previously said, when he advocated the 3-year extension of this program, that the President's business is to be President and that he should leave to the Senator from Oregon [Mr. MORSE] the strategy of doing what is right on the floor of the Senate.

I am not much impressed with the argument now made that it should become a holy writ, because someone has sent word from the White House that he wishes to have a 1-year extension instead of a 2-year extension.

The bills are identical. There is no difference between my amendment, and the House bill. The amendment can be passed and can be signed into law.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). The time of the Senator from Oklahoma has expired.

Mr. MONRONEY. I yield myself 3 additional minutes.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield to my distinguished colleague from Florida, a cosponsor of the amendment.

Mr. HOLLAND. I congratulate the Senator for his fine leadership. I am glad to be a cosponsor of the amendment.

It looks as though we are coming to the time when we may see a reenactment of this important defense impact school bill, which really is nothing more than a continuation of a measure which has proved good in 10 years of experience.

I say to my distinguished friend that in my own State the prospect is for greater defense impact in the immediate future, rather than lesser. It has recently been announced there will be a great expansion at the guided missile base at Cape Canaveral. Already more than 9,000 children in that county—Brevard County—have been added to the total of schoolchildren by reason of defense activities there. That county and all its districts are taxing themselves to the maximum permitted by our constitution, and still they are not able to educate wholly at their own expense the more than 9,000 children already sent there by Uncle Sam. The number of those children will become considerably larger in the near future.

For the RECORD I invite attention to the fact that there has never been any intent to put upon Uncle Sam's shoulders the full cost of educating all these schoolchildren. The Federal Government reimburses for approximately half of the cost of educating the children, which I think is indicative of the fact that the areas affected are willing to do a full and fair share.

Mr. MONRONEY. And this is on a per-pupil basis. This is not on any slide rule basis, in outer space, but is on the basis of genuine pupils behind their desks.

Mr. HOLLAND. The Senator is exactly correct. We stand ready to continue on that basis.

We have no unwillingness at all to have a careful investigation made. If there are districts in my State or in any other State which are abusing the law and abusing the Federal Government under the law, I think that fact can easily be brought out, and a correction can be made. It seems to me now we should pass at least a 2-year extension of the program. Next year will be an election year. It will be difficult to hold Congress in session for a long period of time, such as has been the case this year.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has again expired.

Mr. MONRONEY. Mr. President, I yield myself 2 more minutes.

Mr. HOLLAND. That will not be an appropriate year to continue a discussion which has already produced too much bitterness in our country, with respect to a general Federal aid to education measure. It has come at a time when unity, it seems to me, is worth more to our country than ever before.

I believe the Senator is exactly right in proposing to separate this program, which is built upon the idea of being just before we are generous, because it is simple justice for the Federal Government to carry a part of the expense of schoolchildren in the defense-impacted areas. I congratulate the Senator. I shall support him in every way I can.

Mr. MONRONEY. I thank the Senator from Florida.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. STENNIS. I commend the Senator from Oklahoma for his amendment and his very fine presentation. I am one of those who voted two or three times against the extension of Federal aid to impacted areas by adding amendments to appropriation bills, with the assurance that we would be given an opportunity to pass a real Federal aid to impacted areas bill. To come here with

a 1-year extension of a policy that is 20 years old, which has been operating effectively, and to which no one objects, it seems to me would not be keeping faith. We would not be keeping faith with our direct responsibility.

If time is available, I should like to make some additional remarks on the merits of the bill later.

Mr. MONRONEY. I thank the distinguished Senator from Mississippi.

Mr. President, I reserve the remainder of my time.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield to the distinguished Senator from Kansas. For that purpose I yield myself 3 additional minutes.

Mr. CARLSON. I should like to inquire if the amendment of the Senator from Oklahoma does not contain the text of the House bill.

Mr. MONRONEY. It is identical, and would require no conference with the House.

Mr. CARLSON. I assure the Senator that I heartily support the amendment. I think the amendment represents one way in which we would be certain to get legislation. Should we write another amendment in the bill and go to conference, in my opinion, there is a possibility that the impacted areas would not receive aid. I commend the Senator for his amendment and will support him in any way I can, in the hope that his amendment will prevail.

I believe it is time for the Nation to give serious consideration to the question of Federal aid to education, but this is not the time to do so. I hope that during the next session of Congress further study will be given to the subject of Federal aid to education.

Surely at a time when our economic and cultural life as a Nation is in a rapid change, we should give serious thought to improved methods of financing and promoting the educational programs for the children of our country.

Mr. MONRONEY. Mr. President, I thank the distinguished Senator from Kansas. I strongly favor Federal aid to education. From the standpoint of practical considerations, it would be better to remove confusion and separate the two issues than to try to realize some vague hope that may be conjured up by the strategists at 1600 Pennsylvania Avenue, many of whom have never served in Congress, and who are advising on these problems. We should go forward with the separation of apples from peaches, and not try to mix them up in one grand stew, thinking that the result will be an elixir of success for all time.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield. How much time does the Senator from Arizona desire?

Mr. GOLDWATER. Five minutes.

Mr. MONRONEY. I yield 5 minutes to the distinguished Senator from Arizona, and I shall yield additional time if he should need it.

Mr. GOLDWATER. I thank the Senator from Oklahoma.

I congratulate the able Senator from Oklahoma for offering his amendment. I agree that if we were to follow the approach of the opponents, in all probability we would prevent the Federal aid to impacted areas bill being passed this year. I think any attempt to shorten the extension to 1 year would kill the bill, because of the obvious intent in that movement to make of the issue a political lever for next year, so that it can be used for furthering Federal aid to education.

I wish to make abundantly clear that Federal aid to impacted areas is not Federal aid to education. I have heard the proponents of Federal aid say time and time again that impacted areas relief is Federal aid. It is merely a form of reimbursement by the Federal Government to each school district which has been deprived of local tax resources because of certain activities of the Federal Government. It is in fact, if not in name, essentially a program of Federal payments in lieu of taxes.

That program is important in every State. I agree that we must continue it, even though I am opposed to Federal aid to education. I have sponsored legislation for years that would provide in lieu moneys in place of taxes that we in the western country cannot collect from the Federal Government.

For example, I have in mind the effort that was successful in getting the Department of Interior to provide in-lieu moneys for national parks. The Grand Canyon National Park embraces quite a little village, which can tax only two people. But in the area are about 120 students. If the school district did not have the in-lieu money, the children would be required to drive 120 miles a day to attend high school.

Under the present program, which is essentially the same as the extension of the two laws about which we are talking, the problem has been solved.

Basically, Public Laws 815 and 874 provide for Federal payment to local school districts for school construction and maintenance for each schoolchild in the district whose parent is either living or working on a Federal installation. By this means the Federal Government reimburses the school district for the loss of tax revenue resulting from tax-free Federal installations.

To cite an example, a school district in Tucson, Ariz., was in perfect financial shape. It had a little money in the bank. Then along came the Hughes Aircraft Co. The Air Force awarded that company a contract and also gave it five sections of land. The factory, which was built on tax-free land, was exempt from the payment of taxes to the school district. The district could not tax the five sections which comprised the bulk of the property. Bringing into the school district some 3,000 children put it in very bad shape. They came in under both those laws. Yet, even those laws, adequate as we think they are, do not adequately provide assistance in a case like that.

I think the proposed action is very wise, because the House has made it abundantly obvious that it will not pass Federal aid to education measures this year.

The House has made clear by the passage of a 2-year extension of the Federal aid to impacted areas bill and the National Defense Education Act that that is as far as it will go. If we encumber the proposed amendment with any more amendments and go to conference, I know that I shall be one of the conferees, and I know that we shall not——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MONRONEY. I yield to the Senator 4 additional minutes.

Mr. GOLDWATER. We shall not be able to reach an agreement in conference. The House is much stronger. The House will prevail. I hope that the Senate in its wisdom will accept the substitute offered by the Senator from Oklahoma so that we can get on with that business. We have made enough political hay out of Federal aid to education this year to last a while. We can go home and come back in January and look forward to some more of it.

The construction and maintenance of educational facilities in this country is not in the desperate shape some of our colleagues would like to believe it is. A little earlier in the session I introduced some figures that are quite interesting in this respect as to the number of working persons in the United States engaged in production.

The number of working persons in the United States engaged in production increased between 1956 and 1960 by about 1 million, as follows: All private industries, 455,000; public education, 473,000; and all other government, 87,000.

More people have gone to work in the field of education in that period than in any other segment of our society.

The same report showed that in 1960, for the first time, the average earnings in public education exceeded those in private industries, $4,752 versus $4,710. Public education has passed the average of all Government employees in 1958. The 4-year increases referred to in the publication were up, in public education, $925, and private industries, $644.

We are concerned about building schools. I wish that all building could follow the schools' examples in this country. The July issue of the Construction Review, which is published by the Department of Commerce, shows that public educational construction in the first 6 months of 1961 increased 14 percent over the same period in 1960, while simultaneously all construction had risen only 1 percent. Private construction had declined by 3 percent.

According to the same publication, the volume of public educational construction during 1961 will exceed $3 billion for the first time in history.

According to a projection of expenditures for the Federal Government and State government produced by the Committee on Economic Development, in 1968 this country will be spending, without Federal help, $28 billion a year for its schools.

There is nothing in the trend to indicate that this will stop. More school bonds have been sold this year than in any other year, and that has been the

history for the last 10 years. We are building classrooms at the rate of 70,000 a year, and the President said we need to build 60,000 a year. What we ought to do today is to take care of one bill. This has no relationship to Federal aid to education. Therefore, anyone who is a little squeamish about voting for Federal aid to education need not worry about voting for impact aid. It is not aid to Federal education. It cannot be so construed.

Mr. METCALF rose.

Mr. GOLDWATER. I do not have any time to yield.

Mr. MONRONEY. I yield 2 additional minutes to the Senator.

Mr. METCALF. I merely wished to challenge the statement of the Senator that this is not Federal aid to education. I will be glad to yield some time to the Senator to engage in colloquy along that line.

Mr. GOLDWATER. I would be glad to explain to the Senator why it is not. It is merely a payment for services that have been rendered. It is money made available to meet certain obligations which have to be met.

Mr. METCALF. Mr. President, I yield 5 minutes to the Senator from Arizona, for the purpose of this colloquy.

Mr. GOLDWATER. In other words, we merely send a bill for the average daily attendance, whether it be by Indian children coming in from the reservations or pupils of parents who work in factories on tax-free land.

Mr. METCALF. The Senator from Arizona has described this as an in-lieu tax payment.

Mr. GOLDWATER. Yes.

Mr. METCALF. This is not an in-lieu tax payment. It is not measured by the taxable value of the land taken. It is measured by the cost of educating these federally affected children.

The only time that any in-lieu tax payment can come into the picture is when it is necessary to find out whether or not there is an entitlement. After that, it does not make any difference whether the land is the least valuable land, such as we have in eastern Montana, or some of the desert land in Arizona, or whether it is the most valuable land, as is the case in connection with some laboratories in Connecticut. The money is paid out of the Federal Treasury. It is Federal aid to education.

Mr. GOLDWATER. I agree that local taxes have nothing to do with the amount of the payment. It is based on the cost per pupil. In some States it is higher and in some States it is lower. In some school districts it is higher and in some school districts it is lower. If it is not lieu money, I do not know what to call it. The principle of lieu taxes is not unusual. We have it in other segments of the Government. We have it throughout the Department of the Interior. It is not judged by local taxes. It is judged on the basis of how much it is costing to get this thing done.

Mr. METCALF. Lieu taxes, as I unstand—and we have them in other areas also—are ascertained on how much the land would have paid in taxes had it been on the local or State tax rolls. Then a payment is made in lieu of the taxes that would have been paid. In the situation we are discussing there is not any relationship to how much the land would have paid had it been on the local tax rolls.

Mr. GOLDWATER. I disagree with the Senator. When a payment of $319 is made on the basis of average daily attendance, it is all figured on the basis of $319 that could have been collected and if the $319 could have been collected from a tax source, it would have been. The school district I am talking about, in the city of Tucson, Ariz., had no problem until the Federal Government caused an impaction. Then the Federal Government did what I think is the right thing; it paid its share. It paid for the students who were going to that school, and the school district could use that money in any way it wished.

Mr. METCALF. We are in complete accord that it is the right thing to do. Let us take, for example, the so-called category B children, who live on Federal property but whose parents work off Federal property. According to the Senator's theory, the 50 percent which is paid by the Federal Government should be paid because industrial or commercial property in the area would pay about 50 percent of the taxes for the upkeep of the schools. Is that correct?

Mr. GOLDWATER. The Senator is merely stating what the bill recites. I do not see how that argument applies here. The Senator says this is Federal aid to education. I say it is not.

Mr. METCALF. Yesterday I placed in the RECORD the census report, which showed that in no State did industrial or commercial property pay 50 percent of the cost of school maintenance. In the lowest State it was 9.3 percent, and in the highest State it was less than 40 percent. The difference between what the industrial or commercial property would pay and the actual 50-percent payment, even under the theory of the Senator from Arizona, is Federal aid to education. It is an outright grant for education.

Mr. GOLDWATER. It is not an outright grant. It is lieu money because we cannot tax the Federal Government's property. That is all it amounts to.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GOLDWATER. May I have 2 additional minutes? I will conclude very briefly. The Senator believes it is Federal education and I say it is not Federal education. Of course, we could debate this subject for a long time.

Mr. METCALF. I thank the Senator for engaging in this colloquy. I yield 5 additional minutes to the Senator from Arizona.

Mr. GOLDWATER. It is very important that we act favorably on the Monroney substitute, because if we try to clutter up the bill with any more amendments, such as the one suggested by the Senator from Michigan, I am convinced we will leave here without any expansion of these two public laws. I do not believe there is a State in the Nation which is not affected by it and the National Defense Education Act. I could dwell at great length on the shortcomings of it, but I do not intend to do so. I will reserve what I have to say in that connection until next year, when extensions will be attempted to be made over and above what we are doing today. So I urge the Senate to vote favorably for the Monroney amendment.

Mr. METCALF. Of course, the amendment offered by the Senator from Michigan has been withdrawn.

Mr. GOLDWATER. I know.

Mr. MONRONEY. Mr. President, I yield 3 minutes to the Senator from Maryland [Mr. BUTLER].

Mr. BUTLER. Mr. President, since its inception, the so-called federally impacted areas school aid program has received my support, and it is my firm intention to continue to support it. This program cannot and should not be related to the general aid to education program, however, because there is a material and substantial distinction. Impacted area aid merely compensates for extraordinary expenses occasioned by activity of the Federal Government. This is not the case with general aid.

It is ironic to note, however, that earlier this year when the President of the United States made known the administration's school aid program, he undertook to curtail drastically appropriations for its implementation, notwithstanding that it is the only part of the entire program which has been demonstrated to be necessary and justifiable and not in contradistinction of constitutional prerogatives.

Much has been said about the need for general aid, but the demand for it has been almost exclusively by the professional educators—not the school boards who control the money and are aware of their financial status and needs.

As a matter of fact, at their annual convention in May of this year, the delegates of the National School Boards Association, representing 90 percent of the Nation's school directors, overwhelmingly approved a resolution that opposed a further extension of Federal aid to education until the school boards of America express the need for such funds. Further, it is my understanding that not a single school board in the country has expressed support to the Congress for the broad general aid proposals sponsored by the Democratic administration.

Overlooked by many is the fact that in 1960 Secretary Flemming of the Department of Health, Education, and Welfare conducted a survey to which 40,000 school districts responded and only 237, mostly small, reported that they had classroom shortages or were up against their bonded indebtedness.

And notwithstanding President Kennedy's protestations that 60,000 schoolrooms per year must be built, the record shows that during the 5-year period 1956–61, 69,860 per year were built without general Federal aid.

Other inequities are inherent in any general aid bill—especially S. 1021, which was reported by the Senate committee and passed by the Senate earlier this year. These inequities are dramatically revealed by comparing the $40,600,000 that New York would have received under the bill for its 10,600-classroom

shortage with the $58 million Texas would have received for a classroom shortage of 809.

Nevertheless, notwithstanding these and many other fundamental objections, the administration saw fit to foist upon the Congress and the American people a proposal to drastically increase general funds to education while at the same time cutting back the impacted areas program which is acknowledged almost universally as being not only necessary but desirable.

Not only did the President attempt to curtail funds for the program, but in his attempt to get support for his far-reaching and unnecessary, but yet politically attractive, general aid program, he included the diminutive impacted-areas provisions in the general aid to education program.

By so doing, it became patently clear that the administration was attempting to put Representatives and Senators on the horns of a dilemma. To vote for the general school aid bill would be to vote for reduced impacted areas aid. To vote against the general bill would also be a vote against impacted areas legislation.

Some Members, like myself, feel impacted areas aid is completely necessary and justified and that a reduction at this time would be unwise. Likewise, we feel that general aid is unwarranted and unnecessary for the reasons I have already pointed out and that, in addition, it is constitutionally questionable. The obvious political design was to force such legislators to vote for the general aid bill because, as I already noted, to vote against it would be to vote against the impacted areas aid program as well. Wisely, the Senate Labor Committee in reporting S. 1021, the general aid bill, rejected the President's proposed impacted areas reductions and chose, rather, to maintain the previous level of assistance.

I, and many other Senators, nevertheless voted against the bill because of our conscientious feelings on general aid. The result was that I, and I am sure many other Senators, were criticized as being against aid to federally impacted areas. Such criticism is ludicrous to say the least, but it was a result intended by the administration.

In my own case, criticism resulted notwithstanding the fact that at that precise time a bill, S. 1109, was pending before the Senate Committee on Labor and Public Welfare introduced on February 28, 1961, by the senior Senator from California and myself that would have extended the provisions of Public Law 815 and Public Law 874 for 2 years, until June 30, 1963. Our bill antedated that which is now pending before the Senate, S. 2393, by some 5½ months and was the first introduced during the 87th Congress to provide continued relief for impacted areas.

But it matters not to me whose name is on the legislation enacted. The important thing is that it must be enacted and I shall do everything I can to be of assistance in obtaining that result. It should not be defeated because the Democratic administration chooses to put legislators in an untenable position—a position in which they cannot truly represent their people. But if it does fail for that reason, that administration should take, and be willing to accept, the full brunt of blame for its defeat. Impacted areas aid should be enacted or rejected on its own merits and should not be made part of another program promulgated on entirely different bases, and die because of stronger feelings on that issue.

In that connection, it would be well to call to mind the history of impacted areas legislation. It originated as the result of the inundation of school districts by excessively burdensome educational expenses occasioned by Federal activity in the area. In 1950 it was recognized, and justifiably so, that the Federal Government should render assistance for the very simple reason that it in no small way was the actual cause of the additional expenditures—either by taking that which was previously tax-yielding property or by causing such an influx of personnel that it was difficult for the school boards to handle the new students.

Two laws evolved as a result: Public Law 815 providing for the construction of minimum needed school facilities; and Public Law 874 providing assistance for operating expenses of schools with an enrollment of 3 percent or more of federally connected children.

During fiscal year 1960, this program benefited approximately 1,500,000 of such federally connected children. In my State of Maryland, approximately 77,000 were benefited in an amount approximating $7,425,000. Fifteen counties received aid, the greatest amounts going, of course, to the nearby counties of Montgomery and Prince Georges which received $2,271,819 and $1,952,359, respectively. The Kennedy proposed cuts of earlier this year would have resulted in a loss to Montgomery County of $1,130,116 and to Prince Georges of $951,881. Maryland as a whole would have suffered to the extent of $3,237,819. Such arbitrary cuts by the Democratic administration without prior announcement would have seriously upset previous planning in the affected counties and, as well, existing programs would have been irreparably disrupted.

The important thing, however, is that the proposed reductions were part of an overall design by the administration to ram through Congress general aid legislation by any means possible because of the greater political advantage to be gained thereby. It was an effort to force some legislators to sell their principles because of the impact the loss of impacted-areas aid would have on their States.

Fortunately, the Senate Labor Committee, with its Democratic majority, rejected their leader's decision to cut this aid for the very reason that the facts do not yet warrant a reduction. This is certainly true, and on that point, the committee stated that:

> The committee has considered very carefully the recommendations for reducing the level of payments under these two laws in the light of all of the testimony and the evidence presented, and has recommended a 3-year extension without any significant change of those provisions which would otherwise expire June 30, 1961. This extension is accomplished by simply changing the dates at the appropriate places in the two laws.

That was the view of the committee back in May of this year. It knew a cut in this aid would not only be unwise, but that it would also be extremely inequitable. Also in May, the committee was of the opinion that a 3-year extension of the 815 and 874 program was needed with little modification.

Now, approximately 3 months later, it has, in at least one important respect, completely altered its views and has decided that only a 1-year extension is warranted because:

> It is further the considered judgment of the majority of the committee that only a 1-year extension of the programs, at this time, is advisable. This position is based upon the belief that the special needs of the impacted areas should be related to the provisions of a general Federal aid to education measure designed as was title I of S. 1021 to provide broad-purpose financial assistance to school districts through the education agencies of the 50 States. It was for this purpose that section 204 of S. 1021 was drafted. Since it is the belief of a majority of the committee that, within the life span of the 87th Congress, S. 1021, or a similar measure, will be enacted into law, an extension of the impacted areas legislation for longer than a 1-year period is not warranted.

The purpose is, of course, obvious. The administration is determined to tie the general aid and the impacted areas programs together, and the committee in the statement I just read acknowledges the fact. Such an attempt will, of course, be much more significant next year—election year—than it is now. The administration, again, will be attempting to extract votes from legislators by unusual means.

That a 1-year extension is not a reasonable extension is evident from section 204 of S. 1021 referred to in the above committee quotation. Section 204 was approved by the committee in May and passed by the Senate that same month. That section calls for a study and report by the Commissioner of Education which was to be submitted by January 1, 1963. It was obviously presumed in May that that much time would be necessary for such a study and report. Now, apparently from some unknown reason, not only is the extension not necessary, but the report and study are no longer needed.

I support the pending Monroney amendment because I feel it is essential and necessary that this program be extended for a minimum of 2 years. During that period a study could be undertaken to justify the program's continued existence thereafter or could determine the extent to which the program should be curtailed.

I said earlier that the impacted areas aid program should be enacted or rejected on its own merits and should not be a part of any other program because the problems which give rise to impacted areas aid are peculiar to that program alone. The pending amendment which also provides for a 2-year extension of the National Defense Education Act

would couple two such inconsistent programs. I would prefer that these two issues, which are separate and distinct in theory and approach, could be voted upon separately. I shall, however, vote in favor of this amendment notwithstanding the fact that the National Defense Education Act will also be extended, and I do this because it is imperative that impacted areas aid be passed at this session of Congress. There may be many arguments in favor of extension of the National Defense Education Act also. However, separate programs, in my opinion, should be treated separately. Nevertheless, it is my hope that all Senators will vote in favor of the Monroney amendment so that impacted areas aid can be continued without change.

Mr. MONRONEY. Mr. President, inasmuch as the opposition does not have a speaker available at this time, I ask unanimous consent that I may suggest the absence of a quorum, without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORSE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Without objection, it is so ordered.

Mr. MORSE. Madam President, I yield myself 5 minutes.

I shall state to the Senate what parliamentary procedure I shall follow at the end of the time on the Monroney amendment. I shall offer an amendment to the Monroney amendment which proposes to extend the impacted areas and NDEA program for 1 year each instead of the 2 years proposed in the Monroney amendment. The Parliamentarian assures me that the amendment is a proper one. That amendment will be offered on behalf of myself and the Senator from New York [Mr. JAVITS]. I think it is very important, Madam President, that the recommendation of the President be presented to the Senate for the first vote on this subject.

As I said yesterday and earlier this morning, I bespeak the position of the President. The President has made his position very clear in a letter which he sent to the majority leader this morning, in which he expressed as his judgment, for the reasons set forth in the letter, that the program be extended for 1 year. I shall read the President's letter again:

SEPTEMBER 9, 1961.

DEAR SENATOR MANSFIELD: You have asked my views concerning legislation to extend aid for schools in federally impacted areas and to extend the National Defense Education Act.

As you know, my recommendations to the Congress for legislation to help achieve educational excellence in this country included continuation of the federally impacted area program and extension and strengthening of the National Defense Education Act. I still believe that both of these steps are urgently needed.

An extension of these programs should make it possible for the Congress to make a careful review of their content and costs next year. School aid to federally impacted areas could then be reexamined to update its operation and effect possible economies. Also, the increased demands which are being thrust upon this Nation make it especially important that we give consideration next year to strengthening those provisions of the National Defense Education Act which improve the quality of education in this country.

Therefore in my judgment a 1-year extension of school aid for impacted areas and the National Defense Education Act provide the best assurance that reevaluation of legislation affecting education will take place early next year.

Sincerely yours,

The letter is signed by the President.

Madam President, the Senate should keep in mind the recommendation of the President in regard to this matter, because I can assure the Senate—if there is any doubt about the fact that his state of the Union message will give emphasis to this program—that the President proposes to make Federal aid to education a major part of his program next year. The President feels—and rightly so, I believe, the opponents to the contrary notwithstanding—that enactment of the Monroney proposal would to a very large extent reduce the possibility of obtaining favorable consideration of a general aid-to-education bill next year, for it would give to Senators who are not in support of any Federal aid to education at all, except in the limited fields of the National Defense Education Act and the impacted areas acts, a good excuse to continue to withhold support from an aid-to-education bill, because their local interests would then have been taken care of, and that matter is of primary concern to that group.

I believe the President was entirely correct when, during the great campaign he conducted in 1960, he pledged to the American people a general aid bill for the school children of the Nation. I think his leadership should be followed procedurally, because of the second point I now wish to raise in opposition to the Monroney proposal. I wish to point out that a 1-year extension of both the National Defense Education Act program and the impacted areas programs will not injure even one school district, but will extend to each school district the existing programs. When we return in January, we can consider anew the entire matter of general aid to education and can consider a reappraisal of both the National Defense Education Act program and the impacted areas programs in light of the facts which will be presented to the President during the intervening period.

This leads me to my third point, Madam President—namely, that it is being assumed that there is nothing at all wrong with the impacted areas program. But, Madam President, actually there may be a great deal wrong with it. Earlier this year—as I have pointed out in the debate—the President proposed a general tapering off or reduction of the National Defense Education Act program, in order to do away with what he considers the waste and the unjustifiable expenditures to some school districts. At the time, as chairman of the Education Subcommittee, I argued against the President's recommendation; and members of the subcommittee went with me to a series of conferences during which we convinced the administration that its proposed tapering off of the program should be postponed until all the facts were obtained.

It will be observed that title II of Senate bill 1021—and this is the origin of section 204 of that bill, as passed by the Senate—calls for a study and an investigation of the administration of the federally impacted areas program, for the purpose of seeking to obtain the facts and to bring an end to the waste and the unjustifiable expenditures under the program.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. MORSE. Madam President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes more.

Mr. MORSE. Again, Madam President, I report to the Senate that the President is very much disturbed—and justifiably so—about preliminary reports which he has already received from the Comptroller General. Yesterday afternoon, in the course of my speech, I discussed some of them. I pointed out, not the general pattern, but that in some instances school districts are receiving, under the federally impacted areas program, funds which, in fact, they ought not be entitled to receive. Furthermore, I made no exception of my own State. My very able colleague [Mrs. NEUBERGER] is now presiding over the Senate, and I want her to know that yesterday I cited, as one of the examples brought out by the Office of Education, Gearhart, Oreg.—a fine resort and residential town in which many retired persons and many working persons live. It is receiving some funds under the federally impacted areas program, although there is no Federal project in Gearhart or in that district. But some residents of Gearhart work at Astoria, at a Naval Reserve base; and others work many, many miles away on a dredge whose headquarters is in the customs office in Portland, Oreg. However, all of us know that the expenditure of funds under the federally impacted areas program should not be justified under such circumstances.

I cited the report of the Comptroller General—and yesterday I placed the entire report in the RECORD—on similar instances. In one of them a surgical supply manufacturing company is selling surgical supplies to the Federal Government at a point located miles away from the school district concerned. Yet, because a few of its customers happen to be Federal agencies, the school district is receiving funds under the federally impacted areas program, merely because some persons who live in that area work for the surgical supply company.

The President is concerned about such unjustifiable expenditures. He was so much concerned about them that in the first part of the year he wanted to taper

off the entire program. But we convinced him that that would be a mistake.

The President has called for all the facts; and the Senate Subcommittee on Education has asked the Department of Health, Education, and Welfare to submit all the facts to it. Next year, when we have all the facts before us, we can decide to what extent the program should be modified.

So I deny the claim that there is nothing wrong with the Federal program. There are some abuses of it and there is some misuse of funds, and they should be corrected.

Next, I wish to make the point that all of this is linked to a general education program, and we should keep it linked in that way. We should not break up the program, so that we provide a politically expedient opportunity for those who are opposed to Federal aid to education to satisfy their own local, selfish interests, while proceeding to deny to schoolchildren who do not live in such so-called federally impacted areas the aid they should receive.

Madam President, I wish to say there are many, many school districts that are more impacted with children, from the standpoint of their difficulty in meeting their educational needs, than are the overwhelming majority of the school districts which are now receiving Federal funds under the aid program.

The PRESIDING OFFICER. The time of the Senator from Oregon has again expired.

Mr. MORSE. Madam President, I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Oregon is recognized for an additional 5 minutes.

Mr. MORSE. Furthermore, Madam President, we should keep in mind the fact that 63 percent of the school districts which are receiving funds under the federally impacted areas program receive less than 5 percent of their budgets from the federally impacted areas program funds. Only 25 school districts—as I pointed out yesterday—receive in the neighborhood of 60 percent or more of their budgets in that way.

So this program is not of the vital importance to many of the school districts that some of its ardent proponents would have us believe. I think the President is quite correct when he says to the Senate, "I want it for another year, I urge it for another year. Congress will then take a look at it, in connection with the education program, and Congress will then extend it on the basis of the facts as they are presented."

Madam President, every Member of the Senate knows that next year Congress can extend the National Defense Education Act program and the federally impacted areas program consistent with the facts which will be brought out then, and modify them in accordance with whatever the facts warrant. We hope, in connection with a Federal aid program, that we can adopt legislation as we did this year by means of Senate bill 1021, so as to benefit the forgotten two-thirds of the schoolchildren of the Nation. I hope it will never be forgotten in this debate that what is sought by the amendment is Federal aid for only one-third of the American schoolchildren, and nothing for the other two-thirds.

I come now to the fourth point, which is the most delicate of all, but is one which we ought to face up to. There has been much discussion about the fact that if the Monroney proposal is adopted, we shall not have to go to conference, as if that were an argument for adopting the amendment. To the contrary, I think it is an argument against adopting it, because we all know the attitude that has been taken by the House of Representatives. We all know that the attitude of the House this year on too much legislation, including education legislation, has been a take-it-or-leave-it attitude. I think we ought to find out, if we believe in a bicameral form of government, whether the House will confer with the Senate, according to our constitutional processes, and iron out, conscientiously, any differences that exist between us.

Of the many reasons why we ought to vote for a 1-year extension, rather than a 2-year extension, I think an important one is to make clear to the House that we believe in a conference system. We have been told too many times this year by the House that we can either take it or leave it, because if we do not take it there is a serious question as to whether there will be a conference. Some Senators have said to me in the cloakroom, "Are you sure the House will go into a conference?" I have said, "In my judgment, that is not material." We have the job of passing, in the Senate, legislation that we think on its merits ought to be passed. The House has the responsibility, I say most respectfully, of conforming itself to the legislative processes of the Congress, and those processes involve conferences.

We also ought to face up to the fact that the House in many instances this year, has followed a procedure in which Members of the House have not had an opportunity to vote on the substantive merits of legislation before them.

It is for those reasons, and others I may advance in the closing moments of this debate, that I shall urge the Senate to support the President, and give to the schoolchildren and parents of this country their best chance for a general education aid bill next year, by adopting a 1-year extension, so there will be before us for consideration in the legislative program of next year the National Defense Education Act and the federally impacted areas legislation.

I have never concealed that desire as a matter of sound legislative procedure in this body. What we are after, in the long run, from the standpoint of our national security, is the building up of the strength of our educational system. I am sure most people in this country believe that can best be done by a general Federal aid to education bill. It was the promise the President made over and over again in his campaign of 1960. It was the promise the President made this year in connection with his messages to Congress in regard to education. It is a promise which, as parliamentarians, we should help the President keep.

Therefore, I hope the Senate this afternoon will adopt the Morse-Javits substitute for the Monroney amendment, which will extend NDEA and the impacted-areas program for 1 year, and thereby not do the slightest damage to a single school district in this country.

Mr. CLARK and Mr. STENNIS addressed the Chair.

Mr. MORSE. The Senator from Pennsylvania must leave. I first yield 5 minutes to the Senator from Pennsylvania.

Mr. CLARK. Madam President, debate in the Senate has become a futile art. I am sure most Senators deplore it. We are about to vote on one of the most important propositions to come before the Senate in this session. I am not naive enough to think that any arguments I might make during the course of this discussion—one cannot call it a debate—would change any votes, but it is a bit discouraging to note that, as I rise to say these few words, there are on the floor only three Democrats and one in the chair, and, as I count them, five Republicans. Surely, the art of debate in the Senate has fallen into substantial disuse. What we say now is said only for the RECORD, and perhaps for posterity, and not for the purpose for which Senate debate was intended, of convincing the doubtful.

Yet I would nonetheless like to adduce three reasons why all Senators should vote to support the substitute amendment of the Senator from Oregon, which will confine the extension of aid to impacted areas for 1 year and the extension of NDEA for 1 year, and why we should vote against the proposal of the Senator from Oklahoma to extend both programs for 2 years.

The first reason is that, if we support the Senator from Oklahoma, and not the Senator from Oregon, we shall have killed all reasonable chance of Federal aid to education until after the 1962 elections. We shall have killed it for the remainder of this Congress. Let no one think to the contrary. Those who vote against the amendment of the Senator from Oregon, and in support of the amendment of the Senator from Oklahoma, whether they intend it or not—and I charge no motivation to any Senator—are voting to kill Federal aid to education for the remainder of the 87th Congress.

In my opinion, it is not possible to support the Monroney amendment and to convince any reasonable man that the end result will not be the death of Federal aid to education for the remainder of the 87th Congress.

My second reason for urging support of the Morse amendment, in opposition to the Monroney amendment, is that I believe the dignity of the Senate is involved. Throughout this year we have had gun after gun pointed at our heads by the Members of the other body. We have been arrogantly told, "If you do not do what we say, we will not even go to conference." We are now being told that if we dare to limit impacted areas

and NDEA legislation for as little as 1 year, that is the end of the matter.

We had this issue on the floor of the Senate not so long ago in connection with coverage of veterans' life insurance. The Senator from Louisiana [Mr. LONG] said, "The issue is, Shall the Senate surrender to the House, or are we a body of equal dignity, of equal importance?"

The answer of the Senate was clear. We shall not surrender our legislative prerogatives under the threat that if we do not there will be no legislation passed. We believe we have equal dignity in this body with the other body to decide what is wise in terms of legislation.

We do not wish to have it said, "The Senate only proposes, while the House disposes."

When the Senate voted with the Senator from Louisiana last week on that issue, it did the right, the wise, and the just thing. I hope it will be equally right and wise and just on this issue.

The third reason why we should support the Senator from Oregon and reject the amendment of the Senator from Oklahoma is applicable only to those of us on this side of the aisle. Let no Democrat delude himself, after the vote, that he can vote against the Senator from Oregon [Mr. MORSE] and remain a supporter of the President of the United States. The President of the United States has laid it on the line. It is there for all to see. He has said, "I want a 1-year extension, so that I can have some opportunity next year to make good my program to help the little boys and little girls in our schools; to help roll back the Communist menace on the intellectual front; to help see to it that the boys and girls of America get the best education in the whole wide world, which they can never get without Federal aid to education."

Madam President, I propose to support the President of the United States. I hope an overwhelming number of my colleagues on this side of the aisle will take the same stand.

That brave young man, fighting for freedom, fighting for a strong America, fighting for a secure America, knows that he must have Federal aid to education to accomplish his goal. He has asked us for a very little thing—a very little thing, indeed. He has asked us to give him an opportunity next year to get the House of Representatives back on the trail of the New Frontier, to give him an opportunity to persuade the voters of America next year that his program is as right and just as we thought it was when we voted for S. 1021 by a large majority and sent it to the House of Representatives.

I plead with my colleagues to support the President, and in so doing to help make America secure and free.

Madam President, this is to some extent an emotional appeal. I feel deeply about this subject. People may say, "What difference does it make whether we extend the law for 2 years or 1 year?" It will be said, "How technical, how legalistic, can you get?"

There are times in the Senate when the issue is drawn. It may be a narrow issue. It is a narrow issue, as small an issue as the extension for 12 months or the extension for 24 months of the law, yet the issue is clear. It is there for all to see. It has been drawn by the President of the United States. Let no one run away from it. Let no one be deluded in his thinking about the Monroney amendment.

If the Monroney amendment shall be agreed to, we shall have sold the boys and girls of America and their educational system down the river. Second, we shall have repudiated the President of the United States. Third, we shall have decided for all time that the Senate of the United States will be the doormat of the House of Representatives.

Mr. MONRONEY. Madam President, I yield myself 2 minutes.

I am very sorry my distinguished colleague has assumed the attitude that those in favor of the Monroney amendment, and particularly the author of the amendment, are selling the schoolchildren down the river for all time.

The senior Senator from Pennsylvania knows as well as I know, and as well as do the other Members of the Senate, that many times in many difficult places we have joined together to try to effectuate a satisfactory and overall Federal aid to education bill.

I yield not to the Senator from Pennsylvania nor to the chairman of the subcommittee as to devotion in trying to improve the education of the children of America.

I believe we should be realistic in regard to the problem. It is foolish to try to use this very vital part of our educational system as the chromework which will mysteriously sell, in some way, somehow, a general aid to education bill.

A hypnosis has gone through this Chamber that unless the two issues are married for all time there will be no opportunity to pass a Federal aid to education bill.

I feel the junior Senator from Oklahoma and the senior Senator from Pennsylvania and many others in this Chamber know as much about the legislative techniques as the present occupant of the White House. Certainly the President has been busy enough with international affairs that he has not been reading the minds of Members of the House and Members of the Senate. I would hate to think that the President is devoting his time to consider whether it is more important to have a 1-year or 2-year extension of the school program, when the balance of civilization hangs tenuously between all-out nuclear war and peace.

I know where the President is getting his information. He is getting it from a group of legislative liaison men, many of whom have never had a day's experience in the Congress, some of whom are fresh from the ivy-covered academic halls, who sit down at 1600 Pennsylvania Avenue and dream up what Congress ought to do.

I have fought for the President's programs in many ways, some when it hurt in my State. I have fought for foreign aid and many other things when there was no vote profit.

I do not wish to be told that we have a choice in regard to selling the young people of this country down the river, because I do not wish to have a group of legislative and liaison people give commands to the Senate.

I am fully aware of the situation in the House. I served in the House for 12 years. I do not know how many members of the Rules Committee are still in town.

If there is any difference between our bill and the bill passed by the House, it must go to the House, and it must be reported by the Committee on Rules before it will get a rule.

Suppose we send a 1-year program to the House. What is so vital and so sacred about that?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MONRONEY. Madam President, I yield myself 2 more minutes.

Suppose we send a 1-year program to the House, which is considered to be so sacred. Do Senators really believe it will come back a 1-year program? Of course, it will not. The difference will be split down the middle, if the conferees ever get out of the conference, and it will be an 18-month program. It will end in the middle of the school term.

My amendment has been very carefully thought out. It was not introduced in opposition to anything. It was introduced in favor of the program.

The National Education Association has probably devoted more time and energy to getting a real Federal aid to education program than any other organization in the country. This association has taken no position on the vitality and the necessity for the 1-year program versus the 2-year program.

We have a right to be Senators, surely, but I do not feel that we would be accepting a subordinate position simply because the House has sent to us a good 2-year bill, a bill which incorporates the National Defense Education Act, which the subcommittee has suddenly discovered has some future value, at least, and should be added as an amendment.

If we are correct in that regard, perhaps we are correct in the 2-year extension on both acts.

Certainly the bill was not a finished product when it was sent to the Senate, if that provision was so vital it had to be offered as an amendment.

I think we are entitled to vote for what we feel is proper. I feel the Federal aid to education will be benefited and not damaged by separating the two approaches. We should not try to make a glorious mixture of putting in the proposal all kinds of spices in the hope of making it appetizing to those who otherwise would not favor Federal aid to education.

Mr. STENNIS rose.

Mr. MONRONEY. Madam President, I am happy to yield such time as he may need to my colleague from Mississippi.

Mr. STENNIS. Madam President, will the Senator yield me 5 minutes?

Mr. MONRONEY. I yield 5 minutes to the Senator from Mississippi.

Mr. STENNIS. Madam President, I thank the Senator for yielding to me, and I commend him for the very fine fight he is making for a very important and sound amendment.

I point out that only a few weeks ago we had a very splendid debate, in which it was stoutly maintained that to be on solid ground it was necessary to have a 5-year program to plan for the major parts of our foreign aid program. Despite that, with reference to our own schools in impacted areas we are told that 1 year is sufficient for the program.

Madam President, what is proposed really is not a part of a Federal aid to education program. It is the proposal to espouse an old, established policy of 20 years' standing, which has to do more with the defense posture of this Nation than any other single element.

When I became a Member of the Senate in 1947 there was not a more confused subject handled on this floor than the effort to get authorizations and appropriations for various school districts in areas all over this Nation. During the war there was the old Lanham Act, the original legislation on the subject. After an annual battle and scrap, trying to devise formulas to leave some schools in and put others out, general legislation was passed in 1950, which has been the established policy of the Nation and the Congress, and has been noncontroversial, ever since.

Federal aid to schools in federally impacted areas has been the established policy of the Congress for the past 12 years. Legislation providing assistance to school districts to help meet their operating and maintenance expenses where such districts are providing education for federally connected children was first enacted in 1950. The wisdom and justice of the policy is hardly an issue anywhere. It is only fair that a proper proportion of the unusual and additional expenses made necessary by the increased enrollment resulting from Federal activities in a community be borne by the Federal Government.

The Congress cannot afford to delay enactment of reasonable and effective extension of Public Laws 815 and 874 of the 81st Congress. Moreover, the question should not be confused with the more controversial question of general aid to education. This is not primarily a school aid program after all, but rather is a part of our defense posture. The conditions making this assistance necessary and proper have been brought about by the Federal Government in its continuing efforts to keep our defense forces strong.

Under Public Law 815, payments are made to help build schools in districts burdened with substantial increases in their school membership due to Federal activities. Under Public Law 874, payments are made to school districts to help meet their operating and maintenance expenses where such districts provide education for federally connected children. Also, both laws provide for free public education for children who live on military bases or other Federal reservations where the local education agencies are not able to provide free public education without such assistance.

Local and State school authorities and the legislatures of the several States are compelled to plan ahead in order to provide funds and facilities with which to provide for their educational needs. School business is big business. It is one of the most important functions of our State and local governments. It is absurd not to anticipate needs as far in advance as possible and to carefully plan to meet them. Those who have the responsibility to make and execute these plans should have the fullest cooperation of the Congress in the matter of providing for federally connected children.

Much has been said recently of the necessity for a long-range program for foreign aid. It has been argued that it is poor business for this Nation to attempt to operate such a program on a year-to-year basis. It was urged that the 5-year program would permit wise planning and would support necessary commitments. As a comparison, certainly everybody knows that adequate school facilities cannot be provided simply on a year-to-year basis.

Since 1950 and the original enactment of this law, extensions have regularly been for 2 or 3 years. It is rather unreasonable that we should now propose to extend the law for only 1 year. It is inexcusable that this great problem should be kicked around for purely political reasons. We should be entirely above the practice of baiting areas who have assumed such a large defense responsibility for the entire Nation as have these communities whose schools are so greatly affected by Federal activities. It would be tragic for the Congress to extend this law for only 1 year in order to build political pressure for the enactment of a general aid to education bill in the next session.

I want to say as much, also, for the proposed extension of the National Defense Education Act. The need for an adequate extension of this program is as compelling as is the need for extension of aid to impacted areas. The National Defense Education Act expires on June 30, 1962. The program is most vital to the welfare of our country and is an essential national defense measure. We cannot afford uncertainty as to the life of this program. The result would be to slow down our efforts to provide an adequate supply of trained manpower at a time when the need is of such tremendous importance to our national defense.

Again, let me point out that planning in support of such a program will greatly suffer if we fail to act now to extend this program beyond June 30, 1962. It is entirely possible that with no further assurance of Federal grants after that date, the adoption of State budgets for colleges and other institutions of high learning, without provision for this program, will prevent participation in the program, even if Congress should later extend it. At the next session of Congress, it can very easily take several months before we can enact an extension of the law. The effect would be to slow down and discourage active participation in a vital defense program. Needless delay will produce tragic results.

Let me appeal to the reason and commonsense of the Senate in this matter. We cannot afford to gamble on the life of functions so necessary to our national welfare and defense. There can be no harm done in extending both the programs for impacted areas and the National Defense Education Act for 2 years. On the contrary, if we force these essential activities to continue under the uncertainties involved with extensions for shorter periods of time, we are skating on thin ice and recklessly risking the best interest of the Nation in these most critical times.

I strongly urge that the Senate extend these vital programs for the necessary 2-year periods.

Madam President, within the past few years, the United States has been establishing new missile and bomber bases and radar sites that have to do with our early warning systems. We are placing a great many of the large installations in relatively remote areas, in rural school districts. Such school districts are hit with an impact of 500, 750, or a thousand children resulting from those installations. There is no opportunity for such communities to cope with that kind of development.

Today is September 12. School terms all over the Nation are beginning. Federal aid to education in impacted areas expired months ago, and we are still debating, not the merits of the legislation, but whether its extension shall be for 1 year or 2 years. Confronted with the task of taking care of additional children, how can the trustees of a school board, local, or State, make any kind of definite, progressive and constructive plans, if the enactment of legislation is running behind by 90 days? Trustees of school boards will not know whether the proposed legislation will be available for 1 year or 2 years.

The program is so well established that, with all deference to everyone, I think a 5-year term for the program should be established. The necessary money should be appropriated in proportion to the existing need, according to a new formula, if necessary, depending upon the facts. But let the program be definitely established so that school authorities will know that there will be a definite program, that formulas are prescribed, and that the necessary money to meet that policy will be forthcoming.

Again I commend the Senator from Oklahoma. I hope he can put the subject to rest. I repeat that the bill on its merits has nothing to do with the Federal aid to education measure. Within the past few weeks I believe I voted three times against amendments to appropriations bills or other proposed legislation which would have extended Federal aid to impacted areas, even though I was strongly for the program, as was the case with many other Senators.

But now the program is having its day in court. Let us not trim it down or let uncertainty and confusion bring the program into disrepute because someone hopes to inaugurate next year a new policy on a subject that is different, even though education is the basic subject matter on both.

I hope the Monroney amendment will be agreed to and that this subject will be put to rest. Let those who are involved be assured that in determining the policy Congress will not delay the program or confuse it with other programs this year or any other year.

Mr. President, I yield back the remainder of my time.

Mr. MORSE. Madam President, I yield to the Senator from Rhode Island [Mr. PASTORE] such time as he would like.

Mr. PASTORE. Madam President, I think the question confronting the Senate today is a very simple one. We are not debating whether or not help for impacted areas should be tied in with our general philosophy of aid to education in the United States. That question was already resolved.

The question that confronts us today is, Shall we extend the proposed legislation for 1 year or for 2 years? I realize that a great deal has been said about blackjacking someone into doing something he would not choose to do. The fact is that insofar as the position of the senior Senator from Rhode Island is concerned, the question of whether the program is extended for 1 year or 2 years is purely academic. I could live with a 2-year extension of the act. I could live a 1-year extension of the act. But the controlling consideration that will govern the vote of the senior Senator from Rhode Island is the fact that we have before us a letter from the President of the United States which I think deserves our attention and some consideration on the part of Senators. The President of the United States has said: "Extend this act, but extend it for 1 year only. I have many problems that have to do with education generally in the United States of America" the President says. "I want a little more time to reappraise the situation, and I shall come back to the Congress of the United States in the first part of 1962 and give you an educational plan that will take care of every child in these United States."

That is how fundamental it is. Therefore, I am inclined to go along with the administration position that it should be extended for 1 year. We should support a 1-year extension if only to accommodate the President of the United States. The President is not going to turn his back on the impacted areas. Neither do I believe that Congress is going to turn its back on the impacted areas. I believe that neither he nor we will do that no matter what evolves here today.

However, there are many Members of the Senate who for a long time have been fighting for an adequate educational program for all schoolchildren of the country. They too deserve consideration. My position is a simple one. I have stated it. I am going to support primarily a 1-year extension because I think it is part of the sincere thinking that in the long run it will do more for all the schoolchildren of America and, therefore, for America itself. That is the plan that is being advocated by the President of the United States. We in the Senate this afternoon should not turn our back on the one President who in his whole philosophy has demonstrated more concern, more consideration and more support for the schoolchildren of this country than any other individual in a position of power and responsibility. I would hope that the extension would be made for 1 year, so that we can review this whole matter in the early part of 1962 as part of an earnest effort to perfect our overall educational program.

Mr. MORSE. I thank the Senator for his comment. I now yield 1 minute to the Senator from New York.

Mr. JAVITS. Madam President, this is not a day upon which I wish to engage in active debate here in the Senate. I would not be here at all were it not for what I consider to be a highly important duty to my constituents and to the country.

I believe that the proposal which will be made by the Senator from Oregon, in which I have the honor to join him, is the soundest proposal, and the one most likely to advance the defense of our country. Everything must be tested in that crucible.

I believe educational facilities afforded the children in this country are sadly deficient, and I believe that the proposal for a 1-year extension is best adapted to advance the national interest in respect of doing what needs to be done about our educational plan.

I have only one further word to say. I believe that every Member who votes for a 1-year extension does so knowing fully what rides on the vote, namely, the whole hope of achieving a major accomplishment in respect of our Defense Establishment and in respect of our educational plan, and also understands that there is no question about the continuance of either of these bills insofar as the affected people or the affected institutions are concerned.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MONRONEY. I yield 1 more minute to the Senator from New York.

Mr. JAVITS. By making this extension we will put ourselves in the best position to act with the sense of national responsibility that should animate us in this matter, and that purpose is best served by an extension of 1 year.

I should like to point out that at my request the distinguished Senator from Oregon will put before the Senate these matters separately, seeking a vote on the aid to impacted areas for 1 year and an extension of the NDEA for 1 year, in order to give the Members of the Senate an opportunity to evaluate their positions in respect of these rather distinct pieces of legislation.

Mr. AIKEN. Madam President, will the Senator yield?

Mr. MORSE. I yield such time as the Senator may require.

Mr. AIKEN. I would be interested in the Senator's proposal if it meant the extension of the NDEA for 2 years. Most money for education in Vermont is raised at town meetings—the town being the unit of government—and these meetings are held on the first Tuesday in March. Therefore it is unlikely that new legislation would be enacted in time for the towns to engage in their work for the coming year unless NDEA were extended for 2 years. I have no objection to extending the impacted area legislation for 1 year, but I would want NDEA legislation extended for 2 years. Otherwise we not only would have to have 246 special town meetings all over the State to raise the money, and undoubtedly a special session of the legislature also, because towns and the State would be short of money if they were relying on the Federal law being extended to provide that money. So we would find ourselves embarrassed.

Mr. MONRONEY. I ask unanimous consent that the name of the distinguished junior Senator from Pennsylvania [Mr. SCOTT] be added as a sponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONRONEY. I yield such time as the Senator from New Hampshire may desire.

Mr. COTTON. Madam President, as one of the Senators who have joined the distinguished Senator from Oklahoma in sponsoring his amendment for the extension of both of these programs for 2 years, I wish to take only a few moments to express my opinion that this is the commonsense, reasonable, rational approach if we want to accomplish something and if we wish to insure an orderly continuation of these two vital programs.

It is all right to talk about the request of the President of the United States that there be an extension for only 1 year. Certainly, even though I stand on this side of the aisle, I would be willing and ready at all times to consider the wishes of the man who is charged with the leadership of this Nation at this time on any subject.

However, Madam President, it is almost amusing to realize how various people continue to follow a will-o'-the-wisp in their determined desire to have federalized education of their own choice.

Year after year since I have been a Member of Congress I have seen Federal aid to education go down to defeat in Congress after Congress. If there ever was a time when there were probabilities in favor of its passage, it was during this first session of the 87th Congress. We had a new President, and a popular President, in all the fresh bloom and blush of his honeymoon in the White House. And the President had a Congress with a 2-to-1 majority. Still, Federal aid to education along the lines that the majority so persistently demanded is again defeated for this session.

Madam President, I cannot refrain from saying that anyone who can read the handwriting on the wall of the mood of the other body should be able to face the reality that all we can hope to do in this session is to extend for 2 years the two vitally needed education programs provided for in this bill.

I cannot refrain from commenting and serving notice that a plan of returning certain tax funds collected in the States to the various States for use in education, as determined by the individual States themselves, is the method which will eventually have to be used for a national program of educational assistance. This is not only the most economical method, as the money is collected at home in the States and spent at home,

but it also eliminates the need of a bureaucracy in Washington.

Therefore, as soon as Congress reconvenes in its 2d session of the 87th Congress I intend to press even more vigorously for the passage of a program that will return to the States certain tax funds collected within the States.

My own bill, utilizing the tax on cigarettes, seems to me the easiest to determine and administer, because the records show exactly what taxes were collected in each State, and the return of these funds to the State treasury is very easily administered.

However, I am not wedded to the cigarette tax, and will support any Federal aid to education program which uses tax funds collected within a State, provided the source is easily determinable.

The money goes to the States; and just so long as a program is administered from Washington, the seeds of racial and religious difficulties will be in the bill and will kill it. So let us be on notice that at the next session we should try to get a Federal aid to education bill which is practical and feasible and can be passed.

In the meantime, the most sensible thing to do is to agree to the House extension for 2 years which will require no conference and will require no action on the part of the House.

As one who served for 8 years in the House of Representatives, I regret some of the statements which have been made on the floor of the Senate about the body at the other end of the Capitol. There are people in this country today who are grateful to the House of Representatives for the staying power and stamina it has exhibited in holding the line on some of the extravagant proposals of the last few months.

As one who earnestly and honestly desires Federal assistance for the education of our youth, the most important field of endeavor we can have in this country, the most vital in view of intelligent and trained leadership which we must produce at this time in world history; as one who honestly desires a reasonable, sensible, safe, and practical means of aiding education at home, and not imposing the will of the Federal Government on the communities, school districts, and States of the Union, I desire to see these two programs continued for 2 years, so that Congress may have time in which to work on general education legislation.

I am confident that in supporting the Monroney amendment we are actually aiding the President of the United States and the United States, regardless of what the President may have been prevailed upon to say to us at this time.

Mr. MONRONEY. Madam President, will the Senator from New Hampshire yield?

Mr. COTTON. I yield.

Mr. MONRONEY. Is it not also true that according to the timetable by which we all know we are working, the House is likely to be at home after next Saturday, and that the Rules Committee of the House has probably completed its work for the year? The consent of the Rules Committee would be required to send the bill to conference.

If all the miracles should happen, and there could be a conference between the Senate and the House on the disagreeing votes of the Senate and the House—1 year, in the Senate bill, 2 years in the House bill—the bill would still be in danger of missing the last supplemental appropriation bill, which has already started on its way through the House.

So even if this difference could be resolved and the difference split as best we could hope to do, by reporting an 18-month bill, if in the Senate we passed a 1-year bill we would still end without funds to implement the bill, because the House will already, perhaps, have passed the last supplemental appropriation bill, and it would be in process of going through the Senate.

This is an important consideration, since the issue is not one of transcendent importance to Federal education. There will be a great surge of power upon a general aid to education bill if it contains a provision for defense impacted areas or national defense education. It will automatically carry over onto the shoals of political disagreement, racial disagreement, and religious disagreement, and make the bill difficult of passage.

But we will be doing a little bit of bright work if we go through with what is recommended by the committee today.

Does the Senator from New Hampshire agree?

Mr. COTTON. Madam President, will the Senator from Oklahoma yield me half a minute?

The PRESIDING OFFICER. The Senator from Oklahoma has 3 minutes remaining, all told.

Mr. MONRONEY. Madam President, I yield 2 minutes to the Senator from New Hampshire.

Mr. COTTON. I shall need but 1 minute. I would be less than frank if I did not say that even though the Senate passed a bill providing for only 1 year, my hope is that the need for these programs would impel the other body to go along with us and find some way of joining with us.

However, I agree with the Senator from Oklahoma that the safe, prudent, and sensible thing to do is to make certain that there will not be a slipup by not passing the 2-year program.

I cannot refrain from adding, as a Senator from New Hampshire, that my State has the same problem Vermont has, namely, that if a 1-year program is passed, we will be in trouble, because of the time of the year in which the State has to make allocations.

Mr. PASTORE. Madam President, will the Senator from Oregon yield me 1 minute?

Mr. MORSE. I yield 1 minute to the Senator from Rhode Island.

Mr. PASTORE. Madam President, I have the highest respect for the House of Representatives—for their integrity, their patriotism, their responsibility, and their will to do what should be done for the welfare of the people of the Nation, and simply because the Senate votes a 1-year extension and the House has voted a 2-year extension, I am at an utter loss to understand the implication that the House will simply pack up and go home, when the difference could be resolved in conference in a half hour.

There are some Senators who hope that if the act is extended for 2 years, that will be the death knell of a general education bill. There are some who feel that if the act is continued for only 1 year, there will be less possibility of the President of the United States making a reappraisal and coming back to Congress next year for further consideration.

I feel that the propositions are absolutely disconnected from one another. They may be wrapped up in the same overall problem facing the people of the country with relation to school construction, education, aid, and everything else which goes into the process of educating our children. But the fact is that those who say that these impacted area programs should be disjoined are those who are hiding behind the 2-year extension in the hope that it will kill Federal aid to education. That is quite apparent from the undertone in all their remarks.

I submit that the two programs are disconnected. I think we should give aid to impacted areas. In my State there are 8,000 children who are involved. I think it would be a letdown on the part of the Federal Government if we turned our backs on those children and their schools and discontinue this program without at least giving the people of Rhode Island notice.

We in Rhode Island have been able to provide for our own education needs. When I was Governor of my State in 1947, I inaugurated a whole new tax program to supplement the salaries of schoolteachers in Rhode Island. We have continued to meet our responsibility in Rhode Island. Aid to education as we plan it will do little for the people of Rhode Island in proportion to what we give. We wish to participate in the program because we know it is for the good of all America. We will be putting more money into the program than we will ever get out of it, materially speaking. We are happy to do more than our share for progress and opportunity.

The Senator from Rhode Island is not asking for the continuation of the program for at least 1 year because he wishes to have his State shirk its responsibility to the national welfare. The President of the United States has made that appeal to this body. He is interested in education. I do not think we should close the door on his request this afternoon.

The President has lost the initial battle. He would be the first to admit it. But he has not lost the war. He wants to carry on the crusade. He expects to do it in 1962.

I say to Senators on this side of the aisle: It becomes a very solemn obligation and duty at this hour to lift up the right hand of the President of the United States and say to him, "We will help you in this crusade. If we disagree with you in 1962, we shall tell you so. If you have a plan that is feasible, that can be

worked out—one that will deserve our support, we do not intend to close the door on the consideration of that plan."

Madam President, the issue is that simple. It is that clear for the senior Senator from Rhode Island.

Mr. COTTON. Madam President, I have authority to yield myself 2 minutes on the bill from the minority side.

In view of the eloquent statement just made by the distinguished Senator from Rhode Island, I cannot refrain from making one additional observation. If the President's program for aid to education, which presumably will come before Congress next year, in the 2d session of the 87th Congress, is so doubtful of passage that it will stand or fall on whether these two programs are extended 12 months or 24 months, then indeed the outlook for a Federal aid program is very slim.

Madam President, during the last several weeks the word "plan" has been used again and again in this Chamber, in connection with the debate on various matters, and it seems to me that despite all the eloquence, the situation resolves itself as follows to some of us who represent States in which the school districts must have a chance to make the necessary plans in dealing with the school problems in federally impacted areas. A 1-year extension will not provide sufficient opportunity to make such plans; and I cannot believe that when the President comes before Congress at the next session with a similar proposal or another proposal for Federal aid to education, it will rise or fall depending on whether Congress now provides for a continuation for 12 months or for 24 months. The 24-month approach seems to me to be the commonsense one.

Therefore, Madam President, I hope the amendment of the Senator from Oklahoma will be adopted.

Mr. PASTORE. Madam President, will the Senator from New Hampshire yield?

Mr. COTTON. I yield.

Mr. PASTORE. The Senator from Hampshire has stated that regardless of the action Congress now takes, he anticipates that at the next session the President will request Congress to take action in this field. The Senator from New Hampshire has stated that he believes that the decision at this time as between a 12-month extension and a 24-month extension is not too important. But I point out that, after all, this is a question of judgment; and this is the judgment of the President of the United States. The President has said that he wishes to discuss this matter with us next year. But some Senators take the position, "No—not next year—let the President wait until after the election in 1962."

Mr. COTTON. Madam President, I yield myself another 2 minutes on the bill, and in that time I am delighted to answer the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 2 minutes.

Mr. COTTON. As the Senator from Rhode Island knows full well, the President can talk to "us boys" in Congress whenever he wishes to do so, and can bring us his program, regardless of whether we now extend the program for 12 months or for 24 months.

But during the past year, and, in fact, during the past 3 months I have seen attempt after attempt after attempt made on this floor to extend the Federal aid to impacted areas program by tying such a measure to an appropriation bill or by tying it to some other bill. And in each case, what has happened? Every attempt of that sort has been rejected—with the result that now we are in the closing hours, so we hope, of this session, and half the Members of the House of Representatives have gone home, and we are trying to take steps to extend this very necessary program.

Madam President, mark my words: Regardless of whether we now extend the program for 12 months, 18 months, or 24 months, the time will come when again we shall be operating "under the gun."

In my opinion, a 24-month extension provides a somewhat safer margin than does a 12-month extension.

Regardless of whether the federally impacted areas program is extended at this time for 12 months or for 24 months, I am sure that the President will later submit his wishes to Congress, and Congress will listen to his wishes in regard to a permanent program.

Mr. PASTORE. Madam President, will the Senator from New Hampshire yield on that point?

Mr. COTTON. I suggest that the Senator from Rhode Island use his own time.

Mr. PASTORE. Very well. Will the Senator from Oregon yield 2 minutes to me?

Mr. MORSE. I yield 2 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 2 minutes.

Mr. PASTORE. Madame President, the Senator from New Hampshire has said the President can talk to us whenever he wishes to. Well, Madam President, as recently as September 9 the President went to the trouble of dictating a letter to the Senate, and in it the President said—and the letter was addressed to the distinguished majority leader of the Senate——

Mr. MORSE. And also to my charming colleague, Mrs. NEUBERGER——

Mr. PASTORE. I now read the letter from the President:

SEPTEMBER 9, 1961.

DEAR SENATOR MANSFIELD: You have asked my views concerning legislation to extend aid for schools in federally impacted areas and to extend the National Defense Education Act.

As you know, my recommendations to the Congress for legislation to help achieve educational excellence in this country included continuation of the federally impacted area program and extension and strengthening of the National Defense Education Act. I still believe that both of these steps are urgently needed.

An extension of these programs should make it possible for the Congress to make a careful review of their content and costs next year. School aid to federally impacted areas could then be reexamined to update its operation and effect possible economies. Also, the increased demands which are being thrust upon this Nation make it especially important that we give consideration next year to strengthening those provisions of the National Defense Education Act which improve the quality of education in this country—

This is an appeal. Of course, the President can come here and talk to us—that is what he is doing in this letter—and in this letter he is appealing to the Senate and urging the Senate—

Therefore in my judgment a 1 year extension of school aid for impacted areas and the National Defense Education Act provide the best assurance that reevaluation of legislation affecting education will take place early next year.

Sincerely yours,

JOHN F. KENNEDY.

So the President has addressed himself in that way to the Senate. But I daresay that insofar as the Senator from New Hampshire is concerned, the letter will not do the President any good.

Mr. COTTON. Madam President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 1 minute.

Mr. COTTON. I listened with careful attention to the reading of the President's letter. I observed, among other things, that it was a reply to an inquiry addressed to him by the majority leader of the Senate; and in the letter the President expressed his opinion. Of course his opinion deserves respectful consideration. But, Madam President, the value of an opinion—whether the opinion of the President or that of the most junior Member of this body or that of a man on the street or that of the editor of a weekly newspaper—is its logic and its force; and I rather doubt that the President would, of his own volition, and with any great depth of feeling, come before the Congress and tear his hair to get these vital programs extended only 12 months, because certainly he does not need that short extension as a whip to be held over the heads of Members of Congress in order to get some other system supported by Congress.

That is all I have been saying; and I wish to close where I began, and then say no more: When we are trying to extend these two vital programs in such a way as to allow the school districts some necessary leeway in connection with the extension of the programs, after we have been trying to do that for the last 3 months, and now that we are working "under the gun," and inasmuch as the school districts cannot operate satisfactorily on a 1-year basis and still be able to take care of their problems in connection with these fields, commonsense indicates that a 2-year extension is better than a 1-year extension, the President of the United States to the contrary, notwithstanding.

Mr. MONRONEY. Madam President, will the Senator from New Hampshire yield 1 minute to me?

Mr. COTTON. Madam President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 1 minute.

Mr. COTTON. Madam President, I now yield that 1 minute to the Senator from Oklahoma.

Mr. MONRONEY. Madam President, it is quite interesting to hear all the pleas to support the President coming from the majority side of the committee, although the distinguished chairman of the subcommittee, the Senator from Oregon [Mr. MORSE], in the course of debate on the floor of the Senate on May 16, when he was speaking of the President's recommendations, said—and now I quote in part his remarks on that occasion:

> As the Representative from New Jersey will tell Senators, we made it very clear to the President that we welcomed the assistance we were getting from the White House and from the Department of Health, Education, and Welfare; we also made it very clear, however, that the final legislative responsibility rests with the Congress.

The subcommittee then had the benefit of all the facts and findings which had been presented to it; and the Senator from Oregon [Mr. MORSE] then assured the Senate—and I think the Senate will agree that he did give the Senate this assurance at that time—that the subcommittee was correct in its recommendation that the Federal aid to impacted areas program should be extended for another 3 years.

Madam President, Senators cannot play that situation both ways. If the President was wrong then, how can the Senator reasonably argue that the President is right now? It seems to me that Senators who take such a position are attempting to ride off on that horse in opposite directions—when they argue that the President was wrong then, but that he is right now.

Mr. PASTORE. But the fact is that the President made that statement when he was a Senator——

Mr. MONRONEY. No, Madam President; that statement was made by the chairman of the subcommittee [Mr. MORSE] on May 16 of this year; and on that very day he said that despite the President's recommendation, the final responsibility was lodged with the Congress. I could not agree more fully with any statement; and I am sure that the President himself, having previously been a Member of the Senate, knows that Congress has sole jurisdiction of the legislative procedure in connection with legislative bills.

Insofar as the substance of his recommendation is concerned, the President does have great responsibility—but not in regard to the legislative procedure to be followed by Congress. That matter is still solely the responsibility of the Congress.

Mr. PASTORE. Is the Senator from Oklahoma intimating that the President should not have written his letter of September 9.

Mr. MONRONEY. No; I think he can write all the letters he wants to write. But we should decide what procedure the Senate should follow. That decision has been the prerogative of the Senate ever since the founding of this Government.

Mr. MORSE. Madam President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes.

Mr. MORSE. Madam President, I wish to say to the Senator from Oklahoma that no one is more certain than I of his sincerity and his dedication to his responsibilities as a Senator. It is always a matter of great regret to me when I find myself in disagreement with him; and that seldom happens. However, on this issue we do find ourselves in disagreement.

I wish to say to him that the mere statement that the course of action he is recommending will not in any way have an adverse effect next year on the program of Federal aid to education does not prove the point; it merely expresses his opinion.

Many of us on the committee which has the primary responsibility for steering through the Senate legislation in the aid to education field feel the Senator's amendment will do irreparable injury to the chances of getting a general Federal aid to education bill next year. That represents a difference of opinion. I respect the integrity of the Senator. I think his judgment in this instance is a mistaken judgment.

With regard to the quotation the Senator read into the RECORD from the statement made by the Senator from Oregon earlier this year, it was absolutely accurate. I stand by it. What the Senator from Oklahoma did not say was that we were reporting the position taken by the President of the United States. We went to the White House and talked to the President about our position on impacted areas legislation and we convinced him. It was on the basis of the conferences with the administration that I came back to the Senate and reported that the administration was willing to go along with our provision in section 204 of title II of S. 1021, which called for a study in regard to the impacted areas problem and a report at the end of 18 months.

That provision is in the Senate-passed bill. It is not covered by the Monroney proposal. It is not in the proposal before the Senate today. But the President gives the Senate assurance that he is going ahead to investigate the charges on the need for some modification of the impacted areas legislation and report to us next year.

In regard to the comments made by the Senator from Oklahoma and the Senator from New Hampshire as to the source of the President's letter, it is a reflection on the President, in my judgment, to leave the impression here in the Senate that that letter came from anywhere but from the President's own mind. The President served in the Senate for a considerable time. He knows the situation in the Senate. The President was on the committee which considered some of these legislative matters. The President, of his own volition, told me days ago he thought it would be a serious mistake and would do great damage to the President's program if the Senate decided to go along with the House in the extension of NDEA and the impacted areas legislation for another 2 years. He told me that he intended to give his advice to the Senate.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MORSE. I yield myself another 5 minutes.

Recognizing, of course, that the Senate could forgo his advice, he said he was going to make clear to the Senate it was his judgment the two programs should be extended for only 1 year, until he could get his education program before the Congress next year.

No matter to what extent the Senator from Oklahoma is convinced to the contrary, he will be doing great damage by his proposal, if it is passed, to the general aid to education bill. He is playing right into the hands of forces in the Senate who do not want a general aid to education bill at all. I think he is pulling the rug out from under the President in regard to his desire for the parliamentary procedure that ought to be followed next year in regard to a general aid to education program.

I think the House should have an opportunity to act on the President's wishes in view of the specific recommendation he has made to the Senate. We should go to conference to let the House decide whether it wishes to deny the President's wishes in regard to the procedural matter.

The President has his executive responsibilities, too, and the President has the responsibility of passing judgment on whatever final action the Senate may take with regard to this measure.

To the Senator from New Hampshire [Mr. COTTON], I extend to him my same assurance of confidence in his motivation and integrity. I am aware that on S. 1021 he gave a live pair against the Federal aid to education bill. He has pointed out that he has seen Federal aid to education bills go down the drain time and time again. He would have helped it go down the drain this year with a live pair. I know the Senator from New Hampshire offered another form of Federal aid to education measure.

I know he thinks we ought to have adopted his Federal aid to education proposal by leaving in the States a certain percentage of the tax on cigarettes for the support of schools. I had a great many squeamish thoughts about it. I think it is unsound policy. I am surprised how often the attitude is taken in the Senate that Federal taxes raised in a State belong to that State. Federal taxes raised in the States are taxes from U.S. citizens to support the U.S. Government. A State has no claim on the Federal taxes collected in the State. That argument is made constantly in the Senate. Federal taxes are raised for a Federal purpose, based upon ability to pay, the benefit of the United States, to pay for the cost of running the U.S. Government activities.

Madam President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. MORSE. Madam President, I promised to have the majority leader come to the Chamber. Would the Senator from Oklahoma object to my asking

unanimous consent, if our colleagues will agree, to suggest the absence of a quorum without the time being charged to either side? I will withdraw it as soon as the majority leader enters the Chamber.

Mr. MONRONEY. We have done it on two previous occasions, so I am delighted to agree to that.

Mr. MORSE. Madam President, I ask unanimous consent that I may ask for a quorum call with the understanding that the time will not be charged against either side, and with the further understanding that, as soon as the majority leader arrives, I will ask for the withdrawal of the quorum call.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MORSE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MORSE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. KUCHEL. Madam President, reserving the right to object, I wonder if the Senator will withhold that request for 2 or 3 minutes, until the minority leader gets here.

The PRESIDING OFFICER. The clerk will resume the call of the roll.

Mr. MORSE. Madam President, I renew my request.

The PRESIDING OFFICER. Without objection, the order for the quorum call is rescinded.

Mr. MORSE. Madam President, I understand the Senator from New Hampshire is going to yield 5 minutes to the Senator from Florida [Mr. HOLLAND].

Mr. KUCHEL. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KUCHEL. How much time is available to the minority leader?

The PRESIDING OFFICER. There are 110 minutes remaining on the bill on the minority side.

Mr. KUCHEL. Madam President, the minority yields 5 minutes to the distinguished senior Senator from Florida [Mr. HOLLAND].

Mr. HOLLAND. I thank the acting minority leader.

Madam President, if I may have the attention of the Senator from Oregon, of course it is true that we differ in our opinions as to the wisdom of general Federal aid to education legislation. I differ very strongly in my opinion from that which I know is conscientiously held by the Senator from Oregon. I do not question his soundness of conscience, and I am sure he does not question mine.

I wish to invite his attention to the fact that I stated on the floor of the Senate repeatedly, earlier in the session, that out of the debate on general aid to education, as it was proposed, we would find arising unprecedented bitterness among our people, compared to any which had arisen from any domestic argument in recent years. I think we all know, regardless of whether we are for or against any general aid to education proposal, that unhappily the prediction has come true. We have observed unparalleled bitterness arising among our people on religious grounds, on racial grounds, and on other grounds which are all unworthy of the importance of a question relating to the education of our children.

So far as I am concerned, I think the question of whether a new Federal aid to education bill should be passed next year should depend upon conditions then obtaining in the field of general education. It should have nothing to do with the question of impacted areas.

The question of impacted areas relates to our very important defense program. It is a question of doing justice to the communities totally affected by the defense program.

The general Federal aid to education program is a question of judgment and a question of generosity, but it is not a question of doing essential justice.

It seems to me there has never been any justification for tying the wholly fair program of aid to impacted areas, which has more than 10 years of successful history behind it, to any effort to pass general Federal aid to education legislation, particularly when the latter effort is coupled with a counting of the noses of many children in each State, for the purpose of apportioning funds among the States and later denying to those same children any participation in the funds when distribution is made within the State.

I do not know where the blame for that mistake should lie. Perhaps it is a necessary part of the program itself. The fact is that from one end of this country to the other people have become bitter—neighbor against neighbor, community against community, religious group against religious group—because it was proposed to count children by the millions for the purpose of distributing funds among States and then leaving out those same children when the time came for distributing the funds within the States.

Madam President, I do not think we should be doing something here deliberately calculated to revive that program and that problem next year. Aside entirely from the unwisdom of tying the two unrelated programs together, it seems to me very clear that by this amendment we are being invited to do justice to people who are adversely affected by the location of defense bases in their midst, and to do justice to the children of people who work in defense plants, as well as those others who live in the areas affected.

Unless something of this kind be done, the Federal Government will be required to set up schools of its own and to pay approximately $2 for every $1 of defense impact payments. This impacted areas program is wise and just, a program which has shown its value. It is a program upon which our people are depending in many areas. We should extend it for 2 additional years.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. HOLLAND. Will the Senator yield me 3 more minutes?

Mr. KUCHEL. The minority leader has been called away from the Chamber. Would my friend take an additional minute, until he returns? I understand we may have a yea-and-nay vote then.

Mr. HOLLAND. Madam President, it seems to me the impacted areas program commends itself to the sense of justice of our people. If we deny it, or deny it for 2 years, we shall be playing back into the same kind of hopeless position in which we found ourselves this year.

We know that we have created the greatest bitterness in history among our people. Do we wish to deliberately inflict that upon ourselves next year, at the time of a general election and a time of probably grave crisis internationally?

I think we should be doing a very improper thing to lay the predicate and the basis for another such experience by extending the law for only 1 year, when we know that before the year has passed officials from various districts affected must plan their programs, employ their teachers, and go through all the details which are necessary if their schools are to be run in an orderly fashion.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. HOLLAND. I hope the amendment of the Senator from Oklahoma will be agreed to.

Mr. KUCHEL. Madam President, the minority yields 1 minute to the distinguished senior Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 1 minute.

Mr. MUNDT. Madam President, my views on this subject are well known. I have stated them time after time after time, as we have tried four or five times this session, through one means or another, to get the impacted area education bill extended without encumbering amendments.

We face a new opportunity to meet this situation today. As the Senator from Oklahoma has pointed out, the House has acted to extend the programs, as is, for 2 years. If we now reject all other amendments and agree to the Monroney amendment it will mean that congressional action on the bill will then be completed. It is for that reason I have joined as a cosponsor of the Monroney amendment. There will be no conference to be held with the House. There will be no delay and no conference required if we accept the identical terms adopted by the House. There will be no new opportunity to lose, for the federally impacted areas, the aid which they so desperately need now.

It should be remembered that aid to impacted school areas is not Federal aid to education—it is, rather, payments in lieu of taxes to help educate children added to the normal school loads by activities of the Federal Government. It is meeting the Federal Government's obligation to these communities only. It is not helping them to meet the educational challenges created basically by their own school load.

In the closing days of the session I urge the Senate once again to take this opportunity to move forward, to provide the aid needed with certainty, by agreeing to the Monroney amendment and rejecting all conflicting or curtailing amendments thereto.

Mr. MORSE. Madam President, I yield to the majority leader any time remaining on this side.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MANSFIELD. Madam President, I have listened with interest to what the distinguished Senator from Florida [Mr. HOLLAND] said about the state of confusion and uncertainty which may develop if the impacted area aid law is not extended for 2 years.

I have also listened to the distinguished senior Senator from South Dakota plead for acceptance of the Monroney amendment, citing the fact that he has on many occasions tried to bring this problem to a head. The Senator is correct. He has, in an attempt to extend the impacted areas aid law, tried on a number of occasions to attach the extension as an amendment to other proposed legislation.

We are now face to face with reality. I point out that most of the areas which received impacted area aid can very well go on into the spring of next year, even if no legislation is passed at this time. There are only a few areas in this country which would be up against the wall, so to speak, if the proposed legislation were not passed at this time.

I hope my colleagues on this side, at least, will give some attention to what the President requested in his letter to me, which was read earlier this afternoon. The President has indicated he would like a 1-year extension of the education aid to impacted areas and a 1-year extension of the National Defense Education Act. That will be plenty, because as Democrats we should remember that there was a plank in our platform which indicated that we were in favor of Federal aid to education, and this, incidentally, is only a part of an overall package.

There are a number of Senators in this Chamber who are for aid to impacted areas, but for no other kind of aid insofar as assistance to the schoolchildren of this Nation is concerned, or to the college students, either.

I think the President is wise in requesting a 1-year extension of these two programs. The distinguished chairman of the subcommittee, the Senator from Oregon [Mr. MORSE], who has performed magnificently this year by having reported from the committee four bills, ought to be given the support which has been requested.

I hope my colleagues will keep in mind the recommendation of the President.

I cannot return too often to what the President has said. He said—

> An extension of these programs should make it possible for the Congress to make a careful review of their content and costs next year. School aid to federally impacted areas could then be reexamined to update its operation and effect possible economies. Also, the increased demands which are being thrust upon this Nation make it especially important that we give consideration next year to strengthening those provisions of the National Defense Education Act which improve the quality of education in this country.

This is the President of the United States speaking—

> Therefore in my judgment a 1-year extension of school aid for impacted areas and the National Defense Education Act provide the best assurance that reevaluation of legislation affecting education will take place early next year.
>
> Sincerely yours,
>
> JOHN F. KENNEDY.

Mr. MORSE. Madam President, I yield myself 1 minute on the bill.

On behalf of the Senator from New York [Mr. JAVITS] and myself, I offer several amendments to the Monroney amendment which would have the effect of extending the Public Laws 815 and 874 provisions of the Monroney amendment for 1 year instead of 2 years. I ask unanimous consent that they be considered en bloc. A great deal of time will be saved if they are considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments to the amendment will be stated.

The CHIEF CLERK. In the Monroney amendment, on page 2, line 2, it is proposed to strike out "1963" and insert in lieu thereof "1962".

On page 2, line 5, it is proposed to strike out "1963" and insert in lieu thereof "1962".

On page 2, line 10, it is proposed to strike out "1960–1961" and insert in lieu thereof "1959–1960".

On page 2, line 15, it is proposed to strike out "1963" and insert in lieu thereof "1962".

Strike out the amendment to the title and insert in lieu thereof the following: Amend the title so as to read: "A bill to extend for one additional year the expired provisions of Public Laws 815 and 874, Eighty-first Congress and for other purposes."

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Oregon to the amendment of the Senator from Oklahoma.

Mr. MORSE. Madam President, I wish Senators to know that I am sending up first the amendment which would amend the Monroney amendment to extend the impacted area program 1 year instead of 2 years.

Immediately after the vote on the amendment I shall send up my second amendment, which would extend the NDEA program for 1 year instead of 2 years. I do not know what the pleasure of the Senator from Oklahoma is, but I think the subject matter has been thoroughly covered. I see no reason for extended debate on the question. I am perfectly willing to enter into an understanding that the Senate proceed as has been suggested, with 5 minutes debate on each amendment.

Mr. MANSFIELD. Madam President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MORSE. Madam President, I yield back the remainder of my time.

Mr. MONRONEY. Madam President, I yield back the remainder of my time.

A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MONRONEY. Do I correctly understand that a yea vote would be a vote to reduce the term of my amendment for Federal assistance to impacted areas from 2 years to 1 year?

The PRESIDING OFFICER. The Senator is correct.

The question is on agreeing en bloc to the amendments of the Senator from Oregon to the amendment of the Senator from Oklahoma. All time has been yielded back. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSTON (when his name was called). On this vote I have a pair with the junior Senator from New Mexico [Mr. ANDERSON]. If he were present, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

Mr. LONG of Louisiana (when his name was called). On this vote, I have a pair with the senior Senator from New Mexico [Mr. CHAVEZ]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. MCCARTHY (after having voted in the negative). On this vote I have voted "nay." I have a pair with the Senator from Missouri [Mr. LONG]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withdraw my vote.

Mr. HUMPHREY. I announce that the Senator from Missouri [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ] are absent because of illness.

On this vote, the Senator from Arkansas [Mr. MCCLELLAN] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Arkansas would vote "nay," and the Senator from Texas would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER] and the Senator from Texas [Mr. TOWER] are absent on official business.

The Senator from Maryland [Mr. BEALL], the Senator from Nebraska [Mr. CURTIS], and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

If present and voting, the Senator from Maryland [Mr. BEALL], the Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] would each vote "nay."

The result was announced—yeas 40, nays 45, as follows:

[No. 199]

YEAS—40

Bartlett	Hart	Moss
Bible	Hickey	Muskie
Burdick	Humphrey	Neuberger
Byrd, W. Va.	Jackson	Pastore
Cannon	Javits	Pell
Carroll	Keating	Proxmire
Case, N.J.	Kefauver	Randolph
Church	Long, Hawaii	Smith, Mass.
Clark	Magnuson	Symington
Cooper	Mansfield	Wiley
Dodd	McGee	Williams, N.J.
Douglas	McNamara	Young, Ohio
Engle	Metcalf	
Gruening	Morse	

NAYS—45

Aiken	Ervin	Mundt
Allott	Fong	Prouty
Bennett	Fulbright	Robertson
Boggs	Goldwater	Russell
Bush	Gore	Saltonstall
Butler	Hartke	Schoeppel
Byrd, Va.	Hayden	Scott
Capehart	Hill	Smathers
Carlson	Holland	Smith, Maine
Case, S. Dak.	Hruska	Sparkman
Cotton	Jordan	Stennis
Dirksen	Kerr	Talmadge
Dworshak	Kuchel	Thurmond
Eastland	Lausche	Williams, Del.
Ellender	Monroney	Young, N. Dak.

NOT VOTING—15

Anderson	Hickenlooper	McClellan
Beall	Johnston	Miller
Bridges	Long, Mo.	Morton
Chavez	Long, La.	Tower
Curtis	McCarthy	Yarborough

So Mr. MORSE's amendments to Mr. MONRONEY's amendment were rejected.

Mr. MONRONEY. Madam President, I move that the Senate reconsider the vote by which the amendments were rejected.

Mr. KUCHEL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MORSE. Madam President, I yield myself 2 minutes on the bill. I submit several amendments which would have the effect of extending the national defense education provisions of the Monroney amendment for 1 year instead of 2 years. I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MORSE. Madam President, before I move into the substance of my argument on the merits of my amendment extending for a 1-year period all titles of the National Defense Education Act, I thought it would be helpful if I were to provide Senators with a brief statement of the accomplishments of the act since its inception in 1958.

The manner in which I shall do this is designed to eliminate any suspicion of personal evaluation upon the part of the senior Senator from Oregon. The procedure I shall follow will be to quote extensively from the record of the hearings, both House and Senate, upon this act.

My first reference is taken from pages 607–608 of the House hearings and consists of excerpts from the testimony of Mr. Peter P. Muirhead, Director of Financial Aid Branch, Division of Higher Education, Office of Education. Mr. Muirhead states:

TOTAL ACT—GENERAL ACCOMPLISHMENTS IN HIGHER EDUCATION

Over $120 million has been loaned to some 230,000 worthy students in need of financial help to pursue their college studies.

Four thousand graduate students preparing for college teaching have been awarded fellowships and by the end of the next academic year about $19 million will have been granted to 149 universities to strengthen 680 new or expanded graduate programs.

With the completion of the institutes already scheduled for 1961–62, a total of about 9,100 high school counselors and teachers preparing to be counselors will have received training at 209 counseling and guidance institutes.

A total of $3.6 million will have been invested in the expansion of facilities and addition of faculty at 47 language and area centers, to which will be added another $4.67 million in institutional funds.

A total of 1,407 fellowships have been awarded for graduate study of languages and area studies not commonly taught in this country.

Some 166 language research and studies projects costing about $9 million have been negotiated.

By the end of the 1961–62 academic year, 7,045 elementary and secondary school language teachers will have received training at 133 language institutes.

While these statistics reveal the dimension of the accomplishments of the National Defense Education Act higher education programs there have been other benefits to higher education which cannot be reduced to numbers.

First, the impact of the student loan program, other than the thousands of students it has directly aided, has been a dramatic one; it has helped to revitalize and transform the student financial assistance programs at many colleges and universities. Student loans, which had never played a significant role in student financial aid activities, have now become an integral part of many institutions' efforts to assist needy students. Moreover, the loan concept has been more readily accepted by students and institutions alike. I am sure that the liberal terms of the student loan program have had much to do with this, but so has the stimulation of Federal activity in this area which has resulted in the establishment of loan funds at over 600 institutions which never had them before.

Certainly, one of the major accomplishments of the graduate fellowship program has been to focus attention on the shortage of qualified college teachers, a shortage which could get worse before it gets better. The need for college teachers is not restricted to a few fields but can be found in every intellectual discipline. This program, the only Federal effort to provide assistance to graduate schools across the board, has strengthened and helped to insure graduate training in areas of the country where help is badly needed and contributed to a better geographical balance in providing graduate training.

I read from pages 233–34 of the Senate hearings of NDEA which contains a review of general accomplishments in Oregon, placed in the RECORD by Mr. Barry Morris, of the National Education Association:

Tremendous improvement has been made already in science, math, and modern foreign language facilities. Many small high schools and a great many elementary schools are now moving from "read about" science to "learn by experience" through demonstration and experiment; math classes are now using something beyond textbook and chalkboard, with demonstration and construction instruments, models, graphs, and special equipment and materials in growing quantities; language laboratories have been installed and are operating in more than 30 high schools and junior high schools where none were in operation prior to title III. Many more schools are planning for language labs, phasing up from beginning installations to complete labs, allowing students and teachers to become used to equipment and familiar with new techniques.

The services of two consultants were provided during the 1959–60 school year and one the subsequent year. During this period of time over 200 meetings were held with elementary teachers alone during which they received instructions in how to use and improvise equipment for the purpose of illustrating concepts and principles of science.

Practically every Oregon first-class district, and better than 90 percent of smaller districts, have participated in every Oregon county. Many districts have had projects in each subject area in every one of the six application periods for title III funds so far.

Projects range in amount from $12 to $50,000, covering one science kit for small school to complete science-lab equipment, math materials, and language-lab installation in a consolidated high school which would have had very little of these without title III aid.

Many hundreds of thousands of dollars have been expended for such things as library and reference books, audiovisual equipment and materials, as well as science equipment and furniture with these expenditures matched on the local level. Equipment has been placed in many elementary and secondary schools for use by students. Teachers didn't even have demonstration equipment in these schools prior to the advent of NDEA. During the year of 1959–60, $406,600 was spent in the elementary schools and $942,300 in the secondary schools for laboratory equipment and science materials.

Stimulation has carried into other than title III curriculum areas, resulting in improvement of these areas also, with some districts making definite efforts to carry these areas along with title III areas, other planning with teachers for improvements to follow completion of title III projects. Broadening of title III to English and social studies would aid greatly in most districts, now ready for a leap forward here paralleling title III work so far accomplished in other areas.

Many schools have been able for the first time to provide advanced courses for more capable students. Such courses as science research courses, science seminars and second-year courses in biology or chemistry are now found. Approximately 8 percent of the students enrolled in science courses during the 1959–60 school year were enrolled in such courses. Innovations such as a specially equipped science trailer which is moved from school to school have come upon the scene.

Effects of title III work within the State department of education itself have become increasingly apparent; title III subject area and instructional materials consultants are the first specialists employed by the department. A new emphasis on consultative services to the school districts, providing liaison with national developments, is emerging and involving other areas of the department in a stronger and more unified effort to improve and strengthen instruction generally. Increasing use of new instructional media for professional presentations and communications by all department personnel, both within the department and in the field, has been observed.

Local interest in school patrons and similar groups has been deeply stirred by title III and other resulting activities. Visits to schools have shown large numbers of these

persons the kind of education which can be obtained when teachers have important and essential materials and tools, and as a result not only has general interest in education quickened, but it is felt that general understanding and willingness for support of the whole educational system has been strengthened.

Emphasis has been strong on new media materials from the start, with something like 20 to 25 percent of total expenditures going to audiovisual materials of all types and equipment for their use, and to supplementary printed materials of all kinds. With the great void for basic equipment in all three areas now partially filled, emphasis in many districts is shifting more strongly to audiovisual and printed supplementary materials; the trend toward the development of school building, local district, county, and regional cooperative instructional materials centers is accelerating, with interest carrying over into heavy demands for inservice work with teachers to improve present levels of utilization of new media and prepare for much wider and broader use in near future.

Local school districts in New York State have enriched their science programs by utilizing NDEA funds to assist in providing vital and challenging equipment for student use. Local expenditures for science in 1958–59, on a prior approval basis, represented 69 percent of all new moneys spent for title III categories. In 1959–60, the proportion increased to 73 percent.

Biology, which has, of late, been fiscally neglected in favor of space age areas, achieved new stature through National Defense Education Act assistance. Remodeling of existing facilities and the purchase of equipment has considerably upgraded teaching and learning opportunities.

Prior to National Defense Education Act, research in audiovisual media and methods had been conducted preponderantly by the armed services and by private foundations to meet their special needs or interests. Title VII provides a real breakthrough for research geared to a better understanding of the nature of learning in relation to the newer media.

In mathematics, perhaps the most valuable new tool of recent decades is the overhead projector. National Defense Education Act has made it possible to place many of these in mathematics classrooms, and teachers are learning to produce their own unique visual presentations of abstract ideas.

One further statement by a group of people not directly associated with DAVI is pertinent:

The operation of our schools is sometimes compared to the operation of big business, but the analogy fails in some ways. Fifty years ago, for instance, American industry invested about 75 percent of its capital dollar in plant and about 25 percent in tools. At that time American education was doing approximately the same thing. Today industry has almost reversed this allocation of capital, while education has continued its ratio with major emphasis on the building and minor on tools with little exchange except in unusual cases.

Technology can be used to do many things for education. It can begin in the administration offices, working out flexible school programs. In classrooms and laboratories, it can help with the tasks of introducing concepts, communicating new ideas, and keeping instruction abreast of the times. It can aid in independent study and testing, and can take over routine tasks in guidance and counseling offices. Educational goals must be worked out in detail so that the best instructional facility in each case—television, radio, overhead projectors, recorders, films, slides, tapes—can be suited to the goal.

Mr. Morris also commented on the general accomplishments in Florida as follows:

We set up model demonstrations in which we can examine certain phenomena under ideal conditions. We produce instructional motion pictures—edited versions of reality which permit us to slow down processes which are otherwise too fast to see, or to look through telescopes or to look inside a blast furnace or to observe the life processes within a living cell. And we provide manipulative devices which permit students to experiment, to practice, and to invent.

The National Defense Education Act has provided a tremendous stimulus to the acquisition and use of such devices by our schools and some people have raised the question of whether we will have enough of this stimulus after 4 years. The answer is "No."

For example, the recent great awakening in foreign language teaching has been based in good measure upon the use of electronic practice facilities for mastery of a foreign language as a medium of communication rather than as a subject for dissection and conjugation. Under the aegis of National Defense Education Act the number of language laboratories in my home State of Florida has grown from 1 in 1959 to nearly 100 today. But the point is, Florida still has 800 high schools with no such facilities for foreign language practice.

The physical science study committee with its new course in high school physics has made much of the traditional physics laboratory equipment obsolete. Of course it was really obsolete long before physical science study committee appeared, but it remained for National Defense Education Act to provide the funds for retooling 90 percent of the physics laboratories in Florida to permit the teaching of this new course. The new course began in 1956 as a concerted effort by some of the Nation's top physicists and science educators to approach the subject of physics from modern understandings rather than the outdated classical ones in common school use. This effort involved the writing of complete new textbooks and laboratory manuals, the devising of new kinds of laboratory apparatus and experiences, and the development of a series of some 70 motion pictures to bring meaning and impact to the communication of basic ideas.

Although my State is 90 percent converted to the use of this new physics course, only a handful of its schools have direct access to the expensive films which constitute a very vital part of the program. Even so, Florida is far ahead of the rest of the Nation where the vast majority of high schools have not yet been able to convert to the more modern physics course. Florida has been able to do so only by virtue of a sizable private foundation grant for the retraining of teachers, and through considerable local effort in replacing textbooks and laboratory manuals.

The need for continued National Defense Education Act support is heightened by other massive efforts to update and improve the teaching of related courses such as the chemical education materials program, the biological science curriculum study and the school mathematics study group.

Because of the urgency of our times we cannot wait out the usual lag which is normally required for new innovations in education to become established as widespread practices. Paul Mort, of Columbia University, has identified this lag as approximately 50 years. In the 30 years which have elapsed since the introduction of the sound motion picture we are barely halfway toward equipping our schools with adequate facilities for effective classroom use of this medium. In the 10 years since educational television was introduced, we have done little more than make a good start toward the mastery of this tool and its full application.

Accomplishments of the NDEA in California are described by Dr. Roy E. Simpson in the House hearings earlier this year:

Finally, in support of our position in favor of H.R. 6774, with suggested amendments, I now submit statements bringing to your attention our appraisal of what National Defense Education Act has meant to California during the past 2 years. The need for brevity will not make it possible to relate in detail all the positive outcomes nor to document with exact facts and figures the conclusions. However, such documentation could be made available by most of the States and location school districts throughout the Nation. In summary, the National Defense Education Act has:

1. Stimulated school districts to carefully appraise their present instructional programs, to identify weaknesses and new needs, and to move forward with new programs. In California, 3,500 such new programs are underway. Enrollments in science, mathematics, and foreign language have greatly increased; 58.4 percent in science, 44.7 percent in modern foreign language, and 44.2 percent in mathematics. Sixty percent of all California school districts, representing 90 percent of all students enrolled, have participated in programs financed under the National Defense Education Act. Forty-nine of the fifty-eight county offices have participated.

2. Encouraged greater cooperative effort among local school districts and intermediate units, and provided for better articulation of instruction at the several levels within the total public school program.

3. Provided closer cooperative planning between the public schools and the teacher training institutions.

4. Provided Federal funds matched by State funds to support extensive inservice education programs and workshops for teachers, curriculum directors, and administrators, acquainting them with the new content, new methods, new materials, and new media essential to better instruction. It is estimated that in excess of 10,000 teachers, curriculum directors, and administrators will have been involved in such programs during this school year in California, and 22,000 since the beginning of the program.

5. Provided the resources for State departments of education to make available to local school districts the leadership talent of the Nation in the areas of mathematics, science, and modern foreign languages. Such talent has been employed by State departments of education (4,000 man-days in California) to work with State department staffs and local school personnel. These leaders have come from universities, colleges, Government, industry, and commerce.

6. Made it possible for school districts to increase counselors and other guidance personnel, and to support an overall guidance program that will give greater assurance of identifying the talent of the Nation and guiding it into educational pursuits that will enable these students to realize their maximum potential and make their maximum contribution to society.

7. Encouraged research in new media such as television, teaching machines, and new electronic devices. Many of the problems facing education in the next decade will be answered in part or in full by the results of such research.

8. Led to new developments and expansion in programs preparing much needed manpower for technical fields of employment. As we move into increased automation, these developments will become increasingly significant.

"9. Demonstrated that there can be Federal aid without Federal control. The relationship between the U.S. Office of Education and State departments of education has been a very healthy one, with cooperative planning and implementation of the provisions of the act present at all times.

"10. Finally, provided funds to local school districts for the purchase of much needed equipment and materials. This is referred to last, purposely, for it is, in fact, the least significant contribution of the National Defense Education Act. The intent of the National Defense Education Act was to improve the quality of instruction; not to buy equipment. The process which a district goes through in order to determine how it may best improve instruction is much more important. The identification of the equipment needed is only a final step and would make no real contribution to instruction without the former."

Title II of the NDEA providing loan funds in higher education have been evaluated by the Commission of Education in our State hearings:

Accomplishments: Under title II more than 200,000 students in 1,400 participating institutions have received educational loans. Furthermore, through the influence of this program, loans have become one of the major forms of financial assistance to college and university students. Far from supplanting student loan programs previously existing, the title II program, by serving as a model, has apparently stimulated the use of other loan funds controlled by higher educational institutions.

Student loans are now an established and integral part of institutional student financial aid programs, and with the expected twofold increase in enrollments by 1970 and with the rising costs of education there is a continuing need for such funds. Consequently, we urge that Federal participation in college loan funds be continued on a permanent basis. The contributions which the Federal Government and the institutions will be called upon to make to the funds, in order to maintain them as desired levels, will eventually diminish as the program matures and as loans are repaid with interest.

Let us note, too, the evaluation of this title by the Honorable CARROLL D. KEARNS, ranking minority member of the House Committee on Education and Labor, in the House hearings:

Accomplishments under the act: Since the first loan funds were established under the act in February, 1959, both college and student participation in the program has far exceeded earlier expectations. The program has been widely welcomed and acclaimed by both the participating institutions and student loan recipients. The number of loans has increased from less than 25,000 in 1959 to an estimated 150,000 for the fiscal year ending June 30, 1961. Thus, thousands of college and university students are being enabled to pursue their education through this program.

Here is a statement from Jack Rand, associate school superintendent in Palo Alto, Calif., in the Senate hearings, on the accomplishments of title III:

The impact of title III of the National Defense Education Act in Palo Alto has been immediate and far reaching. It has given added impetus to a host of projects already under way in the development of the curriculum and improvement of the instruction.

Moreover, it has made available to all teachers the new and better truths of instruction, which have been born of technological revolutions since World War II. Since our requests for equipment had been named in terms of specific and well-defined projects, the NDEA has forced us to be more sensitive to national needs and national projects, revolutionizing the curriculum and methodology in several subject fields.

In the field of mathematics, for example, the NDEA has encouraged our participation in the development and use of the new school mathematics study group materials. Several members of our staff have served on writing teams that created these materials, or have participated in pilot trials of the materials themselves. The addition of libraries of mathematics books has begun to transform mathematics from a classroom skill into a research enterprise that encourages independent study and thought: allows for more individualized instruction, and the development of mathematical aptitude and talent. The introduction of overhead projectors as visual teaching aids has begun the transition of mathematics from a textbook subject to a living experience.

In foreign language, the new electronic equipment has made it possible for our teachers to come a step closer to realizing their philosophy that the only reason for learning a language is to be able to communicate in it. Now, for the first time, many of our students can listen to a foreign tongue as it is spoken by a native speaker. Though all questions are not resolved about the best approach to teaching foreign language, the installation of this equipment with the aid of NDEA funds has made possible the experimentation that is essential to the ultimate resolution to these questions.

In science, the advent of NDEA funds has accelerated our local efforts in the revision of our curriculum from kindergarten to the 12th grade. It has permitted the installation of new apparatus that is a part of such programs as the physical sciences study committee course in physics, and will support our entry into the new materials being developed nationally in biology and chemistry. It has, for example, placed microscopes in our junior high schools in sufficient quantity to permit our accelerated science students to complete a biology course in grade 9 that is fully equivalent to the regular course in grade 10; it has permitted their counterparts in grade 12 to pursue a college chemistry course as part of the advanced placement program with all the sensitive balances and other equipment necessary for the more careful and accurate work of the college level.

Accomplishments in Michigan under title III were related to our subcommittee by Dr. Lynn M. Bartlett, State superintendent of public instruction:

Our experience in Michigan with title III has been most gratifying. It unquestionably has been of great assistance in the improvement and extension of curricular offerings in science, mathematics, and modern foreign languages.

Attached to this report are two tables that give some indication of the extent of our participation.

While we were unable to secure permission of our own State legislature to participate in this program during 1958–59, when such permission was finally granted during the 1959–60 schools representing 92.8 percent of the public school membership of the State submitted project proposals totaling nearly $10 million. However, only $4,117,500 was available in Federal money.

Even though we were able to use Federal funds allocated to Michigan for both fiscal 1959 and 1960, it was still necessary for us to cut the approved portions of these submitted projects by an average of 16.8 percent.

During the current year, Federal funds allocated to Michigan under title III totaled $1,981,000. Projects submitted to us represented a combined Federal-local total of $7,241,311. The adjustment of approved requests to the amount of Federal funds available represented an average cut of 45.27 percent. In many instances this adjustment in requests has meant that the full science program planned by the district had to be delayed.

For example:

East Lansing Public Schools, Cecil MacDonald, superintendent: "We had developed lists of materials that we could really make good use of in all the areas, science, mathematics, and foreign language, and, of course, have had to cut back in accordance with whatever allotment we would have in these areas and it has meant that we can't allocate other funds to get these supplies thus we will have to lack them until funds are provided. We feel that everything we had on the lists are very essential to a good program and we have not had the funds; we can't up our local taxes as we have 4 extra mills now, thus it is just a case of waiting until more funds are available before we can follow through with our plans."

Highland Park Public Schools, Fred Davenport, assistant superintendent: "Our school district for many years has been unable to finance the adequate science facilities and with title III we are hopeful to be able to do substantial renovation. However, at this point we find that the funds available are so meager that they will undoubtedly cut down on anything we can anticipate in the future. The $58,000 requested was not a program beyond what we actually need, but the very meager reimbursement of $18,000 that we will receive will mean that we obviously will not be able to carry through. We certainly feel that this program should carry forward in the years to come so, even though small, we will be able to carry through on our various programs."

Springfield Public Schools, Bruce Sellers, superintendent: "In general we had planned to use NDEA materials in equipping our junior high areas and also for use in the elementary language and science programs. As a result of the cutback we had to go to our people and ask for additional operating funds because the requested material was so essential. Thus, for the first time in the history of Springfield schools, we had to vote for additional operating funds."

Wyandotte Public Schools, Fred Davenport, assistant superintendent: "For the 1960–61 school year the school district of the city of Wyandotte, Mich., requested $189,000 under the provision of NDEA, most of which was to be used for the strengthening, expansion, and improvement of our secondary science program. Because of an insufficiency of funds for the State of Michigan, our request was cut by the Michigan Department of Public Instruction to only $25,000. Consequently, it has become impossible for us to realize our improvement goals in secondary science at the present time even though some funds ordinarily used elsewhere in our educational program have been diverted to the science area."

Dowagiac Public Schools, John Hicks, superintendent: "Last year as superintendent of schools at Cheboygan, I was unable for the first time to equip counselors' offices adequately and to reduce the student-counselor ratio from 480 to 320 for the full-time counseling.

"This year at Dowagiac, National Defense Education Act funds, title V–A, enabled us to employ sufficient counseling help to reduce the counseling ratio from 800 students per counselor to 480. This increase in counselor time coupled with the purchase of additional needed guidance materials, I believe, will do a great deal to help our students with their educational vocational planning."

These figures clearly show the value placed upon this program by Michigan's elementary and secondary schools and demonstrate that the funds made available to Michigan were not adequate to fill the need.

Inadequate though the funds were, they have already contributed significantly to the improvement of instruction in these areas.

I also look with favor upon the proposed expansion of this title in S. 1726 to include physical fitness. In addition, urge that the Congress consider further expansion of this title in order that it might include English, history, geography, economics, and government as subjects of instruction in elementary and secondary schools.

The following statements given me by local school administrators provide some testimony as to what this program has already done for Michigan's public schools:

Grand Rapids Public Schools, Benjamin J. Buikema, superintendent: "Grand Rapids schools have profited greatly through the provisions of the National Defense Education Act. We were able to implement the science recommendations which were made as a result of a 2-year systemwide science study. Our laboratories have been modernized and our equipment and supplies have been greatly augmented. Arithmetical and algebraic principles and processes and geometric forms are being concretely demonstrated by the excellent equipment we have been able to purchase."

Allegan Public Schools, L. E. White, superintendent: "As superintendent of the Allegan Public Schools, Allegan, Mich., I wish to express myself as favoring the continuation of title III because of the terrific push it is giving toward the improvement of the quality of education in the areas of science, mathematics, and foreign language in our school system. Available funds have made it possible for our teachers to realize some of their dreams as regards to new techniques and methods which demand the use of equipment and materials heretofore out of the reach of our budget. We have more interest and growth in our foreign language department since title III was enacted than we have had in the past 25 years."

Edwardsburg consolidated schools, Edwardsburg, Mich., Don McConnell, superintendent: "Through the National Defense Education Act, the science department of Edwardsburg consolidated schools has become one of the strongest curriculum areas in our school. Without such support, it would have been impossible to equip this department in such a manner. Not only was the senior high science program improved, but through this aid, we were able to broaden our offerings at the elementary level. This financial support has not only upgraded the science curriculum, but has increased the science teachers' incentive for study in this most important field. A year ago there was only one language taught in our school system. This year there are two. Next year there will be three with a possibility of a fourth, because we are fortunate in having a language laboratory in our senior high school. If it hadn't been for title III, we really would have nothing to offer our students other than a building and inadequate equipment."

Detroit public schools, Detroit, Mich., Naida Dostal, supervisor of foreign languages: "There has been an upsurge in the interest in our inservice laboratories, in creation of audioinstructional material, revision of courses of study, and audiolingual teaching techniques. Title III is directly responsible for the first breakthrough in language teaching techniques because the teachers are highly motivated to use the instructional materials and equipment provided by the National Defense Education Act."

Ad hoc committee on foreign language instruction, department of public instruction: "Three language laboratory conferences for secondary schoolteachers were sponsored by the department of public instruction and financed by the National Defense Education Act funds. Participants in the conferences felt highly rewarded as regards new insights and knowledge gained from consultants and from observation of language laboratory teaching techniques. The evaluation of these conferences bear out that they were extremely worth while. Thus, title III made statewide inservice teacher education possible in the area of modern foreign languages.

Lansing public schools, David Schulert, science coordinator: "Title III has been valuable to the Lansing schools in many ways. Some of these could be listed as follows: (1) It has encouraged us to improve our programs in science, mathematics, and foreign language; (2) it has provided laboratories for the teaching of foreign language and science; (3) it has provided audiovisual materials to enrich the curriculum in these areas; (4) it has provided enrichment materials and supplies to allow us to work better with pupils of various abilities; the slow and the fast, as well as the average; (5) it has provided concrete materials and supplies to lead students to a better understanding of abstract processes in mathematics; and (6) in short, we have been able to make many improvements in our program as the result of this act that we would not have been able to make without it."

Greenville public schools, Allen F. Allinder, superintendent: "Participating in the National Defense Education Act program, title III, we have been able to get a considerable amount of science laboratory equipment which would not have been possible without NDEA support. The stimulus of Government participation has increased local spending to help support a fuller program in biology, chemistry, general science, physical science, physics, mathematics, and French.

"We are building a new high school building and are equipping it with science equipment which is more complete and provides a fuller science and language program than without NDEA support. Our bond issue did not provide funds for as good a program, for example, as the language laboratory facilities which we are now able to get. The title V program has been a great help.

"We consider ourselves fortunate to have been able to enrich our educational offerings by NDEA support."

Livonia public schools, Benton Yates, superintendent: "The Livonia Public School District is experiencing rapid growth. We are a district with 18,000 pupils. We are faced with a 20-percent increase in population for the next 5 years. Needless to say, providing schools and teachers for these students puts a very heavy demand on our community. Unfortunately, equipment for these schools is costly and is often cut back in order to have funds to provide the roofs over the children's heads. Many completed areas within these schools have not been furnished and equipped as well as we would like. Thus far, we have received matching funds for five secondary science biology laboratories which have been fully equipped. Likewise, we have received five language laboratories which also have been fully equipped. Elementary science equipment has also been purchased and is in constant demand within our system.

"While it is an effort for our district to match funds in order to have this equipment, I can truthfully say that without this National Defense Education Act our schools would not have most of the above materials and personnel.

"At the request of our board of education, I urge you to do all possible to extend the benefits of the National Defense Education Act."

Detroit public schools, Elmer McDaid, divisional director, exact science department: "As Detroit moves into the second year of the NDEA title III program, results of the first year are being evidenced. No. 1, our remodeling program is now moving along to coincide with the equipment that has been placed in the laboratories as a result of the NDEA appropriation. For example, Cass Technical High School is having a complete renovation of all six chemistry laboratories, new tables, and electrical and instructional equipment will be in operation as of September this year. This is only one example.

"There were 37 building remodeling applications throughout the elementary junior and senior high schools. Each school within the city of Detroit has received blocks of science and math equipment. This has resulted in Detroit's moving very fast on both school mathematics and study groups.

"NDEA funds have placed in every classroom from the 1st through the 12th grade math materials that were never available to Detroit schools before. In practically every junior high school we now have a portable science demonstration table where science is taught in a laboratory situation. This has been extremely helpful in orientation of our seventh, eighth, and ninth grade students to the high school science program.

"In every classroom from the 1st through the 12th grade, supplementary titles of science and math books are now available. These supplementary books have helped us to a great extent in the parallel inservice training programs that have been set up to implement the NDEA title III program."

"Summary: In math and science from the 1st through the 12th grade, our programs have not only been enriched but they have been extended. The physical science program alone has increased almost 50 percent in enrollment."

Title III, providing aid for science, mathematics, and foreign languages was also praised in the House hearing by the gentleman from Pennsylvania, the Honorable CARROLL D. KEARNS:

Accomplishments under the act: This basic provision of the act has proved to be increasingly effective in assisting elementary and secondary schools to improve instruction through the acquisition of laboratory and other special equipment and materials used in science, mathematics, and modern foreign languages. The act also has resulted in a very substantial improvement and expansion of State supervisory and related services in these basic fields of education.

During fiscal year 1959, more than 10,000 laboratory and other projects for improvement of instruction in these subjects were approved by 31 States. Preliminary figures for fiscal year 1960 indicate a fivefold increase in the number of such projects, with 45 States reporting nearly 47,000 projects. Some three-fourths of the expenditures are going directly into science projects.

Some States report as much as 50- to 100-percent gains in enrollment in science and mathematics courses. The act's stimulation of supervisory services at the State level is dramatically indicated by the fact that the number of specialists in science, mathematics, and modern foreign languages had increased to 194 by December 1, 1960, as compared to only 33 such specialists in a handful of States prior to the act. This provision needs to be further strengthened.

What percent of high schools of the Nation have improved their facilities under this program?

Mr. Ludington (HEW): "Our reports from States do not break it down in terms of individual schools, because the legal entity in the State is the school district. Our reports come in in terms of participating school districts and the average daily attendance of children in those districts.

"In some of the States as high as 80 percent of the youngsters are involved through the projects that are approved by the State departments of education. This program has been in existence now 2 full years in the majority of the States. We had more than a sixfold increase in the number of projects between the first and the second year."

Dr. Sterling M. McMurrin, Commissioner of Education, told our Senate hearings concerning title III:

Title III has greatly aided and stimulated improved statewide leadership in mathematics, science, and modern foreign language instruction and has increased the availability and quality of the laboratories and other special equipment and facilities needed in our elementary and secondary schools for these fields of study. Under this title there has been a sixfold increase in the number of professional supervisory personnel employed by the State education agencies in the instructional areas designated for assistance—science, mathematics, and modern foreign language. The number of electronic language laboratories installed in the Nation's high schools has increased from 64 to 2,500; and some 57,000 local projects for the improvement of instruction in these fields were approved by State education agencies during the first 21 months of the act. During this same period 129 loans were approved for private nonprofit schools.

This shows, indeed, a healthy beginning of an effort to correct for the relative neglect of these subjects. However, we must be alert to other compelling needs which have been neglected. Physical fitness constitutes such a need. There is a positive relationship between a student's physical well-being and his ability to apply himself to his intellectual tasks. Yet there is a startling evidence that far too many American children and youth are not physically fit. History amply demonstrates the relation between the physical vigor of a people and the strength of its institutions and of its capacity for self-defense.

As for title IV fellowships—the ranking minority member of the House Committee on Education and Labor, the gentleman from Pennsylvania [Mr. KEARNS] said:

Under the act's provisions, fellowships were awarded to 1,000 graduate students for study in 1959–60 and an additional 1,500 students received fellowships in 1960–61. Altogether, 138 institutions of higher education, through 472 new and expanded graduate programs, participated. Next fall, a total of 4,000 students will be studying under the act, but unless the program is extended the number will taper off after expiration of the act and fall far short of the output needed to staff our colleges and universities.

The fundamental purpose of the graduate fellowship program is to meet the increasing need for college faculty in the years ahead and, at the same time, to encourage expansion and wider geographical distribution of graduate facilities. The act is achieving these objectives in three ways:

1. The provision of fellowships to graduate students preparing for college teaching;

2. Financial assistance to colleges and universities to enable them to expand and strengthen their graduate programs; and

3. By planned geographic distribution of approved graduate programs throughout the Nation.

The basic importance of this program to the Nation is quite apparent when it is realized that college faculties probably must be doubled by 1970 if the institutions are to be expected to handle the influx of college enrollment which already is on the way. Not only must the graduate fellowship program be continued, but it should be substantially enlarged over the next 5 years.

Dr. Lynn Bartlett of Michigan commented before our Senate subcommittee on the workings of title V guidance in his State:

Even though Michigan was unable to participate in the title V–A program until the spring of 1960, 301 high schools were approved for participation in the testing program and 180 high schools were approved for guidance and counseling programs. These 180 high schools increased their counseling staff by the full-time equivalent of 90 counselors. This year the number of high schools participating in guidance and counseling has increased to 242 and the increase in equated full-time counseling time has gone to 175. The combined increase for the 2 years represents an overall increase of more than 20 percent in the total number of counselors in Michigan.

In addition the title V–A program has enabled schools to provide clerical and secretarial help to counselors. The combined increase for the 2 years is equivalent to 104 full-time clerical workers. This program has also made it possible for schools to equip counseling facilities and to provide resource materials and books for both student and counselor use. While this growth is encouraging, the need for additional assistance is shown by the fact that the rate of reimbursement this year to Michigan high schools conducting approved programs will be about 20 percent of the actual cost.

The following statements from Michigan school administrators will give you some indication of the effect and influence of title V:

Detroit Public Schools, Dr. Richard Dresher, guidance and counseling: "Three points:

"1. Title V has assisted in making it possible to lower the student-counselor ratio in Detroit from 538 to 396 in the senior high school, and from 618 to 491 in the junior high school.

"2. The educational and occupational information received under title V–A has made it possible to improve our educational and vocational guidance program in the secondary schools.

"3. Title V has increased the opportunity for training and better communication between the counselors. Therefore, has assisted in improving their competencies.

Clare public schools, Richard Wheeler, superintendent: "The Clare public schools have been able to move ahead with an improved guidance and counseling program with the financial help supplied under title V of the National Defense Education Act. For this current school year we have created a new staff position in high school guidance and counseling and have employed a fully qualified counselor to work in this position. The high school testing program has undergone some revision and has been broadened to give us a better measurement on each of our high school pupils. We have implemented our program with the purchase of special equipment such as a tape recorder and copying machine. We have also been able to add some general office equipment to further facilitate the program.

"The improved program in guidance and counseling in our high school has been very meaningful to our students. Never before have we been able to do such an adequate job in directing our students with their in-school programs and their future educational and vocational plans.

"The administration and board of education would certainly hope that title V of the National Defense Education Act can be continued or even improved. The experience we have had in our first year warrants a sound endorsement of the principle of financial support to public education through the cooperative efforts of the local, State, and Federal Governments."

Bessemer public schools, Carlos W. Heikkinen, superintendent: "Title V, NDEA enabled the Bessemer city schools to initiate a guidance program into our secondary grades. Without these funds, we would have been unable to do so.

"Our students and community are happy with our start in guidance. However, much needs to be done so that we not only continue to effectively guide our secondary pupils but also to extend this service to our junior high school. Not only do we need funds to continue our present-day program in guidance but we need help to expand and improve it. Title V, NDEA has helped to give the people of Bessemer better schools through the development of a much needed guidance program, a most important area of our curriculum.

"We in Bessemer urge not only a continuation of title V, NDEA but the provision of sufficient funds for the administration of the program."

Port Huron Public Schools, Howard Crull, superintendent: "Concerning help from title V–A in guidance and counseling program: In the year 1959–60 the school district of the city of Port Huron had 8½ counselors for a senior high school of 2,000 students and 4 junior high schools with approximately 1,600 students. During this year the school district expended $69,000 and the Federal Government through NDEA reimbursed $3,688.

"In the school year 1960–61 we increased 1 counselor, making 9½ counselors and 2 secretaries. The counselors and two secretaries have been very helpful in giving us the kind of program that we need and the counselors can spend more time with the boys and girls. The total expenditures for counseling amounted to $71,000 and the Government's help was $12,251.

"Projected for 1961–62 we will have 15 counselors and 3 secretaries. This will bring our program up to the standards set forth by the North Central Association of Secondary Schools. This is a counselor-pupil ratio of 1 to 300. This program will cost $87,000.

"Projected through 1965 we would like to keep the counselor-pupil ratio of 1 to 300 as prescribed by the North Central Association of Secondary Schools.

"The local effect with parents, school board members, teachers, and others connected with the school has been very favorable. We have given considerably more time to each child and we believe that we have given a much better total program to boys and girls and we are very favorably impressed. The redtape has been minimal and direct benefit has shown up in all of our major schools."

Lansing Public Schools, Harold E. Jacobson, director of personnel: "Title V of the National Defense Education Act has been very valuable to the Lansing school system. It has provided the opportunity for several of our counselors to improve their training. It has set statewide standards that has caused many of our counselors to seek additional training.

"It has provided funds to expand our program so that we have a better counselor-pupil ratio.

"Through the program we have been able to provide pupils and counselors with the best vocational information available. We have been able to supply our counseling centers with equipment that is making the work of our counselors more efficient and more effective.

"In total, it has helped us in acquiring the materials, equipment, and supplies that were necessary in improving our counseling program.

"The act has had a marked effect on the improvement of our counseling program. We have or will receive approximately $23,000 reimbursement for funds expended in the past 2 years."

Okemos Public Schools, George Richards, superintendent: "Title V–A has provided the Okemos public schools, Okemos, Mich., with increased guidance and counseling equipment, counseling personnel, more up-to-date guidance materials, an extended testing program, and additional clerical personnel."

Title V guidance was also evaluated by Dr. Edward C. Roeber, president of the American Personnel and Guidance Association, before the Senate Subcommittee on Education:

Title V of the National Defense Education Act, aimed to stimulate the training of counselors, and to exand the identification and counseling of more able students, has brought about many fine results. Reports from the States indicate that guidance has become more accepted as essential to a well-balanced education program; that statewide testing programs have been greatly expanded; that the ratio of students to counselors has been reduced, thus making more attention to individual students possible; that the impetus of the National Defense Education Act has been great in influencing capable personnel to enter guidance and counseling programs; that the demand for qualified counselors exceeds the number available; that curriculum changes have been made to better serve the needs of students with various aptitudes and abilities identified through guidance, counseling, and testing; and that there is a trend toward increased testing and counseling at the junior high and elementary levels to identify capacities and talents at an earlier age.

The overall national effect has been the recognition of the need for guidance, counseling, and testing to identify the aptitudes and abilities of students in order to assist in directing these talents toward their optimum development. This deep interest in the benefits of guidance services is being translated into programs of action with the assistance of grants to the States under title V, part A, and training institutes for counselors under title V, part B.

Some striking examples of the effect of the National Defense Education Act include: (1) The growth in guidance services in Iowa where from the school year 1957–58 to 1960–61 the number of guidance programs increased from 33 to 345 and the percent of secondary pupils served increased from 20 percent to 84 percent; (2) North Carolina's increase in full-time counselors from 18 in 1958–59 to 100 in 1959–60; and (3) the increase in the number of certified counselors available to local schools in Oklahoma from 49 in January 1959 to 337 as of July 1, 1960, now serving approximately 71 percent of secondary school students in the State.

In Alabama students with varying abilities and achievement levels are being identified much more readily through the statewide testing program supported by the National Defense Education Act. Many schools throughout the Nation are using special grouping, advanced placement, enrichment of curriculum, or the addition of courses to provide for able students identified through NDEA-sponsored programs.

New York reports improved testing activities, extensive improvement in educational and career information, and increased individual counseling time with students made available through support by the National Defense Education Act funds. Handbooks have been prepared and orientation activities for higher education are initiated early in a student's high school years.

RESULTS OF STRENGTHENING GUIDANCE PROGRAMS

Research has shown that where adequate guidance programs were available, dropouts were lower, failures were lessened, and higher achievement was attained by those receiving the proper guidance. For example, dropouts in the Tucson, Ariz., high schools were reduced 40 percent after guidance services were made available. Harvard researchers, in an experimental study of high school groups, found that 27 percent of those students provided with adequate counseling made honor grades compared with only 10 percent among the uncounseled; after graduation, only a third of the uncounseled students were admitted to college while over 50 percent of those counseled matriculated into higher education. In Waterloo, Iowa, West High School had a 7 to 8-percent failure rate annually; after a guidance program was launched there recently, the incidence of failure was cut in half. A school system in Louisiana reports that through its program of guidance, counseling, and testing they had reduced failures from 33 to 7 percent.

One of the outstanding studies made in recent years revealing how guidance can be of assistance is the New York City project entitled "Higher Horizons." Where guidance services were made available and a part of the ongoing school program the dropout rate was reduced 25 percent and the present going on to college was increased almost 25 percent. Many youth from the culturally deprived area in which the "Higher Horizons" project took place have an entirely new lease on life and can now look forward to a productive life and a full citizenship in our democracy.

A longitudinal study carried out in Wisconsin has indicated that full-time counselors do a much more effective job than part-time counselors. This study concluded after several years of investigation that there was a much sharper continuation in the educational plans of those who were counseled by full-time guidance workers and a much more realistic appraisal of their future than those among the uncounseled.

DIRECT RESULTS OF NATIONAL DEFENSE EDUCATION ACT, TITLE V

The National Defense Education Act has helped to bolster guidance programs in schools throughout the country. More schools are working toward adequate guidance services through NDEA support. The student-counselor ratio has been reduced on a nationwide basis from 750:1 in 1958 to 600:1 (still far below the 250:1 recommended in the Conant report). More talent has been identified by the broadened base of adequate testing under National Defense Education Act support, and more adequate supervision and direction has come from the various State departments of education relative to ongoing guidance programs.

By June of 1962, it is expected that through the National Defense Education Act guidance and counseling institute program over 9,100 counselors will have had an opportunity to upgrade their training or to begin a program of study leading toward an adequate preparation for full-time counseling. The effects of these 9,100 counselors will be felt throughout the United States. These counselors are now working or will work in secondary schools of all sizes.

Perhaps some statistics will be helpful at this point in looking at direct results of the institute programs. A survey recently completed by Klopf and Cohen of Teacher's College, Columbia University, indicates that the training programs carried out under the National Defense Education Act full-time and summer institutes have had a stimulating effect on counselor education. It was also pointed out in the Columbia study that there was great need for full-time graduate preparation for counselors rather than part-time study as the current amendments would provide. The Columbia University survey supports the need for a type of traineeship program which is now under consideration by the committee.

At my own institution, the University of Michigan, we have recently studied a comparative group of counselors who took work under the full-year National Defense Education Act guidance and counseling institute of 1959–60 and those who attended regular full-time study in the program during the decade of the 1950's. This study had led us to conclude that twice as many counselors who study in the full-year institute go on to immediate counseling duties in the secondary schools in comparison with students who have obtained their education in the regular program. The logical conclusion from this survey would indicate that the money appropriated by the Congress for the purposes of these institutes is being directly felt in increased numbers of counselors in the schools and in better trained counselors in these schools.

Perhaps, at this point, it would be appropriate to quote from an article which appeared on February 22, 1961 in the Providence (R.I.) Bulletin relative to the National Defense Education Act: "Summer and year-long institutes in guidance and counseling, in our major colleges and universities through contract with the U.S. Office of Education begun in 1959, have made a substantial contribution toward upgrading the competency of personnel engaged in or preparing to enter guidance work."

The Commissioner of Education, Dr. McMurrin, views title V accomplishments in this way:

In view of the emphasis of the act upon the encouragement of talented students and upon the related necessity of identifying talent, the progress under title V is particularly significant. The programs authorized by title V have increased the emphasis on excellence in our secondary schools. They have helped to direct the attention of schools and communities to young people of talent and they have helped counsel these students to take the necessary subjects for college entrance. Consequently, many able high school students have been assisted in obtaining entrance into institutions of higher education.

State reports indicate that more high school students, teachers, and their parents have access to the services provided by more qualified counselors in order that the abilities and aptitudes of our children and youth may be more effectively identified and developed. This added service makes substantial contributions to the reduction of school dropouts and more appropriate college and career planning.

Under the State programs authorized by title V(A), there has been a 50-percent increase in the number of qualified full-time equivalent counselors employed by secondary schools during the 2-year period. This increase is from about 12,000 to about 18,700, and is a noteworthy addition to the effort to encourage better education for American youth. The national counselor pupil ratio has improved during this time from 1:750 to 1:610, a substantial step toward the accepted ratio of 1:300.

More than 6.8 million aptitude and ability tests were given to public secondary school students in the school year 1959–60 under the act, representing over one-third of the 19 million given in the country. More than 75 percent of all secondary school students were tested in that year. While testing is not a perfect instrument for identifying talent, the contribution of the act toward the national effort in this direction is certainly noteworthy.

The counseling and guidance institutes authorized by title V(B) of the act and under funds already spent or obligated will have assisted in the training of more than 9,000 secondary school counselors. These counselors may be expected to influence at least 2,700,000 secondary students each year.

Dr. Logan Wilson, of the American Council on Education, testified before the House committee with respect to title VI, as follows:

We are pleased to note that the language-development program of modern language centers and institutes under title VI has been made permanent in H.R. 6774. The

results of this program, in our judgment, have been excellent.

The American Council is now engaged in an inventory of the language and area centers established under title VI(A) of the National Defense Education Act. Although it will be some months before the final report of this inventory is ready, we can say, on the basis of visits by members of the council's inventory staff to each of the 46 centers established by title VI(A) that rarely has a small amount of money been so well and productively invested. It is in these centers that our colleges and universities are training a cadre of specialists in rare and critical languages. Here is a genuinely cooperative venture, with the Federal Government and the institutions sharing the cost on a 50–50 basis and with each institution in full control of the operation of its campus. Indeed, it is clearly and immediately evident from the preliminary findings of the council's inventory that there is no Federal control over the operation of the language and area centers.

I hardly need to emphasize that, with the increasing demand for persons who can speak one or more of the languages of the African or Asian regions, the title VI center program must be sustained and expanded to involve more institutions, and extended downward to involve more undergraduate students. If, for instance, we are to succeed with programs such as the Peace Corps we need more undergraduate study of Hindi, Swahili, and Yoruba. The title VI centers are training the persons who will teach undergraduates those languages and others just as critically in demand.

Moreover, though it may seem odd to speak of English as a foreign language, we need to expand training programs for teachers of English as a second language. The proposed amendments to title VI will help to train teachers for elementary and secondary schools attended by American children for whom English is not the home language. Again, we might cite the Peace Corps as an example of a program which is creating a demand for persons who can teach English as a second language, a demand greater than the immediately foreseeable supply. With assistance under the title VI program, colleges and universities could expand their programs for training the specialists who will teach the teachers of English as a second language. The committee might wish to consider amendments for this purpose.

The council notes with approval the authorization to use National Defense Education Act funds to send language teachers to study in the country where a language is spoken.

We recommend further that, in all types of training under this title, stipends now paid to enrollees from public schools only, be paid to all enrollees. Only in this way, we believe, can the maximum benefits of this valuable program be achieved.

Title VI language development was supported by the Honorable CARROLL D. KEARNS, in the House hearings:

This title of the act is fundamental to the Nation's future security and to attainment of the language competency required by American representatives throughout the world. Few of the languages spoken by more than three-fourths of the world's population were being taught in the schools and colleges of the United States prior to passage of the National Defense Education Act. Furthermore, teaching methods, equipment, and curriculums were largely unsuited to national needs of our times.

Under the act, a much belated start has been made to develop our proficiency in the uncommonly taught languages of such critical areas of the world as Africa, the Far East, southeast and south Asia, the Near and Middle East, and the Soviet area. Here, the provisions of the act for language and area centers, fellowships and research have been implemented in order to accomplish the objectives of the act.

During the first 2 years of operation, the conduct of 58 institutes for upgrading the modern language teaching abilities of 3,200 elementary and secondary schoolteachers has produced highly encouraging results. Also, as a beginning, 643 fellowships were awarded for graduate study in the uncommonly taught languages. There is strong justification for continuing and substantially expanding this program.

Title VII audiovisual accomplishments were documented before the House by Wilbur S. Edwards, a member of the National Audio-Visual Association:

I have personally seen at firsthand the results of funds provided by the NDEA. For example, high school students throughout the country are studying physics under Dr. Harvey White, vice chairman of the Department of Physics of the University of California, an internationally recognized master teacher of physics, by means of 160 half-hour films constituting a complete introductory physics course. With half the funds for this course provided by the NDEA, thousands of students are studying at the feet of Dr. White; students who otherwise would not have been able to secure such an exciting and meaningful introduction to this important area of science.

Thousands of other students have been afforded an equal opportunity in chemistry under Dr. John Baxter of the University of Florida.

Occupied as you are in legislative matters pertaining to education, I think you will be interested in a few statements of teachers whose use of these materials was made possible by the NDEA:

"Dr. White can do more in 30 minutes than I could do in 2 hours."—FRANK HORTON, Central High School, Charlotte, N.C.

"We couldn't match that equipment in the films in a thousand years."—WILLIAM JOHNSON, Calaveras High School, San Andreas, Calif.

"This is the only way we could ever offer physics to our students. I haven't been able to hire a qualified physics teacher in years."—J. K. EAST, Horry County Schools, Conway, S.C.

"I had two students who topped Arkansas and Missouri combined in grades on a nationwide test. Our seniors of last year who took the course in physics as taught by Dr. White in films are having no trouble with their courses in college physics and have expressed gratitude for what they learned last year."—JOHN T. GRIFFITH, Jacksonville, Ark.

Statements of equal enthusiasm are made throughout the United States wherever media of this kind are used.

In other schools, as far down as the first grade, students are speaking Spanish because the National Defense Education Act made it possible for these schools to have superb instruction accompanied by fluently spoken Spanish on recordings and stimulating filmstrips that have made the learning of this modern foreign language fascinating.

I am sure that results equally as impressive could be told to you by other producers of materials and equipment. Through the National Defense Education Act, new excellence in education has been achieved. There are few things that work perfectly and certainly in establishing the machinery for the National Defense Education Act there are problems. But when these problems are considered in the light of the total project which is making such a significant contribution to the educational standards of our country, they are minimal.

The value of NDEA reaches far beyond its immediate area. It has been a fresh stimulus for the entire educational system. Further, it has demonstrated to the parents that it is possible to do something about education in this country. The mothers and fathers of the students who topped all students in Arkansas and Missouri on that nationwide physics test saw at firsthand the effect of the injection given by the NDEA. The NDEA has not only made an important contribution to the sciences—it has also made a vital contribution to the science of teaching with the availability of materials such as those of Dr. White and Dr. Baxter which high school teachers have understudied.

Having begun such an important work, it is the hope that the NDEA will be continued. With the problems we confront as a nation, the continuance of those forces aiding and abetting the educational accomplishments of our future citizens would seem worthy of the highest priority.

Title VII educational media accomplishments under the act, are, according to the ranking minority member of the House Committee on Education and Labor:

Since the beginning of the program the provisions of this title have provided grant support for 115 separate research projects dealing not only with educational use of television and motion pictures, but also with a wide range of new educational equipment and other media. The advance of this program under the act is basic to improving our educational processes at all levels of learning. * * * Additional funds would be provided for the conduct of demonstration projects which would show the uses and effectiveness of new techniques and new educational media. Funds granted under the present authorization have gone into the support of research and additional funds are needed if the results of the research are to be wisely effectuated.

The U.S. Commissioner of Education, Dr. McMurrin, lent his support to the title before the Senate subcommittee:

The program of research and dissemination of information under title VII, is chiefly concerned with the improvement of school and college instruction through more effective uses of the modern media of communication. Television, motion pictures, teaching machines, and related media have shown marked potential for direct improvement of learning by individual students and classes of varying size. Under title VII there have been 138 research grants and 76 contracts for dissemination activities.

This program is helping to develop a sounder base of research for the guidance of teaching practices in our schools and homes. It is helping to develop a blueprint for the future development of a sound educational television enterprise and for the development and use of teaching machines and other new media. It is giving a major stimulus to the flow and use of research information, to the reporting and indexing of materials, and to the coordination of the efforts of public and private agencies working in this field.

Title VIII vocational educational accomplishments in Michigan have been aptly described by the State superintendent of public instruction, Dr. Lynn M. Bartlett, before the Senate subcommittee:

Michigan has received $988,816.04 under title VIII for the training of technicians. During the 3-year period of our participation in this program, 12,590 persons have received or are receiving technical training.

In addition to the benefits received by individuals, several Michigan communities

have been able to conduct surveys that have been invaluable in determining the need for technical education.

The U.S. Office of Education has been most helpful in providing instructional materials and aid to States in order that programs for highly skilled technicians could be set up.

There has never been a time in the history of our Nation when the demand for skilled technicians has been so great. Michigan is a highly industrialized State with great diversification. The rocket that safely placed Comdr. Allan Shepard into suborbital space flight was produced in Michigan. This is just one indication of the strides that we are taking.

It would be most unfortunate if this program of Federal aid were not continued to enable Michigan schools to further improve and expand their facilities for technical training. We further believe that these funds should be used for developing area programs of vocational education in all recognized technical and highly skilled occupations essential to our Nation's economic well-being.

Twenty-one educational institutions in Michigan have participated in this program. Eleven of these are community colleges, 7 are secondary or vocational schools, and 3 are institutions of higher learning.

Title X statistical services were strongly supported by the Honorable CARROLL D. KEARNS:

This title authorizes Federal assistance to the States for the improvement of statistical services of the State educational agencies. From the long-range point of view, this is one of the most important provisions of the act. Without strong support for statistical services, the States and local school boards, as well as the Congress and Federal executive agencies will continue to be without adequate facts upon which to base educational policy.

The collection of information about education is a task of enormous dimensions. Our State and private educational systems embrace approximately 50 million students enrolled in at least 36,000 operating school districts, in over 17,000 private and denominational schools and in about 2,000 institutions of higher education. These systems require over 1,600,000 teachers and spend annually a total of about $24 billion.

Because the operational responsibility for public education rests in the States, and because the Federal Government is dependent upon intermediate sources for most of its information, the State educational agency is the focal point in meeting local, State, and National needs.

Accomplishments under the act: A total of 45 States were participating under this program in fiscal year 1960. However, encouraging though the start of the program has been, progress is not rapid enough to overcome continuing and serious deficiencies in the collection, tabulation, and reporting of basic education information on a timely basis. Not only should this provision of the act be extended, but it should be substantially strengthened. In fact, it appears that accomplishment of truly modern and adequate State systems of educational information at the present rate of development may well require another 20 years or more.

Madam President, I move now into a brief argument in favor of a 1-year extension of the NDEA titles.

When the National Defense Education Act was passed in 1958, it was hailed as an important and significant contribution to American education. In the comparatively short period of their effective operation, the various programs authorized by the act have done much to justify this promise.

The success of this act, in a field of Federal participation that always requires the most careful and deliberate consideration, is in itself a compelling reason for painstaking review and analysis by the Congress. It would indeed be unfortunate to deal with such legislation in such a manner as has been proposed, that is, to extend it without review or amendment for 2 years.

The education needs of our youth, perhaps our very national security, require us to recognize that these are changing times. Since 1958, the number of students graduating from high school has increased by more than 300,000 and college enrollments by more than 700,000. In the same period of time, as might be expected, the number of college teachers needed increased by more than 35,000. These examples of changing growth and need, and many others could be cited, are sufficient to illustrate the contention that, in order to achieve fully the laudable objectives of the act, it is essential to adjust and suit its various provisions to the problems that they are intended to serve.

On the basis of administrative experience, it is quite clear that the purposes of the Act would be better served by making the following amendments as soon as possible and that undue delay in taking such action cannot help but blunt the achievements of such purposes:

TITLE II (STUDENT LOAN PROGRAM)

Raise present $250,000 Federal Capital Contribution ceiling to $500,000: The effect of the existing ceiling of $250,000 is to restrict the availability of loan funds to students enrolled in our larger universities. In some States, only one-quarter as much loan money is available at the State university as compared with funds available at smaller institutions in the same State.

Extend cancellation benefits to college teachers: One of the specific purposes of the National Defense Education Act is to provide trained manpower of sufficient quality and quantity to meet the national defense needs of the United States. It is obvious that a continuing supply of well trained teachers is vital to the defense requirements of our country. In light of the expanding college enrollment during the current decade, the need for faculty is as pressing at the college level as has been the case in the elementary and secondary schools. It is therefore consistent with the purposes of the National Defense Education Act to extend the loan cancellation privilege to persons who render full time teaching service in our colleges and universities.

TITLE III (FINANCIAL ASSISTANCE FOR STRENGTHENING SCIENCE, MATHEMATICS, AND MODERN FOREIGN LANGUAGE INSTRUCTION)

Limit allotment availability in title III for equipment acquisition in science, mathematics, and modern foreign language to 1 year: This amendment would be most helpful in stimulating State and local action to utilize the funds as they are made available.

Provide reallotment authority for supervisory, related services, and administration, and equipment acquisition funds: This authority is needed to curtail the amount of lapsed funds, thus assuring that all appropriated funds are utilized where they are needed for the purposes intended.

Stabilize the interest rate for the loans to nonprofit private schools: This would permit the private schools to more effectively utilize the loan funds, in accordance with the purposes of the title.

TITLE IV (GRADUATE FELLOWSHIP PROGRAM)

Provide additional fellowships for use within existing capacity of graduate schools: The effect of this amendment would be to permit worthy graduate students to use graduate facilities not now filled to capacity while at the same time continuing to contribute to strengthening of graduate facilities throughout the country.

Permit replacement to vacated fellowships: Such an amendment would provide opportunity for maintaining the program at full strength and for aiding additional numbers of worthy individuals who have demonstrated competency in their graduate programs.

Permit flat payment of attributable costs: On the basis of data furnished by the institutions, the average cost per year is in excess of $3,000. It is quite evident both from the viewpoint of the Federal Government and from the viewpoint of the participating institutions that such a change would be both desirable and economical.

TITLE V (GUIDANCE, COUNSELING, AND TESTING)

Provide funds for title V(A), administration of State plans for improving testing, counseling, and guidance.

Provide for counseling and testing in grades 7 through 12.

The act now limits these programs to secondary grades which are not uniform in all States. Also, these services could be effective at the seventh-grade level in accomplishing the purposes of the title.

TITLE X (DISCLAIMER AFFIDAVIT REQUIREMENT)

Twenty colleges and universities have withdrawn from the national defense student loan program in protest against the disclaimer affidavit provision, and 12 have declined to participate in this program because of this provision. Presidents or boards of another 63 institutions have stated their disapproval of the disclaimer affidavit but continue to participate in the program.

The National Defense Education Act merits the same careful study for its extension that marked its establishment. Obviously, it will not be possible to accord the act the attention that it deserves during the waning days of the 1st session of the 87th Congress. Just as obviously, however, this major effort to strengthen American education should receive priority consideration and careful review during the 2d session of the 87th Congress and this can best be accomplished by extending the expiration date of the act for 1 year, July 1, 1963.

Mr. HARTKE. Madam President, I have in my hand a telegram which I received last week from William E. Wilson, superintendent of public instruction for the State of Indiana, in which he expresses his support for a 2-year extension of the NDEA and impacted areas acts.

I ask unanimous consent to have the text of his telegram printed in the CONGRESSIONAL RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

INDIANAPOLIS, IND.,
September 8, 1961.

Senator VANCE HARTKE,
Senate Office Building,
Washington, D.C.:

H.R. 9000 coming to the Senate on Monday, extends both NDEA Act, and impacted area act for 2 years as now written. Your support of H.R. 9000 as passed by the House will be most helpful to us in Indiana.

WILLIAM E. WILSON,
Superintendent of Public Instruction.

Mr. MORSE. Madam President, I send the amendments to the desk. I believe we have had a complete debate on both amendments. I have no intention of using any time now; in fact, so far as I am concerned, I am perfectly willing to let these amendments go to a voice vote.

The PRESIDING OFFICER. The amendments will be stated.

Mr. MORSE. Madam President, I ask unanimous consent that the reading of the amendments be dispensed with and that they be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

On page 3, lines 6, 7, and 8, strike out "two succeeding fiscal years, and such sums for the fiscal year ending June 30, 1965" and insert in lieu thereof "succeeding fiscal year, and such sums for the fiscal year ending June 30, 1964".

On page 3, line 10, strike out "1964" and insert in lieu thereof "1963".

On page 3, line 13, strike out "1964" and insert in lieu thereof "1963".

On page 3, line 16, strike out "1968" and insert in lieu thereof "1967".

On page 3, line 23, strike out "five" and insert in lieu thereof "four".

On page 4, lines 2, 3, and 4, strike out "four fiscal years in the period beginning July 1, 1960, and ending June 30, 1964" and insert in lieu thereof "three fiscal years in the period beginning July 1, 1960, and ending June 30, 1963".

On page 4, line 7, strike out "four" and insert in lieu thereof "three".

On page 4, line 12, strike out "five" and insert in lieu thereof "four".

On page 4, line 19, strike out "five" and insert in lieu thereof "four".

On page 4, line 23, strike out "four" and insert in lieu thereof "three".

On page 5, line 2, strike out "five" and insert in lieu thereof "four".

On page 5, line 5, strike out "five" and insert "four".

On page 5, line 10, strike out "1964" and insert "1963".

On page 5, line 13, strike out "five" and insert "four".

On page 5, line 19, strike out "five" and insert "four".

On page 6, line 1, strike out "five" and insert "four".

On page 6, line 7, strike out "five" and insert "four".

Strike out the amendment to the title and insert in lieu thereof the following: Amend the title so as to read: "A bill to extend for one additional year the National Defense Education Act of 1958, and for other purposes."

Mr. MONRONEY. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma will state it.

Mr. MONRONEY. Do I correctly understand, with respect to the amendments offered by the distinguished senior Senator from Oregon, that a vote of "yea" would result in reducing the duration of the National Defense Education Act from 2 years to 1 year?

The PRESIDING OFFICER. The Senator from Oklahoma is correct.

Do the Senators in control of the time yield back their time?

Mr. MORSE. I yield back my time.

Mr. MONRONEY. I yield back my time.

The PRESIDING OFFICER. All time for debate has been yielded back. The question is agreeing on the amendments, en bloc, of the Senator from Oregon.

The amendments were rejected.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Oklahoma.

Mr. MONRONEY. Madam President, on my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. On the amendment of the Senator from Oklahoma, the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. GRUENING] and the Senator from Missouri [Mr. LONG] are absent on official business.

I also announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ] are absent because of illness.

I further announce that, if present and voting, the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Alaska [Mr. GRUENING] and the Senator from Missouri [Mr. LONG], would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER] and the Senator from Texas [Mr. TOWER] are absent on official business.

The Senator from Maryland [Mr. BEALL], the Senator from Nebraska [Mr. CURTIS] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from Illinois [Mr. DIRKSEN] is detained on official business, and his pair has been previously announced. If present and voting, the Senator from Maryland [Mr. BEALL], the Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] would each vote "yea."

Mr. MANSFIELD. On this vote I have a pair with the Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore, I withhold my vote.

The result was announced—yeas 80, nays 7, as follows:

[No. 200]

YEAS—80

Aiken	Bennett	Burdick
Allott	Bible	Bush
Bartlett	Boggs	Butler
Byrd, Va.	Hayden	Pastore
Byrd, W. Va.	Hill	Pell
Cannon	Holland	Prouty
Capehart	Hruska	Proxmire
Carlson	Humphrey	Robertson
Carroll	Jackson	Russell
Case, N.J.	Javits	Saltonstall
Case, S. Dak.	Johnston	Schoeppel
Church	Jordan	Scott
Clark	Keating	Smathers
Cooper	Kefauver	Smith, Mass.
Cotton	Kerr	Smith, Maine
Dodd	Kuchel	Sparkman
Dworshak	Lausche	Stennis
Eastland	Long, Hawaii	Symington
Ellender	Long, La.	Talmadge
Engle	Magnuson	Thurmond
Ervin	McCarthy	Wiley
Fong	McClellan	Williams, N.J.
Fulbright	McGee	Williams, Del.
Goldwater	Monroney	Yarborough
Gore	Moss	Young, N. Dak.
Hart	Mundt	Young, Ohio
Hartke	Muskie	

NAYS—7

Douglas	Metcalf	Randolph
Hickey	Morse	
McNamara	Neuberger	

NOT VOTING—13

Anderson	Dirksen	Miller
Beall	Gruening	Morton
Bridges	Hickenlooper	Tower
Chavez	Long, Mo.	
Curtis	Mansfield	

So Mr. MONRONEY's amendment was agreed to.

Mr. MONRONEY. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. KUCHEL. Mr. President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER (Mr. PELL in the chair). The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The question now is, Shall the bill pass?

The bill (S. 2393) was passed.

The title was amended so as to read: "A bill to extend for 2 additional years the expired provisions of Public Laws 815 and 874, 81st Congress, and the National Defense Education Act of 1958, and for other purposes."

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATION BILL, 1962—CONFERENCE REPORT

Mr. HILL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7035) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read, for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of September 7, 1961, pp. 18816, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HILL. Mr. President, the conference agreement on the bill provides total appropriations of $4,915,965,000, a reduction of $88,316,081 from the budget estimates, a reduction of $245,415,000 from the amounts allowed by the Senate, and an increase of $588,508,000 over the amounts allowed by the House, which did not consider supplemental estimates totaling $722,133,000 transmitted to the Senate after the House had acted upon the bill.

Mr. President, I ask unanimous consent that there be printed at this point in the RECORD, in connection with my remarks, an explanation of the disposition of each amendment, as reflected in the House's adoption of the report. I may say to the Senate that this memorandum gives a detailed explanation and breakdown in regard to each and every amendment, from the first one right through to the last one.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

Amendment No. 1, Office of the Secretary, Department of Labor: Appropriates $1,796,000, instead of $1,811,000 as proposed by the Senate, and $1,711,000 as proposed by the House. Senate approved the supplemental estimate of $100,000, for the Department's housekeeping functions arising from the personnel to be added as a result of the Wage-Hour Amendments of 1961. But in view of the personnel reductions because of reduced allowances for the Solicitor and the Wage and Hour Division, the conferees felt a cut of $15,000 could be absorbed in this account.

Amendment No. 2, Bureau of International Labor Affairs: Appropriates $500,000 instead of $510,000 as proposed by the Senate, and $444,000 as proposed by the House.

Amendment No. 3, Office of the Solicitor: Appropriates $4,116,000 as proposed by the Senate, instead of $3,616,000 as proposed by the House. Senate added $500,000 of a supplemental estimate for $700,000 for legal services in connection with the Wage-Hour Amendments of 1961. Conferees accepted the Senate allowance, which adds 96 new positions including 59 attorneys, of the 130 positions including 82 attorneys sought in the estimate.

Amendment No. 4, Bureau of Labor Standards: Appropriates $3,258,000 as proposed by the Senate, instead of $3,208,000 as proposed by the House. Senate added $50,000, the full supplemental estimate for the Bureau's responsibilities under child labor provisions of the Wage-Hour Amendments, with an estimated 1 million employees under 18 added by amendments.

Amendment No. 5, salaries and expenses, Bureau of Employment Security: Appropriates $10,500,000 as proposed by the Senate, instead of $9,600,000 as proposed by the House. Senate added $900,000 of the $1 million supplemental estimate for Federal administrative expenses in connection with the Temporary Extended Unemployment Compensation Act of 1961. Funds are derived from the Unemployment Trust Fund.

Amendment No. 6, grants to States, Bureau of Employment Security: Appropriates $405 million, instead of $406,700,000 as proposed by the Senate, and $391,700,000 as proposed by the House. Senate added $15 million of the $15,995,000 sought in a supplemental estimate, for State administrative expenses in connection with the Temporary Extended Unemployment Compensation Act. Conferees agreed on a $1,700,000 reduction under the Senate allowance in view of the declining claims load under that contemplated. Funds are derived from the Unemployment Trust Fund.

Amendment No. 7, payment to the Federal Extended Compensation Account: Appropriates $340 million instead of $390 million as proposed by the Senate, the House not having considered the item. Senate added $390 million of the $490 million requested in the supplemental estimate for benefit payments under the Temporary Extended Unemployment Compensation Act. The conference agreement represents a further cut of $50 million below the estimate. The benefit payment record has fallen sharply below the Department's estimates for the last 2 months.

Amendment No. 8, Bureau of Labor Statistics: Appropriates $12,667,000 as proposed by the Senate, instead of $12,167,000 as proposed by the House. Senate added the full supplemental estimate for $500,000 for study of economic growth and employment outlook.

Amendment No. 9, revision of the Consumer Price Index: Restores the matter stricken out by the Senate, amended as follows: Inserts $250,000 as a limitation, in lieu of $50,000 as proposed by the House, on the amount which may be used for temporary employees; and inserts the word "that" in lieu of the words "the lowest rate" in the parenthetical expression "but not to exceed a rate equivalent to ——— for general schedule grade 9."

Amendment No. 10, revision of the Consumer Price Index: Deletes the words proposed by the Senate "to remain available until June 30, 1963" which would have made the funds available for an additional year. The estimate contemplated availability of funds until June 30, 1964, and the appropriations for 1960 and 1961 so provided.

Amendment No. 11, Wage and Hour Division: Appropriates $17,307,000 instead of $17,761,000 as proposed by the Senate, and $12,261,000 as proposed by the House. Senate added $5.5 million of the $6,350,000 requested in the supplemental estimate for the additional responsibilities in connection with the Wage and Hour Amendments of 1961. Conferees made a further reduction of $454,000, to allow only 500 of the 545 employees contemplated in the Senate allowance; 871 new positions were sought in the supplemental estimate.

Amendment No. 12, Food and Drug Administration: Appropriates $23 million instead of $22 million as proposed by the Senate and $23,580,000 as proposed by the House. This allowance is $4,152,000 over the 1961 appropriation, an increase of 22.03 percent.

Amendment No. 13, land-grant college aid (Hawaii): Appropriates $3,775,000 as proposed by the Senate. This, with the funds provided in the Second Supplemental Appropriation Act, 1961, will provide the full amount authorized, $6 million, in section 14(e) of the Hawaii Omnibus Act.

Amendment No. 14, defense educational activities: Appropriates $211,557,000 instead of $211,707,000 as proposed by the Senate, and $210,857,000 as proposed by the House. The conferees agreed on $700,000 of the Senate increase, $500,000 of which is for the graduate fellowship program, and $200,000 is for guidance and counseling institutes, a reduction of $150,000 in the latter from the Senate allowance.

Amendment No. 15, defense educational activities: Amendment reported in technical disagreement, but House moved to recede and concur. This amendment adds a proviso to require the Commissioner of Education to find that each graduate fellowship awarded is consistent with the purpose of the NDEA as stated in section 101 thereof.

Amendment No. 16, defense educational activities: Corrects a clerical error, substituting the word "for" in lieu of "during" in the final proviso of the item.

Amendment No. 17, salaries and expenses, Office of Education: Appropriates $11,594,000 instead of $11,864,000 as proposed by the Senate, and $11,364,000 as proposed by the House. Senate added $500,000, of which $100,000 was for participating in the 1962 Seattle fair—disallowed by the conferees; $65,000 for the captioned films for the deaf to allow the full amount authorized—allowed by the conferees; $41,600 for 6 positions for the library services staff, of which 3 positions and $20,000 were allowed by the conferees; and $293,400, and 28 positions, for partial restoration of items disallowed by the House—of which 14 positions and $145,000 was allowed by the conferees.

Amendment No. 18, salaries and expenses, Office of Education: Strikes out earmarking of $550,000 for the Division of Vocational Education, inasmuch as the budget estimate for the past several years has been in excess of the amount named, and the allowance in this bill for fiscal 1962 is $1,056,525.

Amendment No. 19, cooperative research: Appropriates $5 million instead of $4 million as proposed by the Senate, and $5,500,000 as proposed by the House. This allowance provides $1,643,000 more than was available for the purpose in fiscal year 1961, a 49-percent increase.

Amendment No. 20, research and training, Office of Vocational Rehabilitation: Appropriates $20,250,000 as proposed by the Senate, instead of $19,250,000 as proposed by the House. House added $2 million over the budget estimate—$1 million to expand training program and $1 million for two regional institutes of rehabilitation. Senate added $1 million for 25 to 30 additional research and demonstration projects dealing with new methods of rehabilitating the severely disabled. The conferees agreed that $250,000 of the Senate increase should be used for additional training of speech pathologists and audiologists. The allowance is an increase of $4,820,000 over the 1961 appropriation, or 31.24 percent.

Amendment No. 21, preamble, Public Health Service: Senate receded. The Senate amendment proposed a salary limit of $25,000 per year, in lieu of $19,000 as now provided by law, for scientific and professional personnel, appointed under section 208(g) of the act.

Amendment No. 22, accident prevention: Appropriates $3,618,000 as proposed by the Senate, instead of $3,368,000 as proposed by the House. Senate added $250,000, for 30 positions, for training and assignment of accident prevention specialists to State and local health departments, for expansion of projects devoted to prevention of accidents in specific areas, to development of improved methods of treating accident victims.

Amendment No. 23, communicable disease activities: Appropriates $10 million instead of $10,028,000 as proposed by the Senate, and $9,778,000 as proposed by the House. Senate added $250,000 and 21 positions for the Arctic Health Research Center for activities dealing with health and sanitation problems in low temperature environments. Conferees allowed $222,000 for the purpose.

Amendment No. 24, control of tuberculosis: Amendment was reported in technical disagreement and House moved to recede and concur. Senate earmarked $500,000 of grant funds for special project grants in areas of high incidence with language to permit the use of funds for such purpose.

Amendment No. 25, control of tuberculosis: Senate amendment accepted, which reduces by $500,000, to $3,500,000, funds for formula grants, in order to make the same amount available for special project grants as set forth in amendment No. 24.

Amendment No. 26, control of venereal diseases: Appropriates $6 million instead of $6,090,000 as proposed by the Senate, and $5,815,000 as proposed by the House. Senate added $275,000 for special project grants in areas of rising incidence of V.D. Conference agreement will make available $185,000 for the purpose.

Amendment No. 27, dental services and resources: Appropriates $2,500,000 as proposed by the Senate instead of $2,182,000 as proposed by the House. Senate added $318,000, and 16 positions, for work related to the extension of dental services to the institutionalized and homebound persons and to handicapped children.

Amendment No. 28, hospital construction activities: Appropriates $203 million instead of $212,972,000 as proposed by the Senate, and $187,972,000 as proposed by the House. Senate added $25 million to provide the full authorization under the Hill-Burton Act, as amended. This allowance will provide $201,228,000 for grants, $150 million under part C, and $51,228,000 under part G.

Amendment No. 29, hospital construction activities: Reported in disagreement. House moved to recede and concur with an amendment to earmark $140,028,000 for part C, instead of $150 million as proposed by the Senate, and $125 million as proposed by the House, plus $9,972,000 to be derived from the sums set forth in the item under section 636 and part G. This will provide the maximum authority for part C, $150 million, as has been done for the past 3 fiscal years, and will leave $51,228,000 for part G, an increase of 46.37 percent over the amount available in each of the last 3 fiscal years, $35 million.

Amendment No. 30, air pollution: House recedes. Amendment changes language to give clear authority for the purposes designated by the Senate in its report and for which funds were added in amendment No. 31.

Amendment No. 31, air pollution: Appropriates $8,800,000, instead of $8,900,000 as proposed by the Senate, and $8,600,000 as proposed by the House. Senate added $300,000, and seven positions, for conduct of research on the relationship between air pollution in a variety of environments and the incidence of chronic respiratory diseases, such as emphysema. Compromise will provide $200,000, of which $100,000 is for research, and $100,000 is for direct operations.

Amendment No. 32, radiological health: House recedes. Amendment changes language to broaden the authority under section 314(c) for the use of available funds.

Amendment No. 33, radiological health: Appropriates $10,647,000 as proposed by the Senate, instead of $9,147,000 as proposed by the House. Senate added $1,500,000, of which $500,000 was earmarked for additional training programs to make available a total of $1 million for the year, and $1 million, and 75 positions, is for additional research, technical assistance, and strengthening of State and local radiation protection and control activities, including $200,000 for establishment of a northeastern laboratory to provide services to States and training of State radiation protection personnel.

Amendment No. 34, grants for waste treatment works construction: Senate recedes. Senate added a proviso to permit the allotments under section 6 to be made on the basis of $80 million, the newly authorized annual appropriation in the Water Pollution Control Act Amendments of 1961. A supplemental estimate was subsequently sent up for the additional $30 million authorization.

Amendment No. 35, foreign quarantine activities: Appropriates $6,084,000 as proposed by the Senate, instead of $5,350,000 as proposed by the House. Senate added $734,000 for the construction of a permanent pier at the Rosebank Quarantine Station to replace hazardous wharf facilities extensively damaged in 1960 by Hurricane Donna.

Amendment No. 36, foreign quarantine activities: Amendment was reported in technical disagreement, but House moved to recede and concur. This amendment earmarks the $734,000 added in amendment No. 35 for the Rosebank pier. Conferees agreed that this allowance was to fully finance the entire costs of the project.

Amendment No. 37, general research and services, National Institutes of Health: Appropriates $127,637,000 instead of $140 million as proposed by the Senate and $119,275,000 as proposed by the House. NIH proposes to allocate $27,500,000 to clinical research centers, $11,290,000 to grants for fellowships, and $31 million to training grants.

Amendment No. 38, National Cancer Institute: Appropriates $142,836,000 instead of $160 million as proposed by the Senate and $125,672,000 as proposed by the House. NIH proposes to allocate $12,500,000 for clinical research centers, $3,100,000 for fellowships and $9,055,000 for training grants.

Amendment No. 39, mental health activities: Appropriates $108,876,000 instead of $125,570,000 as proposed by the Senate and $92,182,000 as proposed by the House. NIH proposes to allocate $3 million to clinical research centers, $4,440,000 to fellowships and $34,856,000 to training grants.

Amendment No. 40, National Heart Institute: Appropriates $132,912,000 instead of $160,100,000 as proposed by the Senate and $105,723,000 as proposed by the House. NIH proposes to allocate $12,500,000 to clinical research centers, $9 million to primate centers, $4,150,000 to fellowships and $13,104,000 to training grants.

Amendment No. 41, National Heart Institute: Reported in disagreement; House moved to recede and concur therein. Senate proposed $1 million for planning a gerontological research building and facilities, to be located in Baltimore. Total cost of the building will be about $10 million.

Amendment No. 42, National Institute of Dental Research: Appropriates $17,340,000 instead of $20 million as proposed by the Senate and $14,681,000 as proposed by the House. NIH proposes to allocate $1,120,000 to fellowships and $4,791,000 to training grants.

Amendment No. 43, arthritis and metabolic disease activities: Appropriates $81,831,000 instead of $90 million as proposed by the Senate and $73,661,000 as proposed by the House. NIH proposes to allocate $1,500,000 to fellowships and $10,300,000 to training grants.

Amendment No. 44, allergy and infectious disease activities: Appropriates $56,091,000 instead of $60 million as proposed by the Senate and $52,812,000 as proposed by the House. NIH proposes to allocate $1,700,000 to fellowships and $5,400,000 to training grants.

Amendment No. 45, allergy and infectious disease activities: Reported in disagreement; House moved to recede and concur. Senate added $750,000 for the modernization of the Rocky Mountain Laboratory at Hamilton, Mont.

Amendment No. 46, neurology and blindness activities: Reported in disagreement; House moved to recede and concur. Senate added language, and funds, to authorize a new program of professional and technical assistance to help in the fight against neurological and sensory diseases.

Amendment No. 47, neurology and blindness activities: Appropriates $70,812,000 instead of $80 million as proposed by the Senate and $57,624,000 as proposed by the House. NIH proposes to allocate $2,500,000 to clinical research centers, $1,780,000 to fellowships and $10 million to training grants.

Amendment No. 48, NIH Management Fund, Clinical Center Cafeteria: Reported in disagreement; House moved to recede and concur. Senate proposed the amendment of the authorization to operate a cafeteria to provide the charging of rates to recover the "reasonable value of the meals served" in lieu of the "cost of such operation." Under the latter phrase the prices had been raised to the point where the NIH staff were refusing to patronize the cafeteria.

Amendment No. 49, grants for cancer research facilities: Senate receded from its disagreement to the item, appropriating $5 million for nonmatched grants. There was included in the 1961 act a similar sum which was awarded to seven applicants, varying from $45,000 to Johns Hopkins University to $2,923,000 to the University of Wisconsin.

Amendment No. 50, grants for hospital research facilities: Reported in disagreement; Senate struck out the item proposing $10 million for construction grants, allegedly authorized by section 433(a) of the PHS Act. House moved to recede and concur with an amendment to provide $10 million as authorized by section 636 of the act, contingent upon the enactment of H.R. 4998, 87th Congress, or similar legislation.

Amendment No. 51, scientific activities overseas: Appropriates $9 million instead of $10,084,000 as provided by the Senate, and $8 million as proposed by the House. The funds will be used by the NIH in medical research, by the Bureau of State Services in communicable disease and environmental health studies, and by the National Library of Medicine.

Amendment No. 52, Office of the Surgeon General: Appropriates $5,375,000 as proposed by the Senate, instead of $5,275,000 as proposed by the House. Senate added $100,000 of which $47,000 would be used to support the increased volume of international activities, and $53,000 would be used for additional consultative services in management analysis.

Amendment No. 53, old-age and survivors insurance: House receded. Senate struck out the limitation of $320,000 for acquisition of land. House added $320,000 over the budget estimate for the land, the price of which had been estimated on the basis of a limited appraisal made in the fall of 1960.

Amendment No. 54, old-age and survivors insurance: House receded. Senate struck out the proviso limiting the advances to States for disability determinations under section 221(e).

Amendment No. 55, grants to States for public assistance: Appropriates $2,401,200,000 instead of $2,501,200,000 as proposed by the Senate and $2,285,800,000 as proposed by the House. Senate added $215,400,000, the full supplemental budget estimate, of which $200,400,000 was for the new ADC of unemployed parents program; $11 million for vendor medical assistance payments; and $4 million for payments to dependent children in foster families. Later experience has resulted in a substantial reduction in the funds estimated to be needed for the new ADC programs.

Amendment No. 56, grants for training of public welfare personnel: Senate receded. Senate added $2 million, a reduction of $1,500,000 from the supplemental budget estimate, for the Federal Government to pay 100 percent of the cost of training public welfare personnel.

Amendment No. 57, salaries and expenses, Bureau of Public Assistance: Appropriates $3,442,000, instead of $3,663,000 as proposed by the Senate, and $3,221,000 as proposed by the House. Senate added $442,000 as requested in a supplemental budget estimate for Federal administrative expenses of the newly enacted program of aid to dependent children of unemployed parents and in foster family homes, and of training grants. The ADC program needs have fallen substantially below estimates and funds for the training grants have been disallowed so that the conference allowance is deemed adequate.

Amendment No. 58, grants for maternal and child welfare: Appropriates $69,100,000 as proposed by the Senate, instead of $67,100,000 as proposed by the House. Senate added $2 million to provide the full amount authorized, $25 million, for grants for maternal and child-health services.

Amendment No. 59, grants for maternal and child welfare: Earmarks the $2 million increase in amendment No. 58 for grants for maternal and child-health services.

Amendment No. 60, research and training (special foreign currency program): Appropriates $1,607,000 instead of $2,213,000 as proposed by the Senate, and $1 million as proposed by the House. Senate added $1,213,000 to allow the full budget estimate. Conferees agreed on one-half of the Senate increases.

Amendment No. 61, salaries and expenses, Gallaudet College: Appropriates $1,256,000 as proposed by the Senate instead of $1,200,000 as proposed by the House. Senate added $56,000 to improve faculty salary scales and to pay salaries at the regular rates to faculty for summer work.

Amendment No. 62, construction, Gallaudet College: Appropriates $601,000 as proposed by the Senate, instead of $127,000 as proposed by the House. Senate added $474,000 to permit (1) addition to the Speech and Hearing Center, $300,000; (2) maintenance building, $81,000; (3) completion of auditorium and parking facilities, $53,000; and (4) planning an arts building, $40,000.

Amendment No. 63, salaries and expenses, Office of Field Administration: Appropriates $3,265,000, instead of $3,345,000 as proposed by the Senate, and $3,225,000 as proposed by the House. Senate added $120,000, and 18 positions, to provide an analyst and a secretary to serve the analyst and aging representative in each regional office. Conferees allowed only a secretary for each of the regional offices.

Amendment No. 64, general provision, indirect costs of research: Senate receded. House inserted the general provision to limit the payment of indirect costs of research to 15 percent of the direct costs, and Senate struck out the section. Fiscal year 1962 will be the fourth year in which this provision has been included in the bill.

Amendments No. 65 and No. 66, general provisions: Change section numbers.

Amendment No. 67, National Labor Relations Board: Appropriates $19,989,000 as proposed by the Senate, instead of $18,213,000 as proposed by the House. Senate added the full supplemental estimate, $1,376,000, and $400,000 of the $667,000 cut by the House. No funds are provided to carry 31 unauthorized positions in fiscal year 1962.

Amendment No. 68, National Mediation Board: Appropriates $1,804,000 as proposed by the Senate instead of $1,604,000 as proposed by the House. Senate added $200,000 requested in a supplemental budget estimate for a supplemental board to handle a backlog of some 2,500 cases, for 2 years. Management and labor jointly contribute sums somewhat in excess of the Federal appropriation.

Amendment No. 69, general provision: Language proposed by the Senate is stricken out. Senate added a section to forbid the use of research grant funds for entertainment expenses, including alcoholic beverages.

Mr. HILL. Mr. President, as we know, the main differences, of course, between the bill as passed by the Senate and the bill as passed by the House were the appropriations for the National Institutes of Health. The House allowed a total for the Institutes of $641 million; the Senate added increases totaling $194,670,000, to allow $835,670,000. In conference the conferees compromised on a precise split, allowing $97,335,000 over the House allowance.

During the consideration of the conference report in the House yesterday, there was inserted a table showing the distribution, by activities, of conferee increases over the House allowances. I ask unanimous consent to have printed in the RECORD a table showing the distribution, by activities, of the total allowances for NIH, $738,335,000.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

National Institutes of Health—Distribution by activities of conference allowances, fiscal year 1962

[In thousands of dollars]

	Research grants	Clinical research centers [1]	Primate centers [1]	Fellowships	Training	State control program	Community demonstrations projects	Professional and technical assistance	Chemotherapy contracts	Other direct operations	Totals
General research and services	79,247	(27,500)	----------	11,290	31,000	----------	----------	----------	----------	6,100	127,637
National Cancer Institute	68,700	(12,500)	----------	3,100	9,055	3,500	2,500	12,019	25,088	18,874	142,836
Mental health activities	46,445	(3,000)	----------	4,440	34,856	6,750	----------	3,103	----------	13,282	108,876
National Heart Institute	91,928	(12,500)	(9,000)	4,150	13,104	5,000	----------	4,600	----------	14,130	132,912
National Institute of Dental Research	8,073	----------	----------	1,120	4,791	----------	----------	----------	----------	3,356	17,340
Arthritis and metabolic disease activities	58,009	(500)	----------	1,500	10,300	----------	----------	----------	----------	12,022	81,831
Allergy and infectious disease activities	36,800	(500)	----------	1,700	5,400	----------	----------	----------	----------	12,191	56,091
Neurology and blindness activities	44,460	(2,500)	----------	1,780	10,000	----------	----------	3,000	----------	11,572	70,812
Total	433,662	(59,000)	(9,000)	29,080	118,506	15,250	2,500	22,722	25,088	91,527	738,335

[1] The entries under "Clinical research centers" and "Primate centers" are included in the entries in the column "Research centers."

Mr. HILL. Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 7035, which was read as follows:

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 15, 24, 36, 41, 45, 46, and 48 to the bill (H.R. 7035) entitled "An Act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes", and concur therein;

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 7, and concur therein with an amendment, as follows:

In lieu of the sum "$390,000,000", insert "$340,000,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 29, and concur therein with an amendment, as follows:

In lieu of the amount proposed by said amendment, insert the following: "$140,028,000 plus $9,972,000 which the Surgeon General is authorized and directed to transfer from the sums set forth herein for section 636 and for grants or loans for facilities pursuant to part G."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 50, and concur therein with an amendment, as follows:

Restore the matter stricken out by said amendment, amended to read as follows:

"HOSPITAL AND MEDICAL FACILITY RESEARCH

"For research and demonstration in the development and utilization of services and hospital and other medical facilities, including grants for construction and equipment of experimental or demonstration hospitals and other medical facilities, as authorized by section 636 of the Act, $10,000,000: *Provided*, That none of these funds shall be used to pay in excess of two-thirds of the cost of such construction and equipment: *Provided further*, That this paragraph shall be effective only upon enactment into law of H.R. 4998, 87th Congress, or similar legislation."

Mr. HILL. Mr. President, I move that the Senate agree to the amendments of the House to the amendments of the Senate numbered 7, 29, and 50.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama.

The motion was agreed to.

Mr. HILL. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a detailed table covering the whole bill.

There being no objection, the table was ordered to be printed in the RECORD.

Departments of Labor, and Health, Education, and Welfare, and Related Agencies Appropriations Act, 1962 (H.R. 7035)

[Figures in parentheses not added in totals]

	Appropriations, 1961	Budget estimates, 1962	House allowance	Senate allowance	Conference allowance
DEPARTMENT OF LABOR					
Office of the Secretary	$1,582,840	$1,995,000	$1,711,000	$1,811,000	$1,796,000
Bureau of Labor-Management Reports	5,011,200	6,275,000	5,775,000	5,775,000	5,775,000
Bureau of International Labor Affairs	378,360	510,000	444,000	510,000	500,000
Office of the Solicitor	3,325,700	4,316,000	3,616,000	4,116,000	4,116,000
Bureau of Labor Standards	2,522,000	3,258,000	3,208,000	3,258,000	3,258,000
Bureau of Veterans' Reemployment Rights	632,300	633,000	633,000	633,000	633,000
Bureau of Apprenticeship and Training	4,329,000	4,476,000	4,976,000	4,976,000	4,976,000
Bureau of Employment Security:					
Salaries and expenses	(9,000,000)	(10,758,000)	(9,600,000)	(10,500,000)	(10,500,000)
Grants to States for unemployment compensation and employment service administration	18,924,000				
Limitation on grants to States (from trust fund)	(360,000,000)	(407,695,000)	(391,700,000)	(406,700,000)	(405,000,000)
Payment to the Federal extended compensation account	500,000,000	490,000,000		390,000,000	340,000,000
Advances to Employment Security Administration account	268,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Unemployment compensation for Federal employees and ex-servicemen	177,000,000	147,000,000	147,000,000	147,000,000	147,000,000
Mexican farm labor program:					
Compliance activities	1,168,700	1,149,000	720,000	720,000	720,000
Salaries and expenses (transfer from revolving fund)	(1,496,100)	(1,519,000)	(925,000)	(925,000)	(925,000)
Bureau of Employees' Compensation:					
Salaries and expenses	3,431,800	3,834,000	3,834,000	3,834,000	3,834,000
Transfer from longshoremen's trust fund	(51,700)	(55,000)	(55,000)	(55,000)	(55,000)
Employees' compensation fund	63,000,000	65,500,000	64,000,000	64,000,000	64,000,000
Bureau of Labor Statistics:					
Salaries and expenses	11,118,000	12,667,000	12,167,000	12,667,000	12,667,000
Revision of the Consumer Price Index	1,322,000	2,100,000	2,100,000	2,100,000	2,100,000
Women's Bureau	553,900	668,000	668,000	668,000	668,000
Wage and Hour Division	12,261,000	18,611,000	12,261,000	17,761,000	17,307,000
Total, Department of Labor	1,074,560,800	782,992,000	283,113,000	679,829,000	629,350,000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
Food and Drug Administration:					
Salaries and expenses	18,848,000	23,580,000	23,580,000	22,000,000	23,000,000
Certification, inspection, and other services (indefinite)	(1,692,000)	(1,882,000)	(1,882,000)	(1,882,000)	(1,882,000)
Pharmacology-animal laboratory building	100,000	1,750,000	1,750,000	1,750,000	1,750,000
Freedmen's Hospital	3,497,600	3,736,000	3,736,000	3,736,000	3,736,000
Office of Education:					
Promotion and further development of vocational education	33,702,081	33,672,081	33,672,000	33,672,000	33,672,000
Further endowment of colleges of agriculture and the mechanic arts	2,501,500	8,194,000	8,194,000	8,194,000	8,194,000
Land-grant college aid, Hawaii	2,225,000			3,775,000	3,775,000
Grants for library services	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Payments to school districts	217,300,000	85,700,000	85,700,000	85,700,000	85,700,000
Assistance for school construction	63,392,000	24,850,000	24,850,000	24,850,000	24,850,000
Defense educational activities	187,480,000	211,207,000	210,857,000	211,707,000	211,557,000
Expansion of teaching in education of the mentally retarded	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Salaries and expenses	10,518,000	11,864,000	11,364,000	11,864,000	11,594,000
Cooperative research	3,357,000	5,141,000	5,500,000	4,000,000	5,000,000
Salaries and expenses (special foreign currency program)	30,750	9,000			
Office of Vocational Rehabilitation:					
Grants to States	56,200,000	91,500,000	64,450,000	64,450,000	64,450,000
Research and training	15,430,000	17,250,000	19,250,000	20,250,000	20,250,000
Research and training (special foreign currency program)	930,000	1,372,000	1,372,000	1,372,000	1,372,000
Salaries and expenses	1,959,000	2,325,000	2,325,000	2,325,000	2,325,000
Public Health Service:					
Buildings and facilities	3,470,000	16,630,000	16,630,000	16,630,000	16,630,000
Accident prevention	2,905,300	3,368,000	3,368,000	3,618,000	3,618,000
Chronic diseases and health of the aged	1,385,600	3,958,000	3,958,000	3,958,000	3,958,000
Communicable disease activities	9,930,900	9,778,100	9,778,000	10,028,000	10,000,000
Community health practice and research	23,382,000	24,781,000	23,961,000	23,961,000	23,961,000
Control of tuberculosis	6,493,000	6,493,400	6,493,000	6,493,000	6,493,000
Control of venereal diseases	5,814,500	5,814,500	5,815,000	6,090,000	6,000,000
Dental services and resources	2,092,700	2,182,000	2,182,000	2,500,000	2,500,000
Nursing services and resources	7,291,800	7,375,000	7,675,000	7,675,000	7,675,000
Hospital construction activities	187,936,000	187,972,000	187,972,000	212,972,000	203,000,000
Air pollution control	7,057,100	8,100,000	8,600,000	8,900,000	8,800,000
Milk, food, interstate and community sanitation	4,547,100	5,604,000	7,424,000	7,424,000	7,424,000
Occupational health	3,332,600	3,981,000	3,981,000	3,981,000	3,981,000
Radiological health	7,660,000	9,147,000	9,147,000	10,647,000	10,647,000
Water supply and water pollution control	12,058,000	15,028,000	15,028,000	15,028,000	15,028,000
Grants for waste treatment works construction	45,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Construction, environmental health center		3,515,000			
Foreign quarantine activities	4,948,800	5,150,000	5,350,000	6,084,000	6,084,000
Hospitals and medical care	48,835,000	49,332,000	49,835,000	49,835,000	49,835,000
National Insititutes of Health:					
General research and services	76,695,000	95,341,000	119,275,000	140,000,000	127,637,000
National Cancer Institute	110,780,000	117,167,000	125,672,000	160,000,000	142,836,000
Mental health activities	100,742,000	88,324,000	92,182,000	125,570,000	108,876,000
National Heart Institute	86,196,000	97,073,000	105,723,000	160,100,000	132,912,000
National Institute of Dental Research	13,350,300	13,933,000	14,681,000	20,000,000	17,340,000
Arthritis and metabolic disease activities	60,855,000	68,740,000	73,661,000	90,000,000	81,831,000
Allergy and infectious disease activities	43,150,000	48,322,000	52,182,000	60,000,000	56,091,000
Neurology and blindness activities	56,409,000	54,100,000	57,624,000	80,000,000	70,812,000
Subtotal, National Institutes of Health	548,177,300	583,000,000	641,000,000	835,670,000	738,335,000
Grants for construction of cancer research facilities	(5,000,000)		5,000,000		5,000,000
Grants for construction of hospital research facilities			10,000,000		[1] 10,000,000
Grants for construction of health research facilities	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Scientific activities overseas (special foreign currency program)	3,707,000	10,084,000	8,000,000	10,084,000	9,000,000
National health statistics	4,046,300	4,642,000	4,642,000	4,642,000	4,642,000
Operations, National Library of Medicine	1,738,000	2,066,000	2,066,000	2,066,000	2,066,000
Retired pay of commissioned officers, indefinite	(1,920,000)	(2,180,000)	(2,180,000)	(2,180,000)	(2,180,000)
Salaries and expenses, Office of the Surgeon General	5,132,000	5,275,000	5,275,000	5,375,000	5,375,000
Total, Public Health Service	976,941,000	1,053,276,000	1,123,180,000	1,333,661,000	1,240,052,000
St. Elizabeths Hospital:					
Salaries and expenses	4,572,000	4,939,000	5,105,000	5,105,000	5,105,000
Buildings and facilities	5,339,000	575,000	575,000	575,000	575,000

Footnote at end of table.

Departments of Labor, and Health, Education, and Welfare, and Related Agencies Appropriations Act, 1962 (H.R. 7035)—Continued

[Figures in parentheses not added in totals]

	Appropriations, 1961	Budget estimates, 1962	House allowance	Senate allowance	Conference allowance
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued					
Social Security Administration:					
Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance (trust fund)	($232,200,000)	($240,750,000)	($241,070,000)	($241,070,000)	($241,070,000)
Grants to States for public assistance	2,177,000,000	2,501,200,000	2,285,800,000	2,501,200,000	2,401,200,000
Grants for training public welfare personnel		3,500,000		2,000,000	
Hospitalization and services for repatriated mentally ill Americans		364,000	364,000	364,000	364,000
Salaries and expenses, Bureau of Public Assistance	2,726,900	3,742,000	3,221,000	3,663,000	3,442,000
Salaries and expenses, Children's Bureau	2,493,500	2,668,000	2,668,000	2,668,000	2,668,000
Salaries and expenses, White House Conference on Children and Youth	150,000				
Grants to States for maternal and child welfare	51,833,000	64,750,000	67,100,000	69,100,000	69,100,000
Cooperative research in social security	350,000	1,500,000	700,000	700,000	700,000
Research and training (special foreign currency program)		2,213,000	1,000,000	2,213,000	1,607,000
Salaries and expenses, Office of the Commissioner	372,800	590,000	590,000	590,000	590,000
Transfer from OASI trust fund	(296,000)	(332,000)	(322,000)	(322,000)	(322,000)
American Printing House for the Blind	400,000	400,000	400,000	400,000	400,000
Gallaudet College:					
Salaries and expenses	1,074,000	1,200,000	1,200,000	1,256,000	1,256,000
Construction	2,512,000	127,000	127,000	601,000	601,000
Howard University:					
Salaries and expenses	5,490,000	7,007,000	7,007,000	7,007,000	7,007,000
Plans and specifications	225,000	211,000	211,000	211,000	211,000
Construction of buildings	1,433,000	4,447,000	4,447,000	4,447,000	4,447,000
Construction of auditorium-fine arts building (liquidation of contract authority)		95,000	95,000	95,000	95,000
Office of the Secretary:					
Office of the Secretary	2,209,000	2,382,000	2,382,000	2,382,000	2,382,000
Transfer from OASI trust fund	(326,000)	(352,000)	(352,000)	(352,000)	(352,000)
Office of Field Administration	2,942,000	3,363,000	3,225,000	3,345,000	3,265,000
Transfers	(1,200,000)	(1,285,000)	(1,285,000)	(1,285,000)	(1,285,000)
Surplus property utilization	786,000	862,000	862,000	862,000	862,000
Office of the General Counsel	650,000	713,000	713,000	713,000	713,000
Transfers	(646,000)	(696,000)	(696,000)	(696,000)	(696,000)
White House Conference on Aging	785,000				
Total, direct appropriations, Department of Health, Education, and Welfare	3,866,255,131	4,190,774,081	4,016,072,000	4,451,303,000	4,256,367,000
Indefinite appropriations	3,612,000	4,062,000	4,062,000	4,062,000	4,062,000
Total, direct and indefinite appropriations, Department of Health, Education, and Welfare	3,869,867,131	4,194,836,081	4,020,134,000	4,455,365,000	4,260,429,000
RELATED AGENCIES					
National Labor Relations Board	18,213,000	20,256,000	18,213,000	19,989,000	19,989,000
National Mediation Board	1,604,000	1,804,000	1,604,000	1,804,000	1,804,000
Railroad Retirement Board (trust funds)	(9,785,000)	(9,740,000)	(9,740,000)	(9,740,000)	(9,740,000)
Payment to railroad unemployment insurance account	20,000,000				
Federal Mediation and Conciliation Service	4,166,400	4,388,000	4,388,000	4,388,000	4,388,000
Interstate Commission on the Potomac River Basin	5,000	5,000	5,000	5,000	5,000
U.S. Soldiers' Home (trust funds)	(5,899,000)	(6,052,000)	(6,052,000)	(6,052,000)	(6,052,000)
Total, direct appropriations, all titles of the bill	4,984,804,331	5,000,219,081	4,823,395,000	5,157,318,000	4,911,903,000
Total, indefinite appropriations, all titles of the bill	3,612,000	4,062,000	4,062,000	4,062,000	4,062,000
Grand total	4,988,416,331	5,004,281,081	4,827,457,000	5,161,380,000	4,915,965,000

[1] Funds provided under a new title "Hospital and medical facility research" under authority of sec. 636 of the act, instead of under sec. 433(a) as proposed by the House contingent upon the enactment into law of H.R. 4998, 87th Cong., or similar legislation.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HILL. I yield to the distinguished Senator from Minnesota.

Mr. HUMPHREY. I commend the Senator from Alabama for his efforts in the entire field of health, education, and welfare——

Mr. HILL. May I interrupt the Senator to say it was the teamwork of the members of the committee on this particular appropriation bill that did the job.

Mr. HUMPHREY. The Senator is always very generous. I wish to ask the Senator a question because, some time ago, when the appropriation bill was before the Senate, I expressed my personal concern that funds under the amended section 636 of the Hill-Burton Act be made available for the construction of a total experimental hospital at Rochester, Minn. This hospital project is well known to the administration, the President, and the Secretary of Health, Education, and Welfare. It has been discussed in detail with the executive branch officials. Since, as I indicated at that time, a successful pilot project has been demonstrated there, and since they have prepared additional plans for further experiment and research using a total hospital facility, I wanted to ask the distinguished Senator from Alabama whether or not it is his understanding that sufficient funds to aid in this worthy project would be made available by this appropriation.

Mr. HILL. Sufficient funds are provided in the bill, and I would say that, certainly, the Public Health Service, which will have the allocation of these funds, should, and will, give the most careful and understanding consideration to this particular project. When we were having our hearings on the community facilities bill, which is the authorization act to authorize the funds, representatives of the Rochester hospital who were at the committee meeting presented testimony which was very impressive so far as the committee was concerned. I am sure the Public Health Service should and will give full consideration in every way to the project.

Mr. HUMPHREY. Will the Senator agree with me that to get a good start with the use of these funds, it would be well to have at least a major project that could develop the full experiment as to hospital design, construction, and administration?

Mr. HILL. So far as construction is concerned, if there were a major project, there would be much in favor of the project, particularly where certain experiments and research had been carried on by the parties who are now interested in the particular project to which the Senator has addressed himself.

Mr. HUMPHREY. The Senator knows the hospital to which I have referred, at Rochester, Minn., the Mayo Clinic has created a pilot project and has submitted a professional report on the project, and has demonstrated ability to carry on patient care. The Senator is familiar with the experimentation that has gone on so far. Is he not?

Mr. HILL. I am. As I stated, during consideration of the communities facilities bill, representatives of the Rochester hospital came before the committee and made a presentation, telling us of the research that had been carried on and the work that had been done as a result of the research, and giving us a picture of what they expected to do.

Mr. HUMPHREY. Does the Senator believe it quite possible, with the use of matching funds, to begin the administration of this new program under section 636 by granting funds for a single hospital project such as I have mentioned here?

Mr. HILL. I was temporarily distracted while consulting with the majority leader. Would the Senator mind repeating his question?

Mr. HUMPHREY. In light of what has been said here about the hospital project, as to which there was testimony, does the Senator believe it would be possible to begin the administration of this new program under section 636 by granting funds for a single hospital project such as I have mentioned?

Mr. HILL. It would be quite possible to begin administration of the new program under section 636 by granting funds for a hospital project such as the distinguished Senator has addressed himself to.

Mr. HUMPHREY. I am very grateful to the Senator. May I say the Senator has pioneered once more in what I consider to be some valuable work in the field of health care. As the Senator from Alabama said a while ago, very little controlled research has been done to determine the best design of hospital facilities for the most advanced utilization of personnel, and a project that would improve the design and provide for better utilization of personnel would be in the public interest.

Mr. HILL. It would be in the public interest in many ways. In particular, it might well lead to that which is so much to be desired, namely, the lowering of hospital costs for patients.

Mr. HUMPHREY. I thank the Senator.

I may add that I was disappointed to learn that the conferees on H.R. 7035—the appropriations bill for the Department of Labor and the Department of Health, Education, and Welfare—eliminated completely the $2 million provided by the Senate for training of public welfare personnel. This action by the Senate represented a reduction of $1.5 million from the original $3.5 million requested by the President for this purpose.

I understand the entire sum has been eliminated. Is that correct?

Mr. HILL. The Senator is correct. The conferees could not and did not agree on the sum.

Mr. HUMPHREY. The aim of social welfare programs must be the bringing of the individual above the maintenance of life at some minimum level. Social rehabilitation is an extremely difficult task in some of these cases. This job calls for highly trained personnel, as well as those with experience. New methods and new techniques are being perfected. Social workers should have every opportunity to return to school and acquire this knowledge.

During Senate debate on this appropriation bill, I expressed the hope that the House conferees would find it possible to accept the entire $2 million recommended by the Senate Appropriations Committee. This vital program should have been activated many years ago. Certainly we should start this year.

Denial of this $2 million appropriation by the conferees will have a demoralizing effect upon public welfare workers. These welfare workers had appropriate expectations that opportunities might be opened to them to prepare themselves more significantly for their responsible and important work, particularly in view of the amendment to the Social Security Act this year to provide 100-percent Federal financing of public welfare workers' training grants.

The Secretary of the Department of Health, Education, and Welfare has stated on several occasions that he does not want public welfare personnel acting simply as conduits for money. He believes that they must have responsibility and preparation for helping people who need their highly skilled services in rehabilitation and welfare. I am sure it is because of this conviction that the Secretary has requested a group of distinguished national leaders in the social welfare field to study problems in the public welfare area and to make recommendations for changes and improvements.

Mr. President, I ask unanimous consent that a list of the members of this ad hoc committee on public welfare, organized at the request of the Secretary, be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

AD HOC COMMITTEE ON PUBLIC WELFARE

Sanford Solender, chairman, executive vice president, National Jewish Welfare Board.

Joseph P. Anderson, executive director, National Association of Social Workers.

Philip Bernstein, executive director, Council of Jewish Federations and Welfare Funds.

Clark W. Blackburn, general director, Family Service Association of America.

Robert Bondy, director, National Social Welfare Assembly.

Rudolph T. Danstedt, director, Washington branch, National Association of Social Workers.

Fred DelliQuadri, dean, New York School of Social Work, Columbia University.

James R. Dumpson, commissioner, New York City Department of Welfare.

Loula Dunn, director, American Public Welfare Association.

Fedele Fauri, dean, School of Social Work, University of Michigan.

Very Rev. Msgr. Raymond Gallagher, director of youth services, Diocesan Catholic Charities, Cleveland, Ohio.

Dorothy Height, associate director for training, Young Women's Christian Association.

Raleigh C. Hobson, director, City Department of Public Welfare, Richmond, Va.

Mrs. Trude Lash, executive director, Citizen's Committee for Children of New York City.

Norman V. Lourie, deputy secretary, Pennsylvania State Department of Public Welfare.

The Honorable Justine Wise Polier, justice of the domestic court, city of New York.

Joseph H. Reid, executive director, Child Welfare League of America.

Mrs. Pauline Ryman, director, social services department, Henry Ford Hospital, Detroit, Mich.

Harleigh Trecker, dean, School of Social Work, University of Connecticut.

John W. Tramburg, commissioner, State department of institutions and agencies, Trenton, N.J.

Dr. Ellen B. Winston, commissioner, North Carolina State Board of Public Welfare.

Dr. Ernest Witte, executive director, Council on Social Work Education.

Dr. Whitney M. Young, Jr., executive director-elect, National Urban League.

Mr. HUMPHREY. Mr. President, I understand that the ad hoc committee on public welfare has given its report to Secretary Ribicoff. While I have not seen this report, it is my understanding that it underlines emphatically the importance—yes, the urgent need—for properly trained and qualified personnel.

Congress recognized this importance in 1956, when we amended the Social Security Act to provide for services to encourage self-help and to strengthen family life. As part of that package, in a sense, we also authorized $5 million in the form of grants to the States for the training of public welfare personnel. Any study of our public welfare programs would quickly demonstrate that $2 million is a modest amount to start this program of training for welfare personnel—the great majority of whom have had little or no formal educational preparation for their occupation.

As I said initially, denial of the $2 million approved by the Senate for the training of public welfare personnel is most unfortunate. I shall certainly make every effort to assure that funds for such training are made available in the future years.

Mr. HILL. Mr. President, in spite of the hope which the Senator expressed on the floor at the time the appropriation bill was under consideration, the House conferees did not find it possible to agree on the $2 million provided by the Senate for training of public welfare personnel. Therefore it could not be agreed to and was not agreed to in conference.

Mr. HUMPHREY. I hope the Department will make a supplemental appropriation request, because I think such a program will pay dividends, just as hospital construction funds do. It provides for better trained personnel, and therefore better administration.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from Colorado.

Mr. ALLOTT. I wish to say, for the benefit of the distinguished senior Senator from Minnesota, I think the chairman of the committee did a magnificent job in the committee. There were some things we did not get that we would have liked. On the whole the conference was very successful.

It was a very tough conference. I do not know how many sessions were held, for I did not count them, but I know there were numerous sessions, as the chairman knows. The chairman did a fine job of disposing of a lot of questions, including that relating to the University of Hawaii under the Morrill Act, and many other questions.

I pay tribute to the chairman for his patience and understanding in trying to work out the problems, because the conference was a very difficult one.

Mr. HILL. I thank the distinguished Senator from Colorado for his kind and generous remarks. The distinguished Senator from Colorado is a member of the subcommittee which handled the bill, and was a member of the conference committee. Certainly the distinguished Senator from Colorado is entitled to a full share of the credit for any work done by the subcommittee or by the Senate conferees at the conference. He was present. He worked hard. He was most helpful on all questions.

Mr. FONG. Mr. President, will the Senator yield?

Mr. HILL. I yield to the distinguished Senator from Hawaii.

Mr. FONG. I commend the distinguished Senator for a very fine conference report. I know the Senator worked very hard.

In behalf of the State of Hawaii I wish to thank the Senator and his colleagues for standing firm for the appropriation for the University of Hawaii, $3,750,000. The University of Hawaii will find very good use for the money. This was provided under the Morrill Act. We in Hawaii were entitled to 90,000 acres of land, but since there was no land available the Hawaii Omnibus Act carried an authorization of $6 million. Last year Hawaii was given $2,225,000. The Senate provided for the appropriation of the full amount, but not the House. This year the Senate stood firm and strong.

I congratulate the distinguished Senator from Alabama and the members of the conference committee for standing firm for Hawaii.

Mr. HILL. I thank the Senator for his kind and generous words. The University of Hawaii had no more stanch or better friend in the conference than the distinguished Senator from Colorado [Mr. ALLOTT].

Mr. FONG. I know the distinguished Senator from Colorado worked very hard.

Mr. HILL. He did, indeed. He worked hard and he fought hard. Sometimes it is not only necessary to work hard but also to fight hard.

Mr. FONG. I know the Senator fought hard.

Mr. HILL. The Senator did both.

Mr. FONG. I thank the Senator from Colorado, also.

THE EFFECT OF SOCIAL SECURITY LAWS ON THE AMISH AND MENNONITES

Mr. LAUSCHE. Mr. President, this afternoon at 2 o'clock I was in a conference at the office of the Commissioner of the Internal Revenue Service, Mr. Caplin, who had invited to his office representatives of the Amish and Mennonite faith. In the office there were assembled about 100 Amish people.

The purpose of the meeting was to work out, if possible, some method under which the Federal revenue laws could be enforced dealing with social security without subjecting the Amish and the Mennonites to seizure of their cattle and especially of their horses, used on the farms.

Mr. Caplin stated to the Amish people that he was, under his oath obliged to enforce the law, that he had no discretion in the matter, and whether the duty was pleasant or unpleasant he had to enforce the mandate given to him by Congress dealing with the laws applicable to the collection of taxes.

One of the Amish representatives, Bishop Fisher, after Mr. Caplin had made the statement, asked for the floor, and said to the Commissioner:

> Mr. Commissioner, we recognize that you are bound by the law, but we have a law of our religion, and that religion says that we must take care of our families, of our poor, and of our aged. We abide by that law. We do not wish to be compelled by Federal law to break our faith and our tenets.

The chairman of the Committee on Finance [Mr. BYRD of Virginia] is in the Chamber at the present time. I say to the Senator that these people do not wish to be compelled to be members of social security. Their religion severely imposes upon them the obligation to take care of their aged, their families, and their poor. They ask for no help.

Today those 100 hard-working, law-abiding, decent people left an impression with me which will prompt me at the next session to fight for the adoption of a law which will excuse them from the obligation of paying social security taxes. I know they absolutely refuse to accept the payments which become due to them under the social security system.

I have never heard so forceful a statement before:

> Mr. Commissioner, you are bound by the law, but we are bound by the law of our religion to take care of our aged, of our poor, and of our families.

I suggest to Senators that they give heed to the problem of the Federal Government trying to bend and to distort and to break these people in their religious beliefs. It is contrary to every principle of our democracy, which says "freedom of religion shall be yours."

We tell the Amish and the Mennonites, "You will have to abandon your religion. You will have to comply with what Congress tells you."

It is wrong. It ought not to be.

APPOINTMENT OF MAJ. GENE HAL WILLIAMS TO BE BRIGADIER GENERAL

Mrs. SMITH of Maine. Mr. President, on August 24, 1961, there was considerable debate on the Gene Hal Williams nomination for promotion from major to brigadier general because he was the State adjutant general of West Virginia.

Among the arguments made by some of those supporting the nomination was their militarily equating National Guard Nominee Williams with such famous military leaders as Alexander the Great, General Pershing, and General Eisenhower.

In view of such military equation as was introduced in the debate at that time, I think that the Members of the Senate will be interested in an item in today's Washington Daily News and Washington Post quoting one of the military leaders with whom National Guard Nominee Williams was equated—Gen. Dwight D. Eisenhower.

In escorting Congressmen on a tour of the Gettysburg battlefield, General Eisenhower spoke of military divisions in the Civil War and said rather pointedly:

> Promotion was very slow in that division. They were Regulars, not National Guard.

So spoke the military leader with whom National Guard Nominee Williams had been equated in the August 24, 1961, debate in the Senate.

THE BERLIN CRISIS

Mr. SALTONSTALL. Mr. President, I wish to invite the attention of the Senate and the country to a sobering and thoughtful article by Walter Lippmann which appeared in the Washington Post and Times Herald and other newspapers this morning.

He writes with imagination, yet realistically about the Berlin crisis. He explores both the dangers and the possibilities. And he urges us to approach this delicate situation with a new venturesomeness.

Mr. President, because of the timeliness and the importance of what Mr. Lippmann has to say in this article, I request unanimous consent that it be printed in full at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 12, 1961]

ON NEGOTIATING ABOUT BERLIN

(By Walter Lippmann)

As we get ready to negotiate about Berlin we need to know concretely what is our commitment. A month ago the answer to this question was plain enough. When we said we would defend the freedom of West Berlin, we meant, to be precise, that people and goods must continue to move freely along the air corridors, the turnpikes, the railroads, and the canals. If access on these routes is open, West Berlin will have the physical basis of its freedom, freedom to elect its government, personal liberty, and economic freedom as part of the West German economy. This physical basis of West Berlin's freedom is what we are committed to defend, if necessary by war.

But while this commitment is still in full force, the Soviet action of August 13 in sealing off East Berlin has raised a new problem. It is whether the half city can continue to flourish, whether it will not wither on the vine. Dr. Adenauer's ambassador has said that Berlin will wither if the physical partition of Germany, which was consummated on August 13, becomes an accepted and established fact. So we can no longer say that if the access routes are kept open, this in itself will make secure the future of West Berlin.

If the half city is to continue to flourish its people must be given reason to believe that they have a function to perform in the future of the German nation. It is not easy to give them that belief, and while, as Vice President Johnson has said rather too imprecisely, our lives, our fortunes, and our sacred honor are pledged in West Berlin, we are in fact pledged to protect access. But we are not and cannot be pledged to a guarantee of the prosperity of West Berlin. All we can promise is to try, provided the West Germans cooperate to negotiate a status for West Berlin which will give its inhabitants a sense of security and confidence in the future. This cannot possibly be done merely by standing firm and standing pat.

The President will now have to decide whether his objective in the coming negotiations is merely to keep open the access routes or whether he will try for a wider objective—not only for the physical freedom of West Berlin but for its dignity and prosperity. This is a hard and complicated decision.

If he concentrates on this narrow objective, he can probably achieve it by standing firm on the decision to resist if the

access routes are closed. For while the Soviet Union will still have great opportunity to harrass the access routes, it does not have a vital interest in blockading them. But not to interfere with access, or not to interfere very much, will not be sufficient. The allied rights of access must be reconfirmed in some kind of contract. For otherwise, the people of West Berlin will be left in a dangerous and demoralizing uncertainty. The Soviet price for a reconfirmation of the rights of access will now have to be explored.

Assuming the best, that the price is moderate and honorable, the outcome will leave West Berlin free. But after the action of August 13, Berlin, however free, will be a doomed and dying city. To keep West Berlin not only free but alive and flourishing it will have to be given a significant and attractive function to perform in the years to come. If this can be done at all, the coming negotiations will have to go far beyond freedom of access. There will have to be a new attempt to negotiate a wide settlement in Germany and in central Europe.

Our position today would be far stronger if, last June instead of conceding the initiative to Khrushchev, we had launched a campaign for a wide settlement. But as events have shown, Americans, in the West European opinion, have not been prepared by their leaders for any such big diplomatic adventure.

A wide settlement is inconceivable unless West and East agree on some arrangement which opens the door to the eventual reunion of the two Germanys. The difficulties of reaching such an agreement are enormous.

There is, of course, the Soviet opposition which is now embodied in the physical partition of Berlin. But we must not forget how strong is the Western opposition to German reunification. It is not an open opposition. But it is much stronger than has been fully appreciated in this country. The two chief Western European institutions are NATO and the Common Market. In both there is a basic assumption that in fact Germany will remain divided. There is no place for East Germany in NATO—not unless we suppose the inconceivable which is that the Soviets would permit East Germany to join NATO. And there is no place for East Germany in the Common Market as long as it is a Communist state and its main economic powers are with the Soviet bloc.

Although it is never openly avowed, the whole of Europe, West and East, from France to Poland and Czechoslovakia is deeply committed to the partition of Germany. As for the Bonn Republic, its attitude is ambiguous. It does not countenance partition but it has learned to live comfortably without reunification.

This would seem to argue that there is an all-European consensus. In considerable measure there is, and that is why there is no crusading spirit in Europe to reunify Germany. But in France and in Germany the key to policy is not that they object to the fact of partition. It is that they fear the effect of acknowledging it.

Why? Because if the partition were signed, sealed, and delivered—which is what Khrushchev is after—the interests of the West Germans in the Atlantic Alliance may be weakened.

Both Dr. Adenauer and General de Gaulle fear greatly what the Germans would do then. Might they not come to believe that they must deal not with NATO but with Moscow? Dr. Adenauer and General de Gaulle are haunted by the fear that one of Dr. Adenauer's successors may do once again what the Germans have so often done in the past—make a deal with the Russians at the expense of the West.

The men charged with German affairs in Paris and Washington are predisposed to think that, all things considered, the status quo is better than anything which can be negotiated. The wider objective, which is to work out a future for West Berlin, has few official supporters. In the calculus of risks it seems too venturesome.

It is venturesome. But nothing ventured, nothing gained. It will probably be the opening of what the President might call a new frontier in European politics, beginning with a recognition of the fact that there are two German states, and that unless and until they reunite, West Berlin must be held in trust as an international city. Moreover, in order to stabilize this divisional arrangement, there almost certainly would have to be an agreement on controlled nuclear disarmament and reduction of conventional armament from, let us say, the Rhine to the Vistula.

A philosopher of history can say that the world is still too primitive to construct rationally such a solution. But he might add that if catastrophe is averted, some such settlement might gradually come into being.

If this solution is premature, then, negotiation will have to turn on the narrower objective which would be a contract concerning physical access to West Berlin. Without such a contract the Germans and the rest of us will have no relief from permanent apprehension and anxiety.

The President himself cannot negotiate such a contract with Mr. Khrushchev. The critical decision to be taken in the West is what price to pay for the contract. This decision must be made with the firm cooperation of the West German government. After the German election, Bonn will have to nerve itself to face the fact that unless there is a very wide central European settlement, the partition of Germany will become frozen as an accomplished fact.

TAX TREATMENT OF CERTAIN CLAYS AND SHALE FOR TAXABLE YEARS BEGINNING PRIOR TO 1961

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 886, H.R. 7057.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7057) relating to the application of the terms "gross income from mining" and "ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products" to certain clays and shale for taxable years beginning before December 14, 1959.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment, to strike out all after the enacting clause and insert:

That (a) ELECTION FOR PAST YEARS.—In the case of brick and tile clay, fire clay, or shale used by the mineowner or operator in the manufacture of building or paving brick, drainage and roofing tile, sewer pipe, flower pots and kindred products (without regard to the applicable rate of percentage depletion), if an election is made under subsection (c), for the purpose of applying section 613(c) of the Internal Revenue Code of 1954 (and corresponding provision of the Internal Revenue Code of 1939) for each of the taxable years with respect to which the election is effective—

(1) gross income from the property shall be 50 per centum of the amount for which the manufactured products are sold during the taxable year except that with respect to any manufactured product, gross income from the property shall not exceed an amount equal to $12.50 multiplied by the number of short tons used in the manufactured product sold during the taxable year, and

(2) for purposes of computing the 50 per centum limitation under section 613(a) of the Internal Revenue Code of 1954 (or the corresponding provision of the Internal Revenue Code of 1939), the taxable income from the property (computed without allowance for depletion) shall be an amount which is the same proportion of the taxable income from the manufactured products sold during the taxable year which the gross income from the property (determined under paragraph (1)) is of the total amount for which the manufactured products are sold during the taxable year.

(b) YEARS TO WHICH APPLICABLE.—An election made under subsection (c) to have the provisions of this section apply shall be effective for all taxable years beginning before January 1, 1961, in respect of which—

(1) the assessment of a deficiency,

(2) the refund or credit of an overpayment, or

(3) the commencement of a suit for recovery of a refund under section 7405 of the Internal Revenue Code of 1954,

is not prevented on the date of the enactment of this Act by the operation of any law or rule of law. Such election shall also be effective for any taxable year beginning before January 1, 1961, in respect of which an assessment of a deficiency has been made but not collected on or before the date of the enactment of this Act.

(c) TIME AND MANNER OF ELECTION.—An election to have the provisions of this section apply shall be made by the taxpayer on or before the sixtieth day after the date of publication in the Federal Register of final regulations issued under authority of subsection (f), and shall be made in such form and manner as the Secretary of the Treasury or his delegate shall prescribe by regulations. Such election, if made, may not be revoked.

(d) STATUTES OF LIMITATION.—Notwithstanding any other law, the period within which an assessment of a deficiency attributable to the election under subsection (c) may be made with respect to any taxable year for which such election is effective, and the period within which a claim for refund or credit of an overpayment attributable to the election under such subsection may be made with respect to any such taxable year, shall not expire prior to one year after the last day for making an election under subsection (c). An election by a taxpayer under subsection (c) shall be considered as a consent to the application of the provisions of this subsection.

(e) TERMS; APPLICABILITY OF OTHER LAWS.—Except where otherwise distinctly expressed or manifestly intended, terms used in this section shall have the same meaning as when used in the Internal Revenue Code of 1954 (or corresponding provisions of the Internal Revenue Code of 1939) and all provisions of law shall apply with respect to this section as if this section were a part of such Code (or corresponding provisions of the Internal Revenue Code of 1939).

(f) REGULATIONS.—The Secretary of the Treasury or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section.

DESIGNATION OF HAWAII VOLCANOES NATIONAL PARK

Mr. BIBLE. Mr. President, I ask the Presiding Officer to lay before the Sen-

ate the amendment of the House of Representatives to S. 1317, relating to the Hawaii National Park.

The PRESIDING OFFICER laid befor the Senate the amendment of the House of Representatives to the bill (S. 1317) to change the designation of that portion of the Hawaii National Park on the island of Hawaii, in the State of Hawaii, to the Hawaii Volcanoes National Park, and for other purposes, which was, in line 3, strike out "July 1, 1961," and insert "upon the enactment of this Act,".

Mr. BIBLE. Mr. President, it is a very simple amendment to change the effective date of the act. I move that the Senate concur in the House amendment to S. 1317.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. BIBLE. I yield.

Mr. ALLOTT. May I inquire of the senior Senator from Nevada the exact effect of the change?

Mr. BIBLE. I am happy to inform the Senator from Colorado that the effective date put on the act by the Senate was July 1, 1961, and the House did not pass the bill until after that date. The House amended the bill by providing "upon the enactment of this act."

This would change the name of the Hawaii National Park to the Hawaii Volcanoes National Park.

Mr. ALLOTT. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

THE 1961 FEED GRAIN BILL SAVES MORE THAN $150 MILLION

Mr. PROXMIRE. Mr. President, the value to feed grain producers and the U.S. taxpayer of the 1961 feed grain program, in contrast to the program which it replaced, was again demonstrated by the September crop report issued yesterday by the U.S. Department of Agriculture.

The report predicted a 1961 corn yield of 60.4 bushels per acre in contrast with 54.5 bushels per acre in 1960 and a 10-year average of 44.1 bushels. The 1961 yield per acre of grain sorghums was predicted at 44.0 bushels per acre, which compares with 39.8 bushels last year and 23.8 bushels for the past 10 years. These are by far the highest yields per acre for the crops in U.S. history. If they had been coupled with the price support for all, no restriction on acreage programs of the previous several years, a recordbreaking addition to existing stocks would have resulted at great expense to the U.S. taxpayer. That means that the feed grains bill which Congress passed this year and the President signed into law is saving acquisition costs of more than half a billion dollars. In addition, on the basis of all of our experience, it means that in the long run we are saving more than $150 million in cost to the Treasury and the taxpayer on the 30-percent loss ratio we usually experience.

The same report estimates 1961 corn for grain acreage at 58.3 million acres or 81.6 percent of 1960, and grain sorghum acreage at 10.9 million acres or 71.2 percent of 1960. If an acreage equal to the 1959–60 average had been devoted to corn for grain this year—71.5 million acres—1961 corn production would likely amount to 4,218 million bushels—at 59 bushels per acre. This compares with with a predicted 1961 production of 3,520 million bushels—a reduction of 698 million bushels at 17 percent.

That the predicted increase in yields per acre of corn for gain and sorghum grain is primarily caused by extraordinarily favorable weather conditions is borne out by two sets of facts.

First. Corn and soybeans are generally grown in the same major areas. The predicted 1961 acreage of soybeans is 3.5 million acres—15 percent—greater than 1960, while predicted corn acres are 13.2 million acres—18.5 percent—lower. At the same time the predicted yield per acre of soybeans is up 13 percent over 1960 while corn yield is up only 11 percent. Since the soybean yield per acre shows a greater rate of increase than the yield of corn, it is clear that the use of better land and increased fertilization was not the major factor in increasing corn yields—particularly in view of the fact that total 1961 fertilizer usage is below that used in 1960.

Second. The yield per acre of corn for grain in the September Crop Report is 60.4 bushels or nearly 11 percent greater than the yield of 54.5 bushels predicted in the July report. For sorghum grain, predicted yield per acre increased from 41.8 bushels in August to 44 in September—19 percent. Certainly the quality of the land on which these crops were planted did not change from July to September. Likewise, very little, if any, of these crops can be fertilized after the first of July.

The point I am making with the statistics is that the bill, which was passed at the urging of the Secretary of Agriculture and the President of the United States, and enacted into law, has been criticized very broadly as a burden on the taxpayer. On the basis of the facts, the situation is clearly and exactly the opposite. It has not only assisted very greatly in increasing farm income, but it has also made a vast difference in the cost to the Treasury and the taxpayer, a difference which I very conservatively estimate in the long run as being at least $150 million, and probably more.

I yield the floor.

THE 50TH NATIONAL MEETING OF AMERICAN HOTEL ASSOCIATION

Mr. KERR. Mr. President, may I take a moment to call attention to the fact that the American Hotel Association will have its 50th national meeting in Washington, D.C., September 28 to 30.

Frequently classified as the seventh largest industry in America, from the standpoint of invested capital, and the number of employees, the hotels of the country do comprise an important element in our economy.

While I count among my friends many of the hotel leaders of America, I am especially proud of the fact that we have a number of national hotel chains whose headquarters are in Oklahoma. For instance, the Alsonett Hotels, of which C. H. Alberding is president, includes 46 hotels in 17 States. Then, there are two hotel chains which are converting to housing for the elderly, providing living accommodations for retired people. These are the MacArthur and Weaver Hotel chains. Between them these two organizations represent 33 establishments in 15 States. Then, my longtime friend John Mayo, who owns and operates the Mayo Hotel in Tulsa, also owns and operates a number of other properties in other States.

J. W. Cargile, Aldridge Hotel, McAlester, is now president of the Oklahoma Hotel Association. Then, George W. James, Hotel Skirvin, Oklahoma City, is State legislative chairman, and C. R. Holley, Lawtonian Hotel, Lawton, Okla., represents the State on the board of directors of the national association. And they have a very illustrious executive secretary, B. E. Harkey, who also for a number of terms was the speaker of the house in our Oklahoma Legislature. There are 60 hotels in Oklahoma which are members of the State association, representing the finer hotels and motels in that State.

The census of business reveals a total of 15,906 hotels, motels, and rooming houses in Oklahoma. In many instances, however, these are really motor courts, tourist homes, and so forth, rather than bonafide hotels and motels.

Hotels alone in this country employ approximately 450,000 persons. The nature of their work permits them to engage many handicapped people, affording jobs to people who might otherwise be without employment. Also, their resort operations provide seasonal work for many local people, including young folks.

The industry today is suffering from extensive overbuilding, and the trend of national hotel occupancy has been steadily downward since 1946 to the present. The occupancy has dropped from the high of 92 percent in 1946 to 65 percent in 1960.

In peacetimes, many of us are likely to think of the hotel industry as a luxury operation, or to take their establishments for granted. But when war strikes, the Goverment moves in and takes over a large number of properties utilizing them for housing and feeding civilian and military personnel engaged in the war effort. Also, many of them were used during the past two wars as military hospitals.

The first inns in America were located in the New England States, close to the Atlantic seaboard. History records the fact that some of these were opened as much as 300 years ago.

I am sorry that, in all likelihood, Congress will have adjourned by the time that the Washington convention opens September 28, or I would have enjoyed attending some of their sessions and mingling with my many friends in that industry. I am sure that we Members of the Senate, who have occasion to utilize the Nation's hotel facilities, wish

this group well, and express the hope that their forthcoming convention will be eminently successful.

ORDER FOR ADJOURNMENT TO 11 O'CLOCK TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business tonight, it adjourn to meet at 11 o'clock a.m. tomorrow.

The PRESIDING OFFICER (Mr. PELL in the chair). Without objection, it is so ordered.

THE BELGRADE CONFERENCE

Mr. FONG. Mr. President, today representatives of two so-called nonalined nations arrive in Washington to talk with President Kennedy.

Both Indonesia's President Sukarno and Mali's President Keita recently attended the summit conference of 25 neutralist nations in Belgrade. Both subscribed to the Belgrade resolutions adopted at the conslusion of their conference September 6.

The self-styled nonalined delegates convened at a time of great international tension provoked by the Soviet Union. East Berlin had been sealed off behind barbed wire and barricades, and East Germans attempting to leave this Communist paradise ran the risk of being shot. The Communist vise around West Berlin was daily being tightened on orders from Moscow in a determined effort to push the free world Allies out of West Berlin. Ominous war clouds were gathering over Europe.

In the midst of all this, on the day the nonalined delegates convened in Belgrade, the Soviet Union—in total disregard for the health and welfare of the world's 3 billion inhabitants—exploded an atomic device in the atmosphere, polluting the air with radioactive fallout. During the Belgrade Conference, the Russians tested a total of three atomic devices in the air, increasing atmospheric radioactivity many times.

Yet, in the final resolutions adopted in Belgrade, there was not a single word of protestation by the nonalined nations against the Soviet Union for its deadly action against the whole of humanity.

There was not one word of protest in the Belgrade resolutions against the vicious Soviet treatment of East Germans, nor was there one word in favor of liberating the East German people from the colonial yoke imposed upon them by Moscow. The 25 nonalined nations in Belgrade condemned only the colonialism of the West, but never aimed a harsh word against the largest colonial power on earth today: the Soviet Union.

As a matter of fact, in the entire Belgrade document issued by the 25 nonalined nations, there was not a single word of protest or condemnation against any policies or any actions of the Soviet Union.

Every criticism, every denunciation, every protest was directed against the West: against France on Algeria and Tunisia; against Portugal on Angola; against the United Nations actions in the Congo; against the United States on our military bases overseas, including our naval base at Guantanamo, Cuba, every one of which we occupy under treaties agreed to by the host countries.

We can only conclude from their own words that the nonalined nations are not neutral but are decidedly biased against the West. The so-called neutral nations choose to ignore the indisputable legal rights of the West, and they rendered only lip service to moral rectitude.

At the same time the 25 nonalined nations severely criticized the West, they called upon us for help—for food to feed their hungry, for funds to develop their resources and industries, for technicians to instruct them. Every single one of the 25 nonalined nations is slated to receive U.S. assistance under the administration's plans now before the Congress for the coming year—even Cuba, which will share in the United Nations technical aid program to which we contribute.

The American people are asking why we should continue to help nations which, by their words and deeds, reveal a strong prejudice against the West.

For years, in an unparalleled demonstration of humanitarianism and generosity, the American people have dispensed assistance to nearly every country of the world.

We did this even though we fully realized that, in all-out general nuclear war, our foreign aid beneficiaries would be able to contribute very little in the first few hours of holocaust, the very hours which will spell victory or defeat for us.

But we were hopeful, that by helping other nations to strengthen their local defense forces and their local economies, they would become strong enough to resist Communist penetration and aggression. Always respecting their territorial integrity and their national independence, we were hopeful that, in turn, they would at the very least lend their voices in support of our efforts to preserve and extend individual freedom, national self-determination, and world law and order.

But the failure of the neutral nations in Belgrade to take a moral stand for what clearly is right and what patently is wrong; their equivocation on some issues; and their frequent disparagement of the West have jolted the American people, who are wondering, Why should we continue to help other nations when they will not even raise their voices in freedom's cause? The American people are wondering, Why should we continue to help nations that refuse to let us know on whose side they will be when the chips are down?

And the chips may very well be down in Berlin and in the United Nations.

Whether the nonalined nations recognize it or not, freedom itself is at stake in Berlin. If the free world does not defend this outpost, the Communists will know we will not defend any freedom outpost anywhere in the world. They will be emboldened to exert pressure on other areas of the world to make them yield to Communist demands. They will believe they can expand their empire at will.

Eventually, the Russian bear would be knocking on the door of such nonalined nations as Mali, Indonesia, India, Yugoslavia, and all the rest. Those who still delude themselves on this score need only to look at Poland, Czechoslovakia, Rumania, Hungary, and all the other Soviet satellites as incontrovertible evidence that national independence disappears when Soviet Russia takes over.

Thus, the issues involved in the current international crises instigated by the Soviet Union are not merely legal issues involving the West alone. They are great moral issues involving all of mankind. The world's destiny is at stake, for two diametrically opposed outlooks on life are struggling for supremacy.

One, the Communist system, survives by armed force, rules by fear, and denies God. It relegates man to a status of a mere pawn, a cog in the governmental machine, without a voice in his own destiny, without freedom of speech, freedom of press, freedom of worship, or even freedom to decide for himself where he shall work or live.

By sharp contrast, our system is essentially humanitarian, containing a sense of moral responsibility and faith in Divine Providence. Under this system, man attains a status of dignity, equality, liberty, free to think and to express himself.

These opposing systems are today locked in a war to the finish, from which no man and no nation can escape.

Decision day for the so-called neutral or nonalined nations is fast approaching. Right now, they can exercise a choice: to support free world efforts to maintain freedom, or to join the Communist efforts to enslave the world, or sit tight and not take sides.

But, unless the other nations of the world who are willing to stand up for freedom and to fight for freedom win this great struggle, the nonalined nations will no longer have any choice. The Communists will be telling them what they can do.

In a few days, the United Nations will convene in New York City. It is the Communist aim, as the world saw very clearly last fall, to destroy the United Nations as an effective instrument for peace.

Where are the nonalined nations on this issue? In the Belgrade resolutions 25 nonalined nations called it "absolutely necessary to evolve a more appropriate structure for the Secretariat of the United Nations."

Just what did they mean by this? Do they mean they intend to support Mr. Khrushchev's troika proposal for a three-man United Nations directorate, consisting of one Western representative, one neutral, and one Communist, which could only take action by unanimous vote?

Unquestionably and understandably, the prospect of neutral representation in the United Nations Secretariat has tremendous appeal for neutral nations, who desire a greater voice in United Nations activities. But this advantage would prove illusory and maybe suicidal

for the neutral nations. Eventually the troika would prove the undoing of the United Nations, for under it the Communists would have a veto over every proposed action of the United Nations Secretariat. The Communists could paralyze the United Nations administrative arm, just as Communists have paralyzed the Security Council many times since 1945.

Is this what the nonalined nations want—to destroy the one world organization which is their greatest guardian and protector against the ruthless domination of an aggressive power?

Do the nonalined nations want to return to the jungle law of world politics—the survival of the fittest, the biggest, and the strongest?

These are some of the questions which Mr. Sukarno, Mr. Keita, Mr. Nehru, and other leaders of nonalined countries should be called upon to answer in the near future.

Their bias against the West, so evident at Belgrade, indicates they may already have made their decision between East and West.

Whether this decision was motivated by fear of totalitarian reprisals, by convictions contrary to the West, or by knowledge that the West is fair game for criticism without reprisals, we can only conjecture.

If these nations are in truth against the West, they need only to let the Belgrade resolutions speak for them.

If because of fear they did not censure the Communists, then they had better reconsider, for fear will breed the very consequences they wish to avoid.

If they are really undecided but find the West a convenient scapegoat for the world's ailments, then they had better change their mind. The hour is late. The countdown has begun.

EDUCATIONAL TELEVISION

Mr. MUSKIE. Mr. President, in education, as in so many other fields, technological developments have opened new vistas in the expansion of knowledge and in the better use of our resources. As a nation which has grown by innovation and the wise application of new techniques, we should be in the forefront in the use of such techniques as audiovisual aids.

One of the results of our tremendous population expansion since World War II has been the extreme pressure of increased school enrollment on school facilities and teachers. Audiovisual aids can help us to make better use of available facilities and to expand the scope of the classroom teacher.

Earlier this year the Senate passed a bill providing grants to the States for the construction of educational television stations. It is my hope that this Congress will enact that program.

In Maine three private colleges have joined in the establishment of an educational television station. They are about to begin their programing. It is hoped that the University of Maine will be able to initiate its program of educational television in cooperation with the State Department of Education.

The potential of educational television for Maine is very great, and it has excited the interest of many Maine citizens. The proposal advanced by the University of Maine would, for example, bring educational television to 98 percent of our population.

Maine is a relatively large State in the northeast, covering one-half the total area of New England. It is sparsely settled through much of its area, with a substantial rural population and with many small schools. For these small schools educational television could open new doors of learning for children, especially in the field of science, arts, social studies, and language. Educational television would not replace teachers, but would increase their power to teach.

It is my hope that educational television will come to Maine because it is so important to the future of our children and our State.

Recently, the enterprising editor of a small weekly shopping newspaper carried a series of articles on educational television. Mr. Kenneth G. Larrabbee, publisher of the Shopping Notes of Yarmouth, Maine, was skeptical about educational television, but, as a good reporter he conducted an exhaustive investigation of the subject. The results of his studies are illuminating.

Because his comments are of value outside the State of Maine as well as within the State of Maine, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Shopping Notes, Aug. 10, 1961]

What is educational television? What does it attempt to do? How well has it accomplished this in areas where educational TV exists?

To answer these questions, we shall refer to and quote liberally from the Ford Foundation booklet, "Teaching by Television." The Ford Foundation has been a prime developer and instigator of educational TV, and has subsidized this new educational development to the extent of approximately $31 million in the past 6 years.

Educational television has two broad categories: cultural and informational programs * * * for an adult audience, and programs that are part of a school or college curriculum. This latter is that which Maine is immediately and primarily considering. Much of the effort of the Ford Foundation has been directed toward multiplying the effectiveness of able teachers.

We would like to elaborate a moment on this last sentence, emphasizing that educational TV is not an easy or inexpensive way out of our educational responsibilities. It requires able teachers capable of competent preparation, interpretation, and followup. Educational TV programs presently considered successful comprise only a small proportion of the total classroom time and are no substitute for adequate faculties and facilities. Educational TV is a plus to the conventional educational process and, if we are to be realistically intelligent, must be so considered.

The Ford Foundation admits that it is too early to draw final conclusions about television's ultimate role in education. It has determined that grounds for encouragement exist, that students generally learn as much—and in some cases significantly more—from televised instruction as from conventional instruction.

In addition, experience to date has shown that the team approach to teaching, particularly at the elementary and secondary levels, opens up exciting new possibilities for capitalizing on the varying teaching skills among teachers in any given school system. Television courses have been much more carefully planned and organized than conventional courses, and the combination of the skills of the studio teacher and of the classroom teacher has made possible a cooperative teaching effort far better than either teacher could achieve alone.

"One of the biggest single problems * * * has been that today's school buildings were not designed for instruction by television * * * exploration is needed on how to deal effectively with differences among individual students." Obviously, the first reference—that to school building design—refers to the difference in size of class when TV becomes a factor in education. One prominent college in surveying the economic aspects of educational TV, found that it was advisable to have a class of at least 200 students in order to maintain the normal expense ratio. Most of the elementary and secondary schools which use educational TV as an essential ingredient of the educational process have similarly large classes. For example, "the principal characteristics of * * * the experiments * * * was the large class. At the elementary level, the television classes ranged in size up to 175. At the junior and senior high level, they were much larger, ranging in size from 200 to 500."

Typical teaching procedure of a television class consists of an approximate 5-minute period of preparation and introduction by the regular classroom teacher, or a 20-minute studio broadcast and a following period by the classroom teacher devoted to questions and answers, and to stimulated discussion. Followup guides, usually studio prepared, are used as guides to the classroom teacher and students. Finally, it should be emphasized that no student received all of his instruction over television—the televised instruction received represented only a small portion of the total.

Evaluation: In addition to above values, the following has been determined: Brought about a rethinking of the curriculum and course objectives. By bringing a superior teaching to the attention of a great many classroom teachers, television proved to be a valuable means of improving the in-service training of teachers. Television brought into the classroom far richer educational experiences than had been possible before—a much wider audience (on open-circuit TV) than the students in classrooms—other school systems were tuning in and that parents were watching regularly. School librarians reported that the TV students—stimulated by provocative teaching—were making much more extensive use of the library than other students. Several school systems reported substantial savings in teaching positions and in classroom space with no sacrifice in quality. Tardiness and absences fell off sharply among students in the television classes. Discipline was not a problem. Classroom teachers, far from being relegated to a minor role, assumed a new importance.

Problems: Inadequate facilities: Auditoriums and cafeterias were not designed for use as classrooms, and they were far from ideal. Finding, recruiting, and training studio teachers. The problem of training classroom teachers in the techniques of handling large classes, particularly in the techniques of eliciting student participation. Students, too, need to learn the techniques of learning in a large class situation. The problem of integrating the telecast part of the lesson and the classroom followup

into a unified, meaningful whole * * * a question that needs much fuller exploration. The problem of reorganizing the curriculum to take maximum advantage of television as a teaching tool. The problem of adapting the new technique of teaching by television to the varying abilities of students. The problems of scheduling. Finally, there is the never-ending problem of quality.

A look ahead: Today the question is no longer whether television can play an important role in education. That question has been answered in the affirmative. * * * The continuing activation of new educational television channels, the flexibility offered by videotape * * * and the emergence of networks linking schools and colleges are all aspects of the broadening frontier of educational television. * * * It is important to bear in mind, however, that television is essentially neutral. It can transmit the bad as well as the good, the mediocre as well as the superior. Consequently, it demands the very best of creative, imaginative talent if it is to do its job well. * * * Television is not a panacea that will cure all the ills of American education or solve all its problems. It has been described, and rightly so, as the most important new educational tool since the invention of movable type, but, like the textbook the new medium is essentially just that—a tool. Like any tool, it can be misused or badly used. But if it is wisely and imaginatively used, television can play a major role in broadening and enriching the education of American students.

In our research on educational television, we have run upon some startling facts on education in Maine generally.

Did you know that in 139 communities, the schools have less than 100 population; that of 240 high schools and academies in Maine, only 29 were properly accredited in 1960; that of 458 communities having public schools, only 207 have formal music programs, only 35 formal art programs; that, per capita, Maine spends more money than 50 of the other States on highways, and less money than 38 of the other States on education?

Educational television boils down in Maine to a very difficult choice—whether we need most desperately that relatively small amount of money most for educational TV, for organizing better schools in neglected areas, for raising teacher standards and salaries, for implementing the University of Maine or for any one of a hundred other needy areas of the total educational picture.

Is it right that we should superimpose educational TV upon a poor educational system? Let us put it another way: Would educational TV so stimulate educational consciousness as to spur us to provide other necessary improvements? If so, the answer is obvious. On the other hand, would we consider it as pie in the sky, a remedy for all evils, an inexpensive substitute for an expensive educational process and, in smug assurance, lull ourselves back to sleep in the hot sun of our own complacency?

On the practical aspects of an operational educational TV system, there are good questions. How, in the face of the single studio outlet, is it proposed to coordinate the entire State to a single educational TV broadcast? We are assured that this is possible through a breakdown into regional broadcasts. This is enabled by the acquisition of three video tape recorders—via a grant assured by the National Education and Radio Center—which will permit different and simultaneous broadcasts to different areas in conjunction with planned facilities. And what about the beaming of an educational TV lesson into the 139 communities with less than 100 students—the most needy segment of our educational system of which educational TV advocates express concern—and who, through necessary economic pressure, are limited to from one to four rooms and teachers for the entire school program? It would appear that to feed a fourth-grade lesson, for example, into a room occupied by four grades and a single teacher would be most impractical. We await a conference with Don Taverner at which we hope this question will be answered.

On another page are financial figures from the Jansky and Bailey report, "Educational TV for Maine," prepared for the University of Maine and completed last October. In order to properly interpret these figures, we should point out that the starred figures (*) refer to expenses which will be borne by the WCBB—Bates, Bowdoin, Colby—outlet and that totals are inclusive of both the private college and the State contributions to the entire network.

Additionally, it should be understood that both plus and minus considerations have not been taken into account for obvious reasons. On the plus side, it is reasonable to anticipate the considerable assistance of outside sources, as in the case of the above-mentioned tape recorders whose value approaches $200,000. Educational TV being in a still early development, such help can be a considerable factor in the next few years. Again the loud and insistent pushing of this new medium by the Gannett and Hildreth interests would seem to indicate that their good will should extend somewhat further than merely telling the legislature that it should meet and enact educational TV.

We hope to wind up this series over the next week or so, pending the receipt of a few more facts we need to draw conclusions. In the meantime, we have a bit of editorial comment we would like to present.

Even a superficial survey of our education in Maine abounds in facts as cited earlier. It is evident, factual, and appalling to so stumble onto some of the weaknesses. And, even more appalling, is the discovery of the total imbalance of our State budget in relation to education and in comparison with other States. The total abdication of responsibility for maintaining a realistic balance is a legislative disgrace.

MAINE EDUCATIONAL TELEVISION

[The Jansky & Bailey report]

Capital investment:	
Phase 1a: Orono studio and transmitter	$540,107.70
*Phase 1b: Augusta studio and transmitter	514,027.70
*Phase 2: Permanent interconnections	155,450.00
Phase 3: Presque Isle transmitter	318,633.95
Phase 4: Calais transmitter	266,133.95
Phase 5: Translators to fill coverage areas not adequately served by stations. Estimated cost $63,300–$15,000 each	
Total capital cost (not including translation)	1,794,353.30

Operating expense (does not include personnel)

Above facilities in use	35 hrs. per wk.	50 hrs. per wk.	70 hrs. per wk.
Annual total	$115,050	$155,050	$177,450
*Phase 1b and 2	57,700	60,600	63,500

NOTE.—This budget does not include printing and distribution costs of teachers' guides, testing, travel, and other expenses attributable to Department of Education administration of the in-school program.

Typical annual staff requirements

	35 hrs. per wk.	50 hrs. per wk.	70 hrs. per wk.
Phase 1a. Orono	$44,500–$54,000	$86,350–$104,550	$103,850–$124,250
*Phase 1b. Augusta	10,500	13,000	19,500
*Phase 2	6,500	6,500	6,500
Phase 3	10,500	13,000	19,500
Phase 4	10,500	13,000	19,500
Phase 5			
Total	76,000–85,500	131,850–150,050	159,850–180,250

[From Shopping Notes, Aug. 24, 1961]

Preparatory to a summation of this series, we have visited WGBH–TV in Boston. This has been one of the more successfully managed educational television projects. Our debt to their personnel is considerable, for they were most generous of their time, arranging a private showing of a film of typical course excerpts, answered fully our numerous questions, and concluded by giving us a number of study guides used by teachers of television courses.

The great majority of students in Massachusetts are now using educational TV in one or more courses. WGBH–TV was originally instituted as an adult educational project and it was by specific request of the many school systems now involved that courses were provided for classroom consumption. This was a point emphasized over and over again in the discussions. That educational TV cannot, successfully, be imposed upon one or more school systems but must, instead, in order to be successfully employed, be needed and wanted by any specific system.

Statewide educational TV systems are still not common. Nebraska is the most comparable State using such a system and has, as do we, a sparsely settled population in a large land area. In Nebraska, experience to date indicates success both from point of scholastic attainment and of economics.

It takes little imagination to envision the scholastic advantages of educational TV when properly used. In the field of modern languages, for example, extremely successful experiments have been carried out with elementary students whose minds appear peculiarly adaptable in their early years to language instruction, particularly from the speaking angle. Social studies, civics and geography are naturals for this medium. We saw demonstrations of fascinating interest. Discussions with Nehru, Eleanor Roosevelt, Carl Sandburg and others on topics of interest to each of us today and which brought in colorful and authoritative manner these people and topics face to face with students. Courses in music appreciation dramatically break down a symphony orchestra, a jazz band, folk music, etc., to show the child of what instruments they are composed, of their purpose and structure. Far more comprehensive than a mere concert presentation, the course first creates interest and then instructs. Science employs the great university laboratories and museums together with noted scientists to inspire and instruct. Natural history can be traced dramatically by a trip through the fabulous Agassiz Museum at Harvard.

It is impossible to see what is actually going on in this new educational medium and to come home and reflect less than complete enthusiasm; to be willing to see our children denied its advantages.

Nor do we propose to do this. But we do propose to emphasize, again and again, that educational TV is no cure-all, no easy way out; not something which will be eagerly grasped by all teachers and by all school systems in the early stages; that it is no substitute for competent local teachers; that it will require intensive training of instructors on both State and local levels. Being new, it is still suspect in the eyes of many within and without the profession.

Economically, and on the State level, educational TV is relatively inexpensive, representing a very minor potential part of the budget. Actual construction of the system—and here we run somewhat higher than the proposed figures for reasons of experience in such things—will probably run, in total, slightly over $2 million in the initial years. Total annual operating expense, including not only the figures specifically proposed, but the less tangible expenses of training, of printing and distribution of guides, etc., etc., could run in the neighborhood of half a million dollars, in these same years. The future development of this medium makes speculation beyond the next few years impossible and impractical.

Locally, the implications vary. One of the fears of some teachers appears to be that this will be a form of automated teaching, replacing teachers on the local plane. Nothing could be further from the truth. From what we have seen, we strongly suspect that—because educational TV is necessarily rigid, and great effort will be necessary with the slower than average student as well as special effort with the better students—educational TV will mean an overall and considerable increase in teacher staff as the medium develops. It is obvious that the incompetent teacher will be ruthlessly exposed. But this is of concern only to that undesirable part of our system today. It does appear that in the larger schools, potential savings are at least theoretically possible. Here, however, we must realize that the rapidly expanding population is creating a teacher shortage which educational TV could merely tend to alleviate in slight degree. In the towns of small schools—less than one room per year—the teacher staff will undoubtedly require supplementary people and space. This opens up an exciting possibility. Many, many of our citizens today are equipped to teach mathematics, various sciences, etc. Many of these people may be made available for specialization in work which holds their interest and which requires but a few hours a week in the rewarding work of teaching. By acting as special subject teachers in small schools, these people could accomplish much at relatively minor addition to the school budget. It is reasonable to assume that brush-up courses in the various subjects could be presented on TV for credit to these people.

Except for the factors mentioned above, a start in TV on the local level entails little expense. As on the State level future development of this medium makes conjecture on the future impossible.

[From Shopping Notes, Aug. 31, 1961]

It is not only in the field of communications that a dramatic change has occurred in recent years. What was, 50 years ago, the skill and ingenuity of mechanics is now the science of chemistry and physics. The new sophistication of old principles now requires understanding of the atom and of space. A Henry Ford was owner, business manager, designer, comptroller, and labor expert, and combined these with numerous other responsibilities to the satisfaction of the first decades of this century. Today, each of these responsibilities requires not a single expert, but a team of specialists coordinating and pooling their knowledge painstakingly and meticulously gathered. This is not because men are less intelligent; it is because the learning of man, with the advent of the printing press, became cumulative and, when diligently applied, soon passes the point to which undeveloped intelligence, ingenuity, and ambition may bring it.

And it goes much further than this. A people which permits education to lag exposes itself to a self-consuming delusion of superiority which can delay corrective action to the point of no return. A hallmark of our times is the sad fact that as we envision travel to the Moon, Mars, and Venus, we fail to adapt our intelligence to cope with the vital problems of conflicting political vehicles, or to the acceptance of a moral code to which we pay only hypocritical obeisance.

One of the glories—and one of the disgraces—of today is television, representing an ideal of communications which has long been the dream of farseeing men. Its screen is a key to the world, by which we may know our neighbors across the seas intimately and understandingly, by which we may see the wonders of the globe from the depths of the sea to the infinity of space. We may pace the ruins of an ancient civilization on the spot or by a visit to Agassiz Museum. The rhetoric of a Churchill, the pathos of a Marian Anderson, the sensitivity of a Rubinstein, the passion of a Van Gogh, the tolerance of a Gandhi—all of these and infinitely more press to open wide a door to present and future, the while we rigidly bar that door and wallow in portrayal of murder and rape.

Television, a gift with infinite potential for good, becomes a toy for the cultivation of boredom and mass hypnosis. Inane amusement, not undesirable as surcease from the rigors of today, becomes a part of those rigors.

Nor is it impossible to so produce a program of value that it is interesting. We watched, recently, a 2-hour forum on race relations which, in Boston, was repeated by insistent demand.

The promise of television is bright. Its role in the future of man is infinite in both scope and direction. The need for education in today's world is an incontrovertible fact which must be accepted and acted upon if the world is to live in harmony, indeed, if it is to survive.

We have reviewed, over past weeks, the problems and the potentials of educational television after consultation with many authorities and study of numerous reports from educationally oriented organizations. Short of a very long book, it is impossible to satisfactorily picture educational television in all of its aspects.

But our conclusions are simple and direct: educational television is the wave of the future upon which education will become increasingly dependent. Educational TV is not, and never can be, a substitute for the good teacher. Rather, it is a supplement to vastly increase a good teacher's productivity in terms of accomplishment and which will bring face to face with the student the innumerable new developments in all phases of life which it is impossible to otherwise teach. Educational TV is, in relation to the total educational budget, a minor expense and, if we accept it as of significant value, we must accept the tax effort as worthy and necessary.

For the foreseeable future, it appears that the practical approach in Maine is via VHF channels available to all and of superior quality to other media. This means that channels 7 and 12, presently in contention, must be reserved immediately or be lost for the indefinite future. Since the close of the legislative session, developments have occurred which indicate an immediate special session is necessary which will act to safeguard these channels. Much as we deprecate special sessions, we urge that this is necessary, and that you write Gov. John H. Reed urging him to call the session immediately.

RELATIONSHIP BETWEEN THE PRESIDENT AND THE VICE PRESIDENT

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article published in the Louisville Courier-Journal of August 27, 1961, entitled "After 7 Months, L.B.J.'s as Close to J.F.K. as Kitchen Cabinet," and an article which appeared in the same newspaper of August 29, 1961, entitled "The Great Usefulness of LYNDON JOHNSON."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Louisville Courier-Journal, Aug. 27, 1961]

AFTER 7 MONTHS, L.B.J.'S AS CLOSE TO J.F.K. AS KITCHEN CABINET—SUCCESS OF VICE PRESIDENT'S MISSION TO GERMANY CALLS ATTENTION TO UNIQUE ROLE HE PLAYS AS TROUBLESHOOTER

(By Robert L. Riggs)

WASHINGTON, August 26.—The universal praise poured on LYNDON B. JOHNSON this week for his mission to Bonn and West Berlin gives new emphasis to the unique relationship between the President and Vice President.

In the 7 months of this administration, the personal and official relations between John F. Kennedy and JOHNSON have been warmer and stronger than between any other pair in those two high offices.

What makes this news is that anyone who had predicted a year ago at Los Angeles that such a relationship could develop would have appeared ridiculous. It was hard enough then to conceive of the two running on the same national ticket.

It is true that by assigning JOHNSON to attend to many Presidential chores, Kennedy is following the pattern established by Dwight D. Eisenhower in his dealings with Richard M. Nixon. But there is a real difference.

BRIGHT YOUNG MAJOR

There were times when Nixon's credentials were a bit vague. You didn't always know whether he was the spokesman for the President or whether he was talking on his own authority. Eisenhower never appeared to feel close to Nixon. He obviously respected Nixon's talents, but seemed to look upon him as a bright young major on staff duty with whom he musn't get too chummy.

This and much worse is what might have been expected between Kennedy and JOHNSON. There were so many barriers that could have kept them apart.

Mere geography, which imposes differing political obligations upon men, was one barrier between the New Englander and the Texan. The chief fear, however, was that the hard-driving, ambition-ridden JOHNSON, used to getting his own way, especially while he was Kennedy's party leader in the Senate, would never be content to play second fiddle.

To the surprise of many who know the Vice President, he has taken a personal delight in emphasizing that he is the devoted errand boy for the Chief Executive. This uniquely self-confident man appears to have no other ambition at the moment than to spread praise for Kennedy and to do any little chore the President wants done.

This state of mind made JOHNSON the ideal emissary to Bonn and West Berlin. Maybe time will show that it was a waste of

effort, but, for the moment, the general judgment is that nothing could have helped the West German morale more than JOHNSON's visit and the simultaneous dispatch of 1,500 troops into the city.

For various psychological reasons, it had become imperative that Kennedy do something dramatic about West Berlin in response to discontent voiced there over what appeared to be our slowness to respond to Russian threats.

The President, of course, could not go. Nor did it seem adequate to send the Secretary of State. As a working Vice President with prestige of his own, JOHNSON carried enough weight for the purpose, especially when it was made clear that he traveled as Kennedy's personal spokesman, uttering words approved by the President.

It was a political situation that called for JOHNSON's special talents. In the first place, he had to avoid the appearance of taking sides in the political campaign between Chancellor Konrad Adenauer and West Berlin Mayor Willy Brandt. JOHNSON's adroitness in that area was demonstrated when he rebuffed an effort to get Adenauer aboard his plane on the flight from Bonn to West Berlin.

In the second place, the JOHNSON "folksy" approach went over well with the emotionally stirred West Germans. There has been some suggestion that he played just a little too hard the role of Senator Sorghum while he was in Asia last spring.

CONVINCING WITNESSES

But none of that criticism has come back from Germany. The West Berliners seemed eager to "press the flesh"—as JOHNSON calls handshaking. Those who witnessed their greetings to JOHNSON reported that it was a scene to stir the emotions.

The Germans themselves are the most convincing witnesses to the success of JOHNSON's visit. How pleased President Kennedy was with his lieutenant was clear in his unstinted praise at the White House ceremony marking JOHNSON's return.

Considering the bitterness that had developed in the preconvention campaign between JOHNSON and Kennedy last summer, the strong personal relationship between the two is amazing. The Vice President is just as close to the President as are any of the "kitchen cabinet" who went into the White House with him as a result of having served with him either in the Senate or in the 3-year search for the presidential nomination.

Old Kennedy friends like Adlai E. Stevenson and Chester Bowles occupy no such close place as does the man who many predicted would be unhappy and homeless in the administration.

The personal relationship between the two men has been strengthened by the willingness of Mrs. Johnson to take on many of the wearing and arduous duties which fall to the wives of Presidents, but which Mrs. Kennedy has not assumed.

[From the Louisville Courier-Journal, Aug. 29, 1961]

THE GREAT USEFULNESS OF LYNDON JOHNSON

Alben W. Barkley of Kentucky, became the Nation's first working Vice President. Harry Truman had learned what it was to be thrust unexpectedly into the Presidency, with little more than a general knowledge of the job facing him. Mr. Truman had Mr. Barkley attend Cabinet meetings and got from Congress legislation making the Vice President a member of the National Security Council.

President Eisenhower continued this policy, though Washington got the impression that Mr. Eisenhower and Vice President Nixon were never on really intimate terms. The same sort of standoffishness might have been expected of President Kennedy in relation to Vice President JOHNSON. They had been men of differing viewpoints and had contested bitterly for the Presidential nomination in 1960.

However, Mr. Kennedy's wisdom in tapping Mr. JOHNSON for the Vice Presidential nomination has been vindicated. LYNDON JOHNSON has turned out to be a working Vice President of the first order. His official visit to Bonn and West Berlin last week showed extraordinary diplomacy. His personal attitude, according to Robert L. Riggs, of our Washington bureau indicates "delight in emphasizing that he is the devoted errand boy for the Chief Executive. This uniquely self-confident man appears to have no other ambition at the moment than to spread praise for Kennedy and to do any little chore the President wants done."

IT WASN'T ALWAYS THUS

In his memoirs Alben Barkley recalls a time when a tiresome debate was in progress in the Senate and he was beckoned to the desk of Calvin Coolidge's Vice President, "Hell-and-Maria" Dawes. Mr. Dawes confided: "Barkley, this a helluva job. I can do only two things: One is to sit up here and listen to you birds talk, without the privilege of being able to answer you back. The other is to look at the newspapers every morning to see how the President's health is."

Mr. JOHNSON is adorning the Vice-Presidency in a much more useful way, which deserves the gratitude not only of the President but of the whole Nation as well.

PADRE ISLAND SEASHORE PARK

Mr. DWORSHAK. Mr. President, during most of this year the Committee on Interior and Insular Affairs has had before it a bill to establish the Padre Island National Seashore Park on an island 88½ miles long off the southeastern coast of the State of Texas.

The devastating Hurricane Carla during the past week resulted in deferment by the committee of consideration of this legislation until January 1962. In the meantime there has developed a controversy over whether Padre Park should be established by the State of Texas or created as a national park.

Within the past week, members of the Committee on Interior and Insular Affairs received copies of a letter which was sent on August 29, 1961, by Jerry Sadler, commissioner of the General Land Office of the State of Texas, to Gov. Price Daniel, calling attention to some of the vital aspects of the controversy which has arisen over the apparent desire of Texas to maintain supervision over the potential use for recreational facilities of Padre Island.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of the letter which Mr. Sadler wrote to Governor Daniel, and also an editorial entitled "It's Violation of Principle To Pass Padre Title to Washington," published in the Austin (Tex.) Statesman of September 7, 1961.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

GENERAL LAND OFFICE,
Austin, Tex., August 29, 1961.

GOV. PRICE DANIEL,
Capitol Station, Austin, Tex.

DEAR GOVERNOR DANIEL: Under provisions of the Reagan-de la Garza Act, which became effective Monday, the school land board is now authorized to begin industrial development of the 4,500,000 acres of tidelands and the 1,800,000 acres of bays and inlets.

This board, with myself as chairman, and you and Attorney General Wilson as members, is also charged with new and far-reaching responsibility for the protection, recovery, and dedication of this highly valuable submerged domain for the schoolchildren of Texas.

Our duty is clear in regard to all beaches of Texas, and we must consider that an emergency exists in the instance of the proposed Padre Island National Park, which would take some 200,000 acres of submerged lands which have already yielded $12 million to the permanent public school fund and which have shown an oil and gas potential of at least a billion dollars.

Obviously, our public schools should not be summarily stripped of such great wealth. At the same time, the natural beauty and recreational facilities of the Padre Island beaches should be made available to all Texans and to the world. The only solution, in my opinion, is development of the Padre beaches as a State park, which I believe can be done without additional appropriation and without impairing exploitation of the great offshore mineral wealth.

The beaches of Padre, which we are now charged to safeguard and develop, are dedicated school properties, and I cannot see how the school board can, in any conscience, surrender title or jurisdiction to any agency of the U.S. Government.

Did we fight and win the tidelands only to hand them back piecemeal? Are we to cast aside every principle of States rights because of hasty enthusiasm for a proposal which is strictly a one-sided bargain? What was the purpose of court and congressional campaigns to regain the submerged lands if we are to reject the benefits, responsibilities, and authorities of development?

I believe that it is imperative that you appoint a statewide committee to make a study and report on the feasibility of such a park area, and also to establish a predicate for all State beaches and the 81 islands with 21,802 surface acres which the State still owns.

I expect shortly that private investors will seek leases and contracts relative to these beaches and submerged lands, according to procedures set forth in the Reagan-de la Garza Act. It is imperative that the school land board act immediately and wisely to set aside beaches as State recreational areas and affirm our intention to hold the full billion dollars of potential mineral wealth for our future school generations.

I will be privileged to call an emergency meeting of the school land board to consider these affirmations.

Sincerely yours,

JERRY SADLER.

[From the Austin Statesman, Sept. 7, 1961]

IT'S VIOLATION OF PRINCIPLE TO PASS PADRE TITLE TO WASHINGTON

It is a nonsensical proceeding for Texas not to fight, with every resource with which it is capable, the attempt to federalize Padre Island, on the Gulf of Mexico.

For years the State of Texas fought Federal encroachments on its submerged lands, better known as the tidelands. The issue went finally to the Supreme Court of the United States where the rights of Texas were defined and restored.

Now it is proposed to condemn and give to the Federal Government great gobs of this land adjacent to the tidelands for development into a so-called national park, violating the very principle for which, in the case of the tidelands Texas fought.

There is no certainty in these days of budgetary priorities that the Federal Gov-

ernment, for many years, would ever develop any part of Padre Island.

Already the Interior Department has said that it will not build a road down the middle for access along its relatively narrow strip to beachside by cars. Yet it is being proposed that the Federal Government take steps to condemn Padre Island and jostle out private owners presumably for amounts far below actual worth.

The controversy has waged hotly ever since the proposal to get the Federal Government to develop a significant part of the area into a so-called national park.

An illogical propaganda barrage has been underway for several years trying to justify this barter by politicians and others anxious to give something away for purported use by the people, when the people have had before them the offer by the owners to dedicate to the State a substantial number of miles in the area for a State park that could really be a recreational public playground after proper development by State funds.

Gov. Price Daniel is quoted by Land Commissioner Jerry Sadler as saying that he will name a statewide committee of citizens to examine the feasibility of making a part of the Padre Island area a State park. Sadler, as are others, is opposed to the scheme to federalize Padre Island.

Bills in the Texas Legislature authorizing the transfer of title to the Federal Government have died in two recent sessions.

The State of Texas has jealously maintained its rights to the tidelands. Any proposal to nullify this principle by turning over Padre Island, abutting the tidelands, to the Federal Government is completely out of principle with the State's battle for its prerogatives in the case of the tidelands.

There is no factual assurance that the Federal Government would act quickly to develop such a park. There is a good assurance that the State of Texas, having preserved its rights in the matter without impairment of rights of owners, could do so in the situation which finds owners and developers already having proposed to dedicate a substantial part of Padre to the State for State park purposes.

To force these owners out completely and for obvious picayune payments as appear to be assumed is unjust and out of Texas tradition. Political vindictiveness is no safe or fair guide to official action.

TAX TREATMENT OF CERTAIN CLAYS AND SHALE FOR TAXABLE YEARS BEGINNING PRIOR TO 1961

The Senate resumed consideration of the bill (H.R. 7057) relating to the application of the terms "gross income from mining" and "ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products" to certain clays and shale for taxable years beginning before December 14, 1959.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments in the nature of a substitute for the bill.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as so amended be considered as original text for the purpose of amendment.

Mr. ERVIN. Mr. President, I reserve the right to object for the purpose of addressing some questions about the bill to the chairman of the Committee on Finance.

As I understand the problem, there is a conviction in the minds of a majority of the members of the Committee on Finance that if the committee had reported the House bill in its original form, without the amendments, and that bill had been passed by the Senate and sent to the White House, the probability is that the Internal Revenue Service and the Treasury Department would have recomended to the President that the bill in that form be vetoed.

Mr. BYRD of Virginia. The Senator from North Carolina is correct.

Mr. ERVIN. Am I also correct in assuming that the committee felt that due to circumstances which had transpired in the past, and the reliance which had been placed by the manufacturers of clay products on certain interpretations made by the Internal Revenue Service, and the decisions of the lower Federal courts, the manufacturers of such products were, in justice, entitled to some appropriate relief?

Mr. BYRD of Virginia. The Senator is correct.

Mr. ERVIN. Is it the opinion of the chairman of the committee that the relief which the bill grants is the fullest relief which can be granted at the present time without incurring the possibility of a veto?

Mr. BYRD of Virginia. That was the opinion of the majority of the committee; otherwise the committee would have given 100-percent relief.

Mr. ERVIN. Does the Senator from Virginia share my belief that if an effort were made at this time to amend the bill so as to grant some relief with reference to future income, that would probably result in the defeat of the relief which is granted by the bill?

Mr. BYRD of Virginia. I believe so. The Senator from North Carolina is correct.

Mr. ERVIN. Mr. President, having been satisfied by the answers which the able and distinguished chairman of the Committee on Finance has given, and also by my own investigation of the legislative probabilities of the situation, I do not interpose any objection to the unanimous consent request.

The PRESIDING OFFICER. Without objection, the request of the Senator from Virginia is agreed to.

Mr. BYRD of Virginia. Mr. President, the bill, H.R. 7057, deals with the base for computing percentage depletion for certain clays and shale for past years.

The bill as passed by the House provides in the case of brick and tile clay, shale, and other types of clay that insofar as the Supreme Court holding in the Cannelton Sewer Pipe case departs from the principles previously spelled out in the Cherokee Brick & Tile Co. and Merry Brothers Brick & Tile Co. cases, this Supreme Court case is not to be applied retroactively for years beginning before the Supreme Court granted certiorari in the Cannelton case on December 14, 1959. The effect of this is to provide in the case of brick and tile clay, shale, and the other clays, that percentage depletion for this past period is to be based upon the value of the finished end product where this is the first commercially marketable product.

It should be made clear that this is not a question of what is the proper base for percentage depletion in the case of these clays and shale for the present and future. Congress decided this quite specifically in the Gore amendment to the Public Debt and Tax Rate Extension Act of 1960. Rather the question here is, in view of all the circumstances, What were taxpayers justified in concluding their percentage depletion base was in the years before the Supreme Court handed down the Cannelton decision?

Most forms of clay were provided percentage depletion at a 5-percent or 15-percent rate in 1951. The percentage depletion rates were applied to what is called gross income from the property. This, under the law, is defined as "gross income from mining" which in turn under the statute includes "the ordinary treatment processes normally applied by the mine owners or operators in order to obtain the commercially marketable mineral product or products."

In 1955, the Court of Appeals for the Fifth Circuit, in the Cherokee Brick & Tile Co. case, held that in the case of brick and tile clay, this reference to processes to obtain the commercially marketable product meant percentage depletion was based upon the value of the finished brick since this was the first commercially marketable product. The Fifth Circuit again held this view in the Merry Brothers Brick & Tile Co. case. Similar decisions were also handed down in three other circuit courts of appeals as well as in the Tax Court. In addition, the Supreme Court in 1957 denied certiorari in the Merry Brothers case and also a related case dealing with cement rock. Following this, on October 18, 1957, the Internal Revenue Service issued a technical information release saying that as a result of this action by the Supreme Court the Service intended to follow the Supreme Court decision in the Merry Brothers case and the related case dealing with cement rock in disposing of pending litigation and claims involving the base for computing percentage depletion in the case of brick and tile clay and cement rock. Following this, for a period of 2 years the Internal Revenue Service in the case of brick and tile clay did follow these decisions and did allow percentage depletion on the basis of the finished brick or other product, where the end product was the first commercially marketable product.

As a result, in many of these cases depletion has been allowed on the basis of the finished product and the statute of limitations has now run. An industry survey in the case of brick and tile clay and fire clay, for example, estimates that this is true of 80 percent of the cases dealing with years prior to 1957. Thus, if the Service now is to apply the Cannelton decision with respect to those with open years, it will discriminate against these taxpayers with open years and in favor of those who computed their percentage depletion on the more favorable basis but whose years are now closed.

In addition, the retroactive application of the Cannelton decision would work financial hardships on many of the clay miners. They have made decisions as to the price that they will charge for their product, the extent to which they will expand their plants, and how large dividend payments to make—all on the assumption that they could depend upon the Court and Internal Revenue Service interpretation of how to compute their percentage depletion deduction. To retroactively change the base for their percentage depletion deduction will work real financial hardships since they cannot undo many of the financial transactions made in prior years. To retroactively impose a tax in these cases is especially serious in the case of an industry of this type, which consists of many small, independent businesses which traditionally do not have large financial resources.

The Treasury Department representative who appeared before the committee recognized that the issuance of the technical information release by the Internal Revenue Service in 1957 justified some degree of legislative relief because of the reliance which normally could be placed on such an announcement. On the basis of this, the Treasury Department representative stated that the Treasury would not oppose a provision which would provide that gross income from the property in the case of these miner-producers would equal 25 percent of the amount for which the finished product is sold, so long as this does not result in a gross income per ton of clay used in excess of $6 per ton.

Your committee concluded, however, that in view of the past assurances taxpayers had as to their percentage depletion computations, this constituted too great a cutback from what they then had every reason to expect was the correct base for these computations, and would have too serious an effect on the financial condition of the companies involved.

However, the committee has attempted to arrive at a compromise, or a legislative settlement, of this difficult problem. The compromise provided by your committee's amendments provides that in the case of brick and tile clay, fire clay and shale used to make certain products, gross income from the property for purposes of computing the percentage depletion deduction is to be 50 percent of the gross income from the finished product, but not in excess of $12.50 for each ton of clay or shale used in the finished product. The types of products for which the shale or clay must be used to be eligible for this provision are building and paving brick, drainage and roofing tile, sewer pipe, flower pots and kindred products. This is a category of products appearing in present law with which taxpayers are fully familiar. This provision is cast in the form of an election which taxpayers may make for all open years beginning before January 1, 1961.

As I have said, this provision is a compromise. Moreover, it is a compromise which in reality is much closer to the 25 percent of the value of the finished product which the Treasury is willing to allow, than to the 100 percent of the value of the finished product provided by the House version of the bill. Also, it is more restrictive than the House version of the bill, in that it is limited to brick and tile clay, fire clay and shale and is available only in these cases when this clay or shale is used for the purposes I referred to just a few moments ago.

The limitation of gross income from the property to $12.50 for each ton of clay or shale used in the finished product has the effect of limiting the percentage depletion to approximately 50 percent of the price for the cheapest clay product; namely, standard common brick, since this brick sells for about $25 per ton of clay used.

It is estimated that this bill will result in a revenue loss of approximately $20 million if the Treasury would otherwise be able to prevail as to its view of prior law. This, in my view, is none too certain; and, therefore, the loss may be much smaller. Moreover, this is a nonrecurring loss, since the provision applies only to prior years.

In concluding, I should like to reemphasize the fact that this in no way is an attempt to determine what the basis for percentage depletion should be in the case of these products for the present or future years. Instead, it is an attempt to provide taxpayers merely with one-half of the base in computing their percentage depletion for these prior years which the court decisions and Internal Revenue Service interpretation of the law before the Cannelton decision clearly appeared to give them. It, therefore, in effect merely reduces by 50 percent a tax increase which, under the Treasury view, the Cannelton decision made on a retroactive basis.

Mr. President, I submit and send to the desk a technical amendment. Under the terms of the bill, as approved by our committee, we intended to reduce the allowance provided under the House version of the bill for brick and tile clay, fire clay, and shale used for certain purposes, to 50 percent of the gross income from the finished products, but with a proviso that the gross income from the property may not exceed $12.50 for each ton of clay or shale used in these finished products. For example, if a producer of brick and tile clay were entitled to a 5-percent depletion allowance, he could never get a deduction in excess of 62½ cents a ton—that is, 5 percent of $12.50.

In the technical wording of determining how the taxable income was to be computed, the draft has the effect of reducing the allowance below the limit contemplated by the committee in the case of producers who sell their finished products at a higher price without deriving a corresponding higher profit.

This amendment corrects the technical defect in the draft, so that the allowance will not be reduced below that contemplated by the committee.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, in line 16, it is proposed to strike out "an amount which is the same proportion of the taxable income from the manufactured products sold during the taxable year which the gross income from the property (determined under paragraph (1)) is of the total amount for which the manufactured products are sold during the taxable year." and to insert "50 percent of the taxable income from the manufactured products sold during the taxable year (computed without allowance for depletion)."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BYRD of Virginia. Mr. President, the distinguished Senator from Georgia [Mr. TALMADGE] is in charge of the bill, and I now yield to him.

Mr. KERR. Mr. President, if the Senator will yield, I send to the desk an amendment which I submit, and I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment of the Senator from Oklahoma will be stated.

The LEGISLATIVE CLERK. On page 3, in line 7, it is proposed to strike out the words "any manufactured product" and to insert in lieu thereof "such manufactured products"; and in line 10, to strike out the word "product", and insert in lieu thereof the word "products".

Mr. KERR. Mr. President, I ask unanimous consent that a statement in explanation of the amendment be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATION OF THE AMENDMENT

This is a technical amendment which is required in order to carry out the intent of the Finance Committee.

It was the intention of the committee to provide that with respect to taxpayers covered by this act, percentage depletion for their open years prior to 1961 will be based on "50 percent of the amount for which the finished products were sold but not in excess of an amount equal to $12.50 multiplied by the number of short tons used in the manufactured products sold."

That was the exact language used by the committee in the press release by which the committee announced its decision in this matter, and that was the basis of the compromise settlement to which the industry representatives agreed.

However, in the form in which it is now before us, the act could be interpreted to require that the tons of clay used in each manufactured product be tested separately against the $12.50 per ton limitation, rather than providing (as the committee intended) for the simple multiplication of the $12.50 limitation by the total tons of clay used in all manufactured products.

This amendment will provide the basis for a quick and easy disposition of all disputed depletion claims in past years and will avoid the controversies between taxpayers and the Internal Revenue Service that will arise under the act in its present form.

Mr. KERR. Mr. President, I may say that I have gone over this amendment with the distinguished chairman of the committee, and I hope he will be disposed to accept the amendment.

Mr. GORE. Mr. President, will the Senator from Oklahoma explain the amendment?

Mr. KERR. I say to the distinguished Senator from Tennessee that he holds in his hand the very brief explanation of the amendment which I have just obtained unanimous consent to have printed in the RECORD.

Mr. GORE. Does the amendment relate to the firebrick or refractory clay?

Mr. KERR. No, it relates to all of the manufactured products from the clay covered by this bill—to strike out the words "any manufactured product", and to insert in lieu thereof the words "such manufactured products", and in line 10, to strike out the word "product", and insert in lieu thereof the word "products".

I should like to say that I believe this amendment is technical in nature and effects what was agreed to by the committee when the amendment was offered and adopted.

Mr. GORE. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. GORE. The amendment may be, as the Senator from Oklahoma says, technical in nature—as most tax amendments are; but, as I understand the amendment, from a quick reading of it, it would provide a larger retroactive deduction for many taxpayers than is provided by the bill as recommended by the committee. Do I correctly understand that to be the case?

Mr. KERR. I stated that in my judgment the amendment, as offered, carries out the intention of the committee; and I say to the distinguished Senator from Tennessee that he will recall that the amendment adopted by the committee was prepared by the staff of the joint committee, and the action of the committee was in effect approval of the amendment provided to us by the representative of the staff of the joint committee; and then the staff was directed to prepare the language to carry out the action of the committee. After that was done, it was discovered by the chief of the staff of the joint committee that the language of this amendment would be required in order to effectuate what he understood and what I understood was the action of the committee. That is the basis of the amendment; and, as I have said, the explanation which the Senator from Tennessee holds in his hand goes into detail with reference to the amendment.

Mr. GORE. As I understand the amendment—and I am not sure that I do understand it correctly—it would permit taxpayers to deduct a percentage depletion allowance on a base whose limit would be the figure in the Senator's amendment—namely, $12.50, multiplied by the total number of tons of clay used in the manufacture of all products sold, expensive as well as inexpensive.

I respectfully suggest to the distinguished Senator that, in my view, this amendment goes further than the intention of the committee, as I understood the intent of the committee.

Mr. KERR. The Senator has in his hand a copy of the press release issued by the chairman of the committee following the action taken by the committee. It is on the second or third page of the statement the Senator has.

Mr. GORE. I have only two pages.

Mr. KERR. Then it is on the second page. If the Senator will refer to the press release that was issued by the chairman of the committee after the action by the committee was taken, he will see that it reads:

> Fifty percent of the amount for which the finished products were sold but not in excess of an amount equal to $12.50 multiplied by the number of short tons used in the manufactured products sold.

The Senator from Oklahoma offered the amendment. It was prepared by the staff of the Joint Committee. The release was prepared for the chairman of the committee, in accordance with the instructions of the chairman of the committee. The amendment now offered carries out the identical purpose of the amendment offered by the Senator from Oklahoma. The language of the press release was issued by the committee after the action was taken, in the judgment of the Senator from Oklahoma, by the committee, with which, I am constrained to remind the Senator from Tennessee, he did not agree at the time.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. KERR. I yield.

Mr. GORE. It is true that I did not agree with the recommendations of the committee. It is true that I voted against reporting the bill. That fact, however, does not modify my understanding of what the expressed intent of the committee appeared to be. I respectfully suggest that, in my view, this proposal goes further than the bill. Is it the Senator's intention by his amendment to provide certain taxpayers with a larger reduction in tax liability than, in his opinion, the committee bill would provide?

Mr. KERR. I believe I shall have to ask the Senator to repeat the question.

Mr. GORE. Is it the Senator's intent——

Mr. KERR. It is the intent of the Senator from Oklahoma to provide language which, in the judgment of the Senator from Oklahoma, would carry out the intent of the committee. If the language in the bill as brought to the floor by the committee would do that, the amendment would not be necessary.

Mr. GORE. Since I was in the minority with respect to this bill, if the distinguished senior Senator from Oklahoma understands that his amendment now offered is necessary to implement the intent of the majority of the committee, and the distinguished chairman of the committee so understands it, I shall not object further.

Mr. KERR. I know the statement made by the Senator from Tennessee is correct insofar as the Senator from Oklahoma is concerned. I think it is correct insofar as the Senator from Virginia [Mr. BYRD] is concerned. That was the basis on which I requested his favorable attitude on the amendment.

Mr. BYRD of Virginia. Mr. President, that is my understanding, and also the understanding of the chief of staff of the committee.

Mr. GORE. I express no opposition to consideration of the amendment.

Mr. BYRD of Virginia. The amendment is acceptable.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment was agreed to.

Mr. GORE. Mr. President, the pending legislation culminates a long period of controversy in the administration of the internal revenue law with respect to certain specified minerals and products manufactured therefrom, clay in particular. The Senate will recall that last year an amendment which was offered by me was approved by the Congress and signed into law by the President, which made it clear that thereafter percentage depletion allowances could not be based upon the value of finished products. That question seems to be settled with reasonable certainty for the future.

The pending bill relates to tax liability and settlement of many pending cases of tax liability for prior years. I readily acknowledge that by reason of public statements made to taxpayers, and for the information of taxpayers, by the Internal Revenue Service, by reason of certain cases adjudicated in the lower courts, and by reason of settlements reached between the Government and certain taxpayers a situation was created in which the advisability of settlement was clearly indicated.

The committee recognized that fact. The Treasury Department recognized it.

Settlement of any issue is, in most cases, a compromise. Indeed, the bill before the Senate is a compromise.

My objection to the bill is based upon my view that it provides an overly generous concession in the form of retroactive tax relief, but it is a question of degree. As the distinguished chairman has correctly said, the Treasury Department recommended passage of a bill which would provide a legislative settlement of pending cases by allowing a deduction based on 25 percent of the value of the manufactured products.

The other body of Congress passed a bill providing settlement based on 100 percent of the value of manufactured products. It seemed to me that that was utterly unacceptable. Even those who advocate the principle of percentage depletion appear to me to be severely hard pressed to argue that a taxpayer should have a depletion allowance based not upon the value of the ore or mineral but upon the finished product.

The Senate voted 87 to 0 to make it clear that no such interpretation should apply in the future but Congress did not

settle, and in my opinion the courts did not settle, liability incurred in prior years.

This is a situation in which a settlement is indicated. Though the pending bill provides a more generous rule or standard of settlement than I think is justifiable, as the distinguished chairman of the committee has already pointed out, the bill recommended by the Senate Committee on Finance provides relief only 50 percent as large as was provided in the House bill. Settlement is needed. Settlement is justified. Compromise is indicated. I think compromise is justified.

If one must lean one way or the other from the hard standard of right, equity, and justice, I should say in this case that the leaning should be toward the taxpayers, many of whom understood that their cases had been settled and their tax liability fixed, and many of whom understood from informational releases of the Internal Revenue Service and from lower court decisions that adjudication had been made and that interpretation of the law had been finally settled.

I shall not ask for a yea-and-nay vote on the bill. I appreciate the attention of the Senate for these few moments, and I relinquish the floor.

Mr. TALMADGE. Mr. President, I shall be very brief because I think the able chairman of the committee [Mr. BYRD of Virginia], the distinguished Senator from Oklahoma [Mr. KERR], and the distinguished Senator from Tennessee [Mr. GORE] have covered the facts about as thoroughly as they can be covered.

The Congress of the United States, rightly or wrongly, in the year 1951 passed a law authorizing a depletion allowance in the clay industry. That depletion allowance varied in accordance with the end product which was sold. When the report was submitted by the Congress explaining in detail the purpose of the act, it contained language which provided that the term "mining" is "not merely the extraction of the ores or minerals from the ground but also the ordinary treatment processes normally applied by the mine owners or operators in order to obtain the commercially marketable mineral product or products."

That was the law which the Congress of the United States wrote regarding the depletion allowance. If an error was made, it was the error of the Congress and not of the taxpayers involved.

Shortly after the bill was approved by Congress, the Treasury Department insisted that there was a commercially marketable product before the end product was available. Litigation resulted therefrom involving a number of cases.

The first of any significance was the Cherokee Brick & Tile Co. case, which originated from my own State of Georgia.

The question was determined by the Circuit Courts of Appeals of the 3d Circuit, 4th Circuit, 10th Circuit, 6th Circuit, and 9th Circuit. Each court held adversely to the Government.

The Government was dissatisfied and contended it was correct, so it filed a writ of certiorari to the Supreme Court of the United States seeking to overrule the five or six circuit courts of appeals decisions.

The Supreme Court, in the Merry Brothers Brick & Tile Co. case, declined to review the several decisions.

After the Supreme Court declined to review these decisions it was assumed by everyone, including the Internal Revenue Service, that the law was settled.

Then what did the Government do? The Government issued what is known as Technical Information Release No. 62, which reads as follows:

> The Internal Revenue Service announced today that in view of the denial by the Supreme Court of the United States on October 14, 1957, of the Government's petitions for certiorari in *United States* v. *Merry Brothers Brick & Tile Co., et al.*, 242 F. (2d) 708 (1957) and in *Dragon Cement Co., Inc.* v. *United States*, 244 F. (2d) 513 (1957), it is taking steps to dispose of pending litigation and claims involving brick and tile clay and cement rock, as required under these decisions, and to conform Treasury regulations and outstanding rulings accordingly. This should permit the expeditious disposition of the great majority of such cases. Consideration is being given as to the applicability of these decisions in cases involving fire clay and limestone.

For 2 years after the issuance of TIR–62, the Internal Revenue Service followed the position expressed in that release, and on that basis did in fact settle many depletion claims for prior years.

In 1960 the Supreme Court of the United States handed down a decision in the Cannelton Sewer Pipe case. The Treasury Department claims that the Cannelton case reversed previous decisions.

The situation is clear that there was a distinction in some of the cases, but the Internal Revenue Service after 1959 came in to say, "Oh, yes. All of the long series of cases in which decisions have been handed down regarding an act of Congress from 1951 to 1959 must be reopened. We shall go back to every one of the taxpayers again and make them all pay taxes in accordance with what the U.S. Supreme Court says the law was, regardless of what Congress enacted in 1951."

What was the result? By and large, those in the clay business are small operators. Many of them have extremely limited resources. For years they had assumed that the tax bills had been paid. During all that period of time they had priced their products, expanded their industrial plants, paid out their money in wages or paid out their money in dividends.

That was the situation when the Ways and Means Committee of the House acted. The committee unanimously approved a bill which provided that all the taxes should be forgiven for the period in question, prior to the Cannelton case.

The bill came to the Senate. When the committee was considering the problem, the Treasury Department officials came before the committee and said, "We think these people are entitled to relief, but we think 25 percent would be fair and adequate, in the settlement of these cases."

The other body said it thought 100 percent would be fair and adequate.

What did the Committee on Finance do? The committee agreed upon a compromise of 50 percent, and that is the issue before the Senate today. The issue is whether the Senate, after a long series of decisions by the courts of this land and after action by the Internal Revenue Service, will go back to "pick a goose" regarding an act of Congress passed 10 years ago.

That is the issue. The equity is clear, Mr. President. I hope the Senate will pass the bill by an overwhelming majority.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. TALMADGE. I am delighted to yield to my able friend from North Carolina.

Mr. ERVIN. While it is not technically so, is it not true that, to all practical intents and purposes, in its interpretation of the Cannelton case the Internal Revenue Service is demanding ex post facto taxation?

Mr. TALMADGE. That is exactly what they are doing, and Congress and the Finance Committee time after time have disapproved of that philosophy.

Mr. ERVIN. What the bill does is frankly to relieve the taxpayer from 50 percent of the ex post facto taxation rather than 100 percent, which really, to do absolute justice in this world, the taxpayer would be entitled to.

Mr. TALMADGE. The Senator from North Carolina is entirely correct.

Mr. GORE. Mr. President, will the Senator yield?

Mr. TALMADGE. I am delighted to yield to my friend from Tennessee.

Mr. GORE. I wish to congratulate the able junior Senator from Georgia upon his able and eloquent statement of the issue. He and I have sat side by side on the Senate Committee on Finance and, more often than some might think, he and I have voted on the same side together. It is a pleasure to work with him. I consider the Senator has an extremely able mind. He has the public interest at heart. Though he and I have differed on this bill, both of us recognize that equities are involved and a settlement is indicated.

I cannot accept the statement of my distinguished friend, the senior Senator from North Carolina [Mr. ERVIN], that these tax claims involve ex post facto levies, nor can I accept the statement of the distinguished junior Senator from Georgia [Mr. TALMADGE] that Congress intended that percentage depletion should apply to the value of the finished product. I know that there are disagreements which eventually the Supreme Court must settle.

Mr. TALMADGE. Mr. President, will the Senator yield at that point?

Mr. GORE. Yes.

Mr. TALMADGE. First, I wish to express my deep gratitude to the Senator from Tennessee for his generous statement. He overwhelms me indeed with the generosity of his remarks.

I point out to the Senator that when the committee originally approved the depletion allowance, it stated in the report that it would be applicable to the first marketable product—not the finished product—and in the brick industry the first marketable product as a general rule is the finished product, because there is no market for a mass of wet, raw, clay.

Mr. GORE. I suggest to the able Senator that he uses the term generally. There are instances in which there is a marketable product before the finished brick or tile. I know that if we should explore the question we would get into a great many technicalities. I did not arise really to provoke such a debate, but to indicate my own disagreement with the ex post facto interpretation of the law. Indeed, if I held that view, as I am sure my distinguished friend from North Carolina does, then I would be in favor of the 100-percent figure provided in the House bill.

Not accepting that theory, I agree with my friend from Georgia that because of the informational releases, the public statements of the Internal Revenue Service, lower court decisions, and some actual settlements of cases between the Government and the taxpayer, a situation was created in which a legislative settlement was necessary. Although I think the bill contains a settlement more generous than is justified, I certainly will not undertake to make an exhaustive effort against passage of the bill.

Mr. TALMADGE. I thank the Senator.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 7057) was read the third time, and passed.

The title was amended, so as to read: "An act relating to the determination of gross income from the property for tax able years prior to 1961 in the case of certain clays and shale which were used in the manufacture of certain clay products."

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. KERR. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on the motion of the Senator from Oklahoma.

The motion to lay on the table was agreed to.

Mr. WILEY subsequently said: Mr. President, I had been in the Chamber all day until a little more than an hour ago. I asked the majority leader if there would be any more votes. He said he did not think there would be. I went to the office, because I had some very important matters to attend to. I was then informed that the Senate had passed H.R. 7057.

This bill was before the Committee on Finance. I wrote the chairman of the committee, the Senator from Virginia [Mr. BYRD], a letter on August 30, which I shall read:

DEAR HARRY: The Finance Committee, of which you are chairman, will have before it today H.R. 7057. It is the purpose of this bill to restore an equitable definition of "gross income from mining" for clay and shale miners in accordance with the definition existing before the decision of the Supreme Court in the recent Cannelton case.

A parallel situation exists with respect to certain dimension stone miners, of which there are a number in Wisconsin, as well as in Virginia. For this reason, I believe the coverage of the bill should be extended to quarriers of dimension stone.

I believe it would be preferable to have the bill amended in committee rather than on the floor. I would therefore greatly appreciate it if you would bring the enclosed amendment to the attention of the Finance Committee today.

Sincerely yours,

ALEXANDER WILEY.

One of my assistants in the office went to the committee, and he was informed it would be better to have the amendment taken up on the floor of the Senate. So I submitted an amendment, which I shall later ask to have printed in the RECORD.

I received a letter which pretty well states, in a nutshell, the issue involved. The letter came from Richard R. Teschner, an attorney in Milwaukee, under date of August 31. The letter reads:

DEAR SENATOR WILEY: I have just learned of the passage by the House of H.R. 7057 which would, for years beginning before December 14, 1959, nullify the effect of the Supreme Court's Cannelton decision but only as to shale and clay.

Passage of this bill in its present form would be extremely harmful to the Waukesha County limestone industry.

The Internal Revenue Service is attempting to apply their interpretation of the Cannelton case to the Waukesha County limestone industry. They are saying that the rough blocks first removed from the quarry are the "commercially marketable product" upon which depletion must be computed. While this is apparently a satisfactory method when dealing with pure limestone deposits, such as Indiana limestone, the Waukesha County limestone deposits are such that at least one-half, and generally more, of the rough blocks are waste which must be removed before a product which is in fact marketable is obtained. The result is that the application of the Cannelton decision as presently interpreted by the Internal Revenue Service, to the Waukesha County limestone industry practically eliminates any depletion allowance. I am informed that if this position is sustained the resulting increase in the costs of quarrying Waukesha County limestone—in a market where competition from stone quarried in Indiana and elsewhere sets a ceiling on the price which can be obtained for the product—may result in closing over half the quarries in Waukesha County. Some, as you doubtless know, have already closed within the past year because of the cost-price squeeze. The impact of these further closings on the economy of Waukesha County, not only through loss of jobs and profits, but also loss of local tax revenues, is obvious.

The bill which was passed, and which applied to certain clays and shales which were used in the manufacture of certain products, was amended to include those terms. The decision in question changed the rule in relation to computing the tax. As a result, the bill was passed. It would apply to those who must pay taxes, on the basis stated.

The Internal Revenue Service made a decision. After that the circuit court of appeals made its decision. The Supreme Court reversed the decision. The question was whether back taxes would have to be paid.

I wish to make it plain that the companies were operating under the rules laid down by the Internal Revenue Service and affirmed by the courts.

The House and Senate agreed that the back taxes should not be paid, and passed the act relating to the application of the terms "gross income from mining" and "ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products" to certain clays and shale for taxable years beginning before December 14, 1959.

If the bill had not been rushed through, I would have offered an amendment. I think it is an equitable amendment and a fair one. It would place dimension or ornamental stone in the same category with shale and clay.

The bill has been passed. I suppose my remedy is to wait until another revenue bill comes before the Senate. I should like to have the opinion of the Presiding Officer on the question as to whether the amendment would be pertinent or relevant to such a bill.

The PRESIDING OFFICER. The ruling of the Chair, upon advice from the Parliamentarian, is that it would require unanimous consent for the consideration of any motion affecting amendments or any action on the bill which was passed today. It would be in order for the Senator to offer the amendment to some other revenue bill which comes to the Senate from the House.

Mr. WILEY. Only to a bill coming from the House?

The PRESIDING OFFICER. Yes, because revenue bills must originate in the House.

Mr. WILEY. I thank the Presiding Officer. If I correctly understand the situation, nothing can be done at this time unless I move to reconsider; and I assume that would not be in order.

The PRESIDING OFFICER. The Senator is correct. A motion to reconsider would not be in order.

Mr. WILEY. The motion would not be in order.

Mr. President, I ask unanimous consent that a copy of the bill, together with a copy of the amendment, may be printed in the RECORD, so that at the appropriate time, when a revenue measure comes to the Senate from the House, I can make an attempt to do what I had hoped to do today.

There being no objection, the bill (H.R. 7057) relating to the application of the terms "gross income from mining" and "ordinary treatment processes normally applied by mineowners or operators in order to obtain the commercially marketable mineral product or

products" to certain clays and shale for taxable years beginning before December 14, 1959, and the amendment were ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) ELECTION FOR PAST YEARS.—In the case of brick and tile clay, fire clay, or shale used by the mine owner or operator in the manufacture of building or paving brick, drainage and roofing tile, sewer pipe, flower pots, and kindred products (without regard to the applicable rate of percentage depletion), if an election is made under subsection (c), for the purpose of applying section 613(c) of the Internal Revenue Code of 1954 (and corresponding provision of the Internal Revenue Code of 1939) for each of the taxable years with respect to which the election is effective—

(1) gross income from the property shall be 50 per centum of the amount for which the manufactured products are sold during the taxable year except that with respect to any manufactured product gross income from the property shall not exceed an amount equal to $12.50 multiplied by the number of short tons used in the manufactured product sold during the taxable year, and

(2) for purposes of computing the 50 per centum limitation under section 613(a) of the Internal Revenue Code of 1954 (or the corresponding provision of the Internal Revenue Code of 1939), the taxable income from the property (computed without allowance for depletion) shall be an amount which is the same proportion of the taxable income from the manufactured products sold during the taxable year which the gross income from the property (determined under paragraph (1)) is of the total amount for which the manufactured products are sold during the taxable year.

(b) YEARS TO WHICH APPLICABLE.—An election made under subsection (c) to have the provisions of this section apply shall be effective for all taxable years beginning before January 1, 1961, in respect of which—

(1) the assessment of a deficiency,

(2) the refund or credit of an overpayment, or

(3) the commencement of a suit for recovery of a refund under section 7405 of the Internal Revenue Code of 1954,

is not prevented on the date of the enactment of this Act by the operation of any law or rule of law. Such election shall also be effective for any taxable year beginning before January 1, 1961, in respect of which an assessment of a deficiency has been made but not collected on or before the date of the enactment of this Act.

(c) TIME AND MANNER OF ELECTION.—An election to have the provisions of this section apply shall be made by the taxpayer on or before the sixtieth day after the date of publication in the Federal Register of final regulations issued under authority of subsection (f), and shall be made in such form and manner as the Secretary of the Treasury or his delegate shall prescribe by regulations. Such election, if made, may not be revoked.

(d) STATUTES OF LIMITATION.—Notwithstanding any other law, the period within which an assessment of a deficiency attributable to the election under subsection (c) may be made with respect to any taxable year for which such election is effective, and the period within which a claim for refund or credit of an overpayment attributable to the election under such subsection may be made with respect to any such taxable year, shall not expire prior to one year after the last day for making an election under subsection (c). An election by a taxpayer under subsection (c) shall be considered as a consent to the application of the provisions of this subsection.

(e) TERMS; APPLICABILITY OF OTHER LAWS.—Except where otherwise distinctly expressed or manifestly intended, terms used in this section shall have the same meaning as when used in the Internal Revenue Code of 1954 (or corresponding provisions of the Internal Revenue Code of 1939) and all provisions of law shall apply with respect to this section as if this section were a part of such Code (or corresponding provisions of the Internal Revenue Code of 1939).

(f) REGULATIONS.—The Secretary of the Treasury or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section.

Amend the title so as to read: "An act relating to the determination of gross income from the property for taxable years prior to 1961 in the case of certain clays and shale which were used in the manufacture of certain clay products."

AMENDMENT

On page 2, line 6, strike out " 'shale' and 'clay' " and insert in lieu thereof " 'shale', 'clay', and 'stone (used or sold for use by the mine owner or operator as dimension stone or ornamental stone)' ".

Mr. WILEY. Mr. President, equitably and fairly the position here taken, I believe, should be sustained. The provisions of H.R. 7057 should have been amended to include the limestone products. That is the proper way to solve the dilemma.

For reasons I have already stated, because I was called to the office I was unable to be in the chamber at the time the bill was passed.

I think, in the closing days of the session, when amendments or bills are pending, Senators should be given notice, so that a situation such as this would not develop.

A PUBLIC SERVICE BROADCAST

Mr. KEATING. Mr. President, in these days when criticism is often directed at the broadcasting medium, I should like to invite attention to a singular example of alert and useful public service programing.

Last week the Senate passed by a vote of 73 to 14 legislation to establish a U.S. Agency for Arms Control and Disarmament. The bill is thought by many to be an important step toward our ultimate goal of arms control and the rule of law throughout the world.

An interesting and informative background program on the subject of disarmament was broadcast before the Senate action by radio station WNEW in New York as a seven-part series of explanations of the disarmament problem. The series was scheduled within regular newscasts so as to reach the largest possible audience. WNEW Radio enjoys a national reputation for the excellence of its newscasts, having in recent years won the Peabody Award, the Headliners Club Award, the Freedoms Foundation Award, the Ohio State Award—twice—and the Brotherhood Award of the National Conference of Christians and Jews—also twice, the only times any medium has won this award for 2 successive years—and the Alfred P. Sloan Safety Award.

These discussions of the disarmament problem included tapes of the actual voices of key figures in the history of efforts at disarmament, including Bernard Baruch; former U.N. Ambassador James Wadsworth; our special disarmament adviser, John McCloy; and Senator Everett M. Dirksen. It was a well balanced and highly informative discussion of a critical problem, which included even the propaganda pitch of Khrushchev wooing the uninformed.

Because this series was a valuable contribution to national thinking on this subject and because I believe that the contents of these valuable broadcasts ought to be given wider dissemination, I ask unanimous consent that the script of this series be inserted in the CONGRESSIONAL RECORD.

There being no objection, the script was ordered to be printed in the RECORD, as follows:

DISARMAMENT PROFILE

(A special WNEW news series on the disarmament problem as broadcast on WNEW radio, Sept. 1, 1961)

(Produced and edited by Lee Hanna with Dick Merson and Sheldon Hoffman; written by Lee Hanna, Henry Cassidy, Martin Weldon, Martin Caidin, and Russ Hearn; researched by Claire Racine; narrated by Henry Cassidy. Correspondents: Lincoln Harner, Martin Caidin, Russ Hearn (Germany), Martin Weldon (Washington)).

PART I. LIFE AND DEATH

Mr. CASSIDY. It was 16 years ago. A B–29, high over Japan, dropped the bomb. Martin Caidin recalls it.

Mr. CAIDIN. The officers and airmen of the 509th Bomb Group on Tinian Island in the Pacific assembled in a large shack. Outside the barred door a heavy force of armed guards patroled the area, with orders to shoot any intruders. The men of the 509th Group flew specially modified B–29 heavy bombers. That night they were briefed for a secret assignment, and they were shocked by what their briefing officer told them.

Officer's voice: Now, during your training period you were called upon to do many strange things. There was reason for all of that because this bomb that you're going to use is not an ordinary bomb. It's not a thousand-pounder. It's not a 10-ton blockbuster. This bomb has the strength of 20,000 tons of TNT.

Mr. CAIDIN. In the early morning darkness of August 5, a B–29 known as *Enola Gay* roared off the runway of Tinian Island and headed for Japan. Exactly at 9:15 a.m. the morning of August 5, 1945, the bombardier aboard the *Enola Gay* squeezed a release trigger. A heavy object fell away from the B–29, then 6 miles over the city of Hiroshima. Fifty seconds later atomic war was a reality.

(Tape: Atom bomb blast: Hold, then under and out.)

Mr. CAIDIN. A blinding glare of light flashed outward for miles and intense heat burst into Hiroshima. A shock wave with the force of a steel wall smashed the city's buildings into rubble, and a great ball of fire, a thousand feet across, roared its fury at the world and rose atop a pillar of atomic smoke to more than 50,000 feet. In the flames that followed this blast and the world panic that ensued, 80,000 Japanese died.

Mr. CASSIDY. The atomic age was born. And 1 year later Bernard Baruch stood before the United Nations.

Mr. BARUCH. We are here to make a choice between the quick and the dead. That is our business. We of this Nation, desirous

of helping to bring peace to the world, and realizing the heavy obligations upon us, arising from our possession of the means of producing the bomb, are prepared to make our full contribution toward effective control of atomic energy. We propose this: manufacture of atomic bombs shall stop.

Mr. CASSIDY. With the announcement on Wednesday that the Soviet Union will resume nuclear tests, the world once again has become very much concerned about disarmament. Statesmen agree that disarmament is one of the most important problems of our time—perhaps the most important. On its solution depends a future of peace or war, of life or death. Yet the world is taking the opposite course in an accelerated arms race.

Berlin today, not Hiroshima, has been making the headlines most recently. It's a trouble spot—one of many—in a troubled world. The experts say there will be no war over Berlin. I remember when they said there would be none over Poland. But, Berlin magnifies the problem of disarmament, because even if that single issue could be settled, or sidestepped, we know that the cold war can flare up hot in some other unexpected place. Disarmament is the overall problem that must be settled, if the world is to be assured of peace.

DISARMAMENT PROFILE

PART II. HISTORY

Mr. CASSIDY. Students of the problem of disarmament recall that in the early part of our century, before World War I, negotiations on disarmament were concerned with balloons—not missiles; with dum dum bullets—not warheads; with poison gas—not radiation sickness.

Disarmament was an important and seemingly insoluble problem then . . . as it is today.

What is it all about? You've read about it. Heard about it. But, what is it really all about?

Correspondent Lincoln Harner traces the recent history of disarmament talks * * * more than a half century of lack of progress.

Mr. HARNER. The modern history of disarmament, Henry, started with the peace conferences at The Hague in Holland during 1899 and 1907. Russia, Germany, and England were the signatories. We all know how successful those conferences were. We found out in World War I.

In 1919 disarmament was stressed in the Versailles Treaty, and the fourth of Woodrow Wilson's 14 points demanded that national armaments be reduced to the lowest point consistent with domestic safety. The League of Nations wrestled with that from 1920 to 1935 when the conference didn't really formally end. Nobody showed up one day and they tacitly agreed to call it quits. In July of 1932 it looked like they were getting close when France, Britain, and the United States agreed that air attack against civilian population would be prohibited and that tanks and artillery be limited in size and that chemical warfare be banned. Germany and the Sovet Union voted against. In 1921, there was an attempt at naval disarmament when a five-power treaty was signed limiting Great Britain and the United States to five battleships each and Japan to three. But in 1927, Britain and the United States disagreed. In 1931 Britain, the United States, Japan, France, and Italy decided on a 5-year holiday in the construction of capital ships and a limitation on submarines and aircraft carriers. Germanzy ignored it.

And this by no means covers all the talks, the conferences, the commissions and agencies set up to try to find the solution to the disarmament problem. By no means. Since 1900 scarcely a year has gone by without some attempt on the part of some major power to bring to pass some agreement on some phase or another of disarmament. By 1939, the only thing the world had to show for its disarmament efforts was World War II.

Mr. CASSIDY. And, following World War II more talk at the U.N. Why can't we agree? What are the problems?

Well, one of the problems is the general apathy disarmament generates despite its importance.

I happen to know that the ladies of East Fishkill in Dutchess County, N.Y., are holding meetings, but only to get ready for their fashion show this September. There is lively discussion around the bar of the Overseas Press Club in Manhattan, but it's about Roger Maris and Mickey Mantle.

The Congress is in no hurry to create the disarmament agency requested by President Kennedy. Right now it's more interested in pressing toward adjournment.

Disarmament? Well, it's a difficult problem to understand. It has been around for a long time and there is no solution in sight.

And, in the background, a buildup of armies and a threat of a bomb equal to 100 million tons of TNT. If that bomb goes off, talk of disarmament may cease forever. Disarmament in an empty world will cease to be a problem.

DISARMAMENT PROFILE

PART III. THE U.N. MAKES A TRY

Mr. CASSIDY. The United Nations would seem the likely place to take up the discussion of disarmament. It has been discussed there before and will be again in the 16th General Assembly beginning September 19. One wonders whether this attempt at reaching a solution to the problem will get any further than the one last September when more than 20 heads of state and chiefs of government made known their views on how to bring about disarmament. Among them, India's Prime Minister Nehru:

Mr. NEHRU. If within the next 3 or 4 years effective disarmament is not agreed to and implemented, then it may be too late. And all the good will in the world will not be able to stop the drift to certain disaster.

Mr. CASSIDY. But the question—what disarmament principles should be endorsed by the General Assembly? That's where the division of views comes at the United Nations.

The Soviet Union insists upon general and complete disarmament—as outlined here by the Soviet Deputy Foreign Minister Valerian Zorin.

Russian (fade under for translation): The Soviet Government proposes that all states should carry out gradually, in three consecutive stages, during an agreed period of time, the complete and final elimination of all their armed forces and armaments, and that this elimination should be carried out under strict and effective international control.

Mr. CASSIDY. Strict and effective international control is the key to disarmament. The Soviet Union, with its demands for complete and universal disarmament, has a slogan that is popular among many peoples. The United States has won less popularity, has seemed to be carping in its demands for a system of inspection to guard against a surprise attack.

This is the way former U.N. Ambassador James Wadsworth described the U.S. position:

Mr. WADSWORTH. It should be fairly balanced between the two sides giving neither a significant military advantage. It should have adequate inspection and verification thus assuring each side that the other side is keeping its promises. It should proceed step by step, building confidence as it goes, so that more and more far-reaching proposals may be put into effect.

Mr. CASSIDY. Control is the problem. If we disarm how do we know the Russians will. This has been the major stumbling block in disarmament negotiations down through the years.

Both sides say they are in favor of international control—the question is, How far should inspection extend? The West wants a neutral control observer. The Soviets insist upon a "troika"—a three-man team. One from their side, one from our side, and one neutral. Each would have veto power. And we see this as rendering the team powerless.

This September, at the U.N., we will present a whole new approach to the problem. Its provisions have not been made public in advance—but its details have been worked out at the highest levels of government. And its ultimate purpose will be an orderly world in which all nations can safely set aside their arms and cooperate in peace.

DISARMAMENT PROFILE

PART IV. IT SOUNDS SO GOOD

(Tape: Khrushchev, est and under.)

Mr. CASSIDY. This is the voice of Nikita Sergeyovitch Khrushchev, Chairman of the Council of Ministers of the Soviet Union. It's September 1959 and Khrushchev is addressing the General Assembly of the United Nations. It hears him make a startling proposal.

Khrushchev's voice up and under translator: Over a period of 4 years all states should affect complete disarmament and should no longer have any means of waging war.

Mr. CASSIDY. "General and complete disarmament," Khrushchev said, "down not only to the last nuclear-tipped missile but also to the last soldier's rifle."

It sounded so good. And it made good propaganda. Why don't we agree to the Soviet proposal? For an analysis of what Khrushchev would like to have us buy, here is Correspondent Russ Hearn reporting from Europe.

Mr. HEARN. Does the Soviet leader really want disarmament, general, complete or any other kind? The answer to that question seems to be yes—on Khrushchev's own terms. But the key points in his terms are that disarmament comes before control, first of all, and then, that there's no need for an international military force strong enough to police the peace in a disarmed world. On inspection of a disarmament pact, he thinks that "inspection" is just a fancy word for spying. The Kremlin wants control only after West and East have disarmed. In other words, during the months and years it would take to dismantle military might, in the event of an agreement to disarm, we would just have to take it on faith that Moscow was destroying its weapons too. At best, on the basis of past performance, a very risky bet. Now when Khrushchev urged general and complete disarmament at the U.N., he added that all countries would keep enough men under arms for what he called internal security. In such a disarmed world a truly international army to keep the peace would be an absolute necessity, and it would have to be stronger than any nation's internal police force. This is something the Soviet Union has never shown the slightest willingness to accept. Until it does, "general and complete disarmament" will remain just what it sounds like—a striking but largely meaningless propaganda slogan.

Mr. CASSIDY. We say work out a system of inspection and control and then disarm. The Russians say no. Trust us. Disarm first. Inspect later.

The safeguard the Russians want is control by a "troika" team, in which one man would represent the West, another the Soviet Union and a third the neutral states. That "troika" idea, which the Soviet negotiators have found useful in defeating international settlements, is named for a three-horse Russian sled or carriage which can be slowed to a halt when one horse sulks.

We don't plan to hitch our horse to their "troika."

What the West wants is a foolproof inspection system, and that would mean on-the-spot observation within the Soviet Union. The Russians call this espionage.

So, you can see why Khrushchev's disarmament proposal sounds so good—but looks so dangerous.

DISARMAMENT PROFILE

PART V. TWO SIDES OF THE STORY

Mr. CASSIDY. If you read Pravda or Tass or if you listen to the radio in the Soviet Union or any of the barbed wire nations—Bulgaria, Rumania, Czechoslovakia, Poland, Hungary—you get an altogether different side of the story of disarmament. They are right. We are wrong. They are for disarmament. We're against. They are for peace. We are for war.

Here's how, on Wednesday, the Soviet Union tried to justify the resumption of nuclear testing. This is an English language broadcast from Radio Moscow.

Russian (est and under translator): It is with regret that the Soviet Government has decided to carry out nuclear tests. It has been forced to take such a step because the policy of the foremost NATO powers, the United States, Britain, France, and the Federal German Republic, leave the Soviet Union no other choice. The Soviet people and the Soviet Government can't ignore the fact, that again, just as 20 years ago, sinister war clouds are gathering on the approaches to our frontiers and that West Germany and the present allies of the German military are in a fever of war preparation.

Mr. CASSIDY. The professed regret of the Soviet Government at its decision to resume nuclear testing is shared by the allied governments * * * one of the few things they do share with the Russians at this point. But it must be realized that it is the Russians, not the Allies, who have started this new lap in the arms race and they are the ones who have put up this new fever of war preparation.

Radio Free Europe monitors broadcasts from the Iron Curtain countries. Let's hear how the Communists have treated the subject of disarmament, and let's hear, too, the side of the story the Russians don't tell their captive peoples—our side. Here is the report from the Bulgarian radio.

Bulgarian (translated): The Western Powers have advanced a wholly unacceptable plan. While it aims at banning nuclear rockets, where the Soviet Union has an indisputable advantage, it permits the Western Powers to keep their atomic air forces.

Mr. CASSIDY. The truth? The West proposed cessation of production of all fissionable materials for weapons, and we called for immediate formation of an international disarmament organization to initiate arms reduction. Typical of Communist propaganda, is this report monitored from Soviet controlled radio in Czechoslovakia.

Czech commentator (translated): The West is clearly against any meaningful disarmament agreement. The Socialist delegation could not have stayed in Geneva because the West wanted only to exploit this meeting for propaganda purposes.

Mr. CASSIDY. The facts? The Communist action came at a point where new and constructive Western proposals were about to be presented, proposals that represented a significant advance toward a mutual agreement. We noted how they asked France detailed questions; how they requested replies from the United States, and then before these replies could be put on record, how they cut the meeting off in such a manner as to evoke from the French delegate the cry: "This is scandal. This is hooliganism."

That's the other side of the story * * * the only side the Soviet Union does not permit its captive nations to hear.

But, it's important to hear both sides of the disarmament story—theirs and ours; to determine our differences, probe for the truth, seek the answers, and find a solution; become warless men, before this outworn earth becomes as dead and cold as the moon.

DISARMAMENT PROFILE

PART VI. AN AGENCY FOR PEACE

Mr. CASSIDY. For years, in fact for centuries, disarmament has been left largely to the experts. They have evolved vast plans but they haven't done any disarming. Now, in this time of crisis, the United States is taking this problem to the highest level with a man of cabinet rank to be in charge, reporting directly to the President.

The Kennedy administration is pressing its bill for a separate, permanent Disarmament Agency. And, one man who is very much in favor of it is a New York banker, former High Commissioner for Germany, and now a special adviser to the President on disarmament, John J. McCloy.

Mr. MCCLOY. I'm coming to feel with each week that goes by and each headline that I read the need for such an Agency in the Government grows more urgent. Some say that it's a poor time to be talking about a Disarmament Agency when we're building up our Armed Forces and increasing the Berlin garrison. But with every threat of the use of modern weapons, it seems axiomatic to me at least, that now of all times we should have an efficient Government agency to deal with this problem of disarmament and of arms control for an effective means of keeping the peace.

Mr. CASSIDY. But, reaction to a new Disarmament Agency is mixed * * * it was that even before the Soviet Union announced it would resume nuclear tests. Now, it's doubtful that the bill for the new Agency will pass Congress in this session. And on that subject, this report from our Washington news chief, Martin Weldon, who attended Foreign Affairs Committee hearings on the proposed Agency:

Mr. WELDON. Speaking in favor of a permanent Agency for Disarmament, State Secretary Rusk told the House Foreign Affairs Committee that the cost of this proposed Agency would be only one-tenth of 1 percent of the money Congress recently appropriated to build up our defenses. Before the Senate Foreign Relations Committee last week appeared a parade of distinguished witnesses all in favor. It was a notably bipartisan group. They all spoke eloquently, sometimes it seemed desperately, for the idea of reducing or eliminating mankind's power to blow itself up.

These men know, despite all the discouragements, that a start must be made, for the plain fact is that disarmament is not really a popular idea. Some Congressmen and Senators report that their mail shows that public opinion is not in favor of the Peace Agency. Maybe what we need is a new slogan like "peace, it's possible."

Mr. CASSIDY. Although general approval of the plan had been expressed by Members of both parties in Congress—that was before the Russian announcement ending the test ban.

Now, there's talk of abandoning, at least for the present, plans for the Peace Agency. The reasoning being that a Disarmament Agency, a Peace Agency, is hardly justified at a time when an Armament Agency would seem more useful. But Secretary of State Rusk sees it differently. "Keep trying," he says. And this month we will try again at the U.N. If the Disarmament Agency is approved, it will try again—through research into all aspects of the arms race, through recommendations to the President, through more negotiations with foreign countries. If the Disarmament Agency is approved it will, as Mr. Rusk sees it, "apply our best talents to one of the most urgent tasks of our generation."

What we will be doing, despite the current Soviet provocation, is keeping the door open to disarmament. The alternative is not pleasant to contemplate.

DISARMAMENT PROFILE

PART VII. TEST BAN

Radio Moscow: It is with regret that the Soviet Government has decided to carry out nuclear tests. It has been forced to take * * *.

Mr. CASSIDY. This is the voice of Radio Moscow in its English language transmission. On Wednesday, it gave us the news the Soviet Union had decided to resume testing of nuclear weapons, ending the voluntary ban on tests that the Russians, the British, and the Americans have been observing since 1958—while they tried at Geneva to work out a permanent test ban treaty. Here is how Moscow explains the unilateral abandonment of the test ban.

Radio Moscow: The Soviet Government would not be doing its sacred duty by its own people, the peoples of the Socialist countries or the other nations that desire a life of peace, if, in face of the threat and war preparations of the United States and some of the other NATO countries, it failed to utilize the possibilities it has to improve the most effective type of weapons * * * weapons that can cool the hotheads in some of the capitals of the NATO powers.

Mr. CASSIDY. So here we go again, off to the arms race—and this time the stakes are higher. The Russians claim they can build a bomb with an explosive power equivalent to 100 million tons of TNT. In Western capitals reaction to the Soviet announcement has been one of some alarm. But to others the end of the test ban comes as a relief. There are those who believe, that in spite of the voluntary test ban that has been going on, the Russians have actually been conducting tests in secret. Now they feel it's out in the open. We know where we stand and we can start to rebuild our arsenal. Last month the Senate minority leader, EVERETT DIRKSEN, told the Foreign Relations Committee he had reliable information that the Russians had been conducting secret tests.

Senator DIRKSEN. We have had some conferences with various people and it was on that basis that we came to the conclusion that the Soviet Union must have been carrying on tests—notwithstanding the denial that was made by Mr. Khrushchev and others, particularly so when Mr. K. has been boasting about a hundred-megaton bomb.

Mr. CASSIDY. And military expert Martin Caidin raises the question, too.

Mr. CAIDIN. How do we know that they have not been secretly testing bombs all this time? The answer is: We don't know. We don't know because it's impossible to detect explosions if you're really trying to hide them. Now, small bombs can be exploded in deep underground caverns made of rock. They give off no radio activity or fallout that can be detected above the surface. There are no inspection teams in Russia. Our instruments cannot tell us if the Russians are testing bombs. So what it adds

up to is that for the last several years we have been trusting the Russians. We have been taking their word that no bombs have been exploded during this time.

Mr. CASSIDY. The United States has made a final, honest effort to reach agreement with the Russians on a test ban treaty. The Geneva talks have been suspended and the issue will now go to the United Nations beginning in New York, September 19, an institution that has had a notable absence of success in trying to stop the arms race. Instead of disarming, instead of turning weapons into plows and using atomic energy for peace, the world is rearming. Unless wisdom can prevail, the ultimate result is bound to be war—and this war might very well be the last.

STATE DEPARTMENT LETTER CONCERNING S. 2233, TO AMEND THE IMMIGRATION AND NATIONALITY ACT

Mr. KEATING. Mr. President, in consideration of some of the House amendments to S. 2237, an act to amend the Immigration and Nationality Act, I called upon the State Department for its views with respect to this proposed legislation.

A number of the provisions added in the House of Representatives to S. 2237 have not been considered previously on the floor of the Senate. For that reason, I am sure that my colleagues will find the State Department letter very informative.

I ask unanimous consent to have inserted at this point in the RECORD the complete text of the State Department letter to me dated September 12, 1961.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., September 12, 1961.

Hon. KENNETH B. KEATING,
U.S. Senate.

DEAR SENATOR KEATING: In response to your request, I submit herewith the Department's comments on S. 2237 as passed by the House on September 6, 1961. As you realize, many of the provisions of this bill are similar in content to those contained in S. 1809, introduced by Senator DIRKSEN on May 4, 1961, on which this Department submitted its report to the chairman of the Senate Judiciary Committee on July 12, 1961.

ELIGIBLE ORPHANS AND ADOPTED CHILDREN

The Department is glad to endorse in principle the provisions of sections 1, 2, 3, and 4 of the bill, the main purpose of which is to remove eligible orphans from quota restrictions and to place the orphan adoption program on a continuing basis.

Referring to the procedures proposed for determining an alien's qualifications for status under section 101(b)(1)(F), it is recommended that consular officers be authorized and directed to conduct the necessary investigations abroad to determine whether the alien is an "eligible orphan," and also the qualifications of the petitioner and his spouse if they are residing abroad. Generally speaking, the question of whether an alien is classifiable as an "eligible orphan" can best be determined by those who have firsthand knowledge of the facts and circumstances which make him available for adoption. U.S. consular officers are able to make this determination because they are in a position to obtain the necessary information abroad and to know the facts and circumstances. When the personnel of another agency performs this investigative function overseas, it results necessarily in an increase of personnel assigned abroad with the attending budgetary demands, and it also militates against our Government's efforts to reduce the number of Government personnel stationed abroad. The Department also recommends the inclusion of language which would make it possible for a qualified Federal agency to offer guidance to consular officers in matters relating to adoption.

JUDICIAL REVIEW OF DEPORTATION ORDERS

Section 5 would provide for comprehensive procedures to govern the judicial review of deportation orders. While this section is of interest exclusively to the Department of Justice, this Department fully endorses its objectives.

RACE AND ETHNIC CLASSIFICATION

Section 6 of the bill would delete the words "race and ethnic classification" from section 222 (a) and (c) of the Immigration and Nationality Act. The Department strongly endorses the removal of this language from the statute because it serves no purpose in the enforcement of the immigration laws and has been a source of misunderstanding and irritation to visa applicants.

DEFINITIONS

The provisions of sections 7 and 8 and would redefine the term "veteran" to include persons who served in the Armed Forces of the United States during the Korean conflict, and prescribe the period of "Korean hostilities" as from June 25, 1950 to July 1, 1955. This would conform the "Definitions" section of the Immigration and Nationality Act to substantive amendments made in section 354 by section 2 of the act of August 2, 1959.

QUOTAS FOR NEW POLITICAL ENTITIES

Section 9 would amend section 202(e) of the Immigration and Nationality Act in two significant respects:

(a) It would assure to new political entities an immigration quota equal to the total of quotas or subquotas presently established for each of the component parts which comprise the new entity, and

(b) It would eliminate the ceiling of 2,000 now imposed on the aggregate of all minimum quotas within the Asia-Pacific triangle.

The prompt enactment of the amendment described under (a) is of particular concern to the Department in view of the imminent independence of the West Indies Federation, now expected in the early part of 1962. Upon gaining independence, the federation will be entitled to an immigration quota which, if computed under existing law, would amount to 100 compared with a total of 1,000 quota numbers now available to the component areas of the Federation. This reduction would be highly undesirable from a foreign policy point of view. Consequently, the Department strongly endorses the proposed amendment which would authorize an annual quota of 1,000 for the Federation. In the absence of this amendment, the United States would be placed in the position of restricting the Federation to a quota of 100 upon its acquisition of an independent status.

While it is recognized that this amendment of section 202(e) of the Immigration and Nationality Act will meet the immediate problem created by the coming independence of the West Indies Federation, the Department wishes to emphasize the importance from a foreign policy point of view of placing all independent areas within the Western Hemisphere on an equal footing. A policy which favors certain political entities by classifying them as nonquota areas while other entities falling within the same general description and located in the same hemisphere are treated as quota areas is injurious to our foreign relations.

The Department also favors strongly the amendment described under (b) inasmuch as any reduction in quotas as required by existing law would adversely affect the foreign relations of the United States. This amendment is of particular importance in view of the forthcoming independence of Western Samoa now scheduled for January 1, 1962.

FRAUDULENT MARRIAGES

Section 10 of the bill proposes to give the Attorney General added authority to prevent the immigration of certain aliens who previously acquired a nonquota status or a preference quota status under the immigration laws by reason of a marriage entered into for the purpose of evading immigration laws. The Department wishes to endorse this amendment in principle.

DANGEROUS CONTAGIOUS DISEASE

Section 11 of the bill would amend section 212(a)(6) of the Immigration and Nationality Act by eliminating the specific references to tuberculosis and leprosy, using instead the generic term "dangerous contagious disease." This proposed amendment is of particular interest to the U.S. Public Health Service. It is anticipated that the regulations of that Service will interpret the term "dangerous contagious disease" to include tuberculosis and leprosy.

CODIFICATION OF REMEDIAL LEGISLATION

Sections 12, 13, 14, and 15 of the bill would amend section 212 of the Immigration and Nationality Act so as to include the remedial provisions of section 4 of the act of September 3, 1954, and sections 5, 6, and 7 of the act of September 11, 1957, as amended. The Department favors as sound legislative practice the incorporation in one statute of all permanent provisions bearing on immigration and nationality.

Consistent with the procedure laid down in section 212(d)(3)(A) of the Immigration and Nationality Act whereby the inadmissibility of nonimmigrant aliens may be waived in the discretion of the Attorney General, the Department believes that any waiver of inadmissibility under the proposed section 212 (f), (g), or (h) in the cases of immigrants should likewise be conditioned upon a recommendation by the Secretary of State or by the consular officer that the alien be admitted to the United States despite his inadmissibility. The consular officer who has the statutory responsibility of examining the alien in connection with his visa application and whose finding of ineligibility to receive a visa forms the basis for any discretionary relief under the proposed section 212 (f), (g), or (h), appears best equipped to develop the facts from his vantage point abroad and thus to enable the Attorney General to reach a proper decision.

WAIVER OF DEPORTABILITY

Section 16 of the bill amends section 241 of the Immigration and Nationality Act to incorporate certain remedial provisions of law now contained in section 7 of the act of September 11, 1957. This amendment pertains to deportation and is of exclusive concern to the Department of Justice.

NATIONALITY AMENDMENTS

Section 17 would amend section 310 of the Immigration and Nationality Act. It is designed to overcome certain judicial interpretations of the saving clause of the naturalization provisions of law by establishing a uniform rule of naturalization. This amendment is of particular interest to the Department of Justice.

EVIDENCE IN DENATURALIZATION PROCEEDINGS

Sections 18 and 19 of the bill relate to the revocation of naturalisation and to the establishment of loss of nationality. These proposed amendments are primarily of interest to the Department of Justice.

RETENTION OF CITIZENSHIP DESPITE RESIDENCE ABROAD

Section 20 of the bill would amend section 354(4) of the Immigration and Nationality Act by extending the provisions of that paragraph to the spouse or child residing abroad with the citizen spouse or parent whose case is within the provisions of paragraph (4). The Department favors the enactment of this amendment since it would promote family unity in citizenship status, and decrease the demand for private bills in cases heretofore not covered by paragraph (4).

TECHNICAL AMENDMENTS AND REPEAL PROVISIONS

Sections 21, 22, 23, and 24 involve changes of a technical nature and repeal certain statutes as well as several temporary enactments which, under the bill, are consolidated with the basic immigration law.

The Department strongly urges that section 24(b) be amended by inserting "(4)" after the word "Paragraphs" at the beginning of this subsection. This amendment would give this Department an opportunity to issue visas to some 350 refugee-escapees to whom visa numbers have been allocated under section 15 of the act of September 11, 1957, but to whom, according to latest reports from consular offices abroad, visas have not as yet been issued for reasons beyond the control of the aliens involved. In the absence of this amendment, the authority for the issuance of these visas would terminate with the enactment of the bill which would create considerable hardship in these cases.

QUOTA STATUS FOR CERTAIN PREFERENCE QUOTA IMMIGRANTS

Section 25(a) of the bill would accord nonquota status to immigrants who have been accorded second and third preference quota status under the provisions of section 203(a) (2) and (3) of the Immigration and Nationality Act if petitions in their behalf were approved by the Attorney General prior to June 30, 1961. According to the estimates of this Department, some 18,000 aliens will benefit from this provision.

This Department would prefer to see permanent legislation enacted to relieve the recurring pressure on existing quotas. It is the opinion of this Department that the establishment of a quota reserve as referred to in section 5 of S. 1809 with the modifications recommended by this Department in its report to the chairman of the Senate Judiciary Committee on July 12, 1961, would meet this objective. In addition to meeting on a permanent basis the recurring problem of pressures on certain quotas, this formula would also tend to stabilize the workload in the Department as well as in the field, thereby avoiding the need for the employment of temporary staffs with its resultant budgetary and personnel problems.

I trust that this information will answer your inquiry and will be helpful to you and the other conferees on S. 2237. Should any additional data be required, I will be pleased to supply them.

Sincerely yours,

BROOKS HAYS,
Assistant Secretary
(For the Secretary of State).

FEED GRAIN PROGRAM, 1961

Mr. HUMPHREY. Mr. President, it is indeed fortunate that Congress approved the 1961 feed grain program. Yesterday's—September 11, 1961—crop report showed dramatically the effect of favorable weather conditions on both corn and grain sorghum yields per acre. Corn for grain is being produced on 58.3 million acres with a phenomenal record national average yield of 60.4 bushels per acre. Grain sorghums, with 10.9 million acres estimated for harvest for grain, are estimated to yield 44 bushels per acre. Production is estimated at 3,520 million bushels for corn and 480 million for grain sorghums.

Had there been no 1961 feed grain program, corn would be about ready to harvest from 71.5 million acres—as in 1960—and grain sorghum acreage would have been approximately 15.5 million. These acreages with the tremendous yields produced by weather conditions this year would have produced 4.2 billion bushels of corn and 667 million bushels of grain sorghums. These calculations are based on the assumption that the yield on the 1961 crop without a feed grain program would have been 59 bushels per acre for corn and 43 bushels per acre for grain sorghums.

This would have placed almost an intolerable burden on the feed grain supply situation. Prices received by farmers both for corn and for livestock would have decreased to extreme lows and farm income would have dropped. CCC expenditures would have reached new highs under the open-end production and open-end eligibility for the price-support program which would have continued without the 1961 feed grain program.

Some will argue that the phenomenal yields this year are a result of the increased use of fertilizer on the best acres used on each farm for corn production. Actually, available data on supplies of fertilizer materials moving from primary producers to mixers, distributors and others indicate that the use of fertilizers on 1961 crops is down a little from use in the previous year. Moreover, and perhaps most important is the fact that of the difference between yield on the 1960 crop of corn and the 1961 crop—5.9 bushels per acre—2.9 bushels or approximately 50 percent occurred as a result of improvement in the crop in August, after it is too late to apply fertilizer. All of the other 50-percent increase in yield outlook occurred in July during much of which month it is not possible to make effective use of fertilizer. These facts clearly show that weather conditions, which have probably never been better for corn production, are the primary factor in the yield of corn expected in 1961.

The program, which has been the subject of some comment both in and out of Congress, has saved the taxpayer a substantial sum of money and has saved the Government of the United States millions of dollars. It has increased the income to our farm producers, on the average, about 10 percent. I believe that it is a record of which the administration can be justly proud.

CONGRESSIONAL DISTINGUISHED SERVICE AWARDS, 1961

Mr. HUMPHREY. Mr. President, last Friday four outstanding members of the 86th Congress received the 1961 Congressional Distinguished Service Awards presented biannually by the American Political Science Association. The awards were presented at the association's 57th annual meeting in St. Louis to the senior Senator from Illinois [Mr. DOUGLAS], the senior Senator from Vermont [Mr. AIKEN], and two Members of the House of Representatives, Representative RICHARD BOLLING, of Missouri, and Representative GERALD R. FORD, JR., of Michigan.

I rise to add my tributes and my congratulations to those already received by these outstanding public servants. They have set an example which stands as a constant challenge to every Member of Congress. All of us recognize the diligence and hard work which these Members expend every hour of the day, and more than half the hours of the night, in fulfilling their responsibilities as elected representatives of the United States. I am extremely pleased that the American Political Science Association chose to honor these four Members of Congress with the 1961 Congressional Distinguished Service Award.

These awards have an interesting and unusual history. In 1955 a highly respected Member of this body, Senator William Benton, of Connecticut, wrote an article for the New York Times magazine in which he asked this question: "Can we devise means of rewarding and drawing public attention to the work of the quiet—but invaluable—Senators and Congressmen?" Senator Benton answered this question with the specific proposal that citations for distinguished service in Congress be presented by the American Political Science Association to the five outstanding Members of each Congress as judged by criterion of dedicated service in the public interest, whether or not this service resulted in headlines and front-page publicity.

I quote further from Senator Benton's article:

> We gladly debate the merits of writers, dentists, junior and senior executives, ministers of the gospel, storekeepers, and even scientists. Do we lack the resourcefulness to assess key political policymakers, and to bring them out in the open so that we can better judge their deeds and know who they are? The Members of Congress are the most remarkable group that I have ever met anywhere; and in integrity, intelligence, and hard work they rank above any group with whom I have ever worked. This is as great a tribute as I know to pay to men and women who are so frequently kicked around, abused, misunderstood, and unappreciated.

I know I am joined by every colleague in an enthusiastic and resounding "Amen" to those words.

Unlike so many proposals of this nature, this one to establish a Congressional Distinguished Service Award became a reality within 5 years. The American Political Science Association moved to implement this suggestion. Senator Benton himself—acting through the Benton Foundation—provided the funds needed to make an appropriate award. The first Congressional Distinguished Service Awards were presented by the association in 1959 for service in the 85th Congress.

I believe that these awards are particularly important because they represent a forceful reaffirmation of the centrality of the legislative process to the American democratic system of government. Today we constantly hear the argument that all power and influence has gone from Congress to the executive branch. We are told that Congress lacks the means, the intelligence, and the will to deal effectively with 20th century challenges and problems. We are frequently looked upon as something which accidently survived the 19th century and which must be patiently tolerated, if not totally ignored.

But we who labor here know this argument is not true. We know that those people who make it do not understand America's true heritage. We know that if this argument ever were true, the American democratic system would be totally dissolved into executive tyranny.

Rather than diminishing the importance of Congress, I believe the challenges facing our country today increase significantly the necessity for outstanding legislative service. We are, after all, those governmental officials closest to the citizens of America. We reflect, more accurately than anyone else, their wishes, their opinions, their hopes, and I might hope, their basic wisdom. Like these citizens, we make mistakes; but, like them, let no one doubt our patriotism, our determination, and our courage.

In truth our Nation has never before been faced with such gigantic tasks. Our country has never before called for such patriotic and unselfish service from its elected representatives in Congress.

It is in terms of national survival that the importance of the Congressional Distinguished Service Awards is clearly appreciated. There are no harder working legislators in Congress than Senators DOUGLAS and AIKEN and Representatives BOLLING and FORD. They serve not only their immediate constituents in Illinois, Vermont, Missouri, and Michigan, but most certainly the entire Nation.

I ask unanimous consent that the citations which accompany the presentations of the service awards at the 57th annual meeting of the American Political Science Association in St. Louis be printed at this point in my remarks.

There being no objection, the citations were ordered to be printed in the RECORD, as follows:

CONGRESSMAN RICHARD BOLLING, DEMOCRAT, OF MISSOURI

A master strategist who serves as crucial link between the House leadership and the Democratic liberal bloc and enjoys the complete confidence of both, RICHARD BOLLING is a political realist who, while recognizing the necessity for compromise, refuses to desert basic principles. A careful student of politics who clearly enjoys his active role within it, he has been able to build a unique role for himself as a bridge between the northern and southern wings of the Democratic Party and has become a trusted aid of Speaker RAYBURN. He has dedicated his career to building that "vital area of consensus" on which rests the fate of so much legislation.

The American Political Science Association takes great pleasure in presenting this Congressional Distinguished Service Award to RICHARD BOLLING, Democrat, of Missouri—thorough technician, brilliant strategist, articulate congressional spokesman for liberal thought, and responsible custodian of power and influence.

CONGRESSMAN GERALD R. FORD, JR., REPUBLICAN, OF MICHIGAN

With the continuing growth of executive power, the always important legislative function of control over "the purse strings" has assumed an even greater role in our democratic system.

Occupying one of the most difficult, time-consuming and important positions in the House as a ranking member of the Defense Appropriations Subcommittee, GERALD FORD has, through diligent application to committee work and mastery of highly complex defense matters, indeed earned the appellation of a "Congressman's Congressman." A moderate conservative who is highly respected by his colleagues of both parties, he symbolizes the hard-working, competent legislator who eschews the more colorful, publicity seeking roles in favor of a solid record of achievement in the real work of the House: committee work. Nonpartisan where the defense posture of the country is concerned, he nonetheless occupies an important position in the national councils of his party and is a recognized leader of the Republicans in the House.

The American Political Science Association is privileged to present this Congressional Distinguished Service Award to GERALD R. FORD, JR., Republican, of Michigan—party leader, responsible critic, respected participant in debate, conscientious, dedicated, and judicious committee member.

SENATOR GEORGE D. AIKEN, REPUBLICAN, OF VERMONT

Pursuing a highly independent course, GEORGE D. AIKEN has performed his senatorial duties with a responsibility that has resisted the extremism of both the right and the left. Making full use of his New England prerogative of not speaking unless he has something to say, he specializes in stripping away partisan pretension from the vital issues before Congress, substituting the oft-maligned but ultimately indispensable notion of the public interest. Particularly in the areas of foreign policy and agriculture, his facility for searching criticism tempered by commonsense provides one of the essential ingredients in the successful functioning of a representative democracy.

The American Political Science Association takes great pleasure in presenting this Congressional Distinguished Service Award to GEORGE D. AIKEN, Republican, of Vermont—respected conciliator, effective legislator, rugged Yankee individualist, and symbol of bipartisan responsibility for this Nation's welfare.

SENATOR PAUL H. DOUGLAS, DEMOCRAT, OF ILLINOIS

Viewing his senatorial role in the progressive tradition of Norris and La Follette, Paul H. Douglas has kept on the Nation's current agenda many of those enduring problems which otherwise might be accidentally overlooked or deliberately ignored.

Having established himself as one of this Nation's most respected economists, he brought to the Senate a breath of understanding regarding the Federal Government's role in combating domestic, economic, and social problems combined with unsparing criticism of governmental waste and inefficiency.

Reflecting the courage tempered by his distinguished military service, he has viewed the right to advocate unpopular but crucial causes as a personal duty and he has prophetically raised the eternal problems of human freedom and dignity in terms of our contemporary democratic society.

The American Political Science Association is privileged to present this Congressional Distinguished Service Award to PAUL H. DOUGLAS, Democrat, of Illinois—rigorous intellect, responsible, independent, defender of human rights, and consistent advocate of social progress.

Mr. HUMPHREY. Mr. President, I believe these words indicated with unusual force and clarity the factors which determined the respective selections.

The recipients of the Congressional Distinguished Service Awards are determined by a special awards committee appointed by the American Political Science Association. In 1961 the committee was composed of John D. Millett, president of Miami University—Ohio—as chairman; Max M. Kampleman, Washington attorney and treasurer and counsel of the association; Harold D. Lasswell, professor of law and political science at Yale University; John W. Lederle, president of the University of Massachusetts; James W. Miller, president of Western Michigan University; and John A. Perkins, president of the University of Delaware. The committee's selections were made from initial nominations by members of the Washington Press Association and the American Political Science Association. Dr. Millett presented the awards at the ceremony last Friday.

The award itself is a bronze plaque in the shape of an open book. The pages of the book are inscribed with the closing words of Lincoln's Gettysburg Address: "that government of the people, by the people, for the people shall not perish from the earth."

The bronze book is mounted on a deep red marble base which also serves as a fountain pen holder. It is a most handsome and meaningful work of art.

Mr. President, our colleagues who received this signal honor last Friday deserve our congratulations. Moreover, the American Political Science Association and the William Benton Foundation should be congratulated for making these awards a reality. But of most importance, all the American people—and particularly those who serve in Congress—should view this biannual presentation as a national reaffirmation of faith in the legislative process. These awards should symbolize the great responsibility we bear for the continued survival of democracy and liberty in an age of tyranny and slavery.

Mr. WILLIAMS of Delaware. Mr. President, I join the Senator from Minnesota in congratulating our distinguished colleagues in the Senate and in the House on receiving the awards of the American Political Science Association. I join him in saying that the association could not have picked two more worthy Senators than those who were selected.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. KEATING. I join in saluting our colleagues here and in the other body, with all of whom we have worked. We know that the American Political Science Association could not have picked any more worthy persons in either body of Congress to receive this honor. I regret that my distinguished friend from Minnesota rather spoiled the beauty of

the occasion by joining onto his felicitations a boost for the feed grain program, upon which I have had some comments and upon which I shall hereafter have other comments, including perhaps comments on the fantastic figures presented by the distinguished Senator from Minnesota. But because I differ with him on the feed grain program does not mean that I cannot share with his good commonsense when he praises these colleagues with whom we have worked and whom we all know are so deserving of the high honor they have received. I think that his commendation of the American Political Science Association is also very much in order. To my way of thinking, the awards are very much to be cherished. They are a great stimulus to all in Congress to try to do a better job day in and day out. The association has performed a very distinct service by calling attention to and honoring these outstanding colleagues who surely merit such recognition.

LIMITATION INVOLVING NATIONAL SECURITY OF PROHIBITION ON PAYMENT OF ANNUITIES AND RETIRED PAY TO U.S. EMPLOYEES

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 844, H.R. 6141.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 6141) to amend the act of September 1, 1954, in order to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the application and operation of such act, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill.

Mr. CLARK. Mr. President, the bill appears on the Senate Calendar for the third time in 2 years, having for the third time been unanimously reported favorably by the Senate Committee on Post Office and Civil Service. I have been selected as the Senator in charge of handling the bill because, as on former occasions when the bill came before the Senate, I happen to be the chairman of the subcommittee which considered it.

The bill is identical with the bill passed by the House on April 14, 1959, and again by voice vote in the House on July 12, 1961. Its purpose is to amend the act of September 1, 1959, dealing with the general subject of retirement and annuities in order to limit the cases involving the national security, the prohibition on the payment of annuities and retired pay to officers and employees of the United States.

The measure continues the prohibition contained in the 1954 act, as amended, against the payment of civilian annuity or military retired pay to any person who has committed an offense against the national security of the United States or who refuses to testify before a duly constituted judicial or congressional proceeding in a matter relating to the national security.

The measure restores civilian annuity benefits and military retired pay, including survivorship benefits to a number of widows and children, which, under the act of September 1, 1954, have been denied because of the commission of a variety of offenses in no way related to the national security.

The act of 1954 prohibits the payment of a civilian annuity or military retired pay to civilian employees or military personnel who are convicted of any one of a long list of criminal offenses enumerated in the statute. However, neither an annuity or retired pay awarded on or after September 1, 1954, may be paid regardless of the date the offense or conviction occurred. In cases where civilian annuity is denied, a refund of the individual's contributions to the retirement fund, with interest, may be made. In the case of a denial of military retired pay there is no deposit to be refunded.

On page 2 of the committee report appears an exhibit showing a summary of claims which were initially denied; those which were subsequently allowed, the number of claims still denied, also those which would be allowed upon enactment of the measure now before the Senate, as well as claims which would continue to be denied because of offenses involving the national security.

There is a series of detailed case explanations in the back of the report. The explanations cover five pages. These pages show the facts with respect to each of these cases dealt with by the bill. There is another exhibit in the back of the report which lists 51 cases in which retired pay has been denied to military persons by reason of Public Law 769, 83d Congress.

The military list is somewhat shorter than the civilian list, because as was testified in the hearing, which was held by the committee on July 26, 1961—and this appears in the footnote on page 33 of the hearings—"to insure that all cases were included in the listing would have required a costly and time-consuming examination of all retired records. These records are located in various parts of the country and not in one place, as is the case with Civil Service Commission records."

However, I believe that the sampling of the 51 military cases which appears in the report is a fair sampling.

It was the unanimous view of our committee, as it was twice the view of the House of Representatives, that a serious miscarriage of justice has resulted by reason of denial of rightful retirement benefits to former employees and military personnel and survivors of such persons convicted of offenses having nothing to do with the national security in violation of the original intent of the Congress in passing the law.

The bill would remedy this situation by providing for the restoration of civilian annuities and retired military pay to former employees and military personnel, including survivors, who have been denied such benefits under the act of September 1, 1954, because of conviction of offenses not related to the national security.

Such denial is clearly in violation of our traditional sense of justice, and also in violation of a contract which was entered into between the Government and the employee who was permitted to make payments under the law and which entitled him to an annuity.

On pages 3 and 4 are references to three typical cases of the injustice of which I speak. I ask unanimous consent that the references to case No. 1, case No. 85, and case No. 92, listed on pages 3 and 4 of the committee report, be printed in the RECORD at this point. These cases are a part of exhibit A.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

CASE NO. 1—EXHIBIT A

A postal clerk, after 36 years and 1 month of service was charged with embezzling $165 collected for parcel post mailing matter. He was removed from the service and indicted. The court, on considering all the evidence, imposed neither fine nor sentence but placed the former clerk on 3 years' probation.

Public Law 769 has imposed the added penalty of denial of an annuity actuarial value of $35,000.

CASE NO. 85—EXHIBIT A

A truckdriver for the Department of the Air Force, after serving 16 years and 1 month reached the mandatory retirement age of 70 and was separated April 30, 1956. In processing his civilian annuity, his military service during World War I came under scrutiny and it was found that he had been convicted by court-martial in 1918 of theft and selling a Government pistol while in the Army.

The penalty imposed by court-martial was dismissal from the service. Thirty-eight years later, Public Law 769 imposed the added penalty of denying him his civilian annuity with an actuarial value of $8,000, which he had earned through 16 years of honorable civilian service.

CASE NO. 92—EXHIBIT A

A Navy plasterer applied for retirement March 31, 1956, after 35 years and 4 months of service. In adjudicating his retirement claim, it was found that in August of 1946 he had been removed from his position for theft of Government property. He was tried, convicted, and sentenced to 1 hour in the custody of the U.S. marshal.

Public Law 769 imposed the added penalty of denial of an annuity with an actuarial value of $34,000.

Subsequently he received a Presidential pardon which allowed him to receive his earned annuity.

Mr. CLARK. I wish to make a few matters clear, and then I shall be done.

First, I wish to state that in any case in which an employee's offense has resulted in indebtedness to the United United States, the Government has full legal authority to obtain and would obtain restitution by deducting any such indebtedness from retirement payments authorized by the bill. That is set forth in full in a letter received from the Civil Service Commission, which appears at page 4 of the report.

I also wish to make it clear that the bill was initially recommended by the Eisenhower administration. It is now recommended by the Kennedy administration. It is not partisan legislation. The bill has been the subject of public hearings in both the House and the Senate. It is supported by the Bureau of the Budget, the Civil Service Commission, the Post Office Department, the Department of Defense, the Justice Department, and the General Accounting Office.

There was not a word of adverse testimony received from any source, and no Senator suggested amendments to the bill although the Committee gave full notice of the public hearings on the bill and specifically invited colleagues known to be opposed to the bill to appear and testify.

Finally, I invite the attention of my colleagues in the Senate to page 6 of the report, where there are listed various offenses against the national security which are dealt with by the bill, and where it is made quite clear that if an offense is committed against the national security, such as disloyalty, subversion, treason, or the like—and the various offenses are listed on page 6 of the report—the provisions of the bill would not permit the violator of statutes involving national security to receive his annuity.

That is about as far as I care to go at this time.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. CLARK. I am glad to yield to the Senator from Oklahoma, a member of the committee, who has been assiduous in his attention to this matter.

Mr. MONRONEY. Mr. President, I served in the House at the time this act was passed. It was passed to meet a specific national security violation which had occurred.

Mr. CLARK. The act of 1954 was passed in response to a specific security case as the Senator has stated.

Mr. MONRONEY. That is correct. It was done with a feeling that we should not in any way be bound by our pension or retirement benefit commitments where someone had violated the Nation's security or was charged with crimes that involved disloyalty to the Federal Government. I cannot remember that in any of the debate there were mentioned any of the circumstances that the Senator has described, or which are shown in the table of some 177 cases, which this bill would restore to full rights of retirement, which of course have been paid for by the 7 percent charged against the annuitants. This is not a matter of a gratuity to Federal employees. It is a retirement policy, such as can be bought from any insurance company.

Mr. CLARK. It is a contract with the employee.

Mr. MONRONEY. Yes. No one would quarrel with removing such a benefit, even if it had been paid for, in the case of someone who had conspired against the national security. However, there have been brought into being a large number of cases which were never intended by Congress to be brought into this category.

I have before me an article published in the Washington Evening Star of February 23, 1961, which tells about a retired Marine Corps veteran with 25 years of honorable service. At the age of 50 he had been honorably retired. He had had four cancer operations in the preceding 3 years, and has a wife and four children.

In 1954 he was retired after 25 years of honorable service, with a letter of commendation from the then Marine Corps Commandant, Gen. Lemuel C. Shepherd, which read in part:

> Your long and valuable service is appreciated and I wish you many years of happiness and prosperity.

This warrant officer had seen battle action during World War II in the Pacific, in Guadalcanal, the Solomon Islands, New Hebrides, and the Russell Islands. He also saw action in Nicaragua in 1931.

The article states:

> There was only one thing that marred his otherwise perfect record.
>
> In 1951 while the assistant officer in charge of a post exchange, he was convicted of the theft of $500. He was fined $750. However, the circumstances apparently weren't very damaging since he was promptly restored to duty and retired 3 years later with full honors.
>
> In 1954 he started receiving his $283 a month pension. However, late last year the Marine Corps belatedly realized that under the Hiss Act he was not entitled to the pension.

I am sure that Congress did not intend to legislate to deny this Marine Corps veteran this benefit.

The fact is that whatever criminal or civil penalties attach to a crime are carried out in full against a Government employee, and probably with more severe punishment than in the case of a private citizen, because of the violation of trust that is involved in connection with a Government employee.

However, to violate a contract for one or more of a long list of offenses, as shown in the report, seems to me to be carrying the intent of the law far beyond that which Congress had in mind when it passed the law to prevent persons like Hiss and others from being allowed to retire on Government pay.

For this reason I believe a reading of the long list of people involved would be most enlightening, to show the punishment they received simply because they were Federal employees. Many of these persons, if the crime were severe enough, would be serving long sentences and paying for them. However, what they were entitled to as workers should not be denied those whose only hope of staying off charity or public assistance rolls would be in the entitlement for which they themselves have paid through their years of Government service.

The Committee on Post Office and Civil Service was unanimous, if I remember correctly. This is not a new item; it has been passed several times by the House.

Mr. CLARK. This was the third time since I have come to the Senate that the Committee on Post Office and Civil Service has been unanimous in approving a House bill to which no objection was raised, so far as I know, in the House or in the Senate Committee.

Mr. MONRONEY. As I understand the act, even though an employee has an automobile accident and is convicted of a felony, he is subject to loss of his right to benefits which may have accrued over 40 years of service. Is not that correct?

Mr. CLARK. The Senator is correct.

Mr. MONRONEY. It seems to me this is really greater jeopardy—I am certain it is greater jeopardy—than we intended to provide when we were legislating for one man. We have denied, and the bill will continue to deny benefits in 12 cases which would come under the head of violation of national security, but would leave a chance for at least 165 persons to be entitled to that which they have accumulated through their own payments and their own service in the Federal Government.

I know of no other retirement plan provided by industrial or insurance companies, or any other such means of providing for retirement, which is automatically canceled in the event a person is convicted of a felony.

It would be the greatest injustice to a man who may have a 25- or 30-year annuity which he has built up in an insurance company to be told by the company, "We are going to give you back your money at age 65, but the rest of the fund which you were building up under contract with the insurance company will be canceled because you had the misfortune to be involved in an automobile accident or a minor embezzlement, or in some one of the many crimes which are committed and for which fines have been meted out by the courts to fit the punishment to the crime."

Mr. CLARK. I thank the Senator from Oklahoma for his assistance.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the entire article related to the Marine Corps veteran be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MARINE'S PENSION REVOKED BY HISS ACT

(By Joseph Young)

How can a 25-year battle veteran with the Marine Corps, who has an honorable discharge and a letter of commendation from the Marine Commandant, wind up not only being denied a pension but owing the Government $20,368 in pension pay?

This actual situation is one of many among Federal civilian employees and military personnel resulting from the so-called Hiss Act which was passed by Congress several years ago.

The law was passed after some Members of Congress discovered that Alger Hiss, who was convicted of perjury as a result of the sensational spy charges made by Whittaker Chambers, would be eligible for a deferred civil service annuity at age 62.

OTHERS INVOLVED

Congress passed a law aimed at denying the annuity to Hiss, but in the process wound

up denying annuities and pensions to hundreds of other Federal employees and military personnel. The law denied annuities and pensions to anyone convicted of a felony against the Government, no matter how minor the offense or how extenuating the circumstances.

The case of the retired 50-year-old Marine Corps warrant officer is one in point. He has had four cancer operations in the past 3 years, and has a wife and four minor children to support.

In 1954 he retired on an honorable discharge after 25 years of service, with a letter of commendation from the then Marine Corps Commandant, Gen. Lemuel C. Shepherd. "Your long and valuable service is appreciated and I wish you many years of happiness and prosperity," General Shepherd wrote.

The warrant officer had seen battle action during World War II in the Pacific in Guadalcanal, the Solomon Islands, New Hebrides, and the Russell Islands. He also saw action in Nicaragua in 1931.

There was only one thing that marred his otherwise perfect record.

CONVICTED OF THEFT

In 1951 while the assistant officer in charge of a post exchange, he was convicted of the theft of $500. He was fined $750. However, the circumstances apparently weren't very damaging since he was promptly restored to duty and retired 3 years later with full honors.

In 1954 he started receiving his $283 a month pension. However, late last year the Marine Corps belatedly realized that under the Hiss Act he was not entitled to the pension.

His monthly pension was not only stopped but he was informed that he owed the Government $20,368 in pension money already paid him since 1954.

The retired officer is in an intolerable financial situation. He not only doesn't have the $20,368, he doesn't have enough money to meet his current bills and expenses. He is broke.

IN POOR HEALTH

The only income for the family of six is provided by his wife's salary of $81 a week. Because of his four operations for cancer, the former officer's health is much too poor for him to secure employment.

If anything happens to him, his family also would be denied the widow's pension to which the families of retired personnel are normally entitled.

The retired officer says, "I just can't help feeling bitter. I devoted 25 years of my life to the service of my country and, except for one mistake for which I paid, my record was an excellent one. Yet it seems as if the U.S. Government is doing everything it can to make life absolutely unbearable for myself and my family. This isn't the American justice in which I have always so strongly believed."

CAN'T LIVE ON $81

He added, "I just don't know how we all are going to live. You certainly can't get along on $81 a week."

As an afterthought, he remarked: "You know, it's ironic. I was in the Solomons the same time that President Kennedy was when he was injured while commanding a PT boat. We were both up to our necks in the war, and now look what's happened to me. I don't want to sound bitter or resentful, but when I look around and see what this is doing to my family, it's hard not to feel that way."

A Presidential pardon for his offense could restore his pension once again, but legislation would still be needed to wipe out the $20,368 he owes the Government.

Congress last year nearly passed a bill amending the Hiss Act which would give this former Marine officer and other Federal employees and military personnel who are now denied annuities, the right to receive their annuities and cancel out any indebtedness. The bill would deny Alger Hiss an annuity by prohibiting such payments in cases involving national security.

BLOCKED IN SENATE

The bill was strongly backed by the Eisenhower administration and cleared the House easily. It also was approved by the Senate Civil Service Committee. But attempts to pass it on the Senate Consent Calendar were blocked when Senator WILLIAMS, Republican, of Delaware, objected. There wasn't enough time left before adjournment for the Senate to take it up on the regular calendar.

Now, similar legislation has been sponsored in the new Congress. The Kennedy administration is expected to support the bill.

The bill's sponsors are hopeful that this time it will become law. So do the hundreds of former employes and military personnel and their families who are now suffering such hardships because of the Hiss Act.

Mr. SALTONSTALL. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I am happy to yield.

Mr. SALTONSTALL. I shall not oppose the bill, but what disturbs me, as I read it, based upon my experience with respect to several difficult problems of this type, is that it makes no exceptions concerning the restoration of pensions and annuities as a result of domestic crime.

I thoroughly approve of the provision with respect to the security of the United States. On the other hand, suppose a person commits a felony of a serious nature—and what is a crime of a serious nature and what is not is difficult to define—but suppose he commits a serious felony, such as murder, to make it a 100-percent case, or the shooting of a police officer. Why should such a felon be allowed to continue his annuity or his retirement rights, as opposed to a citizen who has lived a clean life and has done his work? The bill covers national security. None of us can have any objection to that. What disturbs me is to think that a person who commits a serious felony may continue to receive his annuity.

Mr. CLARK. My answer to the Senator from Massachusetts is twofold: First, to call his attention to the long list of offenses against the national security on pages 6 and 7 of the report. Where convictions occur in such cases retirement benefits would not be restored under the bill.

Mr. SALTONSTALL. I agree to those.

Mr. CLARK. Heaven forbid that either the Senator from Massachusetts or I should commit murder, but if we did and paid for it with our lives—the bill would not make it impossible for our widows to collect Federal retirement benefits acquired over years of public service prior to the crime. Private insurance benefits and private business retirement benefits payable on death to survivors by contract would also be due under such circumstances. If that be true of private industry, why should there be a more rigorous rule in connection with Government service?

Mr. SALTONSTALL. Government service is an honor or a privilege. The Government desires to have the highest type of citizens. That perhaps may be a generalization. The Senator from Pennsylvania, as a former mayor of a great city, and I, having served in the capacity of chief executive of Massachusetts, know that there are certain kinds of crimes which make a Government employee, when he commits them, unsuitable to remain in the public service.

Mr. CLARK. The Senator is correct. Such a person would be immediately dismissed and penalized according to the criminal law. But should that have any effect on his civil contract rights?

Mr. SALTONSTALL. If his conviction results in his employment being taken away from him, certainly he should be refunded what he has put into the fund himself. What I had in mind, and what disturbed me when I read the bill, and after having had a discussion about it with the Senator from Delaware [Mr. WILLIAMS], is the question whether we should put the high-type citizen who has served his life out, let us say, in the Government Printing Office, or the Civil Service Commission, or the Department of Defense, or anywhere else, in the same category as a man who has committed a serious felony? What constitutes a serious felony, or where the line should be drawn, is something I am not prepared to define at the moment.

Mr. CLARK. All I can say to the Senator from Massachusetts is that this must be a question for each Senator to decide in accordance with his own individual conscience. In the voluminous list of cases which are set forth in the report—and they include all the cases which we have been able to dig up at the Civil Service Commission or the Department of Defense—there is not a single case in which the sentence was for as long as 5 years. The hypothetical case of murder, which the Senator has posed, has not yet arisen.

It is true that Government service is an honor, but I myself can see no reason—and this is a problem for each Senator to decide for himself—for violating a contract with a Government employee, any more than an insurance company would be permitted to violate a contract with a private individual who had taken out a policy, and paid premiums for it, if such person subsequently committed a crime and was convicted and penalized for it.

Mr. SALTONSTALL. The bill relates to a contract to which the Government is a party.

Mr. CLARK. Yes.

Mr. SALTONSTALL. I shall not object to the bill. I am not able to define what is bad. The report is unanimous. What disturbs me is that no domestic crimes are included in the category which would make it impossible for a man to continue his annuity.

Mr. CLARK. If the Senator from Massachusetts will bear with me, I shall like to quote from the testimony of Roger W. Jones, formerly Chairman of the Civil Service Commission, who is at present, as the Senator from Massachusetts knows, Assistant Secretary of State for Administration in the Kennedy

administration. Mr. Jones was Chairman of the Civil Service Commission by appointment of President Eisenhower. He wrote to the committee as follows, when he was Chairman of the Civil Service Commission:

> While the Commission has agreed, and still agrees, that violations of law and other offenses involving the national security justify removal of annuity rights, we are strongly of the opinion that the limitations should stop there. It has never been a part of the philosophy of our legal system to institute and demand criminal penalties in a civil benefits statute. A law having such effect in offenses other than those involving national security is highly discriminatory and very materially enlarges the already stiff criminal penalties described in the appropriate criminal statutes.

The point Mr. Jones makes is that when a man has paid his debt to society, he has paid it; and to add these civil penalties in the nature of forfeiture of contract benefits is not quite right.

Mr. MONRONEY. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. MONRONEY. I have examined the first page of exhibit A, which indicates that in 44 cases, only 10 individuals received any kind of prison sentences. One was for a year and a half; one was for 3½ years; one was for 1½ to 2 years; one was for a year and a day; one was for 3 years; one was for 60 days; one was for 6 months; one was for a year and a year and a day; one was for 3 months to 12 months; one was for a year and a day; one was for 5 months; one was for 18 months.

Three of the cases also involved fines. One was $1,500. One was a fine of $200, in addition to a jail sentence.

It is quite interesting to note that many of the persons who were caught received suspended sentences, and nothing was done. Yet they are subject to the loss of annuities for which they have paid amounts running into thousands of dollars.

Let me refer to 6 fines out of the 44. In one case there was a fine of $1,500, together with a jail sentence.

But in case 4 the sentence was suspended, and the defendant was assessed $30.15 court costs. That was what the judge thought was the proper punishment. But when we consider what the actual loss to the defendant was, we find that he lost a very valuable annuity which would have been worth $4,500. Is not that carrying the punishment to an unjust degree?

Mr. SALTONSTALL. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield.

Mr. SALTONSTALL. I completely agree with the Senator in regard to the cases he has mentioned.

At one time I was a district attorney; and I agree that when a man completes his jail sentence, we should make every effort to restore him to citizenship.

As I said to the Senator from Pennsylvania, I think government service is an honor.

I agree with what the Senator from Oklahoma has said in regard to all these cases.

But when serious felonies are involved—and as I have said, without devoting a great deal of thought to this situation, I do not know where the line should be drawn—I wonder whether such persons should be treated in the same way and placed in the same category with citizens who have lived clean lives, even though perhaps working in subordinate positions.

Mr. MONRONEY. I agree with the Senator, up to a certain point. But every Senator knows that some evening when a Senator is traveling by automobile to his home State, he may become involved in an automobile accident; and in the process of attempting to determine who was at fault, the district attorney might decide to bring a manslaughter charge against the Senator, and he might be convicted. If the judge determined that the proper sentence under the circumstances was 10 years or longer in jail, in the opinion of the judge that would be the proper and justifiable punishment. But I do not believe that, in addition, after many years of service in the Senate—or, in the case of postal employees or persons in the military service, after a lifetime in that service—a conviction of manslaughter—although, of course, manslaughter is a serious crime—should be allowed to cancel out all that such a person had accumulated, and in connection with which he had paid large amounts of money, and even though his work for the Federal Government had been satisfactory, only by the chance of fate would he then find that he and his wife and his children would forever be denied the benefits of what he thought was an honest retirement contract with his Government. That is not a reward; it is a contract entered into as part of Government service. The old concept that retirement was a gratuity by the employer has long since ceased to be regarded as correct.

So if the Senator will examine the statistics on the sheets which accompany the committee report, he will find them most informative, and he will find that many of those who are entitled to receive such annuities have lost thousands of dollars' worth of annuities to which they were entitled.

Mr. SALTONSTALL. I agree with 85 percent of what the Senator has said. But the situation disturbs me. However, I do not have an answer.

Mr. MONRONEY. The act has been in effect since 1954; yet, of perhaps hundreds of thousands of Government employees who have retired, there have been only 213 cases of this sort; and certainly it is important that we correct the injustices.

In 28 of the cases, the claims subsequently were allowed after the persons involved had received Presidential pardons; in 3 cases the claims were later allowed, after there had been a decision by the Court of Claims; and in 5 cases the claims later were allowed, as a result of reconsideration of the evidence. Those 3 groups make a total of 36—36 out of the 2,130 cleared. That is a very small percentage.

The claims currently denied under the act are 177. The claims which would have been allowed upon enactment of this measure are 165. And the claims which would continue to be denied because of offenses involving the national security are 12—because of subversive activities or crimes against the national security.

But when we consider the magnitude of the offenses and when we compare the treatment in these cases with the treatment accorded the millions of persons who receive social security, it is proper to ask whether social security benefits are denied one who has been convicted of either a major crime or a minor crime.

These annuities have been earned, and the beneficiaries are entitled to them, just as the beneficiary of a life insurance policy is entitled to the proceeds of the policy after the contract with the life insurance company has been entered into.

But this law seeks to punish those in this small group—this small number of unfortunate persons who, by their own acts—either intentionally or unintentionally, or perhaps as a result of drunkenness—have done things for which subsequently they have been convicted.

We must bear in mind that these cases are not the type of civil jurisprudence cases which arise from time to time in the courts. Instead, those involved in these cases have been denied annuities to which they have become entitled after long years of service.

This measure would make such corrections in only the 165 cases of this sort which have come up in all that length of time.

Mr. SALTONSTALL. Mr. President, I am glad to have had this brief discussion with the Senator from Pennsylvania and the Senator from Oklahoma. I think it is very interesting and very philosophical.

Mr. LAUSCHE. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. Mr. President, if the Senator from Ohio will permit me to do so, I desire to yield first to the chairman of the committee, the Senator from South Carolina [Mr. JOHNSTON].

Mr. LAUSCHE. Very well.

Mr. JOHNSTON. Mr. President, the Committee on Post Office and Civil Service studied this measure on three different occasions. On each occasion the committee arrived at what it regarded was a good solution of the problem involved.

We found that the bill which had been passed during the heat of the high feeling which prevailed in 1954—and Senators will recall that there was then a great deal of talk about Communists in the Government service and about the number of Government employees who at that time were alleged to be Communists; and the bill was passed under those circumstances, and went much farther than the committee actually intended. Amendments were adopted on the floor of the House and on the floor

of the Senate; and Senators will recall that at that time it was hard to oppose an amendment which related at all to communism.

The truth of the matter is that the bill as drawn up then has penalized a great many Government employees who have committed minor offenses though that was not the intent of the legislation. We think the punishments have been absolutely wrong and have gone too far. For instance, in connection with this point I read now from page 4 of the committee's report:

CASE NO. 92—EXHIBIT A

A Navy plasterer applied for retirement March 31, 1956—

Two years after the passage of the Act—

and after 35 years and 4 months of service. In adjudicating his retirement claim—

And we must bear in mind that he had been working for the Government up to that point—

it was found that in August of 1946 he had been removed from his position for theft of Government property. He was tried, convicted, and sentenced to 1 hour in the custody of the U.S. marshal.

Public Law 769 imposed the added penalty of denial of an annuity with an actuarial value of $34,000.

Subsequently he received a Presidential pardon which allowed him to receive his earned annuity.

Senators should consider how hard it is, for such persons to obtain Presidential pardons, even though the pardons only restore to them the right to receive their earned annuities. That of course, is what should be done in such instances.

Something has been said about the commission of major crimes. I would like to point out that since September 1, 1954, up to February 1, 1961, no major crime, such as mentioned here on the floor of the Senate, has been committed by such persons. Senators will find that of the 213 claims which have been denied, not one of them was denied because of the commission of a major felony.

What does this measure do? It restores 165 claims that have been denied since 1954. In my opinion, it also adequately protects us in the future in respect to our national security.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the part of the report relating to pertinent sections of the United States Code, beginning on page 6 and continuing to page 7, just before the words "section 2."

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

TITLE 18, UNITED STATES CODE

Section

*702. Harboring or concealing person with knowledge or suspicion that he may commit or has committed offense under sections 793 or 794.

*793. Gathering, transmitting, or losing defense information.

*794. Gathering or delivering defense information to aid foreign government.

*798. Disclosing classified information.

Section

*2151 to 2156 (ch. 105). Destroying war material, producing defective war material, interfering with war operations, etc.

*2381. Treason.

*2382. Misprision of treason.

*2383. Inciting or assisting rebellion or insurrection.

*2384. Engaging in seditious conspiracy.

*2385. Advocating overthrow of Government.

*2387. Interfering with or affecting morale, etc., of Armed Forces.

*2388. Interfering with Armed Forces during war.

*2389. Recruiting for service against United States.

*2390. Enlisting to serve against United States.

TITLE 42, UNITED STATES CODE (1952 EDITION)

Section

*1810. With intent to injure United States or secure advantage to any foreign nation, acquiring, revealing, mutilating, etc., atomic energy documents, plans, etc.

**1816. Violating or conspiring to violate certain provisions of title 42 relating to atomic energy. (Covered in Public Law 769 whether or not there is intent to injure United States or secure advantage to foreign nation.)

TITLE 42, UNITED STATES CODE

Section

2272. Willfully violating or conspiring to violate specific code sections respecting atomic energy, with intent to injure United States or secure advantage to foreign nation.

2273. Willfully violating or conspiring to violate code sections respecting atomic energy generally, with intent to injure United States or secure advantage to foreign nation.

2274. Communicating restricted atomic energy data, with intent to injure United States or secure advantage to foreign nation.

2275. Acquiring or attempting to acquire restricted atomic energy data, with intent to injure United States or secure advantage to foreign nation.

2276. Tampering with restricted atomic energy data, with intent to injure United State or secure advantage to foreign nation.

TITLE 10, UNITED STATES CODE (UNIFORM CODE OF MILITARY JUSTICE)

Section

904. Aiding the enemy.

906. Spying.

Other sections involving certain statutory violations if sentence includes death, dishonorable discharge, or dismissal.

**Knowingly and willfully failing or refusing to appear, testify, or produce any paper with respect to his Government employment, before a Federal grand jury, Federal court, court-martial, or congressional committee, in any proceeding regarding his relationship with a foreign government or any matter involving any interference with or endangerment of the national security.

**Committing perjury (1) in falsely denying commission of offense covered in the bill, (2) in falsely testifying before a Federal grand jury, Federal court, or court-martial with respect to his Government employment involving interference with or endangerment of national security, or (3) in falsely testifying before a congressional committee involving interference with or endangerment of national security; also committing subornation of perjury in connection with another person's false denial along the same lines.

**Knowingly and willfully making false statement or concealing material fact, in connection with his employment or application for employment, regarding (1) his connections with the Communist Party or similar group, (2) his conviction of an offense described in the bill, or (3) his failure or refusal to appear and testify or produce paper as described.

**Willfully remaining outside the United States, its territories and possessions, and Puerto Rico for more than 1 year with knowledge of indictment for offense described in the bill or of outstanding charges preferred under the Uniform Code of Military Justice.

Mr. JOHNSTON. The part of the report I have put in the RECORD relates to offenses covered by section 1 of the bill.

It relates to title 18 of the United States Code, for instance, section 792, harboring or concealing a person with knowledge or suspicion that he may commit or has committed an offense under section 793 or 794.

Section 793, gathering, transmitting, or losing defense information.

Section 794, gathering or delivering defense information to aid a foreign government.

Section 798, disclosing classified information.

Sections 2151 to 2156, destroying war material, producing defective war material, interfering with war operations, and so forth.

Section 2381, treason.

Section 2382, misprision of treason.

Section 2383, inciting or assisting a rebellion or insurrection.

Section 2384, engaging in seditious conspiracy.

Section 2385, advocating overthrow of Government.

Section 2387, interfering with or affecting morale, and so forth, of the Armed Forces.

Section 2388, interfering with the Armed Forces during war.

Section 2389, recruiting for service against the United States.

Section 2390, enlisting to serve against the United States.

Section 1810, of title 42, with intent to injure the United States or secure advantage to any foreign nation, acquiring, revealing, mutilating, and so forth, atomic energy documents, plans, and so forth.

Section 1816, title 42, violating or conspiring to violate certain provisions of title 42 relating to atomic energy.

The report continues in this vein and reflects the fact that we have written provisions into the law to adequately protect the national security in every instance where it was necessary.

Under this bill an individual is given the right to receive his benefits under a contract previously entered into with the Government of the United States. It not only protects the individual, but an innocent widow also is given the right to receive benefits under the contract. At the present time, under the laws in effect, those rights are taken away.

Is it right to take away from individuals the contractual benefits they were entitled to receive under contracts they had entered into with the Govern-

ment? I think not. The Committee on Post Office and Civil Service has brought this bill forth on three separate occassions because it thought it was right and just to adopt a bill to correct this injustice.

Mr. WILLIAMS of Delaware. Mr. President, first, I wish to say that I agree to a certain extent with members of the committee who have discussed the proposed legislation that there are some meritorious cases with which we should deal but this bill goes too far. I point out that we are not dealing with the question of restoring the retirement benefits of a marine who may have committed some slight indiscretion, nor are we dealing with restoration of the retirement benefits of the widow of some postal clerk. What we shall do, if we pass the bill, as presented by the committee, is to restore retroactively full retirement benefits of every convicted crook and scoundrel who has ever worked for the U.S. Government. This bill restores full retirement benefits to those officials who accepted bribes in connection with their official duties, or who have been convicted—and I emphasize the word "convicted"—of having embezzled Government funds.

The suggestion has been made that the bill has been before the Senate three times, having been reported by the Committee on Post Office and Civil Service. That statement is true. The reason it is here again the third time is that on the two preceding occasions the bill was overwhelmingly defeated and sent back to the committee on the basis that the Senate did not want to pass such legislation.

Now on the New Frontier we find a general letdown of those moral standards which were once expected of public officials.

The slogan that a public office is a public trust is out of date here in this administration. Instead we find the Senator from Pennsylvania advocating a bill which in effect is a private bill for the relief of crooked public officials.

The argument has been made that failure to enact the bill would result in great hardship. One of the examples described was a situation where a Government employee, upon leaving his work and driving home, has an automobile accident. A jury hearing the case decides that it was the fault of the Government employee, and as a result he is convicted of that crime. According to the Senator from Pennsylvania this employee would lose his retirement benefits.

That is not correct. There is not a word or phrase in the existing law which in any way would affect a Government employee's retirement benefits by such an incident.

The present law relates only to certain crime such as embezzlement, accepting bribes, and so forth, in situations connected directly with their official duties as a Government employee.

Mr. President, I ask that the act, as printed on page 10 of the report of the Committee on Post Office and Civil Service, be printed at this point in the RECORD.

There being no objection, the act was ordered to be printed in the RECORD, as follows:

ACT OF SEPTEMBER 1, 1954 (68 STAT. 1142)

[That there shall not be paid to any person convicted prior to, on, or after the date of enactment of this Act of any of the following offenses described in this section, or to the survivor or beneficiary of such person so convicted, for any period subsequent to the date of such conviction or the date of enactment of this Act, whichever is later, any annuity or retired pay on the basis of the service of such person as an officer or employee of the Government:

[(1) Any offense defined in section 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 216, 217, 218, 219, 220, 221, 222, or 223 of chapter 11 (relating to bribery and graft), section 281, 282, 283, 284, 285, 286, or 287 of chapter 15 (relating to claims and services in matters affecting government), section 434, 435, 436, 441, 442, or 443 of chapter 23 (relating to contracts), chapter 37 (relating to espionage and censorship), section 1700, 1702, 1703, 1704, 1705, 1706, 1707, 1708, 1709, 1711, or 1712 of chapter 83 (relating to offenses involving the postal service), chapter 105 (relating to sabotage), or chapter 115 (relating to treason, sedition, and subversive activities) of title 18 of the United States Code or in section 10 or 16 of the Atomic Energy Act of 1946 (42 U.S.C., secs. 1810 and 1816);

[(2) Any offense (not including any offense within the purview of section 13 of title 18 of the United States Code) which is a felony under the laws of the United States or of the District of Columbia (A) committed in the exercise of his authority, influence, power, or privileges as an officer or employee of the Government, or (B) committed after the termination of his service as an officer or employee of the Government but directly involving, directly resulting from, or directly relating to, the improper exercise of his authority, influence, power, or privileges during any period of his service as such an officer or employee;

[(3) Perjury committed under the laws of the United States or of the District of Columbia (A) in falsely denying the commission of an act which constitutes any of the offenses described in paragraph (1) or (2) of this section, (B) in falsely testifying before any Federal grand jury or court of the United States with respect to his service as an officer or employee of the Government, or (C) in falsely testifying before any congressional committee in connection with any matter under inquiry before such congressional committee; or subornation of perjury committed in connection with the false denial or false testimony of another person as specified in this paragraph;

Mr. WILLIAMS of Delaware. The present law specifically provides that retirement benefits can be denied only to Government employees who are convicted of certain crimes—crimes which are committed in connection with their official duties as employees of the U.S. Government. The present law would not in any way affect the retirement benefits of an employee having an accident while driving his car. Any crime which might be committed by the employee after he leaves the U.S. Government has no bearing on the argument here. The present law does and it should deny retirement benefits to public officials who are convicted in the courts of violating their public trust.

The reason the law was first enacted was that at the time the case of Alger Hiss was being considered, there were many who felt that he was not entitled to his retirement benefits. When the bill concerning this question came to the Senate, the Senate, knowing full well what it was doing, enlarged the bill to exclude from retirement benefits public officials who while holding high positions of authority accepted bribes for fixing tax cases or for rendering certain decisions in their department or who have been convicted of embezzling public funds.

Let us not forget that just a few years ago there was quite a scandal in the Revenue Service. There were a great many crooked tax collectors. In several instances Treasury agents were fixing tax cases of some of the biggest racketeers in the country and they were convicted in the courts for these crimes.

The bill could restore the full retirement benefits to every crooked tax official convicted of such a charge.

This bill will restore full retirement benefits to every convicted 5 percenter and influence peddler.

Where are the high moral standards about which so much lipservice has been given during recent campaigns?

Why is there so much concern on the part of some for these unscrupulous public officials?

Oh the committee says only 165 cases are mentioned, and none of the cases involved tax fixing. Only 165 cases are mentioned because only 165 individuals have applied for pension rights and have been denied. No mention is made of the scores or perhaps hundreds of other former employees who have been convicted of accepting bribes or embezzlement but who knew they had no retirement benefits and did not apply and therefore have not been denied. If the bill is passed, all of those employees who have not previously applied for such benefits may then come in and collect their full retirement benefits retroactively.

Some of the retroactive benefits which will be paid to these former convicted officials run as much as $15,000 or $20,000 in retroactive payments. These large payments go to officials who have been convicted and have served time in the Federal penitentiary for accepting bribes or for embezzling Government funds.

At this point I ask unanimous consent that there may be printed in the RECORD, as a part of my remarks, some of the cases wherein retirement benefits will be restored under this bill.

There being no objection, the text of the statute was ordered to be printed in the RECORD, as follows:

CASE NO. 10—CLAIM NO. 372591

Agency last employed: Post Office Department.

Position: Clerk.

Service: 35 years 11 months.

Description of offense: Embezzling letters and money from mails.

Date of offense: June 10, 1954.

Date of final separation: June 30, 1954.

Reason for final separation: Optional retirement.

Sentence of court (as reported by agency): Date, November 22, 1954; prison, suspended; years of probation, 2.

Present value of annuity denied by Public Law 769, $32,000.

Approximate refund due: $4,731.71, March 4, 1955, plus $910 annuity paid.

Annuity: Monthly, $222; accrued to February 28, 1961, $16,480.

H.R. 4601 would remove bar to payment.

CASE NO. 14—CLAIM NO. 365822

Agency in which last employed: Post Office Department.

Description of offense: Theft of mails, several hundred dollars for which restitution made.

Date of offense: March 9, 1954.

Date of final separation: April 9, 1954.

Reason for final separation: Removed.

Sentence of court (as reported by agency): Date, May 10, 1954; prison, suspended; years of probation, —.

Present value of annuity denied by Public Law 769, $29,000.

Approximate refund due: Unpaid, $4,887.01.

Annuity: Monthly, $182; accrued to February 28, 1961, $13,768.

H.R. 4601 would remove bar to payment.

CASE NO. 15—CLAIM NO. 370635

Agency in which last employed: Post Office Department.

Position: Clerk.

Service: 32 years, 1 month.

Description of offense: Embezzlement of $1,200 from Government funds and falsification of records to conceal embezzlement. Restitution of full amount made on March 5, 1954.

Date of offense: Prior to March 5, 1954.

Date of final separation: April 13, 1954.

Reason for final separation: Removed.

Sentence of the court (as reported by agency): Date: ——; prison, suspended; years of probation, 2.

Present value of annuity denied by Public Law 769: $18,000.

Approximate refund due: Paid $5,266.03.

Annuity: Future annuity effective July 1, 1961.

H.R. 4601 would remove bar to payment.

CASE NO. 16—CLAIM NO. 384441

Agency last employed: Post Office Department.

Position: Postmaster.

Service: 35 years 9 months.

Description of offense: Embezzlement of $1,036.44. Falsification of entries. Failure to remit surplus funds. Irregularities. Restitution made on February 20, 1947.

Date of offense: Prior to February 14, 1947. Disclosed on special inspection February 11, 1947.

Date of final separation: February 14, 1947.

Reason for final separation: Removed.

Sentence of court (as reported by agency): Date, March 11, 1947; prison, suspended; years of probation, 1.

Present value of annuity denied by Public Law 769: $14,000.

Approximate refund due: Unpaid, $344.38.

Annuity: Monthly, $102; accrued to February 28, 1961, $11,320.

H.R. 4601 would remove bar to payment.

CASE NO. 98—CLAIM NO. 451482

Agency in which last employed: Post Office Department.

Position: Station superintendent.

Service: 28 years 11 months.

Description of offense: Charged with embezzlement of motor vehicle tax stamp fund and forgery of postal savings certificates in violation of sections 500 and 1711, title 18, United States Code.

Date of offense: Prior to August 3, 1945.

Date of final separation: December 3, 1945.

Reason for final separation: Removed.

Sentence of court (as reported by agency): Date, March 26, 1946; prison, 1 year and 1 day.

Present value of annuity denied by Public Law 769: $14,000.

Approximate refund due: Paid, $570.97.

Annuity: Monthly, $114; accrued to April 30, 1960, $4,474.

H.R. 4601 would remove bar to payment.

CASE NO. 155—CLAIM NO. 548990

Agency last employed: Post Office Department.

Position: Special clerk.

Service: 27 years 4 months.

Description of offense: Charged with embezzlement of interest payments on postal savings certificates in violation of title 18, United States Code, section 355 (now section 1711).

Date of offense: May 16, 1947.

Date of final separation: May 16, 1947.

Reason for final separation: Removal.

Sentence of court (as reported by agency): Date, June 9, 1947; prison, 1 year and 1 day on each of three counts to run concurrently.

Present value of annuity denied by Public Law 769: $13,000.

Approximate refund due: Paid, $3,741.39.

Annuity: Monthly, $97; accrued to April 30, 1960, $1,552.

H.R. 4601 would remove bar to payment.

CASE NO. 187—CLAIM NO. 593831

Agency last employed: Department of the Interior.

Position: Area land officer.

Service: 29 years 10 months.

Description of offense: Charged with violation of section 371, title 18, United States Code, conspiracy to defraud the Government. Also charged with violation of section 1001, title 18, United States Code, on two counts—fraudulent statements in applications for patents and fees and false statements in relation to representations made to the Bureau of Indian Affairs in regard to acquisition of lands for the Confederate Tribes on the Warm Springs Reservation. Offenses committed in the exercise of his power and privileges as a Government employee.

Date of offense: Prior to April 11, 1952.

Date of final separation: August 26, 1952.

Reason for final separation: Removal.

Sentence of court (as reported by agency): Date, May 14, 1953; fine, $5,000; prison, 6 months on each of four counts to run concurrently.

Present value of annuity denied by Public Law 769: $33,000.

Approximate refund due: Unpaid, $6,546.54.

Annuity: Monthly, $240; accrued to February 28, 1961, $4,080.

H.R. 4601 would remove bar to payment.

Mr. WILLIAMS of Delaware. The argument has been made that it is only under this law that the pension right is taken away from an employee of the U.S. Government, for crimes committed in connection with his official duties.

This procedure has long been followed by administrative order, and was followed prior to the time of the passage of this act in 1954. I invite attention to the fact that even today a GI who while serving in the U.S. Army, gets into difficulty and receives a dishonorable discharge, he forfeits not only the military retirement benefits under the law—but in addition also forfeits any rights given him under any GI Bill of Rights—and the proposed legislation would not restore such rights.

Perhaps the GI may have been AWOL—he was at home sick or he did not get back to his post in time, or perhaps he stole a few cigarettes. Yet if he gets a discharge other than an honorable discharge, he loses all benefits. There is nothing in the pending bill which would restore his benefits.

His offense is minor compared to that of a high public official who accepts bribes for fixing the tax case of a racketeer.

Yet the committee is here shedding its crocodile tears for these crooked public officials and wants to restore their full retirement benefits on a retroactive basis. Why?

The bill before us would restore to the retirement rolls every Director of the Internal Revenue Service and every top official in the revenue department, who was convicted of soliciting and accepting bribes for fixing tax cases. I challenge anyone to deny this assertion.

I call attention again to the fact that much is said by the military about the unfairness of the present law. I refer to an article which appeared in the Washington Evening Star of June 23, 1960, entitled "Hiss Act Seen Unjust to Military." I ask unanimous consent that the article may be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HISS ACT SEEN UNJUST TO MILITARY

The Pentagon has told Congress that thousands of servicemen have lost or face the loss of their retirement pay because of the Hiss Act. The Pentagon called this a "gross injustice."

The law, adopted in 1954, bars workers from receiving Federal benefits after conviction on a wide variety of charges. The act was designed to prevent former State Department official, Alger Hiss, from receiving benefits after he had been convicted of perjury. The law, however, embraces all Federal workers and dozens of unlawful acts.

Defense Department General Counsel J. Vincent Burke recently informed the Senate Post Office and Civil Service Committee that the law as written and applied had already deprived servicemen of retirement pay because of relatively minor offenses.

Mr. Burke said this "harshness was never intended by the Congress." He urged the act be rewritten to limit its application to security cases.

The House has already approved the changes suggested by the Pentagon. The Senate committee likewise approved, but the Senate sent it back to the committee with instructions to gather new evidence.

Mr. WILLIAMS of Delaware. Mr. President, immediately following the last insertion I ask unanimous consent to have printed in the RECORD two letters, one signed by Major General Lee, in which he confirms the fact that the armed services still continue to stop retirement benefits for military personnel who are dishonorably discharged. Nor will the enactment of this bill affect such action.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 2, 1959.

Hon. JOHN J. WILLIAMS,
U.S. Senate.

DEAR SENATOR WILLIAMS: This is in further reply to your letter requesting a complete

report on the effects of a dishonorable discharge for enlisted or officer personnel of the Armed Forces.

With the exception of personnel awarded retired pay under the provisions of title 10, United States Code, sections 1331 to 1337, enlisted personnel who are dishonorably discharged and officers who are dismissed from the service are not eligible for military retirement benefits. Federal statutes authorizing retirement benefits uniformly require, with the exception of the above mentioned statutes, that an individual hold a military status at the time of his retirement. Since dishonorable discharge and dismissal effect a complete termination of military status, a member separated from the service under such conditions cannot be placed on the retired list.

Title 10, United States Code, sections 1331 to 1337, authorize the payment of retired pay to nonregular personnel. These statutes do not require that the individual hold a military status at the time of eligibility for retired pay. Providing he is otherwise qualified, an individual with 20 or more years of creditable service becomes eligible upon attaining age 60 for retired pay under these provisions of law even though his military status was terminated by dishonorable discharge or dismissal.

The eligibility of personnel for retirement as outlined above is qualified to the extent that consideration is given to the provisions of the so-called Hiss Act (act of September 1, 1954 (68 Stat. 1142), as amended (5, U.S.C., 2281 et seq.)). If an individual's dishonorable discharge or dismissal is predicated upon conviction of an offense within the purview of that act, he is forever barred from receiving retired pay from the Government under any provisions of law.

Inclosed for your information is a copy of a chart prepared in the Department of the Army entitled "Incidents of Discharge."

I am glad to have been of service to you.

Sincerely yours,

R. V. LEE,
Major General, U.S. Army,
The Adjutant General.

VETERANS' ADMINISTRATION,
Washington, D.C.

The Honorable JOHN J. WILLIAMS,
U.S. Senate, Washington, D.C.

DEAR SENATOR WILLIAMS: Your letter of February 10 to the Department of the Army has been sent to us for reply to that part concerning benefits under title 38, United States Code, which incorporates the provisions of the former GI bill.

A veteran who receives a dishonorable discharge is not entitled to benefits from the Veterans' Administration. This applies to officers and enlisted personnel of the Armed Forces.

Very truly yours,

W. J. DRIVER,
Chief Benefits Director.

Mr. WILLIAMS of Delaware. Under date of July 15, 1961, the Department of Defense issued a directive establishing a new code of ethics for that Department.

This bulletin is entitled "Standards of Conduct." It was published July 15, 1961, by the Department of Defense. It outlines penalties for anyone violating this new code of ethics. This new code of ethics of the Defense Department takes away the retirement benefits from any officer violating its provisions even without conviction. I should like to quote briefly from these new rules of conduct. I am quoting from page 4, as follows:

Retired pay of a regular retired officer is subject to forfeiture during any period within 2 years of his retirement if he sells for himself or another any supplies of war materials to the Department of Defense, Coast Guard, Coast and Geodetic Survey, or the Public Health Service.

Under this new rule of conduct outlined by the Department of Defense an officer can lose his retired pay by administrative action without having been convicted in the courts.

Yet the committee here today wants to pass a bill restoring by law full retroactive retirement benefits to every previously convicted U.S. Government official.

I ask unanimous consent that the remainder of this particular chapter of the code of ethics recently approved by the Defense Department be printed in the RECORD at this point as a part of my remarks along with an article appearing in the New York Times of July 5, 1961, commenting upon this new code of ethics.

There being no objection, the chapter and the newspaper article was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF DEFENSE DIRECTIVE No. 5500.7, JULY 15, 1961

STANDARDS OF CONDUCT

I. Purpose and scope

A. This directive prescribes the standards of conduct, relating to possible conflict between private interests and official duties, required of all military and civilian DOD personnel, regardless of assignment. Close adherence to these principles, it is believed, will insure compliance with the high ethical standards demanded of all public servants.

B. There is attached a copy of Executive Order No. 10939 of May 5, 1961, which prescribes special standards applicable to Presidential appointees and others (see enclosure 1).

C. This directive is also intended to insure that DOD personnel do not knowingly transact business with persons who are within statutory prohibitions or under circumstances where there may be a possible conflict of interest between governmental duties and private affairs. It is in consonance with the code of ethics for Government service contained in House Concurrent Resolution 175, 85th Congress, which is applicable to all DOD personnel.

B. Selling or contracting for sale: No regular retired officer of the Armed Forces will sell, contract for the sale of, or negotiate for the sale of anything to the military department in which he has retired status in violation of applicable statutory restrictions. Retired pay of a regular retired officer is subject to forfeiture during any period within 2 years of his retirement if he sells for himself or another any supplies or war materials to the Department of Defense, Coast Guard, Coast and Geodetic Survey, or the Public Health Service. For the purpose of this section, selling means (1) signing a bid, proposal, or contract, (2) negotiating a contract, or (3) contacting an officer or employee of the Department of Defense for the purpose of (i) obtaining or negotiating contracts, (ii) negotiating or discussing changes in specifications, price, cost allowances, or other terms of a contract, or (iii) settling disputes concerning performance of a contract, (4) any other liaison activity with a view toward the ultimate consummation of a sale even though the actual contract therefor is subsequently negotiated by another person. However, it is not the intent of this directive to preclude a retired officer from accepting employment with private industry solely because his employer is a contractor with the Government.

[From the New York Times, Sept. 5, 1961]

ETHICS TIGHTENED FOR U.S. WORKERS—APPEARANCE OF MISBEHAVIOR IS NOW BEING BARRED

(By Joseph A. Loftus)

WASHINGTON, September 4.—Federal departments, acting on President Kennedy's exhortations, have tightened their ethical codes for employes.

The concept of good behavior being written in the Kennedy codes is that employes must avoid not only misbehavior, but also the appearance of misbehavior.

The word "appearance," or a variation of it, appears in all the revised agency codes so far submitted to the White House.

"We consider Caesar's wife," said a Defense Department official, referring to the code he helped to draft.

DEFENSE CODE TIGHTENED

But the Defense Department has gone even beyond the virtue expected of Caesar's wife to remain above suspicion. The department has, in fact, written tighter restrictions into its code.

Retired military officers who are hired by corporations that do business with the Pentagon are particularly affected by the tighter code.

The rule penalizing officers who sell to the services within 2 years of retirement has been criticized. The argument is that some retired officers have evaded the prohibition by doing only the preliminary sales work among their former colleagues. The final selling is left to another person in the corporation.

Selling, within the meaning of the new code, however, is not only "contacting an officer or employe of the Department of Defense for the purpose of obtaining or negotiating contracts" but also, "any other liaison activity with a view toward the ultimate consummation of a sale subsequently negotiated by another person."

VIOLATORS LOSE PENSIONS

The penalty for violation is forfeiture of retirement pay.

"However," the code adds, "it is not the intent of this directive to preclude a retired officer from accepting employment with private industry solely because his employer is a contractor with the Government." In other words, the test is not whether the former officer is employed by, say, a munitions maker, but whether he moves in the selling orbit.

Speaking of appearance, the directive says:

"In any case where Department of Defense personnel have any financial interest in any business entity, or have arranged or are negotiating for their subsequent employment by such entity, they are disqualified from representing the Department of Defense in dealings of any kind with such entity."

The ban on accepting gratuities, entertainment, and bribes is more restrictive. Under the old code, the beneficiary enjoyed some flexibility. He could in the gray areas, interpret the rule for himself.

Now the ban applies to favors, gratuities, and entertainment that might affect, "or might reasonably be interpreted as affecting," the impartiality of the beneficiary. In other words, as one official put it, a free meal might violate the code if a "reasonable" person outside believed, in all the circumstances, that the favor might impair impartial action by the officer or civilian in the department.

The Department of the Interior, apart from anything resembling bribery, is concerned to an extent about conduct after office hours.

"Personal and private conduct of an employee," the Interior code says, "that reflects adversely upon the dignity and prestige of

the Federal service, is also a matter of concern to departmental management. All employes are expected to cultivate those personal qualities which characterize a good civil servant—loyalty to the United States, a deep sense of responsibility for the public trust, and a standard of personal deportment which will be a credit to the individual."

The Department of Labor, while not opopsed to employees holding an outside job, cautions its workers about conflict of interest. This section was tightened to prohibit a department employee from taking a job with any person or private enterprise if the employment "would be related to any contract such person or private enterprise may have with the Federal Government."

The White House is seeking uniformity of those codes so far as practical. The work of the departments vary and not all provisions are appropriate in every case.

PRIVATE DEBT PROBLEM

The Agriculture Department and the Department of Health, Education, and Welfare take different views of their responsibilities for maintaining an employee's private credit rating.

Both codes remind the employees that financial backsliding will not help their Government careers. Agriculture, in addition, appears to extend help to creditors by facilitating collection systems when the creditors complain. The Health Department, while plainly advising employees to pay their just debts, says it is not a collection agency.

Frederick G. Dutton, special assistant to the President, said the Civil Service Commission will be asked to review all the codes for adequacy, uniformity and for simplification and readability. In the meantime, the codes as submitted to the White House are in effect. Complementary legislation proposed by President Kennedy last spring, has passed the House of Representatives. It is not expected that the Senate will act on it this year.

Mr. WILLIAMS of Delaware. The insertion I have made shows that even if we repealed the present law, restoring the retirement benefits of the very crooks and scoundrels who have been convicted by the U.S. Government for having accepted bribes or embezzling public funds we would still have in effect an administrative order imposing the same penalties except that then there would not even have to be a conviction in the courts.

If the sponsors of the bill are sincere in saying that this is an unjust penalty and an extra fine, why is it only an extra fine for corrupt officials who have been convicted?

Let no one be disillusioned. This is in effect a private bill for the benefit of a few convicted public officials who formerly held positions of high public trust.

I have not heard of any member of the committee who has come forward to say that he will propose an amendment to the existing law to repeal the authority of the right of the military to cancel the rights of a GI who has committed a minor offense and received a dishonorable discharge.

There is a great deal of discussion about the widow—and I admit that some of the cases have merit—the postal employee, and the marine who lost his pension rights. Nothing is said about the fact that the marine can still lose his pension rights under existing law even after this bill is passed, by administrative order. If the military authorities want to take the pension away from him, they can still do so.

Will anyone argue that his crime is as bad as that of the top officials in the Revenue Department who were convicted of accepting bribes for fixing tax cases?

This bill would restore retroactively full retirement benefits of every tax agent who was convicted of accepting bribes for fixing tax cases against some of the country's biggest racketeers and gangsters.

Personally, I shall not support this bill. We had enough trouble getting rid of these crooked officials and in many instances could only get rid of them when we put them in the penitentiary. Now Congress is asked to put all of them back on the public payroll by restoring their eligibility to full retirement benefits.

Let us review a few of these cases, to show what we are talking about.

In case No. 1, the individual involved will receive $12,989 in retroactive retirement benefits. He will then get $179 per month in pension payments for the remainder of his life. What was his crime? He was convicted of embezzling parcel post funds.

Another case involves a retroactive payment of $14,130, plus a lifetime pension of $195 a month. He was convicted and sentenced to 1½ years in the penitentiary for robbing the mails.

Here is a third case of $18,959 in retroactive payments given to another man. What was he charged with? He received a 2-year sentence, $500 fine, again for theft of money from the U.S. Government while on official duty.

A fourth case involves a Government employee who was convicted of accepting bribes and unauthorized fees from applicants for naturalization. This man was convicted and sentenced to 3 years in the penitentiary, yet this bill will give this former official $17,744 in back retirement pay plus $224 per month for the rest of his life.

Another employee was convicted of conspiracy to steal Government property, in violation of title 18 of the United States Code. This man was convicted and sentenced to serve 9 months in the Federal penitentiary. Yet he will collect retroactively, $6,878 and receive a payment of $181 a month in pension.

Why should we put this man back on the payroll of the American taxpayer, after violating his public trust?

Remember the contribution which they had made to the retirement fund, plus interest, has been refunded to them. The Government did not keep the money that they had paid in. It withheld from them only that portion of their retirement benefits which would have been paid to them by the Government.

In another case an employee was convicted of four counts of unlawfully and willfully soliciting for personal gain certain sums for using his influence for obtaining promotions in the postal service. In other words, he was a paid influence peddler. This man was convicted in court and sentenced by the court. Yet under this bill he would get $9,317 in retroactive payments. In addition he would be put on the Federal retirement rolls with a $155 per month lifetime pension.

Here is another case involving a clothing inspector. He was convicted and sentenced to 3 years in the penitentiary for the solicitation and acceptance of bribes in connection with his official duties. This man under this bill gets $3,447 in back pay plus $95 per month for the rest of his life. I shall not recite all of the case.

Mr. President, I ask unanimous consent that references to a series of specific examples may be printed at this point in the RECORD.

There being no objection, the references were ordered to be printed in the RECORD, as follows:

CASE NO. 140—CLAIM NO. 501668

Agency in which last employed: New York Quartermaster Procurement Agency, Department of the Army.

Position: clothing inspector.

Service: 15 years, 6 months.

Description of offense: solicitation and acceptance of bribe in violation of title 18, United States Code, section 202.

Date of offense: prior to September 19, 1951.

Date of final separation: November 14, 1952.

Reason for final separation: removal.

Sentence of the court (as reported by agency):

Date: September 19, 1951.

Fine: $500.

Prison: 3 years.

Present value of annuity denied by Public Law 769: $13,000.

Approximate refund due: paid, $2,215.25.

Annuity: monthly, $95; accrued to February 28, 1961, $3,447.

H.R. 4601 would remove bar to payment.

CASE NO. 47—CLAIM NO. 399411

Agency last employed: Post Office Department.

Position: station examiner.

Service: 21 years, 10 months.

Description of offense: charged on four counts of unlawfully and willfully soliciting for personal gains certain sums in consideration of a promise to use his influence to obtain promotions in the Post Office Department in violation of sections 214, 215, and 371, title 18, United States Code.

Date of offense: prior to September 25, 1952.

Date of final separation: September 29, 1952.

Reason for final separation: removed.

Sentence of court (as reported by agency):

Date: July 30, 1954.

Fine: $500 or 30 to 60 days.

Present value of annuity denied by Public Law 769: $19,400.

Approximate refund due: paid, $3,378.51.

Annuity: monthly, $155; accrued to April 30, 1960, $7,767.

H.R. 4601 would remove bar to payment.

CASE NO. 161—CLAIM NO. 439809

Agency last employed: Department of the Army.

Position: warehouse foreman.

Service: 19 years, 11 months.

Description of offense: Charged with conspiracy to unlawfully commit theft of Government property in violation of title 18, United States Code, sections 371 and 641.

Date of offense: about January 6, 1950, to March 15, 1956.

Date of final separation: December 14, 1956.

Reason for final separation: disability retirement.
Sentence of court (as reported by agency):
Date: November 26, 1958.
Fine: $250.
Prison: 9 months.
Present value of annuity denied by Public Law 769: $28,000.
Approximate refund due: paid, $2,201.81; paid annuity from November 1, 1956, to December 31, 1957.
Annuity: monthly, $181; accrued to April 30, 1960, $5,068.
H.R. 4601 would remove bar to payment.

CASE NO. 18—CLAIM NO. 385243

Agency last employed: Justice, Immigration and Naturalization.
Position: naturalization examiner.
Service: 30 years, 5 months.
Description of offense: collected unauthorized fees from applicants for naturalization—bribery.
Date of offense: December 1953.
Date of final separation: December 21, 1953.
Reason for final separation: termination from excepted appointment.
Sentence of court (as reported by agency):
Date: May 14, 1954.
Prison: 3 years, several counts.
Present value of annuity denied by Public Law 769: $31,000.
Approximate refund due: paid, $7,341.84.
Annuity: monthly, $224; accrued to February 28, 1961, $17,744.
H.R. 4601 would remove bar to payment.

CASE NO. 7—CLAIM NO. 378143

Agency last employed: Post Office Department.
Position: general foreman.
Service: 36 years, 11 months.
Description of offense: charged with theft from mail.
Date of offense: September 28, 1954.
Date of final separation: October 29, 1954.
Reason for final separation: removed.
Sentence of the court (as reported by agency):
Date: January 7, 1955.
Fine: $500.
Prison: suspended.
Years of probation: 2.
Present value of annuity denied by Public Law 769: $36,000.
Approximate refund due: paid, $7,127.37.
Annuity: monthly, $267; accrued to February 28, 1961, $18,959.
H.R. 4601 would remove bar to payment.

CASE NO. 2—CLAIM NO. 371214

Agency last employed: Post Office Department.
Position: carrier.
Service: 32 years, 1 month.
Description of offense: theft of money from mail.
Date of offense: July 7, 1954.
Date of final separation: August 8, 1954.
Reason for final separation: removed.
Sentence of the court (as reported by agency):
Date: November 1, 1954.
Prison: 1½ years.
Years of probation: ?
Present value of annuity denied by Public Law 769: $29,000.
Approximate refund due: paid, $4,493.85, January 11, 1955.
Annuity: monthly, $195; accrued to February 28, 1961, $14,130.
H.R. 4601 would remove bar to payment.

CASE NO. 1—CLAIM NO. 373486

Agency last employed: Post Office Department.
Position: Clerk in charge.
Service: 36 years 1 month.
Description of offense: Charged by Post Office Department of embezzling $165 collected for parcel-post mailing matter.
Date of offense: August 13, 1954.
Date of final separation: September 13, 1954.
Reason for final separation: Removed.
Sentence of court (as reported by agency):
Date: October 19, 1954.
Prison: Suspended.
Years of probation: 3.
Present value of annuity denied by Public Law 769: $35,000.
Approximate refund due: Paid, $5,833.11.
Annuity: Monthly, $179; accrued to February 28, 1961, $12,989.
H.R. 4601 would remove bar to payment.

Mr. CLARK. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. CLARK. I assume all these cases are referred to in the committee report.

Mr. WILLIAMS of Delaware. Most of them are, but your committee report far from covers all those formerly convicted public officials whose eligibility for retirement benefits will be restored under this bill. I ask unanimous consent to have printed at this point in the RECORD a letter from the Civil Service Commission explaining how many of those former employees were convicted in the courts for violations of their public trust, but who have as yet not applied for their pensions. These men would be eligible upon the passage of this bill to ask for their full retirement benefits, notwithstanding their previous convictions.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., April 16, 1959.

Hon. JOHN J. WILLIAMS,
U.S. Senate.

DEAR SENATOR WILLIAMS: There is before me your letter of March 27 regarding application of S. 91, if enacted, to certain specific cases.

This bill is intended to and will amend the existing bar in Public Law 769, 83d Congress, against annuity awards by limiting its application to crimes or actions involving the national security. It will not affect the Civil Service Retirement Act in any other way. For those persons whose annuity payments are barred because of conviction for embezzlement of Government funds or having accepted bribes or kickbacks while in public office, enactment of S. 91 will restore their annuity rights.

Mr. WILLIAMS of Delaware. Mr. President, I will omit the part of their letter in which they name several formerly convicted public officials all of whom would be eligible for retirement benefits under the bill before us. The bill S. 91 to which they refer is identical to the bill before us today.

These persons are not on the committee list, nor are scores of other former public officials who violated their public trust. Only those who have applied for their retirement benefits, are on the list of the committee report.

I cite one other example, the former manager of the Alaska Railroad Company. He was indicted for certain improper activities in connection with his official duties.

Rather than to stand trial, that man skipped the country and went to South America. When the Government threatened to cancel his passport, he renounced his U.S. citizenship rather than come back and stand trial for the offense which he had committed in the course of his official duties.

The existing law provides for the denial of retirement benefits not only for those convicted in the Federal courts, but also for any public official who skipped out of the country to avoid standing trial on the charges involving his official duties.

This bill will restore his eligibility. I ask unanimous consent that section 405 of the code, which denied this man his retirement benefits, be printed at this point in the RECORD.

There being no objection, section 405 of the code was ordered to be printed in the RECORD, as follows:

FORFEITURE OF ANNUITIES OF PERSONS REMAINING OUTSIDE UNITED STATES TO AVOID PROSECUTION

SEC. 405. The Act entitled "An Act to prohibit payment of annuities to officers and employees of the United States convicted of certain offenses, and for other purposes", approved September 1, 1954 (58 Stat. 1142), is amended by adding at the end of section 2 thereof a new subsection as follows:

"(c) In any case in which, after the date of enactment of this subsection, any person under indictment for any offense within the purview of the first section of this Act willfully remains outside the United States, its Territories, and possessions, for a period in excess of one year with knowledge of such indictment, no annuity or retired pay shall be paid, for any period subsequent to the end of such one-year period to such person or to the survivor or beneficiary of such person, on the basis of the service of such person, as an officer or employee of the Government unless and until a nolle prosequi to the entire indictment is entered upon the record or such person returns and thereafter the indictment is dismissed or after trial by court the accused is found not guilty of the offense or offenses charged in the indictment."

Mr. WILLIAMS of Delaware. The bill would repeal that section and will reestablish the eligibility of this Government employee who renounced his U.S. citizenship rather than come back to this country and stand trial for having abused his public office.

The committee says, through the bill, "Let us give him full retirement benefits, just as though he had been a loyal public servant." I shall not support any such bill. I think it is a sad day when we have in power an administration which is issuing high-sounding codes of ethics, while at the same time it asks Congress to pass a law to restore full retirement benefits to every crook or scoundrel who has ever worked for the U.S. Government, no matter how despicable the offense of which he has been convicted.

If we pass the bill in its present form, the only crime will be getting caught.

The bill may have been reported by the committee three times but it was

also defeated twice. I do not care whether it was reported 3 times or 10 times. There may be enough votes on the New Frontier to pass this bill but I want the RECORD to show that there is at least one Senator who will vote against it.

Here is one Senator who does not believe it is necessary that a public official be incarcerated in a Federal penitentiary to keep him off the Federal payroll.

I am not speaking of petty crimes committed by the ordinary employees of the Post Office Department or other Government departments. I am speaking of high public officials who accepted bribes for decisions. Many such employees were top officials. Many were directors of the Internal Revenue Service in their districts. Some were top officials in the Treasury Department right here in Washington. Others held positions in the White House itself. Yet now we are asked to say that the offenses which they committed were not too bad; and that these crooked officials should be entitled to their full retirement benefits.

I shall vote against the bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 6141) was ordered to a third reading, read the third time, and passed.

Mr. CLARK. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CLARK. Mr. President, I did not undertake to reply to the Senator from Delaware while the bill was pending, because almost everything he said, he said 2 years ago.

I regret that, in my judgment, what he said 2 years ago and what he said today is substantially inaccurate.

Mr. President, I ask unanimous consent that a synopsis of the case of the former executive of the Alaska Railroad, prepared by the Civil Service Commission last year, may be printed at this point in the RECORD.

Mr. WILLIAMS of Delaware. Mr. President, reserving the right to object—and I shall not object—I challenge the Senator from Pennsylvania to cite one specific point I made which was inaccurate.

Mr. CLARK. I do not choose to do so.

Mr. WILLIAMS of Delaware. The Senator from Pennsylvania cannot challenge the accuracy of a single point I made and he knows it.

My analysis of this bill and the cases cited are accurate. I challenge the Senator from Pennsylvania to point out anything I said which he thinks is inaccurate; otherwise, let him not stand there and say it is inaccurate. I have named cases. I have placed the sections of the law in the RECORD. I had something to do with the passage of the law denying these men retirement benefits. I had something to do with exposing the corruption of some of those public officials. Some of them were top tax collectors. Every one of them—every crooked public official who was convicted in the last 10 years, under the Truman administration or under the Eisenhower administration—would have his retirement benefits restored to him under the bill, and restored retroactively. The Senator from Pennsylvania cannot deny it. For the past 3 years the Senator from Pennsylvania has been trying to restore the retirement benefits of these crooked public officials.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

CASE NO. 2

Date of birth: January 1, 1902.

Training and experience: mechanical engineer; employed about 24 years, in various positions, by the Atchison, Topeka & Santa Fe Railroad.

Federal service:

Agency, position, date:

U.S. Army, colonel (last rank) from October 10, 1941 to November 30, 1945.

Alaska Railroad, Assistant General Manager, from November 21, 1945 to December 31, 1945.

Alaska Railroad, General Manager, from January 1, 1946 to October 21, 1953.

The dates of military service were not verified, but official correspondence indicates that they are substantially correct and that he was released from the Army to accept the position of General Manager, Alaska Railroad.

Leave without pay from August 7, 1953, was authorized and resignation as General Manager accepted by the Secretary of the Interior, effective October 21, 1953.

INDICTMENT

On September 15, 1953, a grand jury in Alaska returned a sealed indictment which was opened in March 1955.

The indictment charged, in effect, that the defendant acted as an officer and agent of the United States for the transaction of business with a corporation in the profits and contracts of which he was financially interested by reason of its relationship with a company in which defendant was directly interested through ownership of stock. The indictment is still pending.

It appears that the defendant went to South America in June or July 1953 and that he is now a naturalized citizen of Colombia. Application for naturalization was made on May 6, 1955, and granted on October 6, 1955. Prior to October 6, 1955, Colombia was informed of the indictment.

AWARDS

Legion of Merit.

Department of Interior Distinguished Award for outstanding accomplishment in the successful administration of a $70 million program for the rehabilitation of the Alaskan Railroad.

Mr. CLARK. Mr. President, I further ask unanimous consent that an analysis of the purpose and background of the bill and a summary of the bill, made by the staff of the Civil Service Commission, be printed at this point in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SENATE POST OFFICE AND CIVIL SERVICE COMMITTEE ANALYSIS OF H.R. 6141, "AN ACT TO AMEND THE ACT OF SEPTEMBER 1, 1954, IN ORDER TO LIMIT TO CASES INVOLVING THE NATIONAL SECURITY THE PROHIBITION ON PAYMENT OF ANNUITIES AND RETIRED PAY TO OFFICERS AND EMPLOYEES OF THE UNITED STATES"

PURPOSE

This measure has two major objectives as follows:

First, it continues, clarifies, and strengthens the existing statutory prohibition against the payment of a Federal retirement benefit to any person who has committed an offense against the national security or who refuses to testify before a duly constituted judicial or congressional proceeding in a matter relating to the national security.

Second, it corrects certain inequities resulting from existing law which has denied retirement benefits to individuals and innocent survivors because of offenses in no way related to the national security.

BACKGROUND

This measure has a lengthy background. The Eisenhower administration submitted draft legislation to the 86th Congress which was introduced in the Senate (S. 91) on January 9, 1959 and in the House (H.R. 4601) on February 17, 1959. The later bill passed the House and was referred to the Senate on April 14, 1959. The bill was considered in the Senate on May 12, 1960, and together with S. 91 it was recommitted to this committee. On June 10, 1960, the bill (H.R. 4601) was again favorably reported to the Senate. It received no further consideration in the 86th Congress.

Shortly after the 87th Congress convened, a number of bills identical to H.R. 4601 of the 86th Congress were introduced in the House. None was introduced in the Senate.

The House held hearings on H.R. 6141 and related bills on June 13, 1961. On June 15, the bill was favorably reported; and on July 12 it passed the House without a word of opposition.

Hearings on the measure were held by the Retirement Subcommittee of the Senate Committee on Post Office and Civil Service on July 26, 1961.

Favorable testimony was received from the Bureau of the Budget, the Civil Service Commission, the Post Office Department, the Department of Defense, and representatives of a large number of employee organizations. There was no adverse testimony from any source.

Senator WILLIAMS of Delaware was invited in writing to appear at the hearing but did not do so. He did submit a letter for the record. An offer to reconvene the hearing at a day agreeable to him was declined by Senator WILLIAMS on the basis that his letter "clearly set forth his position."

SUMMARY

Last year's report on H.R. 4601 contains as exhibit 4 a summary of 189 claims for a civilian annuity denied under existing law. Since that time, 24 additional claims have been denied, making a total of 213. Of this number, 28 have since been allowed by virtue of a Presidential pardon, 3 have been allowed by reason of Court of Claims decisions, 5 have been allowed as the result of a reappraisal of evidence—thus a total of 36 of those originally denied have since been allowed leaving a residue of 177 still denied.

If this bill is enacted, 12 cases would continue to be denied and the remainder would be allowed.

The Department of Defense submitted a table listing some 51 cases in which military

retirement has been denied by reason of existing law. The total which might arise in the future cannot be determined without a search of records on a worldwide basis. The Department takes the position that the present law is unduly harsh, has a bad effect on morale, and should be modified as proposed.

AMENDMENT TO SHIPPING ACT OF 1916

Mr. CLARK. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 842, H.R. 6775.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 6775) to amend the Shipping Act, 1916, as amended, to provide for the operation of steamship conferences.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Pennsylvania.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, with an amendment to strike out all after the enacting clause and insert:

That paragraph Third of section 14, Shipping Act, 1916, is amended by inserting the word "unjustly" before the word "discriminating".

SEC. 2. The Shipping Act, 1916, is amended by adding after section 14a a new section to read as follows:

"SEC. 14b. Notwithstanding any other provision of this Act, on application the Federal Maritime Commission (hereinafter 'Commission') shall, after notice, permit the use by any common carrier or conference of such carriers in foreign commerce of any contract, amendment, or modification thereof, which is available to all shippers and consignees on equal terms and conditions, which provides lower rates to a shipper or consignee who agrees to give all or any fixed portion of his patronage to such carrier or conference of carriers unless the Commission finds that the contract, amendment, or modification thereof, will be detrimental to the commerce of the United States or contrary to the public interest, or unjustly discriminatory or unfair as between shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors, and provided the contract, amendment, or modification thereof, expressly (1) permits prompt release of the contract shipper from the contract with respect to any shipment or shipments for which the contracting carrier or conference of carriers cannot provide as much space as the contract shipper shall require on reasonable notice; (2) provides that whenever a tariff rate for the carriage of goods under the contract becomes effective, insofar as it is under the control of the carrier or conference of carriers, it shall not be increased before a reasonable period, but in no case less than ninety days, except in case of war or other force majeure; (3) covers only those goods of the contract shipper as to the shipment of which he has the legal right at the time of shipment to select the carrier: *Provided, however,* That it shall be deemed a breach of the contract if, before the time of shipment and with the intent to avoid his obligation under the contract, the contract shipper divests himself of the legal right to select the carrier and the shipment is carried by a carrier which is not a party to the contract; (4) limits damages recoverable for breach by either party to actual damages to be determined after breach in accordance with the principles of contract law: *Provided, however,* That the contract may specify that in the case of a breach by a contract shipper the damages may be an amount not exceeding the freight charges computed at the contract rate on the particular shipment, less the cost of handling; (5) permits the contract shipper to terminate at any time without penalty upon ninety days' notice; (6) provides for a spread between ordinary rates and rates charged contract shippers which the Commission finds to be reasonable in all the circumstances but which spread shall in no event be more than 15 per centum of the ordinary rates; (7) excludes cargo of the contract shipper which is loaded in bulk without mark or count; and (8) contains such other provisions not inconsistent herewith as the Commission shall require or permit. The Commission shall withdraw permission which it has granted under the authority contained in this section for the use of any contract if it finds, after notice and hearing, that the use of such contract is detrimental to the commerce of the United States or contrary to the public interest, or is unjustly discriminatory or unfair as between shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors. The carrier or conference of carriers may on ninety days' notice terminate without penalty the contract rate system herein authorized, in whole or with respect to any commodity: *Provided, however,* That after such termination the carrier or conference of carriers may not reinstitute such contract rate system or part thereof so terminated without prior permission by the Commission in accordance with the provisions of this section. As used in this section, the term 'contract shipper' means a person other than a carrier or conference of carriers who is a party to a contract the use of which may be permitted under this section."

SEC. 3. Section 15, Shipping Act, 1916, is amended to read as follows:

"SEC. 15. That every common carrier by water, or other person subject to this Act, shall file immediately with the Commission a true copy, or, if oral, a true and complete memorandum, of every agreement with another such carrier or other person subject to this Act, or modification or cancellation thereof, to which it may be a party or conform in whole or in part, fixing or regulating transportation rates or fares; giving or receiving special rates, accommodations, or other special privileges or advantages; controlling, regulating, preventing, or destroying competition; pooling or apportioning earnings, losses, or traffic; allotting ports or restricting or otherwise regulating the number and character of sailings between ports; limiting or regulating in any way the volume or character of freight or passenger traffic to be carried; or in any manner providing for an exclusive, preferential, or cooperative working arrangement. The term 'agreement' in this section includes understandings, conferences, and other arrangements.

"The Commission shall by order, after notice and hearing, disapprove, cancel, or modify any agreement, or any modification or cancellation thereof, whether or not previously approved by it, that it finds to be unjustly discriminatory or unfair as between carriers, shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors, or to operate to the detriment of the commerce of the United States, or to be contrary to the public interest, or to be in violation of this Act, and shall approve all other agreements, modifications, or cancellations. No such agreement shall be approved, nor shall continued approval be permitted for any agreement (1) between conferences of carriers serving different trades that would otherwise be naturally competitive unless each conference retains the right of independent action, or (2) in respect to any conference agreement, which fails to provide reasonable and equal terms and conditions for admission and readmission to conference membership of other qualified carriers in the trade, or fails to provide that any member may withdraw from membership upon reasonable notice without penalty for such withdrawal.

"The Commission shall disapprove any conference agreement, after notice and hearing, on a finding of inadequate policing and enforcing of the obligations under it, or of failure or refusal to adopt and maintain reasonable procedures for promptly and fairly hearing and considering shippers' requests and complaints.

"Any agreement and any modification or cancellation of any agreement not approved, or disapproved, by the Commission shall be unlawful, and agreements, modifications, and cancellations shall be lawful only when and as long as approved by the Commission; before approval or after disapproval it shall be unlawful to carry out in whole or in part, directly or indirectly, any such agreement, modification, or cancellation; except that tariff rates, fares, and charges, and classifications, rules, and regulations explanatory thereof including changes in special rates and charges covered by section 14b of this Act which do not involve a change in the spread between such rates and charges and the rates and charges applicable to noncontract shippers) agreed upon by approved conferences, and changes and amendments thereto, if otherwise in accordance with law, shall be permitted to take effect without prior approval upon compliance with the filing requirements of section 18(b) hereof and with the provisions of any regulations the Commission may adopt.

"Every agreement, modification, or cancellation lawful under this section, or permitted under section 14b, shall be excepted from the provisions of the Act approved July 2, 1890, entitled 'An Act to protect trade and commerce again unlawful restraints and monopolies', and amendments and Acts supplementary thereto, and the provisions of sections 73 to 77, both inclusive, of the Act approved August 27, 1894, entitled 'An Act to reduce taxation, to provide revenue for the Government, and for other purposes', and amendments and Acts supplementary thereto.

"Whoever violates any provision of this section shall be liable to a penalty of not more than $1,000 for each day such violation continues to be recovered by the United States in a civil action."

SEC. 4. Notwithstanding the provisions of section 14b and 15, Shipping Act, 1916, as amended by this Act, all existing agreements which are lawful under the Shipping Act, 1916, immediately prior to the enactment of this Act, shall remain lawful unless disapproved, canceled, or modified by the Commission pursuant to the provisions of the Shipping Act, 1916, as amended by this Act: *Provided, however,* That all such existing agreements which are rendered unlawful by the provisions of such Act as hereby amended must be amended to comply with the provisions of such Act as hereby amended, and if such amendments are filed for approval within six months after the enactment of this Act, such agreements so amended shall be lawful unless and until disapproved, canceled, or modified by the Commission, but if not so amended and filed within said six-month period, such agreements, if thereafter found to be in violation of the Act, as hereby amended, may be declared unlawful by the Commission from the expiration of said six-month period.

SEC. 5. Section 18, Shipping Act, 1916, is hereby amended as follows:

(a) Insert "(a)" immediately after the section number "18".

(b) Add the following subsection 18(b):

"(b)(1) From and after ninety days following enactment hereof every common carrier by water in foreign commerce and every conference of such carriers shall file with the Commission and keep open to public inspection tariffs showing all the rates, fares, and charges of such carrier or conference of carriers for transportation to and from United States ports and foreign ports between all points on its own route and on any through route which has been established. Such tariffs shall plainly show the places between which freight will be carried, and shall contain the classification of freight in force, and shall also state separately such terminal or other charge, privilege, or facility under the control of the carrier or conference of carriers which is granted or allowed, and any rules or regulations which in anywise change, effect, or determine any part or the aggregate of such aforesaid rates, or charges, and shall include specimens of any bill of lading, contract of affreightment, or other document evidencing the transportation agreement. Copies of such tariffs shall be made available to any person and a reasonable charge may be made therefor. The requirements of this section shall not be applicable to cargo loaded and carried in bulk without mark or count.

(2) No change shall be made in the rates, fares, charges, classifications, rules, or regulations, which results in an increase in cost to the shipper, except by the filing, as aforesaid, of a new tariff or tariffs which shall become effective not earlier than thirty days after the date of filing thereof with the Commission, and each such tariff or tariffs shall plainly show the changes proposed to be made in the tariff or tariffs then in force and the time when the rates, fares, charges, classifications, rules, or regulations as changed are to become effective: *Provided, however,* That the Commission may, in its discretion and for good cause, allow such changes upon less than the period of thirty days herein specified. Any new or initial rate, or any change in the rates, fares, charges, or classifications, rules, or regulations which results in a decreased cost to the shipper may become effective upon filing with the Commission. The term 'tariff' as used in this paragraph shall include any amendment, supplement, or reissue.

"(3) No common carrier by water in foreign commerce or conference of such carriers shall charge or demand or collect or receive a greater or less or different compensation for the transportation of property or for any service in connection therewith than the rates and charges which are specified in its tariffs on file with the Commission and in effect at the time; nor shall any such carrier rebate, refund, or remit in any manner or by any device any portion of the rates or charges so specified, nor extend or deny to any person any privilege or facility, except in accordance with such tariffs. Nothing in this Act shall prevent the carriage, storage, or handling of property free or at reduced rates, for the United States, State, municipal, or foreign governments, or for religious organizations or religious personnel, or for charitable purposes: *Provided, however,* That appropriate authority therefor is set forth in a tariff or tariffs on file with the Commission.

"(4) The Commission shall by regulations prescribe the form and manner in which the tariffs required by this section shall be filed; and the Commission is authorized to reject any tariff filed with it which is not in conformity with this section and with such regulations. Upon rejection by the Commission, a tariff shall be void and its use unlawful.

"(5) Whoever violates any provision of this section shall be liable to a penalty of not more than $1,000 for each day such violation continues, to be recovered by the United States in a civil action."

SEC. 6. Section 20, Shipping Act, 1916, is amended by changing the period at the end thereof to a semicolon and adding the following: "or to prevent the giving by any common carrier by water which is a party to a conference agreement approved pursuant to section 15 of this Act, or by any other person subject to this Act, to, or the soliciting or receipt by the conference or any person, firm, corporation, or agency designated by the conference, of information for the purpose of determining whether a shipper or consignee has committed a breach of an agreement with the conference or its member lines or of determining whether a conference member has committed a breach of the conference agreement, or for the purpose of compiling statistics of cargo movement, but the use of such information for any other purpose prohibited by this Act or any other Act shall be unlawful."

SEC. 7. The Shipping Act, 1916, is hereby amended by inserting a new section 43 reading as follows:

"SEC. 43. The Commission shall make such rules and regulations as may be necessary to carry out the provisions of this Act."

SEC. 8. Section 16 First, Shipping Act, 1916 (39 Stat. 734; 46 U.S.C. 815), is hereby amended by deleting the period at the end thereof and adding the following: ": *Provided,* That within thirty days after enactment of this Act, or within thirty days after the effective date or the filing with the Commission, whichever is later, of any conference freight rate, rule, or regulation in the foreign commerce of the United States, the Governor of any State, Commonwealth, or possession of the United States may file a protest with the Commission upon the ground that the rate, rule, or regulation unjustly discriminates against that State, Commonwealth, or possession of the United States, in which case the Commission shall issue an order to the conference to show cause why the rate, rule, or regulation should not be set aside. Within one hundred and twenty days from the date of the issuance of such order, the Commission shall determine whether or not such rate, rule, or regulation is unjustly discriminatory and issue a final order either dismissing the protest, or setting aside the rate, rule, or regulation."

SEC. 9. Section 2 of the Act entitled "To Amend the Shipping Act, 1916", approved August 12, 1958 (72 Stat. 574), as amended by an Act approved June 29, 1960 (74 Stat. 253), and as amended by an Act approved June 30, 1961 (75 Stat. 195), is further amended by striking out "September 15, 1961," and inserting in lieu thereof "March 31, 1962".

SEC. 10. Except for section 9 hereof which shall be effective immediately upon enactment, this Act shall be effective on and after April 1, 1962.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker pro tempore had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 200. An act to amend the act entitled "An act relative to employment of certain adult Indians on or near Indian reservations," approved August 3, 1956;

S. 279. An act to provide Federal assistance for projects which will demonstrate or develop techniques and practices leading to a solution of the Nation's juvenile delinquency control problems;

S. 1528. An act to increase the relief or retirement compensation of certain former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service; and of widows and children of certain deceased former officers of such forces, department, or service;

S. 1529. An act, to amend the act entitled "An act to regulate the height of buildings in the District of Columbia," approved June 1, 1910, as amended;

S. 1719. An act to amend title 23 of the United States Code with respect to Indian reservation roads;

S. 1762. An act to regulate the practice of physical therapy in the District of Columbia;

S. 1768. An act to provide for the restoration to Indian tribes of unclaimed per capita and other individual payments of tribal trust funds;

S. 1807. An act to authorize the disposition of land no longer needed for the Chilocco Indian Industrial School at Chilocco, Okla.;

S. 2241. An act to donate to the Jicarilla Apache Tribe of the Jicarilla Reservation, N. Mex., approximately 391.43 acres of federally owned land;

H.R. 176. An act to amend section 331 of title 28 of the United States Code so as to provide for representation on the Judicial Conference of the United States;

H.R. 2816. An act for the relief of CWO James M. Cook;

H.R. 2883. An act to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes;

H.R. 3606. An act for the relief of William C. Winter, Jr., lieutenant colonel, U.S. Air Force (Medical Corps);

H.R. 3863. An act for the relief of Woody W. Hackney of Forth Worth, Tex.;

H.R. 4369. An act for the relief of Henry James Taylor;

H.R. 4458. An act to authorize the Secretary of the Interior to replace lateral pipelines, line discharge pipelines, and to do other work he determines to be required for the Avondale, Dalton Gardens, and Hayden Lake Irrigation Districts in the State of Idaho;

H.R. 4669. An act to amend the law relating to gambling in the District of Columbia;

H.R. 5182. An act for the relief of Charles P. Redick;

H.R. 5559. An act for the relief of Ralph E. Swift and his wife, Sally Swift;

H.R. 6667. An act to amend the act of August 16, 1957, relating to microfilming of papers of Presidents of the United States, to remove certain liabilities of the United States with respect to such activities;

H.R. 6996. An act for the relief of Harry Weinstein;

H.R. 7264. An act for the relief of M. C. Pitts;

H.R. 7447. An act to amend the Strategic and Critical Materials Stockpiling Act to provide for the immediate disposition of certain waterfowl feathers and down;

H.J. Res. 109. Joint resolution designating the 17th day of December 1961 as "Wright Brothers Day"; and

H.J. Res. 499. Joint resolution authorizing a celebration of the American patent system.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. CLARK. Mr. President, I move, under the order heretofore entered, that the Senate adjourn until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 57 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Wednesday, September 13, 1961, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate September 12, 1961:

U.S. ATTORNEYS

William Medford, of North Carolina, to be U.S. attorney for the western district of North Carolina for the term of 4 years, vice James M. Baley, Jr.

William H. Murdock, of North Carolina, to be U.S. attorney for the middle district of North Carolina for the term of 4 years, vice James E. Holshouser, resigned.

IN THE AIR FORCE

Maj. Gen. William H. Blanchard, 1445A, Regular Air Force, to be assigned to positions of importance and responsibility designated by the President in the rank of lieutenant general, under the provisions of section 8066, title 10 of the United States Code.

The following-named officers for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10 of the United States Code:

To be brigadier general

Col. William B. Campbell, 2000A, Regular Air Force.

Col. Richard O. Hunziker 4164A, Regular Air Force.

Col. Larry A. Smith, 19176A, Regular Air Force, Medical.

Lt. Gen. Robert W. Burns, 527A, Regular Air Force, to be senior Air Force member, military staff committee, United Nations, under the provisions of section 711, title 10 of the United States Code.

Lt. Gen. Roscoe C. Wilson, 360A (major general, Regular Air Force), U.S. Air Force, to be placed on the retired list in the grade of lieutenant general, under the provisions of section 8962, title 10 of the United States Code.

HOUSE OF REPRESENTATIVES

TUESDAY, SEPTEMBER 12, 1961

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore, Mr. MCCORMACK.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

This petition from the Lord's prayer (Matthew 6: 10): *Thy kingdom come.*

O Thou who art the Supreme Ruler of the Universe, inspire us to fix our minds and hearts upon that glorious time when the kingdom of the earth shall become the kingdom of our Lord and men everywhere shall own Thee as their Father and all their fellow men as brothers.

May we never become disheartened and lose sight of the splendor of Thy kingdom but help us to search diligently for signs and portents of that advancing day which tell us that truth and righteousness are marching on.

Grant that by the generous and gracious exercise of understanding and good will toward all men we may seek to remove those discords and dissensions among the nations which impede the progress of Thy kingdom and the fulfillment of our Lord's petition.

Hear us in His name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles (omitted from the RECORD of September 11, 1961):

H.R. 176. An act to amend section 331 of title 28 of the United States Code so as to provide for representation on the Judicial Conference of the United States;

H.R. 2816. An act for the relief of CWO James M. Cook;

H.R. 3606. An act for the relief of William C. Winter, Jr., lieutenant colonel, U.S. Air Force (Medical Corps);

H.R. 3863. An act for the relief of Woody W. Hackney of Fort Worth, Tex.;

H.R. 4369. An act for the relief of Henry James Taylor;

H.R. 4458. An act to authorize the Secretary of the Interior to replace lateral pipelines, line discharge pipelines, and to do other work he determines to be required for the Avondale, Dalton Gardens, and Hayden Lake Irrigation Districts in the State of Idaho;

H.R. 5182. An act for the relief of Charles P. Redick;

H.R. 5559. An act for the relief of Ralph E. Swift and his wife, Sally Swift;

H.R. 6667. An act to amend the act of August 16, 1957, relating to microfilming of papers of Presidents of the United States, to remove certain liabilities of the United States with respect to such activities;

H.R. 6996. An act for the relief of Harry Weinstein;

H.R. 7264. An act for the relief of M. C. Pitts;

H.J. Res. 109. Joint resolution designating the 17th day of December 1961 as "Wright Brothers Day"; and

H.J. Res. 499. Joint resolution authorizing a celebration of the American patent system.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2010. An act to amend title V of the Agricultural Act of 1949, as amended, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JORDAN, Mr. ELLENDER, Mr. JOHNSTON, Mr. HOLLAND, Mr. AIKEN, Mr. YOUNG of North Dakota, and Mr. HICKENLOOPER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills, a joint resolution, and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1274. An act for the relief of the widow of Julian E. Gillespie;

S. 1761. An act to amend the act of March 3, 1901, relating to divorce, legal separation, and annulment of marriage in the District of Columbia;

S. 2488. An act to increase the number of apprentices authorized to be employees of the Government Printing Office, and for other purposes;

S.J. Res. 132. Joint resolution extending recognition to the International Exposition for Southern California in the year 1966 and authorizing the President to issue a proclamation calling upon the several States of the Union and foreign countries to take part in the exposition; and

S. Con. Res. 40. Concurrent resolution authorizing the printing as a Senate document of the 40th biennial meeting of the Convention of American Instructors of the Deaf; and providing for additional copies.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 739) entitled "An act to amend the Civil Service Retirement Act, as amended, with respect to the method of computing interest earnings of special Treasury issues held by the civil service retirement and disability fund," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSTON, Mr. MONRONEY, Mr. CLARK, Mr. FONG, and Mr. BOGGS to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the concurrent resolution (S. Con. Res. 14) entitled "Concurrent resolution saluting 'Uncle Sam' Wilson, of Troy, N.Y., as the progenitor of America's national symbol of 'Uncle Sam,'" requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCLELLAN, Mr. KEATING, and Mr. COTTON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following titles:

S. 279. An act to provide Federal assistance for projects which will demonstrate or develop techniques and practices leading to a solution of the Nation's juvenile delinquency control problems.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4998) entitled "An act to assist in expanding and improving community facilities and services for the health care of aged and other persons, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HILL, Mr. YARBOROUGH, Mr. WILLIAMS of New Jersey, Mr. PELL, Mr.

JAVITS, and Mr. CASE of New Jersey to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 5255) entitled "An act to clarify the status of circuit and district judges retired from regular active service," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. EASTLAND, Mr. JOHNSTON, and Mr. HRUSKA to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7916) entitled "An act to expand and extend the saline water conversion program being conducted by the Secretary of the Interior."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1653) entitled "An act to amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises."

HOUSE MEETS AT 10 O'CLOCK A.M. ON SEPTEMBER 13

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

COMMITTEE ON APPROPRIATIONS: SUPPLEMENTAL APPROPRIATION BILL, 1962

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the supplemental appropriations bill, 1962.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BOW. Mr. Speaker, I reserve all points of order on the bill.

EDUCATIONAL AND CULTURAL EXCHANGES

Mr. HAYS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8666) to provide for the improvement and strengthening of the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges, with a Senate amendment thereto, disagree to the amendment of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

The Chair hears none and appoints the following conferees: Messrs. HAYS, FARBSTEIN, MONAGAN, ADAIR, and SEELY-BROWN.

AMENDING CIVIL SERVICE RETIREMENT ACT

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 739) to amend the Civil Service Retirement Act, as amended, with respect to the method of computing interest earnings of special Treasury issues held by the civil service retirement and disability fund, with House amendments thereto, insist upon the amendments of the House, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

The Chair hears none, and appoints the following conferees: Messrs. MURRAY, MORRISON, and CORBETT.

AMENDING TITLE V OF THE AGRICULTURAL ACT OF 1949

Mr. POAGE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2010) to amend title V of the Agricultural Act of 1949, as amended, and for other purposes, with Senate amendment thereto, disagree to the Senate amendment, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas [Mr. POAGE]?

Mr. COAD. Mr. Speaker, I object.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL—1962

Mr. ROONEY. Mr. Speaker, I call up the conference report on the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1163)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7371) "making appropriations for the Departments of State and Justice, the Judiciary, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 13 and 19.

That the House recede from its disagreement to the amendments of the Senate numbered 5, 10, 15, 16, 17, 23, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$133,250,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,323,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert $4,650,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$75,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,910,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,710,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,400,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,370,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,210,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$110,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,000,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,500,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 20, 21, 24, 25, and 26.

JOHN J. ROONEY,
ROBERT L. F. SIKES,
CLARENCE CANNON,
FRANK T. BOW,
JOHN TABER,
Managers on the Part of the House.

JOHN L. MCCLELLAN,
ALLEN J. ELLENDER,
CARL HAYDEN,
WARREN G. MAGNUSON,
J. W. FULBRIGHT,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
KARL E. MUNDT,
MARGARET CHASE SMITH,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—DEPARTMENT OF STATE

Administration of foreign affairs

Salaries and Expenses

Amendment No. 1: Appropriates $133,250,000 instead of $132,000,000 as proposed by the House and $134,750,000 as proposed by the Senate.

Acquisition, Operation, and Maintenance of Buildings Abroad

Amendment No. 2: Provides a limitation of $1,323,000 for administrative expenses instead of $1,273,000 as proposed by the House and $1,373,000 as proposed by the Senate.

Acquisition, Operation, and Maintenance of Buildings Abroad (Special Foreign Currency Program)

Amendment No. 3: Appropriates $4,650,000 instead of $4,500,000 as proposed by the House and $5,300,000 as proposed by the Senate.

International Organizations and Conferences

International conferences and contingencies

Amendment No. 4: Provides a limitation of $75,000 for representation allowances instead of $60,000 as proposed by the House and $100,000 as proposed by the Senate.

United States Citizens Commission on NATO

Amendment No. 5: Appropriates $150,000 as proposed by the Senate instead of $125,000 as proposed by the House.

Amendment No. 6: Deletes language of the Senate.

International Commissions

International fisheries commissions

Amendment No. 7: Appropriates $1,910,000 instead of $1,896,000 as proposed by the House and $1,938,000 as proposed by the Senate.

Educational Exchange

International educational exchange activities

Amendment No. 8: Provides a limitation of $1,710,000 for administrative expenses instead of $1,650,000 as proposed by the House and $1,783,000 as proposed by the Senate.

The conferees are in agreement that funds for travel of dependents should be used only to return dependents now abroad; that no funds should be used to send additional dependents abroad.

International Educational Exchange Activities (Special Foreign Currency Program)

Amendment No. 9: Appropriates $7,400,000 instead of $6,600,000 as proposed by the House and $8,200,000 as proposed by the Senate.

TITLE II—DEPARTMENT OF JUSTICE

Federal prison system

Buildings and Facilities

Amendment No. 10: Appropriates $2,050,000 as proposed by the Senate instead of $1,800,000 as proposed by the House.

TITLE III—THE JUDICIARY

Courts of appeals, district courts, and other judicial services

Salaries of Referees

Amendment No. 11: Appropriates $2,370,000 instead of $2,290,000 as proposed by the House and $2,455,000 as proposed by the Senate.

Expenses of Referees

Amendment No. 12: Appropriates $4,210,000 instead of $4,010,000 as proposed by the House and $4,412,000 as proposed by the Senate.

TITLE IV—RELATED AGENCIES

United States Information Agency

Salaries and Expenses

Amendment No. 13: Appropriates $110,000,000 as proposed by the House instead of $111,700,000 as proposed by the Senate.

Amendment No. 14: Provides a limitation of $110,000 for representation instead of $100,000 as proposed by the House and $120,000 as proposed by the Senate.

Salaries and Expenses (Special Foreign Currency Program)

Amendment No. 15: Inserts language proposed by the Senate.

Amendment No. 16: Appropriates $9,300,000 as proposed by the Senate instead of $7,500,000 as proposed by the House.

Amendment No. 17: Deletes language as proposed by the Senate.

Special international program

Amendment No. 18: Appropriates $8,000,000 instead of $7,382,500 as proposed by the House and $8,603,000 as proposed by the Senate. The conferees are in agreement that none of the increase allowed above the House figure is to be used in connection with trade missions.

Amendment No. 19: Provides a limitation of $30,000 for representation as proposed by the House instead of $50,000 as proposed by the Senate.

Amendment No. 20: Reported in disagreement.

Special international program (special foreign currency program)

Amendment No. 21: Reported in disagreement.

Acquisition and construction of radio facilities

Amendment No. 22: Appropriates $7,500,000 instead of $7,150,000 as proposed by the House and $7,548,000 as proposed by the Senate.

Informational media guarantee fund

Amendment No. 23: Appropriates $1,500,000 as proposed by the Senate instead of $2,500,000 as proposed by the House.

Commission on Civil Rights

Salaries and Expenses

Amendment No. 24: Reported in disagreement.

Amendment No. 25: Reported in disagreement.

Amendment No. 26: Reported in disagreement.

JOHN J. ROONEY,
ROBERT L. F. SIKES,
CLARENCE CANNON,
FRANK T. BOW,
JOHN TABER,
Managers on the Part of the House.

Mr. ROONEY. Mr. Speaker, I should like to briefly explain the action of the managers on the part of the House in the conference with the other body on the pending bill, H.R. 7371, making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for fiscal year 1962.

Mr. Speaker, the conference report now before the House for adoption carries the total amount $756,422,550. This amount is $39,468,652 less than the total budget estimates of $795,891,202 for the items in this bill. The amount carried in the conference report is $5,122,500 more than the amount contained in the bill when it was passed by this body. However, of this amount approximately 40 percent is allowed only for expenditures by the use of foreign currencies. Also, $586,000 of this is occasioned by the extension of the Civil Rights Commission.

Mr. Speaker, compared with the bill as passed by the other body, the amount now recommended in the conference report is $5,616,000 less than the total amount approved by the other body.

The following is a summary of the action taken with regard to the Departments of State and Justice, the Judiciary, and related agencies appropriations bill for fiscal year 1962:

Item	Budget estimates	Passed House	Passed Senate	Conference action	Conference action compared with—		
					Budget estimate	House	Senate
Department of State	$289,675,000	$267,478,000	$272,695,000	$269,717,000	−$19,958,000	+$2,239,000	−$2,978,000
Department of Justice	298,384,000	294,239,900	294,489,900	294,489,900	−3,894,100	+250,000	
The Judiciary	56,050,202	54,497,650	55,064,650	54,777,650	−1,272,552	+280,000	−287,000
U.S. Information Agency	151,480,000	134,782,600	138,901,000	136,550,000	−14,930,000	+1,767,500	−2,351,000
Civil Rights Commission	302,000	302,500	888,000	888,000	+586,000	+586,000	
Grand total	795,891,202	751,300,650	762,038,550	756,422,550	−39,468,652	+5,122,500	−5,616,000

Mr. Speaker, I briefly yield to the distinguished gentleman from Ohio [Mr. Bow] the ranking minority member of the subcommittee.

Mr. BOW. Mr. Speaker, I thank the gentleman for yielding to me. I should like to say simply that we are in full agreement with the conference report. There are no items with which the minority is in disagreement.

Mr. BECKER. Mr. Speaker, will the gentleman from New York yield to me?

Mr. ROONEY. I yield to the distinguished gentleman from New York.

Mr. BECKER. I was unable to hear what was the difference between the bill passed by the House and the amount on which we are about to act in the conference report.

Mr. ROONEY. The difference between the total amount passed by the House, to wit: $751,300,050 and the total amount contained in the pending conference report, to wit: $756,422,550 is $5,122,500 more than the amount contained in the House bill, but of this $5 million plus approximately 40 percent is to be used by expenditure of foreign currencies on deposit in the Treasury of the United States.

Mr. BECKER. I appreciate the gentleman's explanation.

Mr. ROONEY. I thank the gentleman from New York.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 20: Page 34, line 22, insert: ": *Provided further*, That the unexpended balance of funds heretofore appropriated under the heading 'President's Special International Program' shall be merged with funds appropriated hereunder and accounted for as one fund."

Mr. ROONEY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ROONEY moves that the House recede from its disagreement to the amendment of the Senate numbered 20 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 21: Page 35, line 15, insert: ": *Provided further*, That the unexpended balance of funds heretofore appropriated under the heading 'Special Foreign Currency Program' shall be merged with funds appropriated hereunder and accounted for as one fund."

Mr. ROONEY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ROONEY moves that the House recede from its disagreement to the amendment of the Senate numbered 21 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

Mr. ROONEY. Mr. Speaker, I think it would be more orderly procedure for me to ask unanimous consent that amendment No. 25 in disagreement be considered prior to consideration of amendment No. 24, for the reason that amendment No. 25 provides for the extension of the life of the Civil Rights Commission, whereas amendment No. 24 furnishes the money in regard thereto. So, Mr. Speaker, I ask unanimous consent that we consider amendment No. 25 next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 25: Page 36, line 21, insert: *"Provided*, That section 104(b) of the Civil Rights Act of 1957 is amended by striking out 'four years from the date of the enactment of this Act' and inserting in lieu thereof 'September 9, 1963' ".

Mr. ROONEY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ROONEY moves that the House recede from its disagreement to the amendment of the Senate numbered 25 and concur therein with an amendment, as follows: In lieu of the date of "September 9, 1963" in said amendment, insert: "September 30, 1963."

Mr. ROONEY. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Speaker, I would like to be sure that the House understands just exactly what this amendment proposes. This is an effort to breathe new life into the Civil Rights Commission which expired on September 9.

Mr. Speaker, at a time when we in this Nation need to marshal and coordinate our resources; when we need to stand together if ever we are going to stand together to confront a common foe; when we are being crowded to the very brink of war by an unscrupulous opponent who seeks to destroy our resolve and that of our friends in the world, it appears to me to be utmost folly to waste our time, our funds, and our energies on this issue.

The bill before you is an appropriations bill. It is not a legislative bill. The pending civil rights legislation which has been put into this bill by the other body is not even properly before us. This is legislation on an appropriation bill. If it had been proposed in the House it would have been ruled out as not germane.

Mr. Speaker, the extension of the Civil Rights Commission is both unwise and unsound. It has not justified its existence in the past. There is no reason to assume that it will do so in the future. It has been a complete waste of money. It has said nothing of consequence, it has reported nothing of consequence, it has recommended nothing of consequence during the 4 years of its existence.

In recent days in order to focus attention on its existence and thereby stir up sentiment and support for it, the Commission has issued a flurry of statements which further attest to its inability to perform an effective service. All of its efforts have been disruptive, all have served to create dissension and unrest. None has contributed to national solidarity and strength. This, Mr. Speaker, during the time when our greatest need is unity, solidarity, and strength.

The Civil Rights Commission should be eliminated entirely. Actually it ceased to exist as an agency of Government on September 9, unregretted, unlamented, and largely unnoticed other than by professional mourners.

There is no reason now to breathe new life into it. I hope the House will reject the action of the Senate in reestablishing and refinancing this unwanted agency by slipping it into a bill where it has no business, without hearings, without debate, and without appropriate consideration.

Mr. ROONEY. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I think we all understand that the extension in this appropriations bill of the life of the Civil Rights Commission for 2 years was first effectuated in the other body and was decided there by a rollcall vote.

The life of the Commission has expired by present law on September 9, which has already gone by. The action now before the House for approval, and agreed to by a majority of the conferees of the House and the other body, would extend the life of the Commission for 2 years, from the 30th of this month.

We all know the Commission on Civil Rights has done an intelligent, decent, dignified job in delving into what some consider a very touchy subject. Some of the most distinguished citizens of this country are members of this Commission. The chairman, Dr. John A. Hannah, is the president of Michigan State University. The Vice Chairman of the Commission is Dean Robert G. Storey, president of the Southwestern Legal Foundation, Dallas, Tex. I believe Dean Storey is also the dean of the Law School of Southern Methodist University. Other members of the Commission are Rev. Theodore M. Hesburgh, C.S.C., president of the University of Notre Dame in Indiana, and Dr. Robert S. Rankin, chairman of the Department of Political Science at Duke University in North Carolina.

This Commission was created in 1957 and extended for a period of 2 years in 1959. The Commission's factfindings and investigations have already been the basis for much needed present legislation. Facts heretofore uncovered by the Commission have been the basis for action by the Attorney General.

On last Saturday, September 9, the Commission on Civil Rights submitted to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives the first volume of a five-volume report on the Commission's activities, findings and recommendations in the fields of voting, education, employment, housing, and the administration of justice. The first volume, on voting, contains the findings and recommendations of the Commission in this vital area. This comprehensive volume on voting dis-

crimination is referred to in the following editorial published in the New York Times of September 11, 1961:

CIVIL RIGHTS REDEFINED

Four years ago last Saturday this country set up by act of Congress a Commission instructed to investigate allegations that certain citizens of the United States are being deprived of their right to vote and have that vote counted by reason of their color, race, religion or national origin.

Exactly 4 years and 380 printed pages later the Commission, as constituted today, has completed its work. Two of its six members dissented on some points, but these dissents dealt with recommendations, not with disputed facts.

The facts held reasonably certain are that in about 100 counties in 8 Southern States Negroes are or have recently been denied the right to vote on grounds of race or color; that the 14th and 15th amendments have been evaded in various ways; and that this situation has not yet been corrected by existing State or Federal laws. There are at least 13 counties in which the Negroes are in a majority but in which no Negro is registered to vote.

Four members of the Commission join in recommending that Congress enact laws sweeping aside all State restrictions not related to age, length of residence, imprisonment or conviction of a felony. Supposedly mental incapacity would be included. Six years of formal schooling would be assumed to prove literacy.

The two eminent southern scholars who dissented were not, of course, arguing for denial of the right to vote. They believed, in the words of Vice Chairman Robert G. Storey, dean of the Law School of Southern Methodist University, that "proposals to alter longstanding Federal-State relationships * * * should not be made unless there is no alternative method to correct an existing evil." It can be argued that existing Federal laws in this field have not been fully applied. The Kennedy administration seems to want to try enforcement a little more before going out for new legislation.

But it can also be argued that the enfranchisement of the southern Negro has gone altogether too slowly and that in these days when justice at home may help win us friends abroad we cannot afford such sluggishness.

And it may be that justice, whether under Federal or under State law, is an end in itself and should be pursued with vigor and unrelenting speed.

Ordinarily, I do not like the attachment of legislative riders to appropriation bills but in this instance there is no alternative. The other body inserted the rider in this bill and if the Civil Rights Commission is to be kept alive for a further period of 2 years, there is, as I say, no alternative but to accept the Senate amendment, with an amendment, changing the date to September 30, 1963. I am confident that this House will continue this Civil Rights Commission, as I suggest, for a further period of 2 years. An "aye" for my pending motion will effectuate such an extension.

Mr. Speaker, I ask unanimous consent that I may insert as part of my remarks an editorial from the New York Times, together with a summary table in connection with my previous remarks today on the adoption of the conference report on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. COHELAN].

Mr. COHELAN. Mr. Speaker, I warmly support this amendment which would extend the life of the Civil Rights Commission for another 2 years.

Contrary to what some of the opponents to this measure have professed, legislation of this nature is imperative in these perilous times in which we live. We cannot afford, as a matter of fact, not to act on it now—both because it involves the rights and well-being of our own citizens, and because it bears heavily upon the position we hold in the eyes of the newly developing nations of the world.

Although it has been challenged, the fundamental goal of our country has persevered through the nearly two centuries of our existence. This is a goal to guard the rights of the individual, to insure his development and to challenge his abilities. It was set forth simply and yet forcefully by the drafters of the Declaration of Independence when they said:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness.

Mr. Speaker, this Commission has performed notable and heartwarming service in advancing this fundamental goal of our Nation; it has proven during the last 3 years that it can effectively define problems in the vital field of civil rights and formulate constructive solutions, and it should, as a result, be continued.

My only regret is that stronger action is not being taken at this time. I regret that the legislation which I have joined the distinguished chairman of the Committee on the Judiciary, Mr. CELLER, in introducing, legislation which would make the Civil Rights Commission a permanent branch of our Government and strengthen its factfinding powers, is not being considered today. I am very hopeful, however, that in light of the Commission's distinguished accomplishments, and considering the need for its important work, that we will be able to consider this proposal in the near future, and that the Congress will enact it.

Mr. CRAMER. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the House just a few minutes ago discussed but did not take a vote on the conference report on the Justice Department and other agencies appropriation bill, H.R. 7371.

Included in the conference report was a very important piece of substantive legislation, the extension of the Civil Rights Commission, which was added by the other body as a rider to this appropriation bill.

The manner in which this has been handled, the lack of opportunity on the part of this body to have the chance to consider the merits with regard to the Civil Rights Commission bill as reported by the Committee on the Judiciary of this body on August 18, clearly indicates that there is something wrong, at least in my opinion, with the manner in which substantive riders are added by the other body to matters that are not related thereto, and in this instance amounts to legislation on an appropriation which would be subject to a point of order if contained in H.R. 7371 in the House—but it is not as a part of the conference report.

Here is what has happened. The Committee on the Judiciary on August 18 reported out an extension of the Civil Rights Commission and included an amendment that is of vital importance so far as the jurisdiction of that Commission is concerned. This amendment was considered on its merits by the committee. The amendment would give the Civil Rights Commission the authority to investigate all vote fraud cases generally, vote fraud cases among the majority as well as the minority. That amendment which I offered in committee was approved by the Committee on the Judiciary, the bill was reported as amended by the Committee on the Judiciary on August 18, but no rule has ever been granted. Therefore, the House has been denied absolutely and completely the opportunity of considering that amendment on its merits. The committee report itself indicates the importance of the amendment, a substantive amendment as proposed and voted out by the Committee on the Judiciary.

I quote the report:

The right to vote is the cornerstone of representative self-government in America. As such, it is imperative that the franchise of every qualified citizen be adequately and effectively safeguarded and protected.

Congress, in 1957, concerned with extensive allegations that certain qualified citizens were being arbitrarily denied the right to vote, or to have their vote properly counted, established the Commission on Civil Rights to investigate charges that the franchise of minorities was being abused. This duty of the Commission was set forth in section 104(a) of the Civil Rights Act of 1957 (42 U.S.C. 1975c(a)):

"The Commission shall—

"(1) investigate allegations in writing under oath or affirmation that certain persons are being deprived of their right to vote and have that vote counted by reason of their color, race, religion, or national origin; which writing, under oath or affirmation, shall set forth the facts upon which such belief or beliefs are based."

In 1956, Mr. Herbert Brownell, then the Attorney General, described the proposed operation of the Commission in an executive communication to the Speaker (see p. 14, H. Rept. 291, 85th Cong., 1st sess.):

"Where there are charges that by one means or another the vote is being denied, we must find out all of the facts—the extent, the methods, the results.

"The need for a full scale public study as requested by the President is manifest. The executive branch of the Federal Government has no general investigative power of the scope required to undertake such a study. The study should be objective and free from partisanship. It should be broad and at the same time thorough."

Since its creation, the Commission has been most vigorous in pursuing these objectives. Its numerous investigations of alleged franchise deprivations have been widely hailed.

President John F. Kennedy, in a recent letter to Chairman CELLER urging extension of the Commission, observed, however, that the Commission has not yet fully realized its

"constructive potential." This is certainly true. Limited as it is in jurisdiction to the protection of minority interests, it is presently powerless to investigate franchise abuses not based upon "color, race, religion, or national origin."

Yet, as Mr. Byron R. White, Deputy Attorney General, recently observed in a communication to your committee, dated August 7, 1961:

"Apart from the Commission there is no Federal executive agency charged with a continuing responsibility for gathering information calculated to assist in the guaranteeing of the protection of constitutional rights."

If it is true that the denial of freedom to any American is a diminution of freedom to all Americans, then we cannot tolerate restrictions on the franchise from any quarter—for any cause. If the constitutional right to vote is worth protecting through a Federal agency for any Americans, it is worth protecting through such agency for all Americans. The time is past, if ever there was such a time, when constitutional protections can be administered in a discriminatory or segregated manner. It is with this conviction, it is to embrace within the ambit of the Civil Rights Commission's operations the job of safeguarding everyone's right to vote, the most fundamental civil right under the Constitution, that paragraph (4) is offered.

The proposed amendment would broaden the functions of the Commission to cover all citizens seeking franchise protection. If the Commission, in the past, performed a useful function, and our action in extending its life would indicate it has, then filling the present civil rights gap in its responsibilities under the proposed amendment should provide it with an even greater challenge and opportunity for service.

It should be noted well that the new investigative power granted the Commission does not extend to any case involving a purely State or local election.

As with its original authorization to initiate Commission action, allegations must be submitted in writing, under oath, or affirmation. It is not permitted to act on mere hearsay or rumor. Unlawfully according the franchise, as well as its denial, is made a ground for Commission action. And, as is already the case, primary elections, as well as general elections, are embraced within the scope of its broadened responsibilities.

The proposed amendment is not directed at any locality, party or election. Rather it is responsive to a long felt general need. Charges of voting irregularities have probably been made in every election since the founding of the Republic. For the most part, such allegations have been without foundation. But occasionally in our history chicanery has occurred and, because of the lack of effective machinery charged with the responsibility to investigate, has gone unpunished and unexposed to the public view.

Belief in, and respect for, the integrity of the methods by which our leadership is chosen must be maintained. If ever that belief and respect are lost, our freedoms will likewise be lost.

The committee is convinced that the proposed amendment will go a long way toward insuring the preservation of the integrity of the ballot in this country.

Attached hereto and made a part of this report is a letter dated August 7, 1961, from the President to the chairman, Committee on the Judiciary, House of Representatives, a letter dated July 20, 1961, from the Department of Justice, and a letter dated May 12, 1961, from the Commission on Civil Rights.

Mr. Speaker, there is no greater right that a human being has, if you talk about civil rights in America, a free society, a representative form of government, than the right to vote by either the majority or minority. This amendment was for the purpose of giving to the people in America the assurance, so far as the Civil Rights Commission could do it, that they would enjoy the right to vote and to have the vote counted. In other words, give somebody the authority to investigate flagrant voting fraud cases, of which I have evidence in substantial quantity in my files and which has been carried in the press. This matter of vote frauds has been discussed all over the country in the past.

The result of adding this substantive rider limiting it to extension of the Commission in the other body and bringing it in, in the form of a part of a conference report, denies the House any opportunity of working its will on the substantive legislation itself, and of greater importance, on the important clean elections amendment that was approved by the Committee on the Judiciary. It does not give the House the opportunity of considering it.

I discussed with the Parliamentarian how this amendment approved by the House Committee on the Judiciary might be considered under the circumstances, with a motion pending to recede and concur or to recede and concur with an amendment offered by the other body, and I was informed that is a priority motion, therefore no parliamentary procedure could be had except to vote that motion down, which in the makeup of the House at the present time is an impossibility. No motion to consider this clean elections amendment would be in order.

This indicates the shortcomings of the procedures of this body that permits such a rider added to an appropriation bill in the Senate to be included in a conference report with no opportunity for this body to work its will on the substantive matter itself.

Mr. POFF. Mr. Speaker, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Virginia.

Mr. POFF. May I ask the gentleman if the chairman of the Committee on the Judiciary has asked the Rules Committee to grant a rule?

Mr. CRAMER. Well, whether he has asked or not, I could not say definitely. But he certainly has not been successful. The distinguished chairman of our Judiciary Committee is quite persuasive in other matters with respect to acquiring a rule and a rule would be forthcoming if the leadership wanted it, especially with the stacked Rules Committee. It is inconceivable to me that he would not have been able to acquire a rule had he pressed for it or if the leadership wanted it and that we would have had the Civil Rights Commission extension legislation as a substantive matter on the floor of this House to be considered on its merits, as well as the amendment that was enacted rather than as a rider in a conference report on an unrelated appropriation bill.

Mr. POFF. It is my understanding that the Commission is authorized under the parent legislation to investigate charges of the denial of the right to vote on account of race, creed or color. The amendment adopted in the Judiciary Committee expanded the authority of the Commission to authorize investigations of charges of deprivation of the right to vote by means of fraud or any illegal act; is that correct?

Mr. CRAMER. The gentleman is absolutely correct. In effect, it protects for everyone the basic constitutional right to vote and to have that vote counted; that is, the civil rights being protected. It protects those rights for all Americans, not only for the minority members. That was the objective involved.

The SPEAKER pro tempore. The time of the gentleman from Florida has expired.

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes.

Mr. ANDERSEN of Minnesota. Mr. Speaker, reserving the right to object, I will not object to Mr. CRAMER having 3 additional minutes, but I do want to vote on this other bill before we forget what the matter is all about.

Mr. CRAMER. I appreciate the statement by the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. Mr. Speaker, I withdraw my reservation.

The SPEAKER pro tempore. Without objection, the gentleman from Florida is recognized for 3 additional minutes.

There was no objection.

Mr. CRAMER. Mr. Speaker, I hope the gentleman will share my concern about my clean elections amendment which was offered in the Judiciary Committee and approved by the Judiciary Committee in the Civil Rights Extension bill. The committee instructed the chairman to request a rule on the extension of the Civil Rights Commission with the vote fraud amendment. Such a rule was not forthcoming. Here we get in the dying days of the session this substantive piece of legislation—the extension of the Civil Rights Commission as a rider to an appropriation bill, with no opportunity whatsoever to work the will of the House on an amendment offered by this body.

Mr. ANDERSEN of Minnesota. If the gentleman will yield further, the fact that my good friend from Florida [Mr. CRAMER] is arguing the matter as he is, is conducive toward my feeling that I should support his position.

Mr. CRAMER. I thank the gentleman from Minnesota. I just wish there were a parliamentary procedure whereby we were able to get in this substantive clean elections provision at this time. The only recourse now is to vote down the motion to recede and concur in the Senate rider, amendment No. 25.

Mr. Speaker, the committee reported favorably on this amendment, and in that report said as follows:

If it is true that the denial of freedom to any American is a diminution of freedom to all Americans, then we cannot tolerate restrictions on the franchise from any quarter—for any cause. If the constitutional right to vote is worth protecting through a Federal agency for any Americans, it is worth protecting through such agency for all Americans.

Can anyone argue with that?

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. CRAMER. I will be delighted to yield to the distinguished gentleman from Virginia, the chairman of the Rules Committee.

Mr. SMITH of Virginia. With reference to the question as to whether an application was made to the Committee on Rules for a rule to bring out the judiciary bill, I want to say as chairman of the Rules Committee that to my knowledge no request was ever made for a rule. I did not know the bill had been reported by the Judiciary Committee.

Based upon the way the Rules Committee is now constituted, there certainly would have been no question about your having had an opportunity to get a rule and have the matter debated fully on the floor of the House.

Mr. CRAMER. I thank the distinguished chairman of the Rules Committee. Does the distinguished chairman of the Rules Committee feel that the manner in which this legislation has been considered by tacking on a substantive rider to an appropriations bill for the extension of the Civil Rights Commission and not permitting the House to consider it or my clean elections amendment is the way to legislate?

Mr. SMITH of Virginia. I think not only in this instance, but in other instances it is an outrageous abuse of the parliamentary procedure, and the House should not stand for it.

Mr. CRAMER. I agree and I thank the gentleman.

I would like to say that the purpose for which it was done was to avoid the vote fraud amendment which was adopted by the Judiciary Committee, and avoid the House having the opportunity to work its will on the question. There is no doubt but what the House would have approved this amendment.

It will be my objective in the future to press for the passage of this obviously necessary amendment protecting the civil right of everyone to vote when the civil rights matter is up for further consideration or in the next session when we have an opportunity to work our will on the merits.

Mr. ROONEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. SIKES) there were—ayes 61, noes 18.

So the motion was agreed to.

Mr. SIKES. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the order of the House of September 7, further consideration of the pending motion and the remaining amendments reported in disagreement will be postponed until tomorrow.

WET LANDS DRAINAGE

Mr. POAGE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8520) to amend the Soil Conservation and Domestic Allotment Act, as amended, to add a new subsection to section 16 to limit financial and technical assistance for drainage of certain wet lands.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. ANDERSEN of Minnesota. Mr. Speaker, reserving the right to object, will I have an opportunity to offer an amendment to this bill?

Mr. POAGE. Yes, the gentleman will have an opportunity to offer an amendment to the bill.

Mr. ANDERSEN of Minnesota. Mr. Speaker, I withdraw my reservation of objection, with the understanding that I will have the opportunity to offer an amendment.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Soil Conservation and Domestic Allotment Act, as amended, is further amended by adding at the end of section 16 thereof the following new subsection:

"(c) The Secretary of Agriculture shall not enter into an agreement to provide financial or technical assistance for wetland drainage on a farm under authority of this Act, if the Secretary of the Interior has made a finding that wildlife preservation will be materially harmed on that farm by such drainage and such finding, identifying specifically the farm and the land on that farm with respect to which the finding was made, has been filed with the Secretary of Agriculture."

With the following committee amendments:

Page 1, line 6, strike out "(c)" and insert "(e)".

Page 1, line 7, following the word "agreement" insert "in the States of North Dakota, South Dakota, and Minnesota".

Page 2, line 4, strike out the period and the closing quotation marks and insert a colon and the following, *"Provided,* That the limitation against offering such financial and technical assistance shall terminate one year after the date on which the adverse finding of the Secretary of the Interior was filed unless during that time an offer has been made by the Secretary of the Interior or a State government agency to lease or to purchase the wetland area from the owner thereof as a waterfowl resource. The provisions of this subsection shall become effective July 1, 1962."

The committee amendments were agreed to.

Mr. ANDERSEN of Minnesota. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSEN of Minnesota: On page 2, line 6 after the word "Agriculture" insert "within 90 days after the filing of the application for drainage assistance".

Mr. ANDERSEN of Minnesota. Mr. Speaker, I ask unanimous consent to proceed for an additional 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Texas.

Mr. POAGE. While I have no authority to speak for anyone other than myself, I am glad to accept the gentleman's amendment.

Mr. ANDERSEN of Minnesota. I thank the gentleman. I think the amendment does improve the bill considerably. I might say to my colleague, I am trying to be reasonable in this matter.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Iowa.

Mr. HOEVEN. The gentleman has given me an opportunity to examine this amendment. I think it is a good amendment and, so far as I am concerned, I am willing to accept it.

Mr. ANDERSEN of Minnesota. I thank the gentleman.

Mr. Speaker, I would like to ask the gentleman from Texas [Mr. POAGE] a few questions in order that we may have a little legislative history brought into the RECORD at this point, so that the intent of the Congress as to this bill will be clearly on record.

The first question I would like to direct to the gentleman from Texas is this: I am disturbed by the fact that in this bill there is no exact definition as to what constitutes "wet lands."

What do you think is the proper definition of wet lands as the committee has adopted it and has referred to it in the report?

Mr. POAGE. Well, there is no definition of wet lands as such in the bill, for two different reasons. First, the committee explored this subject rather thoroughly and came to the conclusion that it would be virtually impossible to write, in legal language, a satisfactory definition defining wet lands which would be applicable to all possible areas which the committee wants covered by the bill and not, perchance, applicable to some others that we do not want to cover.

Second, the committee felt that an academic definition of wet lands as such is not necessary nor even relevant for the purposes of this bill.

The only question here is what wetland areas are to be subject to the provisions of the legislation. This question the committee has answered in the proviso which has been added at the end of the bill, and in doing so has provided a practical working definition of wet lands which are subject to the provisions of the legislation. As explained on page 3 of the committee report, this proviso in itself establishes an effective definition of wet lands for the purposes of this bill. Only those wet lands in the three States affected by the bill which are of such value to the propagation of wildfowl and other wildlife that they would be acquired by the Department of the Interior or by a State agency, either by lease or by purchase, for purposes of wildlife propagation, are wet lands for the purposes of this bill.

Mr. ANDERSEN of Minnesota. Would the gentleman from Texas agree with me, then, that unless the Department of

the Interior is willing to make a definite, bona fide offer, they will have no further restrictions upon this particular wetland area?

Mr. POAGE. That is absolutely correct. If, during the course of the year following the filing of an objection, neither the Department of the Interior nor a State has made a reasonable offer to lease or purchase the wet lands in question, their right to object to the provisions of the drainage application would be extinguished. I think that is perfectly clear in view of the amendment offered by the gentleman from Minnesota that the right of the Department of the Interior to file objections against the drainage application must be exercised within 90 days after the application is filed. This would preclude beyond any question the right of the Department to come in after a year of inactivity, as the gentleman has suggested, and file another objection.

Mr. ANDERSEN of Minnesota. In connection with the definition of these wet lands, the bill speaks of them as such, but there is room for disagreement as to what does constitute wet lands.

Now, the farmers in my area of Minnesota call such areas potholes, and they are a nuisance, in that they hinder farming. But, the Department of the Interior may, under this bill consider such spots wet lands and say they are necessary and must be preserved for the nesting of ducks.

Another thing: This bill is applicable only to the States of Minnesota and the Dakotas.

Now, Mr. Speaker, it does seem to me—I am not going to insist on my amendment by posing this issue—but it does seem to me that if this legislation is good legislation for Minnesota and the Dakotas, it really should be good legislation for the entire Nation. If these potholes or wet lands are so important that they must be preserved in these particular States then we should preserve them in the rest of the country.

One other question: You have said that the 1-year time limit would begin to run as of the filing of the objection by the Department of the Interior. Now, suppose that neither the Department of the Interior nor any State agency makes any such definite, bona fide offer to acquire the wet lands during the 1-year period, can the Department of the Interior then come in at the end of the year's time and say to my farmers, "Well, we are going to object to your proposed drainage"? Can they interpose another objection?

Mr. POAGE. I think I answered that question rather fully a few moments ago. Categorically the answer is "No," it cannot, and once having failed to comply with the provisions of the bill and making a reasonable offer within the 1 year, the right of the Department to interpose an objection is extinguished.

Mr. ANDERSEN of Minnesota. One further question: What does the committee mean by the term "reasonable offer"? This term does not occur in the bill itself, but it is contained in the committee report on page 3. The Department of the Interior may think an offer is reasonable, but the farmer may say, "I do not think that is a reasonable offer, I do not agree with it." What recourse does the farmer have?

Mr. POAGE. May I say that we in the committee had some discussion on this very point, and it seemed to us that "reasonable offer" would be clearly an offer comparable to those which had recently been made to buy or lease a comparable parcel of wetland in the same area and which had been accepted by the farmers involved.

Mr. ANDERSEN of Minnesota. I thank the gentleman from Texas for his courtesy in this matter, and the detailed explanation just given me, just by way of legislative history in the record.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield.

Mr. REUSS. I should like, Mr. Speaker, to ask the gentleman from Texas, who has just been answering questions propounded by the gentleman from Minnesota, to answer a couple of questions on the Andersen amendment. The Andersen amendment would place a statutory limit of 90 days upon the time given the Department of Interior to file an objection to a proposed drainage application. This is 90 days from the time the application is filed with the county committee by the farmer. But there is no time established by the bill within which the county committee must notify the Interior Department that the application has been filed. Suppose a committee either by inadvertence or design does not notify the Interior Department promptly of the filing of the application so that the Fish and Wildlife Service has very little time, or perhaps even no time at all, in which to file its objection?

Mr. POAGE. The Secretary of Agriculture cannot permit this to happen and I cannot believe that he would do so. This is a special provision of law applying to only a certain type of conservation program application. It establishes a statutory time in which another department of the Government must take action on such applications. I think it is clearly incumbent by the very nature of the statute upon the Secretary of Agriculture to promulgate regulations which would require that one of the procedures which must be followed by the County Committee before it can approve any such drainage application is an extremely prompt notification of the Interior Department that the application has been filed. I believe that the Secretary of Agriculture has both the responsibility and the authority to make some such regulation and from the very cooperative way in which these agencies have worked together in the past, I am abundantly sure that he will do so. I do not believe that the problem proposed by the gentleman will arise.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

(By unanimous consent Mr. ANDERSEN of Minnesota was allowed to proceed for 2 additional minutes.)

Mr. REUSS. Mr. Speaker, will the gentleman from Minnesota yield further?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Wisconsin.

Mr. REUSS. I would like to ask the gentleman from Texas this additional question:

Suppose the county committee looks at an application for drainage and decides on its own that there are no wet lands of significance to the wildfowl conservation program on the man's farm? Can it make this decision and go ahead and approve the application without referring it at all to the Department of the Interior?

Mr. POAGE. No, it certainly cannot. Here again the very nature of this special legislation will make it obligatory upon the Department of Agriculture, presumably acting through the county committee, to notify the Interior Department promptly of every application for drainage which is filed in the three States included in the bill. The bill gives the Department of the Interior—not the county committee—the statutory responsibility for this decision. I do not see how the Department of Agriculture could justify approval of such an application without referring it to the Interior Department.

Mr. REUSS. I thank the gentleman from Texas for his answers and the gentleman from Minnesota for his courtesy in yielding to me.

Mr. ANDERSEN of Minnesota. Mr. Speaker, in conclusion I may say that while I have extreme reservations relative to this legislation, I do not want to be considered adamant in my line of reasoning. Consequently, Mr. Speaker, if the amendments I have sent to the desk are adopted, I shall withdraw my objection to passage of the bill.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I want to urge passage of H.R. 8520, as it would eliminate the existing inconsistency of the Department of Agriculture's farm drainage program and the Department of Interior's wetlands preservation program. I introduced this bill on August 7, and identical or similar bills have also been introduced by my colleagues, the gentlemen from Wisconsin, Congressman CLEMENT ZABLOCKI, Congressman HENRY REUSS, Congressman ROBERT KASTENMEIER, and Congressman WILLIAM VAN PELT, and by the gentleman from Michigan, Congressman JOHN DINGELL, the gentleman from Pennsylvania, Congressman JOHN SAYLOR, and the gentleman from Florida, Congressman ROBERT SIKES.

The problem which this legislation would solve is a pressing one. Currently, the Agriculture Department furnishes technical and financial assistance to farmers for drainage of wet lands under the agricultural conservation program. At the same time, the Interior Department is conducting a program for the purchase or lease of wet lands in order to save our dwindling duck population. Present requirements of the law do not permit the Secretary of Agriculture to withhold cost-sharing assistance from drainage projects merely because they adversely affect wildlife.

Here we have two programs which are operating at cross-purposes. Clearly, we must resolve his conflict of interest in

order to prevent the taxpayers' money from being wasted because two programs are working against each other.

My bill provides that no contract for agricultural conservation program assistance can be entered into by the Secretary of Agriculture with a farm operator for drainage of land in North Dakota, South Dakota, and Minnesota if the Secretary of Interior has determined that wildlife preservation will be materially harmed by the proposed drainage project. Prior determination of the specific areas of the farm where this would be so must be made by the Department of Interior and filed with the Department of Agriculture in order for this legislation to apply. The limitation against offering Federal financial and technical assistance for such drainage shall terminate 1 year after the date on which the adverse finding of the Secretary of Interior was filed unless an offer has been made during that time by the Interior Department or a State government agency to lease or purchase the wetland area from the owner as a waterfowl refuge.

Mr. Speaker, such cooperation between the two departments will insure a coordinated approach to a problem of great concern to conservationists across the Nation. The region north and east of the Missouri River in the Dakotas and western Minnesota is still referred to as the last important duck factory in the United States. This was originally a glaciated area of undulating grasslands, pockmarked by thousands of shallow lakes and potholes. According to Thomas A. Schrader of the U.S. Fish and Wildlife Service, this tristate region, which is the area affected by H.R. 8520, may at one time have produced 15 million ducks a year.

Proof of its value for duck production is the use still being made of its remaining water. It is the favored mating and nesting area for blue-winged teal, pintail, mallard and other species in lesser numbers. In normal years, it still turns out from 3 to 4 million ducks, which disperse into all four flyways as they wing southward to wintering grounds.

Continued high production from the prairie potholes is essential to the future of waterfowl hunting throughout the Mississippi and central flyways. Band returns from 2,063 mallards, gadwalls and pintails banded in June, July, and August within the prairie pothole region of the United States show that the ducks were shot in 40 States, Canada, Central America, and South America.

Of redheads banded in the pothole region during the same months and recovered away from the immediate banding area, 13.5 percent were taken in the Atlantic flyway. Of the pintails recovered away from the immediate banding area, 19.2 percent were shot in the Pacific and Atlantic flyways in the United States and in British Columbia. It is plain that prairie pothole ducks contribute to good waterfowl hunting in most parts of the Nation.

Mr. Speaker, in 1936, Congress passed the Soil Conservation and Domestic Allotment Act. It was the basis for the subsidization of many worthwhile soil conservation practices such as stripcropping, terracing, contour plowing, and tree planting. However, the provisions for Federal aid for the drainage of farm wet lands have been indiscriminately used and abused. Since 1936, agricultural drainage has been responsible for destroying 5,602,241 acres of wet lands in Dakota and Minnesota alone. Each year, about 3 percent of the remaining wet lands in this area are lost to federally subsidized drainage projects.

The U.S. Department of Agriculture's Soil Conservation Service has estimated that 127 million acres of natural wet lands originally existed in all the States lying south of the Canadian border. In 1956, the Fish and Wildlife Service of the Department of Interior estimated that 74,439,000 acres of wet lands remained. This is slightly over 58 percent of the original acreage.

Of these remaining wet lands, 8,819,900 acres were classified as having high value for waterfowl and 13,616,500 acres as having moderately high or significant value. This total of 22,436,400 acres constitutes just a little over 30 percent of the remaining wet lands as of that date. In the 4 years which have elapsed since these estimates were made, wet lands have continued to disappear both temporarily and permanently.

Mr. Speaker, the handwriting is on the wall. Immediate action is necessary if we are going to save our continental flights of waterfowl.

The Department of Interior already has the authority to offer to lease or buy wet lands for migratory bird refuges and nesting areas. A bill to accelerate this Federal wetlands acquisition program has already passed the House, and the Senate has passed an amended version. Under the accelerated program provided for in this legislation, it would be possible for farmers to sell or lease their wet lands to the Interior Department at a satisfactory price. The 1-year limitation on the withholding of Federal assistance for drainage of wet lands provided for in H.R. 8520 will insure the farmer against undue delay in the lease or purchase of such lands for waterfowl refuges.

When hearings were held on H.R. 8520 before the Conservation and Credit Subcommittee of the House Agriculture Committee, both the Department of Agriculture and the Department of Interior strongly supported the measure. While the testimony indicated that the two Departments have endeavored to cooperate on coordinating the drainage and wetlands acquisition programs, it was equally clear on the point that the Agriculture Department's hands are now legally tied. USDA has no legal authority to refuse to give technical and financial assistance to a farmer in the drainage of wetland areas simply because those areas are valuable as breeding grounds for migratory wildfowl, and even though the Interior Department might be willing to lease or purchase the wet lands in question under its acquisition program.

Mr. Speaker, H.R. 8520 is intended to eliminate this conflict. There is nothing in the bill to prevent any farmer from draining any area of his land he may wish to drain at his own expense. It merely states that if the specific wet lands are of such value to wildlife propagation that the Department of Interior is willing to lease or acquire them for that purpose, the Department of Agriculture will not circumvent this program by assisting the farmer either financially or technically in such drainage.

On September 1, the Agriculture Department issued a news release titled "Wildlife to Benefit from New Features of Conservation Program." It read, in part, as follows:

> The Department also is supporting legislation now under consideration by the Congress which will limit financial and technical assistance for drainage of certain wet lands in the three-State area of Minnesota, North and South Dakota.
>
> The bill, H.R. 8520, has been reported favorably by the House Agricultural Committee. It directs the Secretary of Agriculture to limit financial or technical assistance for wetland drainage on a farm where the Secretary of Interior finds that drainage will be harmful to wildlife.
>
> Other legislation provides that the Secretary of Interior may lease or purchase the wetland area as a waterfowl resource. Where no offer to lease or purchase is made, drainage assistance may be given.

Mr. Speaker, we hear of the days when ducks and geese were so numerous that they darkened the sky in their spring and fall migrations between wintering grounds in the south and summer nesting areas in the north. But those days are gone forever. As I pointed out before, the alarming decline came when farming brought drainage of the wetland area and destroyed more than half of the nesting range of ducks in the prairie pothole region. The additional corn and wheat produced as a result of this drainage can be recorded as a gain in the dollar-and-cents ledger, but the change has left us poorer in the waterfowl resource account, which is kept in a different set of books.

In calculating the value of further drainage, two factors must be considered. First, since the most economically drainable land has been drained, any future drainage is likely to be more difficult and less rewarding. Second, with increasing demand and decreasing supply, the duck has become vastly more valuable. In pioneer days, the value of a duck was expressed in cents per pound, but today, waterfowl values do not find true expression behind a dollar sign. They have recreational, social, and cultural values which make their meat values appear almost inconsequential.

Secretary of Interior Stewart Udall has said that the necessity to meet the outdoor needs of our people now and in the future will in all likelihood be the sharpest and most consistent pressure on our land, water, and forests in the years ahead. It is our responsibility to see to it that there will be sufficient outdoor recreational area available to our increasing population so that our children and their children may enjoy the outdoor opportunities which we have had. H.R. 8520 will help us to meet that responsibility by protecting our priceless waterfowl resource from indiscriminate, federally subsidized drainage of the wet lands where ducks and geese nest

and rest. I urge the speedy passage of this legislation.

Mr. REUSS. Mr. Speaker, for 20 years we have been subsidizing the drainage of farm wet lands where the ducks and geese breed. More than one-third of the potholes in the Minnesota-Dakota wetlands area have been drained up by this process.

As a result, our waterfowl population has suffered severely. This year, there is a sharply curtailed open season on waterfowl in most of the Nation's flyways. Many responsible biologists have suggested that the season should have been closed entirely.

We are at last embarking on a crash program of acquiring Federal wildlife refuges. But unless we are able to stop the indiscriminate drainage of farm wet lands valuable to wildlife, we will find we are moving twice as fast just to go backward as far as waterfowl are concerned.

H.R. 8520 bears the name of a splendid Congressman and a great conservationist, the gentleman from Wisconsin [Mr. JOHNSON]. The bill provides that the Secretary of Agriculture shall not subsidize the drainage of farm wet lands where the Secretary of the Interior finds that wildlife preservation will be materially harmed, and requires the Secretary of the Interior to make an offer in good faith to purchase or lease any such wet land from the farmer whose application for drainage assistance has thus been turned down. H.R. 8520 resembles similar bills which I have pressed upon Congress over the last 4 years. H.R. 10641, 85th Congress, introduced by me on February 10, 1958, likewise denied drainage assistance where the Secretary of the Interior found that wildlife preservation would be materially harmed, and directed the Secretary of the Interior instead to make a good-faith attempt to acquire such lands as a waterfowl refuge. H.R. 10641 was unfortunately never accorded a hearing. Nor was I able to procure hearings on similar bills which I have introduced in every Congress since then. A similar measure in the form of an amendment to this year's Agriculture Appropriation Act which I made on June 6, 1961, was defeated by a rollcall vote of 196–184. An amendment which I introduced to the agricultural bill of 1961 in July 1961, passed the House, but was unfortunately deleted in conference.

It is because of this long history of the effort to end the abuses of subsidized farm drainage that I am particularly grateful to the vigorous attention given the problem by the gentleman from Texas [Mr. POAGE], whose subcommittee favorably reported out H.R. 8520. I should like, too, to express my appreciation to Mr. John Heinburger, the learned and industrious counsel for the House Committee on Agriculture, whose draftsmanship has been of such help.

Mr. Speaker, H.R. 8520 can be a landmark in the history of the conservation movement. I hope that it is speedily enacted.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Minnesota [Mr. ANDERSEN].

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks in the RECORD prior to the passage of the bill H.R. 8520.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE AMERICAN PRINTING HOUSE FOR THE BLIND

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 9030) to amend the act to promote the education of the blind, approved March 3, 1879, as amended, so as to authorize wider distribution of books and other special instruction materials for the blind, and to increase the appropriations authorized for this purpose, and to otherwise improve such act.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Oregon?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to know what this bill proposes to do.

Mrs. GREEN of Oregon. This is a bill which would provide for additional materials for blind children in the United States, for the Printing House for the Blind, in Louisville, Ky.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 3 of the Act entitled "An Act to promote the education of the blind", approved March 3, 1879, as amended (20 U.S.C. 102), is amended to read as follows: "The Secretary of Health, Education, and Welfare is hereby authorized to pay over semiannually, to the trustees of the American Printing House for the Blind, located in Louisville, Kentucky, and chartered in 1858 by the Legislature of Kentucky, upon requisition of their president, countersigned by their treasurer, one-half of such annual appropriation upon the following conditions:".

SEC. 2. The paragraph of such section 3 designated "Second." is amended to read as follows:

"Second. No part of the appropriation shall be expended in the erection or leasing of buildings; but the trustees of the American Printing House for the Blind may use each year a reasonable sum of the annual appropriation for salaries and other expenses of experts and other staff to assist special committees which may be appointed in performance of their functions, and for expenses of such special committees."

SEC. 3. The paragraph of such section 3 designated "Sixth." is amended to read as follows:

"Sixth. The superintendent of each public institution for the education of the blind (or his designee) and the chief State school officer (or his designee), of each State and possession of the United States, the Commonwealth of Puerto Rico, and the District of Columbia, shall each, ex officio, be a member of the Board of Trustees of the American Printing House for the Blind only for purposes of administering this Act."

SEC. 4. The Act entitled "An Act providing additional aid for the American Printing House for the Blind", approved August 4, 1919, as amended (20 U.S.C. 101), is further amended by striking out "the sum not to exceed $400,000" and inserting in lieu thereof the following: "such sum as the Congress may determine".

SEC. 5. The amendments made by this Act shall be effective immediately after the date of its enactment.

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 3, before the period at the end of line 6 insert the following: ", and by inserting after 'said Act' the following: ', under rules and regulations prescribed by the Secretary of Health, Education, and Welfare,'."

Mrs. GREEN of Oregon. Mr. Speaker, this bill was voted out of the subcommittee and the full committe by a unanimous vote. The ranking Republican on the committee, the gentleman from Pennsylvania has given his full support to this legislation. The purpose of H.R. 9030 is to provide for more Braille textbooks and other special instructional materials for blind children.

Since 1879, the Congress has appropriated funds to the American Printing House for the Blind in Louisville, Ky., to produce and distribute free textbooks for blind children. This program started with a permanent annual appropriation of $10,000. Since then, the Congress has periodically increased the amount authorized. The present ceiling of $400,000 annually was set in 1956.

The Special Subcommittee on Education received testimony from all major organizations interested in the welfare of the blind that this sum no longer is adequate to serve the growing number of blind schoolchildren. The subcommittee received this same word from many special schools for blind children as well as administrators of programs for blind children attending regular public schools.

The Federal contribution per blind child has been going downhill in recent years, because the present ceiling leaves no room to expand with the expanding number of blind students. If the $400,000 ceiling remains, the per capita contribution for this year will be $25.95, the lowest figure since 1952.

Let us consider, for a moment, a few figures. Just 3 years ago, there were 12,024 blind children served by this program. This fall there will be an estimated 15,800 blind students, an increase of 2,776 in the 3-year period. Yet the authorized maximum appropriation has remained the same.

H.R. 9030 would remove the $400,000 ceiling, so that the American Printing House for the Blind could base its request for appropriations on the needs of the blind children it serves. The requested funds, would, of course, be sub-

ject to review by the Appropriations Committee and the Congress.

The bill, H.R. 9030, also would permit the Printing House to use reasonable sums from its annual appropriations to pay salaries and expenses of experts to assist trustees in determining instructional materials to be supplied. It further would expand the ex officio membership of the Printing House Board of Trustees to include chief State school officers or their designees. This would give representation to blind children in public schools, as those in special schools are now represented.

Mr. Speaker, we have been told that books and other educational material for blind children costs 10 times as much as for those with the gift of sight. I trust that the House will pass this modest bill to aid in educating these handicapped youngsters.

Mr. KEARNS. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I should like to say that everyone on our side is very much in agreement with the gentlewoman from Oregon and approves the bill.

Mr. SMITH of Iowa. Mr. Speaker, I move to strike out the last word.

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SMITH of Iowa. Mr. Speaker, The Congress first recognized a need for legislation in this area in the 45th Congress in 1879. At that time the Congress passed what is now chapter 6 of title 20 of the United States Code. The Congress established a trust fund of $250,000 and made a permanent appropriation of $10,000 per year and designated the American Printing House for the Blind as the agency through which benefits should be given.

As the population increased over the years, the appropriations have been increased. Just as with all of the rest of the population, we have an exploding population of blind children of school age. Just as with almost all other goods and services, the cost of production of materials for the blind has also increased. By 1956 the authorization had been increased to $410,000 per year, and 7,989 children were registered for purposes of the Federal act. That amounted to about $51 per pupil. By January of this year, the number had jumped to 15,973, and this 1956 authorization now amounts to only about $25 per pupil.

The number of blind children has increased so that the amount has been cut in half per child, and this does not account for the fact that there has been an increase in the cost of basic materials. It has been estimated that the cost of blind materials for blind children is 10 times greater than those for sighted children. Fifty-two percent of these children are in public schools spread throughout the Nation under thousands of jurisdictions, and this means that a very wide variety of textbooks used in public school systems throughout the country must be provided in a form that the blind children can use.

I think it is apparent from these facts that the authorization must be lifted. It needed to be lifted 2 or 3 years ago, and it seems to me under this situation and in view of the fact that we know that the number of blind children will continue to increase considerably, that we should remove the authorization ceiling so that there can be some flexibility in taking care of this increasing population as it increases.

In view of the fact that 52 percent of these children are in public schools, the bill provides that chief State school officials should be ex officio members of the board of trustees of the printing house. The code specifically sets forth the purposes for which the money can be used. The American Printing House provides braille books, braille magazines, and braille music. It also provides talking books and talking magazines and recorded educational tapes. It also manufactures special aids for use of the blind; such as, relief maps and globes, braille writers and slates, and various appliances to be used in mathematics.

This bill would clarify the act to make sure that some of the money could be used to secure the benefit of experts to help determine the materials to be supplied and to help distribute information to the State departments of education relative to the most economical and effective use of the materials provided. The entire philosophy has not been to provide financial assistance to States, but rather to create a source of materials not available elsewhere. The printing house furnishes many services and materials that are paid for through other sources. The total value of materials manufactured and distributed in the last fiscal year amounted to $1.5 million, or almost four times as much as the contribution by the Federal Government.

It is vitally important that blind children have these materials available to them when they are young and of school age. I imagine many of you know of some person who became blind as an adult, and if you do know such a person, you know that the adjustment for him was much more difficult than if he had been able to prepare for this situation when he was a child in school.

This is the kind of a matter that cannot wait. There are several organizations doing work in this field; including: the American Association of Instructors of the Blind, the American Association of Workers for the Blind, the American Foundation for the Blind, and the National Federation of the Blind. There are also many civic groups and social clubs that make substantial contributions to alleviate the hardships and to provide help in this area, but the aid of the Federal Government in providing these basic materials is very necessary, and I urge adoption of this legislation.

Mr. WHITENER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from North Carolina.

Mr. WHITENER. Mr. Speaker, I should like to commend the Committee on Education and Labor for this very outstanding piece of legislation. As some members of that committee well know I have been very much interested in it because it will furnish to many of the near-blind help in getting textbooks which they can use in the public schools.

During my service in Congress I have been particularly interested in the welfare of our blind people. One of the problems with respect to the blind that has been of great concern to me has been the lack of special instruction materials available for our visually handicapped young people.

This spring I had the pleasure of having a thorough discussion on this matter with one of my constituents who has had years of experience in connection with the problems of the blind. My constituent, Mrs. John B. Abernathy of Stanley, N.C., called to my attention the restrictions imposed by the act of March 3, 1879, upon the distribution of educational materials for the visually handicapped.

Mrs. Abernathy has a visually handicapped little girl and has been one of the thousands of people in similar positions throughout the country who have experienced great difficulty in securing the proper type of educational material for their children.

I was so impressed with her knowledge of the problem that I urged her to write our distinguished colleague from West Virginia, Hon. CLEVELAND M. BAILEY, and give him the benefit of her recommendations on the education of the visually handicapped. Mrs. Abernathy corresponded with Mr. BAILEY, and the information she furnished was of great help to him in urging the enactment of legislation to liberalize and extend the provisions of the act of March 3, 1879.

I feel that the enactment of H.R. 9030 will do much to alleviate many of the hardship conditions confronting our visually handicapped in securing appropriate educational material. The additional funds made available under H.R. 9030 will enable a wider distribution of books and special instruction materials for the blind.

I am also pleased that the bill we have under consideration provides that superintendents of each public institution for the education of the blind and the chief State school officer of each State shall be a member of the Board of Trustees of the American Printing House for the Blind for purposes of administering this legislation. By having these educators directly associated with the printing and distribution of educational materials for the visually handicapped I believe we will get a broader and more realistic program for the distribution of educational material for our blind people.

Mr. Speaker, H.R. 9030 does not provide for the appropriation of a large sum of money. It is, however, one of the most important pieces of legislation that we have been called upon to consider at this session of the Congress. I support the passage of H.R. 9030, and I urge that my colleagues in the House join with me in having this bill enacted.

Mr. BURKE of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Kentucky.

Mr. BURKE of Kentucky. Mr. Speaker, I, too, would like to commend the gentlelady from Oregon as well as the committee for their handling of this bill. As one of the sponsors of the original legislation on this subject I appreciate very much, on behalf of the blind children of the United States, this action.

Mr. BURKE of Kentucky. Mr. Speaker, I have prepared a short statement of the history and purposes of the American Printing House for the Blind and the basic Federal act which H.R. 9030 seeks to amend in order to provide basic information to the House for proper consideration of this important legislation.

Activity: Publication of literature for the blind and the manufacture of tangible aids for their use.

Purpose: Provision of a national, nonprofit institution for the purpose of publishing literature for the blind in all media and the manufacture of special aids for the use of the blind which are not available on the commercial market. Under the Federal act "to promote the education of the blind," the printing house acts as the centralized, official textbook printery and manufacturer of educational aids for the blind students of less than college level being educated in public educational institutions throughout the United States and its possessions.

History and description: Chartered by the Commonwealth of Kentucky on January 23, 1858, as a national, nonprofit institution, the American Printing House for the Blind, located in Louisville, Ky., is the oldest national agency for the blind in the United States and the largest publishing house for the blind in the world. In providing literature for the blind, it publishes a wide variety of braille books and magazines, braille music, talking books and talking book magazines, and recorded educational tapes, and also manufactures special aids for use by the blind, such as relief maps and globes, braillewriters and slates, arithmetic appliances, and the like. Through the Federal act of 1879 "to promote the education of the blind," the necessary special materials required in the education of blind students of less than college level, and not available on the commercial market, are provided. To make this service of the Federal Government more flexible to the educational needs of the blind children of the country, the printing house maintains, out of its own funds, a continuous finished goods inventory worth approximately $1 million.

For the year ending June 30, 1961, the total value of materials manufactured and distributed amounted to $1,500,000. Of this amount, the Federal grant for textbooks and educational appliances totaled $410,000, the remainder comprising materials manufactured on contract, on a nonprofit basis, for other agencies for the blind or individuals wishing to supply materials at cost or less, usually free, materials supplied to schools for the blind or public school systems at cost for payment out of their own funds, plus donations to the Reader's Digest and Newsweek Talking Magazine Funds for the Blind.

Legal authorization: Act of the Commonwealth of Kentucky, January 23, 1858—acts of the General Assembly of the Commonwealth of Kentucky, 1857–1858, volume I, chapter 115, page 192—and subsequent amendments; Federal act "to promote the education of the blind, March 3, 1879—U.S. Statutes at Large, 45th Congress, 1879, session 3, chapter 186, page 467—and subsequent amendments.

Obligations, fiscal year 1961: Operating and administration, Federal only, $410,000.

The legislation which we are considering at this time is the result of many months of study, not only by the American Printing House for the Blind which administers the act, but also by a task force of the Department of Health, Education, and Welfare, the legislative committees of the American Association of Instructors of the Blind and the American Association of Workers for the Blind—separately and together—the American Foundation for the Blind, and the National Foundation of the Blind. While I do not suppose it would be possible to prepare legislation which would accomplish everything everyone wishes or please everyone, it is my understanding that the above agencies and organizations are strong in their support of H.R. 9030.

The amendments proposed in this bill are designed to bring the act of 1879 "to promote the education of the blind" into line with present day needs for special materials required in the education of blind children. I should like to outline categorically the proposed changes and the reasons therefor, as follows:

First. To increase the authorization of appropriation, by removing the present dollar ceiling authorized to be appropriated annually to the American Printing House for the Blind for purposes of the act, and to substitute therefor such sums as the Congress each year may determine shall be expended in accordance with the requirements of sections 101, 102, and 104 of the act—title 20, United States Code—under rules and regulations prescribed by the Secretary of Health, Education, and Welfare.

This phase of the legislation is of most immediate concern, for two reasons—the exploding population of blind children of school age to be served, and the mounting costs of production to provide such services. For example, at the time of the passage of Public Law 922 in 1956, only 7,989 children were registered for purposes of the Federal act. One 1 year later, in 1957, the number of children registered had jumped to 11,183, primarily as the result of the 1956 legislation which included all blind children in the Nation being educated in public schools with the seeing. By January 1961, the number had jumped to 15,973, while it is projected that there will be another increase of over 1,000 children in 1962, for a total of 17,175. These registration increases have meant that, with the present authorization ceiling of $410,000, established only 5 years ago, the current per capita allotment for the 1961–62 year amounts to only $25.68. I point this out to you, because a study made by the Office of the Secretary of Health, Education, and Welfare, in 1958, estimated that the cost of minimum basic materials for blind children was some 10 times greater than of those for sighted children, and that, at that time, there should be a per capita allocation of $40 per pupil, in order to supply the same minimum amount of material as was provided by the rate of $31.12 per pupil in 1956. As you well know, costs of production have increased substantially since that time, and the passage of the increased minimum wage law portends an additional increase in costs of materials provided under the Federal act.

In addition to the impact of the large increase in our blind school population in recent times, there have been far-reaching developments in educational trends in the past few years, which again make additional funds necessary. One of the principal trends is the increase in the number of blind children being educated in public schools for the seeing, either in special classes for the blind or as single placements in local school systems. As of January of this year, official registration figures show that 52.8 percent of the total blind school population is now attending public schools. As long as the education of blind children was limited in the main to centralized schools for the blind in each State, it was fairly easy to serve large numbers of children with a minimum choice of basic texts. However, because of the wide variety of textbooks used in public school systems throughout the country, too often the basic curriculum of texts in printing house catalogs does not conform to the requirements of individual public schools. To make available a much wider selection of basic texts by the printing house will, of necessity, reduce the total sales for individual titles, and thus increase unit costs.

I should also like to point out that the need of blind children for educational materials beyond the skeleton curriculum of textbooks is widely recognized. However, if all the available funds must be used to supply basic textbooks and the absolute minimum of basic aids, nothing is left for enrichment of curriculum. In the case of blind children, these supplementary materials are particularly important if we are to hope to give them an education comparable to that provided in the usual public school class for seeing children, and to avoid the mere verbal repetition of texts without the real understanding which the eye so easily provides.

Aside from the problems of increased numbers of children to be served, and increased costs of providing the services they require, there is also a most urgent need to make the provisions of the act "to promote the education of the blind" more flexible to changing needs as they arise. In this connection, it would appear that a specific ceiling of appropriation would no longer be necessary, for the following reasons: First, the Federal program under the act has been in existence for over 80 years, for more than 40 of which there has been an annual

justification before congressional committees for all money appropriated in excess of the permanent annual grant of $10,000. Second, the elimination of the ceiling would make it unnecessary for the Congress to take action periodically to increase authorization on such a long-established and vital program. Third, in many instances in the past, when there has been an unexpected and immediate need for increase in authorization, because of other urgent demands on the time of the Congress, it has taken 2 or more years to get necessary legislation passed, with the result that the educational programs for blind children have suffered from lack of adequate supplies. As an example, I should like to point out that, as a result of the drop to a per capita allotment of $27.77 for the 1961 fiscal year, by December 31, 1960, more than 70 percent of the total appropriation had been used with half the year yet to go. I introduced legislation early in 1960 substantially along the lines of the present bill, but it was impossible to get this legislation before the Congress for passage because of the press of other matters. Today, only 2 months after the beginning of fiscal year 1962, with a current per capita of $25.68, more than 47 percent of the appropriation has already been used, with some 14 schools for the blind and State departments of education, out of a total of 112, already completely out of funds for the remainder of the fiscal year, and with large orders of materials unfilled which are needed for school opening next month. If the ceiling of authorization can be removed, but the annual justification of need continued, the most flexible and practical use of the funds provided by Congress can be obtained.

Second. H.R. 9030 provides for inclusion on the ex officio trusteeship of the printing house, for purposes of the Federal act only, of not only the administrative heads of public educational institutions for the blind, or their designees, but also of the chief State school officers, or their designees, the latter of whom represent the blind children attending public schools for the seeing. As of January 2, 1961, the registrations of blind pupils eligible under the act totaled 15,973, of which 7,539, or 47.3 percent, were in public educational institutions for the blind, 8,258, or 51.7 percent, were attending regular public schools for the seeing, and 176, or 0.2 percent, were in special training classes for the adult blind of less than college grade. When Public Law 922 was adopted in 1956, which law extended the benefits of the act "to promote the education of the blind" to all blind children attending schools which are supported by tax funds, it failed to make the chief State school officers ex officio members of the printing house board of trustees, as agents for those blind children attending regular public schools for the seeing. The proposed amendment would correct the present inequity, and would give to the executive board of the American Printing House for the Blind the needed leadership for service to the children attending regular public schools for the seeing.

Third. A third provision of the present legislation states that "no part of the appropriation shall be expended in the erection or leasing of building; but the trustees of the American Printing House for the Blind may use each year a reasonable sum of the annual appropriation for salaries and other expenses of experts and other staff to assist special committees which may be appointed in performance of their functions, and for expenses of such committees." Please note that no money is to be used for salaries of committee members, all of whom are printinghouse trustees. These funds are needed, so that the printinghouse staff may have the benefit of the help of experts and people responsible for the education of blind children throughout the country in determining the materials to be supplied under the act, and for the forms in which such materials are to be made available. Additionally, such funds would provide the expenses for staff experts of the printing house to visit individual State departments of education and schools for the blind for the purpose of giving counsel on the most economical and effective use of quota funds, as well as helpful information concerning administrative procedures pertaining to the act. The printing house itself has been trying for several years, to the best of its ability, to provide such services at its own expense, but, as a national, nonprofit, private agency, offering the facilities of its plant and services to the entire field of work for the blind, it cannot adequately, nor should it be expected to, provide such counsel out of its own funds, nor through contributions from the general public.

In closing, I should like to point out that it has never been the intent of the act to provide all services or materials needed in the education of blind children, but to provide Federal funds for only those materials which cannot be purchased commercially and for which there is a need for a centralized, special, and, most important, continuing source of supply. In other words, the entire philosophy of the original act was not so much to provide financial assistance to the States for educating their blind children, as to create a source of materials not available elsewhere. This is just as essential today, and perhaps more so, as it was in 1879, when the original act was passed.

I cannot urge too strongly the immediate passage of bill H.R. 9030, to amend the act to promote the education of the blind. I should also like respectfully to call to the House's attention the fact that it is blind children, not schools, who need the books and materials, and the need is exceedingly drastic—as of now.

Mr. FOGARTY. Mr. Speaker, I rise to urge my colleagues to vote in favor of H.R. 9030, a bill to amend the Act To Promote the Education of the Blind, approved March 3, 1879, as amended. By acting favorably on this bill here in the House of Representatives today, we will make it possible for the other body to take action before the end of this session, so that an urgently needed increase in the authorization of appropriations can be implemented.

The program this bill would strengthen was established by the 45th Congress 82 years ago as a means of assuring the blind children of the Nation of a continuing central source of supply of braille textbooks and tactual educational aids through the American Printing House for the Blind, a nonprofit agency incorporated under the laws of the State of Kentucky. In 1919, the law was amended to provide for an annual appropriation of $40,000 to the printing house, in addition to the $10,000 permanent annual appropriation originally provided for. Since 1919, the law has been amended four times, principally to increase the authorization of appropriations to keep pace with the steady increase in the number of blind schoolchildren. In 1956, the last time the law was amended, the authorization of annual appropriations to the printing house through the Department of Health, Education, and Welfare was increased to $400,000.

Although this federally financed program is small in terms of the number of children served and the annual dollar cost, its vital significance to the Nation cannot be overemphasized. For it is with the aid of these special tools provided by the Federal Government that blind children in every State are enabled to receive an education through high school and go on to make their way in life—some with college training for a profession and others with vocational training for a trade—to become self-supporting, contributing citizens in their home communities.

In recent years, there has been a sharp increase in the number of blind children in the country as a result of retrolental fibroplasia, a blinding eye disease in premature babies which was caused by too much oxygen in incubators. Although the cause and prevention of this disease has been determined through the research effort of the National Institutes of Health, we will not experience peak school enrollment of children already blinded by it for approximately another 5 years.

It is estimated that slightly more than 16,000 blind children will receive textbooks and other materials under this program during the current fiscal year; and unfortunately, these blind children will be handicapped by having fewer books and aids available to them because this program is inadequately financed. As chairman of the Appropriations Subcommittee responsible for annually reviewing this item in the budget of the Department of Health, Education, and Welfare, I have seen the allotment of educational aids for each blind child seriously cut for the last fiscal year and the current one as the total number of children increased each year while the dollars available for the program remained at the level fixed by law in 1956.

We can correct this unfortunate situation and prevent it from happening in the future by taking favorable action today on H.R. 9030. This bill would do the following:

First. Increase the authorization of appropriations by removing the statutory ceiling, thus leaving the annual

appropriation to normal budgetary and appropriations procedures.

Second. Authorize the Secretary of Health, Education, and Welfare to make rules and regulations governing the administration of the program.

Third. Make a technical correction in the present law.

Fourth. Authorize the use of a reasonable part of the annual appropriation for administrative costs of the program.

Fifth. Expand the ex officio board of trustees of the printing house to include the chief State school officers or their designees.

These amendment would become effective upon enactment, so that the shortage in books and aids for the current school year can be partially remedied through a supplemental appropriation early in the next session.

I should like to emphasize the fact that H.R. 9030 is not a controversial bill. The Special Subcommittee on Education of the Committee on Education and Labor reported H.R. 9030 after hearings August 22 and 23 on identical bills—H.R. 8207 and H.R. 8212—introduced by the distinguished gentleman from Kentucky, the Honorable FRANK BURKE, and myself. H.R. 8207 and H.R. 8212 had the united support of the major national organizations for the blind and other interested groups.

Therefore, I urge my colleagues to vote in favor of this bill today, and I sincerely hope that the other body will take similar action before adjournment. By so doing, the Congress can assure blind schoolchildren throughout the country that their educational progress will not be hampered owing to the lack of adequate tools.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on passage of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill H.R. 9030 before its final passage.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

AMENDMENT OF FEDERAL EMPLOYEES' COMPENSATION ACT

Mr. PERKINS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8871) to amend the Federal Employees' Compensation Act of 1960.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

Mr. GROSS. Reserving the right to object, Mr. Speaker, what is supposed to be done in this bill, if the gentleman will explain briefly.

Mr. PERKINS. I will be delighted to explain what this bill proposes. Last year the Congress amended the basic Federal employees' compensation law, raising the level of compensation afforded disabled Government workers so as to be more nearly in line with present-day living costs and standards. Employees of the District of Columbia government have long been covered by the basic law. Most of the provisions of the 1960 changes were automatically made applicable to District government employees. However, unintentionally and solely through inadvertence section 104 of the 1960 act, which applies to employees injured in Government service prior to 1958, excludes District of Columbia government employees. H.R. 8871 would do nothing more than to correct this inadvertent omission, thereby giving about 43 employees of the District government injured in service prior to January 1, 1958 the benefits of section 104 now enjoyed by other Government workers. At this point in the RECORD I should like inserted the following portions of the report of the House Education and Labor Committee on H.R. 8871 which explains in more detail this legislation:

BACKGROUND

In 1960, Congress amended the basic Federal employees' compensation law raising the level of several of its benefits so as to meet present-day conditions and standards. (Public Law 86-767, approved September 13, 1960; H.R. 12383, 86th Cong., H. Rept. 1743.)

By act of Congress July 11, 1919, 41 Stat. 104, the provisions of the Federal Employees' Compensation Act were extended to all government employees of the District of Columbia, with the exception of employees of the Police and Fire Departments, who were covered by another act. See 5 U.S.C. 794. By virtue of this latter-mentioned provision of the law, all the provisions of the 1960 act, with the exception of section 104, were automatically extended to the employees of the government of the District of Columbia. Section 104 contained a proviso designed to assure exclusion of nonmilitary employees, but which also, not by design, excluded government employees of the District of Columbia.

The committee report in 1960 (H.R. 1743) had this to say about section 104:

"This section increases the monthly pay upon the basis of which compensation for disability or death is computed under the Federal Employees' Compensation Act, as amended for every employee as defined in section 40(b) (1) or (2) of the act by 10 percent if the injury for which compensation is payable occurred before January 1, 1958, but after December 31, 1950; and by 20 percent if it occurred before January 1, 1951, but after December 31, 1945; and by 30 percent if it occurred before January 1, 1946. The section explicity provides that nothing in this or any other act of Congress shall be construed to make the increase in the monthly pay provided by this section applicable to military personnel, or any other person or employee not within the definition of section 40(b) (1) or (2) of the Federal Employees' Compensation Act. The section also explicity provides that the increase in the monthly pay authorized is applicable only with respect to any period beginning on or after the first date of the first calendar month following the enactment of this act and shall not be construed to permit the amount of compensation paid on account of an employee's disability or death to be increased more than 10 percent if the injury for which compensation is payable occurred before January 1, 1958, but after December 31, 1950; by 20 percent if it occurred before January 1, 1951, but after December 31, 1945; and by 30 percent if it occurred before January 1, 1946.

"The increase in the wage base authorized by this section will be applied to all cases on the roll to which this section is applicable before the increase in the minimum wage base for computing death benefits authorized by section 102 of this act and the increase in the minimum compensation rate in total disability cases authorized by section 101 of this act is applied."

H.R. 8871 will amend section 104 so that the reference to the definition section 40(b) (1) or (2) of the Federal Employees' Compensation Act in the first proviso will not operate to exclude employees of the government of the District of Columbia unless they were otherwise excluded (policemen and firemen) from the benefits of the Federal Employees' Compensation Act prior to the 1960 amendments.

On August 31, the General Labor Subcommittee held a hearing on the legislative proposal and heard testimony from representatives of the Board of Commissioners of the District of Columbia and the Director of the Bureau of Employees' Compensation of the U.S. Department of Labor. The evidence presented indicated that there were 43 District of Columbia compensation cases where benefits would be increased if H.R. 8871 were enacted and that the total amount of increased cost to the District of Columbia would be less than $10,000 per year. Of course, in future years the increased cost would decline, as section 104 applies only to employees who were disabled in government service prior to January 1, 1958. H.R. 8871, by express provision would take effect on October 1, 1960, giving these few employees the benefit of the 1960 act on the effective date of the 1960 benefit increases. Costs to make these retroactive payments would require an initial outlay of about $7,000 by the District government.

Section-by-section description of the bill

Section 1. This section inserts language in the first proviso of section 104 of the Federal Employees' Compensation Act Amendment of 1960 so that section 104 shall apply to employees of the government of the District of Columbia except those members of the police and fire departments, pensioned or pensionable, under the provisions of the Policemen and Firemen's Retirement and Disability Act.

Section 2. This section provides that the act will take effect on October 1, 1960.

Changes in existing law

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by this bill, as introduced are shown as follows (new matter is printed in black brackets, existing law in which no change is proposed is shown in roman):

The First Proviso of Section 104 of Public Law 86-767, September 13, 1960 (39 Stat. 742)

SEC. 104. Notwithstanding any other provision of this Act or the Federal Employees' Compensation Act, the monthly pay upon the basis of which compensation for disability or death is computed under the Fed-

eral Employees' Compensation Act shall be increased as follows: If such employee's injury (or injury causing death) occurred before January 1, 1958, but after December 31, 1950, such eligible employee's "monthly pay" shall be increased by 10 percent; if such employee's injury (or injury causing death) occurred before January 1, 1951, but after December 31, 1945, such eligible employee's "monthly pay" shall be increased by 20 percent; if such employee's injury (or injury causing death) occurred before January 1, 1946, such eligible employee's "monthly pay" shall be increased by 30 percent: *Provided,* That nothing in this or any other Act of Congress shall be construed to make the increase in the monthly pay provided by this section applicable to military personnel, or to any person or employee not within the definition of section 40(b) (1) or (2) of the Federal Employees' Compensation Act, [except that this section shall apply to employees of the government of the District of Columbia other than members of the police and fire departments who are pensioned or pensionable under the provisions of the Policemen and Firemen's Retirement and Disability Act]: *Provided further,* That this section shall not be construed to permit the amount of compensation on account of an employee's disability or death to be increased more than 10 percent if such injury (or injury causing death) occurred before January 1, 1958, but after December 31, 1950, nor more than 20 percent if such injury (or injury causing death) occurred before January 1, 1951 but after December 31, 1945, nor more than 30 percent if such injury (or injury causing death) occurred prior to January 1, 1946.

Mr. GROSS. I withdraw my reservation of the right to object, Mr. Speaker.

Mr. KEARNS. Reserving the right to object, Mr. Speaker, I should like to inform the House that the policemen and firemen are covered. This is an extra idea that the gentleman from Kentucky had. I want to say this is unanimous on our side.

Mr. PERKINS. That is correct. They are covered separately. This does not affect the policemen and firemen.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first proviso of section 104 of the Federal Employees' Compensation Act Amendments of 1960 (74 Stat. 906) is amended by adding immediately preceding the colon, the following: ", except that this section shall apply to employees of the government of the District of Columbia other than members of the police and fire departments who are pensioned or pensionable under the provisions of the Policemen and Firemen's Retirement and Disability Act".

SEC. 2. This Act shall take effect October 1, 1960.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and include an explanation of the bill H.R. 8871.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PUBLIC WORKS APPROPRIATION BILL, 1962

Mr. CANNON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9076) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Tennessee Valley Authority and certain study commissions, for the fiscal year ending June 30, 1962, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on this bill be limited to 2 hours, one-half to be controlled by the gentleman from New York [Mr. TABER] and one-half by myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CALL OF THE HOUSE

Mr. VAN PELT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. ROONEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 194]

Addabbo	Glenn	Moulder
Arends	Goodell	Multer
Ashbrook	Gray	Nix
Ashley	Green, Pa.	O'Brien, N.Y.
Ayres	Griffiths	Philbin
Barrett	Gubser	Powell
Barry	Hall	Rabaut
Bell	Halpern	Rains
Betts	Harrison, Va.	Riehlman
Bolling	Harsha	Rivers, S.C.
Boykin	Harvey, Ind.	Rogers, Tex.
Brewster	Healey	Roosevelt
Brooks, La.	Hébert	Rostenkowski
Brown	Holland	St. Germain
Broyhill	Holtzman	Schenck
Buckley	Hosmer	Scherer
Celler	Ichord, Mo.	Shelley
Clancy	Inouye	Siler
Cooley	Jones, Mo.	Slack
Corbett	Kee	Staggers
Curtis, Mo.	Keith	Stephens
Dague	Kilburn	Thompson, La.
Davis, Tenn.	Kyl	Thompson, N.J.
Delaney	Latta	Tollefson
Derwinski	Libonati	Ullman
Devine	McDowell	Vinson
Diggs	McSween	Wallhauser
Dooley	Machrowicz	Westland
Farbstein	Miller, Clem	Willis
Fino	Miller, N.Y.	Wilson, Calif.
Flynt	Minshall	Wilson, Ind.
Gallagher	Morrison	Young
Gilbert	Morse	

The SPEAKER pro tempore. On this rollcall 338 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING FEDERAL AIRPORT ACT

Mr. HARRIS submitted a conference report and statement on the bill (H.R. 8102) to amend the Federal Airport Act so as to extend the time for making grants under the provisions of such act, and for other purposes.

PUBLIC WORKS APPROPRIATION BILL, 1962

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri [Mr. CANNON].

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9076, with Mr. BOGGS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON. Mr. Chairman, I yield such time as he may require to the gentleman from Ohio [Mr. KIRWAN].

Mr. KIRWAN. Mr. Chairman, it is my purpose to say a few words in behalf of this bill, H.R. 9076, known as the Public Works bill for fiscal year 1962.

Mr. Chairman, the budget estimates for 1962 were $3,732,038,000. Recommended in the bill is $3,662,548,500, a reduction of $69,489,500, and a decrease of $110,776,805 below the appropriations for fiscal year 1961.

Included in this overall total is $2,352,601,000 for operating expenses of the Atomic Energy Commission.

The bill includes 29 unbudgeted surveys put in by the committee; 6 unbudgeted planning starts, 56 new construction starts which were budgeted, plus 9 that the committee has put in, for a total of 64 new starts. There is a total of 436 projects in the construction program, with a total estimated cost of approximately $17 billion.

I would now like to take you back to when this country was young. At that time the railroads operated the coal mines. When a man with a large family of boys started to get ready to mine coal, he petitioned the railroad and they put a siding in to transport his coal. After he loaded the first car they charged him 20 cents per ton-mile. The railroads charged preferred customers only 2 cents per ton-mile. So you know how long the poor fellow lasted. He could not ship his coal. Often he could not pay his taxes and was taken to court for nonpayment of taxes, so he lost his mine and his land.

They knew they had a good thing and to use the language of the street today, they were the first "muscle men." I do not use this term in a derogatory sense.

Now we move on to the next group of "muscle men." There are still millions of acres of land grants that the railroads have never turned back to the U.S. Government. The railroads were told that if we got into a war, an emergency, they would have to haul the freight for 50 cents on the dollar. Down through the years they profited by the sale of land and made billions of dollars. Then when the day came in the Second World War, right here on the floor of Congress they said that the railroads could get the full amount for moving the freight and they never turned back those millions of acres of fine mineral land. They were the second group of "muscle men" in this Nation.

Now we come on to the third group, the lumber barons. I remember as a boy in Pennsylvania they had an Outlaw Baseball League. They built baseball bleachers in numerous towns where they were cutting up the forests—Johnstown, Oil City, Franklin, Williamsport. They charged 15 cents to get into the game. But after they uprooted the timber, they left nothing but the stumps and that was the end of the ball parks and everything else. They were the third group of "muscle men" that we had in America, as they use the term on the streets today—"He muscled in on this."

The next group of "muscle men" then came along and we see them now. About 5 years ago Congress authorized the building of these dams and powerplants under the upper Colorado storage project and I would like to tell you what the act said. Let me clear away the smokescreen that has been befogging the issue and return to the language of the authorizing act.

Under Public Law 485, the 84th Congress, 2d session, they authorized the Secretary of the Interior to construct, operate and maintain the upper Colorado River storage project and participating projects. The Secretary was authorized "to construct, operate and maintain the following initial units of the Colorado River storage project consisting of dams, reservoirs, powerplants, transmission facilities, and appurtenant works."

Let me proceed further, to section 7 of this act, which goes beyond the authorization and directs the manner in which the transmission of power produced by the storage project is to be handled.

Section 7 states that—

> The hydroelectric powerplants and transmission lines authorized by this Act to be constructed, operated, and maintained by the Secretary shall be operated in conjunction with other Federal powerplants, present and potential, so as to produce the greatest practicable amount of power and energy that can be sold at firm power and energy rates.

That is what the act said. Who passed that act? The Congress of the United States. Who signed the act? Was it Harry Truman? No. It was Dwight Eisenhower.

Who was the one that had charge of carrying out the act? The Secretary of the Interior. Was it Stewart Udall? Oh, no; Fred Seaton. He said the United States should construct those powerlines, just the same as the act says.

What do you find going on now? You find the fourth group of musclemen muscling in on the greatest project of all time.

The cost of these transmission lines in question is about $84 million. For $84 million they want to take over the project. They want to get the cream. If you can show me any muscle man in the history of the United States to equal that, that is going some.

The Federal Government is spending over $600 million under either system, whether the public power goes by the Government lines or the private utility lines. The question is who pays $84 million for certain backbone transmission lines. If the private utilities build these lines they will charge $593 million over 86 years for wheeling the power and the Government will have $273 million less in revenue for irrigation assistance. Secretary Seaton, after review of all the facts, recommended that all these lines be built by the Federal Government.

It comes down to whether the Federal Government, after building a house, is going to pay rent for it. If buying a house is good business, it is in this case. The Government is paying for most of the house, anyway, over $600 million. Why should it let the private utilities get in for an investment of $84 million and then charge the Government $273 million for the rent of the house? Under this the Government will lose $273 million in revenues needed for irrigation assistance. The reason we are building this project is not for private utilities but for irrigation. That is why it is being built.

We are now calling up the Reserves to be ready to defend this great country. But it will not be great long if we take actions such as are going to be proposed here—to give to the private utilities the opportunity to take the cream of the revenues from this project needed to provide irrigation assistance. That is why I am asking you here today to stop, look, and listen—do some thinking. This is the greatest country. This the handwork of God, and this is the greatest lawmaking body. Our form of government, the capitalistic system, is the best form of government that was ever put on earth. But, if you do not stop the abuses that are creeping into it, it will not last long. Keep an eye on what is going on. Just stop and think. Your Government, my Government, is spending $600 million on this project and somebody wants to come in and take advantage of it for $84 million. We will have $273 million less under the private utilities system at the end of 86 years, and we will not own the lines. If the Federal Government builds the lines we will have $273 million more and we will own the lines. If you learned anything in the first grade, you would know what would be the best system to follow. We do not have to go to a university to tell the difference between right and wrong and what is the best system to follow and what will make the strongest Nation. If we would only stop and do a little more constructive thinking, we would be better off and we would be much better as a nation on the whole.

In the year 2015, the revenue required for irrigation assistance to the States under the project will be $22.6 million.

Under the Federal system, we will have $83.3 million in the bank.

Under the utilities' latest official proposal, based on the Bureau of Reclamation's analysis, we will have a deficit of $3.5 million.

In the year 2027, we will need $283 million. Under the Federal system we will have $395 million.

Under the utilities proposal, we will have only $239 million, or $156 million less.

In the last year, 2049, under the Federal system, we will need $426 million. Under the Federal system, we will have $899 million. Under the utilities proposal, there will be $625 million, or $273 million less, and we will not own our own lines.

I believe the proper action that we should take on this issue is obvious to all of us. That is why I am asking every one of you here today to think, when you go home tonight, what this question means to your country. We cannot be continuing to call the boys up and sending them away to defend our country and then vote for something like this. So if you have ever done a job in your life, I am asking you to do the right thing today. There is no REA in the district I represent. There are about 5,000 stockholders of private utility companies. I get many letters from them denouncing my stand in support of public power.

But, I know that my idea about this thing is right, and that is why I am asking you to join with me on the right side and not let the people down. I hope that when this bill is voted on tomorrow it will be passed by this body just as Theodore Roosevelt, Dwight Eisenhower, and Franklin Roosevelt would have wanted to have it pass. It is the millions that we have spent on our national resources over the years that have made America what it is today. This is a great project we are considering, to provide essential irrigation to the upper Colorado States, and we should not take action here which will so seriously affect its economic feasibility.

Mr. JENSEN. Mr. Chairman, I yield myself such time as I may need.

Mr. Chairman, we are calling thousands of American boys now to serve in the Armed Forces. Why? For one reason and one reason only, and that is to protect and to preserve this great American constitutional system, the private enterprise system. That is why we are calling up these boys, and that is why we have fought every war in which the United States has been involved: for one reason and one reason only, and I repeat again, to preserve and protect this, the greatest form of government that was ever instituted by man, the capitalistic system, if you please.

Generally speaking, it is a good bill with a few exceptions. There are 436 project items in this bill scattered over the United States for reclamation, irrigation, hydroelectric power, dams, transmission lines, dredging of harbors, and every other sort of public program that one can imagine.

I have served on the committee that originated appropriations for the Bureau of Reclamation for the past 19 years. No man in this Congress today has supported more irrigation projects, reclamation projects, hydroelectric projects, hydroelectric transmission lines in the past 23 years than has the gentleman from Iowa who is now speaking to you and from the bottom of his heart. When we talk about the abuses that have been imposed upon the American people by certain private individuals and industries, let us not forget that as every one of those industries which have been carried on through, so to speak, from the signing of the U.S. Constitution when this Government was instituted, the end

result has been good. Let us not forget that for a minute and let this Congress act accordingly.

At the proper time when the bill is being read for amendment I shall offer an amendment to this bill. The outcome of that amendment—and may I say I am going to read the remarks which I have written myself—I have no ghost-writer—I am going to read these remarks because there are facts and figures therein which I do not want twisted out of shape by anyone because the outcome of that amendment might well determine whether or not the American free enterprise system will or will not be preserved. For the past 10 years Congress has respected and supported our committee position which has been to deny funds for building Federal transmission lines where private utilities and/or REA's and/or municipalities who have existing and adequate facilities to wheel electric power from Federal hydroelectric dams or will build such facilities and would contract in writing to wheel such power to preferred customers and others at reasonable rates which the private utilities affected in this bill have all agreed to do. My amendment seeks to reduce the amount requested in the bill for transmission lines on the upper Colorado project from $13,673,000 to $9,448,000. If these lines are left in the bill that money would be spent to start construction of Federal transmission lines which do not square with the yardstick which I have just explained and which the committee has used very honestly and effectly for the past 10 years.

I say parenthetically that when we started using that yardstick for the building of transmission lines and other requests for power facilities, there was a request for funds to build transmission lines all over the southeastern area from Washington to Florida which would have cost the Federal taxpayers hundreds of millions of dollars. Five union leaders of the electric workers union from that area appeared before the committee and said there is no reason in the world to appropriate all this money to build such lines, because public utilities, REA's, and municipalities are ready, willing, and able to build them. It was that day that the committee decided not to spend the people's money to build unnecessary transmission lines.

We used our yardstick on that bill and have for 10 years both in the House committee and in the Senate, the yardstick and the Congress has respected our action. But now because of political pressure from the top lobbyists for all Federal electric power whose end purpose is for Federal ownership and control of all electric power the bill as it comes to this House today includes $4,225,000 for construction of unnecessary transmission lines, the total cost of which, according to the Bureau's own estimate, will be $135 million which all the taxpayers of America are asked to pay; and get what in return? Nothing, absolutely nothing, including the people in these five States in the upper Colorado River area. Not even the REA will benefit one single dime over the payout period of 86 years if the Federal Government imposes this $135 million bill on the taxpayers of America, because the rate for power will be exactly the same under either program.

Let us keep the record straight. In addition to that, if this amendment to the bill is improved, the five statewide private utilities will pay $105 million in Federal taxes into the U.S. Treasury and the local and State taxes which they will pay during that payoff period amounts to the tidy sum of $184 million that those States can use to build schools, roads, and take care of their needy old people, and so forth.

Mr. Chairman, can this Congress deny these savings to the already overburdened taxpayers of America? There is but one answer—no, a thousand times, no.

Just a few days ago, on September 1, the Upper Colorado River Basin, the organization recognized and approved by an act of Congress in 1949 to supervise regulation, conservation, and utilization of the waters of the Upper Colorado Basin, passed a resolution endorsing the company's offer over the all-Federal scheme. Former Senator Ed Johnson a great statesman, is a member of that commission.

I have listened to the proponents'—of this project—great praise for Eisenhower, former Secretary Seaton, and they are praising Theodore Roosevelt. Where were they, where were all their praises when Mr. Eisenhower was President of the United States, and when Seaton was Secretary of the Interior? Did you hear any praises for them then, worthy of the name? The officers of the International Brotherhood of Electrical Workers from the upper Colorado River area representing several thousand taxpayers in union members, appeared before our subcommittee last spring in opposition to the all-Federal transmission system. The American Farm Bureau Federation, which represents 1,600,000 American farmers, have taken a very firm stand against construction of the all-Federal transmission system on the Colorado River storage project as being wasteful, uneconomical, and unnecessary. Mr. Chairman, it has been intimated that construction of these lines by the private utilities would cause a tollgate to be established which would be against the interests of the Federal Government.

Nothing could be further from the truth.

Mr. Chairman, the Administrators of the Bonneville Power Administration, the Southwest Power Administration, and the Southeastern Power Administration testified before our committee that the partnership program in effect in their areas was of great benefit to all the people, and was working wonderfully well. No complaint whatever by anyone, by the man on the street, the housewife, the businessman, the industrialist, or anyone else. They are satisfied with the rates, they are satisfied with the partnership program which exists in those areas.

Mr. Chairman, the general argument made by proponents of the all-Federal transmission grid in this instance for the control of the projects and so forth are misleading, and are charged with emotion rather than reason. Any fair and well-informed person can plainly see that these are intended to hide the grand design for an all-engulfing federalized power grid, completely covering the Nation. The threat of a federalized giant power grid is not a figment of the imagination. It is here. This is a major link in it. We are sure you will agree that if federalization of the electric utilities industry comes, then federalization of the farming—still our greatest free enterprise—industry, retailing industry, and other businesses in America cannot be far behind.

Mr. Chairman, we had best take a good look at what happened in England after the Socialists who masqueraded there for at least 30 years under the banner of the liberal Labor Party got in control of Parliament. They said to the farmers, they said to the housewife, they said to the merchant, they said to the industrialists, "Do you want electric power?" Of course, the answer was "Sure; we must have it." They said, "All right, then quit fighting the socialization of England." The rest of the socialization of England was an easy pushover. Do not pooh-pooh that. It is coming, just as sure as night follows the day, if we keep on putting government into business and keep spending, spending for everything imaginable, the sad day of reckoning will be here, and sooner than some may think.

Now, what happened to the electric rates in England? They increased, while the wages for the workers decreased. Why? Because the cost of government went up and up and up. The British publication, the Recorder, of September 4, 1948, had this to say:

> Two months after the nationalization, increases in the cost of electricity ranged from 20 percent to 50 percent in different parts of the country. And a recent order of the British electric authority, which brings into force a countryside minimum charge of three-fourths of a penny per unit, means that electric customers will pay an additional 2 million pounds a year for their electricity.

Yet, you hear the proponents of Federal power control tell you that the Federal Government, when it takes over, the power rates will go down. Why will they not go down? Because you know full well that government administration costs are many, many times greater than private administration costs. You might be surprised to know that the administration costs of the five utilities here involved is less than one-sixth of 1 percent, of their revenues. The administration costs for the Bureau of Reclamation is many, many times more than that.

That is one of the good reasons why private utilities can come pretty near matching the rates charged by the Federal Government in all areas of the United States.

I said at the outset of my remarks that the Federal power advocates' end purpose is complete Federal ownership and control of all electric power in these States. Here is one good proof of that statement. Before the G and T REA Co-ops in Oklahoma, Missouri, and Texas could get one kilowatt-hour of power from the hydroelectric dams owned by the Government in that area they were forced, against their will, to sign a contract which provided—and I

shall read the language; and let me tell you that the officials of those G and T's came into my office for a year and more and pleaded, "Cannot Congress do something to keep the Interior Department from forcing us to sign this contract before we can get one kilowatt of power?" But the heavy hand of the power czars were on them. Now here is the exact language in that contract. Listen to it and then think seriously about it.

The cooperative hereby grants to the Government the exclusive right, at the option of the Government, to purchase the transmission system at any time during the term of this agreement and lease for a sum equal to the principal of the cooperative's REA loan attributable to the transmission system, less the actual amount of the rental payments theretofore made by the Government on account of the principal of the cooperative's REA loan attributable to the transmission system and upon the expiration of the term of this agreement and lease for the sum of $10.00. In the event the Government is in default as to any payments under this agreement at the time it exercises its option hereunder, the Government shall be required to pay all payments in arrears before exercising its option hereunder.

Which means simply this, that the Bureau of Reclamation, Uncle Sam, could take over every REA line over which Federal power had been transmitted any time they wanted to take them over.

Clyde Ellis, the top REA lobbyist, played a leading role in persuading those REA officials to sign that contract and now he is parading all over America as the savior of the REA.

In 1953 when I took over the chairmanship of the House Interior Subcommittee on Appropriations, that committee voted unanimously to tell the new Secretary of the Interior that unless the provisions that I have just read was taken out of that contract the Interior Department would get not one dime for anything. Secretary Douglas McKay saw to it that it was deleted, as it was in other similar contracts.

Mr. Chairman, I am sorry and deeply concerned that a number of local and State REA officials and others have been sold a bad bill of goods by high-salaried Federal electric power lobbyists holding forth in this Capital City in believing that their REA co-op would escape the lash of the political power electric power czars, if and when that bunch get the needed political power they crave so much and are bound and determined to have, come hell or high water.

Mr. Chairman, I have supported every dollar Congress has appropriated for every inch of wire, every pole, every facility REA has built during my congressional career. We want the local and State REA officials and farmers to run their own business, which they can do and have done well, without dictation from Washington, D.C., or from anyplace in this wide world.

The adoption of my amendment, Mr. Chairman, will be a step in the direction of preserving our American way of life.

Mr. CANNON. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include an evaluation of cost studies by the Bureau of Reclamation.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. EVINS. Mr. Chairman, we always listen to our genial friend the gentleman from Iowa [Mr. JENSEN] with interest if not always with profit. I do not know that he has convinced many Members. I am not persuaded that I will convince any Members, as most Members have made up their minds on this bill and the amendments to be offered. In a situation like this I do not generally propose to offer advice to my colleagues but I do propose this advice today, support the committee on this bill.

The Subcommittee on Appropriations has considered this matter and voted for the Federal transmission system. The full Committee on Appropriations has also voted on this matter and voted for the Federal Government to build the backbone transmission lines. Four years ago the Congress appropriated funds to make a study of this entire transmission line matter. During the Eisenhower administration we voted for a billion dollars to build and develop the upper Colorado storage project. We knew that in time after developing this area there would come a time when we should build the transmission lines. So the Congress has appropriated money to make a study to find out whether we should build these lines. The report of the study recommends that the Federal Government build the backbone transmission lines—an all-Federal system in the Colorado Basin. In addition, former Secretary of the Interior Seaton has studied this proposition and recommended that the Federal Government appropriate the money to build these backbone transmission lines. When Stewart Udall, our former colleague, became Secretary of the Interior he studied the matter and came up with the same conclusion and same recommendation. He reaffirmed Secretary Seaton's recommendation.

In addition to that, the people in the upper Colorado area, independent groups, bipartisan groups, nonpartisan study groups, all that are concerned and interested in this matter, have also come up with the same conclusion and recommendation that the Federal Government should build these backbone transmission lines. So we have five or six different recommendations that the Federal Government build them. If you do not want to take my advice or Mr. JENSEN's advice, then please take the recommendations of the seven independent bipartisan study groups that have studied this matter and recommended the Federal transmission system.

Mr. Chairman, in the main this is a good bill. This is a big bill. It is a very important measure. The measure really should be called a bill to provide for the conservation of the resources of the United States.

Concerning the amendment to be offered on the transmission lines issue, we have been bombarded and we have been propagandized with all sorts of figures. But, the reports all conclude that the Federal Government should build the transmission lines. The utilities do not object, where there is no population, for the Federal Government to build a transmission system and we are building them at this time. But, they do object where population centers are involved and where profits are involved.

Mr. Chairman, I repeat, the one main issue in this bill is whether the Federal Government shall build the backbone transmission lines for the upper Colorado storage project—this great development—or whether a combination of five utilities, namely, the Pacific Gas & Electric Co. and four other allied utilities, shall move in, build the transmission lines and take the power at the bus bars.

The Federal Government has authorized and developed the great upper Colorado storage project at a cost of approximately $1 billion, and now that the great dams of Flaming Gorge, Glen Canyon, and other major multipurpose dams are nearing completion it is important that the Government complete the job and interconnect and intertie these great power systems together with an all-Federal transmission system.

Mr. Chairman, it is important to note that the Congress, in passing the basic act, has already provided for the building of an all-Federal transmission system to tie-in the power grids of the Colorado storage project.

Both section 1 and section 2 of the basic act provide for the building of these transmission lines.

Moreover, compliance with other sections of the law requires that we operate the system with our own transmission lines. If we want to amend the law, let us do it in the regular way and not in an appropriation bill.

Section 3 provides for entering into contracts which will insure the repayment of the cost of the projects and these projects cannot be paid out without the Federal Government receiving the benefits from the power which it produces.

Section 5 of the basic act provides for the Colorado Basin fund and stipulates that all power revenues and other revenues in connection with the benefits of this project shall go into the basin fund and be available for defraying the costs of operation and maintenance of this great project.

Section 5d provides that funds in excess of operating needs in this project are to be paid into the Treasury and that all costs are to be repaid within 50 years from the date of completion.

Section 5e further provides that revenues in excess of all these requirements, including payments into the Treasury, are to be returned to the States and apportioned among the States—the five States of the Colorado Basin.

Section 7 of the basic act also provides that the transmission lines to be constructed—"shall be constructed and op-

erated with other Federal powerplants, present and potential, so as to produce the greatest amount of power and energy that can be sold at firm power and energy rates."

Mr. Chairman, where will we get the funds to comply with these provisions—to make the required payments to the States, to the Treasury, and to pay out the costs of this great prospect if the profits from the power operations are to be turned over to a combine of private utilities?

In this connection, let me call your attention to the following statement by Commissioner Dominy, page 11708, CONGRESSIONAL RECORD, June 29, 1961:

> To assure full development of the water resources of the Upper Basin States under the requirements of the Colorado River Storage Act, there must be available at least $952 million by the year 2049. Correspondingly, earlier goals of financial assistance must be met to keep construction of the participating projects on schedule.
>
> Under the private utilities' wheeling proposals and at a 6-mill power rate, the same rate as for Federal transmission systems, there would be a deficit in the basin fund in the year 2015. Even if it were legal to have a deficit in 2015, which it is not, the private utilities' proposal would accumulate only $591 million by the year 2045. Thus, we are short of the $952 million which the all-Federal system will produce at the same 6-mill power rate which is needed to assure full development of the upper basin water resources. The only way this financing could be accomplished would be to charge more for the power, and to do this would be to disregard congressional directives.

Mr. Chairman, we cannot afford to forego the present and potential benefits to the public, wisely provided by the Congress.

We must not be overwhelmed by special interests—by selfish interests—no matter how cleverly they have masqueraded the issues. We must be guided by the public interest and the public interest is clearly best served by a Federal transmission system. It will be cheaper in the long run. It will insure the economic soundness of the basic Colorado plan. It will make possible the maintenance of the 6-mill rate. It will provide the funds to pay off the entire project. In addition, under an all-Federal system, at the end of the life of a contract, the Federal Government would own the entire system, having the advantage of a completely unified system, whereas, under the utility proposal, the Government would continue to pay wheeling charges in perpetuity.

Mr. Chairman, it is obvious that the power company proposal is one-sided—it is unfair—it is not in the public interest and it should be defeated.

The original concept of the upper Colorado project should be maintained.

By accepting the proposal of the private utilities we would be jeopardizing the economic feasibility of the entire Colorado project—making it impossible to pay it off on schedule. Furthermore, the basic act provides that funds from power revenue will be used for irrigation assistance. The loss of income that would result from the private transmission system would greatly reduce the funds needed in the coming years to provide this assistance.

The Colorado storage project is primarily an irrigation development. However, the power features of the program are most important to provide for the payout of the project.

In this act and in the initial reclamation project of 1939, and in subsequent legislation, the Congress has repeatedly reaffirmed the fact in authorizing legislation that wheeling charges must not reduce the quality or time of irrigation systems in any way to adversely affect project feasibility or payout.

The Bureau's analysis and studies of the proposal clearly show that if the same rates for power to the customers is to be charged under the utilities proposal, as would be the case under all-Federal construction, there would not be available the necessary amount of irrigation assistance funds at critical times for the payout.

The only way this situation could be corrected under the utilities' proposal would be to increase the charges and the rates to the consumer—to charge the consumers more for the power under the utility proposal than under the all-Federal system.

I quote from the transcript of the Appropriations Committee hearings, page 512:

> It is obvious from the results of our analysis that the utility proposal will not meet the requirements of the act, * * * if the power rates to the preference customers are to remain the same as under an all-Federal system.

It is also obvious that the utility proposal will not meet the provisions of the act if the power rates to the preference customers are to remain the same as to the all-Federal system.

But, an increase in rates would mean increased power costs to the preference customers of an estimated $254 million over the period of the proposed contract.

By accepting the utility wheeling proposal, it is true the Government would reduce its investment for building the transmission facilities by approximately $118 million.

But, Mr. Chairman, to save this $118 million in investment we would be contracting to pay about $300 million more to wheel the power than it would cost for us to do the job ourselves with our own transmission line.

The Department of Interior studies show that total payments to the utilities for wheeling charges under their "all or none" proposal amounts to $625,137,000—an average of $7,672,000 annually. This represents a composite wheeling rate of 1.33 mills per kilowatt-hour on every kilowatt produced and sold from the Federal Government dams—whether wheeled by the utilities or not.

The composite rate on energy actually wheeled by the utilities would actually be 1.63 mills per kilowatt-hour—more than one-fourth of the 6-mill total rate and about twice as much as it would cost to wheel the power over a Federal system.

Moreover, Mr. Chairman, the utilities would have the advantage of having all Federal power tied in to their own companies—their own systems—thus permitting them to sell peaking power at any time to their own customers and also having the advantage of not having to construct generating facilities to produce additional power for their own sales.

In effect, this more than $300 million in excess wheeling charges would be a direct subsidy for the private power companies.

Mr. Chairman, this is another Dixon-Yates scheme. I label it Dixon-Yates of the Colorado storage project.

It is significant that the Congress through the Bureau of Reclamation is already funding four or five transmission lines in the area. The private utilities do not object to these because there are no customers in the area.

The basic principle of the reclamation laws should be reaffirmed and the Government should build the transmission system to have the benefits of this great project for the people and to protect the public interest.

All of the experts—all the outside accountants and study groups that have analyzed the program of the present administration have agreed that the Bureau's plan to build its own grid is sound and in the public interest.

This was recommended by former Secretary of the Interior, Fred Seaton, during the former administration. Secretary Udall of the present administration has also rightly concluded that the Federal Government should build the transmission lines. The Colorado River Association and other groups and organizations vitally and directly concerned with the Colorado project have also strongly urged the Federal transmission system.

The proposal has been bipartisan in its sponsorship. It should be bipartisan in the public interest.

Our committee recommends this action and I strongly urge, Mr. Chairman, the defeat of the private power proposal and that we go forward to construct the transmission lines to bring the benefits of power to people of the area at the lowest possible cost without subsidizing the combined corporate utilities. Although, Mr. Chairman, this is the main point at issue this bill is far more important than this one issue.

This is a most important bill for our Nation's continued growth, strength, and prosperity.

This bill, carries appropriations for the civil works functions of the Corps of Engineers, the Bureau of Reclamation of the Department of Interior, the several power agencies including the Tennessee Valley Authority, the Bonneville Power Administration, the Southeastern and Southwestern Power Administrations, and the Atomic Energy Commission.

The bill provides for appropriations totaling $3,662,548,500 which is $110,776,805 less than the total amount appropriated for these purposes in fiscal year 1961.

This bill calls for the appropriation of a large amount of money—it is a big bill—but the funds appropriated are for capital investments in our own country.

Mr. Chairman, this measure properly should be called the national resources development bill, for it is in every respect a bill concerned with the development of our natural resources.

A great deal of the misunderstanding that sometimes arises about this bill comes from failure to realize that appropriations for the civil works of the Corps of Engineers and the services of other allied agencies are indeed concerned with the development of our Nation's resources.

There are some who still think of this measure as a measure to provide employment. It does indeed have important effects in that regard, but the large stimulation it gives to national employment is one of the beneficial byproducts of this program.

There are some who still like to refer to the public works bill as a "pork barrel" bill. Nothing could be further from the truth.

Here we are dealing with investments, capital investments, for all our country. This is an all-American program in the full sense of that term.

In preserving our resources we are building a foundation for the future growth and strength of our Nation. Such an investment is vital.

Any productive concern, whether it is a private business or a powerful nation like our own, has to keep its productive capacity up to date. This bill is concerned with keeping our productive capacity up to date, developing our natural resources, and investing in the future of America.

Every region and area of our country wants to share equally in the growth of our Nation. Though it is impossible to develop all at once and simultaneously all of the water resources of our country, our committee has sought to reconcile the needs of all areas and to maintain a balance between all areas. This is a difficult task, as is evident from the printed record of the hearings which this year fills nine volumes. Those same volumes record the persistent effort that was made by our committee to effect a reasonable balance, and, as indicated, appropriations are made for projects in all sections and all areas of our common country.

I know that I express the feeling of all my colleagues when I take the occasion to pay a special tribute to our distinguished chairman, the gentleman from Missouri [Mr. CANNON], who personally carried on these hearings and labored with much of the details of this bill. His wide knowledge and long experience, and his fairness and objectivity were, as always, invaluable.

I deem it a great privilege to serve on this subcommittee with the gentleman from Missouri and the other distinguished members of our subcommittee—Hon. LOUIS C. RABAUT, of Michigan; Hon. MICHAEL J. KIRWAN, of Ohio; Hon. JOHN E. FOGARTY, of Rhode Island; Hon. JOHN J. RILEY, of South Carolina; Hon. EDWARD P. BOLAND, of Massachusetts; Hon. DON MAGNUSON, of Washington; Hon. JOHN TABER, of New York; Hon. BEN F. JENSEN, of Iowa; Hon. IVOR D. FENTON, of Pennsylvania; Hon. H. CARL ANDERSEN, of Minnesota; and Hon. JOHN R. PILLION, of New York.

I should like to pay a special tribute to the very able and efficient committee staff members—Carson Culp and "Gene" Wilhelm. They are very capable public employees.

BUREAU OF RECLAMATION

This bill provides total appropriations of $274,983,500 for 1961 reclamation programs and operations.

Our bill includes funds for six new construction starts, along with funds for continuation of projects now underway, including the great Colorado River storage project—that mighty new addition to the Nation's hydroelectric system which will serve a marketing area primarily in Arizona, New Mexico, Colorado, Utah, and Wyoming. This project is nearing the final construction phase. In 1963, power will begin being produced at Flaming Gorge. In 1964, power turbines will hum at Glen Canyon.

One highly significant aspect of the appropriations we are now considering is that the reclamation program is almost totally reimbursable and in fact 92.3 percent of the cost of all authorized reclamation construction will be returned to the Treasury. Furthermore, the reclamation program finances itself, in part, through receipts already paid into the Treasury under basic reclamation law.

Appropriations for reclamation throughout its 59-year history total $4.69 billion. Approximately 75 percent of this cumulative total has been appropriated in the past 16 years—47 percent in the past 10 years. Thus, the bulk of reclamation expenditures has been made in recent years on projects, some of which are still under construction and on others which have not attained a stage of maturity and maximum returns to the Treasury. Notwithstanding this circumstance, reclamation receipts to the Treasury from construction repayments, power revenues, accretions to the reclamation fund from sale of public lands, mineral royalties, and so forth, and miscellaneous income, currently aggregate in excess of $150 million annually.

When we consider the self-liquidating aspects of reclamation projects along with the large contributions they make toward the immediate objective of putting people to work and the longer-term goal of national growth to provide adequate opportunities for an ever-expanding population, it is evident that appropriations for such resources development are investments in our national economy and national strength in the truest sense of that word.

CORPS OF ENGINEERS

For carrying out all of the civil works activities of the Corps of Engineers, this bill provides total appropriations of $912,296,000.

For construction, $680.9 million is provided, which compares with a fiscal year 1961 appropriation of $706.8 million. This bill provides for 49 new planning starts, 58 new construction starts, including reimbursements to local interests for work accomplished, and for maintaining progress on going projects at reasonable rates of construction.

With the amounts proposed projects with an aggregate total Federal cost of $398.2 million will be completed.

The 58 new construction starts are estimated to have a total Federal cost of $506.6 million.

Included also is $10.6 million for the rehabilitation program, involving restoration work on older projects which represents requirements beyond the scope of normal maintenance. The amount included for this purpose will provide a good start on 20 major rehabilitation projects estimated to cost $40.8 million, and for planning 8 additional projects with an estimated cost of $10.6 million. The work and accomplishments of the Corps of Engineers represent some of our Nation's greatest developments.

TENNESSEE VALLEY AUTHORITY

This bill carries a total appropriation of $38,203,000 for the Tennessee Valley Authority. That is an increase of $17,683,000 over the $20,520,000 TVA budget for 1961 which was approved last year, but none of this amount is for the great power program of TVA. Funds appropriated are for other purposes in the comprehensive multipurpose regional development program of the TVA—navigation and flood control. The power program of the TVA is self-sustaining and self-liquidating.

The budget not only does not call for any appropriated funds in financing the power program for 1962 but the TVA provides payments to the Treasury of $50 million or more in power proceeds annually in reduction of and as a return on appropriations earlier invested in the power program.

On June 29 of this year, TVA sold the second $50 million in power revenue bonds which it has issued under the 1959 act of Congress, authorizing this agency to sell up to $750 million in securities to finance its electric power program. A day later, TVA made a payment of $30.1 million to the Treasury, raising to $51.4 the amount TVA has paid back to the U.S. Treasury. TVA has paid into the Treasury some $301 million in revenues.

In addition to these payments to the Treasury from power proceeds, TVA had invested $639,534,000 of net cash income from power operations in electric power facilities through June 30, 1960. In other words we have received more than $1 billion in returns from the TVA—$400 million in cash to the Treasury and $639 million in added power facilities.

Annual payments to States and counties in lieu of taxes represent another substantial financial return on the TVA power investment. The books show a total payment of nearly $6.5 million from TVA power revenues to 7 States and 137 counties in lieu of taxes during fiscal year 1961. In addition, the municipal and rural cooperative electric systems that retail power pay an estimated $10.9 million as taxes or tax equivalents to State and local governments in this same year. It is notable that the combined tax payments of the TVA and its distributors have increased by nearly 50 percent in the past 10 years.

BONNEVILLE POWER ADMINISTRATION

For the Bonneville Power Administration, this bill provides appropriations of $20,875,000 for construction, and $12,205,000 for operation and maintenance. The combined program for 1962 totals $33,080,000 as compared with $30,007,000 for the preceding year.

SOUTHEASTERN POWER ADMINISTRATION

For the Southeastern Power Administration a total appropriation of $800,000, consisting entirely of operation and maintenance funds, is provided in this bill. Of this amount, $66,000 is requested for purchase of energy and wheeling charges, to be devoted exclusively to the purchases of firming energy and the payment of wheeling fees under existing contracts with Virginia Electric & Power Co., and Florida Power Corp. The remaining $334,000 of the appropriation will provide for the system operation and maintenance, power contracts and rates, and general administration activities. This power administration, which serves a 10-State area, estimates that the total of this year's earned revenues will be approximately $19 million, and that the total revenue earned for the budget year will be approximately the same amount. Last year's actual revenues reached a total of over $20 million.

SOUTHWESTERN POWER ADMINISTRATION

The appropriation in this bill for the Southwestern Power Administration, in the total amount of $7,260,000, includes $950,000 for construction, $1,310,000 for operation and maintenance and $5 million for the "Continuing fund" to pay for the purchase of power or wheeling charges and for the leasing of transmission capacity from certain generating and transmission cooperatives.

ATOMIC ENERGY COMMISSION

Included in the bill this year also are the funds for many essential programs of the Atomic Energy Commission. The total appropriation provided for these vitally important programs is $2,380,301,000 as compared with a total of $2,483,235,000 in the 1961 budget for this Commission—a decrease of $102,934,000.

In summary Mr. Chairman, the atomic energy program, the work of the TVA, the Bonneville Power Administration and our other great power agencies, and the work of the Corps of Engineers and the Bureau of Reclamation are all important and must go forward.

This is a vital bill and a very important measure—and although it is difficult and indeed impossible to satisfy everyone on such a bill, the measure is worthy of approval as recommended by the Committee on Appropriations and I urge its passage.

BUREAU'S REPLY TO PRIVATE UTILITIES EVALUATION OF THEIR WHEELING PROPOSALS AND THE ALL-FEDERAL "YARDSTICK" SYSTEM—REPORT OF JUNE 1, 1961

The following are the points claimed in the private utilities June 6 presentation to the Public Works Subcommittee (hearings pt. 4, p. 2334) as the major errors and omissions in the Bureau's report and replies thereto:

Point 1. Line from Glen Canyon to Phoenix: Because power delivered to the Southern Division under the Federal system would be only 450,000 kilowatts whereas under the private utilities proposal 600,000 kilowatts might be delivered to Arizona, the cost of the Bureau's system is increased by the amount of $13,933,000, the private utilities estimate of the cost of a third line from Glen Canyon to Phoenix.

Reply to point 1: At the time the yardstick system was approved, the only fact definitely known was that six 230 kilovolt lines from Glen Canyon were required to transmit Glen Canyon Power. Consequently, the cost estimate for the yardstick system included the cost of 6 lines out of Glen Canyon even though only 5 lines were identified on the maps used. This is affirmed by Commissioner Dominy on page 507 in part 3 of the hearings. The private utilities now claim that the $176,245,000 cost estimate for the yardstick system should be increased by almost $14 million to recognize the sixth line.

Point 2. Lines and facilities: The Bureau used longer lengths for certain transmission lines common to both systems (the noncontroversial lines) under the private utilities' proposal than under the Bureau's yardstick system and included certain substation facilities claimed by the private utilities to be not needed in the Federal system under their proposal. The private utilities contend that these transmission lines should have been the same length in either proposal. The private utilities contend that these transmission lines should have been the same length in either proposal. The amount claimed for this item by the private utilities is a reduction by the Federal investment under the utilities' proposal by $4,999,000.

Reply to point 2: Under this point, the private utilities basically are trying to claim that under the wheeling proposal the Bureau should locate certain lines in the same locations as in the yardstick system regardless of the economics involved. They are also claiming that certain other costs were overlooked in the yardstick system. The Bureau is comparing what it would do under All-Federal construction with what it would do under the wheeling proposals. The economics of transmission line locations dictate that under all-Federal construction without interconnection, a short routing should be adopted for the lines from Glen Canyon to Four Corners to Curecanti.

The private utilities contend that the cost of construction of certain switchyard facilities was included but not needed in the Federal system under their proposal and have, therefore, deducted an amount from the estimate of the Federal system under the wheeling proposal to account for this. This contention is not correct. The Bureau always includes the costs of switchyards with the costs of the powerplants and not with the costs of transmission facilities. These switchyard facilities would be practically the same with or without wheeling and in either case would be constructed by the Bureau. The private utilities contend that the Bureau omitted the cost of one transmission line for Flaming Gorge to Vernal, Utah, in the all-Federal system. This is not an omission but a problem of identification. In the cost estimates under the wheeling proposal, the Bureau identified the two lines. Under the yardstick system, it identified only one line and included the cost of the second line in the $13 million plus allowed for future lines and substations. This is explained in Commissioner Dominy's testimony on page 519 in part 3 of the hearings.

Point 3. Wheeling costs: The Bureau overstated the wheeling costs under the private utilities' proposal by so-called improper application of the wheeling offers. The overcharge claimed by the private utilities is $62,528,000 for the 86-year period of the study.

Reply to point 3: The utilities charge that the Bureau overstated the wheeling charges because of improper application of the wheeling offers.

The Bureau's original analysis of the wheeling proposal was based on offers and information it had received from the utilities at the time of preparation of the report. Subsequent to preparation of the report, Pacific Power & Light modified its proposal (letter of November 10, 1960) by offering a rate of one mill per kilowatt-hour for wheeling from Flaming Gorge to Pilot Butte. This modification reduces total wheeling costs by $14,694,000, and has been taken into account in the Bureau's July 1961 analysis of the utility offer based on their interpretation of wheeling costs.

Arizona Public Service Co. claims the Bureau could have saved almost $17,000,000 in wheeling costs by accepting its alternate offer of $6.74 plus taxes per kilowatt-year rather than its offer of 1,177 mills plus taxes per kilowatt-hour. Actually the company computations using $6.74 per kilowatt-year show the so-called $17,000,000 savings by calculating wheeling costs using smaller loads on its system than the Bureau used. However, the Bureau's July 1 evaluation of the utilities proposal incorporates $6.74 per kilowatt-year applied to the correct loads.

The private utilities contend that the wheeling costs paid the Public Service Co. of New Mexico could be reduced by about $8 million if the kilowatt-year rate had been used in lieu of the kilowatt-hour rate. Estimates of wheeling charges based on New Mexico's offer of 50 cents per month per kilowatt of maximum demand during the preceding 12-month period would be less reliable than an estimate of wheeling costs based on a wheeling charge of 1.25 mills per kilowatt-hour for energy delivered at Albuquerque. This is a matter of engineering judgment and there is no good reason for the Bureau to give an $8 million advantage to the private utilities without reasonable assurance that it could be obtained. As in the previous two items, however, the Bureau has included the utility kilowatt-year rate applied to the correct load in its July 1 evaluation of the utility proposed.

On October 28, 1960, Mr. L. R. Patterson of Public Service Co. of Colorado advised us that as near as the company could determine the wheeling charge for Public Service Co. of Colorado has been applied correctly and that by including displacement values as supplied to them by the Bureau it was essentially in agreement on the wheeling dollars. The company later claimed that the Bureau has overstated the wheeling dollars to be paid Public Service Co. of Colorado because the Bureau would have to pay them under the yardstick system and only the difference should be used. However, in recent testimony before the Senate, the company has withdrawn its criticism.

The Utah Power & Light Co. in computing its wheeling costs for comparison with the Bureau's used $7.739 per kilowatt-year rather than $7.75 per kilowatt-year, the figure furnished to us by the company and agreed upon in meetings with its representatives as the rate to be used in the Bureau's analysis. Also, in its letter of September 16, 1960, the company suggested a rate to be used in the Bureau's analysis. Also, in its letter of September 16, 1960, the company suggested a rate of 0.15 mills per kilowatt-hour be applied to the gross generation of the central Utah plants specified to it by the Bureau. In its computations the company has reduced the specified generation of central Utah plants by 7 percent for losses before applying the suggested rate of 0.15 mills per kilowatt-hour. The company's claims that the overstatement of its wheeling charges by the Bureau is due to application of Utah wheeling charges to the loads to be served adjacent to Glen Canyon.

This claim is false. The Bureau analysis specifically exempted these loads from wheeling. However, the Bureau has also applied the company interpretation, using correct loads, in its July 1 evaluation.

Most of these items under point 3 are discussed by the Bureau witnesses on pages 508–510 in part 3 of the hearings.

Point 4. Transmission losses: The Bureau did not consider increased project revenue which would result from reduced transmission losses alleged under the utilities proposal. The private utilities claimed this increase in revenue would accumulate to about $75,347,000 for the entire study period.

Reply to point 4: The Bureau met with the individual private utilities, explaining its interpretation of their offer, including the matter of losses which were quoted variously up to 10 percent on kilowatts, and asked each if their offer was properly interpreted and handled. There were no disagreements. It can only be concluded from the official offers that the utilities either did not recognize or intended to keep for themselves any benefits in savings in losses resulting from interconnections.

It is a well-known fact that the losses on an independent Federal transmission system plus the losses on the private utility systems without any new interconnections between them would be higher than the losses on the two systems if new interconnections are made.

The same decrease in losses can be secured by the Bureau building the lines and effecting interconnections with the private utilities without wheeling being involved. It must be recognized that in the interconnected system not only are the losses to the Bureau reduced but losses to the private utilities are also reduced. This savings in losses is associated with the interconnection and more efficient use of the systems through displacement and are not related to the wheeling offers. For these reasons, it is appropriate not to claim any added revenue due to savings in losses. The matter was explained in the Bureau's testimony beginning on page 519, part 3, of the hearings.

Point 5. Operation and maintenance: The Bureau estimate of operation and maintenance for the yardstick system amounts to about 1.29 percent of the investment in transmission facilities, but under the private utilities' proposal the Bureau estimate of operation and maintenance of the Federal portion of the transmission system amounted to 2.29 percent of the investment in transmission facilities. The private utilities claim this resulted in an advantage to the Bureau system of about $71,070,000.

Reply to point 5: The private utilities claim the Bureau has overstated the operation, maintenance, and replacement costs of the facilities the Bureau will construct under the private utilities proposal. They base this claim on a contention that the relationship between operation and maintenance costs and the investment in transmission facilities is a constant percentage for all systems. That there is not such a constant relationship is shown by the fact that the operation and maintenance costs of the Arizona Public Service Co. system since 1952 averages 4.45 percent while on Utah Power & Light Co. system operation and maintenance costs for the last 10 years average 1.97 percent. Recognizing the frailties of a rule of thumb approach, the Bureau based its operation and maintenance costs on a detailed study of the personnel requirements for transmission line and substation operation and maintenance crews using its experience on other similar Bureau systems and taking into account the nature of the terrain and isolation of facilities, the long distances to be traveled by maintenance crews, and the efficient utilization of personnel. The Bureau concludes its estimates for operation and maintenance costs made on this basis are a reasonable estimate and the results are consistent with conditions normally found in practice.

Point 6. Interest costs: The private utilities claim interest savings would amount to $135,787,000 for the study period based upon the foregoing points.

Reply to point 6: The claimed savings in interest of $135,787,000 would not materialize with elimination of the cost distortions made by the private utilities.

SUMMARY

Notwithstanding the unjustified increase of the spread in cost of Federal facilities between the yardstick system and the wheeling proposal, the unilateral reduction in power and energy wheeled for computing wheeling charges, the arbitrary increase in revenues from saving losses, and the unrealistic reduction of operation and maintenance costs for the Federal facilities under the private utilities proposal, the studies of the private utilities claim an advantage for the wheeling proposal of only $2,284,000 in irrigation assistance by year 2049. From their own studies this advantage would be wiped out in less than 9 months by the $3,249,000 more net revenues each year beginning in 2049 under the Federal system than under the private utilities proposal. Their own figures show that at the end of a hundred-year period the Federal system would provide $43,202,000 more irrigation assistance than under the private utilities proposal.

In conclusion, the results shown in the report on June 1, 1961, are based upon maximizing the costs of the Federal system and minimizing the costs under the private utilities proposals based on erroneous assumptions.

The Bureau's July 1 evaluation of the wheeling offer incorporating the utilities own evaluation of wheeling offers is shown in column 4 on the attached table.

TABLE I.—*Colorado River storage project—Bureau's comparison of financial analyses of Federal transmission systems with wheeling proposals of private utilities*

[Cost unit, $1,000]

Item No. and description	Yardstick system-basic analysis, October 1960 study (1)			Modified Federal transmission system not interconnected to Four Corners steamplant, June 1961 study (2)			October 1960 analysis of private utilities' proposal (3)		
1. Year of power payout	2007			2009			2012		
2. Year of irrigation payout	2011			2012			2017		
3. Years for power payout	44			46			49		
4. Years for irrigation payout	48			49			54		
INVESTMENT									
5. Power allocation without transmission investment	$489,419			$489,419			$489,419		
6. Construction cost—Transmission	176,245			[3] 182,945			57,770		
7. Interest during construction	6,292			6,352			2,451		
8. Total power allocation	671,956			678,716			549,630		
9. Irrigation allocation	90,478			90,478			90,478		
10. Interest on power allocation	454,737			486,983			421,128		
11. Total repayment obligation	1,217,171			1,256,177			1,061,236		
	By 2015	By 2027	By 2049	By 2015	By 2027	By 2049	By 2015	By 2027	By 2049
12. Total operating revenue	$1,698,444	$2,100,930	$2,749,338	$1,698,444	$2,100,930	$2,749,338	$1,698,444	$2,100,930	$2,749,338
OPERATING COSTS									
13. Operation and maintenance	227,287	283,147	385,557	236,174	293,870	399,646	182,951	227,411	308,921
14. Replacements	61,450	76,858	105,106	61,577	76,937	105,097	43,188	54,036	73,920
15. Steam energy purchases [4]	61,210	78,490	89,270	61,210	78,490	89,270	61,210	78,490	89,270
16. Wheeling charge payments							374,681	466,883	625,137
17. Total operating costs	349,947	438,495	579,933	358,961	449,297	594,013	662,026	826,816	1,097,248
18. Net revenues	1,348,497	1,662,425	2,169,405	1,339,483	1,651,633	2,155,325	1,036,418	1,274,114	1,652,090
19. Repayment of investment	762,434	762,434	762,434	769,194	769,194	769,194	[5] 640,108	640,108	640,108
20. Interest payments	454,737	454,737	454,737	486,983	486,983	486,983	421,128	421,128	421,128
21. Total interest and repayment	1,217,171	1,217,171	1,217,171	1,256,177	1,256,177	1,256,177	1,061,236	1,061,236	1,061,236
22. Irrigation assistance to States	131,326	445,264	952,234	83,306	395,456	899,148	−24,818	212,878	590,854
23. Requirement for irrigation assistance to States	22,647	283,078	426,151	22,647	283,078	426,151	22,647	283,078	426,151

See footnotes at end of table.

TABLE I.—*Colorado River storage project—Bureau's comparison of financial analyses of Federal transmission systems with wheeling proposals of private utilities*—Continued

[Cost unit, $1,000]

Item No. and description	July 1961 analysis of private utilities' proposal using private utilities' interpretation of wheeling offers [1] (4)			July 1961 analysis of private utilities' proposal using Bureau's same interpretation of wheeling offers as used in October 1960 analysis [1] (5)		
1. Year of power payout	2011			2013		
2. Year of irrigation payout	2016			2018		
3. Years for power payout	48			50		
4. Years for irrigation payout	53			55		
INVESTMENT						
5. Power allocation without transmission investment	$489,419			$489,419		
6. Construction cost—Transmission	[2] [3] 60,030			[2] [3] 60,030		
7. Interest during construction	2,230			2,230		
8. Total power allocation	551,679			551,679		
9. Irrigation allocation	90,478			90,478		
10. Interest on power allocation	414,021			435,705		
11. Total repayment obligation	1,056,178			1,077,862		
	By 2015	By 2027	By 2049	By 2015	By 2027	By 2049
12. Total operating revenue	$1,698,444	$2,100,930	$2,749,338	$1,698,444	$2,100,930	$2,749,338
OPERATING COSTS						
13. Operation and maintenance	182,848	227,308	308,818	182,848	227,308	308,818
14. Replacements	44,221	55,321	75,671	44,221	55,321	75,671
15. Steam energy purchases [4]	61,210	78,490	89,270	61,210	78,490	89,270
16. Wheeling charge payments	357,554	444,644	593,993	376,696	468,028	624,844
17. Total operating costs	645,833	805,763	1,067,752	664,975	829,147	1,098,603
18. Net revenues	1,052,611	1,295,167	1,681,586	1,033,649	1,271,783	1,650,735
19. Repayment of investment	[5] 642,157	642,157	642,157	[5] 642,157	642,157	642,157
20. Interest payments	414,021	414,021	414,021	435,705	435,705	435,705
21. Total interest and repayment	1,056,178	1,056,178	1,056,178	1,077,862	1,077,862	1,077,862
22. Irrigation assistance to States	−3,567	238,989	625,408	−44,393	193,921	572,873
23. Requirements for irrigation assistance to States	22,647	283,078	426,151	22,647	283,078	426,151

[1] Using new load data as revised June 19, 1961, and revised Federal costs based on line under construction, Glen Canyon to Shiprock, and other recent cost data.
[2] Preliminary.
[3] Cost is necessarily larger than previously shown because only increased costs of the modified system can be reflected in this part of the system. There are no offsetting decreases in this portion of the system as is the case in arriving at the $183,000,000 estimated for the total modified system.
[4] Includes $1,750,000 for Hoover replacements.
[5] Short of repayment of irrigation allocation within 50 years as required by law.

Mr. JENSEN. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Chairman, as I have repeatedly said, I have enjoyed being a member of this committee for some time. I have the greatest respect for the membership of the subcommittee and for our very fine clerks. A long time was spent on this bill, and I think it is unfortunate that some subcommittees hold hearings running simultaneously with hearings of other subcommittees, and speaking for myself, it so happens that the hearings of this particular subcommittee ran at the same time as another subcommittee which I had to attend most of the time.

Mr. Chairman, for many years now, we have all been a party to voting huge sums of money for the specific benefit of the so-called reclamation states of the West. Billions of the taxpayers' dollars have been spent on Federal projects designed to provide water storage, irrigation, and flood control on western rivers. There is little doubt in my mind that much of this expenditure provided great benefits both for the area involved and for the Nation as a whole.

Conservation of water is of prime importance to our Nation today, and the economic growth of the Western States which has been made possible by these water projects has made a real contribution to our national economy and to the prosperity and well-being of our citizens.

Unfortunately it has been increasingly evident that public power proponents have seized upon reclamation projects as another means of obtaining public subsidy. The people of the East who pay a lion's share of the cost of these reclamation projects through their taxes, have done so willingly in the belief that they were aiding irrigation and water conservation projects. But now that reclamation is obviously becoming the tool of public power, I do not believe it is the responsibility of the people in the East to further subsidize the already heavily subsidized preference electric power users. These privileged people seem to have come to the conclusion that the billions of dollars spent for giant dams was spent to provide them with cheap electricity.

There is obvious justification for the construction of electric power facilities in conjunction with these dams, since the revenue derived from the generating facilities provides for partial payment of the taxpayers' investment. There is no conceivable reason, however, why the preference customers of the West should obtain this power at anything less than the going rate for wholesale electric power in their respective areas. Nor is there any conceivable reason why they should avoid paying their share of taxes on this power.

There is absolutely no reason why, for example, grandiose electric power transmission lines should be built to carry this Federal tax-free power to these customers. In many cases in the West the power could as easily be carried to them over existing lines, many of which are owned and operated by private electric utilities.

A good case of point is the current attempt on the part of the Bureau of Reclamation to waste taxpayers' money on transmission lines for the Colorado River storage project. This project, which started out with the cost estimate of $760 million has already reached over a billion dollars. The private utilities in the area have offered to carry power over their lines for a very reasonable wheeling charge to the Bureau of Reclamation's preference customers. The preference customers, as a matter of fact, will receive that power at a rate identical to that which will be charged if the Bureau of Reclamation were to build the transmission lines. The conclusion is obvious that these people want the Federal Government to build these lines as part of a huge Federal power network spreading over the whole Nation.

It is now time for us to take a good look at these tactics. It is time for us to decide that unless the public power proponents cease their attempts to obtain future subsidies under the guise of reclamation it may be necessary to curtail otherwise desirable water development projects. Those who are concerned with legitimate reclamation and water

projects should consider the consequences of what public power people are doing. Unless they do, we are going to have to look at every reclamation project in a new light.

Mr. Chairman, the Bureau of Reclamation estimates that it will cost them $183 million to provide transmission lines to deliver the electric power to preference customers from the upper Colorado project to the five States—Utah, Wyoming, Colorado, Arizona, and New Mexico.

According to testimony given our committee most of these preference customers are now being served by investor-owned utilities in those States. It is estimated that two-thirds of these suggested Federal lines, estimated to cost the taxpayers of the Nation about $135 million, are not necessary because the private utilities have offered to transmit or wheel the power over their existing and planned lines for firm and reasonable rates.

As a matter of fact on September 1, 1961, the Upper Colorado River Commission adopted a resolution endorsing the proposal of the private- or investor-owned utilities.

Should the Federal power boys succeed, all these funds will come from the taxpayers of the country, and on the basis of Pennsylvania's share of the Nation's tax burden—around 6.95 or 7 percent—Pennsylvania taxpayers' contribution will be $9,450,000. This exceeds that from the five States involved as follows:

	Percent	*Amount*
Colorado	0.94	$1,280,000
New Mexico	.37	500,000
Utah	.36	490,000
Wyoming	.16	220,000
Arizona	.57	770,000
Total	2.40	3,260,000

The proposal of the private utilities is not new because similar arrangements are quite common and is the same type that is presently in use by the Southwest Power Administration and the Southeastern Power Administration with the utilities in those areas.

The proposed plan of the investor-owned utilities is certainly consistent with what I believe is the intent of Congress—that is not to appropriate funds for transmission facilities when suitable wheeling contracts can be entered into with private facilities.

The Colorado River storage project is a water development project. The generation of electric power is its secondary purpose and the revenues derived from the sale of this power must first pay for the power facilities and then provide money to bring water to land—irrigation—and for other purposes. Therefore the sooner the electric facilities are paid for, the earlier assistance can be given for irrigation, and so forth.

Should the proposal of the private utilities prevail, not only would there be a saving of $135 million in construction costs but also payments of $1.2 million per year from the private utilities out of "wheeling" revenues in Federal income taxes and $2.1 million annually in State and local taxes. Of course the Bureau of Reclamation would pay none.

Other benefits that would accrue from the private utilities proposal would be the repayment to the Federal Treasury the heavy cost of the power facilities at least 7 years earlier—thus permitting of earlier irrigation construction or other water projects. It would also make available about 57,000 kilowatts more power for sale to preference customers through elimination of heavy transmission line losses on the Bureau's proposed system. Sale of this extra energy at 6 mills would increase project revenues by $1 million per year.

I trust when the amendment is offered to eliminate the Bureau of Reclamation's proposed transmission lines that it will be adopted.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Mr. Chairman, I want to compliment the gentleman on his excellent statement and say that Pennsylvania is a lucky State to have the gentleman as one of the ranking members of the Subcommittee on Public Works of the Committee on Appropriations of the House. Not only for the taxpayers of the country but for private industry, we in Pennsylvania are proud of the gentleman. I may say further that we in Pennsylvania are particularly proud and pleased on what Federal projects the gentleman from Pennsylvania, Dr. FENTON, has been able to work out for the communities in our whole State, in the present appropriation bill. Democrats and Republicans alike in Pennsylvania should appreciate the gentleman's excellent services on the House Appropriations Committee. Congressman FENTON'S accomplishments and success are based on his long service, experience, and legislative competence, as well as his earned seniority in the House and on the House Appropriations Committee.

Mr. FENTON. I thank the gentleman very much.

Mr. KIRWAN. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, the public works appropriation bill now before the committee recommends $3,662,548,000 for fiscal year 1962—about a $70 million reduction from the requested amount. The vast portion of the recommended amount goes to the Atomic Energy Commission—some $2.3 billion.

The water resources programs of the Corps of Engineers and the Bureau of Reclamation are provided for in the amount of $960,369,500.

These funds are allocated to 436 projects and activities, in all of the States, with a total estimated Federal cost of approximately $17 billion. This $17 billion cost is, of course, based on the assumption that all activities recommended in this bill will come to full fruition and ultimate construction. It might very well be that many of the survey and planning starts will result in dropping some of the projects as infeasible and not economically justified.

Mr. Chairman, this bill has often been called the pork barrel and writers and cartoonists use it to have a field day in lampooning the actions of the Members of the Congress in seeking and obtaining particular projects for their districts.

Mr. Chairman, this bill helps to protect and preserve and secure our Nation—to guard and develop its resources—to spread waters on the land to green and bloom our deserts—to engineer our waterways and harbors, enabling food, fiber, minerals, and the sinews of our industrial capacity and might to be shipped from their basic and naked origin to areas of manufacturing, development, and consumption.

Mr. Chairman, this bill is the vehicle for the realization of all of this and it is more. It harnesses the tremendous, magnificent, potential power of water and spreads it as energy to lift the daily burdens of mankind and to ease his way with comfort and convenience.

It is the instrument by which our Nation curbs the ravaging, devastating consequences of uncontrolled and rushing waters. This is the bill that has built the reservoirs, the dams, floodwalls, jetties, breakwaters, pumping stations to stop floods, to protect property and to save lives.

All of these that have been constructed are eloquent monuments to the wisdom of the responsible agencies and to the Congress. For these projects have saved millions of dollars and many human lives. There is not a section of this country that has not felt and appreciated the value of the flood control projects that sprinkle this land.

Within the receding hours of today and yesterday we have witnessed the value of projects that run from New Orleans and Cameron, La., to Corpus Christi, Tex. Hurricane Carla has visited this sweep of area with one of the fiercest storms of the century. It has generated the greatest mass exodus of people in the Nation's history—more than 500,000. The jetties, breakwaters, and seawalls were major factors in protecting property and saving lives and enabling the people to successfully flee the area. And I take this opportunity to commend the civil defense agencies, Red Cross, and all of the local police and fire units and thousands of civilians whose efforts made possible the evacuation.

Coming from New England, I can appreciate the conditions, the fear and terror of windswept, torrential rains, engulfing tides, hurricanes and tornadoes. For we, in New England, have experienced all of these phenomena. We are grateful for the cooperation that we have received from the Federal Government down through the years from the year in the early 1930's, when the Federal Flood Control Act was passed by the Congress.

Since joining this Subcommittee on Public Works Appropriations some 7 years ago, it has been my constant and consistent desire to bring to full realization the flood control program of the

Corps of Engineers designed to give my section of the country adequate protection from floods and hurricanes. The Congress has generously responded to our pleas and daily we are moving closer to our goal.

The bill before us today helps us to meet our objective. I list the flood control projects that are included in it and the effect that they have on our areas in New England—the economics of the projects:

CONNECTICUT RIVER BASIN

Mr. Chairman, these projects affect the Chicopee River and Westfield River Basins which empty into the Connecticut River Basin in the vicinity of Springfield. The committee increased planning funds for the Chicopee Falls local protective works by $50,000, from $75,000 to $125,000. The committee also allocated $50,000 to commence advance engineering and design plans for the Westfield local protective works on the Westfield River below Littleville dam and reservoir. The Corps of Engineers advised the committee that this sum could be used for planning in this fiscal year.

CHICOPEE FALLS, MASS.

(Initiation of planning)

Location and description: The project is located on the Chicopee River at Chicopee Falls, Mass. The project provides for channel excavation and 4,400 linear feet of levees and floodwalls along the left bank of the river. Pumping plants would be provided to dispose of interior storm drainage.

Authorization: 1950 Flood Control Act.

Benefit-cost ratio: 1.3 to 1.

Summarized financial data:

Estimated Federal cost	[1] $1,880,000
Estimated non-Federal cost	60,000
Cash contribution	([1])
Other costs	60,000
Total estimated project cost	1,940,000
Preconstruction planning estimate	170,000
Appropriations to June 30, 1961	[2] 20,000
Planning for fiscal year 1962	75,000
Balance to complete preconstruction planning after fiscal year 1962	75,000

[1] Local interests are required to assume at least 20 percent of the project cost, exclusive of costs for planning. This will necessitate a cash contribution, or a reimbursement over a 50-year period, in an amount estimated to be $294,000.

[2] Preauthorization study costs only.

Justification: Four floods of major proportion have been experienced since 1936. The greatest flood of record occurred in September 1938. The second greatest flood, August 1955, caused the largest damage. Losses in the Chicopee Falls project area during the 1955 flood amounted to $2,800,000. Flood protection is required for three major industrial complexes having a plant value of over $60 million, which produce over $100 million in tires, cotton goods, and firearms annually.

Non-Federal costs: Local interests are required to assume at least 20 percent of the cost (except costs of planning, design, and acquisition of water rights) of the completed project, payable either as construction proceeds or pursuant to a contract providing for repayment with interest within 50 years. The actual cost, or fair market value of lands, easements, rights-of-way, and work performed or services rendered prior to completion of construction of the project, which are furnished by a non-Federal entity, shall be included in the share of the cost to be borne by the non-Federal entity. Local interests are specifically required to furnish all lands, easements, and rights-of-way for construction; provide sewer and utility alterations necessary for construction and operation of the project, including the construction of a water intake and the extension of a low dam for furnishing water to the United States Rubber Co. as a replacement for existing facilities, and permit no encroachment on the improved channels or on the ponding areas or, if ponding areas or capacities are impaired, will provide substitute storage capacity. The estimated costs to local interests are as follows:

Lands and damages	$50,000
Relocations	10,000
Total	[1] 60,000

[1] In addition, a cash contribution, or reimbursement, estimated at $294,000 is required. The cost of preserving and maintaining channel and ponding capacities is not available.

Local interests also are required to maintain and operate the project after completion. Annual maintenance and operation costs are estimated at $2,800.

Status of local cooperation: By resolution dated March 10, 1959, the board of aldermen of the city of Chicopee agreed to provide certain measures of local cooperation necessary for construction of the project. No difficulty is anticipated in securing all required measures of local cooperation.

Comparison of Federal cost estimates: No change from the latest estimate submitted to Congress. (The requirement of a cash contribution, or reimbursement, as specified in the authorization act has not been considered.)

CONANT BROOK RESERVOIR, MASS.

(Initiation of planning)

Location and description: The project is located on Conant Brook, a tributary of the Quaboag River in the Connecticut River Basin. The reservoir lies wholly within the town of Monson, Mass., in the south central part of Massachusetts. The project provides for an earth and rock fill dam approximately 1,235 feet long with a maximum height of about 85 feet above streambed. At spillway crest elevation, 754 feet, the capacity of the reservoir would be 3,840 acre-feet.

Authorization: 1960 Flood Control Act.

Benefit-cost ratio: 1.4 to 1.

Summarized financial data:

Estimated Federal cost	$2,080,000
Estimated non-Federal cost	----------
Cash contributions	----------
Other costs	----------
Total estimated project cost	2,080,000
Preconstruction planning estimate	230,000
Appropriations to June 30, 1961	[1] 20,000
Planning allocation for fiscal year 1962	50,000
Balance to complete preconstruction planning after fiscal year 1962	160,000

[1] Preauthorization studies costs only.

Justification: Construction of the Conant Brook Reservoir is required to provide flood protection in the town of Monson and other damage centers on the Quaboag and Chicopee Rivers. A recurring August 1955 flood (at 1959 price levels) would cause damages amounting to $15,880,000 in the Chicopee River Basin of which $5,265,000 would be prevented by the Conant Brook project.

Non-Federal costs: None required.

Status of local cooperation: Local interests are required to prohibit further obstruction of the floodway along Conant and Chicopee Brooks in the town of Monson. State legislation permits the town to establish flood plain zoning. No difficulty is expected in obtaining necessary action to fulfill the local cooperation requirements.

Comparison of Federal cost estimates: The current Federal cost estimate of $2,080,000 reflects an increase of $20,000 on the latest estimate submitted to Congress of $2,060,000. The increase is due to the inclusion of the costs of preauthorization studies.

LITTLEVILLE RESERVOIR, MASS.

(New start)

Location: The project is located on the Middle Branch of the Westfield River, 1 mile above its confluence with the Westfield River and approximately 2 miles north (upstream) of Huntington, Mass.

Authorization: 1958 Flood Control Act.

Benefit-cost ratio: 1.5 to 1.

Summarized financial data:

Estimated Federal cost	$7,000,000
Estimated non-Federal cost	(1)
Cash contribution	(1)
Other costs	----------
Total	----------
Appropriations to June 30, 1960	116,000
Appropriations for fiscal year 1961	154,000
Appropriations to date	270,000
Appropriations requested for fiscal year 1962	300,000
Balance to complete after fiscal year 1962	6,430,000

Accumulated percent of estimated Federal cost:

Appropriations to date	4
Appropriations requested for fiscal year 1962	8

[1] Local interests are required to reimburse the Federal Government for costs allocated to water supply storage over a period not to exceed 50 years after use of this storage is initiated. The reimbursement required has not been determined.

Physical data

Dam:
- Type: Earthfill.
- Height: 164 feet.
- Length: 1,350 feet.

Spillway:
- Type: Ogee.
- Capacity: 92,000 cubic feet per second.
- Crest length: 430 feet.

Reservoir capacity:
- Flood control: 23,000 acre-feet.
- Water supply: 9,400 acre-feet.

Status, January 1, 1961: Construction not started.

Completion schedule:

Land acquisition	June 1964.
Relocations	December 1963.
Dam	June 1964.
Access road	June 1964.
Buildings, grounds and utilities	June 1964.
Entire project	June 1964.

Justification: The Littleville Reservoir would be operated as a unit of the comprehensive plan for flood control in the

Connecticut River Basin and as such would provide flood reductions to downstream damage centers on the Westfield and Connecticut Rivers. The flood of August 1955 produced losses estimated at $9,160,000, the heaviest loss ever experienced in the Westfield River area downstream of the Knightville and Littleville Reservoirs. Flood protection is urgently needed for Huntington and Westfield, Mass., and other major damage centers on the Westfield and Connecticut Rivers to augment the partial protection provided by the existing projects.

Fiscal year 1962: The requested amount of $300,000 will be applied as follows:

Initiate land acquisition	$100,000
Initiate construction of dam	25,000
Engineering and design	153,000
Supervision and administration	22,000
Total	300,000

Expenditure of these funds will provide for economical prosecution of the project during the fiscal year.

Non-Federal costs: Local interests are required to reimburse the Federal Government for costs allocated to water supply storage over a period not to exceed 50 years after use of this storage begins. The reimbursement required has not been determined.

Status of local cooperation: The city of Springfield, Mass., has furnished assurances for participating in the cost of the project including provision for future water supply and has filed the required petition with the State legislature.

Comparison of Federal cost estimate: The current Federal cost estimate of $7 million is an increase of $1,510,000 over the latest estimate submitted to Congress. The increase is due primarily to present consideration of a dual-purpose project in accordance with the 1958 Water Supply Act.

Mr. Chairman, the other New England construction projects follow:

HOPKINTON-EVERETT RESERVOIR, N.H.

(Continuing)

Location: The site of the Hopkinton Dam is on the Contoocook River, 17.3 miles above its junction with the Merrimack River and about one-half mile upstream from the village of West Hopkinton. The site of the Everett Dam is on the Piscataquog River, 16 miles above its junction with the Merrimack River, and about 1.3 miles southeast of the village of East Weare.

Authorization: 1938 Flood Control Act.

Benefit-cost ratio: 1.9 to 1.

Summarized financial data:

Estimated Federal cost	$22,600,000
Estimated non-Federal cost	----------
Cash contribution	----------
Other costs	----------
Total estimated project cost	22,600,000
Appropriations to June 30, 1960	6,310,000
Appropriations for fiscal year 1961	7,670,000
Appropriations to date	13,980,000
Appropriations requested for fiscal year 1962	6,200,000
Balance to complete after fiscal year 1962	2,420,000

Accumulated percent of estimated Federal cost:

Appropriations to date	62
Appropriations requested for fiscal year 1962	90

Physical data

	Hopkinton	Everett
Dam:		
Type	Earth fill	Earthfill.
Height	76 ft.	115 ft.
Length	790 ft.	2,000 ft.
Spillway:		
Type	Overflow	Overflow.
Capacity	59,700 c.f.s.	28,500 c.f.s.
Crest length	300 ft.	180 ft.
Canals:		
Length	3,500 ft.	13,500 ft.
Width	120 ft.	160 ft.
Dikes:		
Length	9,600 ft.	6,400 ft.
Height	77 ft.	50 ft.

Reservoir capacity: Flood control, 157,300 acre-feet.

Status, Jan. 1, 1961

	Percent complete	Completion schedule
Land acquisition	66	June 1962.
Relocations	36	December 1962.
Dam:		
Everett	61	September 1962.
Hopkinton	19	September 1963.
Dam closure:		
Everett	----------	September 1960.
Hopkinton	----------	July 1962.
Entire project	46	September 1963.

Justification: The Hopkinton-Everett project is an important unit in the comprehensive plan of improvement for flood control in the Merrimack River Basin. This project, together with the three completed reservoirs, will control about 32 percent of the total drainage area of the Merrimack River Basin. Construction of this reservoir is required, in addition to the completed reservoirs, to reduce flood stages to below the grade of dikes at those downstream cities now having local protective works. The downstream protective works will continue to provide a false sense of security until the complementary upstream storage insures adequate control of floodwaters. It is estimated that upon a recurrence of the 1936 and 1938 floods, the Hopkinton-Everett project would reduce stages at Manchester, N.H., by 4 feet and 3.4 feet, respectively, and at Lowell, Mass., by 3 feet and 2.6 feet, respectively. Under present conditions of development, without Hopkinton-Everett protection, these floods would cause $163,700,000 and $53,600,000 in damages, respectively, of which the project could prevent $40 million and $17,400,000 respectively. About 200 industries, producing woolen, cotton and synthetic textiles, mica products, paper, and paper box products, gypsum board, shoe machinery, plastics, and electronic equipment, would benefit from this protection. Annual flood control benefits for the project are estimated at $1,800,000.

WESTVILLE RESERVOIR, MASS.

(Continuing)

Location: The project is located on the Quinebaug River, a tributary of the Thames River in the towns of Southbridge and Sturbridge, Mass., 0.75 mile upstream from the Massachusetts Route No. 131 bridge crossing of the Quinebaug River in Southbridge, Mass., and 56.7 miles upstream from its confluence with the Shetucket River.

Authorization: 1941 Flood Control Act.

Benefit-cost ratio: 1.4 to 1.

Summarized financial data:

Estimated Federal cost	$5,882,000
Estimated non-Federal cost	----------
Cash contribution	----------
Other costs	----------
Total estimated project cost	5,882,000
Appropriations to June 30, 1960	4,182,000
Appropriations for fiscal year 1961	2,455,000
Appropriations to date	4,182,000
Appropriations requested for fiscal year 1962	1,700,000
Balance to complete after fiscal year 1962	----------

Accumulated percent of estimated Federal cost:

Appropriations to date	71
Appropriations requested for fiscal year 1962	100

Physical data

Dam:
- Type: Earthfill.
- Height: 78 feet.
- Length: 560 feet.

Reservior capacity:
- Flood control: 11,000 acre-feet.
- Operating pool: 100 acre-feet.

Spillway:
- Capacity: 24,000 cubic feet per second.
- Crest length: 200 feet.
- Type: Ogee weir, chute in rock.

Status, Jan. 1, 1961

	Percent complete	Completion schedule
Land acquisition	32	December 1961.
Relocations	2	Do.
Dam	23	February 1962.
Dam closure	----------	November 1960.
Entire project	25	February 1962.

Justification: The Westville project is a unit of the authorized plan for flood control in the Thames River Basin. The flood of August 1955 caused damages amounting to $61,680,000 in this basin. Had the Westville Dam been in operation at that time, damages amounting to $5,500,000 would have been prevented on the Quinebaug and Shetucket Rivers.

In combination with the East Brimfield project, the Westville project will provide substantial protection for Southbridge, Mass., and a large measure of protection for other downstream communities, including Putnam, Danielson, Jewett City, and Norwich, Conn., industrial and business centers on the Quinebaug and Thames Rivers.

Fiscal year 1962: The requested amount of $1,700,000 will be applied to:

Initiate and complete recreational facilities and operating equipment	$48,000
Complete construction of dam, reservoir, access road, and buildings, grounds and utilities	539,800
Complete land acquisition	466,600
Complete relocations	528,100
Engineering and design	4,000
Supervision and administration	113,500
Total	1,700,000

Expenditure of these funds will provide for completion of the project during the fiscal year.

Non-Federal costs: None.

Status of local cooperation: None required.

Comparison of Federal cost estimate: The current Federal cost estimate of $5,882,000 is a decrease of $878,000 from the latest estimate ($6,760,000) submitted to Congress. The decrease is based on award of the multi-component contract for the dam and appurtenant works, and on a reduction in land acquisition costs.

NEW BEDFORD, FAIRHAVEN AND ACUSHNET BARRIERS, MASS.

Location: The project is located in New Bedford-Fairhaven Harbor, Mass., on the southern coast of Massachusetts.

Authorization: 1958 Flood Control Act.

Benefit-cost ratio: 1.7 to 1.

Summarized financial data:

Estimated Federal cost	$11,500,000
Estimated non-Federal cost	7,320,000
Cash contributions	7,150,000
Other costs	170,000
Total estimated project cost	18,820,000
Appropriations to June 30, 1960	700,000
Appropriations for fiscal year 1961	----------
Appropriations to date	700,000
Appropriations requested for fiscal year 1962	500,000
Balance to complete after fiscal year 1962	10,300,000

Accumulated percent of estimated Federal cost:

Appropriations to date	6
Appropriations requested for fiscal year 1962	10

Physical data

Main harbor barrier: Type, earth and rockfill; length, 4,500 feet; average height, 20 feet.

Navigation gates: Structure, reinforced concrete; gates, sector; size, 2 leaves 59 feet high by 95 feet outer circumference; mechanism, electric motor driven; clear opening, 150 feet.

Clark Cove and New Bedford dikes: Type, earth and rockfill; length, 10,300 feet; average height, 10 feet.

Fairhaven dike: Type, earth and rockfill; length, 3,100 feet; average height, 13 feet.

Pumping station: Number, 1; structure, reinforced concrete; size, 80 by 30 feet; number of pumps, 4; capacity (each), 55,000 gallons per minute at 20-foot head.

Status Apr. 1, 1961

	Percent complete	Completion schedule
Bypass channel	Not started	December 1962.
Levees and floodwalls	do	March 1965.
Pumping plant	do	June 1964.
Buildings, grounds, and utilities.	do	December 1964.
Entire project	do	March 1965.

Justification: The project will provide full protection for over 1,260 acres in New Bedford, Fairhaven, and Acushnet, Mass., from storm tide flooding. The project will protect the heavily industrialized portion of these communities.

The New Bedford-Fairhaven area has experienced heavy tidal-flood losses in recent hurricanes. The harbor, being open to Buzzards Bay, is particularly susceptible to the onslaught of tidal surges accompanying northward moving hurricanes.

At current price levels, flood losses are estimated at $33 million for a recurrence of the September 1938 hurricane and $31,100,000 for a recurrence of the August 1954 hurricane. The project would prevent $31,800,000 and $30,130,000 of these damages, respectively. This represents practically complete protection for 80 percent of the area flooded during past hurricanes in the New Bedford-Fairhaven area, and a reduction of 97 percent of the losses due to the record hurricane of 1938.

Fiscal year 1962: The requested amount of $500,000 (Federal funds) will be applied to:

Construction of bypass channel	$160,000
Engineering and design	300,000
Supervision and administration	40,000
Total	500,000

Non-Federal costs: The initial investment required of local interests in construction of the project is estimated at $7,320,000, broken down as follows:

Lands and rights-of-way	$125,000
Relocations	45,000
Contributions (30 percent of total estimated cost, less the cost of lands, damages, relocations, and preauthorization studies)	5,440,000
Contribution in lieu of maintenance and operation of main harbor barrier	1,710,000
Total	7,320,000

Local interests are required to maintain and operate the entire project, except the main harbor barrier, upon completion. The estimated annual cost for maintenance and operation is $72,000.

Status of local cooperation: Informal assurances of local cooperation have been received. Legislation has been prepared and is under consideration in the Massachusetts General Court to authorize State assistance in meeting the requirements of local cooperation. It is expected that all requirements of local cooperation will be met.

Comparison of Federal cost estimate: No change from the latest estimate submitted to Congress.

EAST BRANCH RESERVOIR, CONN.

(New start)

Location: The project is located in the city of Torrington, Conn., on the East Branch of the Naugatuck River, 3 miles above its confluence with the West Branch.

Authorization: 1958 Flood Control Act.

Benefit-cost ratio: 1.4 to 1.

Summarized financial data:

Estimated Federal cost	$2,010,000
Estimated non-Federal cost	890,000
Cash contribution	----------
Other costs	890,000
Total estimated project cost	2,900,000
Appropriations to June 30, 1960	20,000
Appropriations for fiscal year 1961	150,000
Appropriations to date	170,000
Appropriations requested for fiscal year 1962	250,000
Balance to complete after fiscal year 1962	1,590,000

Accumulated percent of estimated Federal cost:

Appropriations to date	8
Appropriations requested for fiscal year 1962	21

Physical data

Dam: Type, rolled earth; height, 95 feet; length, 740 feet.

Outlet: Type, reinforced concrete, ungated; size, 38-inch diameter.

Spillway: Type, side channel; capacity, 22,000 cubic feet per second; length, 175 feet.

Reservoir: Flood control, 5,150 acre-feet.

Status January 1, 1961: Construction not started.

Completion schedule:

Relocations	December 1962.
Dam	December 1963.
Entire project	Do.

Justification: Flood protection is urgently needed for the Torrington area and that portion of the Naugatuck River upstream from the Thomaston Reservoir. Six major floods have occurred in the past 30 years. The greatest flood of record, August 1955, took six lives and caused damages amounting to $23,300,000. The East Branch and Hall Meadow Brook projects are the two reservoir units of the plan for flood control above the city of Torrington. Had both these reservoirs been in operation during the 1955 flood, they would have prevented $18,500,000 in damages. The East Branch Reservoir alone would have prevented damages in the amount of $5,900,000

Fiscal year 1962: The requested amount of $250,000 will be applied to:

Initiate road relocation	$180,000
Engineering and design	45,000
Supervision and administration	25,000
Total	250,000

Expenditure of these funds will provide for economical prosecution of the project during the fiscal year.

Non-Federal cost: The initial investment required of local interest in construction of the project is estimated at $890,000 for lands, easements, and rights-of-way.

Local interests are required to operate and maintain the project upon completion. The annual cost for maintenance operation is estimated at $2,000.

Status of local cooperation: In 1957 the Connecticut Legislature authorized a bond issue for the purpose of fulfilling all local assurances for East Branch Reservoir.

Comparison of Federal cost estimates: No change from the latest estimate submitted to Congress.

HALL MEADOW BROOK RESERVOIR, CONN.

(Continuing)

Location: The damsite is located in the city of Torrington, Conn., on Hall Meadow Brook, 0.4 mile above its confluence with the West Branch of the Naugatuck River.

Authorization: 1958 Flood Control Act.

Benefit-cost ratio: 3.1 to 1.

Summarized financial data:

Estimated Federal cost	$2,373,000
Estimated non-Federal cost	570,000
Cash contributions	----------
Other costs	570,000
Total estimated project cost	2,943,000
Appropriations to June 30, 1960	233,000
Appropriation for fiscal year 1961	940,000
Appropriations to date	1,173,000
Appropriations requested for fiscal year 1962	1,200,000
Balance to complete after fiscal year 1962	----------

Accumulated percent of estimated Federal cost:

Appropriations to date	49
Appropriations requested for fiscal year 1962	100

Physical data

Dam:

Type: Earthfill.

Height: 73 feet.

Length: 1,200 feet.

Spillway:
Type: Ogee.
Capacity, cubic feet sper second: 19,200.
Crest length, feet: 100.
Reservoir capacity:
Flood control (acre-feet): 8,620.
Permanent pool (acre-feet): 210.

Status, Apr. 1, 1961

	Percent complete	Completion schedule
Relocations	8	November 1961.
Dam	1	June 1962.
Entire project	16	Do.

Justification: Flood protection is urgently needed for the Torrington area and that portion of the Naugatuck River upstream from the authorized Thomaston project. Damages in the area extending downstream from the proposed damsite on Hall Meadow Brook through Torrington to the upstream limit of the authorized Thomaston Reservoir area in the 1955 flood took six lives and caused losses of $23,300,000. Operation of the Hall Meadow Brook Reservoir project will provide flood protection for the Torrington area, will reduce flood flows in the West Branch of the Naugatuck River and, in combination with the authorized East Branch Reservoir, will reduce flood flows below the East Branch.

Fiscal year 1962: The requested amount of $1,200,000 will be applied to:

Complete road relocations	$340,000
Complete construction of dam, dike and diversion channel	754,000
Engineering and design	11,900
Supervision and administration	94,100
Total	1,200,000

Expenditure of these funds will provide for economical prosecution and physical completion of the project during the fiscal year.

Non-Federal costs: The initial investment required of local interests in construction of the project is estimated at $535,000 for lands and easements, $16,000 for relocation of utilities, and $19,000 for reservoir clearing, a total of $570,000.

Local interests are required to maintain and operate the project upon completion. The annual cost for maintenance and operation is estimated at $3,000.

Status of local cooperation: Local interests are required to provide, without cost to the United States, all lands, easements and rights-of-way necessary for the construction and operation of the project. In 1957 the Legislature of the State of Connecticut authorized a bond issue for the fulfilling of all local assurance for Mad River, Hall Meadow and East Branch Reservoirs. Land acquisition is underway.

Comparison of Federal cost estimate: The current Federal cost estimate of $2,373,000 is an increase of $163,000 over the latest estimate ($2,210,000) submitted to Congress. The change in estimate is based on completion of detailed design studies, including the addition of a diversion channel between the Hall Meadow Brook and Reuben Hart Reservoirs, offset in part by low bids for principal construction features.

MAD RIVER RESERVOIR, CONN.

(Continuing)

Location: The project is located in the town of Winchester, Conn., about 2.2 miles above the confluence with the Still River and about 0.3 mile northwest of the city of Winsted.

Authorization: 1958 Flood Control Act.
Benefit-cost ratio: 1.6 to 1.

Summarized financial data:

Estimated Federal cost	$5,430,000
Estimated non-Federal cost	670,000
Cash contributions	----------
Other costs	670,000
Total estimated project cost	6,100,000
Appropriations to June 30, 1960	261,000
Appropriation for fiscal year 1961	718,000
Appropriations to date	979,000
Appropriations requested for fiscal year 1962	1,800,000
Balance to complete after fiscal year 1962	2,651,000

Accumulated percent of estimated Federal cost:

Appropriations to date	18
Appropriations requested for fiscal year 1962	51

Physical data

Dam:
Type: Earthfill.
Height: 178 feet.
Length: 910 feet.
Spillway:
Type: Side channel.
Capacity: 29,500 cubic feet per second.
Crest length: 340 feet.
Reservoir capacity:
Flood control: 9,700 acre-feet.
Permanent pool: 188 acre-feet.

Status January 1, 1961: Construction not started.

Completion schedule:

Relocations	September 1962.
Dam	October 1963.
Entire project	Do.

Justification: Flood protection is urgently needed for the protection of Winsted, Conn., and downstream areas. Six major floods have occurred in the Mad River Basin since 1900. In the greatest flood of record, August 1955, seven lives were lost and damages downstream of the Mad River Dam site were over $18 million. The operation of the Mad River Dam and Reservoir would reduce flood damages in reaches of the Mad and Still Rivers downstream from the project to the confluence of the Still River and Sandy Brook.

Fiscal year 1962: The requested amount of $1,800,000 will be applied to:

Continue road relocations	$546,000
Continue construction of dam	1,077,000
Initiate reservoir clearing	5,000
Engineering and design	14,000
Supervision and administration	158,000
Total	1,800,000

Expenditure of these funds will provide for economical prosecution of the project during the fiscal year.

Non-Federal costs: The initial investment required of local interests in construction of the project is estimated at $645,000 for lands, easements, and rights-of-way, and $25,000 for relocation of utilities, a total of $670,000.

Local interests also are required to maintain and operate the project upon completion. The annual cost for maintenance and operation is estimated at $1,000.

Status of local cooperation: Local interests are required to provide, without cost to the United States, all lands, easements and rights-of-way necessary for the construction and operation of the project, and zone the channel through the damage areas to prevent further encroachments and to require removal and prevent replacement of obstructive or hazardous structures along the channel whenever they become obsolete. In 1957 the Legislature of the State of Connecticut authorized a bond issue for the fulfilling of all local assurances for Mad River, Hall Meadow and East Branch Reservoirs. Land acquisition by the State of Connecticut is underway.

Comparison of Federal cost estimate: The current Federal cost estimate of $5,430,000 is a decrease of $540,000 from the latest estimate ($5,970,000) submitted to Congress. The current estimate is based on detailed design studies.

PAWCATUCK, CONN.

(New start)

Location: The project is located on the Pawcatuck River at Pawcatuck, Conn.

Authorization: 1960 Flood Control Act.
Benefit-cost ratio: 2.1 to 1.

Summarized financial data:

Estimated Federal cost	$419,000
Estimated non-Federal cost	176,000
Cash contributions	86,000
Other costs	90,000
Total estimated project cost	595,000
Appropriations to June 30, 1960	10,000
Appropriations for fiscal year 1961	38,000
Appropriations to date	48,000
Appropriations requested for fiscal year 1962	371,000
Balance to complete after fiscal year 1962	----------

Accumulated percent of estimated Federal cost:

Appropriations to date	11
Appropriations requested for fiscal year 1962	100

Physical data

Dike: Type, earthfill; length and height, 2,386 by 15 feet.

Floodwall: Type, concrete T-wall; length and height, 208 by 10 feet.

Pumping plant: Structure, brick and concrete block; size, 25 by 33 feet; pumps, two 20,000 gallons per minute; sluice gates, two 4 by 4 feet.

Status January 1, 1961: Construction not started.

Dikes and floodwalls	June 1962.
Pumping plant	Do.
Entire project	Do.

Justification: The Pawcatuck project would afford complete tidal-flood protection to about 31 acres of industrial and residential property in Pawcatuck. The area contains the two largest industrial plants in Pawcatuck, as well as a number of dwellings. Nearly 50 percent of the total flood damages in the 1954 hurricane were sustained within the Pawcatuck area of protection, although geographically it covers about 2 percent of the entire flooded area. A recurrence of Hurricane Carol (August 3, 1954) with a flood stage of 10.4 feet above mean sea level would cause damages estimated at $920,000, at 1958 price levels, within the Pawcatuck protection area; and that of the 1938 hurricane would cause damages of $1,290,000. These damages would be entirely eliminated by completion of this project.

Fiscal year 1962: The requested amount of $371,000 (Federal funds) will be applied to:

Initiation and completion of dikes and flood walls	$250,000
Initiation and completion of pumping station	85,000
Engineering and design	7,000
Supervision and administration	29,000
Total	371,000

Non-Federal costs: The initial investment required of local interests in construction of the project is estimated at $176,000 broken down as follows:

Lands and rights-of-way	$80,000
Relocations	10,000

Non-Federal contributions (30 percent of total estimated cost less the cost of lands, damages, relocations and preauthorization studies)	86,000
Total	176,000

Local interests are required to maintain and operate the project upon completion. The estimated annual cost for maintenance and operation is $5,600.

Status of local cooperation: Officials for the town of Stonington and the State of Connecticut favor the project. It is believed that local requirements will be met when requested.

Comparison of Federal cost estimate: No change from the latest estimate submitted to Congress.

FOX POINT BARRIER, R.I.

Location: The project is located on the Providence River at Fox Point, in the city of Providence, R.I.

Authorization: 1958 Flood Control Act.

Benefit-cost ratio: 2.3 to 1.

Summarized financial data:

Estimated Federal cost	$11,944,000
Estimated non-Federal cost	5,076,000
Cash contributions	3,876,000
Other costs	1,200,000
Total estimated project cost	17,020,000
Appropriations to June 30, 1960	984,000
Appropriations for fiscal year 1961	752,000
Appropriations to date	1,736,000
Appropriations requested for fiscal year 1962	3,200,000
Balance to complete after fiscal year 1962	7,008,000

Accumulated percent of estimated Federal cost:

Appropriations to date	15
Appropriations requested for fiscal year 1962	41

Physical data

River barriers: Type, concrete gravity; length and height, 290 by 48 feet.

River gates: Structure, reinforced concrete; six, 148 by 61.5 by 58 feet high; gates, three—40 by 40 feet tainters; operating mechanism, electric hoist.

Cooling water canal: Size, 1,450 feet long by 70 feet to 150 feet wide; structure, steel and timber wall.

Pumping plant: Structure, reinforced concrete; size, 214 by 91 by 95 feet high; pumps, five—120-inch, 150-revolutions per minute; motors, five—4,300-horsepower electric; cooling water gates, two—10 by 15 feet, slide.

Land dikes: Type, earth with rock facing; length and height, 1,850 by 17 feet, maximum; gates, 3 vehicular.

Status, Jan. 1, 1961

	Percent complete	Completion schedule
Cooling water canal	1 percent	September 1961.
Levees and floodwalls	Not started	March 1964.
Pumping plant	do	Do.
Grounds and utilities	do	September 1963.
Entire project	1 percent	March 1964.

Justification: The Fox Point barrier will provide full protection for the center of Providence from storm-tide flooding. The barrier will protect the downtown area where 35 percent of the total experienced damage in the Narragansett Bay area has occurred.

The Narragansett Bay area has experienced heavy tidal flood losses in recent hurricanes. Hurricane tidal surges are funneled into the bay and flood densely populated and developed areas, especially in the vicinity of Providence, Newport, and Fall River. Flood losses are estimated at $120 million for the September 1938 hurricane and $92 million for the August 1954 hurricane. Over 250 lives were lost in Narragansett Bay and along the Rhode Island coast during the 1938 and 1954 hurricanes. It is estimated that a recurrence of a flood of 1938 magnitude under present economic conditions would cause over $42 million damage in the Fox Point protection area. These losses would be prevented by the project.

Fiscal year 1962: The requested amount of $3,200,000 (Federal funds) will be applied to:

Complete cooling water canal	$580,000
Continue contract for construction of remainder of project	2,360,000
Engineering and design	30,000
Supervision and administration	230,000
Total	3,200,000

Non-Federal costs: The initial investment required of local interests in construction of the project is estimated at $5,076,000, broken down as follows:

Lands and rights-of-way	$1,200,000
Non-Federal contributions (30 percent of total estimated cost less the cost of lands, damages, relocations, and preauthorization studies)	3,876,000
Total	5,076,000

Local interests are required to maintain and operate the project upon completion. The estimated annual cost for maintenance and operation is $93,000.

Status of local cooperation: In a letter dated September 10, 1958, from the mayor of Providence, R.I., local interests agreed to requirements of local cooperation.

The city of Providence has practically completed the real estate map and appraisals of the properties involved and has initiated land acquisition. Agreements have been reached with the city of Providence and the State of Rhode Island whereby the local cash contribution will be available as required.

Comparison of Federal cost estimate: The current Federal estimate ($11,944,000) is an increase of $518,000 over the latest estimate submitted to Congress ($11,426,000). This increase represents 70 percent (Federal share) of the total increase for the project and is the proportionate share of the increased cost for lands and damages, cooling water canal construction, and engineering and design.

Mr. Chairman, the other New England planning projects follow:

THREE RIVERS, MASS.

(Initiation of planning)

Location and description: The project is located at the confluence of the Swift and Quaboag Rivers with the Chicopee River in the town of Palmer, Mass. The project provides for channel improvement, modification of two highway and one railroad bridges and removal of the existing dam.

Authorization: 1960 Flood Control Act.

Benefit-cost ratio: 1.3 to 1.

Summarized financial data:

Estimated Federal cost	$1,270,000
Estimated non-Federal cost	460,000
Cash contribution	([2])
Other	460,000
Total estimated project cost	1,730,000
Preconstruction planning estimate	110,000
Appropriations to June 30, 1961	[1] 10,000
Planning allocation for fiscal year 1962	50,000
Balance to complete preconstruction planning after fiscal year 1962	50,000

[1] Preauthorization studies costs only.

[2] Local interests are required to assume at least 20 percent of the project cost, exclusive of costs for planning with credit allowed for the cost or fair value of items specifically required. No cash contribution is presently required.

Justification: Construction of the Three Rivers local protection project is required to reduce flood damages at the industrial center of the town. Four major floods have occurred since 1935. Two were in March 1936 and one each in September 1938 and August 1955. Recurrence of the August 1955 flood would cause damages estimated at $6,550,000 in the Three Rivers area, after reductions afforded by the existing Barre Falls Reservoir. The authorized Conant Brook Reservoir would prevent $2,140,000 of these recurring losses and the Three Rivers project would prevent $3,765,000.

Non-Federal costs: Local interests are required to assume at least 20 percent of the cost (except costs of planning, design, and acquisition of water rights) of the completed project, payable either as construction proceeds or pursuant to a contract providing for repayment with interest within 50 years. The actual cost, or fair market value of lands, easements, rights-of-way, and work performed or services rendered prior to completion of construction of the project, which are furnished by a non-Federal entity, shall be included in the share of the cost to be borne by the non-Federal entity. Local interests are specifically required to: Furnish all lands, easements, and rights-of-way for construction; make necessary alterations to roads, highway bridges, sewers, and utilities; obtain necessary rights to permit the United States to remove the New England Power Co. dam and powerhouse on the Chicopee River; hold and save the United States free from damages due to the constructions works; permit no encroachment on improved channels including the waterway areas under the bridges; and maintain and operate all the works after completion. The initial investment required of local interests in construction of the project is estimated at $17,000 for lands and damages, and $443,000 for relocations.

Status of local cooperation: Local interests are able and willing to furnish the necessary items of cooperation. The board of selectmen of the town of Palmer, Mass., has given assurances that the New England Power Co. has offered to deed the dam and powerhouse to the town for removal for flood control purposes and that the town will provide all other forms of local cooperation.

Comparison of Federal estimates: The current Federal cost estimate of $1,270,000 reflects an increase of $10,000 over the latest estimate submitted to Congress of $1,260,000. The increase is due to the inclusion of the costs of preauthorization studies.

WEST THOMPSON RESERVOIR, CONN.

(Initiation of planning)

Location and description: The project is located on the Quinebaug River in the town of Thompson, Conn., 2 miles upstream from the city of Putnam. The project provides for a rolled earthfill dam approximately 2,400 feet long with a maximum height of 70 feet above streambed, and an earth dike 400 feet long and 24 feet high. A side channel spillway, 313 feet long, would be constructed in rock on the right abutment. At spillway crest elevation 341 feet m.s.l., the reservoir would have a flood control storage capacity of 25,000 acre-feet.

Authorization: 1960 Flood Control Act.

Benefit-cost ratio: 1.3 to 1.

Summarized financial data:

Estimated Federal cost	$4,060,000
Estimated non-Federal cost	----------
Cash contributions	----------
Other costs	----------
Total	4,060,000

Preconstruction planning estimate	312,000
Appropriations to June 30, 1961	[1] 20,000
Planning allocation for fiscal year 1962	150,000
Balance to complete preconstruction planning after fiscal year 1962	142,000

[1] Preauthorization studies costs only.

Justification: West Thompson Dam and Reservoir is a unit in the comprehensive plan for flood protection for the Quinebaug River Valley. The plan includes four other reservoirs of which three are complete or essentially complete and one is under construction. Six major floods have occurred in the Quinebaug River Valley in the last 30 years causing widespread damage and disruption of the basin economy. The maximum flood occurred in August 1955. It took eight lives and caused damages in the amount of $55,550,000 at 1957 price levels. The four flood control reservoirs would have prevented $36,880,000 of this loss, had they been completed. Completion and operation of the West Thompson Dam and Reservoir would have prevented an additional $6,710,000 in damages.

Status of local cooperation: Local interests are required to zone, in accordance with State law and regulations, the channel through the downstream damage areas to prevent further encroachment and to prevent the replacement of obstructive or hazardous structures along the channel whenever they become obsolete. The State of Connecticut, through its water resources commission has established encroachment lines on the Quinebaug River. This action fulfills the requirements of local cooperation.

Comparison of Federal cost estimate: The current Federal cost estimate of $4,060,000 is an increase of $30,000 over the latest estimate submitted to Congress. The increase is an adjustment in the cost of supervision and administration due to a reanalysis of requirements.

STAMFORD, CONN.

(Initiation of planning)

Location and description: The project is located on the north shore of Long Island Sound about 20 miles east of New York City. The project provides for dikes and floodwalls extending from Cummings Park westerly across the East Branch, terminating in high ground on the easterly side of the West Branch of Stamford Harbor. Total length of dikes and floodwalls is about 10,700 feet. A gated navigation opening would be provided in the East Branch. A pumping station would be provided to evacuate interior drainage.

Authorization: 1960 Flood Control Act.

Benefit-cost ratio: 1.4 to 1.

Summarized financial data:

Estimated Federal cost (Corps of Engineers)	$3,080,000
Estimated Federal cost (U.S. Coast Guard)	14,000
Estimated non-Federal cost	2,556,000
Cash contributions	2,286,000
Other costs	270,000
Total estimated project cost	5,650,000
Preconstruction planning estimate	400,000
Appropriations to June 30, 1961	[1] 50,000
Planning allocation for fiscal year 1962	100,000
Balance to complete preconstruction planning after fiscal year 1962	250,000

[1] Preauthorization studies costs only.

Justification: The city of Stamford, Conn., has sustained heavy damage in the past due to tidal flooding caused by hurricanes and other great storms, and faces the continuing threat of similar damage in the future. The project will provide complete tidal-flood protection to about 460 acres of property in the city of Stamford, below an elevation of 11.0 feet mean sea level that were inundated in the hurricane of September 21, 1938, and August 31, 1954. A recurrence of the tidal flood of record would cause losses estimated at $5,790,000.

Non-Federal costs: Local interests are required to provide all lands, easements and rights-of-way; accomplish all modifications and relocations of buildings and utilities; bear 30 percent of the total first cost with credit allowed for the value of lands and relocations; contribute the capitalized value of annual maintenance and operation of the East Branch barrier, which will be operated by the United States; hold and save the United States free from damage due to the construction works; and maintain and operate all the works except the East Branch barrier after completion. The initial investment required of local interests in construction of the authorized project is estimated at $2,556,000, as follows: lands and damages $150,000, relocations (sewers) $120,000, cash contribution $1,406,000, and cash contribution in lieu of maintenance and operation of main harbor barrier, $880,000. The annual cost for maintenance and operation is estimated at $11,000.

Status of local cooperation: Assurances have not been requested. Local interests have expressed the opinion that all conditions of local cooperation would be met at the appropriate time.

Comparison of Federal cost estimates: The current Federal cost estimate of $3,080,000 and the latest estimate submitted to Congress are the same.

NORTHFIELD BROOK RESERVOIR, CONN.

(Continuation of planning)

Location and description: The damsite is located in Thomaston, Conn., on Northfield Brook, 1.3 miles upstream from its confluence with the Naugatuck River. The project provides for a rolled earthfill dam, approximately 800 feet long with a maximum height of 118 feet above streambed. A chute spillway with an ogee weir 70 feet long would be founded on rock in the right abutment of the dam.

Authorization: 1960 Flood Control Act.

Benefit-cost ratio: 2.0 to 1.

Summarized financial data:

Estimated Federal cost	$1,620,000
Estimated non-Federal cost	----------
Cash contribution	----------
Other costs	----------
Total estimated project cost	1,620,000
Preconstruction planning estimate	190,000
Appropriations to June 30, 1961	[1] 70,000
Planning allocation for fiscal year 1962	120,000
Balance to complete preconstruction planning after fiscal year 1962	----------

[1] Includes $10,000 preauthorization studies costs.

Justification: Construction of the Northfield Brook Dam and Reservoir is required as part of the comprehensive plan of flood protection for the Naugatuck River Valley. This valley comprises the largest nonferrous metal manufacturing area in the Nation; over one-third of the Nation's brass and bronze is produced in this area. A recurrence of the 1955 flood at 1958 price levels would have caused damages of $194 million in the area downstream from Thomaston Reservoir. The operation of the authorized Thomaston, Hall Meadow and East Branch Reservoirs together with the two small protection projects in the city of Torrington would have reduced the losses in this area by $149 million. The Northfield Brook Reservoir together with the remaining reservoirs making up the comprehensive plan, namely Black Rock, Hop Brook and Hancock Brook Reservoirs, would have prevented an additional $24,800,000 in damages.

Non-Federal costs: None required.

Status of local cooperation: Local interests are required to establish encroachment lines downstream from the dam to permit reasonable, efficient reservoir operation. State legislation permits the State water resources commission to establish encroachment lines. Such lines have been established on the Naugatuck River and no difficulty is anticipated on Northfield Brook.

Comparison of Federal cost estimates: No change from latest estimate submitted to Congress.

HANCOCK BROOK RESERVOIR, CONN.

(Continuation of planning)

Location and description: The project is located on Hancock Brook in the town of Plymouth, Conn., 3.4 miles upstream from its confluence with the Naugatuck River. The project provides for a rockfill dam approximately 615 feet long with a maximum height of 50 feet above streambed. A chute spillway with an ogee weir approximately 145 feet long would be founded on rock in the right abutment of the dam.

Authorization: 1960 Flood Control Act.

Benefit-cost ratio: 1.8 to 1.

Summarized financial data:

Estimated Federal cost	$2,520,000
Estimated non-Federal cost	----------
Cash contribution	----------
Other costs	----------
Total estimated project cost	2,520,000
Preconstruction planning estimate	230,000
Appropriations to June 30, 1961	[1] 95,000
Planning allocation for fiscal year 1962	135,000
Balance to complete preconstruction planning after fiscal year 1962	----------

[1] Includes $20,000 preauthorization studies costs.

Justification: Construction of the Hancock Brook Dam and Reservoir is required as part of the comprehensive plan of flood protection for the Naugatuck River Valley. This valley comprises the largest nonferrous metal manufacturing area in the Nation; over one-third of the Nation's brass and bronze is produced in this area. A recurrence of the 1955 flood at 1958 price levels would have caused damage of $194 million in the area downstream from Thomaston Reservoir. The operation of the authorized Thomaston, Hall Meadow and East Branch Reservoirs together with the two small local protection projects in the city of Torrington would have reduced the losses in this area by $149 million. The Hancock Brook Reservoir together with the remaining reservoirs making up the comprehensive plan, namely Northfield Brook, Hop Brook and Black Rock Reservoirs would have prevented an additional $24,800,000 in damages.

Non-Federal costs: None required.

Status of local cooperation: Local interests are required to establish encroachment lines downstream from the dam to permit reasonable, efficient reservoir operation. State legislation permits the State water resources commission to establish encroachment lines. Such lines have been established on the Naugatuck River and no difficulty is anticipated on Hancock Brook.

Comparison of Federal cost estimates: No change from latest estimate submitted to Congress.

COLEBROOK RIVER RESERVOIR, CONN.

(Initiation of planning)

Location and description: The project is located on the West Branch, Farmington River, in the town of Colebrook, Litchfield County, Conn., about 3.3 miles upstream from the confluence of the West Branch with the Still River. The project provides for an earth and rockfill dam approximately 1,160 feet long, with a maximum height of 211 feet above streambed, and an earth dike about 530 feet long to prevent reservoir overflow into Sandy Brook. At spillway crest elevation, 747 feet, the capacity of the reservoir would include 13,000 acre-feet in the Hogback Reservoir pool, 30,700 acre-feet of water supply storage and 50,800 acre-feet for flood control storage.

Authorization: 1960 Flood Control Act.

Benefit-cost ratio: 1.4 to 1.

Summarized financial data:

Estimated Federal cost	$11,300,000
Estimated non-Federal cost	[2]
Cash contribution	[2]
Other	
Total estimated project cost	11,300,000
Preconstruction planning estimate	570,000
Appropriations to June 30, 1961	[1] 20,000
Planning allocation for fiscal year 1962	50,000
Balance to complete preconstruction planning after fiscal year 1962	500,000

[1] Preauthorization studies costs only.

[2] Local interests are required to reimburse the Federal Government for costs allocated to water supply storage over a period not to exceed 50 years after use of this storage is initiated. The reimbursement has not been determined.

Justification: Construction of the Colebrook River Reservoir is required to reduce flood damages at population centers on the Farmington River. The addition of water supply storage will enable both features to be accomplished to mutual advantage. The operation of Colebrook River Reservoir together with the local protection reservoir at Sucker Brook will prevent $20,180,000 of the $29,430,000 flood losses which would occur in a recurring August 1955 flood (1958 base) after reductions made possible through operation of the Mad River Reservoir (under construction).

Non-Federal costs: Local interests are required to reimburse the Federal Government for costs allocated to water supply storage over a period not to exceed 50 years after use of this storage begins. The reimbursement required has not been determined.

Status of local cooperation: The Hartford (Conn.) Metropolitan Water District has expressed strong interest in the water supply features. The degree of local cooperation will be determined during project design.

Comparison of Federal cost estimates: Federal cost estimate of $11,300,000 is an increase of $4,300,000 over the latest estimate ($7 million) submitted to Congress. The increase is due to inclusion of the cost of water supply storage in the Federal project.

LOWER WOONSOCKET, R.I.

(Initiation of planning)

Location and description: The project is located on the Blackstone River and the tributary Mill and Peters Rivers in the city of Woonsocket, R.I. The project consists of three flood protection units, protecting the Social and Hamlet districts and an area in the vicinity of Bernon Dams. The project includes about 9,500 linear feet of levees and flood walls, 4,640 linear feet of channel improvement, 2,300 linear feet of reinforced concrete diversion conduit, and two pumping plants to dispose of interior storm drainage.

Authorization: 1960 Flood Control Act.

Benefit cost ratio: 1.4 to 1.

Summarized financial data:

Estimated Federal cost	$3,010,000
Estimated non-Federal cost	1,285,000
Cash contribution	570,000
Other costs	715,000
Total estimated project cost	4,295,000
Preconstruction planning estimate	290,000
Appropriations to June 30, 1961	[1] 20,000
Planning allocation for fiscal year 1962	130,000
Balance to complete preconstruction planning after fiscal year 1962	140,000

[1] Preauthorization study costs only.

Justification: Four floods of major proportions have been experienced since 1927. The greatest flood of record, August 1955, caused damage estimated at $12,300,000 in the Woonsocket area downstream from South Main Street. Flood protection is required for 270 acres of the highly developed, thickly settled area of Lower Woonsocket. This area, which was inundated in 1955, included more than 300 buildings of all types, housing more than 20 industrial concerns which employ some 2,800 persons. The project would reduce the average annual damages by about 65 percent and would permit increased utilization of the protected area. The project would prevent recurrence of much of the damage caused by recent storms.

Non-Federal costs: Local interests are required to furnish all lands, easements, and rights-of-way; perform all relocations of roads and utilities; hold and save the United States free from claims for damages; and operate and maintain the project after completion. In addition, a cash contribution of approximately 16.1 percent of the construction cost is required, owing to enhancement benefits to be realized.

Status of local cooperation: Assurances have not been requested. By letter dated April 1, 1957, the mayor of Woonsocket expressed the opinion that all conditions of local cooperation would be met at the appropriate time.

Comparison of Federal cost estimates: The present estimate of Federal cost of $3,010,000 is an increase of $40,000 over the latest estimate ($2,970,000) submitted to the Congress. An increase of $20,000 is due to inclusion of preauthorization study costs and $20,000 due to a reanalysis of the requirements for supervision and administration.

Mr. Chairman, under unanimous consent I include, at this point, a status report on New England flood control as of September 1961:

NEW ENGLAND FLOOD CONTROL STATUS REPORT, SEPTEMBER 1961

It has been 6 years since Hurricane Diane in August 1955 swept over New England bringing torrential rains, disastrous flooding, damages of over a half billion dollars, and taking 90 lives.

After the Diane flood, New England, with the assistance of the Congress, buckled down to the task of providing greater flood protection to the region. The 23 projects previously completed at a cost of $62 million, while a start on a protective plan, were woefully inadequate to protect life and property and the economy of New England.

In addition to disaster relief provided under Public Law 875, the Congress responded to needs evidence by their constituents in two ways. First, in a supplemental appropriation bill in the spring of 1956, it advanced funds for expediting design of authorized projects. Secondly, it provided funds for comprehensive flood studies in the area affected by the 1955 flood. It followed up these actions by orderly provisions of additional funds for study, design, and construction. This approach to the then immediate need and the long-range need has now borne fruit and can be seen in the successful advancement of protective works.

Since 1955, 11 reservoirs and 13 local protection projects costing a total of $83 million have been completed. Six projects valued at $52 million are now under construction, and six projects valued at $33 million are under design.

This 36 project program, costing $168 million, of dams, reservoirs, walls, dikes, tunnels, diversions and channel improvements, is spread over all six New England States.

Of the six projects under design, all authorized since 1955, four—Littleville and East Branch Reservoir and the hurricane protection projects at Pawcatuck, Conn., and New Bedford, Mass., are included in the fiscal year 1962 civil works budget for construction starts.

There are currently 13 other active authorized projects in New England with a cost of $50 million. All but two have been authorized since 1955. Funds for initiation of design for seven of these are contained in the fiscal year 1962 civil works budget.

The survey program is continuing to develop needed and economic flood protection. Five projects valued at $14 million have been recommended by the New England division engineer and are being processed through review channels to the Congress.

Detailed tabulations of projects completed, under construction, design, and for the future are attached.

FLOOD CONTROL PROGRAM IN NEW ENGLAND

Projects completed prior to 1955

DAMS AND RESERVOIR

Project	River basin, State	Completion date	Cost: Federal [1]	Cost: Non-Federal
Blackwater	Merrimack, N.H.	1941	$1,336,000	0
Edward MacDowell	do	1950	2,034,000	0
Franklin Falls	do	1943	7,963,500	0
Birch Hill	Connecticut, Mass.	1942	4,285,000	0
Knightville	do	1941	3,216,300	0
Surry Mountain	Connecticut, N.H.	1942	1,784,300	0
Tully	Connecticut, Mass.	1949	$1,581,000	0
Union Village	Connecticut, Vt.	1950	4,072,300	0
Mansfield Hollow	Thames, Conn.	1952	6,390,000	0
			32,671,400	0

See footnotes at end of table.

Projects completed prior to 1955—Continued

LOCAL PROTECTION PROJECTS

Project	River basin, State	Completion date	Cost		Project	River basin, State	Completion date	Cost	
			Federal [1]	Non-Federal				Federal [1]	Non-Federal
Fitchburg	Merrimack, Mass.	1938	$1,370,000	0	Springfield	Connecticut, Mass.	1941	$1,136,400	$277,400
Haverhill	do	1938	1,743,000	$120,000	West Springfield-Riverdale	do	1950	2,717,000	80,000
Lowell	do	1944	1,285,000	90,000	Winsted	Connecticut, Conn.	1951	245,500	30,000
Nashua	Merrimack, N.H.	1948	270,000	3,300	Norwalk Channel [2]	Norwalk, Conn.	1951	52,200	2,800
Chicopee	Connecticut, Mass.	1941	1,433,600	250,000				23,967,500	4,921,400
East Hartford	Connecticut, Conn.	1943	2,135,500	270,000					
Hartford	do	1949	6,457,200	3,440,900				56,638,900	4,921,400
Holyoke-Springdale	Connecticut, Mass.	1950	4,118,000	207,000					
Keene [2]	Connecticut, N.H.	1954	44,100	0					
Northampton	Connecticut, Mass.	1941	960,000	150,000	Grand total			61,560,300	

[1] Includes recreation facilities developed since 1955.

[2] Small flood control projects not specifically authorized by Congress.

Projects completed since 1955

DAMS AND RESERVOIRS

Project	River basin, State	Completion date	Estimated cost		Project	River basin, State	Completion date	Estimated cost	
			Federal	Non-Federal				Federal	Non-Federal
Ball Mountain	Connecticut, Vt.	1961	$10,300,000	0	East Brimfield	Thames, Mass.	1960	$6,580,000	0
Barre Falls	Connecticut, Mass.	1958	1,972,000	0	Hodges Village	do	1959	4,440,000	0
North Hartland	Connecticut, Vt.	1961	7,120,000	0	West Hill	Blackstone, Mass.	1961	2,230,000	0
North Springfield	do	1960	6,580,000	0	Thomaston	Naugatuck, Conn.	1960	14,400,000	0
Otter Brook	Connecticut, N.H.	1958	3,995,800	0					
Townshend	Connecticut, Vt.	1961	7,070,000	0	Subtotal			67,605,800	0
Buffumville	Thames, Mass.	1958	2,918,000	0					

LOCAL PROTECTION

Hartford (Folly Brook)	Connecticut, Conn.	1957	$382,400	$251,600	Farmington I [1]	Cocheco, N.H.	1956	$87,500	$3,000
Huntington [1]	Connecticut, Mass.	1959	6,000	0	Farmington II [1]	do	1959	51,900	2,000
Ware [1]	do	1959	400,000	$5,000	Lincoln [1]	Merrimack, N.H.	1960	120,000	20,000
Weston [1]	Connecticut, Vt.	1957	13,000	1,800					
Norwich	Thames, Conn.	1958	1,210,000	72,000	Subtotal			12,188,300	2,609,200
Woonsocket	Blackstone, R.I.	1960	4,055,000	82,000					
Worcester Diversion	Blackstone, Mass.	1960	4,970,000	1,021,000	Total			14,797,500	
Torrington (East Branch) [1]	Naugatuck, Conn.	1958	389,300	151,300					
Torrington (West Branch) [1]	do	1960	228,200	166,500	Grand total			82,403,300	
Waterbury-Watertown [1]	do	1961	275,000	15,000					

[1] Small flood control projects not specifically authorized by Congress.

Projects under construction

Project	River basin, State	Scheduled completion date	Estimated cost		Project	River basin, State	Scheduled completion date	Estimated cost	
			Federal	Non-Federal				Federal	Non-Federal
Mad River Reservoir	Connecticut, Conn.	1963	$4,880,000	$670,000	Cherryfield local protection [1]	Narraguagus, Maine	1961	$220,000	$3,500
Westville Reservoir	Thames, Mass.	1962	5,882,000	0	Fox Point hurricane	Providence, R.I.	1965	11,160,000	4,740,000
Hall Meadow Brook Reservoir	Naugatuck, Conn.	1962	2,373,000	570,000	Total			45,815,000	5,983,500
Hopkinton-Everett Reservoir	Merrimack, N.H.	1963	21,300,000	0	Grand total			51,798,500	

[1] Small flood control projects not specifically authorized by Congress.

Projects under design

Project	River basin, State	Scheduled completion date	Estimated cost		Project	River basin, State	Scheduled completion date	Estimated cost	
			Federal	Non-Federal				Federal	Non-Federal
Littleville Reservoir [2]	Connecticut, Mass.		[2]$7,000,000	(3)	New Bedford hurricane [2]	New Bedford Harbor, Mass.		$11,500,000	$7,320,000
East Branch Reservoir [1]	Naugatuck, Conn.		2,010,000	$890,000					
Hancock Brook Reservoir [2]	do		2,520,000	0	Total			25,069,000	8,386,000
Northfield Brook Reservoir [2]	do		1,620,000	0	Grand total			$33,455,000	
Pawcatuck hurricane [2]	Pawcatuck, Conn.		419,000	176,000					

[1] Funds for construction contained in fiscal year 1962 civil works budget.

[2] Reimbursement by the city of Springfield required for water supply costs estimated at $2,175,500.

[3] Funds for design contained in fiscal year 1962 civil works budget.

Other active authorized projects

Project	River basin, State	Estimated costs		Project	River basin, State	Estimated costs	
		Federal	Non-Federal			Federal	Non-Federal
Chicopee Falls local protection [1]	Connecticut, Mass	[2] $1,880,000	[2] $60,000	Lower Woonsocket local protection.[1]	Blackstone, R.I	$3,010,000	$1,285,000
Colebrook River Reservoir [1]	Connecticut, Conn	[3] 11,300,000	([3])	Black Rock Reservoir	Naugatuck, Conn	3,550,000	0
Conant Brook Reservoir [1]	Connecticut, Mass	2,080,000	0	Hop Brook Reservoir	Naugatuck, Conn	2,600,000	0
Sucker Brook Reservoir	Connecticut, Conn	780,000	50,000	Stamford hurricane protection [1]	Stamford, Conn	3,094,000	2,556,000
The Island Reservoir	Connecticut, Vt	4,900,000	0				
Three Rivers local protection [1]	Connecticut, Mass	1,270,000	460,000	Total		43,688,000	6,027,000
Victory Reservoir	Connecticut, Vt	1,900,000	1,200,000	Grand total		49,715,000	
Westfield local protection	Connecticut, Mass	[4] 3,264,000	[4] 416,000				
West Thompson Reservoir [1]	Thames, Conn	4,060,000	0				

[1] Funds for design contained in fiscal year 1962 civil works budget.
[2] Local interests required to reimburse $294,000 within 50 years, total local obligation $354,000.
[3] Reimbursement required for water supply costs, not yet determined.
[4] Local interests required to reimburse $261,200 within 50 years, total local obligation $677,200.

Survey reports being processed for congressional consideration

Project	Location	Estimated cost		Project*	Location	Estimated cost	
		Federal	Non-Federal			Federal	Non-Federal
Ansonia-Derby local protection	Naugatuck Basin, Conn	$4,870,000	$1,150,000	Westport hurricane protection	Westport, Conn	$227,000	$93,000
Narragansett Pier hurricane protection.[1]	Narragansett, R.I	1,181,800	704,200				
Mystic hurricane protection	Mystic, Conn	1,525,000	638,000	Total		10,246,800	3,614,200
New London hurricane protection	New London, Conn	2,443,000	1,029,000	Grand total		13,861,000	

[1] Multiple purpose—hurricane and shore protection and navigation.

Mr. JENSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, I shall confine my remarks today to the most controversial item in this appropriation bill—the upper Colorado River storage transmission lines.

The House of Representatives approved the upper Colorado River storage project on March 1, 1956, by vote of 256 to 136. This project had bipartisan support, as indicated by the fact that 136 Democrats and 120 Republicans voted in favor of the project as compared with 63 Democrats and 73 Republicans voting in opposition to the project. It may further be pointed out that the support was nationwide, with Representatives from New England, the Middle Atlantic States, and the East North Central States supporting the project just as strongly as Representatives from the 17 western reclamation States. For example, 23 Representatives from New England favored the project, as compared with 4 opposed; in the Middle Atlantic region, 56 Representatives supported the project as compared with 20 opposed; and in the East North Central region 44 were for and 37 against; for a total of 123 to 61. This is just about the same ratio as turned in by the 17 western reclamation States with their vote of 62 to 31 in favor.

For this reason, it may be said with some assurance that eastern support of the Upper Colorado River Basin storage project played a major role in the favorable enactment of this legislation. I emphasize this fact because due to the concentration of population in the East, the bulk of the money necessary to finance western reclamation projects must come from taxpayers in these more heavily developed industrial areas.

From a careful reading of the House debate, it is clearly evident that this support was given primarily because of eastern appreciation for the water needs of the States of the Upper Colorado Basin for irrigation, reclamation, and human consumptive needs. The East has been pretty reasonable about going along with western needs up to this time.

But the East, with every justification, is becoming more and more suspicious of what is happening under the banner of reclamation. This issue of transmission lines for the Colorado project is another instance of the misuse of reclamation to force another Federal power project on the Nation. This thinly disguised Federal power venture is not lost in the nonreclamation States and they are beginning to question these expenditures which are not directed at improving the Nation's food production capacity but at providing subsidized power for a privileged class of people. It might be well for the elected Representatives in the western part of the Nation to begin giving a little more serious thought to what they are doing to the future of the entire reclamation program.

No one questions the fact that revenue-producing hydroelectric power is necessary as an incidental byproduct to assist in repayment of the storage facilities at reclamation projects, as is the case in the Colorado River storage project.

Serious concern was expressed at the time this project was originally authorized that power production might become the tail that wags the dog by supplanting irrigation and reclamation as the primary purpose of the storage dams. This concern was minimized by the positive statement in House Report No. 1087, 84th Congress, 1st Session, that:

> The Department of the Interior advised the committee that it was sympathetic to the private companies' proposal and indicated that the suggestions would be given studied consideration if the project were authorized. Therefore, the committee expects the proposal by the private power companies for cooperation in the development to be carefully considered by the Department of the Interior and the electric power and energy of the project to be marketed, so far as possible, through the facilities of the electric utilities operating in the area, provided, of course, that the power preference laws are complied with; the project repayment and consumer power rates are not adversely affected.

That, however, was over 5 years ago and many changes have taken place in the Department of the Interior, the Bureau of Reclamation, and the Congress. We now find that the Federal Government is actively lobbying for the so-called all-Federal transmission system to deliver power from the dams in the upper Colorado River storage project to the Government's preferred customers.

This changing attitude of the individuals responsible for this Nation's basic reclamation program will cause those of us from the eastern section of the country serious second thoughts about the future of this program. The original upper Colorado River storage project was accepted—even though it did not specifically benefit the eastern section of the country—on the grounds that irrigation and reclamation would help us all. There can be no justification, however, for now using this project as a springboard for an all-Federal power system as another segment in an overall master plan to construct a nationwide Federal giant power grid. This does affect—and very adversely affect—other sections of the United States, for if Congress permits such a departure from existing policy it may well serve as a precedent for Federal transmission grids in the Southwest, the Southeast, the

middle-Atlantic region, the great Midwest, and even New England. The appetite of public power planners is insatiable until that day when the entire electric power supply of the Nation is controlled by a central bureau in Washington.

There is no doubt that the majority of us in Congress are in favor of full development and proper utilization of natural resources. However, it is equally certain that a majority of us in Congress are not in favor of the socialization of an industry. It seems to me that this is the basic issue underlying these controversies involving private versus public power.

There are those who might say this is an extreme term to use, that this really is not the issue, that there is no desire here to socialize the electric power industry. In this connection, I can only refer my colleagues to the CONGRESSIONAL RECORD of September 6 when the gentleman from Arizona [Mr. RHODES] inserted some correspondence he had received from the manager of a rural electric cooperative. This gentleman from the cooperative is very much in favor of the Federal Government building the transmission lines for the Colorado project.

With his letter of appeal to Mr. RHODES, the co-op manager enclosed an article from a magazine describing how British Columbia has just nationalized the electric power industry in that state—dictatorially, arbitrarily, and without even consulting the people of the state.

As our colleague notes, the gentleman from the cooperative "is applauding the very thing which many people have feared might be the end result of the predominance of public power in the United States."

Now, I will say this for the co-op manager, at least he is honest about his desire to see the electric power industry of this country socialized. Many of his coideologists go to great lenghts to deny this objective.

By means of twisted reasoning and logic they would have us believe that the end product of government displacing business is not socialism but something in the public interest, something which dispenses cheap power, and something which insures that the people benefit from resources development.

On all scores they are wrong. To anyone who has studied even rudimentary economics and politics, Government usurpation of the means of production is socialism and nothing else. Since the people of this Nation are not even being given a chance to express their will and vote on this issue, how can anyone say it is in the "public interest" for the Federal Government to get into the power business. Certainly, there is nothing cheap about Federal power when the true costs are analyzed and the extent of the hidden subsidies are exposed to the light of day. Finally, it is a very special and privileged class that is the recipient of Federal power. If this privileged class can be described as "the people," I would like to know how to describe the 80 percent of the Nation's power consumers who do not get power from Federal projects.

This Colorado transmission line issue seems to me to be a clear case of subverting the cause of reclamation to advance Federal power. It seems to me that the time has come to put a stop to this sort of thing. If Federal power proponents want the Federal Government to take over the power business, lock, stock, and barrel, then let them say so openly and let us get the American people in on the decision. My guess at this moment is they will unequivocally reject any such thought. If any proof of this is needed there are the results of the election last November. It will be recalled that the 17 western reclamation States in which Federal power has been made such a big issue overwhelmingly rejected the candidate whose party so strongly endorsed a greatly expanded program of Federal power. That being the case, let us not be responsible for giving the American people a socialized power industry by default—without their knowledge and without their approval.

Mr. KIRWAN. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Chairman, first of all I wish to thank the great chairman of the Committee on Appropriations and the members of his committee for the fine legislation they have brought before the committee at this time. I also wish to take just a moment—I wish I had longer—to thank the gentleman from Ohio [Mr. KIRWAN] for what I consider to be one of the most constructive of statements as to what is involved in the Colorado transmission line controversy.

I wish also to commend the gentleman from Tennessee [Mr. EVINS] and the gentleman from Massachusetts [Mr. BOLAND] and all the others who will speak in support of the additional appropriations for the construction of transmission lines for the Colorado River project. They have made an outstanding contribution.

I am particularly pleased that the committee has provided additional funds for more basic transmission lines for the upper Colorado River project. I have been advised that an amendment is likely to be offered to strike such new moneys from the provisions of this legislation. It is on this subject that I particularly desire to speak at this time.

May I say that nobody ever spoke more honest words than the gentleman from Tennessee [Mr. EVINS] when he said that the most expensive segments of the transmission lines and the less valuable as far as returns to the Federal Government are concerned, have already been started and are being constructed by the Federal Government; and, that the private utilities now wish to come in and take over, from this particular place in the construction, the advantages which, in my opinion, would amount to great value for the investor-owned utilities for which they would be investing very little in return.

I was highly flattered last week when one of my very able colleagues suggested that I try to explain in a couple of minutes just what is the problem involved. This request, on a matter on which scores of trained individuals have been hard at work for many months, brought once again to my attention what limitations of time we work under here in the National Congress but I shall do my best to meet my friend's request.

Now, just what is the problem. First, we must picture in our minds an area equal to 5 percent of the total area of our original 48 States, an area filled full of natural resource values just waiting to be tapped and to be used for the benefit of our national economy and welfare. To make possible such contribution by this area and its people the Colorado River Project Act was enacted and approved in 1956.

Let me take just a moment to reply to two or three statements that have been made here on the floor. I have heard those who are going to support the amendment state the position of the Upper Colorado River Commission as evidenced by a resolution from a meeting which the commission held in Denver on September 1, 1961.

Let me preface my answer thereto by the statement that the Upper Colorado River Commission has no jurisdiction in the particular matter of the controversy over transmission lines, although they are or should be interested in the question of who constructs such transmission lines and the return of net moneys to the basin fund. The commission has no sizable staff and it has made no extended study of this particular matter. Their engineer, who is reported to have spent 3 days studying the proposition, has said, I am advised, that he was unable to make a decision as between the various offers made to the Bureau of Reclamation by the public power group. According to my information, he is reported to have said that the reason he could not make any determination was that the assumptions made and the problems involved were just as different as apples from oranges. I think that we should be careful how we quote or evaluate the position of the Upper Colorado River Commission.

Let me read you a telegram which I received from the Governor of Colorado soon after the meeting of September 1 was held. It reads as follows:

DENVER, COLO.,
September 6, 1961.

HON. WAYNE N. ASPINALL,
Member of Congress,
House Office Building,
Washington, D.C.:

On September 1, 1961, the Upper Colorado River Commission adopted a resolution endorsing a proposal by various private power companies to permit those companies to construct, own, and operate major segments of the Colorado River storage project transmission system. A meeting of the commission was held in Denver, Colo., for this purpose, during my absence from the State. I am sure that you have already been advised of the commission's action.

The official agency of this State in matters pertaining to reclamation development is the Colorado Water Conservation Board. That board, after intensive staff study, adopted a resolution on August 2, 1961, endorsing the construction of the transmission system which heretofore has been approved by Secretary Seaton and Secretary Udall. I have already expressed my complete and continuing support of our State board's position.

The purpose of this communication is to advise you that the recent action of Colorado's commissioner on the Upper Colorado River Commission, who incidentally is my appointed representative to the commission, was undertaken without my knowledge or consent. The action was likewise taken without the knowledge, consent, or counsel of the Colorado Water Conservation Board, our official State agency.

I am also advised that the technical staff of the commission was never requested to make and therefore never made a recommendation on the important issue which was the subject of the commission's resolution.

I am further advised that the so-called new proposals of the private power companies were never made in writing until after the commission adopted its resolution. I also have information that members of the Upper Colorado River Commission met in secret session with officials of the private power companies in Salt Lake City, Utah, about a week before the official commission meeting of September 1, 1961. The proposals made at the Salt Lake City meeting were never communicated to me, to the commission's own staff, nor to the responsible State agencies.

We would be pleased to receive any new proposals by the interested private power companies and to have such proposals made available for review and recommendation by the appropriate State agencies, by the commission's own staff, and by the Secretary of the Interior. Until such proper reviews and recommendations are made, I shall forthwith ask the Upper Colorado River Commission to withdraw its resolution of September 1, 1961.

I have just communicated with Colorado's commissioner, Ed Johnson, who has agreed to join me in asking the Upper Colorado River Commission to reconsider its position. I will likewise ask our State water board immediately to reevaluate its position in light of the new private power companies proposal.

Until the foregoing action takes place, I wish to emphasize that the action of the Upper Colorado River Commission and of Colorado's commissioner thereon as herein described, was and is contrary to my position and to the official position of the State of Colorado.

Sincerely,

STEVE MCNICHOLS,
Governor of Colorado.

Accordingly, the resolution that was supposedly agreed upon, at the request of the representatives of the private utilities involved, is not firm and cannot be so considered.

There has been a statement made in this debate that the private enterprise system was in danger because of this particular program. Let me say that if the private enterprise system is in danger because of the proposal to permit the Federal Government to construct the necessary backbone transmission lines in this project then it has been in danger a long, long time, because if I remember correctly, every multiple-purpose irrigation and power project that has ever been authorized has carried with it the authorization for the necessary facilities for such generation together with the transmission facilities to carry that power to load centers—if transmission facilities were not already in existence to render the required service.

In other words, for some 30 years we have followed such a course and in my thinking no one can successfully make the cry of "socialism" or say with conviction that we are now approaching a new ideology—something other than the principle of the private enterprise system or capitalism, if you please, to which all of us give our adherence and loyalty.

There has been a statement to the effect that, perhaps, the nonreclamation areas are getting tired of financing some of these reclamation projects. I listened very attentively and very interestedly to the statement of the gentleman from Illinois. May I say that his predecessor who was here in the Congress at the time the vote was taken did not support the legislation authorizing the upper Colorado River project although his President advised him to do so. I can understand why the gentleman's predecessor might have been opposed to the project but it is my thinking that he was not opposed to the project because of the fact that it carried with it the authorization for the construction of power facilities in order to make possible the contribution to the basin fund of the necessary revenues to build the irrigation facilities of the project.

Mr. Chairman, I wish to state just as briefly as time will allow what I consider to be involved in this controversy. Under the reclamation law of 1902, we authorized the construction of those projects found by the Secretary to be economically, physically, and financially feasible. Such projects were single purpose projects—and that purpose was irrigation. Only a very few projects were authorized from 1902 on until 1939, which carried with them other facilities. I believe that those which did were authorized by separate authorization by the Congress. In each instance, history records that where generating facilities were authorized that transmission lines were also authorized to carry the power to the load centers providing already existing transmission facilities were not present. That is all that is involved in the matter now before this committee. There are no existing transmission lines, private or otherwise to load centers. The facts of the case are that many of us are willing that agreements for wheeling that are mutually advantageous to the upper Colorado River project and the private utilities, or the public power users, the preferred customers in the marketing area be entered into where such facilities are in existence and able to serve efficiently. In the Colorado River Project Act we authorized the construction, as speakers previous to me have said, of the necessary backbone transmission facilities just as had been done in previous authorizations. Not only that, we went even further—and it was language which I helped with, after listening to the private utilities—we placed language in the House report to the effect that wherever it was possible to enter into mutual agreements between private utilities and the Bureau of Reclamation for the wheeling of power in the marketing areas, we recommend that it be done. Now what has happened? The Bureau of Reclamation began the necessary studies for the construction of the required transmission lines soon after the project was authorized. Then they were requested by the representatives of the private utilities to make known to such utilities the plan which the Bureau had developed. It is a very involved process to determine what load centers there are going to be around an area and to determine how the power is going to flow. It taxes the abilities of the best trained engineers.

The investor-owned utilities in the area, five in number, pressed quickly—too quickly in fact—for the Bureau of Reclamation to announce its system—overall transmission system—so that the investor-owned utilities might make their offer. The transmission system was announced and the private utilities made their offer. It was studied by the Bureau of Reclamation and found not to be in the best interests of the Colorado River project and the people to be served thereby. This decision was made by Secretary of the Interior Seaton and later concurred in by Secretary Udall. The private utilities found themselves in trouble.

Then, after continuing study—and there must be further studies—the Bureau of Reclamation modified its original proposal. The investor-owned utilities then saw their opportunity and complained that the signals had been changed without taking the private utilities into consideration. So they, the private utilities, then proposed their own plan known as the combination plan which in effect served their interests primarily. In the meantime the "preferred customers" groups began making their ambitions known because under existing law they have first right to the use of the power generated at the Federal installations.

Then began, Mr. Chairman, one of the hottest lobbying battles that Congress has seen for a long, long time—national in scope. This controversy soon found itself before the Subcommittee on Public Works of the House Committee on Appropriations. The subcommittee was soon enmeshed with contentions, allegations, and figures. At the same time the committee had the responsibility of protecting the Federal investment and the integrity of the Colorado River project.

The committee has done an outstanding service to the Nation generally and to the reclamation program specifically in the conclusions that they have reached and the recommendation they have made to the Members of the House on this particular matter. Again, I commend them most heartily.

Mr. Chairman, I have appeared here in the well of this Chamber as a sincere, and, I hope, prepared advocate of the Colorado River storage project—an advocate who desires to see this great multiple-purpose water resource project make the contribution to our national economy and welfare, and security in some instances, that it can make if it is permitted to develop as originally proposed and planned, an advocate who desires this reclamation project to be treated in the same manner as other multiple water resource projects authorized and constructed before it, an advocate who believes that when public

moneys are spent or Government credit advanced, benefits received therefrom should flow to the people generally, an advocate who desires to keep his commitments to his colleagues who supported this undertaking more than 5 years ago by the overwhelming vote of 256 to 136.

Mr. Chairman, I do not find myself in the well of this forum for the purpose of defending or upholding in all particulars the activities of the Federal agency charged with the administration of this program. On the other hand I would say that in my opinion it is as honorable and constructive in its activities as any agency of Government. I might add that it is my opinion that the harsh words uttered on this floor last week against Commissioner Dominy and other personnel of the Bureau were ill advised and most unfortunate. Commissioner Dominy is an able and honorable public servant and deserves far better treatment than to be assailed in a forum where he is not privileged to answer personally.

This is not—and should not be so considered—a public versus private power controversy. I make this statement knowing full well that others contend contrawise. I would only suggest that if there are those who wish to make it a public power versus private power controversy, then in my opinion it is the overzealous in each instance who would make it such.

The one thing I do not want to see is for this potentially great project to be crucified on the yardarms of public or private power. Neither do I want to see it sacrificed on the altar of bureaucratic ambitions or legislative prejudices.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. JENSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. ROBISON].

Mr. ROBISON. Mr. Chairman, as some evidence that there is something else in this bill besides the upper Colorado River project, I call the attention of the committee to the language on page 5 of the report which specifically states:

> The funds provided include the budget amount of $80,000 for the north branch of the Susquehanna River survey. This survey is to be limited to a study of possible levee systems and channel improvements.

Mr. Chairman, as the sponsor of that survey resolution, which was approved by the House Committee on Public Works on June 9, 1960, I am seriously concerned that that limiting language may negate much of the value of the survey. I also am assuming that this limiting language is the outgrowth of certain local upstream opposition to several large dams or reservoirs that were authorized, some of them as long as 25 years ago, but never constructed. It was my hope that this survey would be comprehensive enough and being made in coordination with the Soil Conservation Service of the Department of Agriculture, would constitute an objective look at the continuing necessity and justification for those dams. It seems to me that that is the only vehicle we have with which to hope to resolve a longstanding dispute in a spirit of mutual compromise.

Mr. Chairman, I have talked with certain members of the committee on this subject, and I have their assurance that the committee will at a later time consider this limiting language, about which I can do nothing on the floor under this procedure, and that they will reconsider the justification for this language as soon as practicable.

Mr. JENSEN. Mr. Chairman, I yield the balance of the time to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, first I want to congratulate and compliment the members of the Subcommittee on Public Works of the Committee on Appropriations not only for the bill which they have brought out but for the high level of the debate which has occurred today. This is a great committee and a great subcommittee. It is headed by the chairman of the full Committee on Appropriations, the gentleman from Missouri [Mr. CANNON] and ably seconded by the gentleman from Ohio [Mr. KIRWAN]. On our side, of course, we have the gentleman from Iowa [Mr. JENSEN] who is as knowledgeable in this field as any Member of the House. Each of these gentlemen is a respected Member of the House. So, I think those of you who have listened carefully to their remarks will be well educated in this matter, which is controversial, to say the least.

I would like to set the record straight on one particular matter. I want it understood that I am a reclamation man. I believe very strongly in the program of reclamation; I have all of my life, and I always expect to believe very strongly in that program. Like the gentleman from Illinois [Mr. MICHEL] I think that reclamation will prosper and will expand as long as it continues to make sense to all of the country. One reason I am up here today is to do what I can to make sure that it does continue to make sense, so that the great water resources, the great power resources of our country, may be developed as they must be developed for the advancement of all of our people, all of the citizens of the great United States of America.

I must take exception, respectfully, to a term used by my good friend from Ohio [Mr. KIRWAN]. I do not believe that the people who want to build these transmission lines should be referred to as "muscle men," and I say this with all good humor to my friend. I was on the Interior and Insular Affairs Committee when this particular project was authorized, as was my good friend from Colorado [Mr. ASPINALL].

Mr. Chairman, when the testimony was taken for the upper Colorado storage project, all of these utilities came before the committee and testified. I might say to my friend from Colorado I do not remember their having made any difference between a backbone system and a system of transmission of power between market areas; I do not recall that the distinction was made. I do not really see how I could make it at the present time. They testified at the time on building a backbone transmission system for the upper Colorado storage project. Further, may I say to my good friend from Ohio that these people did not volunteer; these people were invited to come in by the Congress of the United States.

It is true that the preference customers do not want them. It is true that the Bureau of Reclamation apparently does not want them. The Congress of the United States did want them when the upper Colorado storage project was passed, as indicated by the hearings and the committee report. They have every right to be in this picture, and I submit they have made a proposition which the Government of the United States should not turn down.

It has been asked as to why the utilities want to build these transmission systems. I have asked this myself. We have heard people say the Government is building dams and now the utilities want to "skim the cream." This is not the true situation, and cannot be, because in the reclamation law there is what we call the "preference clause." A preference customer of power roughly defined, is a State, county, municipality, REA, or any public body which qualifies under the law, and under the law the preference customer gets all the power it can properly use. Preference customers in the upper Colorado storage project marketing area have applied for power which is in excess of the amount which will be distributed or distributable from the transmission facilities of the upper Colorado storage project. So there is no question of anybody but preference customers getting any "cream" from the production of this power. If anything is to be derived by the utilities from the building of these transmission lines it will have to be, then, from the lines themselves, from the wheeling or from some other condition which exists because of the fact that they built the lines.

What are they charging? They are charging approximately 1.1 mills per kilowatt-hour to wheel the power. This is figured to amortize the cost of the system, plus interest in about 50 years. This could hardly be called profiteering. It was indicated by my good friend from Tennessee, Mr. EVINS, that after the companies amortize the lines they will reap great sums of money because they will own the utility lines and will continue to charge the same amount for wheeling. This is not the situation, because after the utility lines are paid out then the only wheeling charge made is an amount equal to the local taxes paid plus operation and maintenance of the lines themselves; in other words, at the end of 50 years, or at the end of the pay out period, whichever occurs first, the wheeling cost goes down to a figure equal to the local taxes and the operation and maintenance charge.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Tennessee.

Mr. EVINS. Will the gentleman deny that the utilities will be paid a wheeling charge in perpetuity as long as the lines last if the utilities proposal is adopted?

Mr. RHODES of Arizona. The only wheeling charge will be the actual cost to the utilities after the 50-year payoff period. The lines will have to be operated and as long as they are, there will have to be an operation and maintenance charge, no matter who builds these lines, the only difference is that utility-owned lines will continue to pay State and local taxes, whereas Government-owned lines will never pay such taxes. I do not object to that fact. I think it is very essential, that the localities be able to collect some taxes because of the existence of these lines.

So the only profit that the utilities can possibly get from the construction of these lines comes, then, from the operation of an integrated, multiple-purpose system of electric transmission. The Government and the utilities themselves will benefit from the existence of this type of system because it will mean less line loss to both of them as this particular project operates through the years. This saving must be shared.

It has been estimated that the Government will save as much as $55 million just by line loss alone if its power is thus transmitted by an integrated multiple-purpose system.

The Bureau of Reclamation has utterly refused to take this benefit into consideration in figuring the economics of the utilities proposal. This is only one of the great fallacies involved in the figures which the Bureau of Reclamation advances as a reason for rejecting the proposal of the utilities.

It has been said that if there is this great advantage in integration, Why does not the Government build the lines and have this advantage to itself? This could be done, if the Government pays the utilities any difference in benefit which results from the integration. It is impossible right now to tell how much this benefit will be worth. The utilities offered a package proposal. If they build the lines, integration will occur at no extra cost. However, if the Government builds the lines, then it desires to integrate, the benefit which occurs from integration will be subject to negotiation. It has been estimated by some that the benefits will be about equal. It has been estimated by more people, however, that the benefit to the Government will be somewhere in the neighborhood of $1 or $2 million a year in excess of the benefit to the utilities. This must be added to the cost of the upper Colorado storage project to determine the economic feasibility of the participating projects. If you do not accept the utility proposal, you cannot expect them to give something for nothing. If they get an advantage, from integration, the Government gets a commensurate advantage.

If the Government lets the utilities build the line, and later does not like the way the utilities are operating these lines, the Government has several outs. One would be to parallel the lines. That is not a very popular thing to do. This great committee, I am sure, would frown on such a proposal as that. There is another way, however. The Government can take over these lines by eminent domain. The Government under the Constitution and the law has the right to condemn the lines if the utilities do not operate them in accordance with the best interests of the taxpayer, the consumer, and everyone else who has a vested or legal interest in the upper Colorado River storage project. Do not think you are getting into a situation you cannot get out of. You can get out of it You can get out of it by the process of eminent domain, if by no other way.

I have said that all of the power will go to the preference customers. What will they pay for power? The preference customers will pay the same rate for this power, a postage stamp rate of 6 mills, no matter who builds the utility lines. This has been demonstrated time after time by testimony, as well as otherwise. Also, as far as the participating projects of the upper Colorado storage project are concerned, they will be paid out no matter who builds the lines. In fact, they will be paid out sooner if the utilities build the lines than if the Government builds the lines.

The gentleman from Ohio and I have separate sets of figures. We disagree on them, except I do not think the gentleman from Ohio has taken into account a fairly recent proposition involving a change in the wheeling rate after the 50-year payout period. This is what the figures show. In 50 years the utilities proposal will result in a net of $380 million in the way of a net revenue to the upper Colorado storage project over and above the amount which will accrue to that project if the Government builds the lines. At the end of 86 years that amount will be $477 million. In other words, all of the presently authorized participating projects will have been paid out and there will be $477 million left in the bank.

Mr. KIRWAN. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Ohio.

Mr. KIRWAN. The committee and the Department of the Interior have taken into consideration the last offer. Has the gentleman another one that has not been officially offered to the Department of the Interior?

Mr. RHODES of Arizona. It is my understanding this offer was made to the members of the Upper Colorado Commission.

Mr. KIRWAN. Did they take it into consideration?

Mr. RHODES of Arizona. It was offered in the presence of the Upper Colorado Commission, and the commission then voted unanimously to endorse the utilities proposal.

Mr. KIRWAN. I do not think that an offer to the commission can be accepted as an official offer to the Federal Government.

Mr. RHODES of Arizona. Now, just a minute. The gentleman from Ohio should look at the law which authorized the project.

The Federal Government has by a compact agreed that there should be an Upper Colorado Commission. This is created by interstate compact. This is a very important board. It oversees the operation of the upper Colorado compact, which is the legal document which divides the waters of the Colorado River allocated to the upper basin States. I will have to state that the gentleman from Ohio [Mr. KIRWAN] and I must disagree on some of the figures involved in this particular presentation.

Mr. Chairman, another thing which we should take into consideration is the firmness of the figure offered by the Government for the construction of its transmission lines. The original yardstick system which was propounded by the Bureau of Reclamation and, incidentally, upon which Secretary Seaton made his findings, is a system which will not work. It was agreed by practically everybody that the yardstick system would not work. It would not transmit power.

So, we have here, then, a situation in which the Federal Government has never yet told this committee or any other committee exactly what plans it has for this transmission system. If we do not know what the transmission system is going to be like, we cannot know how much it will cost. We do not know what that cost might do to the economic feasibility of the upper Colorado River storage project. On the other hand, we do know what the cost will be, if the utilities are allowed to build the line. The cost will be an amount equal to about 1.1 percent of the wheeling cost for the first 50 years or——

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Tennessee.

Mr. EVINS. The gentleman will agree that there have been proposals and counterproposals and further reductions, and the further we fight this, the more the utilities reduce their prices offered to the Government.

Mr. RHODES of Arizona. This is one of the best reasons I can think of for not funding these lines this year. Maybe we ought to wait to see just how good a proposition we can get.

Mr. Chairman, since the gentleman from Tennessee [Mr. EVINS] has made this very valid point, perhaps we should take several looks at this particular project and make sure we are getting the best deal. Certainly we should make the Bureau of Reclamation put on paper in some way the lines it intends to build and firm up its marketing criteria, and also set a reasonable cost for the construction lines themselves. Very frankly, one reason why I must, as a Representative of Arizona, look askance at the plans of the Bureau of Reclamation is this: Their marketing criteria says they are going to market 600,000 kilowatts of energy in Arizona, but their plans call for a line going to Phoenix with 345 kilovolts capacity. I do not know how you are going to get 600,000 kilowatts of energy over a line with a 345-kilovolt capacity.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Colorado.

Mr. ASPINALL. I think that my colleague, the gentleman from Arizona [Mr. RHODES], will admit that there have been discussions had by representatives of the Arizonia Public Service Co., which is presently building a powerplant at Four Corners, and that under any kind of agreement which we hope will be arrived at, we will be able to coordinate the activities of this private utility of Arizona and the operations of the Bureau of Reclamation in the Colorado River program to the mutual advantage of all concerned.

Mr. RHODES of Arizona. The gentleman will have to admit, however, that that is conjecture, and it depends completely upon whether or not the proper ratio of benefits can be agreed upon and the proper contracts executed.

Is that correct?

Mr. ASPINALL. I think that is right, but I think that what has been proposed for the Glen Canyon and Four Corners facilities and what the Bureau of Reclamation wishes to do between Glen Canyon and Pinnacle Peak in the gentleman's area will not destroy either the future operations of the investor-owned facilities or the Bureau of Reclamation operation and will in fact aid the coordinated activities which have been proposed.

Mr. RHODES of Arizona. I am glad the gentleman from Colorado agrees that 600,000 kilowatts of electricity shall be marketed in Arizona.

Mr. MICHEL. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts [Mr. CONTE], may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CONTE. Mr. Chairman, included among the items in the public works apropriation bill for 1962 are two projects of interest to my constituents in the First Massachusetts Congressional District. These are $300,000 to commence the construction of the Littleville Dam, and $50,000 for planning local protective flood control projects on the Westfield River. I am very pleased, Mr. Chairman, that these two items are included in this appropriation bill now under consideration. The need for the Littleville Dam is unanimous, although many of the citizens of the area do have objection to the use of the reservoir as a source of water for the city of Springfield, Mass. It was their hope that the reservoir could be used for recreational purposes. However, being the good citizens that they are, they have sympathetic understanding of the water needs of their neighbors in Springfield.

Mr. Chairman, I want particularly to commend the committee for including in this bill the appropriation of $50,000 for planning urgently needed flood control projects on the Westfield River. In the past, floods on the Westfield have caused extensive property damage. The Army Corps of Engineers have recommended the construction of earth dikes and concrete floodwalls to eliminate the havoc resulting from these floods. This bill makes available the funds necessary to commence the planning of these projects.

Mr. KIRWAN. Mr. Chairman, I yield such time as he may require to the gentleman from Alabama [Mr. BOYKIN].

Mr. BOYKIN. Mr. Chairman, I wish to express regret that the Appropriations Committee deleted $275,000 for the acquisition of the Choctaw National Wildlife Refuge in connection with the Jackson lock and dam project in Alabama.

The committee, in reporting on this reduction in the budget estimate, said it was not satisfied with the justification offered by the Corps of Engineers and indicated the belief that if it is considered further, it should be justified by the Fish and Wildlife Service in its regular budget presentation to the Congress for the 1963 fiscal year. I am informed, however, that the proposed Choctaw refuge is to mitigate losses of wildlife habitat caused by inundation from the navigation pool and to enhance wildlife values at a most strategic point. Further, the proposed $275,000 item, which was deleted, properly belongs in the Corps of Engineers budget in accordance with the Fish and Wildlife Coordination Act which clearly provides for facilities such as this with funds to be supplied by the project agency. Moreover, the Choctaw refuge was specifically authorized in 1960.

Failure to acquire the lands likely will result in additional increased costs which, due to the Federal investment in this project, have gone up from $120,000 to the $275,000.

The Corps of Engineers and the Department of the Interior are in accord with the Choctaw project. The Alabama Department of Conservation plans to locate a wildlife management area adjacent to the refuge and strongly urges appropriation of the necessary funds.

Mr. Chairman, I hope that if the other body sees fit to include funds for the Choctaw refuge our House managers may reconsider the committee's action in conference.

Mr. KIRWAN. Mr. Chairman, I yield the balance of the time on this side to the chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, the Committee on Appropriations had, as always, a large number of requests for appropriations for much needed projects throughout the country.

There is never enough money to go around, and that was particularly true this year because of the insistent demands of national defense.

So, reluctantly, regretfully, the committee has had to deny many meritorious requests for appropriations and as a result we report a bill considerably less than that reported last year.

And this bill carries the one vital item debated by every speaker here this afternoon—the provision for completion of the Federal power system by construction of the transmission lines to connect up the dams and centers of generation already installed or to be installed.

The question raised by the proposal to construct these lines is the most important question, outside of national defense, to come before the Congress this session. In its effect upon the future development of the country and upon the future welfare of the present and future American citizen it is the paramount question before the country today.

It touches every family in America. Every household in the Nation every month pays an electric power bill, and the amount of that bill increases every year as the demands for power increase in our increasingly intricate and complicated economy.

No other action that could be taken by Congress will affect so many so directly as this provision, not even the mails, because every day the tabulator on the electric meter is spinning day and night charging for current supplied in every family, to every consumer in America. It is ubiquitous and uniform—universal and omnipresent, in every household, urban and rural. The mailman knocks twice but the meter reader knocks until he is admitted. It is more certain than taxes and as inevitable as death.

As you may have noted, there are two classes of companies which are supplying this ever-accelerating demand. There is the investor-owned company widely advertised in the national magazines and there is the consumer-owned company provided for in this bill.

We deal here with the consumer-owned company. Of course, all national resources, including these powersites, rivers, water power, and their appurtenances, belong to the Nation, belong to the people, belong to the consumer. The investor-owned companies can secure them only by grant or purchase through Congress, including those provided for in the pending bill.

As explained in the report the Federal Government has elected to improve them and is now requesting funds to connect up the widely separated units to complete the grid.

But the investor companies are attempting to muscle in—"reaping where they have not sown and gathering where they have not strawed." They are interested in dividends—the highest rates obtainable to provide high returns on their stock. Service is secondary.

The consumer-owned companies are interested in service—at the lowest rates possible.

So, the issue here is whether we will support the consumer-owned company and provide lowest rates and cheapest electric service to every family in our respective districts or whether we will support investor-owned companies and high dividends to be paid, of course, by the consumer. That is the question pending in this amendment.

The statement has been made that there is an ulterior purpose here—to establish a Federal monopoly in the production and distribution of power. Nothing could be more absurd—and nothing could be further from the facts.

Never in the history of this House in all the flood of thousands of bills that

flow every session into the hopper, has a single bill been introduced by any Member even suggesting a Federal power monopoly. Never has any single Member of Congress, in either the House or the Senate, suggested either directly or indirectly—on the floor or off the floor—that there should be a Federal monopoly of power. We believe the bulk of the power business should be transacted by private companies, by private industry, by free enterprise.

What we insist on is that there should be sufficient public power to keep rates reasonable, to have a yardstick, to have a policeman on the corner, to have enough competition to control predatory rates and service.

There have been widely varying quotations of figures on both sides this afternoon. The committee has had before it, both in the last administration and in this administration, the best, most experienced, experts that could be secured. There can be no question about the accuracy and dependability of the accountants who have staffed the departments and bureaus of the two administrations and the committee accepts their figures. All computations show it would cost the taxpayer less for the Federal Government to build than to turn it over to private producers to build. The private companies have shifted their basis of computations from time to time but all estimates demonstrate a decided saving to the taxpayers through Federal construction.

They are trying to put up a tollgate on a necessity of life that is as indispensable to the average family as are air, water and sunlight. Today every family must have electricity, and Congressmen must see that they get it at as reasonable a rate as can be provided.

The cost of producing power is being steadily reduced through mass production and scientific and mechanical development. It costs less every year to produce electricity, but have you ever known a private utility voluntarily to reduce the cost to the consumer? In many of our municipally owned public power enterprises they give the consumer the December bill. In the Christmas month more electricity is consumed than in any other month. Many of them at the end of the year make the consumer a present of the December bill.

The other day the TVA announced a permanent reduction in rates. The announcement produced such an outcry on the part of the private utilities you would have thought TVA was suspending the writ of habeas corpus. Although the private companies in the TVA territory are doing more business and making more money than they ever made before TVA was built. We are producing and distributing power at a lower cost all the time and we are ready to give the customer the benefit of the saving. But the private utilities object.

If you vote for this amendment today you vote to turn our rivers and dams and generators over to a few men in the great centers of wealth, men largely subservient to Wall Street and eventually controlled by Wall Street capitalists. Don't tell us that Wall Street is a slogan. Capital in such sums cannot be negotiated anywhere else and the Wall Street Journal is a daily testimonial to the fact.

Now I am not decrying Wall Street or the Wall Street Journal. Both are adjuncts and factors in American enterprise and I take great pride in them. But I do not trust them to administer our national assets without proper safeguards and limitations.

If our powerplants are owned by the Government they will be under control of Congress. Any consumer who is not properly cared for has his recourse. He can appeal to his Congressman. But if the private monopolies are in control and rates are too high or service unsatisfactory he can "holler his head off" and no one will hear or care.

Once the power trust takes over our powersites, all control—all consumer right to redress—is gone forever. And in a generation we will have a superclass—an aristocracy of wealth—"economic royalists" as Franklin Roosevelt termed them—who neither toil nor spin but who clip coupons and draw dividends and fare sumptuously every day. And the rest of us will be serfs and coolies and peasants and lackeys. You can see it on every hand in Europe today.

This is the question with which we are really dealing when we vote to take our choice of investor-owned companies or consumer-owned companies as offered in the pending bill today.

I realize that when you come to strike a trial balance and figure where political expediency lies, the consumer cannot offer you much political return for your vote. The power trust keeps books. They will paste the rollcall in the ledger. They will remember how you vote. But the consumer, the housewife, the taxpayer the wage earner may not even know there was such a vote—or if they do know about it, will probably forget it before the next election. I must acknowledge it is rather a bleak outlook—rather a thankless stint. But we do know that while there is a large staff here of high-powered, high-paid public relations men to take care of the interests of the investor-owned companies, there is no one here to look after the consumer but you. They are under every roof in your district. They are engaged in a constant struggle against the ever-mounting high cost of living. Unless you protect them nobody will.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. DADDARIO. Mr. Chairman, this bill contains two sums, amounting to $150,000 and $140,000 respectively, to complete the engineering and design of a dam on the Quinebaug River in West Thompson, Conn., and the sum of $1.7 million to complete the construction, already in progress, of another dam at Westville, Mass., which is part of the Thames River Valley flood protection project.

I also want to present to this House the endorsement of these projects by the Honorable John Dempsey, Governor of Connecticut. Governor Dempsey was mayor of Putnam, Conn., when the devastating floods of 1955 struck his town. He knows from firsthand experience the need for better flood protection in the valley.

The case for these appropriations was presented to the Public Works Subcommittee of the Committee on Appropriations by Samuel T. Sheard, chairman of the Quinebaug-French River Manufacturers Association executive committee. This association represents about 75 business concerns, but speaks, I know, for the entire population of the valley.

Governor Dempsey wrote me to endorse fully the testimony of Mr. Sheard, and he added, and I quote:

> As a former mayor of Putnam, which alone suffered nearly $7 million in damage during the 1955 flood, I am highly aware of how greatly this protection is needed.

We have read in our newspapers today of the tremendous damage being inflicted by hurricanes and floods that have hit Galveston and the Texas coast. Our sympathy goes out to the stricken. The lesson of what water can do should reinforce our determination today to continue to make progress in protecting communities against such onslaughts.

Floods may be expected in the 1,474-square-mile Thames Riven Basin at any time of the year. Damages in the record flood of 1955, which was caused by torrential rains accompanying Hurricane Diane, were estimated at $62 million and eight lives. Operation of flood control works completed prior to that flood were estimated to have saved more than $4.3 million.

A general improvement program envisioned five to seven dams to give protection to the valley. Three of those dams are now complete. The fourth and fifth are those on which we may vote today, and I would earnestly urge that the House give its full support to these appropriations. The Engineers have recommended a new look at the other proposals.

I want to congratulate the Committee on Appropriations for its action in approving these recommendations by the Army Engineers and hope they are enacted into law.

Mrs. SULLIVAN. Mr. Chairman, the public works appropriation bill now before us is of great importance to St. Louis because it contains additional funds to continue work on our great floodwall to protect our city from future flood disasters. The committee has provided us with the full amount of the budget request, and I am grateful for that.

I am taking these few moments, Mr. Chairman, for the express purpose of getting on the record here today a fact which we in St. Louis are aware of, but which I think bears repeating. It is this:

If it were not for the gentleman from Missouri, CLARENCE CANNON, the chairman of the Committee on Appropriations, the dean of the Missouri delegation in the House, the most courtly gentleman any of us have ever had the good fortune to know, we would not now have a flood control project rapidly approaching effectiveness in St. Louis. We had to overcome the gravest delays of the Budget Bureau during the previous administration in getting an

initial appropriation to start the work. Congressman CLARENCE CANNON made it possible—used his great know-how and put his heart into this for us—and we in St. Louis are and will be eternally grateful.

As we prepare to end this session and return to our districts, I look around this Chamber and see many Members who have similar reason to be grateful for the kindness and legislative skill of the gentleman from Missouri, the Honorable CLARENCE CANNON, for saving numerous lives and untold property values of residents of their districts by helping to provide effective flood control.

Mr. Chairman, it is contrary to the rules of the House for me to turn and say personally to the gentleman from Missouri [Mr. CANNON] "Thank you from the bottom of my heart." If it were proper for me to do that under our rules, I would certainly do so.

Mr. BOW. Mr. Chairman, all of us who live in Canton, Ohio, and its environs are pleased to note that the funds required for a study of flood problems in our area are included in this measure.

This is an important step forward in an effort that began 2 years ago when unusually severe winter weather caused two successive and serious floods in Canton and nearby communities.

At my request, the House Committee on Public Works adopted a resolution authorizing the Corps of Engineers to conduct a review and study of our problem.

The corps proposes to study conditions on Sandy Creek and its tributaries including Nimishillen Creek in and near Canton.

The corps estimates that the study will cost $40,000. That amount is appropriated in the pending measure.

Canton's flood problem is one that was neglected for many years. As in so many other situations, little or nothing was done by the responsible officials of the city until disaster struck. We can only hope that the proposed studies may be completed and corrective action undertaken before we have other difficulties.

Mr. Chairman, the mayor and Stark County officials, local citizens' groups and others now assure me that they are prepared to cooperate fully in any plan proposed by the Corps of Engineers.

In this spirit and with the cooperation of the Federal Government, evidenced by the appropriation of this study fund, I am confident we can look forward to the day when residents of Canton and vicinity need have no fear of flood.

Mr. WEAVER. Mr. Chairman, I feel that there has been a great deal of confusion and far too much emotionalism injected into the general discussion of the transmission line business contained in this bill. It has become, in the minds of many, a public versus private power fight. This, it is not. It has become billed as a fight over governmental economy. It is not that, either.

First of all, there is no question in anybody's mind as to who will build the dams and powerplants to supply this million-plus kilowatts of power. That issue has long been settled. The plants on the upper Colorado River will be built by the Bureau of Reclamation and, under existing law, the power will go first to priority customers and then to nonpreference customers. This is a long-established and well-worked-out principle of law.

The Government is already supplying the power. Now the question is: Shall the Bureau carry its own power to marketing centers at which time it will be turned over to preference customers and to private utility firms?

As to the issue of Government economy, that does not exist here. Regardless of which party constructs the lines, the taxpayers will not be out one cent. Every penny of the costs of these transmission lines—if built by the Bureau—will be repaid to the Treasury. And, because this involves power and not irrigation, these repayments will contain an interest payment. So, in fact, the taxpayers will be ahead by Bureau construction.

The only question involved here is cost to the consumers. Under terms of the program worked out by former Secretary of the Interior Seaton and approved by former President Eisenhower, the consumers in the area—including the western part of my own State of Nebraska—will be getting the power at a little better than half a mill less than under the proposals worked out by the private power utility firms.

We are interested here only in providing electricity to a great number of consumers at the best possible rate while still looking out for the interests of the taxpayers. The only way we can accomplish both is through Bureau construction of these lines. I therefore am opposed to any amendment which would strike this provision from the bill.

Mr. JOHNSON of Wisconsin. Mr. Chairman, I am grateful for the opportunity to speak today in support of H.R. 9076, the 1962 public works appropriation bill.

This measure contains an appropriation of $247,000 for advance engineering and design of the long-awaited flood control dam on the Eau Galle River at Spring Valley, Wis., and an appropriation of $15,000 for a study of the proposed flood control project on the Trempealeau River at Arcadia, Wis.

Since I have spoken before you in previous years about the Eau Galle Dam, I will not take up your time by going into the details of this project. However, I would like to point out that the people of the Spring Valley and Elmwood area have suffered through three disastrous floods while waiting for almost 20 years for the proposed Eau Galle Dam to become a reality.

And when I say waiting, I do not mean that they have been idly waiting. Spring Valley has complied with all the stipulations set up by the Corps of Engineers as conditions for participation of the Federal Government in the project. Its citizens have even agreed to purchase the land for the reservoir.

I understand that the Federal Government usually bears this expense. However, the people of Spring Valley are so anxious to do everything possible to carry out this project that they readily agreed to buy the land for the reservoir.

Actually, the flood control project at Spring Valley was started way back in 1941, with a resolution of the Senate Committee on Commerce. World War II intervened, and a detailed survey report was not submitted to the Army Engineers until 1948. The project went before Congress in 1955 and received congressional approval in 1958, but no money was authorized until the following year.

Mr. Chairman, at this point, I would like to comment briefly on the need for the proposed flood control project on the Trempealeau River at Arcadia. Following disastrous floods in 1954, I initiated action to obtain flood control assistance for the people of the Trempealeau watershed. After a 2-year preliminary survey of the area, the Army Engineers recommended that the bulk of the flooding problems on the Trempeauleau River be solved by small watershed projects. However, they also recommended that levees be built at Arcadia.

Original plans called for including the cost of the levees under the small authorized program. However, when it was found that the total cost of constructing the Arcadia levees would exceed the $400,000 limitation on such projects, the Army Engineers requested funds for a detailed study of the proposed project.

In the civil works budget submitted to Congress in January by the outgoing administration, $10,000 had been recommended for study of the levee project at Arcadia. I was glad to see that the amended budget presented to Congress by President Kennedy added another $5,000, bringing the total to the $15,000 requested by the Corps of Army Engineers.

Mr. Chairman, I am fully, wholeheartedly supporting H.R. 9076 and funds for the Eau Galle and Trempealeau River projects. I know that approval of funds for these worthy projects will alleviate the fear of floods under which the residents of Spring Valley, Arcadia, and the surrounding area have lived for so many years.

Mr. KARTH. Mr. Chairman, I rise in support of the public works appropriation bill for 1962.

I think it entirely true that this bill is a liberal and progressive piece of legislation. For he who thinks we can stagnate at home while the world continues to move at its present tremendous speed, is one who obviously still lives in the 18th century. Public works projects are not pork barrel sops. As an illustration, I call to your attention the million-dollar item on page 17 of the committee report. More specifically this is the St. Paul and South St. Paul, Minn., flood control project. For many years these two contiguous areas of my State have been harassed by destructive floods. Human lives and property were in constant peril each spring during high water periods. This project will protect and enhance that area to a tremendous degree. A hundred and more acres are involved right in the heartland of St. Paul. For the first time this land will

provide a vast and valuable industrial park upon the project's completion. Industry can locate at the levee's edge to take advantage of cheap but extremely efficient water transportation 8 months out of each year. It will be on the very brink of St. Paul's great railroad center for shipping east, west, north, and south. Superhighways with new bridge construction assisting, will provide truck transport a ready and immediate access to and from the city. Adjacent to it will be St. Paul's Holman Field Airport. Every conceivable advantage will accrue to Ramsey County's half million people. Jobs will be added and prosperity will receive another shot in the arm under this administration's and this committee's leadership. In addition I personally thank my three colleagues, the gentlemen from Minnesota, Congressmen FRED MARSHALL and Congressman H. CARL ANDERSEN of the Appropriations Committee who have greatly assisted this St. Paul project and Congressman JOHN BLATNIK of the Public Works Committee. In closing let me again state the fact: What often is erroneously referred to as pork barrel, turns out to be a real community blessing for industry, labor, business, and all forms of commerce. It is good that wisdom, rather than slick slogans, prevail.

Mr. GRAY. Mr. Chairman, I want to take this opportunity to congratulate the chairman and members of the distinguished Committee on Appropriations for the excellent job they have done in bringing out the bill now before us. Public works in the fields of flood control, navigation, reclamation, and power development is most important to the social and economic well being of our country. We must continually strive to protect our great natural resources through prevention of floods and provide water and recreational facilities that are so vital to a growing population. I realize it is a difficult task for the Appropriations Committee to include every item requested by Members of the House; however, I believe the bill as presented, represents a fair approach.

I want to particularly thank the committee for allowing my request for $50,000 to continue the feasibility study of canalizing the Big Muddy River and Beaucoup Creek in southern Illinois. We have billions of tons of presently landlocked coal deposits with no economical way of marketing this coal at the present time. We must provide cheaper freight rates through navigation on the river if we are to realize the full industrial potential of southern Illinois.

The $50,000 provided in the appropriation bill, and a small amount next year, will complete this economic study. In an area suffering from high unemployment, it is certainly good to know that we can continue to find ways of utilizing our God-given natural resources to a good advantage.

In southern Illinois we had some unfortunate floods in May of this year and extensive crop damage was sustained on the inside of the Mississippi River levee due to inadequate internal drainage. I had hoped the committee would see fit to include adequate funds to study this important problem. However, as I have pointed out earlier, I realize the committee cannot comply with every request made. I am hopeful the U.S. Army Corps of Engineers will see fit to include funds in the fiscal 1963 budget request for this purpose. A river levee is adequate protection from river floods but causes severe damage to property. When drainage outlets are closed to prevent river water from backing up through the levee without adequate drainage from the internal side of the levee, the water cannot get into the river and, therefore, inundates land inside the river. We have spent millions on the Mississippi River levee from St. Louis, Mo., to Cairo, Ill., and the entire levee project is almost complete. However, the internal drainage problem has only been tackled in a few levee and drainage districts. Therefore, I hope the corps will be able to speed up this important phase of flood control work. In closing, I want to again thank the committee for their consideration and the excellent job they have done on this bill.

Mrs. PFOST. Mr. Chairman, I want to add my voice to those supporting this appropriation to initiate the building of power transmission lines for the Colorado River storage project.

This project, authorized by Congress in 1956, represents a sound program of regional development based on the area's most important river complex. Its impact will be felt in every State in the West, for the day is not far ahead when such regional projects will be linked together to meet power shortages wherever they may rise.

The more than 16 million folks in rural America who are served by electric cooperatives have a real stake in this fight as to who will build the transmission lines—the Federal Government or the private utilities. For what the private utilities want to do, in effect, is to set up tollgates so that they can charge power users some $3 to $5 million more yearly on their electric bills than would be charged otherwise.

This means out-of-pocket money for the average rural electric user in the five-State area—Wyoming, Utah, Colorado, Arizona, and New Mexico, who are directly involved in the project. I, frankly, would rather see the money spent on buying a needed tractor for the farm, or to build an addition to the house or barn, or to send a son or daughter to college.

This makes far more sense to me than to see this extra money go to private companies which are owned and controlled by big eastern interests.

But the private utilities, we should note, are not merely asking for blanket permission to build the transmission lines. What they want to do is build just certain ones—and let Uncle Sam worry about pushing lines into the more remote areas where costs of building the lines run extremely high.

I recall arguments used by the private power companies when the Rural Electrification Administration was born 26 years ago. They called it impractical and said their companies could not afford to build the lines and that the people would not pay for the service. Consequently, only 3 percent of American farms were electrified by 1925, and barely 11 percent when REA began operating. Now, thanks to REA, some 97 percent of our farms and ranches are served by electricity.

I mention these facts simply to put into perspective the arguments being advanced by the private utilities in connection with the administration's request for $13.6 million for planning the first phases of constructing some 3,000 miles of transmission lines by the Bureau of Reclamation.

What the companies want to do is build lines to service the major population hubs, and not bother with sparsely populated areas. In short, they not only want the cream, but they want the milk to go with it.

We must bear in mind that the folks who use the power generated in the $1 billion Colorado River storage project will repay to Uncle Sam the full cost of the dams, along with the cost of the transmission lines, plus interest. They do not need that middleman in there—the private power companies—scooping up the profits.

Congress made its position very clear with respect to the construction and operation of the transmission lines in the Colorado River project when Public Law 84–485 was passed 5 years ago. Section 1 specifically authorized the Secretary to build the lines. The plan was outlined by the Eisenhower administration on January 17, 1961. These plans were reaffirmed 2 weeks later by the Kennedy administration. It was on this solid bipartisan base that the funds were requested to carry out the intent of the act.

It has been estimated that 70 rural electric cooperatives are dependent on the power of Colorado Basin dams. Their service to individual farms is doubling every 7 years. The research services of the Agriculture Department predicts that consumption per farm will reach 5,600 kilowatt-hours annually by 1963 and 10,800 kilowatt-hours by 1975. Yet this use by families will represent only a small part of the power consumed in the five-State area.

Industry, particularly electronics plants, are making increasingly heavy demands. Important missile and other defense installations are also found in the area. The need for low-cost power thus becomes more obvious. The area, moreover, is said to contain great quantities of uranium, coal and other minerals, and the future development of this economic potential will be dependent in large part on the effective use of planning we make now for use of our water and power resources. Irrigation, of course, will add still another broad dimension to the project.

I, therefore, urge the Members to reaffirm the position taken by Congress in 1956 in support of an all-Federal system of transmission lines for the Colorado River storage project. The private utilities' plan goes counter to congressional intent and administrative decision. It would delay the repayment of the public's investment in the project and it

would extend the patchwork, jerry-built type of transmission and distribution systems that have long characterized the development by the investor-owned companies. These shortcomings might be tolerated if the net effect of private-Federal operation to the consumer were the same as an all-Federal system. But studies indicate conclusively that private operation would mean higher rates to consumers. This strikes me as just not being fair and square.

Under all-Federal development, the full potential of the Colorado River storage project will be used to the maximum in the best interests of the people and the Nation as a whole. I sincerely hope the Members will keep in mind the vision of a growing America, and defeat the move to delete the funds for the transmission lines.

Mr. ROUSH. Mr. Chairman, the bill we have before us today is one of vital importance to this Nation. It is important not only to us in this day, but it has unusual importance for the generations which will follow us. We place great emphasis on the great abundance of this land of ours and we rightly should be proud of it. Its preservation and careful use should be also part of our thinking.

Man, in this modern age, has found that he can, to a limited extent, harness the great forces of nature and use them to his advantage. I am referring specifically to our flood control projects.

In the Fifth District of Indiana three projects have been carefully planned to provide for the control of the floodwaters which have devastated our State periodically for years. These floodwaters have caused millions of dollars worth of damage. They have left people homeless. They have swept away our best top soil. They have caused the loss of life and have endangered hundreds of lives each year. Cities and other governmental units have struggled in vain to hold back these forces which nature has periodically unleashed against them. Now, with the construction of dams, they have an ally which will permit them to build, plan and feel secure in their attempts to bring progress to their communities.

The three dams planned for the Fifth District of Indiana are the Salamonie, Mississinewa, and Huntington Dams. Both the Salamonie and Mississinewa Dams are scheduled to have construction commence this fall or early next spring. This is dependent upon the inclusion of the funds earmarked for such construction being approved by this Congress.

I think it is advisable to point out what the construction of these projects will mean to my community. Of course, it will mean effective flood control which is of primary importance. But it will mean much more than this. The construction of the dams and reservoirs will bring millions of dollars into the Fifth District community. It will mean the employment of many men. The creation of the reservoirs will provide recreational benefits, the scope of which we have never experienced in our area.

The Mississinewa seasonal pool will cover 3,300 acres of ground. This is about the size of Lake Wawasee, Indiana's largest natural lake. The seasonal pool for the Salamonie Reservoir will cover approximately 2,700 acres and, if present plans should work out, the Huntington Reservoir would have a permanent pool of about 500 acres. The utilization of these reservoirs as recreation areas should be secondary to the real purpose of the dams, and that is, of course, to provide flood control. However, to fail to use the recreational potential to its fullest would be to deprive the public of a benefit which will be the natural consequence of the construction of the reservoirs.

These manmade lakes will provide fishing and boating facilities far beyond anything we presently have in Indiana. The shorelines will become a natural refuge for the wildlife which civilization is gradually causing to become extinct. These same shorelines will provide hunting grounds, picnicking areas and camping grounds for our ever-increasing population. It will become a sportman's paradise and the realization of the conservationist's dream.

Mr. Chairman, I cannot give strong enough emphasis to the need of these projects. I know of no domestic appropriation, other than those that deal directly with our national defense, which mean more to the people of Indiana and particularly to the people of the Fifth District than the appropriations included in this bill. The $53,000 included for the Huntington Reservoir will complete the planning of that project. The $500,000 included for the Mississinewa project will permit construction of the reservoir to commence. The $700,000 included for the Salamonie project will also permit the construction of that reservoir to start either this fall or early next spring.

When that first spadeful of dirt is turned, it will mean that the dream of many prominent Hoosiers will suddenly start to take the form of reality. Many of these men have for many years worked diligently and without easing on behalf of these projects. Time and time again some of them have made trips to Washington—at their own expense—to testify before our committees.

They are unselfish, dedicated men whose determination has made the need of these projects come to life and have such meaning that Congress is now acting. To enumerate all of these people would be impossible, but two men who have contributed so much to this effort deserve special mention. They are Ralph Roessler, of Marion, Ind., and Carlos Life, of Peru, Ind. It has been my good fortune to work with these men for the past 3 years and to have the benefit of their experience, their wisdom, and their counsel. There are no stronger advocates of flood control and the proper use and conservation of our water resources than these two men. The people of the Fifth District owe to them and their colleagues a real debt of gratitude.

In closing, Mr. Chairman, I want to emphasize that this is not the end of our effort to improve Indiana. It is only the beginning of the final phase of a long hard effort. There are many problems ahead. The completion of these projects at the earliest possible date is a must. This means the appropriation of sufficient funds each year to permit the capabilities of the engineers to be used to their fullest. This I urge. And while watching these projects take form, I respectfully request the cooperation of the membership of this House in our efforts to take every possible step to relieve all areas of the Fifth District of their flood problems, their drainage problems, their water problems, keeping in mind that we must protect and conserve our natural resources for the benefit of the generations which will follow us.

Mr. BENNETT of Florida. Mr. Chairman, I wish to express my gratitude to the Appropriations Committee for approving an item for $50,000 for study and planning of the Cross-Florida Barge Canal. Although I had hoped that the committee would approve the full budgeted amount of $195,000, I am grateful for what was allowed and I hope before the legislation becomes law it may be for the larger amount. In any event, I feel that we should bear in mind that this project is not only of value to our country because of its economic values but also and in fact primarily because of its defense values. There is in war times no other practical way to move petroleum economically from the western oil producing areas to the eastern consuming areas. This is of great vitality to our national defense and we should get on with the construction of this canal for this defense reason if none other.

The Clerk will read the bill for amendment.

The Clerk read as follows:

TITLE I—CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY

Cemeterial expenses

Salaries and Expenses

For necessary cemeterial expenses as authorized by law, including maintenance, operation, and improvement of national cemeteries, and purchase of headstones and markers for unmarked graves; purchase of four passenger motor vehicles, of which three shall be for replacement only; maintenance of that portion of Congressional Cemetery to which the United States has title, Confederate burial places under the jurisdiction of the Department of the Army, and graves used by the Army in commercial cemeteries; $10,440,000: *Provided*, That this appropriation shall not be used to repair more than a single approach road to any national cemetery: *Provided further*, That this appropriation shall not be obligated for construction of a superintendent's lodge or family quarters at a cost per unit in excess of $17,000, but such limitation may be increased by such additional amounts as may be required to provide office space, public comfort rooms, or space for the storage of Government property within the same structure: *Provided further*, That reimbursement shall be made to the applicable military appropriation for the pay and allowances of any military personnel performing services primarily for the purpose of this appropriation.

Mr. HOLIFIELD. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOLIFIELD. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and five Members are present, a quorum.

Mr. SAYLOR. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to have the attention of the gentleman from Ohio [Mr. KIRWAN] and the chairman of the full committee, the gentleman from Missouri [Mr. CANNON].

On page 34 of the report appears the following:

Pump-back storage units: The committee is convinced that there is considerable potential for enhancing the economics of some Bureau and Corps reservoir projects with the installation of pump-back storage units for generation of electric power. Up to $150,000 of the available funds under this appropriation are to be used to begin a survey of the potential of this type of development on reservoirs for which the Secretary of the Interior is the marketing agent for hydroelectric power, including those in the Southwestern Power Administration area.

I would like to know under what act of Congress the Committee on Appropriations included that $150,000 in this bill. It is my understanding that before any appropriation is to be included in this or any other bill there must be a legislative act to cover it, and I would like to find out what bill this is covered under.

Mr. EVINS. Mr. Chairman, if the gentleman will yield, the Flood Control Act of 1934, I will say to the gentleman.

Mr. SAYLOR. I would like to say to the gentleman that I do not know who the solicitor is for your committee, but he can look over the Flood Control Act of 1934 until he is blind and he will not find any authorization.

Mr. EVINS. The 1944 act.

Mr. SAYLOR. Or the 1944 act, and he will not find any authorization for this.

And in addition this is an authorization to the Secretary of Interior not the Army Engineers.

The reason that I would like to call your attention to it, it seems that Mr. Wright, who happens to be the Administrator of the Southwestern Power Administration, admits he has no authority for it; that there is absolutely no legislation for it. The Library of Congress can find no legislation for it. And, I might say that the chairman of the House Committee on Interior and Insular Affairs realizes that this is an important phase and should be covered. Consequently, the gentleman from Colorado arranged and we have had some preliminary hearings.

At the first hearing Mr. Wright, who has charge of this program in the Southwestern Power Administration, appeared before our committee, and I would like to read into the RECORD at this point a portion of his testimony:

Mr. Chairman, I would like to say, first, that I appreciate the chance to appear before this committee. I am probably the stinker that started this stuff over before the Appropriations Committee, and the reason I did so, it was the only committee of Congress I had an opportunity to talk to, and I asked them to listen to me enough to get some other committee of Congress with the proper authority to authorize the necessary studies.

Actually, we are in the position of the United States when they set off the atom bomb at Los Alamos. We set something off. We know we got it, but we do not know enough about it to know what we can do with it or what we dare do with it yet.

If there is no authorization for this bill the thing I would like to see—and the man who is in charge of it admits that his attorneys can find none, the lawyers for our committee say there is none——

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. EVINS. We have specific testimony from the Southwest Power Administration, also from the Bureau of Reclamation, as to the desirability and feasibility of this study. The gentleman is not opposed to a study, is he? This is a study; this is not a construction. We have many important studies authorized in the bill. This is just a study to get information. He would not be opposed to acquiring information, would he?

Mr. SAYLOR. It is still an appropriation in this bill without any legislative authorization. I am not opposed to a study, but that was the purpose for which our committee held hearings. We had people from the Bureau of Reclamation; we had Mr. Max Edwards, legislative counsel, Department of the Interior; accompanied by George W. Toman, engineer, Washington office, Bonneville Power Administration; Douglas Wright, Administrator, Southwestern Power Administration; Daniel McCarthy, Bureau of Reclamation. Maj. Gen. William F. Cassidy, Director of Civil Works, Corps of Engineers, Department of the Army, accompanied by Eugene W. Weber, chief, planning division. They all admitted that this was desirable, but they could find absolutely no law which would authorize it. If this is the case I would like to know where the Appropriations Committee finds this authority. If they do not have the authority then I certainly hope that this committee will not infringe upon the jurisdiction of the Interior Committee but will let them proceed with their study and authorize it, if found desirable.

The Clerk read as follows:

CONSTRUCTION, GENERAL

For the prosecution of river and harbor, flood control, shore protection, and related projects authorized by law; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but for studies shall not constitute a commitment of the Government to construction); $680,893,000, to remain available until expended: *Provided*, That no part of this appropriation shall be used for projects not authorized by law or which are authorized by law limiting the amount to be appropriated therefor, except as may be within the limits of the amount now or hereafter authorized to be appropriated: *Provided further*, That none of the funds appropriated for "Construction, General", in this Act shall be used on the project "Missouri River, Kansas City to mouth", for any purpose other than bank stabilization work: *Provided further*, That $550,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563–565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Department of the Army.

Mr. BECKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BECKER: On page 4, line 13, strike out "$680,893,000" and insert in lieu thereof "$681,045,880".

Mr. BECKER. Mr. Chairman, this amendment and the sum included in the amendment, $152,880, is to reimburse the State of New York on a project known as Fire Island Inlet authorized by the Congress with moneys appropriated by the Congress. In the interim, from the time the Congress appropriated the money, there has been modification of this project that has now been concluded. The modifications were agreed to by the Corps of Engineers. However, to be perfectly frank with you, there is some dispute at the present time as to whether or not this was included in the original authorization of the project.

For your benefit and in support of this amendment I wish to read a letter addressed to me by the chairman of the House Committee on Public Works, the distinguished gentleman from New York [Mr. BUCKLEY]. This letter will give you a complete explanation in support of this amendment. It is dated September 9, 1961, and reads as follows:

COMMITTEE ON PUBLIC WORKS,
HOUSE OF REPRESENTATIVES, CONGRESS OF THE UNITED STATES,
Washington, D.C., September 9, 1961.

Hon. FRANK J. BECKER,
House of Representatives,
Washington, D.C.

DEAR COLLEAGUE: This is in answer to your request for clarification of the authorization of a certain part of the Federal project for beach erosion control at Fire Island Inlet, Long Island, N.Y. This project was included in an omnibus river and harbor bill reported by this committee and enacted as the River and Harbor Act of 1958 (Public Law 85–500). Extensive hearings were held on the project at which you and other Members of Congress, witnesses from the Corps of Engineers, the Long Island State Park Commission, and other local interests testified. The project, which is partly completed, is designed to check the serious erosion problem along the ocean side of Long Island in the vicinity of Fire Island Inlet, east of Jones Beach.

The project provides for the placement of sand at several locations on the north shore of Fire Island Inlet. Specific details of the exact locations and form of the placements were understood by the committee to be subject to modifications within the discretionary authority of the Chief of Engineers, since House Document 411, 84th Congress, the basic document referred to in the authorizing legislation, specifically stated that the plan was recommended "with such modifications as in the discretion of the Chief of Engineers may be advisable." In the several years between the studies which were made prior to authorization of the project and the time

that appropriations were made and construction undertaken, conditions progressively worsened in this area and, therefore, the Chief of Engineers made what can be considered to be minor engineering modifications in the specific plan as outlined in his report. One of the causes of the deterioration of the beach was the increased erosive action of the Federal navigation channel immediately offshore from Oak Beach. This, in turn, posed an ever-growing threat to the beach itself. The Chief of Engineers determined that it would be advisable to move this channel to the south and to close off the then existing channel by extending the placement of the authorized fill material at Oak Beach in the form of a sand groin or dike across the old channel. The contract for the project was let with sufficient fill material added to this particular portion to permit the Federal Government to construct this dike. Funds available for this stage of the prosecution of the project were not sufficient to carry the height of the dike to what appeared to be a desirable elevation and funds were therefore made available by the Long Island State Park Commission to assist in the work of raising the dike.

In this connection, your attention is invited to the first sentence in paragraph 2 of the report of the Chief of Engineers contained in the project document referred to previously. This is important because it indicates the intent of the Corps of Engineers in formulating the plan and the understanding of this committee in recommending its adoption.

"After full consideration of the report secured from the district and division engineers, the beach erosion board recommends that a project be adopted by the United States to restore and protect the shore from Oak Beach to Jones Inlet under a plan which provides for dredging the inlet shoal opposite the western part of Oak Beach to relieve the pressure of tidal currents against Oak Beach, to provide a deposition area for littoral drift, and to obtain fill material for the feeder beach and for Oak Beach."

It became apparent during the construction of the project that the relief of the pressure of tidal currents against Oak Beach, referred to in the sentence quoted above, could not be accomplished and the basic purpose of the plan could not be carried out unless the old channel was closed off by means of the sand dike referred to above. The minor change in plan with respect to the relocation of the navigation channel and the placement of the dike across the old channel are considered to be modifications well within the discretionary authority of the Chief of Engineers and eligible for the cost-sharing participation set up in the plan as approved by this committee and as passed by the Congress and signed into law. In fact, the lower portion of the dike has already been accepted as part of the authorized project and it would be unreasonable to exclude the upper portion.

The cost of raising the sand dike was $364,000, of which the Federal share of 42 percent under the terms of the authorized project would be $152,880. This is the amount which should be reimbursed to local interests.

Sincerely yours,

CHARLES A. BUCKLEY,
Chairman.

Mr. KEOGH. Mr. Chairman, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from New York.

Mr. KEOGH. Mr. Chairman, I know of the great interest the gentleman from New York has displayed over the years in the preservation of the waterways on Long Island. I am sure he knows about the tremendous importance that preservation is to the millions of people in Brooklyn and in Queens. I hope the amendment offered by the gentleman is adopted.

Mr. BECKER. I appreciate the support of the gentleman from New York [Mr. KEOGH].

Mr. KIRWAN. Mr. Chairman, we accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BECKER].

The amendment was agreed to.

Mr. EVERETT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-five Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 195]

Addabbo	Garmatz	Nix
Arends	Gilbert	Norrell
Ashbrook	Glenn	O'Brien, N.Y.
Ashley	Hall	Philbin
Ayres	Halpern	Powell
Barrett	Harrison, Va.	Rabaut
Barry	Harsha	Rains
Bell	Healey	Rogers, Tex.
Betts	Hébert	Roosevelt
Brooks, La.	Holland	St. Germain
Brown	Holtzman	Schenck
Broyhill	Ichord, Mo.	Scherer
Buckley	Jones, Mo.	Shelley
Celler	Kearns	Sheppard
Clancy	Kee	Siler
Conte	Keith	Slack
Cooley	Kilburn	Staggers
Curtis, Mo.	Kyl	Steed
Dague	Landrum	Stephens
Davis, Tenn.	Latta	Thompson, La.
Devine	Machrowicz	Thompson, N.J.
Diggs	Martin, Nebr.	Thompson, Tex.
Dooley	Miller, Clem	Ullman
Fallon	Miller, N.Y.	Vinson
Farbstein	Minshall	Wallhauser
Fino	Morrison	Westland
Flynt	Moulder	Wilson, Ind.
Friedel	Multer	Young

Accordingly, the Committee rose; and the Speaker pro tempore having assumed the chair, Mr. BOGGS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 9076, and finding itself without a quorum, he had directed the roll to be called, when 352 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. RHODES of Arizona. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, much of the debate on this bill has been consumed with talk about the transmission lines of the upper Colorado River storage project. I think it behooves us to look at the economics of the proposition offered by the private utilities for the construction of the transmission system of the upper Colorado River storage project.

Mr. Chairman, the economic comparison of the all-Federal transmission system with the cost under the utilities' wheeling proposal must include all the costs and benefits under each of the competing systems.

Over a 50-year payout period, the wheeling costs are estimated to be $339 million. These wheeling costs cover all the utilities' charges for providing the additional transmission lines capacity and other facilities needed to deliver Colorado River storage project power to the preference customers. As the utilities now have or must provide transmission lines and other facilities for future load growth on their system, additional transmission capacity is now available and can or will be made available at a lower incremental cost than the cost of providing specific new all-Federal lines for preference customers service alone.

It is estimated that the all-Federal transmission system will cost at least $135 million more in Federal funds than would be the case under the wheeling proposal. Interest during construction would add $4 million to the Federal investment. Interest on the $139 million investment would, over a 50-year payout period, amount to $186 million. Operation and maintenance cost would be $103 million greater on the all-Federal system than under the utilities' wheeling proposal.

When electric power is transmitted from the point of generation to the consumer, there is a certain amount of power lost in the process. Using network system analyzers and electric computers, the relative losses on the all-Federal transmission system and under the wheeling proposal can be determined. Studies in this regard show the losses under the all-Federal system would be 48,000 kilowatts more than under the utilities' wheeling proposal. This loss in Federal revenues would amount to $55 million over a 50-year period.

The above Federal cost and revenue losses total $483 million or $144 million more than the wheeling costs, over the 50-year payout period.

In addition, Federal income taxes amounting to $61 million over the 50-year period would be foregone, as would $107 million in State and local taxes.

With the same unit charge for power, the net revenues under the wheeling proposal would provide for earlier repayment of the irrigation investments and would save the taxpayers an estimated $68 million in interest costs since such interest is not charged against the irrigation projects.

All told, the economic advantage of the utilities' proposal amounts to $380 million over a 50-year period; $273 million would benefit the Nation's taxpayers and $107 million would go to State and local treasuries for schools, roads, and so forth.

In addition to the economic advantage of the utilities' wheeling proposal over the all-Federal system, there is a Federal versus private power issue involved that transcends the economic advantage. There can be no question that the proponents of this all-Federal transmission system consider it but another link in the nationwide Federal power grid they want to have in order to socialize the entire electric utilities industry.

If we permit the socialization of the electric utilities industry, complete socialization of farming, retail business, and all industry cannot be far behind.

Mr. BONNER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, during the consideration of the public works appropriation bill of 1960, in the month of April 1959, the engineers proposed the closing of the Dismal Swamp Canal in North Carolina and Virginia, which is part of the original intercoastal canal from Maine to Florida.

The Dismal Swamp Canal is an historic waterway engineered by General Washington and opened for commerce in about 1800. The engineers then built a second diversionary route through Currituck Sound, North Carolina, and Virginia. The waterway through Currituck Sound, in North Carolina and the upper part in Virginia, is open and exposed.

In the ratio of credit given to commerce the engineers do not take into account yachts. The yachting people from Maine to Florida, and the States of Virginia and North Carolina were shocked in 1959 at this proposal. The Legislature of the Commonwealth of Virginia passed a resolution petitioning Congress to keep this part of the intercoastal waterway open. Likewise the General Assembly of North Carolina petitioned Congress, and yachting interests from the Great Lakes to the Gulf of Mexico sent letters, requests, and petitions, as is shown in the hearings that were conducted on April 27, 1959, to be found beginning at page 60 of the hearings at that time.

The House Appropriations Committee did not put the item in. Then we had a hearing, and interested Members of Congress, both the House and the Senate, and General Itschner heard it. So impressed was General Itschner that he made a personal visit to this waterway and came back and made the statement that had he known the conditions of the waterway and the utilization of it by private yachts which cost from $40,000 to $200,000 each, and their preference for using this waterway, he would never have recommended its closing.

An agreement was reached that certain funds for maintenance and operation could be used to carry it on. In the budget that came down this year there were budgeted funds for the operation of this branch of the intercoastal waterway through Virginia and North Carolina; and not only were there budgeted funds for operation, but funds were budgeted for its improvement. But in some manner or other in the effort to save money the House Appropriations Committee did not include these items in the present bill.

I have discussed the matter with members of the Appropriations Committee of the House and members of the Senate Appropriations Committee.

This branch of the canal transited in the present year 2,518 vessels. It is, as I said, the most secure and safe part because the other route goes out in the ocean and is dangerous for small vessels. In addition, this route passes one of the largest towns in eastern North Carolina, Elizabeth City, which has a number of shipyards.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BONNER. Mr. Chairman, this canal passes Elizabeth City, N.C., where there is a very active shipyard. About 50 percent of its business is repairs on yachts and the wintering and storing of yachts going north and south. In this area there is a peculiar water known as juniper or cyprus water that is destructive to barnacles and nonproductive of barnacles. That is the reason the yachts are stored there. It is an artificial way of cleaning the bottoms and a way they do not accumulate others. Therefore, the maintenance and operation of this canal involves a payroll of $1,400,000 to this town and the general mercantile interests of the town.

I merely call the attention of the House to this matter so that if it is included by the Senate, and I hope it will be, with the record that was established in the hearings in 1959, this record and the extensive record with the resolutions from the yachting interests, together with resolutions of Virginia and North Carolina, it will be agreed to in conference.

There is an industrial development that is now proceeding along this water route. I hope it will be maintained. If it is not put in here, I hope the Senate will put it in, and I feel certain the Senate will include this item.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Virginia.

Mr. HARDY. I am very much impressed with the necessity for funds for the maintenance of this canal, as the gentleman has so well pointed out.

Do I understand the gentleman is not going to offer an amendment to include this?

Mr. BONNER. I did not want to take up the time of the House. The committee has been very cooperative in the discussion of this matter. The committee fully realizes the proposition. I feel with the record the gentleman from Virginia [Mr. HARDY] and myself have built up here, and the record that we established in 1960, together with the personal examination of General Itschner at that time, with the statement if he had known he would not have recommended the closing of it, that this item will be included.

Mr. HARDY. I commend the gentleman for his position. I think it is very well taken. I have talked to members of the Appropriations Committee in the other body, and I am led to believe this item will be inserted over there. I hope it will. I hope the conferees will retain it in the bill when it comes back to the House. There is every reason in the world why this very picturesque, historic recreational area should be preserved; and, in addition to that, it is important from the standpoint of the waterborne commerce which it carries. It is a very important canal. General Itschner, as the gentleman pointed out, recognized the importance of it after we called it to his attention 2 years ago. I hope it will be included in this bill.

Mr. BONNER. General Itschner also made the statement that on account of the peculiar water that is used in the locks of this canal, there has been no corrosion and rusting or deterioration of the lock gates or the machinery in the locks whatsoever.

Mr. HARDY. I would like to suggest that all Members of the House would do well to visit this Dismal Canal.

Mr. DOWNING. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Virginia.

Mr. DOWNING. I would like to commend the gentleman from North Carolina for the excellent statement he has made. I am familiar with the Dismal Swamp, having lived in that area all of my life, and I can assure the House it has a great value, not only as a commercial proposition but it offers a safe passage for the boats that use this canal every year.

Mr. BONNER. It has a history and a great interest in this part of the waterway by those who use the intercoastal waterway by pleasure yachts.

Mr. DOWNING. And, again, the reason the ratio is low is that the engineers did not give credit for the employment and the materials that are used in pleasure yachts.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

GENERAL INVESTIGATIONS

For engineering and economic investigations of proposed Federal reclamation projects and studies of water conservation and development plans and activities preliminary to the reconstuction, rehabilitation and betterment, financal adjustment, or extension of existing projects, including not to exceed $350,000 for investigations of projects in Alaska, to remain available until expended, $6,523,000, of which $5,423,000 shall be derived from the reclamation fund and $500,000 shall be derived from the Colorado River development fund: *Provided,* That none of this appropriation shall be used for more than one-half of the cost of an investigation requested by a State, municipality, or other interest: *Provided further,* That $250,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563–565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Bureau of Reclamation.

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR, of Pennsylvania: Strike out the period, insert a colon and the following provision: "*Provided further,* That no part of the funds herein appropriated shall be available for conducting a survey of pump-back storage."

Mr. SAYLOR. Mr. Chairman, this is the matter that I spoke about some time ago.

If the committee would have this item of $150,000 as a separate project I would make a point of order against it.

Rule XXI (2) states:

No appropriation shall be reported in any general appropriation bill, or be in order as an amendment thereto, for any expenditure not previously authorized by law, unless in continuation of appropriations for such public works and objects as are already in progress. Nor shall any provision in any such bill or amendment thereto changing existing law be in order, except such as being germane to the subject matter of the bill shall retrench expenditures by the reduction of the number and salary of the officers of the United States, by the reduction of the compensation of any person paid out of the Treasury of the United States, or by reduction of the amounts of money covered by the bill: *Provided*, That it shall be in order further to amend such bill upon the report of the committee or any joint commission authorized by law or the House Members of any such commission having jurisdiction of the subject matter of such amendment, which amendment being germane to the subject matter of the bill shall retrench expenditures.

Mr. Chairman, House Committee on Appropriations Report No. 1125, in describing the actions taken on the general investigations appropriations for the Bureau of Reclamation, the first appropriation in the Department of the Interior section of the bill H.R. 9076, states that— .

Up to $150,000 of the available funds under this appropriation are to be used to begin a survey of the potential of this (pump-back storage unit) type of development on reservoirs for which the Secretary of the Interior is the marketing agent for hydroelectric power, including those in the Southwestern Power Administration area.

This item was inserted by the committee without a budget request. The appropriations made available to the Bureau of Reclamation under H.R. 9076 are for the purpose of carrying out its functions, and I quote, "as provided in the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto) and other acts applicable to the Bureau."

The general investigations appropriation is available only for engineering and economic investigations of proposed Federal reclamation projects and studies of water conservation and development plans and activities preliminary to the construction, rehabilitation, and betterment, financial adjustment, or extension of existing projects.

Now, Mr. Chairman, the dams and reservoirs for which the Southwestern Power Administration is the marketing agent for the Secretary of the Interior are Corps of Engineers projects and the authority of the Secretary for the marketing of such power has its origin in the Flood Control Act of 1944 and not in reclamation law. Appropriations available to the Bureau of Reclamation accordingly cannot be available for pump-back storage unit studies at Corps of Engineers dams in this area without amendments to basic law authorizing extension of Bureau of Reclamation responsibilities and authority. In view of this, the action of the Appropriation Committee in this respect clearly constitutes legislation in an appropriation bill because it authorizes expenditures not previously authorized by law. Furthermore, the operations of the Bureau of Reclamation have historically for the 60 years since its creation been limited to not more than the 17 Western States, Alaska and Hawaii.

Acceptance of the committee's action would constitute a major departure from this tradition without consideration by the substantive committees responsible for recommendations for such an activity. In fact, there are now pending before the House Committee on Interior and Insular Affairs two bills, H.R. 4809 and H.R. 4843, which would give the Secretary of the Interior authority to conduct such studies. Hearings on these bills were held on August 21, 1961, by the House Subcommittee on Irrigation and Reclamation of the House Committee on Interior and Insular Affairs. The chairman of the full committee pointed out at this hearing that the Bureau of Reclamation operations are dependent primarily upon irrigation matters and that when it gets into pump storage it is getting into an area of new policy—even in the reclamation States. In response to a direct question from a member of the subcommittee to the legislative counsel of the Department of the Interior, "You also did not have any authorization, did you?" the legislative counsel answered, "That is right." Also in the hearings before the Subcommittee on Irrigation and Reclamation on H.R. 4809 and H.R. 4843 the Administrator of the Southwestern Power Administration said:

I am probably the stinker that started this stuff over before the Appropriations Committee and the reason I did so, it was the only committee of Congress I had an opportunity to talk to, and I asked them to listen to me enough to get some other committee with the proper authority to authorize the necessary studies.

Even the Administrator of the Southwestern Power Administration states that there exists no legal authority to make the study.

It is obvious from the testimony presented at this hearing that there is no legislative authority for these studies, particularly if they are to be conducted by the Bureau of Reclamation.

However, I hope that my amendment will be adopted and that this $150,000 will not be spent until there is legislation authorizing the study.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

UPPER COLORADO RIVER BASIN FUND

For the Upper Colorado River Storage Project, as authorized by the Act of April 11, 1956 (43 U.S.C. 620d), to remain available until expended, $55,468,000 of which $53,268,000 shall be available for the "Upper Colorado River Basin Fund" authorized by section 5 of said Act of April 11, 1956, and $2,200,000 shall be available for construction of recreational and fish and wildlife facilities authorized by section 8 thereof, and may be expended by bureaus of the Department through or in cooperation with State or other Federal agencies, and advances to such Federal agencies are hereby authorized: *Provided*, That no part of the funds herein appropriated shall be available for construction or operation of facilities to prevent waters of Lake Powell from entering any national monument.

Mr. JENSEN. Mr. Chairman, I offer an amendment:

The Clerk read as follows:

Amendment offered by Mr. JENSEN of Iowa: Page 11, line 13, strike out "$55,468,000" and insert "$51,243,000"; on page 11, line 14, strike out "$53,268,000" and insert "$49,043,000"; and on page 11, line 24, strike out the period, insert a colon and the following proviso: "*Provided further*, That no part of the funds herein appropriated shall be available for constructing the following transmission lines and facilities:

"Vernal-Provo No. 1 transmission line and substation 138 kilovolts;

"Craig-Sinclair transmission line and substation 115 kilovolts;

"Glen Canyon-Sigurd-St. George transmission lines and substations 138 kilovolts;

"Glen Canyon-Phoenix transmission lines and substations 230 kilovolts (double circuit);

"Four Corners-Albuquerque transmission line and substation 230 kilovolts (double circuit);

"Curecanti-Rangely transmission line 230 kilovolts;

"And the Gunnison-Midway section of the Curecanti-Midway transmission lines and substation."

Mr. JENSEN. Mr. Chairman, this amendment seeks to strike out the transmission lines, the names of which the Clerk has just read. There will still remain in the bill, if my amendment is adopted, about 35 percent of the transmission lines that are requested in the bill along with all the related facilities which are necessary to construct the necessary lines and everything that is required for a workable machine, so to speak, for delivering this electric power. As I said early in the debate, the Congress has for years honored the yardstick which the committee has used for the past 10 years in appropriating money for such transmission lines. That yardstick, as I explained before, was simply this: that where private utilities and/or REA's and/or municipalities have already adequate facilities or will build such facilities and will wheel power at reasonable rates to preference customers and others, then the Congress is not justified in appropriating money for such facilities. It is that yardstick which I am attempting to defend by my amendment.

Let us not forget that the private utilities of America pay in Federal taxes each year over $1 billion into your U.S. Treasury. They also pay local and State taxes, over $1 billion, which is used for all the needs of the local governments and States. I have opposed every bill all during my congressional career which strikes at our free enterprise system from the peanut vendor on the corner to the farmer, to the largest, honest company in America. And may I say, if that be un-American, I pray God to forgive me, and a great majority of the thinking American people who I am sure I speak for now.

A number of years ago—to be exact, on March 4, 1959—I made a speech on the floor of this House titled "The Power To Not Tax Is Also the Power To Destroy."

I gathered information and material for that speech over a period of 15 years. Every statement I made in that hour-long speech is documented. I named names of those who recommended the very thing that the Fabian Socialists of England recommended and put into effect when they got into power there.

I shall never forget the day when our committee, about 12 years ago, ordered Mr. Stephen Raushenbush before us. Stephen Raushenbush had written a book about 25 years ago which recommended the socialization of America. That book was a complete takeoff of the Fabian Socialist blueprint. He recommended that the Federal Government should take over first of all the private utilities in America, next, all the banks in America, next all the communications in America, and next all the farms in America. You can get the book. It is in the Congressional Library. I do not mind telling you that he did not stay in the Interior Department long after that, but he did wind up a year or so afterward as secretary of the President's Natural Resources Committee. He had been the program director of the Department of the Interior for years. A very good place to advocate his socialistic schemes. Ike fired him quick early in 1953.

You think we have not had a problem to keep this country from getting into the hands of people like that? We will lose our free enterprise system if a lot of the Members of Congress keep on pounding the kind of people that made America great, the people that by the sweat of their brow and by their honest works, your forebears and mine, labored and builded here the free private enterprise system which today is suffering every sort of abuse and criticism that can be piled on their backs including higher and higher taxes because of the spending spree over almost all of the last three decades. What will the harvest be? You know.

Mr. KIRWAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in 1946 Harry Truman was President of the United States. Oscar Chapman, his Secretary of the Interior, gave him the plan for the Upper Colorado River Basin. They asked for too much in their request and the legislative committee cut it down. Then came Dwight Eisenhower and Douglas McKay, who was his Secretary of the Interior. They agreed on the plan that is in front of you today. Then Fred Seaton came into the picture and he agreed with the plan. They all agreed the basic purpose of the act is to provide irrigation assistance. That is why the lines must be built, to put people on farms where they can make money to pay taxes and have a good living. The Federal Government is spending over $600 million under either system. The question is, who pays the $84 million for certain backbone transmission lines? If the private utilities build these lines they will charge $593 million over 86 years and the Government will have $273 million less revenue for irrigation assistance.

The question is whether the Federal Government is eventually going to own the house or is going to pay rent forever. If buying and owning a home was ever good business, it is in this case. The Government is paying for most of the house anyway. It is paying over $600 million. Why should the Government let the private utilities finish the house with an investment of only $84 million, and then charge the Government $593 million in rent for the use of the house? Under this, the Government would lose $273 million in revenues for irrigation assistance. The reason for building this project is not to provide assistance to the utilities, and I ask that this amendment be voted down.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Colorado.

Mr. ASPINALL. I wish to join the gentleman from Ohio in his opposition to this amendment. The upper Colorado River project was a very closely studied project. Not only its economic feasibility but its financial feasibility depends upon the project as it was originally proposed and originally authorized and as it is being constructed at the present time. The gentleman from Ohio [Mr. KIRWAN] is absolutely correct when he says that the amendment that has been proposed is likely to destroy the very thing that makes possible the participating irrigation projects which will serve the people of the area as they should be served and at the same time render their contributions to the national economy and welfare.

Mr. Chairman, I ask unanimous consent to extend my remarks and place in the RECORD at this point a rather lengthy statement I have made, but which in the interest of the time of the Commitee I do not want to give orally.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. ASPINALL. Mr. Chairman, I am in strong opposition to the amendment proposed by the gentleman from Iowa [Mr. JENSEN]. I have taken this time to speak in support of the proposition which is specifically set forth in Public Law 485, 84th Congress, that—

> The Secretary of the Interior is hereby authorized to construct, operate, and maintain the following initial units of the Colorado River storage project, consisting of dams, reservoirs, powerplants, transmission facilities, and appurtenant works.

Further, as stated in section 7 of said law:

> The hydroelectric powerplants and transmission lines authorized by this act to be constructed, operated, and maintained by the Secretary shall be operated in conjunction with other Federal powerplants, present and potential, so as to produce the greatest practicable amount of power and energy that can be sold at firm power and energy rates.

Mr. Chairman, the Colorado River storage project is the largest single reclamation project ever authorized by the Federal Government. That means, of course, that it is the largest reclamation project ever authorized by one piece of legislation in the history of the world. It is primarily and basically an irrigation project. The production and marketing of power, although most necessary to the success of the project, together with the supplying of municipal water, the development of recreational values and other benefits, are secondary and incidental to the primary purpose of the legislation. The construction and operation of this great program with its interrelated development and coordination with similar facilities in the lower basin of the Colorado River and in the Missouri Basin will provide for the maximum contribution of this vast area to the welfare and security of our Nation.

The support and sponsorship of this greatest of all reclamation projects has been entirely bipartisan—or nonpartisan, if you wish to state it thus—from the very beginning. It has been studied, surveyed, sponsored, and supported by representatives of every Federal administration since the 1920's. The first preliminary report was made and released under President Truman's administration through the Office of former Secretary of the Interior, Oscar Chapman. The succeeding administration, under President Dwight Eisenhower, through the Offices of the two former Secretaries of the Interior, Douglas McKay and Fred Seaton, supported it right from the beginning of such administration and followed it through to its final successful authorization.

Here, in Congress, its effective support has also been entirely bipartisan. The legislation, as presented, was on a bipartisan basis. I believe my colleagues will be interested in a few statistics at this point. The authorizing bill passed the House of Representatives on the 1st day of March 1956, by a vote of 256 to 136. The "yea" vote consisted of 138 Democrat votes and 118 Republican votes. The "nay" consisted of 62 Democrat votes and 74 Republican votes. This shows that the report as well as the opposition was completely bipartisan. Of the 138 Democrats who supported the measure, 110 of them are presently Members of the House. Of the 118 Republicans who supported the measure, 52 of them are presently Members of the House. I am most pleased to find such a large number of the supporters of the program still Members of this great forum.

Now, just what is the controversy that is presently before us? It is my sincere hope that in a brief and concise statement I shall be able to present to you, my colleagues, my understanding of the problem. Please keep in mind that I am somewhat prejudiced in the matter but may I say to you, my colleagues and friends of many years, and those of more recent months, I sincerely trust that my prejudice—whatever it may be—goes only to what I consider to be necessary to make this great project one of the outstanding successes of reclamation, conforming in all particulars with policies and guidelines laid down by Congress for reclamation programs. I was one of the sponsors of the House legislation to authorize the Colorado River storage project, and I put all of the energy and talent which I possess in supporting the passage of the act, but in doing so, I can say to all, without any

fear of successful contradiction, that the act itself is one of the more conservative reclamation authorizations of the last three decades and that it conforms to policies enunciated by Congress itself for such programs.

The most important new policy established in the Colorado River Storage Project Act was the authorization for and the establishment of a basin fund into which all appropriations from the Federal Treasury and all revenues, including payments from users, revenues from power generation, and so forth, are to be paid; and from which basin fund all moneys owed to the Federal Government—for construction costs advanced, as well as all other expenses of the project—are to be expended. If and when—and may I call your particular attention to this part of my statement—if and when there are any net revenues (that is revenues not needed to pay the operation and maintenance costs, the power and municipal water costs with interest, and the irrigation costs of the storage units) such net revenues shall be available for and will be used to pay those costs of construction of the participating projects which the users of such participating projects are unable to pay. Hereinbefore I stated that this is in fact an irrigation project. It is these participating projects that make it so. Without them there would be no project. Eleven of such projects have been authorized for construction by the original act, and some 24 others are authorized for planning. It is hoped that in the decades ahead that the majority of those authorized for planning will be authorized for construction. All other facilities, that is other than the participating projects, were intended to be, and must continue to be, subordinate to this particular use which is "irrigation." Without the smaller dams and the attendant reservoirs in the upper reaches of the tributaries of the Colorado River this program would be unnecessary and of little value to the area served. That is especially so in Colorado where over 70 percent of the water of the Colorado River rises.

Now, what is needed to make the participating project program successful? The answer is obvious to anyone—it is to put just as much net revenue in the basin fund as it is possible to obtain under the provisions of the act and the operation of the facilities authorized therein. The Federal Treasury must be repaid and the smaller reservoirs must be constructed, otherwise the objective is missed and the project is doomed to failure.

My position, therefore, is one easy of understanding, and I trust equally easy of explanation. I want just as many dollars in the basin fund as can be placed there within the provisions of the law itself. In my thinking and in my understanding of what is involved, this matter now before us should not be a controversy between, or generated by, advocates and supporters of public power and of private power. There is room for the business of each in this great project undertaking. Neither should be placed at the mercy of the other. Neither should ask for the advantages it would not grant if it were in the position of the other. All too often we find these battlelines drawn by the overzealous advocates of these two opposing views. As I have said before, in this particular instance there is plenty of room for each to serve under existing law and policy.

Please keep in mind that what I am seeking is the maximum flow of dollars into the basin fund on which the economic and financial success of this project depends.

As I go now to the next step in my presentation, let me advise my colleagues that I shall not attempt to confuse you with a lot of figures and details. There has been, in my opinion, all too many charges and countercharges made by the zealots of each side. The air is completely filled with fallout that confuses even the best qualified experts on these matters. Largely, the differences arise because of the objective sought or the initial assumptions made. I take no prejudiced issue with either side. I just want as many dollars in the basin fund as can be provided under the authorizing law and the operation of the facilities authorized therein. I want this project to do what it was intended to do when it was authorized.

Please permit me to go now to what I consider to be the crux of the present issue. In the beginning of my statement I quoted the statutory provisions governing the Federal Government's responsibility in the construction and operation of transmission lines. Let me quote one of those passages again:

> The hydroelectric powerplants and transmission lines authorized by this act to be constructed, operated, and maintained by the Secretary shall be operated in conjunction with other Federal powerplants, present and potential, so as to produce the greatest practicable amount of power and energy that can be sold at firm power and energy rates.

This means, of course, that the Secretary of the Interior is authorized and directed to construct and operate certain transmission facilities. What facilities? To put it very plainly, the answer is those transmission facilities which will insure the success of the project. This means, as I understand it, those facilities which will permit the Secretary of the Interior to coordinate and correlate all of the facilities of the project for its overall success. This means the generation of power to produce "the greatest practical amount of power and energy that can be sold at firm power and energy rates." This means, if my thinking is clear, that the Secretary is charged with the responsibility of producing the power and getting it to the consumer. He must not be at the mercy of any party in between. If it is to the advantage of the project that he construct basic transmission lines to the load centers, then he is directed to do so. If it is to the advantage of the project—and, mark you, I emphasize the word "project"—in situations which may not be specifically to the advantage of the power consumers or any other party or parties, to enter into agreements with private or public utilities to "wheel" power to the customers, then he should enter into such agreements. But, within the authority and responsibility granted by the authorizing act, this decision is left to the Secretary.

What are the other guidelines? They are to be found in the established policies of the Congress set out in the reclamation laws and in House Report No. 1087, 84th Congress, on H.R. 3383, the House bill authorizing the Colorado River storage project. There is not one word concerning this matter in Senate Report No. 128 accompanying Senate action on S. 500, the Senate bill authorizing the Colorado River storage project. Neither is there any mention of the matter in part 2 of House Report No. 1087 which was a supplemental report on H.R. 3383, nor in the conference report accompanying S. 500 and designated as House Report No. 1950, 84th Congress, 2d session.

Under these circumstances, I feel, therefore, that it is safe to assume—and I was the sponsor of the House bill and a member of the conference committee—that all concerned were of the understanding that the matter was thoroughly covered in the provisions of the legislation itself and the references to this particular matter in the House report.

Let us see what the House report provided. It reads as follows:

> PROPOSAL OF THE PRIVATE POWER COMPANIES
>
> The committee finds that this project is unique in that there is no public versus private power controversy involved. Representatives of the 10 private power companies operating in the area presented testimony before the committee indicating their desire to cooperate with the Federal Government in the transmission and marketing of electric power and energy from the Colorado River storage project. Their proposal provides essentially that the Secretary construct the backbone transmission lines connecting major powerplants of the project and that use be made of the existing systems of the companies and additions thereto to market the power. The companies assured the committee of their willingness to serve preference customers either through wheeling or through resales with appropriate safeguards to protect the rights and interests of the preference customers, and of the desire of the private utilities of the area to purchase power in excess of that taken by preference customers.
>
> The proposal by the power companies seemed entirely reasonable to the committee. The proposal is consistent with the policy expressed by the Congress for many years in appropriation acts and elsewhere whereby the Federal Government builds the basic backbone transmission system and distribution is made through existing systems where satisfactory arrangements can be worked out. The procedure proposed is similar to that which has worked very satisfactorily for the Ceneral Valley project.
>
> The Department of the Interior advised the committee that it was sympathetic to the private power companies' proposal and indicated that the suggestions would be given studied consideration if the project were authorized. Therefore, the committee expects the proposal by the private power companies for cooperation in the development to be carefully considered by the Department of the Interior and the electric power and energy of the project to be marketed, so far as possible, through the facilities of the electric utilities operating in the area,

provided, of course, that the power preference laws are complied with and project repayment and consumer power rates are not adversely affected.

The reference, in this language, to general policy must first be examined, and here I must reemphasize by quoting once again the pertinent part:

The proposal is consistent with the policy expressed by the Congress for many years in appropriation acts and elsewhere whereby the Federal Government builds the basic backbone transmission system and distribution is made through existing systems where satisfactory arrangements can be worked out.

I have reviewed the record of congressional actions regarding Federal construction of transmission facilities and reach the conclusion that the Congress has historically favored construction of backbone transmission lines to interconnect powerplants constructed by Federal agencies and to deliver power to load centers. The authority for construction of transmission lines exists under general reclamation law as well as in specific project acts and, pursuant to this authority, many cooperative arrangements with private utilities have been worked out.

One congressional expression on this matter is found in section 5 of the Flood Control Act of 1944 which reads as follows:

The Secretary of the Interior is authorized, from funds to be appropriated by the Congress, to construct or acquire, by purchase or other agreement, only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies.

This is exactly what this committee had in mind for the Colorado River storage project—that is, that the Federal Government construct only transmission lines to make power available in wholesale quantities to facilities owned by the Federal Government and to preference customers provided satisfactory arrangements for distribution beyond load centers could be worked out.

In implementing the policy expressions of the Congress on the marketing of electric energy, the Department of the Interior has generally followed the following criteria with respect to arrangements for the delivery of power produced at Federal hydroelectric projects:

First, private utilities have ample surplus transmission capacity or are willing to construct transmission lines for that purpose.

Second, private utilities are willing to furnish such service to the Department at a reasonable price.

Third, such arrangements will enable the Department to render acceptable power service to customers having preference, under existing law, in the purchase of federally produced power.

The committee also had these principles in mind in connection with the language in its report.

There has been reference to the Keating amendment which has appeared in all recent public works appropriation acts and reads as follows:

"Provided, That no part of this appropriation shall be used to initiate the construction of transmission facilities within those areas covered by power wheeling service contracts which include provision for service to Federal establishments and preferred customers, except those transmission facilities for which construction funds have been heretofore appropriated, those facilities which are necessary to carry out the terms of such contracts or those facilities for which the Secretary of the Interior finds the wheeling agency is unable or unwilling to provide for the integration of Federal projects or for service to a Federal establishment or preferred customer.

This language is applicable only in those areas covered by existing wheeling arrangements.

Having examined general congressional policy with respect to the construction of transmission lines and the marketing of electric power and energy to which reference is made in the House report, then what additional requirements must be taken into consideration? Such requirements, relating specifically to the Colorado River storage project, are to be found in the last sentence of that portion of the House report relating to the subject. Once again for the purpose of reemphasizing, I requote:

Therefore, the committee expects the proposal by the private power companies for cooperation in the development to be carefully considered by the Department of the Interior and the electric power and energy of the project to be marketed, so far as possible, through the facilities of the electric utilities operating in the area, provided, of course, that the power preference laws are complied with and project repayment and consumer power rates are not adversely affected.

The important direction here, of course, is "that the power preference laws are complied with and project repayment and consumer power rates are not adversely affected."

This means not only that the basin fund must not be violated but that all revenues possible must flow into it, thus providing for project repayment. To me, as I have stated before, this is the issue.

As soon as it seemed appropriate for them to do so following project authorization, the representatives of the private utilities requested the Bureau of Reclamation to provide them with the plan to be followed in the construction of the transmission lines for the project so that they could submit their proposal for participation in the construction of the required transmission system. Two important matters must be borne in mind at this point of our discussion. The first is that whoever controls the main operation of an electrical transmission system is in position to receive large values which are difficult of exact measurement but recognized by all experts in this field. These values which result from flexibility in operation mean dollars and cents to the controlling party. This is particularly true because of the vagaries of electrical power generation and transmission. From the standpoint of the Federal Government such control of the storage project transmission system and its interconnection with other existing Federal systems will tremendously enhance its value to the project and will add flexibility which will permit better utilization of the public investment in the overall development of our water resources.

The second matter that must be borne in mind is that it is impossible to set forth a definite and final plan for any transmission system until the time immediately preceding construction because power demands and locations of load centers are so difficult of ascertainment. Accordingly, I do not believe that we should be unduly bothered by the charge of the representatives of the private utilities that the plans have been somewhat modified since the first plan was offered to them. Neither should we be bothered unnecessarily because of the changing requests of the preferred customers. These matters just do not lend themselves to a fixed and final decision and do not appear to be of major importance in examining the merits of the private utilities' proposal.

Having all these matters brought to my attention with the related contentions and charges, and not being an expert in such matters myself, and further, after having several conferences with representatives of each interested group, I proceeded to ask for advice from as qualified and expert a source as I could find, a source that I considered to be not prejudiced in favor of either private utilities or preferred customers groups—his only interest in the final outcome being its effect upon the future development of Colorado's water resources. I requested help from the engineer of the Colorado Water Conservation Board which is the policymaking administrative agency for all water resources matters in Colorado and which serves under the direction of the Governor. Colorado's particular interest in this matter is that the State of Colorado, by the provisions of the Colorado River Storage Project Act, is entitled to receive benefits from the basin fund in the amount of 46 percent of all of the net revenues therein. Colorado's share of the revenues in the basin fund is to be used to help pay for the construction of any participating project authorized by Congress to be built within the State of Colorado. These are the benefits to the State which contributes over 70 percent of the water to the Colorado River.

In his analysis, my consultant worked from the June 1, 1961, report evaluating the wheeling proposals of the private utilities and prepared by them. He used the utilities' own figures and computations where they disagreed with the Bureau's interpretation of their offer. In his report to me, he advises that, even using the utilities' own figures, his analysis shows that all-Federal construction of the basic transmission system, and here I refer to what is known as the necessary backbone system in such a project, is in the best interest of the project users and the States of the Upper Colorado River Basin.

On the basis of his study, the dollar amounts which would be received as net

revenues in the basin fund and available for development of participating projects during the period from the time the power goes on the line to 2049 would be about $117 million more under an all-Federal transmission system than under the private utilities' proposal and the financial advantage of the all-Federal system after the year 2049 would be about $4.8 million per year. Again, I point out that this is based upon using the utilities' figures. The Bureau's study comparing the utilities' proposal with the so-called modified system, shows a difference in favor of an all-Federal system of $274 million over the same period. The financial advantage to the all-Federal system is due primarily to the fact that the Federal transmission grid is paid out in 44 years with interest with revenues thereafter available to assist in the repayment of participating projects, whereas the rent or wheeling charges paid under the proposal of the private utilities goes on in perpetuity.

What this means with respect to development of the water resources of the Upper Colorado River Basin is that either such development would be delayed under the utilities' proposal or the power rates would have to be increased above 6 mills because the Colorado River Storage Project Act requires that there must be net revenues in the basin fund to repay the cost of each participating project in 50 years following its construction and development period. This was the finding of both former Secretary of the Interior Fred A. Seaton and the present Secretary, Stewart L. Udall, and the basis upon which they both disapproved the private utilities' proposal.

My friends, I have spent a lot of time studying this matter and I have tried to be completely fair in attempting to justify acceptance of the private utilities' proposal. However, I can arrive at only one conclusion. Federal construction of the backbone transmission lines to interconnect Federal powerplants and systems is necessary for maximum development and use of the water resources of the Upper Colorado River Basin.

I hope that the funds will be retained in this bill to keep the transmission system construction on schedule so there will be no delays in the marketing of power and energy when it becomes available. Such delays could result in extensive revenue losses to the Federal Government.

Remember, my friends, the deletion of funds from this bill for the transmission lines in question is not a decision as to who builds the lines. The Secretary of the Interior has been given certain authority and responsibility under the Colorado River Storage Project Act and he cannot enter into a contract with the private utilities unless he determines that such contract is consistent with such authority and responsibility. In my opinion, he cannot make such a determination with respect to the present proposal of the private utilities for wheeling power and energy of the Colorado River storage project. Having given the Secretary of the Interior the statutory responsibility for determining what part of the electric transmission system must be constructed by the Federal Government in order to retain the necessary operating control and provide maximum development of the water resources of the basin, it would seem extremely unwise for the Congress to now prevent, by its refusal to provide funds, the implementation of such determination by not one but by two Secretaries of the Interior.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I wish to direct a question to the gentleman from Colorado. The gentleman from Colorado is a knowledgeable gentleman in this area. He is a recognized expert on reclamation projects and is chairman of the legislative Committee on Interior and Insular Affairs. I would like to propound this question to him. Does the gentleman know of any other Bureau of Reclamation project where we have power where the Bureau of Reclamation has not built the backbone transmission line?

Mr. ASPINALL. If the gentleman from Ohio will yield to me, I will be glad to answer that question. Every multiple-purpose project authorized by the Congress, where power has been provided, has also been given the authority and the direction to provide the proper transmission facilities to the load centers.

Mr. BOLAND. And that is precisely what we are doing by this bill today.

Mr. ASPINALL. The gentleman is correct.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I commend the able gentleman from Ohio for the splendid presentation he has made on this point. I wish to commend the committee for the fine bill they have brought forth. I hope the bill can be adopted without any change or amendment.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from New York.

Mr. ROONEY. Mr. Chairman, I should like to join in commendation of the distinguished gentleman from Ohio [Mr. KIRWAN]. I supported the gentleman from Ohio and the gentleman from Missouri [Mr. CANNON] in the subcommittee as well as in the full committee, and I support them in their opposition to this pending amendment today. I think this issue is very, very important and one that should be decided decisively once and for all.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Iowa.

Mr. JENSEN. I am sure the gentleman from Ohio does not want the statement to stand unchallenged when he said that we have built all the backbone lines or intimated that the Government built all of them. The facts are that the line proposed in this bill runs out into the hinterland no end. They are not just tying ends together as you and I, may I say to my colleague from Ohio, have always insisted on doing. We did not run transmission lines in the Missouri Valley out into the hinterland. We stopped them at the load center and said to the people, "Come there and get your groceries." No; we have done it all over this country.

Mr. KIRWAN. The lines in question only go to main load centers and intertie other Federal powerplants. They do not go into the hinterlands. I believe this is one of the best things that has ever come before the Congress of the United States and the proposed amendment to delete these lines should be defeated.

Mr. HOSMER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to at this point ask a question of the gentleman from Colorado, chairman of the Committee on Interior and Insular Affairs. The question is this: Is it not a fact that during the long and tortuous trail of the upper Colorado project through this Congress its financial feasibility was calculated upon selling power for 6 mills at the bus bar?

Mr. ASPINALL. Mr. Chairman, if the gentleman will yield, that was the essence of the hearings which we had, and it is the foundation upon which the Bureau of Reclamation is presently operating. And, it is also the understanding of the gentleman from Colorado, after being in conference with several experts on this matter, that what the five investor-owned utilities propose will cost the consumers 6.57 mills per kilowatt-hour, I believe it is.

Mr. HOSMER. Well, I am not particularly interested in how much it is going to cost the consumers in this five-State area that are getting this power at an already reduced rate. I am interested in what it will cost the taxpayers of the United States to generate and wheel that power.

Now I am going to ask the gentleman from Colorado another question. Will he tell us which end of the transmission line the bus bars are on? And by that I mean are they at the generating facilities end or are they down at the using facilities end?

Mr. ASPINALL. As the gentleman from Colorado understands this particular project, the points to be served by the transmission lines will be known from the generating plants to the load centers, wherever they may be. There has been an indication that there will be 15 of them; others have asked for 24. The gentleman from Colorado doubts that there is any necessity for all 24, but that is a determination that cannot be made until there is proper study and final decisions. What is requested, so far as this project is concerned, are necessary transmission lines to go to the load centers that are already recognized or will be determined before construction is started.

May I add one further thing. The construction by the Federal Government

of these transmission lines is not going to cost the Federal Government one cent. The Federal Government will be repaid in full with interest.

Mr. HOSMER. Well, I do not yield further to the gentleman from Colorado for a statement like that, because there are several hundred millions of dollars involved, or at least well over $100 million involved, and I think the gentleman has made my point. We have heard all afternoon these fairly tales about how this project is not going to be financed feasibly unless we come in and build these lines with public money, and yet in all the years that this project was being pleaded for through this Congress, every single argument made by everybody on that side or on this side of the aisle was that the feasibility of the project was based on 6-mill power at the bus bar, which is in the generating end of the transmission line. And, as a consequence, I think it ill behoves anybody to stand in the well of this House and tell us now that you have to have public-owned transmission lines at a tremendous cost to the U.S. taxpayers in order to bail out these projects financially.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Actually, is it not a fact that the proposal of the utilities to wheel the power to the load centers at 6.57 is a much better proposition than the Committee on Interior and Insular Affairs had before it before the upper Colorado River project was authorized?

Mr. HOSMER. I am glad the gentleman made the point.

Mr. Chairman, I yield back the balance of my time.

Mr. TABER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, it is clear to me that the only support for this provision and for this transmission line is that it is a camouflage. We have heard the story here that Wall Street was going to control it. We all know that the only people who can control it are the folks back home who use the power; and they can be made to pay for the use of the power only what is a fair price, everything considered. Wall Street has nothing more to do with it than a babe in arms.

If we intend to do this job in an unbusinesslike way we will turn down the amendment offered by the gentleman from Iowa [Mr. JENSEN], because that would mean that these fellows who are running these big power lines would have their own way.

I ran across one thing that made me absolutely certain that we ought not to put any of this powerline in certain hands, a man named Diefendorf, of New York City, representative of the Webb & Knapp Co., a very active real estate outfit. They control a lot of other setups. There is an outfit known as the Gulf State Land & Industries, and the people who want to build this powerline have made a contract with the Gulf State outfit to supply them with a steel mill up in Anaconda, Mont.

How are we going to have any intelligent administration or any practical business handling of such a proposition if we are silly enough to allow a fellow like that to go out and make a contract with a proposed steel company which does not exist as far as having any field plant goes, at a rate which would induce an outfit to put in a powerline running a long distance, from Anaconda down to where the power is produced on the river below. If we are going to do that we are showing very poor business judgment indeed.

I hope the amendment will be adopted.

Mr. CANNON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as has been said, the provision in the pending bill for Federal conservation of water power is but a part of the national program initiated by Theodore Roosevelt and fostered by every President from his day down to this time.

It was especially endorsed and supported by President Eisenhower and all members of his Cabinet.

Under this administration it has been particularly stressed by President Kennedy and all associated members of his administration.

In corroboration of this may I read a statement by President Kennedy, made this morning and just received from the White House:

STATEMENT BY JOHN F. KENNEDY, ON TRANSMISSION LINE PROVISIONS, PUBLIC WORKS APPROPRIATION ACT OF 1961

I approve wholeheartedly the action of the House Appropriations Committee last week in approving funds requested by the administration to construct Federal backbone transmission lines to market power generated at the upper Colorado project and the Trinity project in California. In order to insure that the Federal investment in these projects will benefit the general public and insure that the generated power will be delivered to points where both public and private agencies are able realistically to purchase and distribute this power, Federal transmission lines are necessary. The breadth of the support for this principle is evidenced by the strong congressional action in authorizing the upper Colorado transmission system of 1956, by the recommendation of the Eisenhower administration in January of this year, and by the vigorous advocacy of the same concept by this administration through the Secretary of the Interior.

I believe this project to be fundamental to a sound power policy and sincerely hope the Congress will approve the appropriations items recommended by the House Appropriations Committee.

Mr. KIRWAN. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close at 5 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BRUCE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I would like to briefly discuss some most interesting—but rather frightening—facts about Federal encroachment into the electric power business. I am sure that all Americans who believe in our traditional free-enterprise and private-initiative philosophy, must view with some concern the significant advance federalization of the electric utility industry has made in the last 30 years. Nationalization of the electric power business carried forward at the 1930–45 rate would kill the investor-owned power industry by 1980.

I cannot believe that the American citizen desires nationalization of the electric power business. Most Americans, when they take time to reflect, recognize the immeasurable contribution to our way of life that the electric power industry has made in the short space of a man's lifetime—in the 80 years since Thomas A. Edison founded the electric power industry. In these 80 years the private electric power industry has opened the way to a new and remarkable world of industrial progress and scientific achievement. Yet we still hear a hue and cry from certain small segments of our citizenry demanding so-called cheap Federal electric power—cheap Government power at any cost. Certain voices are heard calling for giant Federal power transmission grids at super high voltages, regardless of need or economic considerations. These same voices cry out for Federal construction of single-purpose powerplants, ignoring our time-honored concept of Government power production only as an incidental element of reclamation purposes. We find Federal yardsticks that conveniently shrink to measure Government power schemes and stretch suspiciously when measuring private power proposals.

Reasonable men reaching reasonable conclusions can only observe that there seems to be an organized program afoot dedicated to killing or crippling the private power industry. The Federal superpower schemes, whether fostered as a facet of creeping socialism or merely a part of bureaucratic empire building, can have only one end result: the abolition of private power in our country through socialization of the electric power industry.

Back in 1948 the Bureau of Reclamation published a book entitled "Program of Power Development—Fiscal Years 1948 Through 1957," which presented the power development program of the Bureau of Reclamation for that 10-year period in the 17 Western States. The purpose and scope of the Bureau's program is noted on page 1 of this book:

This report presents the proposed power development program of the Bureau of Reclamation over the next 10 years.

It looks ahead to the future power systems to be developed by the Bureau in the West. Each of the seven administrative regions has prepared a 10-year power program and each of these programs constitutes one of the following sections. Mention of a particular powerplant or transmission line does not necessarily mean that it is as yet authorized, but that it is considered as a necessary part of the development to accomplish the program to provide for the estimated future load.

This 1947–58 power program report has tentative Federal power transmission grids stretched all over the 17 Western States, including a proposed transmission network in the Upper Colorado River Basin. Read this report and

you will receive firm impressions that as far as the Bureau is concerned power development is its sole function and that private power companies are nonexistent.

The Bureau's 1947–58 power program is strong evidence of long-range plans to federalize the electric power industry. Why else is there now such persistent political clamor to have the Bureau of Reclamation build a Federal transmission grid in the Colorado River storage project area when private companies have offered to transmit Colorado project power at less cost? I say this despite the claims of Federal power advocates that the price of power to preference customers would have to be increased if the private companies do the transmission job. When we investigate this claim we find that it just is not true.

We find that the Bureau of Reclamation has devised a so-called yardstick transmission system which is incapable of fulfilling the power marketing criteria established for the Colorado River storage project. The wheeling offer of the private companies meets these same marketing criteria.

We find a double standard of operating costs applied in the Bureau's evaluation of the private utilities' offer: a reasonable annual operating cost applied to the Bureau's yardstick; an annual cost almost twice as great for the same facilities in the utilities' offer.

We find a double standard of power deliveries; bus bar deliveries for the yardstick; arbitrary and unrealistic power flows for the same power in the evaluation of the utilities' offer.

We find beneficial interconnections with other transmission systems assumed for the yardstock without consideration of accompanying costs.

Yet, despite all this, a fair and proper evaluation of the utilities' offer shows these private companies can still do the job quicker and better and cheaper.

It is about time we pulled our heads out of the sand to take a long hard look at this question of federalization of electric power. I think we would find that good time-proved American private enterprise is still the best short-range and long-range way to do things.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. BRUCE. I yield to the gentleman from New York.

Mr. BECKER. Mr. Chairman, it has been said that the controversy over construction of transmission lines for the Colorado River storage project was not a public-private power fight. Several other proponents of an all-Federal transmission system have made the same statement. Well, if it is not a private-public power fight I do not know what it is. It is certainly not a reclamation question.

I say without reservation that it is a private-public power fight and one of much greater magnitude than meets the eye. It concerns a great deal more than some transmission lines for the Colorado River project. These lines are a part and parcel of a plan to greatly expand Government power. We do not want to forget for 1 minute when we vote on this question that we are not voting on a relatively small appropriation this year, we are voting for the unnecessary, wasteful expenditure of $136 million which is only a beginning that will lead to the expenditure of millions of additional Federal funds.

If you have any doubt about that, I hold in my hand a document which begins to tell the story, but only a part of it.

First, there is a letter of July 7, 1961, from a Mr. F. M. Clinton, regional director of the Bureau of Reclamation, from Salt Lake City, written to Mr. John J. Bugas, manager of Colorado-Ute Electric Association, Inc., a generation and transmission electric cooperative with headquarters at Montrose, Colo. The letter refers to discussions the two have had about the co-op building steamplants. It stated:

> For the purpose of securing a loan from the Rural Electrification Administration for the construction of a steamplant, you desired that we furnish you a statement as to the benefits that would accrue directly to the Bureau. * * *

After much other discussion, the regional director of the Bureau tells the G. & T. manager that considerable benefit to the Bureau system would result from the installation of a steamplant in the Craig area.

Here we have the Bureau of Reclamation and a generation and transmission electric cooperative scheming out a method to get a steam generating plant constructed in the Colorado River project area—a plant which, of course, which would be financed in whole by the Federal Treasury.

Next, there is a letter dated July 11, 1961, from Mr. Bugas, the co-op manager, to a Mr. Leslie Alexander, assistant manager of the Salt River project in Arizona. This letter states in substance that the Rural Electrification Administration is ready to make funds available immediately to the co-op to build a steamplant if they substantiate a need. The writer considers that the letter from the Bureau substantiates the need and the only other thing needed is for the Salt River project to issue a letter of intent to take 100,000 kilowatts of this power during the early years of the development.

A third letter in the folder is from Mr. R. J. McMullin, general manager of the Salt River project, dated August 11, 1961, to Mr. Bugas, the co-op manager, in which the Salt River project agrees to take the 100,000 kilowatts of power from the cooperative.

The last letter in this document is from a Mr. H. F. McPhail, executive director, Colorado River Basin Consumers Power, Inc., dated August 15, 1961, addressed to Mr. Floyd Dominy, Commissioner, U.S. Bureau of Reclamation. It discusses the Clinton letter and the agreement between the Salt River project and the Colorado-Ute Co-op.

The document also includes a map showing existing and proposed Bureau transmission lines in the Colorado River project area and steamplants proposed to be built by co-ops.

This is quite a document and tells quite a story. The Bureau of Reclamation, the Rural Electrification Administration, a generating and transmission cooperative and the Salt River project together working out a scheme to get an all-Federal transmission system. This is another example of the unholy alliance my colleague from Pennsylvania [Mr. SAYLOR] referred to in the fine speech he made last Thursday—an alliance that can only bring harm to the reclamation program.

The steamplant the Colorado-Ute Co-op proposes building is far removed from its own service area. Furthermore, the co-op could only use a fractional part of the capacity of the proposed plant. The Salt River project is down in Arizona some 540 airline miles and 800 transmission line miles from the proposed co-op steamplant. The Salt River project is perfectly capable of financing any additional capacity it needs on the open money market. It has been doing so for years. The Salt River project has conditioned its purchase of Colorado-Ute power upon construction by the Bureau of an all-Federal transmission line system.

These Government power advocates are not satisfied with asking the Congress to make a wasteful appropriation of $136 million tax dollars to construct unnecessary Federal transmission lines but are already planning to tap REA for millions of additional dollars of 2-percent money to construct steamplants. Even as now planned by the Bureau, the presently proposed Federal system would not deliver power to all of the preference customers, so the Bureau would have to have millions of additional tax dollars to extend the presently proposed system, or the co-ops would be borrowing additional millions of tax dollars from the Government at 2-percent interest to build lines to the Federal system. After all of this is done, then the Bureau will be back for millions of additional tax dollars to tie the all-Federal Colorado River project system in with other Federal systems.

The Government power zealots want to spend these millions of tax dollars to do a job that can be better done by the Bureau working with the five investor-owned electric companies now serving the area, and it can be done without increasing the cost of power to the preference customers. Such wild schemes do not make good sense.

COLORADO RIVER BASIN
CONSUMERS POWER, INC.,
Salt Lake City, Utah, August 15, 1961.

Mr. FLOYD DOMINY,
Commissioner, U.S. Bureau of Reclamation, Washington, D.C.

DEAR MR. DOMINY: A study made by the Colorado River Basin Consumers Power indicates that loads of our consumer-owned utilities in the States of Colorado, Wyoming, Arizona, Utah, and New Mexico, will exceed present and proposed resources in 1964. For this reason, we must construct thermal plants to supply our needs until, and following full usage of Colorado River storage project power.

In planning for thermal plants it is our opinion that by joint effort we can install fewer plants of larger capacity, while preserving the market for storage project power.

The fossil fuel plant power requirements of consumer-owned utilities in the five-State area, in addition to absorption of stor-

age project power, will be about 1 million kilowatts by 1970. In fact, the thermal plant requirements of Salt River project, over and above present resources, and storage project power, is expected to be 700,000 kilowatts by 1970.

By interconnecting thermal plants to the all-Federal transmission system, the greatest amount of storage project power can be moved with the least amount of line construction. Construction of thermal plants by our group further improves the reserve capabilities of the system, provides additional standby, and thus further substantiates the Bureau's claim that no outside standby line or generating capacity payments will be necessary.

The use of the all-Federal system for displacement or actual transmission of thermal power and energy enhances the project payout because in the first case, fewer lines and thus lesser investment is needed, and, in the second case, collection of wheeling charges by the Bureau would enhance project revenues. Mr. Frank M. Clinton, regional director, region IV, U.S. Bureau of Reclamation brought this out in his July 7 letter, copy attached.

Thermal plants such as those proposed for construction by our group in the coal bearing areas as shown on the attached map justify construction of the second 345-kilovolt line between Glen Canyon and Phoenix. Displacement will keep this link of the transmission system fully loaded.

Construction of thermal plants by our group will (a) develop fossil fuel fields to assist the coal mining industry whose economy is one of the hardest hit in our country and (b) provide mutual interconnection benefits to both private utilities and the Bureau of Reclamation.

Mr. Clinton's letter of July 7 stated that such plants will enhance the overall Bureau system. This decision has prompted the Colo-Ute Electric Association and the Salt River project to proceed with plans to construct a plant in the coal bearing area as indicated in attached letter agreement dated August 11, 1961. Such construction, however, is necessarily predicated on the construction of a Federal system for transmission of power and energy. In the absence of such lines plants burning higher cost natural gas would have to be constructed in central and southern Arizona.

Sincerely,

H. F. McPHAIL,
Executive Director, Colorado River Basin, Consumers Power, Inc.

SALT RIVER PROJECT,
Phoenix, Ariz., August 11, 1961.

COLORADO-UTE ELECTRIC ASSOCIATION, INC.,
Montrose, Colo.

(Attention of Mr. John J. Bugas, general manager).

GENTLEMEN: You have advised us of Colorado-Ute's intention to construct a coal-fired steam generating station of about 150 megawatts capacity on the coalfields of northern Colorado to be placed in operation in 1964, provided Colorado-Ute can obtain a market for approximately 100 megawatts beginning in 1964, with decreasing amounts thereafter in equal increments to a minimum of 60 megawatts by 1974, and can also obtain the necessary standby power to back up the station during emergency and planned outages.

Mr. Clinton, regional director, region 4, of the Bureau of Reclamation, in his letter to you of July 7, 1961, indicates that the planned Bureau transmission system for the Colorado River storage project would have sufficient capacity to transmit to preference customers in the southern division (Arizona and parts of California and Nevada) the power and energy you propose to market and that such capacity would be made available for this purpose, and also to furnish you with standby power. You have asked whether our project would be interested in entering into a power interchange arrangement with Colorado-Ute along the lines stated above.

You have also informed us that funds for construction of the station would be obtained through a loan from the Rural Electrification Administration and REA has requested you submit a letter of intent from our project with your loan application which states the general terms and conditions under which the project would be willing to purchase power from Colorado-Ute assuming our project desires to make such arrangement. It is understood, also, that you have instructed your engineers to undertake immediately a site selection study.

Consequently, if the Bureau constructs the transmission system for the Colorado River storage project in accordance with its plans submitted to this Congress and makes transmission capacity available as aforesaid, you may consider this letter as a definite commitment of the Salt River project agricultural improvement and power district, a preference customer of the southern division, to take and/or pay for electric power and energy from your proposed station, it being understood that such power and energy will be available to our project at the Bureau delivery point for storage project power near Phoenix, Ariz.

It is further understood that purchases by our project will be approximately 100 mw. in March 1964, with decresing amounts for the remainder of the 10-year purchase. This agreement is contingent upon the availability to us of 100 mw. from said plant by March 1964. The charges for this service would be expected to represent a pro rata share of the fixed cost on the station based on our project's year-to-year participation and the actual cost of fuel for the energy delivered plus any transmission charge imposed by the Bureau, provided the average cost per kilowatt-hour does not exceed the amount which has been agreed upon by the parties.

Our project will, to the extent of its own available reserve resources and those available by contract with others, provide Colorado-Ute standby power for purpose of emergency outages in an amount not to exceed 150 megawatts during the 10-year period. Provided that planned outages are confined to the months of October through March and coordinated with our unit maintenance schedule our project will provide planned outage standby power for the proposed unit during the 10-year period. Charges shall represent the incremental costs for energy plus any transmission charges imposed upon delivery by the Bureau.

We contemplate that, in addition to the above purchase and sale provisions, the final contract may provide for standby to the project and reciprocal excess energy arrangements to the extent possible within the limitations of either party, cooperation and coordination in making future system additions and in operation of the respective systems for interchange of power between the systems, and the establishment of a committee to administer the contract. The usual contract language relating to standard provisions would be a part of the agreement.

It must be emphasized such a contract is possible only if the Bureau proceeds with its plans for the storage project transmission system, and as a common carrier feature thereof does make available transmission capacity for the purposes of this contract. The proposed formal written agreement, when prepared, shall be subject to the approval of our respective boards of directors and such others as may be deemed necessary.

Yours very truly,

R. J. McMULLIN, *General Manager.*
SALT RIVER PROJECT, AGRICULTURAL IMPROVEMENT AND POWER DISTRICT.

COLORADO-UTE
ELECTRIC ASSOCIATION, INC.,
Montrose, Colo., July 11, 1961.

Mr. LESLIE M. ALEXANDER,
Assistant Manager, Salt River Project, Phoenix, Ariz.

DEAR LES: Recent studies completed by Colorado-Ute indicate that it is both practical and feasible for Colorado-Ute to construct a 150 megawatt steamplant on the coal fields of northern Colorado providing that Colorado-Ute can, in the early years, sell to the Salt River project, or to some other customer, approximately 100 megawatts from this plant.

Recent board studies conducted by the Bureau of Reclamation reveal that it is possible to transmit, over the storage project transmission system, power and energy from a plant located in northern Colorado to the Salt River project in Phoenix, Ariz. These studies also indicate that such a plant located in northern Colorado would be beneficial to the Bureau of Reclamation and to the preference customers.

The Rural Electrification Administration has indicated that it will make loan funds available immediately for the construction of this plant based on the fact that our loan support study does substantiate the need for this powerplant.

REA has, however, requested that we obtain a letter from the Bureau of Reclamation which will support the need for construction of the plant during the early years of operation of the storage project and which, in a general way, will indicate that the storage project transmission system may be used to transmit power to beneficiaries of the Rural Electrification Act and other preference customers in the basin.

We are enclosing a copy of Mr. Clinton's letter which we feel does state the need for the construction of a steamplant in northern Colorado, and further does set down the general policies under which the transmission system will be made available for power and energy interchange.

REA has also requested that our loan application include a letter of intent from the Salt River project stating briefly the general terms and conditions under which it would be willing to purchase power from Colorado-Ute. It is understood that this letter of intent will provide the basis for negotiating the interchange power contract between the Salt River project and Colorado-Ute.

Your letter of intent should cover the points outlined in the enclosed suggested draft.

It is our intention to complete our loan application within the next 2 weeks, and to submit the request for loan funds to the Administrator about August 1, 1961.

Very truly yours,

JOHN J. BUGAS,
General Manager.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION, REGIONAL OFFICE, REGION 4,
Salt Lake City, Utah, July 7, 1961.

Mr. JOHN J. BUGAS,
Manager, Colorado-Ute Electric Association, Inc., Montrose, Colo.

DEAR MR. BUGAS: Reference is made to the discussions held with you in Salt Lake City in regard to the association's proposal to construct a steamplant near Craig, Colo. At that time you advised that the principal concern and reason for proposing construction of such a steamplant would be to provide the preference customers with a guarantee of service in the event low water years prevented the filling of Glen Canyon Reservoid sufficiently to supply the amounts of power that would then be required by the preference customers. You proposed a method of operation wherein a portion of the plants' output would be used to supply

the requirements of the Salt River project in order to provide it with a firm source of power during the initial years of operation of the Glen Canyon powerplant.

For the purpose of securing a loan from the Rural Electrification Administration for the construction of a steamplant, you desired that we furnish you a statement as to the benefits that would accrue directly to the Bureau and the extent to which these benefits would be available to its customers. Total loads of REA cooperatives in the northern division that could be supplied from the storage project would amount to about 50 megawatts in December 1963. Under the proposed construction schedule for Flaming Gorge, sufficient power would be available from that plant to supply these loads. Studies also show that by August 1964 requirements of REA cooperatives including those in the southern division would amount to approximately 120 megawatts. December 1964 requirements for this latter group of cooperatives would be about 95 megawatts. Under the present construction schedule for Glen Canyon powerplant there would not be capacity to supply fully the August 1964 REA and other preference customer loads even with favorable water conditions. As a matter of fact, the load estimates show that storage project power even with favorable water conditions would fully supply the preference customer summer requirements only in 1966. Other sources of supply in addition to the storage project will be needed. If water conditions were such that the dead storage space in the Glen Canyon Reservoir could not be filled, there would be no generation at Glen Canyon. Under this condition a much larger portion of the needs of all the preference customers in the market area, including the REA cooperatives, could not be filled from storage project power.

In order to be assured of a continued power supply not available from the storage project in event of low water conditions, some of the cooperatives would have to commit themselves to long-term contracts for a power supply from other sources and would for the term of these contracts lose the benefits of storage project power. This would be particularly true of those cooperatives who do not have their own generation. Your proposed powerplant could constitute a firm and reliable source from which power could be obtained to permit the Bureau to meet contract commitments for storage project power for these REA and other customers in the event of low runoff of the Colorado River during the initial years of operation of the storage project plants.

In order to assure that generation from your plant would be available to REA cooperatives and other preference customers, the Bureau transmission system would have to have sufficient capacity and be utilized for delivery of power. The charge for this service has not been determined. Charges for transmission service would have to be considered in two categories; i.e., (1) when power and energy from your steamplant is purchased and delivered by the Bureau in lieu of storage project power, and (2) when steamplant power is delivered in addition to storage project power. Our studies show the system would have the necessary capacity and we would agree to make it available for this purpose. In the first case a wheeling charge would not apply and in the second case the charge would be commensurate with the cost of transmission, taking into consideration net benefits that might accrue to the Colorado storage project, and to REA cooperatives and other preference customers.

Our studies show that considerable benefit to the Bureau system would result from the installation of the steamplant in the Craig area particularly if this power were used in future years as a supply for preference customers in the southern division. Through displacement, power to the southern division would be supplied from Glen Canyon while the northern division customers could be supplied from generation from the proposed steamplant. Transmission losses could be reduced, fuel costs for energy at a mine-mouth steamplant would be lower than fuel costs in the southern division from natural gas or coal transported to the area. The location in northwestern Colorado for the proposed steamplant is ideal to provide the stabilizing influence inherent in synchronous machines. The proposed steamplant would also reduce the requirement for synchronous condensers in the Craig, Colo., area for voltage regulation and provide more reserve capacity. Integrated operation of the steamplant with the hydroplants at Flaming Gorge, central Utah project, and Curecanti would permit full utilization of peak capacity of these plants. Consideration is being given to possible increases in the peaking capacity in the latter two plants.

The basis for determining firm power supply from the storage project is the use of average generation over a longtime period with purchase of off-peak energy during the years of less than average flow to maintain the average. An arrangement whereby this offpeak thermal energy could be supplied from your proposed steamplant would be an efficient and desirable arrangement.

Further discussions with you and additional studies would be required in order to determine the details and arrangements that would be required in order to properly integrate the steamplant output with hydropower from the storage project. If the steamplant is located near Craig, it would be desirable to terminate the 230-kilovolt line north from Curecanti at the plant rather than at Rangely. The necessity for additional lines will need further study along with the possibility of delaying construction of other contemplated lines. Due to the urgency of initiating construction of transmission lines necessary to accomplish satisfactory integration of the steamplant with the storage project, it is urgent that any decisions in this matter be made as soon as possible.

Very truly yours,

F. M. CLINTON,
Regional Director.

Mr. KIRWAN. Mr. Chairman, I do not want to take any more time of the Committee. There has been enough said on this question already.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. JENSEN].

The question was taken; and the Chairman announced that the "noes" appeared to have it.

Mr. RHODES of Arizona. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. JENSEN and Mr. EVINS.

The Committee divided, and the tellers reported that there were—ayes 114, noes 135.

So the amendment was rejected.

The Clerk concluded the reading of the bill.

Mr. SELDEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SELDEN. Mr. Chairman, the appropriation bill under consideration contains $750,000 for beginning construction on the Holt lock and dam located on the Warrior River in the congressional district I have the privilege to represent. This project, part of the overall plan for the full development of the Warrior-Tombigbee River system, will complement and supplement the modern Warrior, Demopolis, and Jackson locks and dams that have improved 350 miles of the channel by eliminating nine inadequate navigation structures between Tuscaloosa and the mouth of the river at Mobile. The Holt lock and dam itself will replace four obsolete structures which present one of the last major bottlenecks to efficient navigation on the waterway. Its construction is the next step in the carefully considered, expertly devised blueprint which the Army's Corps of Engineers has projected to harness this major river system to serve the growing needs of the people along the waterway.

Those of us who have worked through the years to obtain first the authorization and then the planning funds for this important structure, which is so urgently needed for the efficient movement of commerce along the upper reaches of the Warrior-Tombigbee River system, were exceedingly pleased when the members of the Appropriations Committee approved the budgeted funds of $750,000 for beginning actual construction on the Holt lock and dam. We are most appreciative of the consideration always extended to us by the members of the committee, and we are grateful for the interest they have shown over the years in the program to improve the Warrior-Tombigbee Waterway.

By drastically reducing locking time and eliminating delays caused by traffic congestion, highwater closures and other hazards, the Holt lock and dam will greatly reduce the voyage time for the movement of commerce along the waterway. It is expected that it will also offer public recreation facilities. In addition, a power installation of 40,000 kilowatts is contemplated in the project. It has been anticipated that the installation of these power facilities would be undertaken by the Alabama Power Co. under a license issued by the Federal Power Commission. Although an application for a license was filed by the Alabama Power Co. on November 5, 1959, the Appropriations Committee on pages 29 and 30 of the report correctly points out that a license has not yet been granted. The committee in its report urges that the Public Works Committee consider authorizing Federal construction of the power facilities. In view of this recommendation, I feel it important to review the steps leading to the Alabama Power Co.'s application for a license to install a powerhouse at the proposed Holt lock and dam.

Under a license issued by the Federal Power Commission on September 12, 1957, the Alabama Power Co. constructed the Lewis Smith Dam, located on the Sipsey Fork of the Warrior River. This 300-foot-high structure is one of the largest earthfill dams in the entire world, and its reservoir is able to furnish the Birmingham district with a new industrial water supply of approxi-

mately 75 million gallons of water daily. Power facilities are presently being installed at the Bankhead lock and dam on the Warrior River by the Alabama Power Co. under the same license.

In May 1956, the Alabama Power Co. filed an application for a preliminary permit to install a powerhouse at the proposed Holt lock and dam. The permit was granted on January 7, 1957. This action was followed by an application for a license submitted by the company on November 5, 1959, and an application for amendment in April 1961, with a second amendment in June 1961.

It is important to note that power development at both the Bankhead lock and dam and the Holt lock and dam is justified solely by streamflow regulation furnished by the Alabama Power Co.'s Lewis Smith Dam.

Water required for lockage at Holt lock and dam is estimated by the U.S. Corps of Engineers at 300 cubic feet per second. The natural flow in the Warrior River during low-flow periods is less than this amount, and no water is available for power. Discharges from Lewis Smith Dam increase this flow during dry periods to approximately 1,100 cubic feet per second, justifying an installation of 40,000 kilowatts at Holt lock and dam. This power available at Tuscaloosa will improve the reliability of electric service to industrial and other customers in the Tuscaloosa area.

The Alabama Power Co. expects to spend approximately $10 million on power facilities at the Holt lock and dam. It is estimated that the company will pay Federal taxes of some $386,000 per year on this project and State and local taxes of approximately $114,000.

The Alabama Power Co. has studied this project continuously since 1956 and has spent a considerable sum in developing a plan satisfactory to the Corps of Engineers and the Federal Power Commission.

Mr. Chairman, certainly I am not opposed to the development of power facilities by the Federal Government. As a matter of fact, I have voted to bring about such development. For example, I supported legislation in 1959 which gave the Tennessee Valley Authority permission to expand its facilities through the issuance of $750 million in bonds. Today I am supporting funds for Federal construction of certain electric power transmission lines for the Colorado River storage project. At the same time, I recognize the importance of partnership projects in the development of our river systems. For instance, I joined with the majority of my colleagues from Alabama in introducing and supporting legislation that is making possible the development of the Coosa-Alabama River system jointly by the Federal Government and private industry.

In view of what has already transpired in connection with three constructed or proposed hydroelectric structures on the Warrior River and its headwaters, Mr. Chairman, I cannot concur with the committee's recommendation that the Public Works Committee should at this late date consider authorizing Federal construction of the power facilities at the Holt lock and dam.

Mr. Chairman, I have been authorized by the gentleman from Alabama [Mr. BOYKIN], the gentleman from Alabama [Mr. GRANT], the gentleman from Alabama [Mr. ANDREWS], the gentleman from Alabama [Mr. RAINS], the gentleman from Alabama [Mr. ROBERTS], and the gentleman from Alabama [Mr. HUDDLESTON], to state that each of them have reached the same conclusion expressed in my remarks.

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JONES of Alabama. Mr. Chairman, I rise to express my great gratification and support of the action of the Appropriations Committee with respect to Holt lock and dam on the Warrior River in Alabama. The amount of $750,000 has been included by the committee to begin construction on this project. This is a great advancement in the multipurpose development of the Warrior system, a project that means so much to the development of our great State. A power installation of 40,000 kilowatts is to be included. For some time a permit from the Federal Power Commission has been held by the Alabama Power Co. to investigate the feasibility of construction of the power installation by non-Federal interests, namely, the Alabama Power Co. The Appropriations Committee has noted that so far a license for this work has not been granted as yet. It further urges that the Public Works Committees consider authorizing Federal construction of the power facilities. It states that this is based on testimony by both the Corps of Engineers and the Southeastern Power Administration that the power could be efficiently used in the Southeastern Power Administration marketing area and that it is needed to meet expanding requirements of preference customers.

The project for the Black Warrior-Warrior-Tombigbee system has been under the jurisdiction of the Federal Government for navigation and power development since 1884. There have been 14 congressional acts from that time to date which have authorized the construction of the channel and the necessary locks and dams. In 1937 a modernization program was started to replace the old structures. Most of this replacement has now been accomplished. The construction of the Holt lock and dam, approved by the Secretary of the Army in December 1958, will replace the four old locks immediately above Tuscaloosa and represents the last unit in the modernization program.

In 1956 the Corps of Engineers submitted to Congress a report on the headwaters of the Warrior River in which they found that power development was economical and feasible at several of the future dams and also at one dam which was to be reconstructed. Under the authority of the 1909 River and Harbor Act, the Secretary of the Army has recommended power development at the Holt lock and dam. Unfortunately the Alabama Power Co. stepped in about that time and sought to take over the power features of some of these proposed projects. I regret to say that they have succeeded in some cases. They have had a permit for a considerable period of time to investigate the power potential at the proposed Holt lock and dam, but they have never been granted a license by the Federal Power Commission. The Commission has specifically given the company 30 days in which they should show cause why a license should be issued to the company for development of power at the Holt site. It is my sincere hope that when the matter is gone into in detail the Federal Power Commission will refuse to grant this license.

As a member of the Public Works Committee, I am very anxious to take up the suggestion of the Appropriations Committee and to see to it that power is authorized and developed by the Federal Government.

Mr. Chairman, I cannot find words strong enough to express my views of private power companies like the Alabama Power Co. taking over the cream of the Nation's water resources for the benefit of a few, when power development, which is one of the most productive of the water uses, should benefit all the people. I can point out many examples where public power development has created prosperity and strengthened the economy beyond all expectation. The Tennessee River development by the Tennessee Valley Authority and the Columbia Basin are outstanding examples where the tremendous development under a comprehensive project by the Federal Government has benefited all the people not only because of flood control, navigation, and land reclamation but the generation of huge amounts of hydroelectric power which alone has been responsible for the growth of industries in these areas and has made it possible to create an entire new economy for the people of the Tennessee Valley and for those in the Pacific Northwest.

These rivers, the Black Warrior, the Warrior, and the Tombigbee, should not be developed by the Federal Government with the cream being given to private power companies. It is the people's money which goes into these projects, into these river basin developments, and the people should reap the benefit which flows from the power developed by the generators and turbines.

I congratulate the chairman and the members of the Appropriations Committee for taking the public-spirited approach and having the foresight to include funds for Holt lock and dam for construction by the Federal Government, the power to be sold through the Southeastern Power Administration to the benefit of all the people served by that great system.

The scheme for the multipurpose development of the Warrior will give the preferential customers—the people of Alabama—opportunities to acquire power through rural cooperatives and municipal distribution systems. This, of course, means that the water resources of

Alabama shall be appropriated for public use and not for private profits.

Mr. HUDDLESTON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HUDDLESTON. Mr. Chairman, as you know, I have the privilege of representing the Ninth District of Alabama. This district comprises Jefferson County, Ala., in which Birmingport at the headwaters of the Warrior-Tombigbee Waterway is located. The Holt lock and dam is to be located on the Warrior River a few miles below or downstream from Birmingport. This lock and dam, when completed, will replace four existing obsolete locks and dams and not only will accelerate locking time and towing speeds but will generally eliminate unfavorable navigation conditions.

We in Alabama are delighted that the House Appropriations Committee has approved $750,000 for the commencement of construction of the Holt lock and dam which is so vital to the continued development of the Warrior-Tombigbee Waterway and the many industrial and agricultural communities which it serves.

The Appropriations Committee in its report recommended that consideration be given by the House Public Works Committee to authorize Federal construction of power facilities at the Holt Dam.

In May 1956 the Alabama Power Co., the public utility which serves the area surrounding the proposed location of the Holt lock and dam, filed an application with the Federal Power Commission for a preliminary permit to install electric power generating facilities at this dam. This preliminary permit was granted on January 7, 1957. Pursuant to and in reliance on this permit, the Alabama Power Co. has studied this project continuously and has expended substantial sums of money and the time of its personnel in good faith in developing its plans. On November 5, 1959, the company filed its application for a license with the Federal Power Commission. If this license is granted, the company will construct the required facilities at a cost of approximately $10 million.

As a result of the power facilities at Holt lock and dam, the company will pay taxes annually in the approximate amount of $500,000.

It is my hope that the license application of the Alabama Power Co. will be approved by the FPC as soon as practicable and that the study suggested in the Appropriations Committee's report will not cause undue delay in the construction of the power facilities at the Holt lock and dam.

Mr. HIESTAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HIESTAND: On page 24, after line 3, insert a new section as follows:

"TITLE IV—GENERAL PROVISIONS

"SEC. 401. Funds appropriated in this Act shall not be available for apportionment or obligation in excess of 90 per centum of the amounts specified herein except in the event of national emergency declared by the President."

Mr. HIESTAND. Mr. Chairman, this may seem a unique amendment. I view it as a rare opportunity for every Member in this House. Here is an opportunity to vote for fiscal responsibility against inflation and for all the things that we feel made this country. Here is an opportunity to do all of these things without any district or any area or any project getting really hurt. It would reduce the availability of funds 10 percent right across the board. We can say there are a few, perhaps, the extreme cases where a project cannot take a 10-percent cut, but I suggest to you, Mr. Chairman, that every Member here knows that practically all of his projects, his pet projects, can take a 10-percent cut without really getting hurt. Here is a chance to register as voting for fiscal responsibility. Here is a chance to go back to our districts and say, "I voted to cut the so-called pork barrel bill."

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. HIESTAND. I yield to the gentleman from New York.

Mr. TABER. Does the gentleman realize the bill carries appropriations amounting to $3,700 million?

Mr. HIESTAND. I thank the great Member from New York and I do very much realize what the gentleman from New York says. This would be a substantial cut which would save your country and mine $360 million. We can vote for that saving without anybody getting hurt very much. I might say the district I represent, or part of it at least, has $16 million in there. It would cut it $1,600,000 and it is not easy to take.

We know that these project requests, when they come in, have been made in a generous way.

The Committee on Appropriations has conscientiously gone over them and has cut them here and there where they felt they could be cut without getting hurt. But here is a chance we rarely have. This whole bill is a tremendous bill. It can save $360 million of the taxpayers' money. Mr. Chairman, that should be worth saving. While we might say that one particular project where the work is done and the amount is only enough to pay the bill—in extreme cases like that, a supplemental appropriation can catch it up next January. I know there will be some. There are bound to be some of them. As a matter of fact, there will be some in the next supplemental anyway. If we can cut another $360 million from this bill, we, Members of the House, can vote that way and can go back to our districts and report, "I voted to cut the so-called pork barrel bill," for which we are all paying, by $360 million. I think it will be a real achievement. I hope the House will consider this amendment and that every Member can go back to his district and say, "I voted to cut the so-called pork barrel bill."

Mr. EVINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I oppose this amendment. It is a meat-ax approach and an unintelligent approach after the committee has studied this matter at length and the committee did cut $40 million out of the bill. For the Corps of Engineers the total amount of the cuts would be more than $70 million. The great bulk of the cut would fall on the Atomic Energy Commission which is vitally concerned with national defense. It would also cut out funds for atomic testing which is underway at this time. I do not think the Congress wants to do that.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentleman from Massachusetts.

Mr. BOLAND. As the gentleman from Tennessee has pointed out, this is a 10 percent across-the-board cut. We have already cut this bill by more than $70 million. We have taken account of slippages in this bill and I think we have gone as far as we possibly can go.

As the gentleman from Tennessee pointed out, I would remind the House that if this amendment carries, we will be cutting out of the Atomic Energy Commission more than $200 million. That is the real effect of this amendment.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentleman from California.

Mr. HIESTAND. May I direct the attention of the gentleman to the last line of the amendment, which states that the President, in case of an emergency or extreme need, could allow the expenditure in excess of 90 percent. They can expend 90 percent without any question, and the President has the authority to grant that additional amount by way of an exception in extreme cases.

Mr. EVINS. I think the amendment should be voted down. It is most unwise at this time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HIESTAND].

The amendment was rejected.

Mr. BOLAND. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore having assumed the chair [Mr. BOGGS], Chairman of the the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9076) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Tennessee Valley Authority, and certain study commissions, for the fiscal year ending June 30, 1962, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. BOLAND. Mr. Speaker, I move the previous question on the bill and the amendment thereto to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. JENSEN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. JENSEN. I am, Mr. Speaker, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. JENSEN moves to recommit the bill H.R. 9076 to the Committee on Appropriations with instructions to report the same back forthwith with the following amendment: Page 11, line 13, strike out "$55,468,000" and insert "$51,243,000"; and on page 11, line 14, strike out "$53,268,000" and insert "$49,043,000"; and on page 11, line 24, strike out the period, insert a colon and the following proviso: *"Provided further,* That no part of the funds herein appropriated shall be available for constructing the following transmission lines and facilities:

"Vernal-Provo No. 1 transmission line and substation 138 kilovolts;

"Craig-Sinclair transmission line and substation 115 kilovolts;

"Glen Canyon-Sigurd-St. George transmission lines and substations 138 kilovolts;

"Glen Canyon-Phoenix transmission lines and substations 230 kilovolts (double circuit);

"Four Corners-Albuquerque transmission line and substation 230 kilovolts (double circuit);

"Curecanti-Rangely transmission line 230 kilovolts;

"And the Gunnison-Midway section of the Curecanti-Midway transmission lines and substation."

Mr. CANNON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit.

Mr. JENSEN. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Under the order of the House of September 7 further consideration of the bill will go over until tomorrow.

GENERAL LEAVE TO EXTEND

Mr. JENSEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. GROSS. Does this mean that the rollcall on this bill is ordered for tomorrow?

The SPEAKER pro tempore. That is correct.

Mr. GROSS. Would this be the first order of business tomorrow?

The SPEAKER pro tempore. Not necessarily.

ADMISSION OF CERTAIN ALIENS

Mr. WALTER submitted a conference report and statement on the bill (S. 2237) to permit the entry of certain alien orphans.

TWENTY-FIFTH ANNIVERSARY OF TRAFFIC INSTITUTE OF NORTHWESTERN UNIVERSITY

Mrs. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mrs. CHURCH. Mr. Speaker, I rise today to inform the Congress that on October 14, 1961, the Traffic Institute of Northwestern University will celebrate its 25th anniversary. On that day, its approximately 1,000 graduates, and thousands of other persons—former faculty members, patrons, and friends, as well as current students and members of the institute staff—will attend day-long activities on the campuses of Northwestern University in Evanston and in Chicago.

I rise also today to pay my personal tribute to the Traffic Institute of Northwestern University for the immeasurable contribution that it has made to human safety, through its emphasis on the need and training for traffic control and accident prevention, during the quarter-century since its founding.

It is difficult indeed to overemphasize what the institute has accomplished for America and for the entire world in its efforts to solve the safety problems that have arisen through the growing magnitude of motor vehicular use. When the institute first opened its doors, the traffic death rate was 15.1 deaths per 100 million vehicle miles: last year, the National Safety Council reported a mileage death rate of 5.3.

The traffic institute, established in 1936 as a police traffic training school, now includes in its program virtually all types of traffic training, field and extension services, research and development, a legal information service, and publications in the field of street and highway traffic. It provides training for police, traffic engineers, motor vehicle fleet supervisors, driver license personnel, members of the military forces, traffic court judges and prosecutors, and others concerned with the movement and safety of traffic.

The institute assists in establishing training programs at various universities and colleges and collaborates on programs with the American Bar Association, the International Association of Chiefs of Police, the National Safety Council, and other organizations. Its guiding principle is that the traffic problem will yield more readily to the combined talents and resources of all who are working for traffic safety rather than to those of any one agency or force.

Through its publications and training materials and its well-known research project, "Case Studies of Traffic Accidents"; through its field training programs in communities throughout the country; and through the efforts of traffic institute-trained police—many of whom now serve as heads of State, county, and city police departments—significant headway has been made in the reduction in accident frequency and severity, relief of traffic congestion, and the acceptance of traffic safety programs by the public and local governments.

The city of Evanston, in which my home is located, is proud to note that it was a lieutenant of the Evanston Police Department, Franklin M. Kreml, who in 1932 first conceived the idea of a traffic institute, and became its first director when it was established in 1936 with the financial backing of the Automotive Safety Foundation of Washington, D.C., and the Kemper Foundation for Traffic Safety, Chicago.

The six founders of the institute who are to be particularly honored by a silver anniversary tribute at the celebration on October 14 are the Honorable James S. Kemper and Hathaway C. Kemper, insurance executives and civic leaders; the Honorable Paul G. Hoffman and Norman Damon, automotive industry leaders; Andrew J. Kavanaugh, veteran police official, and Franklin M. Kreml. Honor will also be paid at the coming celebration to two former directors of the institute—Robert E. Raleigh and Robert L. Donigan—and the present director, Bernard R. Caldwell.

It was the vision of these men and their dedication to public service which led them to sponsor and buttress the progress of the traffic institute in the important field of traffic safety. So signal has been the success of the institute that it is well-termed throughout the world as "the West Point of traffic policing."

THE JACK PAAR INCIDENT

Mr. SHORT. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. HOFFMAN], may extend his remarks at this point in the RECORD and revise and extend his remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. HOFFMAN of Illinois. Mr. Speaker, much has been said and written within the past few days with respect to the untimely filming of a television show on the tense East-West Berlin border by Jack Paar. I call to your attention the item which appeared in the Chicago Daily Tribune of September 12, 1961.

In spite of Mr. Paar's repeated statements that foreign newspapers are supporting his position, it appears from the news item referred to, that the paper closest to the incident does not concur in his statements. In my opinion these films should not be shown because they were taken for the benefit of a few while endangering the safety of many. Mr. Paar's actions before the last election might entitle him to some consideration,

but this incident goes far beyond propriety. It is most difficult to believe that Mr. Paar was given this permission by an Army colonel. The authorization must have come from a much higher echelon.

The news story follows:

PAAR TOLD TO "GET LOST" BY BERLIN PAPER

BERLIN, September 11.—The West Berlin newspaper B.Z. said today that Jack Paar, television comic, "soiled the honor" of American soldiers defending the city and made them "extras in a cheap propaganda trick."

The newspaper, in an editorial titled, "Get Lost, Mr. Paar," said, "Pack your bags and go back to the United States. Your countrymen are very welcome here all the time and so are American journalists but we can do without you."

FILMS SHOW AT BORDER

The powerful newspaper criticized Paar for filming a television show on the tense East-West Berlin border last Thursday. Six officers, including 2 colonels, and 50 armed American soldiers, took up positions at the Friedrichstrasse crossing point while Paar filmed the show. It will be released in the United States tomorrow.

The Army relieved one officer of his duties and admonished another as a result.

"American soldiers stand here along with British and French soldiers to defend the freedom of our city," the B.Z. said. "We thank them and respect them. But you, Mr. Paar, have soiled the honor of these soldiers and debased them to extras in a cheap propaganda trick."

RAP HIS MOTIVES

"We have no understanding for a television comic trying to gain personal popularity out of the Berlin crisis. We agree with the American public and politicians who say 'the Berlin crisis is bitterly serious and is no backdrop for play acting,'" the B.Z. said.

The newspaper said soldiers guarding the border were game.

"Draw the proper conclusion, Mr. Paar," the newspaper said. "Pack your bags and get out." Paar left here for Paris last night.

THE NATIONAL DEFICIT

Mr. SHORT. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SAYLOR], may extend his remarks at this point in the RECORD and revise and extend his remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. SAYLOR. Mr. Speaker, were it not for the fact that the general populace has become callous to the Federal Government's habit of perennially spending above its revenue, Secretary of the Treasury Dillon's statement on television Sunday would have created quite a start hereabouts. His estimate of $6 billion as the Government's deficit during the current fiscal year would seem to be enough to disturb the aware, the apathetic, and the visionary.

Despite the enormous revenue that will accrue to the U.S. Treasury, the administration now admits that it will be $6 billion in the red for the 12 months ending next June 30. Six billion dollars, I might point out, still constitutes a lot of spending money, even with the dollar devaluated to present levels. Left in the hands of taxpayers, $6 billion could buy almost 2½ million automobiles, thus supporting the economy not only of the Detroit area but in the steel towns of Pennsylvania, in mining communities, and in Akron, and everywhere that parts and accessories are manufactured.

Looking at this pile of money from another angle, it would be enough to allow 10 million Americans to take a nice vacation from border to border or coast to coast and provide needed revenue for railroads besides stimulating hotel, restaurant, and other consumer service business.

At many of our junior colleges and universities, 4 million students could matriculate at a total cost of no more than $6 billion. In any case, $6 billion in the hands of the people who earn the money would do the country in general a lot more good than to have it dispersed and dissipated by a bureaucratic government. Unfortunately, the amount about which we are speaking in this instance is not even going to be collected by the Federal Government; it is merely going to be added to the colossal national debt, thus firing the flames of inflation and making the necessaries of life more difficult for wage earners and retirees to obtain.

If anyone is so naive to assume that any substantial part of an additional $10 billion expected to accrue to the Federal Treasury in the fiscal year beginning next July 1 is to be used to reduce the debt, a news story in yesterday's New York Herald Tribune would quickly put such hopes to rest. According to that report, President Kennedy is getting a $90 billion spending budget—largest in the Nation's peacetime history— ready to submit to Congress when it returns in January.

In the past week the President himself has voiced grave concern over conditions that may put the current more moderate inflationary climb into an acute upward binge. The President is to be commended for stating publicly that inflation seriously imperils the national economy. Congress must do everything possible to assist in holding down the line through the utilization of whatever means are legitimate and desirable.

Tomorrow the House is scheduled to have an opportunity to restate its case against an unnecessary expenditure of $58 million. That is the amount which the House-Senate conference committee now places on the proposed electric powerplant at Hanford, Wash. It represents a savings of $37 million over the amount stipulated in the bill to which we have objected on three separate occasions, but I submit that it does not take a financial expert to reach the conclusion that the U.S. Government is in no position to lay out $58 million—or even $58—for this kind of nonsense.

The contraption planned for Hanford has no relationship to the national defense. It offers no opportunities for technological progress. It would subordinate another encampment of workers to Federal authority through the medium—direct or indirect—of the payroll.

All this news about the present plunge into another $6 billion debt, plus estimates for next fiscal year's budget, should prompt every Member of Congress who has not previously objected to Hanford to reappraise his position. If ever there was a time that anything but absolutely essential appropriations should be cut off, this is it. The big defense outlays have been occasioned by the roars of the big Red bear which may actually be afraid to carry out his threats. Perhaps he is attempting to divert attention from other insidious activities throughout the world. Whatever the intent, there is very definitely immediate danger of an explosion that could bring the universe into the most tragic holocaust of all times.

The Federal budget does not take an all-out emergency into consideration. The Herald Tribune explained it this way yesterday:

Defense spending could climb even more sharply than now is planned if international tensions become worse but officials see virtually no chance of a move in the other direction—of a dramatic international improvement that would make it possible to cut back military programs.

The prospect imposes a new responsibility upon Congress. We are morally obligated to disenchant any group or region of any ambitions for special projects at the expense of the National Government. The temper of the times calls for caution, economy, and unselfishness. The House cannot under any circumstances permit the conference report on the AEC authorization bill to be enacted. The dawning of an adjournment does not lessen the urgency of our case. The Senate's disdain of our decision must be met with the answer that has already thrice been served: in the national interest, the Hanford power project must be stricken.

CIVIL RIGHTS LEGISLATION

Mr. SHORT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. LINDSAY] may revise and extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. LINDSAY. Mr. Speaker, the Commission on Civil Rights has again documented the case for civil rights legislation. In the Commission's most recent report to the Congress, issued September 9, we are reminded that the right to vote is being denied because of race or color.

Purges of qualified voters, economic reprisals, restrictive voter qualification laws, and a host of arbitrary registration procedures are the continuing tools of systematic discrimination.

The Commission is of the opinion that although the 1957 and 1960 Civil Rights Acts are extremely helpful laws, broader measures are necessary.

Most of the new recommendations of the Commission are included in the omnibus civil rights bill I introduced shortly after the Congress convened and which I have pressed for ever since. The bill provides for: First, the prevention of discriminatory practices in the labor

movement; second, the prevention of discrimination in Government employment; third, fair employment practices with respect to concerns operating in interstate commerce; fourth, the grant of authority to the Attorney General to seek court action to protect the constitutionally secured rights of all; fifth, technical assistance to States attempting to comply with school desegregation orders; sixth, strong sanctions to prevent lynchings; and seventh, the elimination of the use of poll taxes and literacy tests arbitrarily to deny the franchise.

This session of the Congress is closing and yet no Presidential message on the subject of civil rights has been received. In view of all the promises of the campaign, and now the impact of this report, this is inexcusable. As a result, the Judiciary Committee of the House of Representatives has not even called hearings or scheduled the subject for discussion. The administration has even refused to press for an extension for the Civil Rights Commission beyond 2 years.

The Civil Rights Commission is to be commended for its objective and comprehensive report. The Commission has concluded that "the promise of the Constitution is not yet fulfilled." It is our job to see to it that the Constitution means what it says.

WILL STRIKES PREVENT AN ADEQUATE NATIONAL DEFENSE?

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, confronted by a national emergency to meet which we have appropriated billions of dollars; with the President sending an additional 40,000 men to Berlin to aid our forces already there; with hundreds of millions being paid to alleviate unemployment here at home—it certainly is difficult to understand the action of Reuther in advising local union members to strike shortly after he agreed with General Motors to an overall contract for the next 3 years.

Some 90 plants, the morning press tells us, have been closed by this strike and 257,390 employees are out of work. This happens the same week that Secretary of Labor Goldberg is telling the steel industry that it should not raise its prices, although the industry not long ago was forced to raise wages.

Just how much of this situation is due to Goldberg's insistence that jobs should be given to union members—and Judge Ricca at Detroit decided that any worker seeking to go to his job through a picket line assumed the risk of a beating—has been undetermined.

What President Kennedy and his Labor Secretary Goldberg seem to be unable to understand is that the desire for a profit exists in the minds of employers and stockholders as well as in the minds of workers.

We are all a little selfish and we will all have to sacrifice a little if the national good is to be served.

PUBLIC WORKS APPROPRIATION BILL

Mr. DOMINICK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. DOMINICK. Mr. Speaker we will have before us for debate today and for vote tomorrow H.R. 9076 the public works appropriation bill which includes funds for an all-Federal system for transmitting power from the upper Colorado River project. On August 2, 1961, the Colorado Water Conservation Board recommended this proposal and subsequent to such time the private utilities modified their original proposal to reduce wheeling charges after their construction investment is repaid so that future charges would cover only ad valorem taxes and operation, maintenance, and replacement costs. This offer was requested by the Upper Colorado River Commission consisting of a representative appointed by the President and a representative of each of the Governors of Colorado, Wyoming, Utah, and New Mexico on September 1, 1961, and was agreed to by the utilities in writing. This board computed that the utilities combination plan would bring $89 million more revenue into the basin fund for participating projects by the year 2012 than the modified all-Federal system and thereafter would bring into the basin fund almost as much as the all-Federal system; hence the board recommended adoption of the utilities modified proposal. Since this recommendation was in conflict with that of the original resolution of August 2, 1961, of the Colorado Water Conservation Board, a meeting was held on September 8, 1961, to review the situation. At that meeting the Honorable Ed C. Johnson, former Democratic Senator and former Governor of the State of Colorado and the present representative of the State of Colorado on the Upper Colorado River Commission, gave his testimony to the Colorado Water Conservation Board. Following this meeting and discussions by the Governor of Colorado, the Colorado Water Conservation Board adopted a new resolution.

Since I feel these matters are of interest to all Members in this controversy, I wish to include in the RECORD the testimony of former Senator Johnson and the new resolution of the Colorado Water Conservation Board:

STATEMENT OF HON. ED C. JOHNSON, FORMER SENATOR FROM COLORADO

Mr. Chairman and members of the Colorado State Water Conservation Board, I am pleased to have this opportunity to review with you my activities in the highly controversial dispute which has developed with respect to the construction of transmission facilties to serve the Colorado River storage project.

As the Colorado commissioner of the upper Colorado River, I have deemed it my primary duty and responsibility to be concerned with and informed on all problems affecting the development of the Upper Colorado River Basin. A gigantic venture indeed in which I have been very active as U.S. Senator, Governor, and commissioner for more than 20 years.

Since the sale of Colorado River storage project electric energy must underwrite the development of irrigation in this basin, its direct importance cannot be passed over routinely by the Upper Colorado River Commission or by an individual commissioner. The adequacy and integrity of the basin fund out of which assistance to the participating irrigation projects will make many of them feasible, must be protected and nurtured.

This is and has been my objective. I have kept my mind on this one ball. Perhaps in doing so I have offended. But this is my conception of my duty and my responsibility and I have been faithful to it. Nor have I been backward about expressing it. There is no basis for the element of surprise in anything that I have said or done.

On August 2, 1961, I attended the special meeting of this board. You may recall that I was asked to speak. As the Colorado River commissioner I tried to make it crystal clear then that my official interest was neither in private nor public power but was centered in participating project revenue. I was disappointed that there appeared to be little or no interest in this angle and no interest whatever in the views of the Upper Colorado River Commission as such.

While I thought your action was premature and inconsiderate and that you should have sought a conference with the Upper Colorado River Commission, to iron out any misunderstandings, it appeared to me that the all-Federal system as presented by Felix Sparks would put more money in the basin fund annually after about 70 years. Therefore, had I been called upon to vote on the proposition as then presented, my interest in the basin fund would have caused me to vote with the majority.

In this meeting Mr. Sparks made the very strong point that the wheeling charges as proposed by the utilities would be out of line after the construction investment of their transmission system had been fully recovered. This would require about 45 years according to the calculations they had submitted. Accordingly in the interest of developing the water resources of the basin I suggested to the utilities that after the amortization of the costs of their transmission system was completed wheeling charges be reduced to payment of local ad valorem taxes and actual operation, maintenance and replacement. In the all-Federal system O.R. & M. must be paid out of the basin fund.

On May 11, 1961, the Commission of the Upper Colorado River requested Ival Goslin, its chief engineer and executive secretary, to make a detailed comparison of the all-Federal and the combination transmission systems to determine which would contribute the most money to the basin fund out of which the participating projects could be financed.

After 3 days of research and study by him and his staff, Mr. Goslin reported there was simply no common items that could be compared. He said it was like comparing apples and oranges. It seems each party had proceeded from a different set of factors, circumstances, and engineering and accounting data. Since then Mr. Goslin has kept on top of every development large and small. He has transmitted to each commissioner events as they have taken place, copies of correspondence with Bureau officials and pertinent data from all sources. He and his staff have done a most thorough job.

On July 17, 1961, I spent half a day in Salt Lake City with Mr. Goslin and his competent staff, checking a mass of figures, claims and counterclaims of both parties.

From time to time I have spent many hours with Mr. Kuiper or Mr. Spark's staff checking and counterchecking the claims of each party. Mr. Kuiper has been exceedingly patient with me and objective always. I have great respect for his integrity and engineering capability.

Also I have attended conferences with Mr. Patterson of the Public Service Co. of Colorado and Mr. Kuiper, in his office, which were held for the purpose of clarifying data submitted by the utilities to the State board.

Early in July 1961, I met with Howard E. Scott, manager, Colorado Rural Electric Association and Leslie M. Alexander, assistant general manager of the Salt River project of Phoenix, Ariz., in Mr. Scott's office for a full and frank discussion of the whole controversy. Mr. Alexander submitted some very interesting charts. He contended also that a provision of Public Law 485 limited the activities of private utility distribution of storage project energy. Mr. Sparks advised me later that he entertained no such interpretation of Public Law 485.

On June 8, 1961, I prepared a statement in the form of testimony before the Public Works Subcommittee of the House Committee on Appropriations in which I stated among many other things:

"In my opinion, while the wheeling charges of the Public Service Co. of Colorado and Pacific Power & Light of Wyoming are fair and equitable, this cannot be said of the wheeling charges of Arizona Public Service, New Mexico Public Service, and Utah Power & Light. Further negotiations should be undertaken between the Bureau and these three companies to develop a combination system which would serve the areas in their respective States at a more reasonable combined system cost."

Here is another quote from my June 8 testimony:

"I do not take second position to anyone in or out of Congress in the determination to protect the rights of the preference users. Wherever investor-owned utilities hesitate or neglect to provide for them adequate transmission facilities or satisfactory service or equitable wheeling rates, I favor the immediate construction of transmission lines by the Federal Government. On no other pretext should the Government get into the transportation of energy business. It has no more right to do so than it has to build railroads.

"Based on these standards, public funds are, or should be, made available by Congress to the Bureau of Reclamation for the construction of the following transmission lines and substations: Glen Canyon, Farmington; Flaming Gorge, Oak Creek; Farmington, Poncha; Gunnison, Montrose; Curecanti, Rangely; Craig, Sinclair, Wyo."

On June 13, 1961, Congressman WAYNE N. ASPINALL replied to me as follows:

JUNE 13, 1961.

Hon. EDWIN C. JOHNSON,
Denver, Colo.

DEAR ED: I received your letter of the 8th on time together with the original of your statement for use before the Subcommittee on Appropriations for Public Works. Fifty additional copies arrived a few days later. Neither arrived in time, Ed, for me to use before the committee during my appearance. However, I did secure permission to have your statement placed in the record of the committee's hearings. My position has been similar to yours as far as the Colorado part of the project has been concerned. So far I have not attempted to take the position for those areas outside of Colorado except the leadlines from Glen Canyon to Four Corners and Flaming Gorge to Rangely and Sinclair, Wyo.

It is always good to hear from you and to work with you, Ed.

With best wishes, I am,

Sincerely yours,

WAYNE N. ASPINALL,
Chairman.

For some weeks Governor Clyde, of Utah, had been anxious to have an informal conference of the commissioners on the transmission line controversy. Several dates had been considered and finally August 29, 1961, was agreeable to all the commissioners. In the meantime the utilities had expressed interest in my proposal that they reduce wheeling charge to cover only local ad valorem taxes plus O.M. & R. after the payout period was completed.

No. 1: The Upper Colorado River Commission did not hold their informal conference in Salt Lake on the proposed concession of the utilities on wheeling charges. We did meet to discuss amoung ourselves the transmission line controversy. In the course of our conference the new proposal did come up and the commissioners said they should like to talk with the utilities and get a better understanding of the proposal. They were called on the phone and since Mr. Patterson was in conference with Mr. Naughton of the Utah Power & Light we asked them both to meet with us immediately.

Since this conference in Salt Lake on August 29 was not a regular or special meeting of the commission we could not take any action on anything other than to set a special meeting in Denver for Friday, September 1. The utilities agreed to reduce their proposal to writing and to submit it to us in Denver. The commission agreed to prepare a resolution on the subject stating their position on this new offer of cooperation. The utilities stated they were making their concession in the interest of progress in the development of the water resources of the basin.

The special meeting of the Upper Colorado Commission held in Denver, Friday, September 1, 1961, was not a secret meeting. Mr. Sparks' office arranged a meeting place for it and persons from various parts of Colorado attended. It was an open meeting. However, after five or six routine matters were disposed of, Governor Clyde moved for an executive session and announced that it would last about 20 minutes. Instead the executive session lasted most of the day.

In addition to the chairman, Mr. Newell, the chief engineer and executive secretary, Mr. Ival Goslin, the reporter, the four commissioners, the treasurer, Mr. R. J. Coury, of Farmington, Mr. Reynolds and Mr. Davis, of New Mexico, and Mr. Sparks and Mr. Kuiper, of Colorado, sat in the executive session. Mr. Sparks was very helpful in pointing out errors in the resolution and complained about haste in which action was taken.

The purpose of the executive session was to adjust the language of the resolution of the committee to the satisfaction of the four commissioners and receive the five written proposals of the five utilities that had been promised. When these two steps were taken the doors were thrown open and motions were made, seconded and recorded and voted on in open session.

No member of the Colorado State Water Conservation Board asked to be heard or offered any objections to the proceedings. Mr. Bert Hanna of the Denver Post objected to the executive session.

Under the new investor-owned utility combination proposal the following payments will be made by the two systems. This money is used to build participation projects:

Year:	*Utilities*
2008	$1,180,000
2009	22,707,000
2010	22,707,000
2011	22,707,000
2012	22,707,000
Total	92,008,000

Year:	*All-Federal*
2008	None
2009	None
2010	None
2011	None
2012	$3,200,000
Total	3,200,000

In each year thereafter the all-Federal will pay slightly more to the basin fund than the utilities. The excess will be equal to the ad valorem local taxes paid by the utilities in Arizona, New Mexico, Colorado, Utah, and Wyoming on the transmission lines that serve the storage projects. Speaking personally, I kind of like local taxpayers.

Mr. Kuiper believes the all-Federal system when and if interconnected with the utilities steamplant at Farmington will be able to make much greater payments to the basin fund than shown above.

I go along with Mr. Goslin on this. It does not seem realistic to me for the all-Federal people to expect the utilities to pull the all-Federal system out of the fire with their new thermal plant at Farmington. I have no idea what the utilities may do. However, I do know that without interconnections at Farmington the all-Federal will be in serious trouble and the basin fund will be impaired.

This is what Mr. Goslin said with respect to this matter: "The Bureau of Reclamation is currently making an analysis of the modified transmission system interconnected at Four Corners. If and when we receive the results of this analysis we will forward a copy to you. I will predict, however, that the Bureau and the utilities will not be able to agree on an analysis of the interconnection at Four Corners due to being unable to agree on an assignment of the benefits derived from the interconnection."

Governor McNichols feels very strongly that he should have been informed of the meeting of the commissioners held in Denver September 1, 1961. The error is mine and mine alone. However, I had no idea the Governor felt as he does about this controversy. He had never mentioned it to me. I thought that it was not in his best interest to involve him in this vicious controversy. At 2:10 p.m., September 1, 1961, I was handed a copy of a letter the Governor had written some days previous to each of the Governors of the four States. I returned the letter unread.

After reading Governor McNichols letter to Chairman CLARENCE CANNON and the members of the House Appropriations Committee I am inclined to feel that it is fortunate the Governor was in no way responsible for working out the utilities historic wheeling rate concession.

Mr. Ival Goslin says: "You will note from the tables enclosed that in changing from the 'yardstick' to the 'modified' system the irrigation assistance to States has been reduced approximately $50 million. It should be interesting to know how much of this reduction is due to the addition of more lines to deliver power to preference customers, especially when it has been stated that the change from 230 kilovolt to 345 kilovolt lines from Glen Canyon to Phoenix and Glen Canyon to Four Corners will not

cause additional losses and may even reduce line losses."

This very unfortunate controversy over the construction of a transmission system for the Upper Colorado River Basin is more of a regional matter than a one-State affair. In fact about 95 percent of the controversial transmission lines are beyond the borders of the State of Colorado, while about 95 percent of the noncontroversial lines are in Colorado and Wyoming. It appears therefore that this Colorado State Water Conservation Board thinks that the tail should wag the dog. Most respectfully may I suggest that regional matters should be met with a regional approach.

The REA has done a remarkable job in bringing electricity to the rural areas of this country. They have every right to take great pride in it, but they are one of the Nation's most potent pressure groups and whenever a conflict develops between water conservation and power it is better for a water board such as this to keep preference users at arm's length. I realize that you came here to criticize and not to receive advice.

But I have worked with this board a long, long time and hold its members in affectionate regard. It has pleased me to note the progress and effectiveness the board has attained under the phenomenal leadership of Felix Sparks. No man in Colorado has done more for water conservation and utilization than he.

In addition I should like to say this—I should like to develop a better understanding and relationship between this board and the Upper Colorado River Commission. I think we should have joint sessions occasionally and an interchange of views frequently.

RESOLUTION OF THE COLORADO WATER CONSERVATION BOARD

Whereas the Colorado Water Conservation Board views with deep concern the action of the Upper Colorado River Commission taken at its meeting held September 1, 1961; and

Whereas the Colorado Water Conservation Board has had no opportunity to consider the revised offer of the private utilities to wheel power from the Colorado River storage project; and

Whereas the Colorado Water Conservation Board is charged with the responsibility of promoting conservation of the water of the State of Colorado: Now, therefore, be it

Resolved, That the staff of this board be immediately directed to enter into negotiations with the investor utility companies, the Bureau of Reclamation, and the Upper Colorado River Commission to the end that any new proposals heretofore or hereafter made by said utility companies shall be thoroughly evaluated; and that until such evaluation takes place, this board reaffirms its resolution of August 2, 1961, on the basis of information then and now before the board; be it further

Resolved, That this board, in response to the offer made by the Colorado member of the Upper Colorado River Commission, requests that said commissioner seek a meeting of said commission further to reconsider this matter, so that the action of the commission may truly reflect the views of the several States and that this board and its staff be allowed to attend and participate in such meeting; and be it further

Resolved, That the Governor of our State of Colorado be requested to initiate appropriate action to the end that the State of Colorado shall hereafter have a unified official position with respect to the protection and development of the water resources of this State.

THE COMMUNIST PARTY CASE

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, on Monday, June 5, 1961, the Supreme Court of the United States announced its decision in the case of the Communist Party of the United States of America, petitioner, against the Subversive Activities Control Board. I regard this decision as a landmark of importance in law and in relation to the congressional effort to curb Communist internal subversion. At issue in this case was the constitutionality of certain basic provisions of the Internal Security Act of 1950, more particularly the registration and disclosure provisions thereof, as applied to Communist-action organizations. It is to be expected that in the October term of the Court next ensuing, the Supreme Court will promptly dispose of the Communist Party's petition for rehearing, so that this litigation, already much too long in process, will be concluded with due dispatch. With the case thus in its terminal stage, and the Congress approaching adjournment, I think it appropriate at this time for the House to refresh its mind on the issues presented.

Before entering upon an analysis of the decision I should first call your attention to certain matters of interest. The decision came as a shotgun blast causing a frantic scurrying to and fro among the vermin gathered at Communist Party headquarters in New York City. To permit the leadership time to compose themselves, the petition for rehearing was filed and a stay of proceedings obtained, which occurred in June toward the end of the last term of Court, thus allowing the Communist Party at least until the October term, about to commence, to agitate against the decision and to take advantage of it as a "cause" for improving the finances of the party. You will shortly witness the high point of the most extensive Communist propaganda effort since the Rosenberg espionage case—a case that will be long remembered. The extent and power of that effort, the success with which it involved even legitimate organs of communication, seemed then to surprise and confound many people.

While one may be shocked, perhaps one should not be mystified. Some few weeks ago, I addressed the House in connection with the current publication of a scurrilous and mendacious volume titled "The Un-Americans," written by a Frank J. Donner, counsel for the United Electrical Workers Union, an independent union several years ago evicted from the CIO because it was found to be Communist dominated. Thrice identified as a Communist at hearings before this committee, Donner was deceptively described in the foreword of the publisher as a "constitutional lawyer," and nothing else. I spoke of the millions of dollars available to Communist parties for propaganda purposes throughout the non-Communist world. This money comes from many sources, including not only dues contributed by the party faithful, and funds acquired from the public at large through solicitation at mass meetings staged by the party for ostensible causes through its front organizations, but also from Moscow directly, and lately, transmitted from Moscow indirectly through Cuba, which is now in fact the base of operations in this hemisphere for the international conspiracy, of which the local party is an integral part. And we have witnessed the open support given to Communist causes by certain wealthy persons within our midst, the Canadian-born Cyrus Eaton being most notable, pitiable misled persons who do not seem to apprehend that their persons and wealth, nurtured in free enterprise, are the first victims of communism.

A concerted drive, to pressure and influence the U.S. Supreme Court in its consideration of the petition for rehearing, will presently reach its apogee. Spearheading the activity is the Emergency Civil Liberties Committee in Support of the Victims of the Hollywood Blacklist, which will sponsor a rally at Carnegie Hall, New York City, on Friday, September 22. A mammoth rally following is planned for September 23 and 24, at St. Nicholas Arena, same city, which will be euphemistically titled a "National Assembly for Democratic Rights," at which an attendance of about 6,000 persons or more is hoped for, who will be asked to submit at that time a registration fee of $2 per person. Incidentally, this registration will form a convenient means for ascertaining sympathizers and developing mailing lists. The letterhead sponsors of the National Assembly for Democratic Rights presents the usual motley crowd—a few previously identified but not commonly known Communists, several fellow travelers and sympathizers, together with some quite respectable but perhaps uninformed persons who, I am quite sure, would be ashamed of themselves if they fully understood the objectives of the Communist Party to which they are lending support. Allied in this unfortunate activity, one also finds the American Civil Liberties Union, but this is not a matter for surprise. Where the honey is, the bees are sure to gather.

These rallies, by their literature, are addressed to "all trade unions, Negro peoples organizations, national group organizations, civic, fraternal, and community organizations, youth and womens organizations," and "to Americans concerned with the preservation of our democratic liberties." This form of address is typical. While good people talk of unity, the Communist seeks to fragment our people, to break down the population into groups which he anticipates may have particular dissatisfactions, actual or fancied, and whom he intends to victimize by the poison of Communist propaganda fed with the sugar of constitutional liberties. In accordance with

the instruction of Lenin, the Communist—by agitation on isolated issues involving these groups—is enjoined not to correct or reform, but on the contrary to "stimulate" in their minds the idea that the whole American political system is worthless. A divided people will not hang together, they will be hanged separately.

As in the Rosenberg espionage case, the immediate objective of Communist propaganda will be to obstruct the wheels of justice, and in the present instance to stampede the U.S. Supreme Court into reversing itself, or at least to delay the execution of the decision and the enforcement of the Internal Security Act. Concurrent objectives will be to swell the party treasury, to agitate against the American political system and its foreign policy, to recruit new members for the conspiracy and its front organizations, and generally to exercise the party organization. Through the instrumentality of the Communist press—from the time of the proposal of the Internal Security Act of 1950 and during the years of litigation involving it—the Communist Party leadership has communicated this program to its membership and sympathizers. A steady flow of articles on this subject appeared in the Worker, Peoples World, Political Affairs, Mainstream, Morning Freiheit, World Marxist Review—an international publication of the party—and others. In this effort, the hard-core press has been joined by its satellite press, the National Guardian, the U.E. News, the Dispatcher (ILWU), Mine-Mill Union, Russky Golos, and Glos Ludowy, to name but a few.

Having thus—and likewise, of course, at closed party meetings throughout the country—communicated the line to the faithful, the party continued in its familiar and orderly course, next activating and alerting its front organizations. These familiar fronts are paper organizations with deceptive liberal titles, organized and controlled by the secret revolutionaries, who, not revealing their identity, solicit non-Communists to lend their names and support. Propaganda activities are then conducted under such disguise through leaflets, paid advertisements, personal contact, and mass meetings. Lenin has described the front as a "transmission belt," that is, the means by which the underground conspiracy, while preserving its secrecy may establish communication with the masses. In his notorious document, "What's To Be Done," Lenin posed and in this way solved the difficult problem how to preserve the essential secrecy of the party's activities and membership and yet be able to maintain contact with the masses, and to transmit among them the brainwashing activity of propaganda and agitation. He then referred to the front as a "committee" which explains the habitual adoption of the word "committee" as an appendage of the Communist-front title. The American Committee for the Protection of the Foreign Born, the Emergency Civil Liberties Committee, and the Civil Rights Congress are but a few of the shifting scenes or countless fronts behind which the Communist Party has undertaken the effort to discredit the Internal Security Act, frequently by them termed the "McCarran Act"—but which in fact should be termed the "Wood Act."

To further obscure the basic Communist direction and control of front activity, the Communists have frequently set up fronts to mask fronts. These are usually letterhead organizations or ad hoc groups. Such for example was the Civil Rights Assembly, sponsored by apparently reputable people who, fronting for the fronts, sponsor or lend their names for particular mass meetings in which various fronts participate. These names give prestige, or the appearance of substance to the occasion, and serve as the vehicle for attracting a mass audience.

It is precisely because the Internal Security Act, in part, aims to control the deceptive front operations of the Communist Party that it has become an object of bitter and imperative attack. The registration and disclosure provisions of the act, an issue in the Communist Party case, constitute a congressional effort to control front deception. The act does not prevent the Communist from speaking, but establishes the means by which the speaker will be identified. This is not legislation aimed to suppress the free expression of ideas, however fraught with error they may be, nor does it curb debate. The Congress fully appreciates the importance of debate in the orderly evolution of a free society. We recognize that it is the abrasion that polishes the diamond. But we must not permit Communist dialectic to confuse the right of dissent with a right of betrayal. Deliberate deception methodically employed to advance the world Communist movement, is conspiracy. It is not the language of debate. The overwhelming majority of our people strongly demand the protection afforded them by the Internal Security Act of 1950, so that they may judge what organizations are entitled to their money or support. To the Communists I say:

> And this is the condemnation, that light is come into the world. For every one that doeth evil, hateth the light, neither cometh to the light, lest his deeds should be reproved. But he that doeth truth cometh to the light, that his deeds may be manifest.[1]

I am pleased to point out that the Internal Security Act of 1950 was the product of many years of intensive hearings and study conducted by the Committee on Un-American Activities and its predecessors. Legislation to counter the program of internal subversion presents complex problems, some of which we believe are basically solved in the Internal Security Act of 1950, as amended. These problems, both legal and practical, are of the utmost subtlety. As a free society, responding to ethical and constitutional inhibitions, we proceed in accordance with the tenor of our institutions.

Accordingly, the Internal Security Act of 1950 is not a police-State statute. On the contrary, it is designed to draw the Communists from the underground and from the ratholes into the light of day, so that our people may better judge and evaluate their activities, as Justice Frankfurter said, "against the revealed background of their character, nature, and connections." The registration and disclosure provisions of this statute, designed to promote and preserve the integrity of free speech, therefore serve to strengthen democratic processes.

Under sections 12 and 13 of the act, the Subversive Activities Control Board was established as a quasi-judicial body for the purpose of making certain determinations in relation to the requirements for registration of Communist organizations. Having reason to believe that the Communist Party of the United States was required to register under section 7 of the act, the Attorney General, pursuing procedures set up in the act, filed with the Board on November 22, 1950, a petition requiring that party to register as a Communist-action organization. After extensive hearings, the Board found that the Communist Party of the United States was an organization operating in this country under Soviet Union control, for the purpose of establishing a Soviet-type dictatorship in the United States, and was hence a Communist-action organization required to register as such.

The order of this Board, requiring the Communist Party of the United States to register as a Communist-action organization under section 7 of the act, was upheld by a majority of the Court consisting of Justices Frankfurter, Clark, Harlan, Whittaker, and Stewart. Dissenting—in which capacity they appear perhaps all too familiarly, particularly in cases of this type—were the Chief Justice, and Justices Black, Douglas, and Brennan. The majority opinion, luminous and powerfully expressed, written by Justice Frankfurter, is undoubtedly a monumental effort. I applaud the wisdom and ability of that learned jurist. This decision confirms the power of Congress to strengthen the national security by the adoption of this type of statute which, aimed principally to inform rather than to prohibit or punish, is representative of, as well as calculated to assist in preserving, a free society.

For its purpose, the Internal Security Act of 1950 classifies Communist organizations within the United States as either "Communist action" or "Communist front." A third category designated as "Communist infiltrated," is created by the Communist Control Act of 1954, as an amendment to the act. A Communist-action organization is that which is substantially directed, dominated or controlled by a foreign government or a foreign organization controlling the world Communist movement, and operates primarily to advance the objectives of the world Communist movement.

A Communist-front organization is that which is substantially directed, dominated, or controlled by a Communist-action organization, and is primarily operated for the purpose of giving aid and support to a Communist-action organization, a Communist foreign government, or the world Communist movement. A Communist-in-

[1] St. John, ch. 3, verses 19–21.

filtrated organization is that which is substantially directed, dominated, or controlled by an individual or individuals who are, or who within 3 years have been actively engaged in, giving aid or support to a Communist-action organization, a Communist foreign government, or the world Communist movement, and is serving, or within 3 years has served, as a means for giving aid or support to any such organization, government, or movement, or the impairing of the military strength of the United States or its industrial capacity to furnish material support required by its Armed Forces.

Under section 13 (e) and (f) of the act, certain relevant and material evidential guidelines, segregated as to action and front groups, are laid down, but which are not exclusive, to assist the Board in reaching its determination as to the character of the organization. As will appear from a reference to this section, a just application of the detailed rules will leave no reasonable basis for error in the designation of the organization. Yet, of course, as one might anticipate, the section has been assailed by Communists as an adoption of the principle of "guilt by association," a phrase to which they have given currency if not meaning and respectability. The phrase, taken from the Communist smear vocabulary, is just another application of Communist semantics, in conformity with propaganda principles expressly laid down by Lenin, designed solely to obscure the issue and to foreclose reasoned discussion. The section above mentioned in reality is not limited to any one form of proof, but nonetheless guilt by association is, in fact, a most reliable form of proof—depending on how close the association may be. Familiarly known to the law as "circumstantial evidence," and accepted in both criminal and civil proceedings, it is recognized by the experts as a form of proof even more reliable, in certain instances, than a confession of guilt. The late Justice Jackson, in his concurring opinion in *Communications Association* v. *Douds* (339 U.S. 382, at 432f), had occasion also to note:

> However, there has recently entered the dialectic of politics a cliche used to condemn application of the conspiracy principle to Communists. "Guilt by association" is an epithet frequently used and little explained, except that it is generally accompanied by another slogan, "guilt is personal." Of course it is; but personal guilt may be incurred by joining a conspiracy. That act of association makes one responsible for the acts of others committed in pursuance of the association. It is wholly a question of the sufficiency of evidence of association to imply conspiracy.

Under section 7 of the act, each Communist-action organization required by a final order of the Board to register as such, shall, within the time limited, register with the Attorney General as a Communist-action organization. The statement accompanying the registration must contain the name of the organization and the address of its principal office; the name and last-known address of each individual who is, and was at any time during the 12 months preceding the filing of such statement an officer of the organization; an accounting of all moneys received and expended, including the sources from which received and the purposes for which expended during the 12 calendar months preceding, the filing thereof; the name and last-known address of each individual who was a member of the organization at any time during the preceding 12 months; and a listing of all printing presses or machines in the possession or control of the organization, or in which its officers and members have an interest. After the organization has registered, it must file an annual report containing the same information as is required in the registration statement.

The procedures and requirements of registration for Communist-action and Communist-front organizations are identical, except that the fronts need not list their nonofficer members. Communist-infiltrated organizations are not required to register with the Attorney General, but are under other sections of the act, as is the case with front and action organizations, required to label their publications or mail transmitted through the channels of interstate or foreign commerce, and to identify themselves in any broadcast by radio or television sponsored by them; and no deduction for income tax purposes shall be allowed in the case of contributions to or for the use of such organizations, nor shall such organizations be entitled to exemption from Federal income tax; and they are deprived of certain benefits under the National Labor Relations Act.

It is gratifying to note that the congressional findings which form the statement of necessity for the legislation, embodied in the preamble to the Internal Security Act of 1950, have received judicial recognition and sanction, and indeed have not been disputed by any of the nine Justices. Upon these findings which spring from investigations and study mandated to the Committee on Un-American Activities, Justice Frankfurter made the following observations:

> On the basis of its detailed investigations Congress has found that there exists a world Communist movement, foreign-controlled, whose purpose it is by whatever means necessary to establish Communist totalitarian dictatorship in the countries throughout the world, and which has already succeeded in supplanting governments in other countries. Congress has found that in furthering these purposes, the foreign government controlling the world Communist movement establishes in various countries action organizations which, dominated from abroad, endeavor to bring about the overthrow of existing governments, by force if need be, and to establish totalitarian dictatorships subservient to that foreign government. And Congress has found that these action organizations employ methods of infiltration and secretive and coercive tactics; that by operating in concealment and through Communist-front organizations they are able to obtain the support of persons who would not extend such support knowing of their true nature; that a Communist network exists in the United States; and that the agents of communism have devised methods of sabotage and espionage carried out in successful evasion of existing law. The purpose of the Subversive Activities Control Act is said to be to prevent the worldwide Communist conspiracy from accomplishing its purpose in this country.
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> It is not for the courts to reexamine the validity of these legislative findings and reject them. See *Harisides* v. *Shaughnessy* (342 U.S. 580, 590). They are the product of extensive investigation by committees of Congress over more than a decade and a half. Cf. *Nebbia* v. *New York* (291 U.S. 502, 516, 530). We certainly cannot dismiss them as unfounded or irrational imaginings. See *Galvan* v. *Press* (347 U.S. 522, 529); *American Communications Assn.* v. *Douds* (339 U.S. 382, 388–389). And if we accept them, as we must, as a not unentertainable appraisal by Congress of the threat which Communist organizations pose not only to existing government in the United States as a sovereign, independent nation—if we accept as not wholly unsupportable the conclusion that those organizations "are not free and independent organizations, but are sections of a worldwide Communist organization and are controlled, directed, and subject to the discipline of the Communist dictatorship of [a] foreign country," section 2(5)—we must recognize that the power of Congress to regulate Communist organizations of this nature is extensive.

Moreover, unless we regard the dissent of Chief Justice Warren—which rested principally upon procedural grounds—as a suspension of judgment on the issue, none of the Justices has taken exception to the specific conclusion of the Subversive Activities Control Board which, after receiving voluminous evidence, pronounced the Communist Party of the United States to be a foreign-dominated organization, controlled by the Soviet Union, and operating primarily to advance the objectives of the world Communist movement. Justice Douglas, although dissenting on other grounds, accepted the specific findings of the Board, and said:

> The Subversive Activities Control Board found, and the court of appeals sustained the finding, that petitioner, the Communist Party of the United States, is "a disciplined organization" operating in this Nation "under Soviet Union control" to instill "Soviet-style dictatorship in the United States." Those findings are based, I think, on facts; and I would not disturb them.

Equally striking was the degree of unanimity with which the Court disposed of the first amendment objections to the statute. With the lone exception of Justice Black, who stood to the contrary, defiant and unbowed, none of the justices found the Communist Party defense on that basis attractive. In view of the congressional findings and the evidence laid before the Subversive Activities Control Board, it would seem that no other conclusion could sensibly be reached. Moreover, it would seem obvious that the registration and disclosure provisions of the statute, which were treated by the Court as separable from other provisions, and which were alone at issue, effected no denial of free speech, peaceable assembly or association by their terms, but required only that the speaker be identified.

For the majority, Justice Frankfurter made clear that:

> The present statute does not, of course, attach the registration requirement to the incident of speech, but to the incidents of foreign domination and of operation to advance the objectives of the world Communist

movement—operation which, the Board has found here, includes extensive, long-continuing organizational, as well as speech activity.

To state that individual liberties may be affected is to establish the condition for, not to arrive at the conclusion of, constitutional decision. Against the impediments which particular governmental regulation causes to entire freedom of individual action, there must be weighed the value to the public of the ends which the regulation may achieve.

Where the mask of anonymity which an organization's members wear serves the double purpose of protecting them from popular prejudice and of enabling them to cover over a foreign-directed conspiracy, infiltrate into other groups, and enlist the support of persons who would not, if the truth were revealed, lend their support, it would be a distortion of the first amendment to hold that it prohibits Congress from removing the mask.

For the minority—excepting Justice Black—Justice Douglas said:

If lobbyists can be required to register, if political parties can be required to make disclosure of the sources of their funds, if the owners of newspapers and periodicals must disclose their affiliates, so may a group operating under the control of a foreign power.

The Bill of Rights was designed to give fullest play to the exchange and dissemination of ideas that touch the politics, culture, and other aspects of our life. When an organization is used by a foreign power to make advances here, questions of security are raised beyond the ken of disputation and debate between the people resident here. Espionage, business activities, formation of cells for subversion, as well as the exercise of first amendment rights, are then used to pry open our society and make intrusion of a foreign power easy. These machinations of a foreign power add additional elements to free speech just as marching up and down adds something to picketing that goes beyond free speech.

These are the reasons why, in my view, the bare requirement that the Communist Party register and disclose the names of its officers and directors is in line with the most exacting adjudications touching first amendment activities.

Thus, although the first amendment was a relevant consideration, the court did not allow the tail to wag the dog. The first amendment is but one item in the bundle of constitutional liberties guaranteed to our people. All liberty will perish upon the demise of this Government which gives life to liberty and the first amendment its application. As the late Chief Justice Vinson said in *Dennis* v. *United States* (341 U.S. 494, at p. 509), a Smith Act prosecution, "if a society cannot protect its very structure from armed, internal attack, it must follow that no subordinate interest can be protected."

While the minority associates of Justice Black found no substance in the first amendment claim of the Communist Party—a claim which in relation to the facts would seem clearly contrary to reason and precedent—their well-known antipathy toward regulation of Communist activities was not to be entirely frustrated. They were nimble enough to erect the fifth amendment as an alleged constitutional barrier with plausible effect. Any port will do in a storm, I believe, is a classic and applicable comment. They argued that the order of the Subversive Activities Control Board requiring the organization, that is, the Communist Party, U.S.A., to register would conflict with the fifth amendment privileges of the officers who presumably would be responsible for completing the registration of the organization. This fifth amendment claim, which the minority asserts on the behalf of the officers of the organization, Justice Frankfurter correctly describes as premature. The order of the Board was against the organization and not against the officers. The organization cannot under existing law assert, as an organization, a privilege against self-incrimination which is reserved only to specific individuals who, in any event, are required themselves to claim its protection when the issue is presented.

Although Justice Black found no support among his colleagues for the first-amendment claim, he nevertheless persisted in his reliance upon this ground for striking down the statute, despite his strong dissent and seemingly contrary views expressed in *Viereck* v. *United States* (318 U.S. 236), which involved the Foreign Agents Registration Act of 1938, a registration and disclosure statute aimed at the Nazi Party. In that case, Justice Black wanted to jail Viereck, who had registered as a Nazi agent, but who, in a supplemental form required to be filed by regulations of the Secretary of State, refused to disclose information of political activities which were wholly on his own behalf and not on behalf of any foreign government. I do not think that this result can aptly be described as "libertarian" thinking. Indeed, the language of his dissenting opinion, in which Justice Douglas concurred, contained expressions which, in the light of present events, must now appear quite remarkable. I quote in part from his dissent in that case:

The general intent of the act was to prevent secrecy as to any kind of political propaganda activity by foreign agents. Both the House and Senate committees reporting the bill under consideration, declared it to be their purpose to turn "the spotlight of pitiless publicity" upon the propaganda activities of those who were hired by foreign principals. Appreciating that propaganda efforts of such a nature are usually conducted in secrecy they wanted to make full information concerning it available to the American public and sought by "the passage of this bill" to "force propaganda agents representing foreign agencies to come out in the open in their activities, or to subject themselves to the penalties provided in said bill." They declared that the purpose of the bill was to require all such hired agents to register with the State Department and to supply information about their political activities, their employers, and the terms of their contracts.

Resting on the fundamental constitutional principle that our people, adequately informed, may be trusted to distinguish between the true and the false, the bill is intended to label information of foreign origin so that hearers and readers may not be deceived by the belief that the information comes from a disinterested source. Such legislation implements rather than detracts from the prized freedoms guaranteed by the first amendment. No strained interpretation should frustrate its essential purpose.

I agree entirely with his general language in Viereck although I do not believe that it supports the specific result he reached; because in the Viereck case the statute required the registration only of persons acting as agents of a foreign principal and was not intended to authorize regulation or registration of activities on one's own behalf, and of course this was the majority conclusion from which Justices Black and Douglas then dissented.

Apparently, to Justice Black, Russian agents differ from Nazi agents in some esoteric respect not apparent or clearly comprehensible to me. The Viereck case survived to plague Justice Black in the Communist Party case. Unlike Justice Douglas who frankly considered himself bound by his concurrence in Viereck, Justice Black faced a dilemma if he chose to advance the first amendment claim in the Communist Party case, having rejected it in the Nazi Party case. He must either repudiate or distinguish Viereck. He chose the latter course and for that purpose urged that the Internal Security Act of 1950 was more than a registration statute, and further, he said that when Viereck "registered under the earlier and genuine registration statute, he was not to be branded as being engaged in an evil, despicable undertaking bent on destroying this Nation."

These distinctions I believe to be sophistical and unsound. In the Communist Party case the issue for decision was limited exclusively to the registration and disclosure provisions of the statute. These provisions were treated as separable by the court, and indeed the separability of the provisions was intimated by section 32 of the act. Therefore, as in the case of the Foreign Agents Registration Act of 1938, there was squarely before him a registration and disclosure issue only. Further, it was not accurate for Justice Black to state that Viereck was not branded by his registration. In fact he was, because registering as a Nazi agent was, in the temper of the time and our people, as evil and despicable as the registration of a Communist.

The real difficulty seems to be that Justice Black cannot disabuse his mind of the mirage that the Communist Party is just another "political party" similar, if you please, to the Republican and Democratic Parties, or the Socialist Party of Norman Thomas. Moreover, the language of his dissenting opinion in the Communist Party case indicates that he mistakenly equates the activity of the Communist Party with the revolutionary activities of our own Thomas Jefferson and other patriots. For example, he said:

I believe with the framers of the first amendment that the internal security of a nation like ours does not and cannot be made to depend upon the use of force by Government to make all the beliefs and opinions of the people fit into a common mold on any single subject. Such enforced conformity of thought would tend only to deprive our people of the bold spirit of adventure and progress which has brought this Nation to its present greatness. The creation of public opinion by groups, organizations, societies, clubs, and parties, has been and is a necessary part of our democratic society. Such groups, like the Sons of Liberty and the American Corresponding So-

cieties, played a large part in creating sentiment in this country that led the people of the colonies to want a nation of their own.

The father of the Constitution—James Madison—said, in speaking of the Sedition Act aimed at crushing the Jeffersonian Party, that had that law been in effect during the period before the Revolution, the United States might well have continued to be miserable colonies, groaning under a foreign yoke.

No doubt taking its cue from the above, the Communist Party in its open letter on the case published in the New York Times this June 22, found it advantageous, for its malicious purposes, to advance the same thought. The comparison is odious. John Hancock boldly affixed his hand to the Declaration of Independence. The Communist prefers to skulk in the shadows. The dignified and rational efforts of the American revolutionaries, who sought independence and civil liberty as an end by honorable means when other solutions to their grievances had been decently explored and exhausted, equated with the base and dishonest tactics of the Communist Party in the United States which seeks to enslave and by minority violence to yoke our people to a foreign master, employing degraded means to that end, is to publish such an absurdity as to say that the lamb and the wolf are equivalent because they are both animals.

Indeed, coming events do seem to cast their shadows before. The late Justice Stone, an eminent scholar and noted liberal, wrote to Professor Frankfurter, later Justice Frankfurter, some years ago when Justice Black had been on the Bench for only a few months and inquired:

Do you know Black well? You might be able to render him great assistance. He needs guidance from someone who is more familiar with the workings of the judicial process than he is. I am fearful though that he will not avoid the danger of frittering away his opportunity for judicial effectiveness by lack of good technique, and by the desire to express ideas which, however valuable they may be in themselves, are irrelevant or untimely. There are enough present-day battles of importance to be won without wasting our efforts to remake the Constitution ab initio, or using the judicial opinion as a political tract.[2]

I believe that Justice Holmes in *Frohwerk* v. *United States* (249 U.S. 204) provides a sufficient answer to Justice Black. Frohwerk was charged with conspiracy between himself and one Gleeser, who were then engaged in the preparation and circulation of a German newspaper in 1917, to obstruct recruiting, in violation of the act of June 15, 1917. Their offense was the publication of 12 articles to the general effect that the United States was in the wrong and giving false and hypocritical reasons for its course. In affirming the conviction, Justice Holmes declared—at page 208:

The first amendment while prohibiting legislation against free speech as such cannot have been, and obviously was not, intended to give immunity for every possible use of language. * * * We venture to believe that neither Hamilton nor Madison, nor any other competent person, then or later, ever supposed that to make criminal the counseling of a murder within the jurisdiction of Congress would be an unconstitutional interference with free speech.

Justice Holmes further pointed out, at page 210, that "the conspiracy is the crime, and that is one, however diverse its objects."

Mr. Speaker, I believe that what Justice Black, and indeed many others, fail to apprehend is that the Communist Party in the United States is a secret conspiratorial organization, a tentacle of the world Communist conspiracy, the corrupted speech of whose members is intertwined with and subservient to purposive action, tuned in concert at the direction and control of a foreign power which regards the United States as its enemy, and works ceaselessly toward the destruction of this free society, employing all means toward that end including espionage, sabotage, deceit, murder, terrorism and violence. These are not matters of mere individual "belief" or "dissent"—which, of course, the Communists would have us believe—but acts and conduct, a "ganging-up" that no civilized community can tolerate or endure.

This is the congressional finding. This is the evidence adduced before the Subversive Activities Control Board. This is what the Communists themselves denote the nature of their organization to be. For example, the Communist Internationale, December 1, 1933, early carried instructions to international party groups upon the basic principles of illegal work, and leaders were reminded that "conspiracy is a supremely organizational concept. If you hear complaints about the lack of conspiracy in the cadres of this or that party, it means that the party's system of work, of leadership, and of education of cadres are no good."

It should be clearly understood that Communist propaganda and agitation are not aimed toward the fulfillment of the democratic process of free and open discussion or the orderly evolution of our society. On the contrary, they are tactics employed in aid of Soviet imperialism, calculated not to improve or reform our free society, but to inspire internal disorder, to recruit adherents to the conspiracy, to create and strengthen revolutionary organizations preparatory to the seizure of political power which is to be accomplished not by constitutional means or at the ballot box, but by deceit and violence, and in that way to impose upon the majority of our people the will of a morbid and fanatic minority.

The function and mission of the Communist Party has been well summarized by the learned historian, Stefan T. Possony, professor of international politics at Georgetown University:

Conventional political parties are loose organizations designed to win elections. Communist parties are revolutionary, paramilitary, or military machines, designed for conflict, violence, and social fission. While Communist parties, like other political organizations, have patronage and election functions, they are primarily what Seiznick calls combat parties or organizational weapons. Whether Communist parties are operating singly or in conjunction with other parties of a similar type, whether they operate openly or clandestinely, they are an integral part of the worldwide Communist military and nonmilitary effort.

The primary mission of the Communist armed forces is to defeat the armed forces of the non-Communist powers. The primary mission of Communist parties is to weaken and disorganize the rear of anti-Communist armed forces and to destroy their inner cohesion. While the specific mission of the Communist armed force, like that of any other armed force, is physical and military destruction, the broad mission of Communist parties (and their subsidiary organizations) is the political, social, economical, and psychological paralysis and fission of anti-Communist states and coalitions.

The specific functions of Communist parties can be divided into three broad categories: organization, deployment and operations.

* * * * *

(3) The operations of Communist parties may be divided into four broad categories: Intelligence, nonmilitary, paramilitary, and military activities.

(a) Intelligence operations: collection of information, transmission to local collection points, transmission to the political and military command posts of international communism, dissemination of misinformation and disinformation, and deception and double deception.

(b) Nonmilitary operations: agitation and propaganda, character assassination and building up of individuals, antimilitarism and defeatism, economic warfare, inclusive slowdowns, strikes, political warfare, inclusive elections and diplomacy, policy sabotage, subversion, disintegration of hostile organizations, and provocation.

(c) Paramilitary operations: retail sabotage, mass sabotage, individual terror, mass terror, demonstrations, coups de main, riots, and guerrilla undertakings.

(d) Military operations: auxiliary military missions, for example, scouts, couriers, signalmen, disobedience, desertion, rebellion, mutiny, breakoff of military units and their incorporation into revolutionary forces, attacks by revolutionary forces, partisan and irregular warfare, uprisings, local/nationwide, independently, or in support of Red army, civil war.

In addition to their main functions, Communist Parties devote great attention to the control of their members and their operations.

In fine, then, just as the Navy is the force waging naval warfare, the Communist Party is the force waging social fission warfare. To phrase it differently: The Armed Forces wage front warfare, the Communist Party, rear warfare. Together with the conventional military force, the Communist Parties, are integral parts of the Soviet conflict machine, components of a machine responsive to the nature and needs of modern total war, which consists of front and rear warfare. Not only with atomic weapons is this war fought but with military forces and social fission organizations. Modern war is a conflict between political structures and organized societies. The Communist Party is a machine designed for use in a war in which the front is everywhere.[3]

On June 5, 1961, concurrently with the decision in the Communist Party case,

[2] Quoted in Wallace Mendelson, "Justice Black and Frankfurter: Conflict in the Court," University of Chicago Press, 1961, p. 115.

[3] Stefan T. Possony, "A Century of Conflict: Communist Techniques of World Revolution," Chicago, Regnery, 1953, quoted in "The Communist Conspiracy," pt. I, p. 14 ff., H. Rept. No. 2240, 84th Cong., 2d sess., Committee on Un-American Activities.

the Supreme Court announced its decision in the case of Julius Irving Scales, whose conviction under the Smith Act as a "purposive and active member" of the Communist Party was affirmed. Scales was the chairman of the North and South Carolina Districts of the Communist Party in the United States. Among other things, he recruited new members into the party, promoted and advanced the education of selected young party members in the theory and practices of communism undertaken at secret schools, in one of which he was the director. At the school of which Scales was a director, students were told of the party program and necessity for placing Communists in key industrial positions. In Scales' presence, students at the school had been shown how to kill a person with a pencil, a device described as a handy weapon on a picket line, for one could, and I quote from the evidence, "just take the pencil and place it simply in the palm of your hand so that the back will rest against the base of the thumb, and then we were to take it and the person, and give a quick jab so that it would penetrate through here, and enter the heart, and then if we could not do that, we just take it and jab it at the base of the throat." Other evidence showed Scales made several statements and distributed literature containing implicating passages. Scales, for example, explained to one witness that the Communists in this country would have to start the revolution, and would have to continue fighting it, but that the Soviet Union would aid the Communist Party in this endeavor; and that "if the United States declared war on the Communists in their revolution, then the Soviet Union would land troops, and he said that would be a bloody time for all." Now, I pause to inquire. Is this the conduct of a "political party"? Is this discussion of "political affairs"?

It may be of interest to note that, with all this evidence before them, Chief Justice Warren and Justices Black, Douglas, and Brennan again dissented in the Scales case, just as they did in the Communist Party case, decided the same day. But in the Scales case, Justice Douglas based his dissent on the ground of the first amendment, which he now said prohibited Congress from outlawing "membership in a political party or similar association merely because one of the philosophical tenets of that group is that existing governments should be overthrown by force at some distant time in the future when circumstances may permit." Oh, Consistency! Thy name is not Douglas, nor is it Black. Justice Douglas had that very same day—in the Communist Party case—subscribed to just the contrary. I repeat, in part, what he there said:

> The Bill of Rights was designed to give fullest play to the exchange and dissemination of ideas that touch the politics, culture, and other aspects of our life. When an organization is used by a foreign power to make advances here, questions of security are raised beyond the ken of disputation and debate between the people resident here. Espionage, business activities, formation of cells for subversion, as well as the exercise of first amendment rights, are then used to pry open our society and make intrusion of a foreign power easy. These machinations of a foreign power add additional elements to free speech just as marching up and down adds something to picketing that goes beyond free speech.

On the other hand, Justice Brennan demonstrates how to kill two birds with one stone. Sharing the evident personal prejudices of his minority colleagues against legislation designed to control Communist activities, and seeking to impose these prejudices upon the Congress, he gave a curious and novel turn to his dissent in the Scales case. He found that section 4(f) of the Internal Security Act—which extended immunity to membership per se in the Communist Party—legislated immunity from prosecution under the broader membership clause of the Smith Act and suspended, although it did not repeal, operation of that clause. A reading of both acts will evidence the patent absurdity of this position, but nonetheless Justice Brennan thought that there "clearly" emerged from section 4(f) of the Internal Security Act "a congressional decision" to extend immunity from prosecution under the Smith Act clause. If this was so clear, I wonder why five other Justices did not see it. And he voided the Smith Act clause on the basis of the Internal Security Act, an act which he concurrently declared void. I must confess that I cannot follow this winding course. Nor would I understand how the Congress could presumably intend to void a live act by a dead one, and thus kill both.

Mr. Speaker, these are the issues and these are the facts. Now I do not believe that the fate or future of the United States hangs upon these decisions. But I do believe that the effort of Congress to provide a sound legislative base—carefully and fairly designed to insure the safety of our free society, in the due exercise of constitutional duty and prerogative—must not be frustrated either by undisciplined judicial veto or executive ineptness, especially in these days of challenge and crisis when powerful enemies within and without seek to bring us down. Even the mighty oak will fall by repeated chips taken from its sturdy trunk. Our courage, our patience and our wisdom will meet grim tests in the days that lie ahead. Our country stands as a beacon of humanity in troubled seas. This light must not fail. The byplay and sophistry of friendlier days is not appropriate to the hour. To preserve unto our people and all mankind the victories of the human spirit won for us by generations of good and brave men, is our noble and imperative task, and for that purpose we must keep strong the heart of America.

WHEAT LEGISLATION

Mr. BREEDING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. BREEDING. Mr. Speaker, today, I have joined with several of my colleagues in introducing a bill which will provide for permanent wheat legislation using bushels instead of acres as a means of limiting the quantity of wheat moving into the marketplace. This is the program developed and sponsored by the National Association of Wheat Growers, the National Grange, and the National Farmers Union.

We have seen the supplies of wheat gradually building up over the past few years, until now we have a supply more than double our needs for next year. Even with the reduced allotment in effect for the 1962 crop year, we have no absolute assurance that the carryover will be reduced next year. If we have average weather conditions, we could expect a reduction in production in 1962 as a result of the legislation recently passed by the Congress. But if we should have another bumper crop year like 1958, I seriously doubt if production will be reduced below demand. Only by changing over to bushel quotas can we be sure that wheat marketings will not exceed effective demand.

This bill is designed to provide for an orderly reduction in Commodity Credit Corporation wheat holdings at a rate of 100 million bushels, or more, each year by restricting the quantity of wheat available from producers for food and export. In addition, it will provide wheat producers with near parity prices for primary use wheat—wheat for food and export.

A national wheat requirement for primary use—estimated domestic food consumption and exports, less the quantity to be withdrawn from CCC stocks would be apportioned through States and counties to farms. Wheat could be processed into food products or exported only if certified to be—first, within the farm primary use share; second, purchased from CCC; or third, in the normal channels of trade on July 1, 1963.

In order to be eligible to market primary use wheat within a farm share, the producer would be required to retire tillable acreage equal to 10 percent of his wheat base acreage—as defined in the bill—without compensation. If a general land retirement program is in effect, the producer would be required to place 20 percent of the wheat base acreage in it to the extent funds available for such a program permit.

Price support at not less than 75 percent of parity would be provided as an aid to orderly marketing only on the farm share of primary use wheat. Wheat withdrawn from CCC stocks for primary use could not be sold by the CCC at less than parity.

The quantity of wheat to be withdrawn from CCC stocks each year is (a) 150 million bushels in 1963 and 100 million bushels in each succeeding year until desired level is reached, plus (b) one-half the quantity in excess of 450 million bushels exported as wheat or wheat products. Thus, if exports for 1963 were estimated to equal 1961 exports of 675 million bushels, the quantity to be withdrawn from CCC stocks in 1963 would be (a) 150 million bushels, plus (b) one-half (675–450) or 112.5 million bushels, or a total of 262 million bushels withdrawn.

This program has many advantages over the present acreage control program. First and foremost, it provides a mechanism for an orderly reduction in CCC stocks, and shifts the responsibility for storage of any surplus production from the Commodity Credit Corporation to the individual producer, thus resulting in significant savings to the American taxpayer.

Second, and almost of equal importance, it will encourage the production of higher quality wheat. Under present acreage programs, a producer has a market for all of the production on his allotted acres—either to the trade or the Commodity Credit Corporation. Thus his incentive is to produce the maximum number of bushels on his allotment. In contrast, under the bushel program, each producer has a limited number of bushels to sell into the market for food and export. Thus his incentive is to produce the highest quality possible in order to receive the most dollars for this limited quantity.

In a similar manner, since only a limited volume of wheat will flow through trade channels, warehousemen and subterminal operators will tend to select the highest quality possible to ship forward to mills or exporters. This would be a big step forward in upgrading the wheat moving into world markets, and thus increase demand for U.S. grown wheat.

These are benefits to the consuming public and to the taxpayers. This program is equally beneficial to our farmers. Under this plan, each producer can grow the crop best adapted to his individual farm, without artificially restricting the acreage of a single crop, and thus forcing the farmer to grow a crop on the balance of his land for which the land, or the producer's machinery, may not be so well adapted.

The only limitation placed on the wheat farmer is in the quantity which he can market, plus—and this is very important—a requirement that he retire at least 10 percent of his wheat base acres. The wheatgrowers have expressed a willingness to retire this acreage at no cost to the Government.

They do this because they realize the fallacy of the policy of limiting acreage of a single crop, and then planting the remainder of the land to a competing crop. Under this plan, the reduction in wheat acres will not be devoted to other feed grains, as has been the case in past years. In getting their own house in order, the wheatgrowers are anxious that they not create chaos in the markets of producers of other commodities. I might add that to my knowledge the wheatgrowers are the only commodity group to express a willingness to retire acreage without payment.

The other unique provision of this program is that the wheat producers are not looking to the Government to provide a market for their crop. All they are seeking is a means for self-control of marketings so that they can receive a fair price for their produce in the marketplace.

Mr. Speaker, I am firmly convinced that the wheat program provided in this bill is the ultimate answer to the perennial wheat problem.

FEDERAL RESERVE NOW FANNING FIRES OF BANK MERGER ACTIVITY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, last Wednesday, September 6, the Federal Reserve Board approved the merger of two New York banks—the Manufacturers Trust Co. and the Hanover Bank—to form the fourth largest in the world. This followed hard on the heels of the Comptroller of the Currency's approval the previous week of the merger of Continental Illinois Bank & Trust Co. with City National Bank & Trust Co. to create the largest bank in Chicago, and the ninth largest in the country.

Comptroller of the Currency Gidney's action opened the floodgates and tore asunder the so-called accord among the Attorney General, the Secretary of the Treasury, and the Comptroller of the Currency to hold up any new bank mergers pending the outcome of test cases in Philadelphia, Pa., and Lexington, Ky.

It is obvious that Mr. Gidney's action—taken in the face of opposition to the Chicago bank merger expressed by the Federal Reserve, the Federal Deposit Insurance Corporation, and the Attorney General—was the "break" the banks had been looking for. Apparently, the pressures shifted immediately to the Federal Reserve Board and two New York banks drove through approval by the Board of this new giant bank merger in New York.

FEDERAL RESERVE MAKES DECISION FIRST, GIVES REASONS LATER—IF EVER

Mr. Speaker, I have been doing some investigating in this matter and find that the Federal Reserve Board made its decision to approve the merger of these two New York banks without issuing any opinion or analysis showing why it concluded that the merger had no undue adverse competitive effects. Last Friday, two days after the merger was approved by the Board, I requested a copy of the Board's opinion and am deeply disturbed to find that it was not yet complete. I still have not received a copy.

Of course, occasionally courts issue opinions without supporting written or oral opinions, and then wait for a spell before issuing their full opinions. But here a serious problem is presented. I rather imagine that the antitrust division should see the reasoning upon which the Federal Reserve based its conclusion that this merger was not detrimental to competition. I imagine, too, that the antitrust division and the public would like to know why it is that the Federal Reserve could conclude that the merger of the two Chicago banks forming the country's ninth largest bank was bad for competition but that the merger of the two New York banks—to form the fourth largest bank in the world—had no such adverse effects on competition.

FEDERAL RESERVE ACTS BEHIND CLOSED DOORS

The strange fact is that the Federal Reserve Board has had the Manufacturers-Hanover merger under consideration since January of this year. Last May the Department of Justice notified the Federal Reserve that the merger might violate the antitrust laws. The Federal Reserve remained silent regarding its attitude toward the merger, but suddenly on Wednesday, September 6, after what the American Banker called "a surprise move following an all-day closed hearing at which leading officials of the banks urged support of the planned junction."

The Board approved the proposed merger.

To quote further from the American Banker:

> Appearing at the FRB hearings, behind closed doors were Horace C. Flanigan, chairman; Charles J. Stewart, president, and Dr. Gabriel Hauge, chairman, finance committee, all of Manufacturers; William S. Gray, chairman, and R. E. McNeill, Jr., president, both of Hanover, and counsel for both banks.

It is my understanding that representatives of the Antitrust Division were not invited to this hearing. Only the advocates of the merger—the banking officials vitally interested in seeing it approved were present before the Board. The meeting was closed to the public.

BANKS MERGE QUICKLY

Shortly after the hearing adjourned, and while the bankers were on their way back to New York City, the Federal Reserve Board issued its approval. Just as in the case of the Chicago bank merger the preceding week, the New York bankers acted swiftly to complete the merger before the Antitrust Division could act. This was graphically described by the New York Times of September 8 as follows:

> In addition, the banks undoubtedly moved swiftly to forestall any attempt by the Department of Justice to throw a roadblock in the way of the merger.

The Department of Justice made a last-minute effort to forestall the merger of the two New York banks, but was unsuccessful, just as it was in Chicago the previous week. According to the New York Times, September 10:

> The speed with which both Manufacturers and Hanover acted, plus the Chicago precedent, made it difficult, if not impossible, for the Department to step in to block the New York merger.

Thus, once again the sequence of events was repeated. A Government banking authority—this time the Federal Reserve Board—approved a major bank merger. The banks quickly moved to put the merger into effect. The Department of Justice sought to enjoin the merger. The banks pleaded that the restraining order had a deleterious effect. The Court permitted the merger to go ahead, and this morning another hearing is to be held, at which the banks must show why a temporary injunction should not be granted against the merger.

WHAT ARE THE FEDERAL RESERVE'S STANDARDS IN MEASURING COMPETITION?

I think it is fair to conclude from all that has gone on in the bank merger field for the past several years—and particularly in the past 2 weeks—that our appointed banking authorities really have little or no interest in preserving competition in the banking business. It is only with great reluctance that they examine into questions of competition when a merger is proposed.

I have challenged Mr. Gidney and asked for his resignation because it is clear that he favors monopoly in the banking business—not competition. Now I wonder what the position of Mr. William McChesney Martin is in this regard. What were the opinions of the other members of the Board of Governors? I understand a vote was taken regarding the Chicago bank merger among the Board members? How many voted in favor of the merger and how many opposed it?

What were the votes on the New York bank merger? How many of the Board members favored this, and how many opposed it? These facts have not been revealed to the public.

According to Washington Banktrends:

Even blase officials of this Government city were jolted with agency decisions permitting two big banks to merge all within approximately 10 days. The Reserve Board's approval of the Manufacturers-Hanover consolidation which was to be effective on Friday at 3 o'clock to possibly thwart action by Justice followed hard on the consolidation of the Continental-Chicago national banks. The latter won a delaying action through the courts. The New York merger was approved by the Reserve Board on September 6 and without revealing the names of the Governors who voted for or against it. There were dissents. Governor Robertson's record against such mergers is in evidence.

THE FEDERAL RESERVE SHOULD ISSUE OPINIONS TO THE PUBLIC

Mr. Speaker, I am very disturbed by the covert approach to these matters taken by the Federal Reserve and the Comptroller of the Currency. The public is entitled to know the facts and analyses on which they base their conclusions that one merger is bad and another one good. Government must operate in a goldfish bowl. The acts and decisions of Government officials are not above and beyond the scrutiny of the people. The Federal Reserve may feel that it is separate and apart from the Government. It may feel that it can operate like our big corporations—beyond the surveillance of the public. But this must be changed. The Federal Reserve is not a private club. It must act in the public interest. And its actions must be explained to the public. Secrecy has no place in the activities of the Federal Reserve.

Under the Banking Act of 1960, the Board of Governors is required to include in its annual report its approvals or disapprovals of mergers. There may be no statutory compulsion for the Board to issue well-documented opinions in regard to bank mergers at the time it makes its decision to approve or disapprove. But the Federal Reserve is a quasi-judicial body and I would think that, in the public interest, it should issue opinions at the time of handing down its decision on merger matters.

As a matter of fact, since there are seven members of the Board of Governors, there might even be majority and minority opinions issued in these matters. It is only through a full disclosure of the facts developed by the Board which led to its opinions that the public can know the standards of competition observed by the Federal Reserve.

STANDARDS FOLLOWED BY FEDERAL RESERVE IN CHICAGO MERGER

I have discussed at some length in the RECORD of September 6, beginning at page 18304, the way in which the Antitrust Division was checkmated by the approval of the Comptroller of the Currency in its attempt to get a temporary restraining order to forestall the Chicago bank merger. The Antitrust Division secured from the Board of Governors the Board's report on the competitive effect of the Chicago bank merger and submitted it into evidence in connection with the proceedings. However, although the Board's report constituted a strong prima facie showing, this was disregarded by the district court and the approval of the Comptroller of the Currency was the governing factor considered by the court in rejecting the Government's effort to hold up the merger.

Some significant facts were shown in the Federal Reserve report. The geographic markets served by the two merging banks were examined; competition between the two institutions was analyzed in terms of the trade each handled with individuals, partnerships, and corporations; the extent of the competition between them for correspondent bank deposits, and for deposits of U.S. Government and other public funds were considered. The Board found that there were 48 common borrowers of both institutions, with loans totaling $118.8 million in Continental and $23.2 million in City National. As the Board report points out, "of these related customers, seven had loans in amounts of $1 million or more from each of the banks and may be placed within the category of national borrowers."

The Board's report indicated that there were 379 common demand depositors with deposits of some $274 million in Continental and $67 million in City National. There were 1,200 common time depositors with deposits of $3.2 million in Continental and $2.8 million in City National.

After examining a wide variety of matters, the Board concluded:

The proposed merger of the second and sixth largest banks in the [Chicago] area would substantially lessen both existing and potential competition. As both banks serve similar clientele, the elimination of the smaller bank would remove an alternative source of competitive credit and deposit facilities as well as terminate its future capability for growth and enhanced competitive capacity. The competitive position of the applicant, already one of two dominant banks in the city, would be strengthened. As a consequence the preservation of effective competition in the area would be more difficult.

FEDERAL RESERVE REPORTS ON NEW YORK MERGER NOT AVAILABLE TO BE COMPARED WITH ITS REPORT ON CHICAGO MERGER

Unfortunately, we do not yet have the Federal Reserve Board's report on the New York bank merger, so we cannot make a direct comparison of the standards which were followed in the two cases. All we can do for the time being is wonder why on the one hand, the Board of Governors disapproved of a bank merger in Chicago establishing the ninth largest bank in the country, but approved one in New York setting up the fourth largest in the Nation and the world. We can only wonder why it is that the Board saw no deleterious effect on competition in a merger which, as alleged by the Attorney General, would result in an increase in concentration in the hands of the five largest banks in New York City from 70 to 75 percent of the total deposits for all banks in New York City and from 72 percent to 77 percent of the total commercial bank loans in New York City.

VEIL MUST BE LIFTED FROM FEDERAL RESERVE HEARINGS

Mr. Speaker, the Federal Reserve and the Comptroller of the Currency are issuing opinions on bank mergers which have great influence over the courts, and for all practical purposes, make virtually impossible the efforts of the Department of Justice to prevent the scrambling up of the business of the merging banks. As a result, the acquired bank will probably never be fully restored as an independent factor in competition. Hence, I make the following proposals:

First. Both the Comptroller and the Federal Reserve should hold open hearings in which oral argument is heard.

Second. The reports submitted by the examiners which form a basis for the conclusions reached by the Comptroller and the Federal Reserve Board should be made public.

Third. After a full hearing, where all sides may be heard, including the Department of Justice, the Comptroller or the Board should issue written opinions. Under Federal Reserve proceedings, the votes of the members of the Board should be recorded, and majority and minority opinions issued.

Fourth. The merger should be stayed for 30 days pending the filing of antitrust proceedings by the Attorney General where the Board or the Comptroller has given its approval.

This is a program which will remedy the current chaos and make it possible for the Antitrust Division to effectively invoke its injunctive powers. This is the only way that the public interest can be protected, for as Comptroller Gidney has acknowledged, it is virtually impossible to restore competition in the banking business by a divestiture, once the merger has been permitted to take place.

BETRAYAL IN THE CONGO

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Indiana [Mr. BRUCE] is recognized for 60 minutes.

Mr. BRUCE. Mr. Speaker, last week, meeting an invitation to appear as a guest on the radio program, "Capital Assignment," I made the statement that I would request an investigation by both the other body and this body of the Congress into developments that I consider tragic in the Congo. At that time I charged that the U.S. State Department by its incredible silence is acquiescing in the Communist takeover of the Congo.

I fully realize the seriousness of that statement. While I am a freshman in Congress, I have been a close observer of the national political scene as a newsman for many, many years, and I am fully aware of the pressure, the attacks, and the heat that come upon any individual, over the years, who dares raise the question of the failure of policy.

I make no charges of treason. I cannot prove any. I simply say that over a period of years the tragic growth of communism and its victories in one area after another of the world forms a consistent pattern.

As a newsman over the years, I heard the anguished voices of Congressmen, of Senators, the Members of this body on both sides of the aisle, raised in warning of events that were taking place in Poland, Czechoslovakia, Yugoslavia, Hungary, Laos, Cuba, and British Guiana. Back in Indiana we heard these voices, and even more deafening was the silence of those charged with responsibility.

It is too late to prevent the Communist takeover in Cuba. Yes, it is too late to prevent the Communist takeover in British Guiana. These are accomplished facts. Yet there were those in this House who on the matter of Cuba, while Fidel Castro was still in Mexico, rose in this Chamber and warned about him, about "Che" Guevara, about Raul Castro, about the motley crew of trained Soviet agents who were around Fidel Castro, and they were met with the silence of those in position to act.

It is no pleasure for me to stand here and push myself into this area. As I say, I am familiar with the attacks that have been made over the years against those who do this. But when I became a candidate for the Congress of the United States I did so with no reservations and with no limitations upon what one might be called upon to do in accordance with one's beliefs and principles.

I realize there is a frustration in talking about the situation when I do so after the regular order of business, because I would like to shout from the highest platform that the Congo is going into the hands of those who would destroy it. If this Communist takeover was inevitable I would not have risen today; but it is not. It is being done with the acquiescence of American leadership, of silence; it is being done with the tax dollars of American citizens, $32 million from the United States to support the Communist takeover in the Congo.

You say, "Oh, Congressman, you are excited." I am excited, and admit it. But it is a concerned excitement, an excitement that I cannot possibly describe without a real emotional display on my part.

Bit by bit we see a tide that is creeping ever closer to the shores of the United States. I do not minimize the crisis in Berlin—not for one second. I recognize that from the beginning of the setup in Berlin the risk of war was there, with the division that was taking place. It has been there consistently. It is still there today. Under that kind of setup, at any instant a war could develop. But, I also recognize and have recognized over the years the technique of diversion of the international Communist movement which with great deliberation centers our attention in one given spot and then moves elsewhere. Oh, what a beautiful operation. They did it in the seizure of China. They had our attention centered in one spot in Europe and they moved with the collaboration of Americans for the conquest of China.

What has all this to do with the Congo? My colleagues, it has everything to do with it because time is running out, if it is not too late already. We have 3 to 4 weeks at the most in which to change our disastrous policy in the Congo and prevent it from going into the hands of the Communists.

I know this pattern. I have watched it as a news commentator. It did not take any crystal ball to be able to predict what was going to happen in Cuba. I tried as one citizen with a microphone in front of me to warn in that area. Some people listened. I can do no less than at least raise a voice of warning in a release I have already given to every member of the Committee on Foreign Affairs of the House of Representatives on both sides of the aisle.

I am heartened by the action of the junior Senator from Connecticut in the other body, who on Friday of last week, the same day of my statement on the Mutual network program, issued a similar statement without any collaboration with me whatsoever and then who yesterday in the Senate introduced a resolution for the creation of a select committee of the Senate right now—not tomorrow, but now—to report back by January 2. His Senate resolution called for an appropriation of $75,000 to investigate the tragedy that is taking place in the Congo.

What are the facts? What is happening in the Congo? The New York Times of September 6 reported from the Belgrade Conference of Neutrals, and I use the term loosely, that Cyrille Adoula, the new Premier of the Congo, spoke out of both sides of his mouth at the neutralist conference.

While he was critical of the Soviet Union's resumption of atomic testing, he made it clear that he would follow the policies of the late Patrice Lumumba. In this sentiment he was joined by his deputy premier, Antoine Gizenga, who was former deputy to Lumumba and succeeded that Communist puppet in leading a Soviet-backed government in Stanleyville, in Oriente Province of the Congo.

Here we have the declaration of the man Adoula himself, placing his position on the world scene in a clear light. He will continue the policies of Patrice Lumumba.

Thus, we can only expect a Congo regime which will draw closer and closer to the Soviet bloc.

This is the regime the United Nations is supporting in its Congo operations—which operations are heavily financed by American money.

In the Congo, the U.N. has actively, by use of force, been attempting to crush the independent State of Katanga led by the pro-Western, Christian, Moise Tshombe.

Our State Department supports this U.N. policy, and so, once again, we see the spectacle where our money is used to destroy a leader who is Christian, pro-Western, and pro-freedom—in our camp—to build up and support a leader whose own words prove him to be in the pro-Soviet camp.

This morning's edition of the Washington Post on page A–11 carries a story with the heading "Tshombe Charges U.N. Fails To Protect Aides."

I quote from the article in the Washington Post:

ELISABETHVILLE, CONGO, September 11.—President Moise Tshombe of Katanga tonight claimed the United Nations plans to end the independence of his breakaway province before the opening of its General Assembly session September 19.

Tshombe told his second press conference of the day that "Katanga is the object of political maneuvering and even threats" by the U.N.

The Katangan leader called the conference as heavily armed Katangan patrols rumbled through the streets of Elisabethville in the face of mounting tension over a threatened showdown between the Katangan regime and the Central Congolese Government.

The threat developed as United Nations Secretary General Dag Hammarskjold prepared to leave New York Tuesday for Leopoldville at the invitation of the Central Government.

Tshombe claimed he had rejected a U.N. "ultimatum" to go to Leopoldville today or face "grave consequences."

Remember that statement, as I proceed, a little later.

The article reads further:

However, Conor O'Brien, chief U.N. representative in Katanga, told reporters he did not give an ultimatum to Tshombe but indicated it would be preferable if the President went to Leopoldville.

Tshombe said Katanga is willing to negotiate with Adoula's government anywhere except Leopoldville. Four Katangan legislators recently sent to the Congolese National Parliament in Leopoldville had not had their freedom guaranteed by the U.N. as promised, he said.

Two, he said, fled Friday to Brazzaville and the two others were believed to be hiding. Tshombe said his government has "energetically protested" to the U.N.

Now, as I pointed out, in the Congo, the pro-Western Methodist, Moise Tshombe, has consistently raised his voice in a plea to the Western World. He said, "I like you people; I like the West." But nobody listens. And I should remind you of a man by the name of Mikhailovich of Yugoslavia who was shot by the Communist partisan Tito after we betrayed him and others. Our State Department supports this U.N.

policy; and so, once again, tragically we see the spectacle where American money is used to destroy a leader who is a Christian, who is pro-Western, whose pro-freedom philosophy is evident to anyone, who is in our camp by declaration and by deed, where our money is being used to build up and support a leader whose own words prove him to be in the pro-Communist camp.

Mr. Tshombe has shown the world an administration of a state that reflects order and progress for over a year, during which period the Congo has flamed with unrest and disorder.

Since breaking with the Congo because its then leader, Patrice Lumumba, sought to aline the new Republic with the Soviet bloc, Katanga has drawn up its own constitution. It has its own flag. This next item is most important. Its currency is accepted for exchange in American banks and those of other nations. It has its own uniformed soldiers, and its own national anthem. Mr. Tshombe can put no law into effect alone. He needs approval of Katanga's Parliament. He has a Cabinet of 12 ministers and 4 secretaries. Katanga is equal in size to the total area of four independent African nations, three of them newly emergent from colonial rule—Ghana, Guinea, Senegal, and Liberia.

Did not the State Department recognize Senegal, the wealthy part of the former Mali Federation, when it sought and gained independence?

Now, what kind of a double standard are we operating on here?

It is probably one of the richest parts of the African Continent.

It produces annually about 8,200 metric tons of cobalt—60 to 70 percent of the world's output. Its annual output of copper, 300,000 metric tons, is 7.5 percent of the world's production.

In this regard, the Chicago Sun-Times editorialized on July 31, 1961:

> But the fact remains that Russia is on the verge of winning an important cold war victory by default. For if the Soviets extend their influence into Katanga, they will be in a position to control 70 percent of the world's cobalt supply.
>
> Radioactive cobalt is an important element in hydrogen bombs, thus potentially is the most lethal force on earth. It is also a valuable weapon in the medical world's fight against cancer. The nonradioactive variety is used for high strength steel alloys, used in conventional weapons, and for casings for missiles requiring tremendous heat-resistant qualities.
>
> While present U.S. stockpiles of the metal are held to be sufficient to meet foreseeable needs, the West should certainly do more than sit idly by while the Communists gain access to territory that can prove of immense strategic and political value to them. The world knows that Tshombe was anti-Communist from the beginning. He took Katanga out of the Congo Republic because he objected to attempts by the late Patrice Lumumba to draw the new nation into the Soviet orbit.

It is easy to see why Katanga is such a tempting morsel for the insatiable Soviet appetite. Reliable sources have published information that the Communist Eastern European Council for Economic Assistance—COMECOM—at its last meeting in Prague, April 11 to 22, 1961, decided to utilize the mineral resources of Katanga in the framework of the 5-year plan worked out for Czechoslovakia.

Is it not interesting that this Eastern European Council for Economic Assistance of Communist countries is already so sure of itself that it is including the Katanga output in the 5-year plan for Czechoslovakia? What would give them such confidence? What would make them so sure of the moves of the future?

What is not at all understandable is why the U.S. State Department should support the United Nations policy which seems must inevitably bring this rich state under the domination of the Soviets.

Secretary General Dag Hammarskjold had sent to the Congo as his personal representative the Indian, Rajeshwar Dayal. Dayal's policies in the Congo were highly questionable, and he became the man most hated by the Congolese outside of Patrice Lumumba's pro-Communist group.

After Lumumba had been assassinated, his successor, Gizenga, tried to enlarge the area under his control by force. Tshombe met force with force—but here Dayal showed his hand, by cracking down on Tshombe, but not the aggressive Soviet puppet Gizenga. President Kasavubu as well as Tshombe became fed up with United Nations operations in the Congo.

The Congo leaders assembled in March to try to prevent the complete disintegration of the Congo. They met in Tananarive in the Malagasy Republic—formerly Madagascar. These leaders, including Kasavubu and Tshombe, agreed upon a federation of states as the solution to the Congo problem.

At this point the American Government announced it would not support a confederation if it meant that the Congo would no longer be a single nation. It would be interesting to know why our State Department took this position. It always talks about respecting the desires of peoples emerging from their colonial days. Could it be, as the Indianapolis News on March 17 indicated, that the Department was once more not on the side of anti-Communist friends abroad? The News said:

> Indeed, if our policy had any semblance of reason, we would bend every effort to make the confederation succeed, because it represents a victory for the anti-Communists—a defeat for the Communists.

After our position was expressed in opposition to the agreed-upon federation of states in the Congo, strange intrigues set in, intrigues that demand investigation. Suddenly Dayal was withdrawn by the U.N. Secretary General, supposedly on temporary leave. But he did not return.

Then the U.N. moved more aggressively—ultimately taking the unprecedented step under questionable authority of seizing and arresting all the white advisers to Tshombe on August 28 and under the weight of such force pressured Tshombe to relieve these advisers of their duties. In a military operation, the New York Times of August 29 reported:

> A task force of Swedish and Indian troops commanded by Brig. Singappa Raja, of India, struck at Elisabethville, the capital, at dawn.
>
> They seized the airport, post office, telephone exchange and radio station, and raided army headquarters. Guards were posted at hospitals.
>
> Armored cars with heavy machine guns roved the streets.

The United Nations in action—it moved with brute force against the most peaceful state in the Congo. Never has there been a clearer example of the extent to which Soviet influence has penetrated U.N. operations.

I cannot say how, I cannot say why or what their program was or how they did it. But it has happened.

The U.N. is no longer just a debating society.

Sometime before this dastardly move on the part of the international organization supposed to be dedicated to peace, the American and U.N. policies had evidently forced President Kasavubu to change his position respecting Katanga's independence as an equal partner in a Congo confederation.

Kasavubu reneged on his Malagasy agreement with Tshombe and signed an agreement with the United Nations giving it the authority to force out of the Congo all foreign advisers not on Kasavubu's payroll.

The U.N. Security Council had passed a resolution calling for withdrawal of these foreign officers and advisers.

President Kasavubu took another step, one that shocked world opinion everywhere. Moise Tshombe of Katanga went to Coquilhatville, in Equator Province, for a political conference with Kasavubu. Tshombe condemned the agreement with the U.N. Kasavubu had signed and when he tried to leave the conference Kasavubu arrested him and charged him with high treason. This treacherous act was condemned everywhere outside the Soviet bloc. The New York Times May 9, 1961, editorialized:

> The United Nations has asked President Kasavubu to adhere to the principles of "fair treatment and due process of law" with regard to Mr. Tshombe. One can imagine what an uproar would have been created in many quarters if Premier Gizenga of secessionist Stanleyville had been similarly seized. The United Nations has the duty to insist on Tshombe's release.

Kasavubu released Tshombe, but not until many weeks had passed, and General Mobutu interceded personally in behalf of Tshombe with the weight of the army behind him.

Now, the situation has developed further.

Early in August, the United Nations pressured practically all Congolese politicians except Katanga's to agree to a new national government headed by Adoula, whose position, as I said, earlier, is to follow the policies of the late Soviet puppet Lumumba.

The Minister of Interior in Adoula's regime is Christopher Gbenye. He held the same post in Gizenga's pro-Communist government in Stanleyville. On

this point the Wall Street Journal of August 29 quoted one Western diplomat as saying:

> I can't forget that the classic Communist strategy for subverting a country begins with control of the Interior Ministry.

Why is this? The Interior Secretary controls the police. He controls the police organization of the country. Give the Communists control of the police and you give them control of the country.

The junior Senator from Connecticut in his remarks made on Saturday made this statement, and these are his charges. He says that Gizenga is a cadre Communist. I did not go that far. I say there is a pattern. The junior Senator from Connecticut said that Gbenye is a Prague-trained Communist.

The junior Senator from Connecticut made that statement. Those are most serious charges.

I had said simply that there was a pattern here which was a repeat performance. I was familiar with the ultraleftist leanings of Gizenga and Gbenye.

Perhaps this is why our State Department did not want a federation with anti-Communist Tshombe as a powerful figure in the Congo. It seems to have preferred to help set up a regime that could be counted upon to be neutral, with a pro-Soviet coloration; one we American taxpayers can be expected to pitch in foreign aid to in order to keep it from going into the Communist camp. Yet it is being delivered to them lock, stock, and barrel.

Mr. Speaker, on July 10 the U.S. delegation handed the United Nations a check for $32,204,061 as the American contribution to the account for operations in the Congo from January 1 to October 31, 1961. Mr. Speaker, this would be unbelievable—absolutely unbelievable—action on the part of our State Department and the United Nations which our money has supported, if it had not happened over and over in the past, and if we did not know that Castro is getting money from the U.N. right now; if we did not know that the pink gentleman from British Guinea, Cheddi Jagan, had held his hand out and had it filled from the same source just before the recent election in British Guinea.

Mr. Speaker, over the years, as a newsman, I have heard the cry—I have read it in the Associated Press, the United Press, and newspapers from all over the country—of scattered individuals here in this body, and in the other body and elsewhere, raising the same question, "What is wrong in Foggy Bottom?" And I do not mean to be facetious. I simply say I ask the same question now. What is wrong in the State Department? Who? Why? And, for what reason?

Mr. Speaker, our distinguished colleague, the Honorable WALTER JUDD, after the loss of China, summarized our disastrous foreign policy in these succinct words:

> We have been trying to make friends out of our enemies by making enemies out of our friends.

He was so right. It does not work. If I have a friend here, and there is a man over there who is my enemy, I do not walk up and hit my friend in the nose and say, "I am your friend." He would think I was a fool, and I would be. But this is what we have done time and time again in our foreign policy.

Mr. Speaker, the State Department, regardless of the administration in power and, oh, I get so amused in debates on the floor of the House where issues come up and I hear one side or the other refer to President Eisenhower's having said this or somebody saying President Kennedy said this, or President Truman said this. I do not care who said what. I am interested in what is happening. They can be wrong in all administrations. I say in the matter of foreign policies they have been wrong, and they are wrong. I want to know why, before it is too late for our children who soon will be adults, and will be bearing these responsibilities if they are given the opportunity.

It has not been Republicans. It has not been Democrats. It is an entrenched group that is never elected. They stay there. Administrations come and administrations go. Why these things happen, I do not know. I simply say that they do, and the time is past when we can sit silently by and wring our hands and issue white papers, as the State Department did on Cuba, and say things like: "Castro betrayed the revolution."

Nonsense. How can we say a Communist betrayed a successful Communist revolution? Cuba today is a Communist country. Castro led a successful Communist revolution in Cuba.

Yet, that is what the State Department said in its white paper—Castro betrayed the revolution. Oh, no. He betrayed the hopes of the people that they would have a better way of life, and a freer society. But he did not betray the revolution, because this was his plan for the revolution from the beginning. Do they not understand what communism is all about? Do they not understand the dialectics and semantics and the upside-down language—war is peace, black is white, negotiation meaning an extension or an instrument of war?

Cannot they understand this? Oh, the record is so long, it is so dismal, and I am so thwarted in trying to get the answer.

In 1933, going away back, we betrayed the Russian people by recognizing the Soviet regime as the legitimate government of that land whose fate it was to be but the first of a long list of nations to be conquered by the World Communist Movement. Voices were raised, but, oh, no—$90 million in trade. We had economic problems. Get the money flowing, boys; everything is going to be all right. Ignore the principle, ignore the plot, ignore the movement. Make a deal somewhere along the line. Take a palliative, take a sleeping pill, and you will feel better in the morning. But let us not fool ourselves. One of these mornings, when you get in the habit of taking these sleeping pills, you may not wake up.

In Teheran in 1943 we agreed with Great Britain and the U.S.S.R. to supply Tito and his Communist partisans with supplies and equipment to the greatest possible extent. This, in spite of the fact that the Minister of War of King Peter's Yugoslav government in exile was fighting on the lines, carrying on combat. General Mikhailovich was at the head of troops fighting in the field.

As a result, in 1946, the abandoned Mikhailovich was executed by the triumphant regime of Communist Tito.

The Yalta Agreement finalized the sellout of the Christian nation, Poland. You say, "You are digging up dead cats"? My friends, these dead cats are making a mighty big odor these days, a mighty bad odor. It is hard to live as the odor of Poland and Yugoslavia, Czechoslovakia, Latvia, Estonia, Rumania, and the rest of them seep through the sills of our windows. It is an unbearable stench, this tragedy of betrayal.

Why? I do not know, but let us find out. The Polish situation was so bad and so obvious that the American Ambassador to Poland, Arthur Bliss Lane, quit in 1947 and wrote a book called "I Saw Poland Betrayed." What happened? Did that book become a best seller? Did anybody listen? Was he welcomed with open arms for his patriotic position and sacrifice? No. "I Saw Poland Betrayed."

A deadly silence emanated from the State Department. The pattern of Yalta was carried out in Bulgaria and Rumania with the abandonment of the anti-Communist forces. There was the murder of Nikola Petkov, the respected Bulgarian leader. After the agreement our inaction was derided by the Communists themselves. We should draw a lesson from this. While we tried to woo them and make them our dear friends, they laughed at us.

Here is proof that the Communists are deadly serious about their deviltry. Here we have been shown up to be merely protesters, occasionally.

After the execution of our friend Petkov, the Communist Prime Minister, a man by the name of Georgi Dimitrov, in the Bulgarian National Assembly, boasted to his hearers—this is a Communist, and I shall quote him, speaking to the Bulgarian Assembly, after the Communist had just shot the pro-Western political leader:

> You said the court will not dare to sentence him to death. It would be too horrible. Both Washington and London will rise against it. * * * What happened? * * * The court * * * fulfilled the will of the people and sentenced the traitor to death.
>
> Then you said: If they execute the death sentence, the glass of patience will overflow. The whole world will rise against it, and all its wrath will fall on the back of the Bulgarian people.
>
> It was executed.
>
> What happened then? Who rose against it in the country? Where were the demonstrations, the mutinies with which we were threatened? Nothing like that happened.
>
> And what happened abroad? * * * No one raised a hand in defense of Petkov. Some people in the West shouted for a while, but soon quietened [sic] down. * * * The whole incident was soon forgotten ("Cold War and

Liberation," John F. O'Conor, Vantage Press, New York City, p. 174).

Could anything be more clear, could anything be more tragic? They knew that for some reason there would be no action from the West, only a few weak words.

We all know the story of China. People like Owen Lattimore and others advised us through the medium of which I was a member, of radio, of television, of the press, certain areas—and let us accept our blame—that Mao Tse-tung was not really a Communist at all, just an agrarian reformer; that, after all, that nasty Chiang Kai-shek could not be tolerated; that this Mao Tse-tung was different; he was ready to free the people from their tyranny. Our State Department sold that line. China was lost to the Communists and the Korean war was fought, and every casualty, every drop of blood that was shed in Korea you can draw back to the failure of policy in China itself.

The then Secretary of State in February of 1949 told Members of Congress the solution of China's problems would have to wait "until the dust settled." That same Secretary when asked about that remark by the Senate Foreign Relations Committee on June 2, 1951, in hearings on The Military Situation in the Far East, stated on page 1765:

> As I recall, what I was trying to say at that time was that I could not see clearly as to what the outcome in China was going to be until, as my phrase was, "until the dust settled"; that is, until the situation had become more clear.

I am still quoting, and note these words:

> It was not a policy which I was advocating. It was a phrase which I used to describe my own inability to see very far in this situation.

What a statement to make; what a confession to make—our Secretary of State. This is what I am saying when I said, "I am not charging treason." I cannot prove anything like that. I am charging a heartbreaking repetition of the failure of policy time and time again. While the State Department could not see very far, or saw with tinted glasses, many reliable voices warned our Government about the dire consequences of its action and what they would be, but the State Department continued to favor the agrarian reformers like the modern Castro. "He is not a Communist," they said, "he is just an agrarian reformer."

General Marshall went to China to force the Nationalist government to accept the Chinese Communists in a coalition government. That was the official policy of the United States of America. When it was too late, the policy was reversed. Chiang was on Taiwan; Mao Tse-tung was in control on the vast mainland of China. When it was too late, we admitted our error, but not until the Communists were assured of victory.

The Communists were quick to act in Korea when they were told, in effect, that Korea was outside the defense perimeter of the American forces protecting Japan.

Secretary Acheson told the Press Club in Washington January 12, 1950, as reported in the State Department Bulletin, January 23, 1950, page 116:

> I can assure you that there is no intention of any sort of abandoning or weakening the defenses of Japan and that whatever arrangements are to be made, either through permanent settlement or otherwise, that defense must and shall be maintained.
>
> The defensive perimeter runs along the Aleutians to Japan and then goes to the Ryukyus. The defensive perimeter runs from the Ryukyus to the Philippine Islands.

That excluded Korea, and the Communists were quick to move there. They attacked 6 months later.

TAKE A LOOK AT INDONESIA

I know Sukarno is coming to visit and I should not say anything nasty about him. In Indonesia we sent weapons to Sukarno to help put down a Moslem insurrection that was caused by their fear of Communist influence in the National Government. Recently Sukarno in Moscow expressed his hope for long life for the Soviet regime in the U.S.S.R.

One could go on for hours and hours and hours and shed bitter tears over freemen that have become slaves. We could use all kinds of rhetoric. We could cite illustration after illustration.

We could go into Tibet, to China, or Castro's Cuba, Laos and what may be coming up in Vietnam, and what has happened in British Guiana and all of the European captive states—not satellite states but captive states, like Czechoslovakia, Rumania, Latvia, and East Germany and so on, one after the other.

Now it is not too late in the Congo. Not right now. The same pattern is being repeated again; a man whom the junior Senator from Connecticut says is a Prague-trained Communist is imposed upon the Congolese as interior secretary; Gizenga, who the junior Senator from Connecticut says is a cadre Communist, as deputy premier. Adoula, a leftist neutralist—and that is different from being neutral—is in the premier's spot.

Do we not ever learn? I beg the members of the Foreign Relations Committee, and the Foreign Affairs Committee of the House of Representatives—I beg anyone and everyone in this Chamber to lend their influence toward raising a cry that an investigation, not necessarily of subversion but of a repetition of failure of policy, be carried out right now in regard to the Congo. It cannot wait until next year. The time for action is now, not when it is too late. I beg my colleagues to listen—now.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. BRUCE. I am glad to yield to my colleague.

Mr. ROUSSELOT. Mr. Speaker, I rise to associate myself with the remarks of my colleague, the gentleman from Indiana, and to compliment him on the research job he has done on this critical Congo problem that faces our Nation. I know the gentleman from Indiana is aware of the desperate need in this time for our American foreign policy experts to understand how we can best support a true ally within a given country, or how we can refuse to support individuals who by their past performance turn out to be enemies. May I ask the gentleman from Indiana if he has discussed this carefully gathered information with the State Department? The seriousness of this particular problem is well known to many and I wish to know what the State Department response might have been?

Mr. BRUCE. I have not personally discussed this. I have spoken with people who have, however.

Mr. ROUSSELOT. These people that you spoke with, would you consider them to be experts in this particular problem?

Mr. BRUCE. Of the Congo?

Mr. ROUSSELOT. Yes. Did these happen to be people from the Congo?

Mr. BRUCE. Yes.

Mr. ROUSSELOT. And what did these gentlemen from the Congo tell you has been the response they received from the State Department when they tried to point out these problems in the Congo?

Mr. BRUCE. The reaction generally was—our policy, present policy, in the Congo was correct and was not to be changed.

Mr. ROUSSELOT. In other words, our policy was one of supporting the extreme leftist point of view?

Mr. BRUCE. Well, of course, I would say to the gentleman from California, those terms are not used in such a discussion. It was simply an expression that present policy was correct and they just did not see any reason to change it at this time.

Mr. ROUSSELOT. In other words, our State Department told these gentlemen Tshombe was not necessarily a friend of ours; or how did they discuss this?

Mr. BRUCE. I would sooner reserve the answer to that question for use at a later time, if the gentleman from California will grant me that privilege.

Mr. ROUSSELOT. I would be glad to do so.

Let me ask just one more question. Did the State Department express any concern that the Katanga Province which does have such a large portion of the supply of cobalt, a very critical material in the manufacture of hydrogen bombs and other types of weapons—did the State Department not express any concern to these Congolese visitors that possibly this particular province could go into the Communist orbit?

Mr. BRUCE. I do not believe that particular question regarding the mineral assets was under discussion.

Mr. ROUSSELOT. I wish to compliment the gentleman from Indiana who has devoted his life not only in the short time that he has been here, but in the time that he served in the news communication field, to the important problem of understanding the Communist threat to this country. Further, I am aware that the gentleman from Indiana has studied the number of instances that the Communist conspiracy has been successful in influencing our U.S. foreign policy. I wish to thank him for bringing this particular problem to light, especially showing us there is time to reverse

the disastrous direction of events that are now occurring in the Congo. I wish to compliment him for his very forceful and resourceful presentation here today.

Mr. BRUCE. I thank the gentleman from California.

I would like to make this observation, that at no time in this discussion have I referred to a Communist conspiracy in our Government. I have referred only to a failure of policy, and I suggest that it is the responsibility of the proper committees of the Congress to pursue it on this basis. If it leads elsewhere, that is something else again.

Mr. ROUSSELOT. Let me say this. I appreciate the fact that you did not refer to the Communist conspiracy in our Government. I was the one who referred to it. I personally feel that on many occasions our foreign policymakers have shown a tremendous lack of understanding of what the Communist conspiracy is and what it is doing. So, if you did not say it, I do.

Mr. BRUCE. Well, if you are going to put it in that terminology, I will have to accept it. If you refer to failure of policy, which has been repeated over and over again, such as I have cited in my presentation, then I would certainly have to agree. But, as far as describing it within circles of our own Government, as part of the Communist conspiracy, in the absence of any factual proof, names, times, places, and dates, I would have to reserve myself from that particular aspect.

Mr. ROUSSELOT. Certainly our policy has greatly contributed to the Communist cause in a great many cases.

Mr. BRUCE. I would have to agree with the gentleman from California.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. BRUCE. I yield to the gentleman from North Dakota.

Mr. SHORT. Mr. Speaker, I, too, want to commend the gentleman from Indiana for raising his voice. As he has pointed out, too few people have taken the time or taken the interest, for some reason beyond my understanding, to raise their voices on this very question. You have done a great service to the American people in attempting to apprise them of the current project of the Communists in the colonies. This sorry situation is going on because we are preoccupied with the Berlin crisis. I do not mean to depreciate the seriousness of the Berlin crisis and its potential, but I happen to believe that Premier Khrushchev understands the American people and their frame of mind at this particular time well enough to realize that the United States will stand its ground in the Berlin situation. And, Mr. Khrushchev is enough of a realist, I believe, to recognize that the implementation of hostilities in Berlin could trigger off an atomic war that neither the Soviet Union nor the Western World could win. If we do not keep abreast of what is going on in the Congo, we are setting the stage for the firm establishment of a Communist beachhead in Africa which could be as tragic for the future of Africa as the establishment of a beachhead in Cuba can be and I fear will be for Latin America.

Again I thank the gentleman for yielding.

Mr. BRUCE. I am certainly grateful to the gentleman for his penetrating analysis.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BRUCE. I yield to the gentleman from Iowa.

Mr. GROSS. Let me also commend the gentleman for the excellent presentation he has made. I would like to ask the gentleman this question. I was here most of the time during the gentleman's presentation, but did he mention Nkrumah of Ghana?

Mr. BRUCE. No; I did not refer to Nkrumah of Ghana as such.

Mr. GROSS. To my mind he is one of the worst dictators in the African area. I would hope that the gentleman at some future time would include him in a further presentation.

Mr. BRUCE. I would say to the gentleman from Iowa that there are so many areas in this connection that it would take an entire night to detail them. I do certainly have strong reservations about Mr. Nkrumah.

I am interested most vitally in this Congolese situation because if we do not act quickly but allow ourselves to be diverted, we are drawn away from what we ought to do immediately in the Congo. This comes first. I think we ought to look at all these areas. I have had reliable people call in my office and tell me to forget Africa, it is gone. I will not agree to that until there is not one vestige of liberty left in the continent of Africa.

Mrs. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. BRUCE. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. I not only want to commend the gentleman for the effort he has put into this, because he knows all the implications of it for himself, but I also want to thank him very earnestly. For many years I have been working as well as I know how to work in the anti-Communist field, and I have wanted very much a spokesman for a small group who would really move in. Now that we have an exponent over in the other body perhaps if we help from this end we can get immediate action.

I know as does the gentleman that time is of the essence. We have been slow. The people just do not listen, and then they laugh it off, and then they say: "Oh, she's just a little mad." I have heard that for over 30 years, and it is very gratifying indeed to have listened this afternoon to your very clear, very unemotional presentation of a situation which may mean the entire result of the world's history.

I thank the gentleman very much.

Mr. BRUCE. I certainly am grateful to the gentlewoman from Ohio, one of the most respected Members of this body, and I believe a member of the Foreign Affairs Committee of the House of Representatives, for her most kind remarks.

Mr. Speaker, at this point I wish to insert the full text of the editorial in the Indianapolis News of March 17, 1961, to which I referred earlier. I yield back the balance of my time.

IS THIS WHAT YOU WANT?

American foreign policy has had many low points over the past two decades: Yalta, the fall of China, mute complicity in the torture of Hungary, the subversion of Cuba.

But for sheer folly, and for flagrant disservice to American interests, this week's performance must rank somewhere near the bottom of the list.

To begin with, the United States has taken no action to back the faltering confederation of states achieved a week ago in the Congo—a step which alone offers hope of rescuing that area from communism. Instead, our Government announces it will not support the confederation if it means the Congo will cease to be a single state.

Why? What is the compulsion to force these diverse ethnic groups into a single government? What happened to the revered principle of self-determination? If a confederation as separate states is what these anti-Communist leaders want, why should we take it upon ourselves to oppose them?

Indeed, if our policy had any semblance of reason, we would bend every effort to make the confederation succeed, because it represents a victory for the anti-Communists, a defeat for the Communists.

The stark truth of the matter is this: Our policy is devoted to doing whatever the United Nations wants; the United Nations is devoted to doing whatever the neutralists want; the neutralists are devoted to doing whatever the Communists want.

By that process of graduated submission, our own policy is made an instrument of Communist strategy. We are in effect destroying ourselves, our anti-Communist allies, and the cause of freedom.

If this indictment seems too harsh, consider two other items in the week's news concerning Africa:

It has been acknowledged, even by such liberal journalists as Stewart Alsop, that U.N. forces in the Congo are working to promote the pro-Communist elements, and to subvert the pro-Western government of President Kasavubu. The principal agent of the pro-Communist cause has been Rajeshwar Dayal, the Indian military chief of the U.N. mission.

Which side is the United States assisting? "The U.S. Air Force," reported UPI 2 days ago, "proceeded with plans to fly the first tough Gurkha warriors from India into the Congo despite protests of Congolese President Joseph Kasavubu." In short, we are actively supporting the cause of our enemies against our friends.

A vote in the U.N. Security Council Wednesday presented a clear-cut confrontation of East and West. A motion was proposed against America's stanchly anti-Communist ally, Portugal, concerning the Portuguese territory of Angola. The motion was prepared by "neutralists" and supported by the Soviet Union. What did the United States do? It joined the Communists in voting against its own anti-Communist ally.

The outlines of American policy under the Kennedy regime are thus becoming frighteningly clear: We destroy those who would help us, and help those who would destroy us.

At this rate—unless the American people wake up soon, and flood their Government with protests—it should not be long before communism absorbs all of Africa, and our disheartened allies in Europe and Asia give up the struggle altogether. Is that what

you want? If not, why not let your Senators, Congressman, and President Kennedy know your feelings?

TOO LONG DELAYED

Mr. BAILEY. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia.

There was no objection.

Mr. DINGELL. Mr. Speaker, pursuant to permission granted I insert in the CONGRESSIONAL RECORD an editorial appearing in the New York Journal of Commerce on September 6, 1961, entitled "Too Long Delayed," setting forth the strong moral, if not actually the strong legal, obligation the United States has to complete payment of the unpaid balance of war claims approved by this country in the Philippine Rehabilitation Act of 1946.

The United States is giving away billions to uncommitted nations, many of which, while not enemies of this country, consort with and give aid and comfort to our enemies in the great power struggle now going on to determine whether mankind will go down the road to freedom or tyranny. In such circumstances it is difficult to believe that this Nation would fail to honor its obligations as set forth in this excellent editorial.

The strong justice of these claims commends itself to us, as does the vigorous and courageous friendship, unflinchingly portrayed, by the people of the Philippine Republic and their leaders, outstanding among whom is the Ambassador of the Republic of the Philippines, the Honorable Carlos P. Romulo. General Romulo is a distinguished friend of freedom who, since long before the days of his service in this Congress, has been a constant spokesman to the world in America's behalf, and a true friend to all who seek liberty, freedom, and self-determination.

It would appear that these deserving claims should be met at an early date, if not from the compelling justice in them, then as a return for the friendship so richly given without reservation or cavil by our friends, the people of the Philippines.

The editorial follows:

TOO LONG DELAYED

In view of the vastness of the foreign aid programs the present and previous administrations have managed, by one means or another, to steer through Congress, it seems odd to us that so many legislative and other difficulties invariably crop up when Congress is called upon to authorize funds to pay what we owe to one particular foreign country—namely, the Philippine Republic.

Something on the order of $73 million is owed in all good conscience by this country to the Philippines, not in terms of foreign aid, but in compensation for damage done to the Philippines during World War II, when that land was a territory of the United States and as such, suffered heavily under the Japanese occupation and from warfare conducted both by American and Japanese forces.

Representative ZABLOCKI, of Wisconsin, has introduced a measure authorizing the payment of this sum in full. It does not represent any increase in Philippine war damage claims against the United States—but merely payment of the unpaid balance of such claims as were approved by this country under the Philippine Rehabilitation Act of 1946.

The present difficulty is not that a majority of either House of Congress opposes the Zablocki bill. It is—as has so often been the case in the past with such measures—that Congress is getting so preoccupied with the single issue of adjournment that the measure is in danger of being lost in the shuffle.

Many good and deserving measures have thus been lost in the past with the result that only later, when the legislators have returned home and had time for a certain amount of reflection, have the consequences of their omission become evident.

What would the consequences in this case be? It might be argued that it would merely be to postpone a decision which is practically inevitable, the nature of the American people and its Government being what it is. But to postpone a decision is, in effect, to make a decision. Or, as the Philippine Ambassador, Gen. Carlos P. Romulo quietly remarked recently, "justice delayed is justice denied."

Justice, in this instance, has been much too long delayed. As Gen. Douglas MacArthur remarked 2 months ago on his return from a visit to the Philippines, "there is a strong undercurrent of feeling (there) in its relative dealings with the nations of the world the United States has tended to overlook to some extent the needs and necessities and even the just claims upon us of the Philippines. The restitution of the damage inflicted by our forces which was, of course, necessitated by the exigencies of war, has not received adequate compensation, especially when compared with the lavish grants made to nations proclaiming neutrality and even to former enemy countries of Germany and Japan."

This newspaper understands perfectly well the compelling considerations underlying the foreign aids given neutrals and former enemies, and it has supported these aids in the main as essential to national security as well as to the welfare of society generally.

The United States tends to look ridiculous, however, when its legislators sit down solemnly to enact general foreign aid measures running into the billions—merely because such appropriations are very large—while neglecting strong moral commitments merely because their dollar count is relatively small.

This is neither the right way to legislate nor the right way to conduct foreign relations. Nor is it the right way—in a purely selfish sense—to promote the best interests of the United States itself.

After all—what nations, now neutral or semihostile—will be drawn any closer to the United States in times of stress by the all too obvious evidence of the difficulty Manila is having in collecting the war damage claims which Washington itself admits is owed to the Philippines?

Would they do better to remain neutral, or at least aloof from the United States when the chips are down, as they could be at almost any moment from now on? The Filipino people didn't think so. Are they now to be rewarded with conclusive evidence that they guessed wrong? And if so, can we expect that in a future emergency there will be many others who will guess what we would like to call "right"?

EMERGENCY FEED GRAIN PROGRAM

Mr. BAILEY. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. FOUNTAIN] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia.

There was no objection.

Mr. FOUNTAIN. Mr. Speaker, in March of this year, I voted for the proposed 1961 emergency feed grain program. This vote for the proposed program was made because I was firmly convinced that we had to take some action to stop the buildup of Government stocks of corn and grain sorghums. Also, I felt that the farmers producing corn and grain sorghums wanted a program to reduce the Government stockpile and which would eventually bring better prices and higher income for their efforts. I was convinced in my own mind that a continuation of the program developed by the previous administration for unlimited acreage and guaranteed support prices was a bad program and would result in more acreage, larger production, more Government stocks, more Government expenditures and less income to farmers.

The feed grain program provided for reduced acreages in order to qualify for price support and payments to compensate for the loss in income as a result of the reduced acreages. I felt that the payment feature was good; also since corn would be taken out of Government stocks and sold to reimburse CCC for the payments made.

All of us like to feel that decisions we have made were right. After reviewing the September crop report I am fully convinced that my vote for the feed grain program was in the best interest of the farmers and in the best interest of all our people. Many of the opponents of the feed grain program may ask, Why and how have you reached these conclusions? My reasons are:

First. It is true that the feed grain program has resulted in 13 million acres less corn for grain and 4.4 million acres less grain sorghum being planted this year.

Second. Corn and grain sorghum yields are the highest on record.

Third. These high yields are attributed to unusually favorable weather conditions and not to additional use of fertilizer or the planting of the best land. This can be proven by the increase in the soybean yield which increase is greater on a percentage basis than either corn or grain sorghums.

Fourth. With these favorable weather conditions resulting in abnormally high yields, the total production of corn and grain sorghums without a feed grain program probably would have been 700 million bushels more corn and 183 million bushels more grain sorghums.

Fifth. This potential excessive supply would have served as a burden holding down prices on farmers' production and Government stocks for years to come.

Sixth. If this much more had been produced, the majority of this additional production would have gone into Government stocks.

Seventh. The ultimate costs of each bushel of corn in Government stocks for

handling, storage, interest, and transportation is $1.10.

Eighth. Net farm income will be increased because of the program.

Ninth. Government costs will be less by an enormous amount from which they would have been without a program.

I am glad that I supported the feed grain program and also thankful to our Maker for the favorable weather conditions that will result in more income for our farm people.

THE EMERGENCY FEED GRAIN PROGRAM

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Iowa [Mr. SMITH] is recognized for 15 minutes.

Mr. SMITH of Iowa. Mr. Speaker, I wonder how many realize that a five-vote margin in the House this year on the emergency feed grain bill saved the taxpayers from being obligated to support every bushel of a nearly 5-billion-bushel feed grain crop at about $1.06 per bushel. When the administration early this year proposed the 1961 emergency feed grain program, its objective was to first improve farm income and second, to reduce Government costs.

The September crop report clearly indicates that these two objectives have been fully achieved.

Farm income will be increased as a result of payments through the program and will be boosted additionally by the high yields achieved through favorable growing conditions.

At the same time, Government costs will be reduced tremendously—even more than originally estimated, as a result of the feed grain program.

Had there not been a feed grain program, the production of corn and grain sorghums would have been far in excess of the high production achieved in 1960. This enormous production would have added to the stocks of grain in the Commodity Credit Corporation. A poll of genuine farmers in Iowa indicated they would have increased acreage of both corn and soybeans by 10 percent had the emergency program not been passed. These increased Government stocks would have resulted in increased costs to the American taxpayer. Under the 1961 program, this has been greatly reduced.

Had it not been for the feed grain program, all corn and grain sorghums produced would have been eligible for price support. But under the feed grain program only the corn and grain sorghums produced on participating farms will be eligible for price support and the Government will not have any obligation to farms where acreage was not reduced.

And the price support will be limited on such farms to the average production in 1959 and 1960 on the acreage involved. This assures that the Government will not be financing any increased use of fertilizer on these individual farms where more fertilizer than needed for average production was used.

Near perfect growing weather is combining with the Nation's vaunted agricultural technology to set some of the highest production yields in the history of farming.

The September crop report of the U.S. Department of Agriculture indicates that major field crop production will show per acre yields beyond levels which 5 years ago could not have been imagined. Only in the high plains area where drought conditions still remain serious has farm productivity suffered.

In practically every other section of the country, weather conditions have been the major factor in pushing acreage yields to record levels in corn, grain sorghums and soybeans. Even poorer land is pushing out about as large a crop as rested land. This can happen only when just about the exact proportion of moisture is combined with minerals in the soil.

In Iowa, for example, corn produced for grain is estimated to average 73 bushels an acre, an average 9.5-bushel increase in per acre yield as compared to 1960 figures. The increase over the 10-year 1950–59 average annual yield figures is more than 17 bushels per acre.

Illinois shows an increase in per acre production of 8 bushels, raising the average yield per acre to 76 bushels as compared to 68 bushels in 1960. This represents a similar 17 bushel per acre increase over the 10-year average.

In the major corn-producing areas, the average increase in per acre yield varies from 3 in Ohio to 10 in Missouri. It is obvious that had we not changed the corn program, we would have been seeing predictions of a near 5 billion bushel feed grain crop with the Government obligated to support every bushel at about $1.06 per bushel. Huge storage costs would follow.

Grain sorghums show the same effect with the average increase in per acre yield estimated now to be 4.2 bushels per acre. It is a good thing for the taxpayers that the bill passed by a five-vote margin and thus the acreage is reduced. The big spenders of 1961 were those who opposed the 1961 emergency feed grain program.

In soybeans the same sharp rise in productivity has increased per acre yield estimates an average 3 bushels over 1960 figures.

The increase in productivity and the rise in farm income which will follow as a result can be credited principally to the helping hand of the weather. The shift from beans to corn under the 1959–60 corn program had caused the carryover of soybeans to become so low that a bad crop year would have endangered our ability to hold our markets. We need a good crop of soybeans.

The September estimates which saw corn production jump almost 3 bushels per acre over the August crop estimates can be credited only to weather as the use of fertilizer or any other piece of manmade technology could no longer be applied to improve production. Fertilizer is applied no later than June.

A further indication of this booming assist from nature is the fact that corn and soybeans, both of which are grown in the same major areas, have both shown impressive increases in per acre yields. Soybean acreage was increased while corn acreage was reduced. However, soybean yield shows a higher percentage increase over 1960 futures—13 percent as opposed to 11 percent—which would indicate that weather, rather than better land and increased fertilization, has played a major role.

In addition, the increase in per acre yield between July—when the use of fertilizer drops sharply—and September cannot be credited to the quality of land since it did not change.

There is little doubt, then, that had there been no new feed grain program passed which reduced acreage, for 1961, the cost to the Government for a record crop under the program that would have been in effect would have been higher than at any time in history. It bears out the statements that the estimate of savings which will result from the 1961 feed grain program are very conservative.

The program in effect in 1959 and 1960 would still be in effect had we not passed the 1961 Emergency Feed Grain Act.

With every rise in production the savings from the feed grain program will increase in comparison to the program in effect in 1959 and 1960 which supported all corn raised without limitation on acreages. Farmers could even break up new land or put the whole farm into corn production and secure Government price supports on the increased production.

It is estimated that farmer cooperation in the feed grain program this year alone will save the taxpayers at least $500 million. This is the difference between the estimated $500 million cost of the program, and the estimated $1 billion cost if the Government had continued to add to its stocks the grain that would have been produced on the diverted acres. I believe this estimate of savings for the taxpayers is low.

As for farm income, happily the U.S. Department of Agriculture has been given a tremendous boost by favorable weather conditions this year in its effort to increase the cash return to the farmer.

The crop report issued yesterday indicates good weather will play an important part in boosting the farm income to corn and other feed grain producers, as well as soybean producers.

This crop report indicates the average yield per acre for corn will be 60.4 bushels, which is 6 bushels per acre better than the 1960 yield, and approximately 16 bushels per acre above the 10-year average yield.

The yield for grain sorghums will be 44 bushels per acre—4.2 bushels better than last year and 20 bushels per acre higher than the 10-year average yield.

At the same time the yield of soybeans has been increased 3 bushels per acre over the 1961 production and 5 bushels per acre over the 10-year average. The soybean acreage also has been increased by 3½ million acres over 1960 and approximately 9 million acres over the 10-year average.

These increases in yield per acre are directly attributable to improved weather conditions this year.

The higher yield, the increased income, the lower Government costs under the feed grain program in a good weather year all add up to a happy picture in 1961—a picture of hard labor and wise planning smiled upon by a beneficent Providence.

MISS AMERICA OF 1962

The SPEAKER pro tempore. Under previous order of the House, the gentleman from North Carolina [Mr. TAYLOR] is recognized for 15 minutes.

Mr. TAYLOR. Mr. Speaker, this is indeed a pleasant occasion for me. I feel honored and proud that one of my constituents has been selected as Miss America of 1962. She is Miss Maria Beale Fletcher, a 19-year-old Asheville citizen who held us breathless during the final tense moments of the Miss America contest at Atlantic City. She is a beautiful, talented, and queenly American girl, and I wish that I could place her picture in the CONGRESSIONAL RECORD.

Maria Fletcher is the daughter of Mr. and Mrs. Beale Fletcher of Governor's View Road, Asheville, N.C., who are among our leading citizens and operate a dancing school. Maria learned to dance almost before she learned to walk. I first saw her sing and dance on top of a table at a State convention of a North Carolina business group when she was only 7 years of age. Her first award came that year, and she has won 14 talent awards in contests sponsored by various civic clubs in Asheville. She has been outstanding on the local level for her singing, dancing, personality, and charm, and for her courteous manner and fine influence on other young people.

Maria Fletcher was a fine student, having finished A. C. Reynolds High School in Buncombe County near Asheville, in 3 years with an average grade of 93. Her high school principal stated to me that she is humble, thoughtful, a wonderful young lady, outstanding in every way and that he expected her to win.

When asked by the contest master of ceremonies what was the greatest problem facing our Nation today, she replied sincerely and eloquently:

> I feel that the greatest problem facing our country today is making other foreign nations realize that we seriously mean what we say when we say that we are all for peace and that everyone here is hoping and praying for it all the time.

A former Radio City Rockette, she hopes to enter college later and to eventually make the entertainment world her career.

North Carolinians are celebrating and rejoicing. Maria Fletcher has brought great recognition to the Tar Heel State as she has to herself and I am confident that she will reign as Miss America with honor and dignity, and be a great inspiration to other young people throughout our Nation.

I congratulate Maria Fletcher and offer her my sincerest esteem and admiration. The hearts of North Carolinians everywhere will follow her throughout her eventful days as Miss America of 1962.

Mr. Speaker, I ask unanimous consent that all Members of the House who desire to do so be permitted to extend their remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. SCOTT. Mr. Speaker, as the Representative of only one congressional district out of many in the United States, I join my colleagues in proud and appropriate recognition of a representative of America, Miss Maria Beale Fletcher, the selected, titled, and crowned Miss America of 1962.

While watching the contestants in last Saturday night's pageant, as they demonstrated their fine talents in the several test categories, it occurred to me that beauty may often be more than skin deep. Physical beauty alone did not bring these young ladies to the pageant's finals. And it is upon her fine qualities of character, intelligence, talents, and achievements that I would congratulate our new Miss America. To have been singled out and chosen as No. 1 among many possessing these values is indeed an honor. Attendant upon the honor is the serious responsibility of representing the ideals and aspirations of American young womanhood, and this I am confident she will meet. I join in wishing her a successful and happy reign, and in gratefully acknowledging the distinction she has brought to our great State of North Carolina.

Mr. LENNON. Mr. Speaker, North Carolina is justifiably proud of the attainment of Miss Maria Beale Fletcher in her selection as Miss America of 1962. She typifies the Miss America pageant theme—"The All-American Girl"—with her beauty, charm, graciousness, intellect, and talent.

Miss Fletcher was coached for this pageant by a constituent of mine, Mrs. Hannah Block, a councilwoman of Wilmington, N.C. The city of Wilmington has, therefore, additional pride in the accomplishment of Miss America.

All of us who represent the Tar Heel State here in the Congress take pleasure in expressing the hope that Members of the Congress may have the opportunity to meet this attractive young lady as she travels throughout our Nation during her reign.

Mr. KORNEGAY. Mr. Speaker, I arise to take this opportunity to heartily commend my distinguished colleague, Congressman ROY A. TAYLOR, for calling this important matter to the attention of the House. It is a privilege to join with all of my fellow North Carolinians in expressing pleasure and pride over the fact that one of our fair fellow citizens has attained the great honor and distinction of being selected as Miss America for 1962.

I should also like to point out that Miss Maria Beale Fletcher was chosen as Miss North Carolina at the North Carolina Beauty Pageant held in my hometown of Greensboro. As a former member of the junior chamber of commerce for 11 years, I am proud to say that the pageant was sponsored by the Guilford College Junior Chamber of Commerce. The pageant took place in our beautiful and modern and spacious coliseum in Greensboro—one of the finest facilities of its kind in America.

It is a pleasure to commend the Guilford College Junior Chamber of Commerce for the splendid job they did in promoting the beauty pageant and for the selection of such a wonderful candidate for the Miss America crown as Miss Fletcher.

All Tar Heels are understandably jubilant over having this beautiful and talented young North Carolinian representing the United States of America as the epitome and pride of young womanhood, and we are confident that she will wear her crown with great dignity and distinction and will well deserve the plaudits and prestige which this position carries.

Mr. WHITENER. Mr. Speaker, I join with my distinguished colleague from North Carolina [Mr. TAYLOR] in paying tribute to a very lovely North Carolinian, Miss Maria Beale Fletcher, Miss America of 1962. While North Carolinians take particular pride in her accomplishments today, I am confident that all Americans will have the same pride in this young lady as they get to know her during her reign as Miss America.

Those of us who were privileged to witness by television the ceremonies in Atlantic City last Saturday night saw many young ladies of outstanding talent and beauty. Each of them represented their particular States with great dignity, character, and ability. Only one could be selected as Miss America. The fact that each of the contestants was outstanding in her own right makes the selection of our own "Miss North Carolina" even more impressive.

The answers given to the questions propounded to this young lady were thrilling to all of us. Particularly we were pleased with the very splendid statement which she made in response to the serious question presented to her. Congressman TAYLOR has already quoted her answer. I commend the young lady for her understanding of the real problem of today and the proper attitude which Americans should take in meeting that problem of preserving world peace.

Mr. Speaker, I also salute the parents of this young lady for the excellent training which they have given to her. The guidance which they have given during the 19 years of her life has paid big dividends to them, their daughter, and to our Nation.

Also I would like to commend the North Carolina Junior Chamber of Commerce for its sponsorship of the Miss North Carolina pageant, as well as many local pageants which led to the selection of Miss Fletcher as the representative of the Tar Heel State in the national competition. It was my privilege to serve as president of the North Carolina Junior Chamber of Commerce several years ago, and I have had an abiding and continuing interest in its program of service to our State. In paying tribute to Miss America of 1962 we also pay tribute to the Jaycees of North Carolina who gave many thousands of hours in the development and presenting of the local and

State beauty pageants which resulted in the selection of such a splendid representative of our State in the Miss America competition.

In the Washington Evening Star of September 11, 1961, the brief story by the Associated Press sets forth some of the facts with reference to this lovely young lady. I include it as a part of my remarks at this point in the RECORD.

MISS AMERICA HOPING FOR CAREER AS STAR

NEW YORK, September 11.—The Nation's newest dream girl started happily today along the year-long path she hopes may lead to a glowing career in the entertainment world.

It was in this show business center that Maria Beale Fletcher—the newly crowned Miss America—received her first glare of the bright lights.

The 19-year-old North Carolina beauty was a member of the Radio City Music Hall's famed Rockettes last year before she returned to her Asheville home to spruce up for the Miss North Carolina contest.

She was still sprucing today, but this time it was to prepare for her reign in the Miss America role that she won over 54 other beauties at Atlantic City, N.J., Saturday night.

The brown-haired, hazel-eyed Miss Fletcher will spend a month here, much of it in selection of a wardrobe suitable for her queenly proportions. She stands 5 feet 5½ inches tall, weighs 118 pounds and measures 35–24–35.

HONORED, THRILLED

Miss Fletcher said she was "very, very honored and very thrilled" at winning the Nation's oldest beauty title.

And the photographers didn't bother her a bit, she said.

"I think all of us are blessed with a little bit of ham. I have just a little bit more than most. I don't mind smiling at all."

Her parents, Mr. and Mrs. Charles Beale Fletcher, both dancing teachers and former professional dancers, were present for her triumph.

"That made it so much more real and wonderful," she said. "I've envied them so much."

Maria, an accomplished dancer, won her first talent prize at the age of 7. She said she would like to use the $10,000 scholarship she won in the Miss America pageant to study in some field of entertainment, possibly at the Pasadena Playhouse in California.

TO GET $75,000

Besides the scholarship, she will get about $75,000, plus expenses, for personal appearances during the year. Her first one will be at the Air Force Association Convention in Philadelphia September 22–23.

Miss America has two sisters, Margaret, 17, and Bonnie, 10, and a brother, Walter, 9, who watched the pageant on television at Asheville.

She has "romantic interests, but not in one specific place."

"I'll be interested in marriage when the right boy and I get together and decide we're ready for marriage," she said.

Mr. Speaker, North Carolina is proud of Miss America of 1962. I am sure that those whom I am privileged to represent in the Congress share my pride in the accomplishments of our lovely neighbor from the 12th Congressional District of North Carolina.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. THOMPSON of New Jersey (at the request of Mr. DANIELS) for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FEIGHAN, for 30 minutes, tomorrow, September 13, 1961.

Mr. SMITH of Iowa, for 15 minutes, today and to revise and extend his remarks and include extraneous matter.

Mr. TAYLOR (at the request of Mr. BAILEY), for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. WALTER and to include extraneous matter.

Mr. ASPINALL the remarks he will make today during consideration of H.R. 9076 in the Committee of the Whole, and to include certain pertinent material.

Mr. POAGE in two instances.

Mr. ANDERSEN of Minnesota his remarks in the House today and to include extraneous matter.

Mr. CANNON to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

Mr. BOLAND to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

Mr. EDMONDSON.

Mr. BECKER to revise and extend his remarks on H.R. 9076 in the Committee of the Whole today and include letters.

Mr. EVINS (at the request of Mr. BAILEY) to revise and extend the remarks he made today on the bill H.R. 9076 and to include therein extraneous matter and tables.

(The following Members (at the request of Mr. SHORT) and to include extraneous matter:)

Mrs. MAY.

Mr. KEARNS.

(The following Members (at the request of Mr. BAILEY) and to include extraneous matter:)

Mr. COOLEY.

Mr. TOLL.

Mr. FASCELL.

Mr. GARMATZ.

Mr. CAREY.

Mr. MORGAN.

SENATE BILLS, JOINT RESOLUTION, AND CONCURRENT RESOLUTION REFERRED

Bills, a joint resolution, and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1274. An act for the relief of the widow of Julian E. Gillespie; to the Committee on Foreign Affairs.

S. 1761. An act to amend the act of March 3, 1901, relating to divorce, legal separation, and annulment of marriage in the District of Columbia; to the Committee on the District of Columbia.

S. 2488. An act to increase the number of apprentices authorized to be employees of the Government Printing Office, and for other purposes; to the Committee on House Administration.

S.J. Res. 132. Joint resolution extending recognition to the International Exposition for Southern California in the year 1966 and authorizing the President to issue a proclamation calling upon the several States of the Union and foreign countries to take part in the exposition; to the Committee on Foreign Affairs.

S. Con. Res. 40. Concurrent resolution authorizing the printing as a Senate document of the 40th biennial meeting of the Convention of American Instructors of the Deaf, and providing for additional copies; to the Committee on House Administration.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker pro tempore:

H.R. 176. An act to amend section 331 of title 28 of the United States Code so as to provide for representation on the Judicial Conference of the United States;

H.R. 2816. An act for the relief of Chief Warrant Officer James M. Cook;

H.R. 2883. An act to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes;

H.R. 3606. An act for the relief of William C. Winter, Jr., lieutenant colonel, U.S. Air Force (Medical Corps);

H.R. 3863. An act for the relief of Woody W. Hackney, of Fort Worth, Tex.;

H.R. 4369. An act for the relief of Henry James Taylor;

H.R. 4458. An act to authorize the Secretary of the Interior to replace lateral pipelines, line discharge pipelines, and to do other work he determines to be required for the Avondale, Dalton Gardens, and Hayden Lake Irrigation Districts in the State of Idaho;

H.R. 4669. An act to amend the law relating to gambling in the District of Columbia;

H.R. 5182. An act for the relief of Charles P. Redick;

H.R. 5559. An act for the relief of Ralph E. Swift and his wife, Sally Swift;

H.R. 6667. An act to amend the act of August 16, 1957, relating to microfilming of papers of Presidents of the United States, to remove certain liabilities of the United States with respect to such activities;

H.R. 6996. An act for the relief of Harry Weinstein;

H.R. 7264. An act for the relief of M. C. Pitts;

H.R. 7447. An act to amend the Strategic and Critical Materials Stock Piling Act to provide for the immediate disposition of certain waterfowl feathers and down;

H.J. Res. 109. Joint resolution designating the 17th day of December 1961 as "Wright Brothers Day"; and

H.J. Res. 499. Joint resolution authorizing a celebration of the American patent system.

SENATE ENROLLED BILLS SIGNED

The SPEAKER pro tempore announced his signature to enrolled bills of the Senate of the following titles:

S. 200. An act to amend the act entitled "An act relative to employment of certain adult Indians on or near Indian reservations," approved August 3, 1956;

S. 279. An act to provide Federal assistance for projects which will demonstrate or develop techniques and practices leading to a solution of the Nation's juvenile delinquency control problems;

S. 1528. An act to increase the relief or retirement compensation of certain former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force; and the U.S. Secret Service; and of widows and children of certain deceased former officers of such forces, department, or service;

S. 1529. An act to amend the act entitled "An act to regulate the height of buildings in the District of Columbia," approved June 1, 1910, as amended;

S. 1653. An act to amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises;

S. 1719. An act to amend title 23 of the United States Code with respect to Indian reservation roads;

S. 1762. An act to regulate the practice of physical therapy in the District of Columbia;

S. 1768. An act to provide for the restoration to Indian tribes of unclaimed per capita and other individual payments of tribal trust funds;

S. 1807. An act to authorize the disposition of land no longer needed for the Chilocco Indian Industrial School at Chilocco, Okla.; and

S. 2241. An act to donate to the Jicarilla Apache Tribe of the Jicarilla Reservation, N. Mex., approximately 391.43 acres of federally owned land.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 1021. An act to extend for 2 years the definition of "peanuts" which is now in effect under the Agricultural Adjustment Act of 1938;

H.R. 2877. An act to authorize the Director, Office of Civil and Defense Mobilization, to approve a financial contribution for civil defense purposes to the State of Oklahoma;

H.R. 6302. An act to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes;

H.R. 6309. An act to amend title VI of the Merchant Marine Act, 1936, as amended, in order to increase certain limitations in payments on account of operating-differential subsidy under such title;

H.R. 6732. An act to amend the Merchant Marine Act, 1936, as amended, to encourage the construction and maintenance of American-flag vessels built in American shipyards;

H.R. 6969. An act to amend title 39, United States Code, to increase dependency and indemnity compensation in certain cases;

H.R. 6974. An act to amend section 607(b) of the Merchant Marine Act, 1936, as amended;

H.R. 7043. An act to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing; and for other purposes;

H.R. 7622. An act to repeal sections 1176 and 1177 of the Revised Statutes of the United States relating to the District of Columbia;

H.R. 8406. An act to further amend Reorganization Plan No. 1 of 1958, as amended, in order to change the name of the office established under such plan, and for other purposes;

H.R. 8466. An act to authorize the construction of a railroad siding in the vicinity of Taylor Street NE., District of Columbia; and

H.R. 8719. An act to amend the act of July 28, 1947, chapter 301, as amended, to extend for 2 years the authority to make temporary appointments and promotions in the U.S. Coast Guard.

ADJOURNMENT

Mr. BAILEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 29 minutes p.m.) under its previous order, the House adjourned until tomorrow, Wednesday, September 13, 1961, at 10 o'clock a.m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORGAN: Committee on Foreign Affairs. H.R. 9118. A bill to establish a U.S. Arms Control Agency, without amendment (Rept. No. 1165). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee of conference. H.R. 8102. A bill to amend the Federal Airport Act so as to extend the time for making grants under the provisions of such act, and for other purposes (Rept. No. 1166). Ordered to be printed.

Mrs. NORRELL: Committee on Post Office and Civil Service. H.R. 6695. A bill to amend title 39 of the United States Code with respect to the transportation of mail by highway post office service, and for other purposes; with amendment (Rept. No. 1167). Referred to the Committee of the Whole House on the State of the Union.

Mrs. NORRELL: Committee on Post Office and Civil Service. H.R. 8565. A bill to permit certain Government employees to elect to receive compensation in accordance with section 401 of the Federal Employees Pay Act of 1945 in lieu of certain compensation at a saved rate, and for other purposes; without amendment (Rept. No. 1168). Referred to the Committee of the Whole House on the State of the Union.

Mr. JAMES C. DAVIS: Committee on Post Office and Civil Service. H.R. 7377. A bill to increase the limitation on the number of positions which may be placed in the top grades of the Classification Act of 1949, as amended, and on the number of research and development positions of scientists and engineers for which special rates of pay are authorized; to fix the compensation of hearing examiners; and for other purposes; with amendment (Rept. No. 1170). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H.R. 6759. A bill for the relief of the Prince Georges County School Board, Maryland; without amendment (Rept. No. 1171). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALTER: Committee of conference. S. 2237. A bill to permit the entry of certain eligible alien orphans (Rept. No. 1172). Ordered to be printed.

Mr. LANE: Committee on the Judiciary. H.R. 8741. A bill to amend the act of April 29, 1941, as amended, to authorize any Federal agency to waive performance and payment bonds, and for other purposes; without amendment (Rept. No. 1173). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H.R. 8958. A bill to remove the present $5,000 limitation which prevents the Secretary of the Air Force from settling certain claims arising out of the crash of a U.S. Air Force aircraft at Midwest City, Okla.; without amendment (Rept. 1174). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS: Committee on Appropriations. H.R. 9169. A bill making appropriations for the fiscal year ending June 30, 1962, and for other purposes; without amendment (Rept. No. 1175). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MOORE: Committee on the Judiciary. H.R. 1720. A bill for the relief of Paul Vassos (Pavlos Veizis); with amendment (Rept. No. 1164). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 5324. A bill for the relief of Dr. Serafin T. Ortiz; with amendment (Rept. No. 1169). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BREEDING:

H.R. 9131. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to establish a marketing program for wheat; to the Committee on Agriculture.

By Mrs. MAY:

H.R. 9132. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to establish a marketing program for wheat; to the Committee on Agriculture.

By Mr. HORAN:

H.R. 9133. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to establish a marketing program for wheat; to the Committee on Agriculture.

By Mr. ROGERS of Colorado:

H.R. 9134. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to establish a marketing program for wheat; to the Committee on Agriculture.

By Mrs. PFOST:

H.R. 9135. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to establish a marketing program for wheat; to the Committee on Agriculture.

By Mr. WICKERSHAM:

H.R. 9136. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to establish a marketing program for wheat; to the Committee on Agriculture.

By Mr. ULLMAN:

H.R. 9137. A bill to amend the Agricultural Adjustment Act of 1938, as amended,

to establish a marketing program for wheat; to the Committee on Agriculture.

By Mr. REIFEL:

H.R. 9138. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to establish a marketing program for wheat; to the Committee on Agriculture.

By Mr. AVERY:

H.R. 9139. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to establish a marketing program for wheat; to the Committee on Agriculture.

By Mr. BATTIN:

H.R. 9140. A bill to amend the Internal Revenue Code of 1954 to mitigate the tax burdens which result from the irregularity of farm and farm-related income by permitting established farmers, ranchers, livestock growers, and livestock feeders to average their taxable income over a 5-year period; to the Committee on Ways and Means.

By Mr. CELLER:

H.R. 9141. A bill to assist the several States in establishing hospital facilities and programs of posthospital aftercare for the care, treatment, and rehabilitation of narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ADDONIZIO:

H.R. 9142. A bill to assist the several States in establishing hospital facilities and programs of posthospital aftercare for the care, treatment, and rehabilitation of narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ANFUSO:

H.R. 9143. A bill to assist the several States in establishing hospital facilities and programs of posthospital aftercare for the care, treatment, and rehabilitation of narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CAREY:

H.R. 9144. A bill to assist the several States in establishing hospital facilities and programs of posthospital aftercare for the care, treatment, and rehabilitation of narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DANIELS:

H.R. 9145. A bill to assist the several States in establishing hospital facilities and programs of posthospital aftercare for the care, treatment, and rehabilitation of narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DULSKI:

H.R. 9146. A bill to assist the several States in establishing hospital facilities and programs of posthospital aftercare for the care, treatment, and rehabilitation of narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FARBSTEIN:

H.R. 9147. A bill to assist the several States in establishing hospital facilities and programs of posthospital aftercare for the care, treatment, and rehabilitation of narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GALLAGHER:

H.R. 9148. A bill to assist the several States in establishing hospital facilities and programs of posthospital aftercare for the care, treatment, and rehabilitation of narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GILBERT:

H.R. 9149. A bill to assist the several States in establishing hospital facilities and programs of posthospital aftercare for the care, treatment, and rehabilitation of narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HEALEY:

H.R. 9150. A bill to assist the several States in establishing hospital facilities and programs of posthospital aftercare for the care, treatment, and rehabilitation of narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KEOGH:

H.R. 9151. A bill to assist the several States in establishing hospital facilities and programs of posthospital aftercare for the care, treatment, and rehabilitation of narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MULTER:

H.R. 9152. A bill to assist the several States in establishing hospital facilities and programs of posthospital aftercare for the care, treatment, and rehabilitation of narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. POWELL:

H.R. 9153. A bill to assist the several States in establishing hospital facilities and programs of posthospital aftercare for the care, treatment, and rehabilitation of narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RYAN:

H.R. 9154. A bill to assist the several States in establishing hospital facilities and programs of posthospital aftercare for the care, treatment, and rehabilitation of narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ZELENKO:

H.R. 9155. A bill to assist the several States in establishing hospital facilities and programs of posthospital aftercare for the care, treatment, and rehabilitation of narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BUCKLEY:

H.R. 9156. A bill to assist the several States in establishing hospital facilities and programs of posthospital aftercare for the care, treatment, and rehabilitation of narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLTZMAN:

H.R. 9157. A bill to assist the several States in establishing hospital facilities and programs of posthospital aftercare for the care, treatment, and rehabilitation of narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GARMATZ:

H.R. 9158. A bill to amend title 14 of the United States Code to authorize the Secretary of the Department in which the Coast Guard is operating to establish and enforce structural safety standards for certain artificial islands or fixed structures which are in or over certain waters or lands over which the United States has jurisdiction; to the Committee on Merchant Marine and Fisheries.

By Mr. MORRIS:

H.R. 9159. A bill to amend Public Law 86–376; to the Committee on Ways and Means.

By Mr. RANDALL:

H.R. 9160. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption for a taxpayer or spouse who is a victim of chronic respiratory polio; to the Committee on Ways and Means.

By Mr. SIBAL:

H.R. 9161. A bill to amend paragraph 1101(b) of the Tariff Act of 1930 to provide for the duty-free importation of certain wools for use in the manufacture of polishing felts; to the Committee on Ways and Means.

By Mr. WINSTEAD:

H.R. 9162. A bill to provide for the withholding and the forfeiture of the pay and allowances of certain members of the uniformed services who, while prisoners of war, aid the enemy or are guilty of other misconduct, and for other purposes; to the Committee on Armed Services.

By Mr. ABERNETHY:

H.R. 9163. A bill to provide for the withholding and the forfeiture of the pay and allowances of certain members of the uniformed services who, while prisoners of war, aid the enemy or are guilty of other misconduct, and for other purposes; to the Committee on Armed Services.

By Mr. BECKWORTH:

H.R. 9164. A bill to amend title II of the Social Security Act to provide that income derived by an individual from a trade or business carried on by a partnership shall not constitute "earnings" for purposes of deductions on account of work unless he renders personal services in such trade or business; to the Committee on Ways and Means.

By Mr. BENNETT of Florida:

H.R. 9165. A bill to amend chapter 61 of title 10, United States Code, to provide that where a member of an armed force in receipt of disability retired pay is separated from his wife or children, a portion of such disability retired pay may be apportioned and paid to his wife or children; to the Committee on Armed Services.

By Mr. ROGERS of Texas:

H.R 9166. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to establish a marketing program for wheat; to the Committee on Agriculture.

By Mr. SCHWENGEL:

H.R. 9167. A bill to establish a U.S. Agency for World Peace With Justice and Security Through Disarmament; to the Committee on Foreign Affairs.

By Mr. ZABLOCKI:

H.R. 9168. A bill to amend title IV of the Social Security Act to provide that local agencies may distribute aid to dependent children in the form of commodities, and may demand an accounting of the way in which aid to dependent children in the form of money payments is used by the recipient, in appropriate cases; to the Committee on Ways and Means.

By Mr. THOMAS:

H.R. 9169. A bill making supplemental appropriations for the fiscal year ending June 30, 1962, and for other purposes.

By Mr. CHELF:

H.R. 9170. A bill to provide that the House of Representatives shall be composed of 453 Members, and for other purposes; to the Committee on the Judiciary.

By Mr. PETERSON:

H.R. 9171. A bill to amend the act of August 27, 1954 (68 Stat. 868), with respect to the Uintah and Ouray Reservation in Utah; to the Committee on Interior and Insular Affairs.

By Mr. RODINO:

H.R. 9172. A bill to assist the several States in establishing hospital facilities and programs of posthospital aftercare for the care, treatment, and rehabilitation of narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLIFIELD:

H.J. Res. 569. Joint resolution to waive certain provisions of the Atomic Energy Act of 1954 so as to permit the agreement for cooperation between the United States and France to be made immediately effective; to the Joint Committee on Atomic Energy.

By Mrs. NORRELL:

H. Con. Res. 390. Concurrent resolution declaring the sense of the Congress that no further reductions in tariffs be made during the life of the present Reciprocal Trade Agreements Act; to the Committee on Ways and Means.

By Mr. RYAN:

H. Con. Res. 391. Concurrent resolution, to establish a joint congressional committee to

conduct a full and complete investigation and study of the civil defense program of the United States; to the Committee on Rules.

By Mr. HARVEY of Indiana:

H. Con. Res. 392. Concurrent resolution proposing establishment of a State safety council and local safety councils within each State; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATTIN:

H.R. 9173. A bill for the relief of Miles City Saleyards Co. of Miles City, Mont.; to the Committee on the Judiciary.

By Mr. BREWSTER:

H.R. 9174. A bill for the relief of Ana Nogiyte de Bujevicius; to the Committee on the Judiciary.

By Mr. DINGELL:

H.R. 9175. A bill for the relief of Helena Zelazny; to the Committee on the Judiciary.

By Mr. EVERETT:

H.R. 9176. A bill for the relief of Edwin Chi-Chang Cheng; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 9177. A bill for the relief of Despina Doxis and Vassilire Doxis; to the Committee on the Judiciary.

H.R. 9178. A bill for the relief of Francesco Lupo; to the Committee on the Judiciary.

By Mr. GUBSER:

H.R. 9179. A bill for the relief of Hamilton Kwai-Wah Ho; to the Committee on the Judiciary.

By Mr. HARDING:

H.R. 9180. A bill for the relief of Noreen Joyce Baden; to the Committee on the Judiciary.

By Mr. HORAN:

H.R. 9181. A bill for the relief of Hong-Kyw Cho; to the Committee on the Judiciary.

By Mr. KARTH:

H.R. 9182. A bill for the relief of Mohine W. Bakhos; to the Committee on the Judiciary.

By Mr. MACDONALD:

H.R. 9183. A bill for the relief of Commander Gardiner Luce; to the Committee on the Judiciary.

By Mr. MAGNUSON:

H.R. 9184. A bill for the relief of the estates of Ida Ella Floe, Stephen Floe, and Claudette N. Bline, and for the relief of Kerri Marie Bline; to the Committee on the Judiciary.

By Mr. QUIE:

H.R. 9185. A bill for the relief of Owen L. Green; to the Committee on the Judiciary.

By Mr. RODINO:

H.R. 9186. A bill for the relief of Eladio Aris (also known as Eladio Aris Carvallo); to the Committee on the Judiciary.

By Mr. SANTANGELO:

H.R. 9187. A bill for the relief of Biagio Zago; to the Committee on the Judiciary.

By Mr. SISK:

H.R. 9188. A bill to relieve Theodore A. Anderson from loss of agricultural conservation program benefits; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

209. The SPEAKER presented a petition of Mr. Arthur E. Smith, Americanism chairman, Fourth District, the American Legion Department of Ohio, Cincinnati, Ohio, stating that "under no circumstances should the Government or people of the United States of America extend diplomatic recognition or aid to the pretended government of the Communist conspiracy in China or any such part thereof as Outer Mongolia," which was referred to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

The Cattle Brand—Identification—Inspection Program in Texas

EXTENSION OF REMARKS

OF

HON. W. R. POAGE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1961

Mr. POAGE. Mr. Speaker, the cattle industry has historically been by far the largest agricultural activity in the State of Texas. Cattle stealing, or rustling, has always been one of the greatest problems. The Texas and Southwestern Cattle Raisers' Association was organized at Graham, Tex., almost 90 years ago for the primary purpose of eliminating cattle stealing. It is today the largest livestock association in the United States and its primary activity remains the abolishing of cattle rustling.

Actually, there is more cattle stealing today than at any time in history. It is probably due in large part to the development of modern transportation which enables a cow thief to load stolen animals into a truck at night and sell them in any one of a hundred different markets tomorrow. The need for a coordinated system of cattle identification was never as great as it is today.

Historically, branding has provided the best and most practical means of identification, but branding is not now and never has been a universal practice, nor is it the exclusive method of identification. Obviously, natural breed, size, age, coloring, and so forth, provides effective identification, but it is not as readily described as brand identification.

About 1942 Congress passed legislation which empowered the Department of Agriculture to authorize local agencies to conduct brand inspection within their areas. In many States there is an official or State program of brand inspection. In Texas this program is conducted by the Texas and Southwestern Cattle Raisers' Association, and it involves the identification of cattle by all practical means, not simply by a record of brands alone. For a number of years this inspection was confined very largely to the larger terminal markets. With the extension of Federal control to all auction rings, this service was extended to possibly 200 markets in Texas and some in more distant points. The association provides inspectors, pays their salaries, and maintains a general clearinghouse at Fort Worth, where records of all animals brought on to a posted market are kept, as well as reports of all stolen cattle. The reports of sale go into the Fort Worth market every night. Of course, reports of theft are made as rapidly as they are discovered. Here, within the limits of information available, the association conducts a kind of fingerprint identification. Such identification cannot be conducted by any other existing agency because there is no such agency presently in existence which has the organization or facilities for this activity. This checking of sales has resulted in the apprehension of hundreds of cases of cattle stealing.

Apparently, there was no objection to the work of the association until the large number of auction rings were brought under its jurisdiction in 1957. At that time 13 rings joined in protest. Two of the operators have formally withdrawn their protest in the meantime and no one knows if many of the remaining 11 are actually interested in conducting this protest. It is, however, clear that the protest and the only protest to the activities of the Association was filed by the operators of auction rings, not by livestock producers.

If the legislation was passed for the benefit of livestock producers, as the Congress apparently assumed it was, it seems that the Department would want to determine the degree of producer acceptance of the present practice. On the other hand, if the legislation is to be interpreted as having been passed for the benefit of auction rings, then it would seem that the number of auction rings favoring the program is many times greater than those opposing it. In the above-mentioned protest those auction rings opposing the program indicated that their opposition was based on, first, the fact that the association makes a charge of 8 cents per head for each animal on which they file a report. This is indeed a fact, but apparently no one contends that the 8 cents is excessive. On the contrary, it is apparently the smallest charge made in any State for this purpose. It is also contended that in some cases the inspector did not actually inspect the animals for which the charge was made. The association has agreed that this situation should be corrected and that in the future no charges will be made for animals not physically inspected.

The protesting auction rings in their complaint also argued that in many parts of Texas branding was not common practice. Admittedly, it is not a universal practice in any part of Texas. Admittedly, it may not be conducted by a majority of producers in certain parts of Texas, but certainly branding is used by a representative number of cattlemen in every part of Texas. In discussing the prevalence of branding, however, the auction operators ignore the fact that this inspection program is indeed an in-

spection of all identifying marks, not simply a brand inspection program. Much of the confusion in regard to this program seems to stem from a misunderstanding of this point.

Marketing Program for Wheat

EXTENSION OF REMARKS
OF
HON. CATHERINE MAY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 12, 1961

Mrs. MAY. Mr. Speaker, as a member of the Committee on Agriculture, I am glad to join with a number of my colleagues from wheat-producing areas of the United States in today introducing legislation to establish a marketing program for wheat. At the same time, we are urging the Secretary of Agriculture to develop, under the procedures provided by the Agricultural Act of 1961, recommendations for a comprehensive, long-range wheat program, embodying the principles of this legislation, in sufficient time so that the Secretary's recommendations can be submitted to the Congress by January 1962.

Basically, this is a simple program. Instead of wheat acreage allotments as we know them, each producer would be assigned a quota in bushels which he can sell into the market for food and export. The total quota for all producers would be established somewhat less than the total wheat requirements, with the balance needed to come out of Commodity Credit Corporation stocks.

In order for a producer to receive a marketing quota, he would retire at least 10 percent of his historical wheat acres. This will prevent the shifting of the burden of overproduction to other commodities.

This program has many advantages over the present allotment program. Most important, I believe, will be the effect on quality of wheat produced. Under the present program a farmer can dispose of all the bushels he can raise on his allotted acres. Thus, his incentive is to grow the most bushels possible, regardless of the quality of wheat. Under the legislation I have introduced today, since the farmer can sell only a limited number of bushels for food and export, he will want to produce the highest quality possible in order to receive a premium for this limited quantity. As a result we will have a higher quality of wheat for domestic consumption as well as an improved quality in our wheat exports.

Another important feature of this program will be an orderly reduction of Government stocks to a desirable level. By this approach the Government will be able to reduce its stocks each year without disrupting the market. This will result in a tremendous saving to the taxpayer.

As compared with the wheat program in effect in 1961, this new approach could save the Government at least $200 million the first year and up to $500 million by the end of the third year. This saving would be due to the disposition of Government stocks plus the savings in storage charges as a result of the reduction in inventory.

I am hopeful, Mr. Speaker, that the Department of Agriculture will support this meaningful and workable program, which also deserves the support of the Congress.

A Bill To Deal With Problems Arising by Reason of Communist Propaganda Originating Abroad and Distributed in the United States by First-Class Mail

EXTENSION OF REMARKS
OF
HON. FRANCIS E. WALTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 12, 1961

Mr. WALTER. Mr. Speaker, on yesterday I introduced a bill which is designed to deal with certain aspects of the rather complex problems arising by reason of the influx of millions of pieces of Communist propaganda which have their origin abroad and are now disseminated in great part by first-class mail within the United States. This bill is proposed to amend the Subversive Activities Control Act of 1950 so as to require the Postmaster General in certain cases to give notice to the addressee of the use of the mail for the dissemination of Communist propaganda.

Within recent months we have observed an acceleration of the Communist brainwashing effort directed at the free world and particularly to residents of the United States. This increased tempo of Communist propaganda activity, I believe, bears a close relation to the rising temperature of the international situation, which in turn is a consequence of the growing power and arrogance of the Communist bloc. Communist propaganda items from abroad transmitted through the U.S. postal service have increased in the year 1960 to an astounding 137 percent over the year 1959, whereas the increase in the year 1959 over the year 1958 was only 18 percent. During the year 1959, the U.S. Customs Service processed over 6 million packages of Communist propaganda, containing over 10 million items of printed matter. In 1960, over 14 million packages were processed, containing in excess of 21 million items, such as newspapers, magazines, books, pictures, and posters. During the 2 months of February and March 1961, over 162,000 packages of magazines and 11,000 packages of newspapers were addressed to the United States from Communist Cuba, which is now the base of Communist operations in this hemisphere. The extraordinary Communist effort in the field of propaganda is further attested by a report of the U.S. Office of Education indicating that in 1959 the Soviet Union published over 30 million books, containing 830 titles, in 26 foreign languages, for dissemination to non-Communist countries and which were either distributed free or sold far below cost mainly to Asia, Africa, and Latin America.

In the above figures of packages of Communist propaganda entering the United States, I did not include in that number the millions of pieces of first-class mail, containing Communist propaganda, also received from abroad. Such mail is not opened for inspection, and presents certain obvious problems. It is significant that the Communist conspiracy is now extensively utilizing first-class mailing privileges as a means for disseminating their poison and fiction. I have received reports and complaints from all areas of the United States. Many people have become annoyed, and some confused, and others alarmed. A good bit of this mail is addressed to foreign language groups, who sense the possibility of blackmail or harm. The extent of the effort clearly attests the importance with which the Communists regard this propaganda campaign. George V. Allen, formerly Director of the U.S. Information Agency, previously estimated that the amount expended by the Communists in the year 1957 for propaganda in the non-Communist world was between $500 to $750 million. Present estimates of the amount being expended in this field indicates that the amount may well exceed $2 billion.

How does one cope with this propaganda? Does one collect and destroy such items of propaganda piece by piece? Is this presently practicable, or even desirable? Curiously, Lenin long ago pointed up the absurdity of such an effort. In his notorious theoretical document, "What's To Be Done," Lenin laid down the basic doctrine for the conduct of Communist propaganda, and agitational activities. While stressing the importance of the distribution of "illegal literature" by his band of secret Communist revolutionaries, he amused himself by pointing out the difficulties which the opponents of communism would find in coping with it. He said, "the police will soon come to realize the folly and futility of setting the whole judicial and administrative machine into motion to intercept every copy of a publication that is being broadcast in thousands."

Now I would point out that the success of such "illegal literature" depends upon the people to whom it is addressed. Lenin must have assumed the existence of an unsophisticated audience. That will not be the case in the United States. The antidote for the poison of Communist propaganda is knowledge and truth. I have no real fear that this absurd Communist propaganda will seduce any appreciable segment of our people, or lead them from the path of reason and loyalty—if our people are adequately informed as to its nature, origin, and character.

In the Internal Security Act of 1950 (title I, cited as the Subversive Activities Control Act) we there had to deal with

the problems involved in the dissemination of Communist propaganda within the United States by Communist-action and front groups. Under section 10, these problems were met in part simply by requiring Communist organizations, against whom a final order to register is in effect, to label all publications transmitted in the mail as being disseminated by a Communist organization, and to announce that sponsorship of any radio or television broadcast conducted by them. We there felt that if our people were informed of the nature, origin, and contents of such propaganda activity, they would be able to judge and deal with it. The bill which I have introduced yesterday, in fact and in effect, supplements section 10 of the Internal Security Act. While section 10 requires the labeling of Communist propaganda disseminated by internal Communist organizations, the bill I introduced extends the disclosure process to publications transmitted by mail from without the United States to persons resident here.

Moreover, I believe that it is important to strengthen the democratic process, which I believe is the natural effect and result of this type of disclosure and information statute. If our people are informed of the nature and techniques of Communist propaganda—and this is a responsibility of the educational process and the free press—we shall not need fear that our people will become infected. Knowledge is the most effective immunization against the propaganda virus. I believe that when all our people understand the degraded and corrupt tactics of Marxism-Leninism, the Communists will find their propaganda effort to be waste of money and paper. They will not undermine our society. They shall only destroy themselves.

Propane Gas Import Restrictions Should Be Lifted

EXTENSION OF REMARKS
OF
HON. DANTE B. FASCELL
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 12, 1961

Mr. FASCELL. Mr. Speaker, the Office of Civil and Defense Mobilization has presently under consideration the question of the need of lifting of the restrictions on the importation of residual oil. I wish to point out that during the consideration of this question, we must not overlook an additional product which is now restricted and on which such restrictions should have been lifted.

Mr. Speaker, I am talking about the importation of propane gas.

An objective study of the background leading to the issuance of the President's proclamation on import restrictions indicates that mandatory import controls were not intended to apply to propane and could not reasonably have been an influencing factor in the issuance of the proclamation. The proclamation was based upon a report of the Director of the Office of Civil and Defense Mobilization. The Director's analysis in no instance makes any reference to propane gas or to "unfinished products." It is also important to note that propane was not included under the voluntary control program. It is apparent from this cursory examination that propane was not an influencing factor in the promulgation of the President's proclamation, as can be amply demonstrated from that fact that no propane was imported into district 1 through 4 during the period covered by the Director's report. Furthermore, there has been and is no allocation for the importation of propane.

Therefore, it is obvious that an order to prevent importation could not and should not apply to a product that was not at the time even being imported.

It is also clear that the importation of propane had absolutely no effect upon the growth and development of the domestic propane business or on the production of crude oil or unfinished products. It is obvious that propane was not intended for mandatory control and the Director should decontrol propane.

The unique position of Florida, Mr. Speaker, makes it desirable and necessary to decontrol the importation of propane into Florida. This would be true, even if it were found reasonable and justifiable to impose controls upon the importation of propane. In my view, there is no such justification.

Notwithstanding that, however, Florida does have a special case. Florida is the 10th leading State in the consumption of propane, with an expected phenomenal increase in population, and a corresponding increase in propane consumption. It has no underground storage facilities and the geophysical structure of the soil does not make such facilities feasible. It has no production of propane and has a wide seasonal fluctuation in demand and consumption.

In addition, Florida is far removed from the sources of domestic propane and, therefore, has an unusually long supply line which makes the cost of transportation of domestic propane extremely high. The facts show that historically, over an average period, transportation amounts to over 50 percent of the cost of the product delivered in Florida by tank cars.

In the Miami area alone, there are over 15,000 household consumers who are entirely dependent on propane for home-heating purposes. Florida produces no coal, natural gas, or oil products, and must rely upon products from outside, distant sources for such heating fuels. Electric power is not available for mass space-heating needs. One only needs to briefly examine the newspapers of my district during any winter season to see the urgings of the power company that residents do not make unnecessary demand upon electric consumption for heating purposes and, strange as it may seem, the power company urges people to convert to other sources such as oil or propane for space-heating purposes.

Notwithstanding this unique demand and the unusual position of Florida, the importation needs are comparatively quite small and could not in any sense, adversely affect competition with fuel oil, coal, or other domestically produced fuels. It has been estimated that the needs in my area are 1 percent of the total propane produced or consumed in the United States. It is, therefore, Mr. Speaker, extremely difficult to perceive how an importation of this amount could in anywise adversely affect competition with other heating fuels.

Fundamentally though, Mr. Speaker, it is impossible to understand how the importation of propane gas could in anywise impair national security or result in damage to the oil import program.

Therefore, the refusal to decontrol the importation of propane into Florida is completely unjustified on the basis of the national security or unjust competition and only results in severe hardship and higher costs to the users of this product in my district.

Civil Defense Experiment in Baltimore Highly Effective

EXTENSION OF REMARKS
OF
HON. EDWARD A. GARMATZ
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 12, 1961

Mr. GARMATZ. Mr. Speaker, there has been much criticism of our civil defense program, many persons feeling that it would be absolutely useless in case of attack; others believing that it should be left entirely in the hands of the military; others equally strong in the belief that it should be left to the civilian authorities. In the spring of this year, an experiment was conducted in Baltimore which I believe proves that the military and civilian groups can work together effectively and provide the protection necessary.

The entire program was coordinated by a public relations man, William J. Muth, and provided an all-out informational and instructional project based on the necessity of a greatly accentuated fallout shelter program. It included protection against chemical, biological, and radiological contaminants.

It proved that the military, civilian, and industrial segments of the population can combine efforts to accomplish such a mission. It also established concretely that all media of press, radio, and television are more than willing to cooperate. Many continuing stories on this shelter project appeared in 113 newspapers from Texas to Maine and as far west as Ohio. Complete coverage was provided by UP, AP, and INS.

This experiment included the sealing of a young nurse from the University Hospital, Miss Sara Rafter, in a fallout shelter for 7 complete days. Prior to this, Maj. William Kiser, U.S. Air Force Reserve, spent 24 hours sealed in the shelter to test the operation for safety.

The following organizations cooperated in this subject:

The 628th U.S. Air Force Hospital Reserve Unit, Baltimore, Maj. William S. Kiser, commanding.

State of Maryland Civil Defense Agency, Sherley Ewing, director.

Baltimore City Civil Defense Organization, Col. Arthur H. Shreve, U.S. Army, retired, director.

Dr. Arthur A. Woodward, Aberdeen Proving Ground.

Chemical Corps, U.S. Army.

Miss Sara Rafter, R.N., University Hospital, Baltimore.

Lasting Distributors, Inc., Baltimore, Martin Rankin, president.

Allied Public Relations, Baltimore, William J. Muth, president.

Members of the press, radio, and television.

In addition to providing important data, it is especially interesting to note that the program coincides with the directives on civil defense issued by President Kennedy more than a month after this experiment was conducted.

The following newspaper article gives further information on this project:

Finally a realistic, positive approach is being taken to the necessity of our Government to make the American people aware of shelter protection against CBR attack.

In a coordinated program originated by Martin Rankin of Baltimore, the Air Force, the Office of Civil Defense and Mobilization, Army Ordnance and Chemical Corps demonstrated that military and civilian components of defense can coordinate their efforts in a joint project designed to make scientific and informational facts available to the American public.

Miss Sara C. Rafter, R.N., University Hospital, shown above [illustration not printed in RECORD] emerging from a Lasting Blast and Fallout Shelter, is being greeted, left to right, by Maj. William S. Kiser, 628th U.S. Air Force Hospital Reserve Unit, Baltimore, Col. Arthur H. Shreve, director, civil defense, Baltimore, Capt. Jean F. Davis, and Sherley Ewing, director of civil defense, State of Maryland.

When asked what she thought had been accomplished by her 7-day stay in the shelter at the Baltimore Home Show, Miss Rafter answered that these things will have to be evaluated and reduced in form by Dr. Arthur A. Woodward and the medical staff of the 628th along with the civil defense officials, but "in my opinion Mr. Rankin and Mr. Knight, executives of the Lasting Distributors, have made a definite contribution to the shelter and civil defense program for which our people should be everlastingly thankful."

In Secretary Ribicoff's Great Speech Before the American Educational Theater Association He Called for a Federal Arts Council

EXTENSION OF REMARKS
OF
HON. CARROLL D. KEARNS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 12, 1961

Mr. KEARNS. Mr. Speaker, in a great speech before the American Educational Theater Association, meeting in the Waldorf Astoria hotel in New York City on August 29, 1961, Secretary Abraham Ribicoff, of the Department of Health, Education, and Welfare declared:

There has never been a time when interest in the arts at the seat of government has been so high. The Kennedy administration would like to see the establishment of a National Advisory Council on the Arts—a group of eminent citizens from the arts whose duty it would be to cultivate and encourage our artistic resources and heritage.

The bill setting up the Council has been favorably acted upon by the House Committee on Education and Labor and is now awaiting House action. I have urged the Congress to enact this bill. Under it, the Council would recommend ways to maintain and increase the cultural resources of the United States; propose methods to encourage private initiative in the arts; cooperate with local, State, and Federal departments and agencies to foster artistic and cultural endeavors and the use of the arts in the best interests of the Nation; and strive to stimulate greater appreciation of the arts by our citizens.

I include Secretary Ribicoff's significant statement on the arts as part of my remarks for the information of my colleagues:

THE THEATER AS TEACHER

(Address by Abraham Ribicoff, Secretary of Health, Education, and Welfare)

It is legend at the Players Club that the god of all the arts once whispered into the ear of young Edwin Booth, and this is what he said:

"I shall give you hunger, and pain, and sleepless nights. Also beauty and satisfactions known to few and glimpses of the heavenly life. None of these you shall have continually and of their coming and going you shall not be foretold."

You whose lifework is the theater—and the introduction of young people to the theater—you have known the sleepless nights, as well as the satisfactions and "glimpses of the heavenly life" your art offers.

You will appreciate the answer one of my favorite critics gave me the other day when I asked him why he prefers the theater to the rest of his amusement-page beat.

"That's simple," he said. "In television, the people are diminished. They are thumb-sized. In the movies, the people are enlarged. They're bigger than I am. But in the theater, the people are just my size. When I watch them, I can even forget where I am."

How right he is. Other art forms can be wonderful indeed. But the theater mirrors life in scale. In the theater, you lean forward for fear you will miss something—you are drawn ahead—you are carried out of your seat by the live people on the stage.

There is an immediacy about a good play that is irresistible. It is an extension, an illumination of our experience. It satisfies our appetites for further experience, for fascinating language, for the chance of meeting interesting people. This is true of plays that truly entertain and truly enlighten.

The best plays are more than diversions. They are great teachers. They convince us that what is happening on the stage—however far removed in time or in geography—is not very different from what is happening in our hearts and in our everyday lives. And so we learn from them.

You members of the American Educational Theater Association know the effect such plays have on an audience. You know too the hunger that audiences have for the theater—the theater that delights the eye and ear and enriches the mind and heart.

If anyone doubted this hunger for a minute—and we in public life frequently hear the excuse that the public isn't ready for or doesn't appreciate this or that fine art—such doubts should have been erased by the long queues that formed this summer to see "Much Ado About Nothing" in Central Park.

You know these things. For a quarter of a century, they have been your concern and your vocation.

On this, your silver jubilee celebration, you have chosen as your theme "The Theater and the Human Bond." "A group of strangers," you say, "becomes one living unit in the darkened house when the curtain opens—all over the world, at all times, and at all ages."

On this, your silver jubilee, then, I think it is appropriate to ask how you teachers of the theater can help strengthen this human bond.

Yours is a tremendous opportunity. More of our youngsters are enjoying college and university education than ever before. In the next years their numbers will, we all hope, increase even further. Community theater and children's theater groups mushroom across the land. This means that out of all the people in the theater, you members of the American Educational Theater Association are the ones who have the chance to touch young—and not so young—minds.

Your first challenge is to teach so creatively, so imaginatively, that you will convey the best of our dramatic heritage, experience, and taste to a new generation, and to adults as well—that you will strengthen the ties that bind our civilization to the great civilizations of the past.

There is no greater opportunity than the teacher's, and our national tragedy is that we have not made full use of it.

Asked what the theater had given him, the actor, Howard Lindsay, answered:

"It has been my education. Where else could I have traveled so far? I have been in the streets of Corinth when Jason and Medea were throwing harsh words at each other. I was at Aulis when the Greek fleet sailed to Troy. I was in Mycenae when Orestes came back to kill his mother Clytemnestra. I have been in the drawing rooms of Lady and Lord Windermere of London. And I shouldn't forget to say, I have ridden into western towns with the James brothers. Where else could I have done things like that?"

Where else indeed?

Can you teachers of the theater take your students to these—and further places? Can you give them the sense of continuity, the depth and breadth of vision that a deep knowledge of your art conveys?

Can you give them something more? Many of our young people have lost the satisfaction of the craftsmen of old—the satisfaction of doing a job carefully and lovingly—the fulfillment of work well done. They go to school—they graduate—they get jobs to support themselves and their families.

You can help them find this satisfaction. For the theater is a place where people share responsibility—where they labor hard together—where they have such fun that they even forget they are learning and working. If you give this experience to youngsters and to amateur community players, you will truly have taught well, you will have strengthened the ties that bind human beings, one with another.

You have a further responsibility—a further challenge. It lies waiting to be seized.

There are only, I am told, about 70,000 commercial theater seats available to the public in the United States. Some 30,000 of these are in New York City, and their number is diminishing. There are many reasons

for this—you are all aware of the problem; I will not go into it today.

But Americans want to go to the theater. They flock to see great plays. When stripped of its social pretensions—what Prof. Eric Bentley calls its "amazingly upper class mores and extraordinarily inconvenient prices and schedules"—the theater is a tremendously popular attraction.

Bentley speaks of the "social apparatus" that used to stand between the public and the enjoyment of good music. "Opera and symphony," he says, "were addressed to dowagers. The workingman didn't have the right clothes for the occasion, or the right accent, or the right kind of chitchat. Invited to a concert he could hardly be expected not to feel a pariah. Much the same is true of theater."

He goes on to point out that in the cultural revolution that is underway all over the world, the theater could play a leading part because it is "more accessible to the new untrained audiences than perhaps any other high art whatsoever." * * * And this fact "gives it a certain responsibility."

This is the responsibility you theater educators shoulder today. This is your challenge: to strengthen the bond between the theater and diverse communities throughout the land.

The word "educate" comes from the Latin verb "lead out." This is what you can do—lead people out of themselves and into the common meeting place—where they can share their art with others. Your theater groups do not fulfill their purpose if they confine themselves to a series of exercises—if they do not reach all the audiences that are anxious to be reached.

Some of your members have of course served their communities with notable success. They have done so in their own cities, and they have traveled abroad in many lands, delighting their audiences and creating great good will and friendship for our country.

They have truly given of themselves to strengthen the bond between human beings throughout the world. They have set a standard for us all.

Will you join them?

I think—I know—you will.

Just as it plays a role in bridging the gap between different segments and groups and countries in our society, the theater can play an important role in bridging the gap between what C. P. Snow has called "the two cultures." We are all concerned about the wall that divides the humanities from the ever-expanding physical sciences. We are all anxious to do what we can to further our scientific achievements. We are not "antiscientists," who deplore the discoveries of science in favor of the beauties of art. Far from it. We know there is great beauty as well as hope in the giant revolution which has taken place in man's knowledge of himself and of the world.

But we know that if we are to act constructively, we must tap our magnificent artistic resources imaginatively and diligently. A broad and deep awareness of the arts enriches the scientist as well as the nonscientist and is indispensable to the full life of all mankind.

We live today in one of the crucial eras of world history. The impact of man's new power upon man himself is the stuff of real drama—and through drama as well as other arts could man better understand his place in the new world that he is creating.

There has never been a time when interest in the arts at the seat of government has been so high. The Kennedy administration would like to see the establishment of a National Advisory Council on the Arts—a group of eminent citizens from the arts whose duty it would be to cultivate and encourage our artistic resources and heritage.

The bill setting up the Council has been favorably acted upon by the House Committee on Education and Labor and is now awaiting House action. I have urged the Congress to enact this bill. Under it, the Council would recommend ways to maintain and increase the cultural resources of the United States; propose methods to encourage private initiative in the arts; cooperate with local, State, and Federal departments and agencies to foster artistic and cultural endeavors and the use of the arts in the best interests of the Nation; and strive to stimulate greater appreciation of the arts by our citizens.

Further, it could act as a coordinating group between private and governmental activities in the arts, pointing out where it believes official encouragement might be helpful, yet always sensitive to the need for the fullest possible freedom of creativity.

For in fostering and encouraging the arts, we must have it strictly understood that the Government cannot and does not wish to speak through the arts. The arts must be free and not an official mouthpiece. A play is not a state paper. The only test for an actor or a director or a painter or a musician should be the excellence of his endeavor before the judgment of his peers.

In this crucial moment when the currents of history are swift and changing, we who bear the responsibility of Government seek to build. We know that the old ways alone will not do—that we must seek new ways and find new means.

And all segments of American society are responding. Each is examining its role and its potential. Each is dedicating itself to constructive action for the common good.

You whose lifework is the arts—you whose lifework is education—you too are examining your role and your potential.

I ask you only to do your best, to achieve the high levels that you yourselves value, and to inspire in your students an appreciation of the enduring and the beautiful.

I ask you to strive to reflect the times in which we live—to understand them—to teach from them—to improve upon them. We must work to make our arts so rich—so exciting—so inventive—that they mirror our life together as did the arts of the Greeks and of the Elizabethan Age.

Then we will have met our challenge. Then we will have done our part to strengthen the human bond.

Address of Congressman Fernand J. St. Germain, of Rhode Island, at the Centennial of the Death of Taras Shevchenko, Soyuzivka, N.Y., Sunday, August 27, 1961

EXTENSION OF REMARKS

OF

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1961

Mr. CAREY. Mr. Speaker, on Sunday, August 27, our distinguished colleague, the gentleman from Rhode Island, Mr. ST. GERMAIN, visited the Catskill area of New York to deliver an address to an assembly of people of Ukrainian origin. The address is notable not only for its subject matter and context but also because it was delivered by Mr. ST. GERMAIN in Ukrainian dialect. Our most versatile Member is fluent in French, most eloquent in English, and now demonstrates his command of this most difficult language. We are truly fortunate to have him among us.

The text of the speech follows:

ADDRESS OF CONGRESSMAN FERNAND J. ST. GERMAIN, OF RHODE ISLAND, AT THE CENTENNIAL OF THE DEATH OF TARAS SHEVCHENKO, SOYUZIVKA, N.Y., SUNDAY, AUGUST 27, 1961

"Bury me, be done with me,
Rise and break your chain,
Water your new liberty
With blood for rain.

Then, in the mighty family
Of all men that are free,
May be sometimes, very softly
You will speak of me?"

My friends, wherever the people of the Ukraine can gather in freedom, even if it be the freedom of their own minds, they remember Taras Shevchenko. The poetic words of Shevchenko echo now, as they did a hundred years ago, the past, the present, and the future of the Ukranian peoples. His sentiments, his hopes, his fears are present today as they were in his day and age. The same fears that gripped the hearts of the Ukraines of the 19th century grip the hearts of the Ukraines of the 20th century. The love of freedom which found its expression in the lines of Shevchenko is echoed by those same lines today. The flame which began to burn in the 19th century is still burning and is growing ever hotter while those who would suppress that love of freedom try to stamp it out.

A part of my heritage brings me to your lovely estate, here in the Catskills. My maternal grandmother left the Ukraine in 1907 to find freedom in this country. She brought with her the love of God, the customs, traditions, heritage and language of the Ukrainian people. She has been, to me, a reflection of Shevchenko's words: "* * * in your own house lies your righteousness, your strength, and your liberty."

My mother carried on the customs of her native land. We celebrated the Ukrainian Christmas and had the traditional caroling and the foods which are so much a part of that season in the Ukraine.

In my childhood, no one could deny the existence of a Ukrainian language. I learned of my heritage in the tongue of that heritage. I learned the folklore, customs, and hopes of the Ukraines in a tongue which was more than simply a peasant idiom, as the language of the Ukraines was once called. The Ukraines have a proud history and can stand shoulder to shoulder with the other great peoples of our globe.

The survival of Ukrainian lore and language is a testament to the will and strength of the people of the Ukraines. The story of your homeland, and it is partly mine, is a tragedy which reflects the sufferings of all areas which have been strapped by oppression. In "The Dream" Shevchenko vividly described a people under the thumb of the oppressor. The clothing is stripped from beggars and the poor must provide shoes for the feet of princes, widows are pummeled for their taxes and the sons are taken off to the army only to die in the mud and filth which dictators and oppressors provide for their belabored armies who fight because of force rather than because of ideals. He points to the forced labor for which the people receive no compensation except the scorn of the masters for whom they dig the gold which is poured down the throats of the greedy.

Does this sound familiar? It is the Ukraine dominated by the Russian czar, it is Germany under Hitler, it is the Jews under Egypt, it is the Russians under com-

munism, it is Europe under the barbarians, it is the Ukraine under Stalin and now under Khrushchev. Oppression has not changed whether it be in the times before Christ or 1,961 years after Christ. I doubt it will ever change just as man's desire for freedom has never, and will never, change.

In a blazing indictment of oppressors of the Ukrainian people Shevchenko wrote:

"Our souls yield not to grievous ills,
To freedom march our stubborn wills
Through waves of trouble o'er us roll
The waves move not the steadfast soul
Our living spirit is not in chains
The word of God in glory reigns."

The Ukraines began to find their modern identity in the 19th century. The publication of Kotlyarevsky's "Eneida" in 1798 is the beginning of modern Ukrainia. This poem revived the patriotism and pride of heritage that had been sleeping in the breasts of the people for almost a century. It came after various attempts, attempts that were almost successful to end the Ukrainian identification. By the mid-18th century the czars of Russia had destroyed all Ukrainian political forms and began to Russianize the culture of the people. The name Ukraine was abolished, the area was called Little Russia, the language was abrogated and the customs strangled. As America emerged a free and independent entity, the Ukraine began to sink beneath the swell of oppression and lose her identity.

The Ukraine needed an impetus for it to emerge as an identifiable and dynamic nation. It needed a genius who could transform the smoldering emotions of the people to words which could be written, spread, heralded throughout the world. It was Shevchenko who emerged as that genius. Through the medium of the Ukrainian written word he brought to the fore the yearnings for liberty, the sufferings under oppression, the hopes for a brighter future, of a great people. In the passage I quoted a few moments ago, he told the world that even under the hand of a tyrant the spirit of the people was unbroken and the people have kept their faith in themselves and in their God. It is to God that they look for hope and salvation.

Shevchenko did not delve into political prophecy. He did not try to predict the future course of Ukrainian events nor did he think the old system would return to his people. His loyalty was to the mother country; he wanted her free, independent, and under a just system of government.

Shevchenko used the vernacular Ukraine language, for it was by way of this vehicle that the hopes and wishes of the people could best be expressed. Because of political circumstances he could not come forth directly with his sentiments but had to use allusions and vagueness. His poems are rich with the folklore and history of the Ukraine. It is the use of the tongue and heritage of the people that has endeared him to the Ukrainians for a century.

Shevchenko was a reflection of the tragedy of the Ukrainians in his personal life as well as in his poetry. He typified the sufferings of his native land and the hardship which all the sons of the Ukraine had to undergo. In him we can see embodied the past of the Ukraine but in him we can also see the fires of the future. He spoke for the future as well as the past, a future of liberty and freedom.

Of his 47 years, only 9 were spent as a freeman. He was born a slave and remained so for 24 years; for 10 he was a prisoner in Siberia and for 3½ he was under police supervision. He lived as his country lived, under oppression, tyranny, and enforced guidance. Clarence Manning, a great scholar of Shevchenko's work, poignantly described his work as the "poetical synthesis of national aspirations."

"Our cause shall rise
Our freedom rise
Though tyrants rage."

And, rage the tyrants did. His early works tell of the people under serfdom and the precarious life of the peasants. He tells of social injustice and the debauchery of the masters in a land ruled by the lords and their henchmen. Although his words are of despair and sadness during the exile in Siberia, he has a message of hope as in the lines just quoted. Oppression may slow and restrain the cause of freedom but it cannot stop the will of people to be free. This was as true in the 19th century as it is today in the mid-20th century

Great poetry is timeless. It is composed of lines wherein people may find themselves whether it be at the time the poem is written or a century later. Shevchenko's poetry is in such a category. It has as much meaning today as it did when it was written. His words are as vivid in 1961 as they were in 1861 because the Ukraines, and millions of other freedom-loving peoples, are under the yoke of a new tyranny. It is a new tyranny in name only, for communism is as old as tyranny itself. It is not new for the mind to be blocked from the knowledge of truth, for the will to be dominated, for the present to be controlled and the future planned without the free reasoning of the people involved. The only thing new is the name "communism."

"Arouse ye, be men.
For evil days come.
Quickly a people enchained
Shall tear off their fetters;
Judgment will come.
Dnieper and the hills will speak."

Shevchenko foretold the rising of his people. He knew then, as we know now, that a free people will bear the chains only so long and then they shall tear off their fetters. The tsar and those who aided his tyranny would be overthrown for

"They harness the people
With heavy yokes.
Evil they plough
With evil they sow.
What crops will spring?
What harvest will you see?"

The Communists, in this centennial year of the bard of the Ukraine, are using Shevchenko's poetry in an attempt to convince the people of the Ukraine that their beloved bard was predicting the Communist social revolution. In order to reap this message from the lines of Shevchenko, the Communists have "adjusted" his poetry to eliminate any counterrevolutionary doctrines which he might have expressed. Parts of his poems have been eliminated, new words and ideas have been substituted for the original lines, meanings have been slurred and references to God and religion have been left out. It is this new Shevchenko which is fed to the people of the Ukraine this centennial year.

Why have the Communists been compelled to give recognition to Shevchenko? They have been compelled to do so for the same reason that their new Shevchenko has failed. The people of the Ukraine, remember Shevchenko whether they be free, as those here today, or enslaved as they are in the homeland. They remember his glorification of their past, his presentation of the tragedies of his day and his hopes for the future. Those ideas were not passed from generation to generation by books and magazines. The words of Shevchenko, his hopes and ideals, were and are still being, spread by the people to their sons and grandsons. Pravda may broadcast the new Shevchenko but the people know the real Shevchenko, the true reflection of their sentiments and ideals.

Because he is so loved and revered by his people, the Communists must honor him, and because his ideals are known to the people they heed not the new Shevchenko.

Shevchenko wanted freedom, justice, and dignity for his people and his words utter the same cry today for the people of Russia, of China, of Eastern Europe and of Cuba. The bard did not want his people to go from the tyranny of the czars to the oppression of the commissars. Shevchenko foresaw a long, hard struggle to gain the ideals he held so dearly but the final victory would come; a cold war, a hot war, a lukewarm war—freedom will out. He saw freedom as the victor for:

"Fear not to fight, you'll win at length
For you, God's ruth,
For you is freedom, for you is strength,
And Holy Truth."

The truth and freedom are partners and those who would deny them to their people are doomed to failure, are doomed to lose the loyalty of their people, are bound to be caught beneath the waves of justice and dignity to which all people aspire.

The people of the Ukraine, because their heritage and their knowledge of Shevchenko is handed down from generation to generation, are not fooled by the Communist line. God is a part of Ukrainian life, as it was for Shevchenko. Religion has played a great role in the lives of the people. Freedom was the cry not slavery, be it of the serf or Communist variety.

The people of East Berlin, until barbed wire and Russian troops made it impossible, echoed the thoughts of Shevchenko when they chose freedom over tyranny, liberty over oppression, democracy over communism. Throughout the world people watch Russian moves with care and concern; they remember Budapest and the savagery with which the freedom fighters were crushed. I hope we do not again see such brutality but as long as people desire peace and are kept from it such scenes will occur. The fetters will be broken unless those who rule with the iron thumb relax the grip and let the people determine their own destinies.

"Why freedom grew up with us
Bathed in the Dneiper
Rested her head on our hills
The far-flung Steppes are her garments."

Has anyone said better than Shevchenko that the Ukrainian people have been free, want to be free and will be free? The Ukraines have a history that is one of an oppressed people reaching for freedom and their history has done much to keep their faith in God that freedom, liberty, and justice might come to their people.

Development Research

EXTENSION OF REMARKS
OF
HON. THOMAS E. MORGAN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1961

Mr. MORGAN. Mr. Speaker, during the debate on the foreign-aid bill, my distinguished colleague from Iowa, the Honorable FRED SCHWENGEL, called my attention to an interesting and informative letter he had received from Dr. James A. Robinson, assistant professor in the Department of Political Science at

Northwestern University. At the request of my colleague, under unanimous consent, I am inserting Dr. Robinson's letter in the CONGRESSIONAL RECORD, together with my comments on the important points he raises in his letter on the subject of the development research program authorized in the foreign-aid legislation.

Dr. Robinson's letter follows:

NORTHWESTERN UNIVERSITY,
Evanston, Ill., August 14, 1961.

Hon. FRED SCHWENGEL,
House of Representatives,
Washington, D.C.

DEAR MR. SCHWENGEL: I am writing you about a provision in the Act for International Development. Title V would authorize $20 million for "development research." This is an encouraging move by the administration toward using and promoting research in economics and the other social sciences in the hope of making foreign economic assistance a more successful instrument of U.S. foreign policy. Although the amount is small compared to the total foreign-aid request, and although this provision has not received much attention compared to the more controversial features of the bill, a modest amount for research might do more to help improve the effectiveness of foreign aid than many other more expensive provisions.

My interpretation of the presentation materials by the Department of State and the ICA is that this money would be used for "contract research" with universities and private study groups. There is, of course, ample precedent for contract research as a means of gaining new knowledge and applying it to practical governmental problems. The various branches of the armed services have long had offices of research which subsidize private groups and universities by contracting for special studies. Compared to the amount of money and effort which have previously been devoted to the evaluation of our mutual security programs and for research to improve them, $20 million is a significant sum.

I hope that discussion on the House floor will elicit from the committee and other Representatives that it is the intent of Congress that this provision be interpreted broadly enough that it will allow for research in addition to what is sometimes narrowly conceived as "developmental economics." That is a very vital subject in understanding and helping with the modernization of new nations. Other disciplines also have significant knowledge to contribute to policymaking and execution. For example, cultural anthropology is relevant to determining what kinds of projects will be best received among different kinds of people. Research in public administration might reveal why our aid programs sometimes do not reach the people for whom they are intended but instead support unpopular, corrupt, and decadent regimes. There are many examples of how scholarly research by several academic fields could help AID better achieve its ends. I hope that Congress will intend that AID adopt a broad interpretation of development research.

The State Department presentation indicated that these sums could go toward contracting with existing research institutions or establishing new research programs. A broad interpretation, which would result in contracting with a wide range of research centers, seems to me necessary for two further reasons. First, the Government should not inadvertently discriminate against research in some fields of social inquiry relevant to this problem at the expense of other fields. Many people have lamented that the NDEA favors science and language while neglecting the humanities. Similarly, I think it would be unfortunate to exclude social studies other than economics, especially a particular branch of economics, from this provision. Second, a broad conception of development research will tap a wide range of different persons and institutions and assure Congress that the Government will not be limited to a small number of sources for research and ideas.

The language of the bill is quite adequate, so far as my nonlegal reading indicates. What counts is its interpretation. An amendment is not necessary, and at this date would be impracticable. However, I hope that the House debate will establish a legislative record to guide the administration in the interpretation and implementation of the act.

This is a significant step forward, and whatever the outcome of the more controversial features of the act, this provision already makes it a better bill than those of previous years. A broad interpretation of title V will further strengthen the values which new research can give to foreign aid.

Cordially,

JAMES A. ROBINSON,
Assistant Professor.

Mr. Speaker, I believe that it is always helpful for us Members of Congress to receive such pertinent and well thought out recommendations on pending legislation. I am particularly pleased to comply with the request of Congressman SCHWENGEL to comment on Dr. Robinson's letter and I wish to state that the Committee on Foreign Affairs has devoted much time and study to the executive branch presentation of data in support of the Development Research Program. I believe the following comments will help to assure Dr. Robinson that the program will be based on soundly conceived lines; and that many of his suggestions will be followed in its implementation.

The role of the proposed development research program can be described in terms of the nature of the research to be encouraged and the primary functions to be performed:

(a) Nature of research to be supported: The Development Research Program will focus on scientific investigations of benefit to the U.S. program of development assistance. The test of relevance to be applied will be the degree to which a given research effort gives promise of providing results which can be usefully applied in the assistance program itself. The research program will, therefore, emphasize applied research. However, desirable basic research on many issues or subjects may be, the program will not be prepared to sponsor such activity unless this test of usefulness is met. However, either basic or applied research may in some instances require a long period to produce fully mature results. Where the probable usefulness to development assistance is established, we must be prepared to support sustained research efforts.

The research to be undertaken must often cut across traditional classifications of scientific knowledge. This is one of the characteristic features of the development process and of the research that is needed to support it. It is more useful for this reason to categorize the research to be done in terms of the developmental problems and opportunities it is addressed to than by the areas of knowledge involved. Many different kinds of knowledge will need to be enlisted, and communication between the different areas will be highly important. Generally, the research will be in four broad categories:

1. The identification and modification of the factors in a society that determine the success or failure of economic, social, or technological innovation;

2. The collection or development of scientific information that has been bypassed or fallen into disuse in our own society, but is needed to advance modernization elsewhere;

3. The simplification and adaptation of technologies to fit conditions in the less developed countries; and

4. The selective support of basic research.

(b) Functions to be performed: The development research program will perform three main functions:

1. A liaison function, by which research being carried out through other governmental programs or under private auspices is reviewed and examined so that results useful for the aid program are uncovered and used to the maximum extent. This implies a clearinghouse activity which can be of help in guiding the growth of the community of research facilities as well as of benefit to the assistance program itself.

2. A support function, by which problems or requirements encountered in development assistance programs that can be usefully made the subject of research are identified and research on them is encouraged and supported. This implies a readiness to strengthen existing facilities where they are weak, and to establish new ones as needed.

3. An execution function, by which the results of relevant research application are made available to operating staffs and personnel in usable form and are placed in operation where feasible. This will involve serious attention to the large issue of training future generations of personnel qualified to work in development assistance. It will also mean a feedback of actual field experience to the people engaged in continuing research projects.

Foreign Language Program

EXTENSION OF REMARKS
OF
HON. HERMAN TOLL
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 12, 1961

Mr. TOLL. Mr. Speaker, had the parliamentary conditions permitted, I would have offered an amendment for the deletion of the word "modern" from "modern foreign languages" in H.R. 9000, the National Defense Education Act, when it was extended last week, so that all languages which are widely studied in the United States would receive the support of the act.

The purpose of my proposed amendment was to have the classical languages—Latin and Greek—included in the act's provisions.

It is not a very great change—it will not visibly alter the course of world or national events; but I ask you, my colleagues, to look around you:

As you look around the top of this Chamber at the 23 relief portraits in marble of men noted in history for the part they have played in the evolution of what has become American law, you will note that six of these great lawgivers are from the classical world:

First, Lycurgus, author of the laws of Sparta; second, Solon, the great Athenian lawgiver; third, Gaius, the celebrated Roman jurist; fourth, Papinian, a juridical genius; fifth, Justinian, the emperor who published the Corpus Juris Civilis; and sixth, Tribonian, the able lawyer who codified Justinian's laws.

In addition, although not really part of the classical world, many medieval and Renaissance lawgivers wrote in the Latin language; among these:

First, Gregory IX, who maintained the remnants of Roman law; second, Innocent III, who also preserved the remnants of Roman law; and third, Hugo Grotius, author of the first treatise on international law, De Jure Belli Et Pacis.

The mace at the front of this Chamber is a true and exact replica of the Roman symbol of authority which graced the presence of their magistrates.

The Speaker's words which we hope to hear soon, "sine die," are Latin, as well as many others with which you are all acquainted.

On a larger scale, the entire city of Washington is a great collection of classic-style Roman and Greek monuments and buildings, such as the National Archives Building, where the treasures of this Nation's freedom are stored.

It is clear that we owe an incalculable debt to the classical civilizations. The Graeco-Roman languages and civilizations lie at the heart of the American way of life.

But, there are also some very down-to-earth considerations for this amendment. Language professors—members of the American Philological Association—point out that:

> By omitting the classical languages from provisions of H.R. 9000 * * * the Federal Government would be using its influence and public moneys to support a program of language study which is badly balanced, and would result in a lopsided language curriculum throughout the Nation * * *.

This is what the professors themselves say, and they are the ones who should know. One professor, in a letter to me, said:

> What concerns me is that by giving generous fellowships to all other languages the ancient languages * * * are left at a decided disadvantage in attracting graduate students. Throughout the country there is a rising demand for teachers of classical literature and history.

But this is not all.

The language professors claim that "the classical languages provide a valuable introduction to general language study. Latin in particular is a sound basis for a full and sensitive understanding of various modern foreign languages, especially the Romance tongues which are Latin's direct descendants."

In addition, a furthering of classical studies in this country can have tremendous impact and prestige-value abroad. Dr. Michael H. Jameson, a Greek professor at the University of Pennsylvania, made front-page headlines in the New York Times in June 1960 with the report of his discovery of a decree of Themistocles at Troezen, in Greece. This past spring, Dr. Jameson's work received national publicity in the magazine, the Scientific American. In a letter to me, Dr. Jameson says:

> "Our fostering of classical studies has considerable effect on our status abroad, on both sides of the Iron Curtain. At the risk of immodesty, I have mentioned that the American discovery of the decree of Themistocles, and its quick and thorough publication, has raised our cultural prestige a great deal. I have had requests for a semi-popular article for an East German magazine and a Czechoslovakian extravaganza called 'Laterna Magica,' combining movies and live actors, asked at once for material to use for one of their productions on the Persian Wars."

Finally, the most important reason for the adoption of this amendment is, perhaps the easiest overlooked. Latin and Greek are the prime instruments for attaining a firsthand knowledge of some of the most important documents in our humanistic tradition.

Nevertheless, there still may be some doubt as to why we should chose to preserve the languages of civilizations written off as dead letters over 18 centuries ago. However, the purpose is not to emulate the past, but to achieve an awareness of the past. For if we should lose our past, we shall have lost the future. If we are to build a sound future, the past must be continually re-evaluated. And what better way is there to do this than with the original materials—a firsthand investigation.

Totalitarian societies burn books and distort history. But there are acts of omission as well as commission. We can let this heritage be swallowed up and we, too, shall have been guilty of killing it.

Makers of the laws should be especially interested in the classics. Our laws owe a debt to the classical world, as the medallions above testify. Out of the classical world came this great heritage of democracy and the tradition of the freedom of man. If the tree of democracy is worth preserving, so are its roots.

STATEMENT IN SUPPORT OF PROPOSED AMENDMENTS TO S. 1726 AND H.R. 6774

AMERICAN PHILOLOGICAL ASSOCIATION,
HUNTER COLLEGE IN THE BRONX,
New York, N.Y.

The American Philological Association, a nationwide organization of scholars and teachers in the field of classical studies, recommends that S. 1726 and H.R. 6774 be amended so as to provide that, wherever the words "modern foreign languages" occur in the National Defense Education Act of 1958, title III, and title VI (sec. 611), the word "modern" be deleted, so that all languages which are widely studied in the United States may receive the impartial support of the act. The purpose of this amendment is to have the classical languages included in the act's provisions on a par with modern foreign languages and English.

Fact: The most recent census of foreign language teaching in the public schools of the United States discloses that Latin accounts for nearly one-third (32.2 percent) of all foreign language enrollments. (Source: Wesley Childers, "Foreign Language Offerings and Enrollments in Public Secondary Schools," fall 1958; research conducted by the Modern Language Association of America for the U.S. Office of Education). The proportion is even higher in private schools.

We submit that: (1) since one-third of our children receive a substantial part of their language learning in Latin classrooms, it is vital to the success of our entire national language teaching program that this instruction be of the highest possible calibre, and that the teachers of Latin be encouraged to improve their materials and their methods to take advantage of recent developments in the area of classical language teaching; (2) by omitting the classical languages from provisions of S. 1726 and H.R. 6774 which now cover all modern foreign languages and English, the Federal Government would be using its influence and public moneys to support a program of language study which would be badly balanced, and would result in a lopsided language curriculum throughout the Nation; (3) Latin and Greek are the prime instruments for attaining a firsthand knowledge of some of the most important documents in our humanistic tradition; (4) the classical languages provide a valuable introduction to general language study. Latin in particular is a sound basis for a full and sensitive understanding of various modern foreign languages, especially the Romance tongues which are Latin's direct descendants.

Supporting statement: We present herewith, as an unbiased evaluation made by experts in a kindred field, the official statement of policy on the teaching of the classical languages declared by the Modern Language Association of America, as set forth in section II of the report of Mr. Donald D. Walsh to the Northeast Conference on the Teaching of Foreign Languages at its 1960 meetings, appearing on pages 23 and 24 of the conference's 1960 supplementary reports.

HARRY L. LEVY,
Secretary-Treasurer.

MAY 1961.

P.S.—We have just been informed that the American Council of Learned Societies fully endorses our recommendation as set forth in the first paragraph above.

THE MODERN LANGUAGE ASSOCIATION FOREIGN LANGUAGE PROGRAM—EXCERPTS FROM THE REPORT OF DONALD D. WALSH

I. FOREIGN LANGUAGE ENROLLMENT

The only questionnaire that has produced any reportable results so far is that on foreign language enrollments in the high schools. Returns from 33 out of 50 States show encouraging overall gains between 1954 and 1958. In 11 of these 33 States there is an increase of 50 percent or more in total foreign-language enrollment: Alabama, Colorado, Idaho, Kansas, Montana, Nebraska, North Dakota, Oklahoma, Oregon, South Dakota, and Tennessee. I hasten to point out, before some of my listeners do, that several of these States could make a 50-percent gain because they started with a very low percent of foreign-language enrollment. But I am none-the-less impressed by the improvement. In the Northeastern States, where there has always been a much higher percentage of foreign-language study, startling gains are harder to make, but seven States in this region for which we have comparative statistics show solid improvement: Connecticut, up from 40 to 43 percent; Delaware, up from 29 to 37 percent; Maine, up from 26 to 34; New Hampshire, up from 31 to 39; Pennsylvania, up from 27 to 32; Vermont, up from 28 to 37; the District of Columbia, up from 29 to 34; and, most pleasantly, our host State, New Jersey, with the highest percentages, from 39.4 to 43.7 percent.

II. THE CLASSICAL LANGUAGES

Note that the above percentages are for all foreign languages, not just modern foreign languages. The Modern Language Association, though constitutionally limited to a concern with English and other modern languages, believes firmly in the importance of Latin, Greek, and other ancient tongues and cultures. One of the official statements

of policy of the association states this concern unequivocally: "The steering committee for the foreign language program of the Modern Language Association of America believes that the obvious relevance of modern language study to modern life should not blind educators of the American public to the importance of our having more citizens who know ancient languages. It is not only that our Western civilization is more intelligible to those who can directly read its origins and development in our heritage from Greece and Rome; there is also the urgently modern fact that our children and grandchildren are going to have to understand this Western heritage in relation to the cultural traditions of the East.

"Accumulating evidence shows that a first foreign language can most readily be learned in childhood and learned primarily as spoken language. Unless Latin is taught in this way, we believe that study of an ancient language can be learned most efficiently if a modern foreign language has first been approached as speech. Hence we recommend that the study of Latin as a second foreign language be vigorously promoted in our secondary schools, and we further recommend that administrators, counselors, and teachers of modern languages in our colleges and universities take practical steps to encourage more students to learn ancient Greek, Hebrew, classical Arabic, Chinese, and Sanskrit.

"Latin is the parent language of French, Italian, Spanish, and Portuguese. It has also, with Greek, furnished nearly the whole of our English intellectual vocabulary. Its literature is the key to many basic concepts that we have modified to create what we tend to think of as our uniquely modern political, esthetic, and intellectual life. Ignorance of this cultural heritage is a dubious preparation for cultural advance. Ignorance of one's linguistic heritage is, moreover, a dubious basis for informed and effective use of either English or a modern Romance language. We view the decline of Latin in American education as an unfortunate result of radical and shortsighted efforts to 'modernize' the curriculum and make education 'practical.'

"The curriculum of the future, if it is designed to meet problems of the future, will recognize that the classical languages—Eastern as well as Western—have a claim to the attention of educated men and women who would, through language study, know the significant past at firsthand. This is an essential contribution of the humanities, which the modern languages—whose own past is steadily lengthening—share in, but cannot monopolize."

In Defense of Project Hope

EXTENSION OF REMARKS
OF
HON. ED EDMONDSON
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 12, 1961

Mr. EDMONDSON. Mr. Speaker, I was astounded to read in the Washington Post of September 8, 1961, that an unnamed "high ranking International Cooperation Administration official" is apparently raising objections to any further Government support of the American mercy ship *Hope* and has been quoted as regarding the vessel as "showcase democracy."

It is particularly difficult to square this published point of view with the formally signed statement of Assistant Secretary of State Brooks Hays, dated March 8, 1961, in which Mr. Hays informed the chairman of the Senate Committee on Foreign Relations that "the Department welcomes and supports this proposed congressional commendation of this project"—referring to Senate Concurrent Resolution 8, commending Project Hope.

The Department of State's official report to the Senate Committee continued to point out that the U.S. Government has provided substantial assistance to Project Hope, including $2.7 million of mutual security program funds to place the surplus Navy hospital ship in operating condition, and an additional $500,000 of mutual security program funds as an interest-free loan—supplementing hundreds of thousands of dollars in private American contributions for the project, collected all over the country.

In the words of Assistant Secretary Hays:

> The Department has been impressed by the cordial reception accorded in Indonesia to *Hope I* and its fine medical and dental staff. We fully expect that the response in future ports of call will be equally favorable.

There can be little doubt, Mr. Speaker, of the enthusiasm of Assistant Secretary Hays of the Department of State for the accomplishments of the hospital ship *Hope* thus far. Since his report specifically refers to Bureau of the Budget clearance, it should certainly be clear that Mr. Hays was speaking for the administration when he addressed the Senate Committee in March.

Shortly after receipt of this report, the Senate formally passed Senate Concurrent Resolution 8, and I have been informed by Chairman Morgan that the House Committee on Foreign Affairs expects to consider it soon.

In view of the assurance given on the floor of the House during debate of the foreign assistance bill, only a few weeks ago, it seems clear that the House Committee on Foreign Affairs regards Project Hope in a highly favorable light and fully expected that funds authorized in title II of that measure would be available for support when needed. Specific reference was made during that debate to the availability of section 211 funds for *Hope*, and this was assuredly a factor of some importance in the support of the measure in the House.

Now we read, in a Washington newspaper, that some anonymous ICA official has doubts about the project's value, questioning such policies as flying the American flag and paying U.S. maritime wages to its crew. Furthermore, a special assistant to the President is quoted as saying that "The President has reached no decision in the matter."

Mr. Speaker, I have no personal doubt that the President, on review of the facts, will conclude that the job being done by Project Hope is an outstanding example of American achievement in the continuing effort to build good will throughout the world, and to bring the people of the world closer together in a bond of mutual trust and friendship.

When the unknown critic of Project Hope told the Washington reporter that "working together is better than showcase democracy," he gave convincing evidence of his ignorance of procedures aboard the hospital ship in foreign ports.

One of the most important features of the *Hope's* mission has been the cooperation of its staff with local professional people in every port visited.

In Indonesia, for example, *Hope* records show that more than 200 Indonesian doctors and 300 Indonesian nurses participated in the joint medical program of training and treatment.

In Vietnam, more than 200 Vietnamese nurses took part in shipboard training and treatment programs, and teams from the *Hope's* staff worked ashore in clinics, in 6 civilian hospitals and in Saigon's military hospital.

Dr. William B. Walsh, president of Project Hope, has consistently emphasized the importance of partnership with local doctors and nurses in the foreign countries visited by the ship, and has stressed working together with local people in both the training and treatment programs.

In Indonesia, Project Hope reports that more than 18,000 patients were treated by the joint Indonesian-American committees, and 700 major operations were performed. In Vietnam, there were more than 10,000 patients, and more than 500 major operations.

Mass inoculations of children with training of local vaccination teams in Vietnam; more than 800 lectures and seminars in Indonesia; the introduction of oral surgery for the first time in Vietnam; the provision of more than 8,000 books and medical journals for hospitals, clinics, and libraries in the two countries; substantial medical supplies in both—these are some of the substantial achievements of the effort so lightly described as "showcase democracy."

Mr. Speaker, it is not hard to understad why the "high-ranking official" quoted in the Washington Post elected to remain unnamed.

If mail from home is any indication of public sentiment, the people are overwhelmingly enthusiastic about the good ship *Hope* and its mercy mission abroad. I am sure they will continue to support it with voluntary contributions, in increasing sums, as they learn of its good work and its need for their support.

I am equally sure, Mr. Speaker, that the relatively modest sums of American tax dollars which go into this project—to help send an American vessel under our own flag on its mercy mission abroad—will have far greater support at home than will many of the projects conceived by our unknown official in ICA.

This certainly does not mean there is no merit in his reported suggestion that some of our surplus hospital ships could be made available to friendly nations, for their own operation to relieve distress and spread medical knowledge. Without doubt, many countries could operate hospital ships at a lower cost than we do, and be of great help to their people.

But surely it is no sin to have an American flag flying proudly above such a vessel, and to pay American wages to the seamen who sail her, and to invest a very small percentage of our foreign-assistance funds in such an undertaking.

Discrimination in the Peanut Support Program

EXTENSION OF REMARKS
OF
HON. W. R. POAGE
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 12, 1961

Mr. POAGE. Mr. Speaker, in an effort to clarify the misunderstanding about the differentials established by the Department of Agriculture between the support price of various types of peanuts, it should be understood that there are five major types of peanuts: The Virginia type grown in Virginia and North Carolina; the Southwest Spanish type grown in Texas, Oklahoma and New Mexico; the Southeast Spanish type grown in Georgia, Alabama and Florida; the Runner type also grown in Georgia, Alabama and Florida; and the Valencia type grown almost exclusively in New Mexico.

Next, it should be understood that since the Commodity Credit Corporation support prices are expressed for each type in dollars per "average ton" of farmers' stock or unshelled peanuts, no meaningful comparisons may be made between the support by types since the "average ton" of the various types are not comparable as to kernel content and quality. The meaningful price to the commercial user of peanuts is expressed in support per pound of sound mature kernels, for that is what the commercial buyer uses. The Virginia and Valencia types will contain a substantial percent of premium nuts which will sell for more than the regular sound mature kernels. Likewise, all farmers' stock peanuts will contain a small percentage of immature, split, or otherwise imperfect kernels. These imperfect nuts must naturally bring something considerably less than the sound mature kernels.

For many years the Runner type was recognized as an inferior peanut and was considered basically a hog feed. Over the years plant breeders have been able to develop Runner peanuts until they now fully compete on even terms with other varieties in the commercial market. In fact, they are preferred to other types by some users. The sheller who buys the farmers' unshelled peanuts and processes them for the manufacturer pays for them principally on the basis of sound mature kernel content. The manufacturer buys peanuts, not by type of "average grade ton," but on the basis of shelled peanuts. In other words, the buyer of peanuts is not interested in the weight of unshelled—farmers' stock—peanuts. What he wants to know is how many pounds of sound mature kernels he is buying. Of course, if he buys split, damaged or immature kernels, he expects to pay a lesser price, no matter what the type of peanuts.

For a number of years the Department has maintained two differentials in the support price about which there has been considerable argument. Southeastern Spanish type peanuts have in the past been supported at several dollars per ton of sound mature kernels higher than southwestern Spanish type peanuts of the same grade. This differential has gradually been reduced. Last year it was $2 per ton. This year it has been eliminated. The change has made southeastern Spanish type peanuts more competitive with southwestern Spanish.

At the same time, Runner peanuts have been supported at $9 per ton of sound mature kernels less than southwestern Spanish peanuts of the same quality. This gives a very decided marketing advantage to the Runner-type peanuts. The commercial user can and in fact does buy the type of peanuts which gives him the largest amount of sound mature kernels for his money. Growers in the Southwest have contended that all differentials, except premiums for large nuts and nuts for roasting in the shell, should be abolished and supports should be based solely on what the processor actually buys—that is, sound mature kernels with a lesser competitive payment for other kernels. In this way, all types will compete fairly in the market.

Representatives of the Southeast have realized that they enjoy an advantage in the market and have objected to equalizing the differential between Runners and Southwest Spanish-type peanuts, but they asked for and secured an equalization of the differentials in support between southeastern and southwestern Spanish-type peanuts. It is interesting to note that this adjustment was made the first of August in spite of the fact that the southeastern people successfully argued with the Department that it was too late in the season to make any change in the differentials between Runner and Spanish-type peanuts. To the impartial observer this seems to be an unwarranted discrimination on the part of the Department in favor of the Southeast.

To make it clear just what the new support prices do, here is the picture. The support price per pound of sound mature kernels of peanuts is:

	Cents
Virginia type	16.00
Southwestern Spanish type	15.85
Southeastern Spanish type	15.85
Runner type	15.45

Thus, it can be seen that the new supports do not, as the Department's news release indicates, continue the 1960 differential which existed between southeastern and southwestern Spanish-type peanuts, but they do continue the differential which has existed between the Runner-type and Spanish-type peanuts.

All that the Virginia-Carolina and the southwestern peanut producers and shellers are asking, since all of these peanuts go to the same end use, is that this differential be eliminated, just as the Department eliminated the differential between the two types of Spanish peanuts. They are completely agreed that the Virginia and high quality larger Valencia peanuts should receive a higher support price. A number of Senators and Representatives from Virginia to Texas have introduced legislation to achieve this result. Hearings were held by the Oilseed Subcommittee but due to the pressure of adjournment these hearings were not completed and will be continued early next session unless the Department shall in the meantime have equalized these supports.

There seems to be some hope that this may happen because the Honorable Stephen Pace, spokesman for the southeastern interests, stated in a letter of August 5 that "we had insisted at the last hearing, July 31, (3) that differentials should be fixed in the fall or first of each year," and he added, "You will observe that the Under Secretary concurs." This would indicate that we could expect action before next session.

As to the nature of the action which we can expect, we can only refer to the Department's report on the bills forwarded to Chairman COOLEY over the Under Secretary's signature on August 24, 1961. In this report Mr. Murphy stated "In the circumstances, and particularly because the planting time for the 1961 crop was past, it did not seem wise to change substantially the differentials established for the prior crop."

At least if we are again denied equal treatment we will have to be given a new reason.

The southwestern producers full well recognize the desirability of maintaining a united front in the peanut industry but they feel very strongly that this unity cannot be purchased at the price of acceptance of any differential between the support price of a pound of sound mature peanut kernels, whether these kernels come from a Runner vine in the Southeast or a Spanish bush in the Southwest.

Sugar Policy

EXTENSION OF REMARKS
OF
HON. HAROLD D. COOLEY
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, September 12, 1961

Mr. COOLEY. Mr. Speaker, the House Committee on Agriculture on Thursday, September 7 adopted three resolutions relating to the operation of the Sugar Act, which is one of our most important and most successful agricultural programs. These resolutions have a bearing upon our domestic production of sugar and upon our imports of sugar from other countries.

For the information of the House, I am inserting these resolutions, along with other matter relating to the sugar program, in the CONGRESSIONAL RECORD.

The resolutions follow:

Whereas Public Law 87-15, extending the Sugar Act of 1948 to June 30, 1962, conferred on the President the authority to withdraw the sugar quota assigned to Cuba and to obtain that sugar elsewhere; and

Whereas the law provided that after reassigning a portion of the former Cuban quota pursuant to specific directives in the act, the balance was to be obtained from any

other country "except that special consideration shall be given to countries of the Western Hemisphere and to those countries purchasing United States agricultural commodities"; and

Whereas in the calendar year 1961 more than 1.2 million tons of sugar was purchased under this discretionary authority, with the preference directive above quoted applying to all such sugar so purchased after March 31, 1961; and

Whereas the legislative history of Public Law 87-15 made it clear that the preferential purchase directive was meant to apply to offers which were made by potential supplying countries to purchase U.S. agricultural commodities in addition to their previous or normal purchases; and

Whereas several countries were prepared to or did actually make such offers but not one of such offers was approved; and

Whereas those officials to whom the President had delegated this authority under the act not only failed to carry out the intent of Congress to secure additional exports of U.S. agricultural commodities in connection with the purchase of such sugar but indicated that the making of such offers would be discouraged and that actual preference would be given to those countries not making any such offer: Therefore, be it

Resolved, That the President be requested to instruct those in charge of this aspect of the sugar program that the clear intent of Congress is to be carried out and that in making any such purchases of sugar for the calendar year 1962 clear preference is to be given those countries which offer to buy a reasonable quantity of U.S. agricultural commodities in return for our purchase of their sugar.

Whereas it has come to the attention of this committee that certain officials in the executive branch of the Government are reported to favor the adoption of a "global quota" system for the importation of sugar into the United States; and

Whereas the existing system under which specific import quotas are established by law has for many years operated effectively to protect domestic sugar production, assure consumers of ample sugar supplies at fair and stable prices, and to promote the export trade of the United States: Therefore be it

Resolved, That this committee would regard with extreme disfavor any action or statement by any representative of the United States at the conference in Geneva, Switzerland, on the International Sugar Agreement which would commit the United States or imply, either directly or indirectly, any commitment on the part of the United States to adopt any system of sugar importation other than fixed statutory quotas such as have heretofore operated so effectively under the Sugar Act of 1948 and previous laws; and be it further

Resolved, That it is the sense of the Agriculture Committee of the House of Representatives that in allocating the sugar tonnage necessary to supply the domestic "growth factor" the Secretary of Agriculture should make allocations to new mills so that this new tonnage can support the development of the sugar industry in new areas in anticipation of the passage of legislation revising the Sugar Act in 1962.

Mr. Speaker, on August 3, I announced on behalf of the House Committee on Agriculture that, since the Department of Agriculture was not then ready to submit its recommendations on future sugar policy, the consideration of new sugar legislation would be postponed until the 2d session of the 87th Congress convenes in January. I stated that sugar legislation then would be given preferred treatment. I am submitting for the RECORD a copy of the news release issued at that time, as follows:

ACTION ON NEW SUGAR LEGISLATION POSTPONED

Upon receiving word from Secretary Freeman that the Department of Agriculture is not now ready to submit recommendations for new legislation relating to sugar, Chairman HAROLD D. COOLEY of the House Committee on Agriculture announced today postponement of Committee consideration of such legislation until the 2d session of the 87th Congress convenes in January.

"Sugar legislation will be given preferred treatment when the Congress returns in January," Mr. COOLEY said.

"Early this year we extended the Sugar Act from March 31, 1961, to June 30, 1962. It was the committee's intention to consider long range legislation when we completed work on the general farm legislation which was finally approved by the Congress today. We have been awaiting recommendations from the Department, which administers the sugar program, on new legislation to extend the Sugar Act further and deal with the long-term problems of sugar production and supply.

"Today I received a letter from Secretary Freeman in which he says 'it appears inadvisable to present such recommendations before the beginning of the next session of Congress', primarily because world production and marketing of sugar are undergoing realinement and the situation has not yet stabilized."

The Secretary's letter follows:

"DEAR CONGRESSMAN COOLEY: This is in response to your inquiry about recommendations from this Department for amending and extending the Sugar Act.

"For several reasons it appears inadvisable to present such recommendations before the beginning of the next session of Congress. World production and marketing of sugar are undergoing realinement and the situation has not yet stablized. This fact coupled with other uncertainties in the international field lead us to believe it wise to reserve judgment for the present about some of the major issues respecting sugar import quotas.

"Within the domestic sugar industry there are also important unresolved issues. These issues, too, may require long and difficult hearings by your committee and the Senate Finance Committee as well as study by the executive agencies.

"I know that you, as well as we, wanted to get the Sugar Act extended at this session. However, because of the heavy workload in connection with the general farm legislation, work on specialized legislation, such as the Sugar Act, had to be postponed. It appears doubtful that sufficient time would be available to get new sugar legislation enacted during the remainder of this session."

Mr. Speaker, for the further easy and ready reference of the Members, I believe this report should embrace also that part of the statement of policy by the managers on the part of the House, in the conference on S. 1643—H.R. 8230—the Agricultural Act of 1961 relating to sugar. This statement follows:

Exchange of sugar for surplus agricultural commodities: The committee of conference deplores the fact that the responsible departments of the Government has not taken the opportunity in purchasing ex quota sugar (that bought from nonquota countries as the result of withdrawal of the Cuban quota) to sell additional quantities of agricultural commodities.

In the law extending the Sugar Act from March 31, 1961, to June 30, 1962, the Congress provided that "special consideration" in the purchase of ex quota sugar should be given to those countries purchasing U.S. agricultural commodities. In spite of this requirement, not one pound of surplus commodities has been sold under this provision.

Authority to administer this provision of law was delegated by the President to the Secretary of Agriculture in Proclamation No. 3401 in these words:

"Do hereby continue the delegation to the Secretary of Agriculture of the authority vested in the President by section 408(b)(2) and section 408(b)(3) of the Sugar Act of 1948, as amended, such authority to be continued to be exercised with the concurrence of the Secretary of State."

In spite of this clear delegation of authority, the Department of Agriculture did not establish any regular procedures or method for receiving proposals to exchange sugar for agricultural commodities and it appears that the part played by the Department of State has been substantially larger than the "concurrence" required by the President.

In testimony before the House Agriculture Committee, an Assistant Secretary of State asserted that he did not agree with the directive of Congress with respect to the exchange of sugar for agricultural commodities, that he considered this to be poor policy, and assumed full responsibility for turning down specific proposals for such an exchange which have been made by delegations from foreign countries.

This position was reiterated by another Assistant Secretary of State in a letter to a Member of Congress in which he said:

"From the foregoing considerations, it was decided that proposals to make allocations of sugar quotas conditional, upon purchases of surplus wheat or other commodities or products, would complicate administration of the sugar program and would be contrary to sound commercial trade policy. This view was made known to officials of the Brazilian Government when they requested a discussion of the matter."

Obviously some subordinate officials in the Department of State not only frown upon the clear intent and meaning of legislation which has been enacted by Congress, but arrogantly and deliberately refuse to execute the laws enacted as Congress has clearly indicated such laws should be administered.

While these officials and representatives of the executive branch of the Government might not be guilty of malfeasance they very well may be guilty of misfeasance of office.

Apparently every roadblock that can possibly be arranged and devised has been provided to obstruct and to delay the disposition of surplus agricultural commodities except for foreign currencies. Certainly strategic materials vital in our own economy are worth far more to our Government, in exchange for our agricultural commodities, than are foreign currencies of doubtful value. We still need many strategic materials in our stockpiles, yet those who are administering our programs seem to prefer stockpiles of these currencies of doubtful value which have accumulated and are being accumulated in many nations around the world.

If these programs which Congress has initiated and authorized are not honestly and fairly administered and executed, only representatives of the executive branch of the Government can be blamed. In no one of these programs has Congress written mandatory provisions, but on many occasions Congress has indicated that strategic materials or sales for dollars or dollar credit, are to be preferred to sales for foreign currency. Notwithstanding we continue to accumulate these currencies instead of strategic and vital materials. If some drastic action is not taken by the executive branch of the Government the disposal of our agricultural commodities will be retarded and the taxpayers will bear the burden of the storage costs involved.

HOUSE OF REPRESENTATIVES

WEDNESDAY, SEPTEMBER 13, 1961

The House met at 10 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalms 19: 14: *Let the words of my mouth, and the meditation of my heart, be acceptable in Thy sight, O Lord, my strength and my Redeemer.*

Almighty God, whose love and goodness are everywhere, grant that in all the hours of this new day, we may have a clear perception of Thy gracious presence, kindling our hearts with renewed consecration and energy for the tasks which confront us.

May Thy divine counsel illumine our human judgment; Thy righteous purposes direct our human desires; Thy sovereign will control all our actions and constrain us to a glad and spontaneous obedience.

Help us to recognize and be more responsive to those heavenly and hopeful signs which betoken that the heart of humanity is putting out its tendrils of deep longing and yearning toward peace and that more abundant life which is spiritual and eternal.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 6141. An act to amend the Act of September 1, 1954, in order to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the application and operation of such act, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7057. An act relating to the application of the terms "gross income from mining" and "ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products" to certain clays and shale for taxable years beginning before December 14, 1959.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2393. An act to extend for 2 additional years the expired provisions of Public Laws 815 and 874, 81st Congress, and the National Defense Education Act of 1958, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1317. An act to change the designation of that portion of the Hawaii National Park on the island of Hawaii, in the State of Hawaii, to the Hawaii Volcanoes National Park, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7035) entitled "An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate Nos. 7, 29, and 50, to the foregoing bill.

CALL OF THE HOUSE

Mr. KYL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 196]

Ashley	Fino	Robison
Barry	Glenn	Rogers, Tex.
Betts	Griffin	Schenck
Blatnik	Hall	Shelley
Bromwell	Harrison, Va.	Slier
Brooks, La.	Harsha	Slack
Brown	Healey	Ullman
Buckley	Hébert	Vanik
Casey	Ichord, Mo.	Vinson
Colmer	Jones, Mo.	Wallhauser
Cooley	Mailliard	Weaver
Curtis, Mass.	Minshall	Westland
Dague	Morgan	Willis
Davis, Tenn.	Morse	Winstead
Diggs	O'Brien, N.Y.	Young
Dooley	Powell	
Farbstein	Rabaut	

The SPEAKER pro tempore. On this rollcall, 384 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MILITARY CONSTRUCTION APPROPRIATION BILL, 1962 (H.R. 8302)

The SPEAKER pro tempore. The unfinished business is the vote on the motion of the gentleman from California [Mr. SHEPPARD], on which the previous question had been ordered.

"In lieu of the sum proposed in said amendment, insert $154,122,000."

Mr. YATES. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. YATES. As I understand the parliamentary situation, the motion has been made by the gentleman from California to strike an appropriation out of the conference report. Is that correct?

The SPEAKER pro tempore. The Chair will state that that is not a parliamentary inquiry; that is a matter for the House to determine.

Mr. YATES. An "aye" vote on this motion of the gentleman from California will result in the installation being retained in Chicago, will it not?

The SPEAKER pro tempore. The Chair, of course, cannot determine that. The Chair, however, has his own personal opinion.

The question is on the motion of the gentleman from California [Mr. SHEPPARD].

Mr. YATES. Mr. Speaker, on this vote I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 212, nays 185, not voting 39, as follows:

[Roll No. 197]

YEAS—212

Abbitt	Garmatz	Morris
Abernethy	Gathings	Moss
Addabbo	Gilbert	Moulder
Addonizio	Granahan	Multer
Albert	Grant	Murphy
Alford	Gray	Murray
Andersen, Minn.	Green, Oreg.	Nix
	Green, Pa.	Norrell
Anderson, Ill.	Griffin	Nygaard
Arends	Griffiths	O'Brien, Ill.
Ashbrook	Gross	O'Brien, N.Y.
Ashmore	Hagan, Ga.	O'Hara, Ill.
Aspinall	Hagen, Calif.	Olsen
Bailey	Halleck	Patman
Baldwin	Hansen	Peterson
Baring	Harding	Pfost
Barrett	Harris	Poage
Bass, Tenn.	Hays	Powell
Battin	Hechler	Price
Beckworth	Hemphill	Pucinski
Beermann	Herlong	Quie
Belcher	Hoeven	Rains
Berry	Hoffman, Ill.	Randall
Blatnik	Holifield	Reifel
Boggs	Holland	Reuss
Bolling	Holtzman	Rhodes, Pa.
Bonner	Hull	Riley
Boykin	Ikard, Tex.	Rivers, Alaska
Brademas	Inouye	Roberts
Breeding	Jarman	Rodino
Brooks, Tex.	Jennings	Rogers, Colo.
Broyhill	Joelson	Roosevelt
Bruce	Johansen	Rostenkowski
Burke, Ky.	Johnson, Calif.	Roush
Burleson	Johnson, Md.	Rutherford
Byrne, Pa.	Johnson, Wis.	Ryan
Cannon	Jones, Ala.	Santangelo
Celler	Karsten	Saund
Chenoweth	Karth	Schneebeli
Chiperfield	Kastenmeier	Selden
Church	Kee	Shipley
Clark	Keogh	Shriver
Coad	Kilgore	Sisk
Collier	King, Calif.	Smith, Iowa.
Cook	King, Utah	Smith, Miss.
Corman	Kluczynski	Smith, Va.
Cunningham	Kowalski	Spence
Daniels	Langen	Springer
Davis, John W.	Latta	Steed
Davis, Tenn.	Lesinski	Stephens
Dawson	Libonati	Stubblefield
Delaney	Loser	Sullivan
Dent	McFall	Teague, Tex.
Denton	McSween	Thompson, N.J.
Derwinski	McVey	Thompson, Tex.
Dole	MacGregor	Thornberry
Dorn	Machrowicz	Toll
Dowdy	Mack	Trimble
Dulski	Madden	Tuck
Durno	Magnuson	Udall, Morris K.
Edmondson	Marshall	Utt
Elliott	Mason	Vanik
Ellsworth	Michel	Watts
Everett	Miller, Clem	Wickersham
Evins	Miller, George P.	Williams
Fallon		Willis
Findley	Mills	Wright
Finnegan	Minshall	Yates
Fisher	Montoya	Zablocki
Forrester	Moore	Zelenko
Frazier	Moorhead, Pa.	
Friedel	Morgan	

NAYS—185

Adair	Anfuso	Baker
Alexander	Auchincloss	Bass, N.H.
Alger	Avery	Bates
Andrews	Ayres	Becker

Bell	Harrison, Wyo.	Osmers
Bennett, Fla.	Harvey, Ind.	Ostertag
Bennett, Mich.	Harvey, Mich.	Passman
Blitch	Henderson	Pelly
Boland	Hiestand	Perkins
Bolton	Hoffman, Mich.	Philbin
Bow	Horan	Pike
Bray	Hosmer	Pilcher
Brewster	Huddleston	Pillion
Broomfield	Jensen	Pirnie
Burke, Mass.	Jonas	Poff
Byrnes, Wis.	Judd	Ray
Cahill	Kearns	Reece
Carey	Keith	Rhodes, Ariz.
Casey	Kelly	Riehlman
Cederberg	Kilburn	Rivers, S.C.
Chamberlain	Kilday	Rogers, Fla.
Chelf	King, N.Y.	Rooney
Clancy	Kitchin	Roudebush
Cohelan	Knox	Rousselot
Colmer	Kornegay	St. George
Conte	Kunkel	St. Germain
Corbett	Kyl	Saylor
Cramer	Laird	Schadeberg
Curtin	Landrum	Scherer
Curtis, Mass.	Lane	Schweiker
Curtis, Mo.	Lankford	Schwengel
Daddario	Lennon	Scott
Davis, James C.	Lindsay	Scranton
	Lipscomb	Seely-Brown
Derounian	McCormack	Sheppard
Devine	McCulloch	Short
Dingell	McDonough	Sibal
Dominick	McDowell	Sikes
Donohue	McIntire	Smith, Calif.
Downing	Macdonald	Stafford
Doyle	Mahon	Staggers
Dwyer	Mailliard	Stratton
Fascell	Martin, Mass.	Taber
Feighan	Martin, Nebr.	Taylor
Fenton	Mathias	Teague, Calif.
Flood	Matthews	Thomson, Wis.
Flynt	May	Tollefson
Fogarty	Meader	Tupper
Ford	Merrow	Van Pelt
Fountain	Miller, N.Y.	Van Zandt
Frelinghuysen	Milliken	Wallhauser
Fulton	Moeller	Walter
Gallagher	Monagan	Weis
Garland	Moorehead, Ohio	Whalley
Gary		Wharton
Gavin	Morse	Whitener
Giaimo	Mosher	Whitten
Goodell	Natcher	Widnall
Goodling	Nelsen	Wilson, Calif.
Gubser	Norblad	Wilson, Ind.
Haley	O'Hara, Mich.	Younger
Halpern	O'Konski	
Hardy	O'Neill	

NOT VOTING—39

Ashley	Glenn	Rogers, Tex.
Barry	Hall	Schenck
Betts	Harrison, Va.	Shelley
Bromwell	Harsha	Siler
Brooks, La.	Healey	Slack
Brown	Hébert	Thomas
Buckley	Ichord, Mo.	Thompson, La.
Cooley	Jones, Mo.	Ullman
Dague	Kirwan	Vinson
Diggs	McMillan	Weaver
Dooley	Morrison	Westland
Farbstein	Rabaut	Winstead
Fino	Robison	Young

So the motion was agreed to.

The Clerk announced the following pairs:

Mr. Buckley for, with Mr. Hébert against.

Mr. Morrison for, with Mr. McMillan against.

Mr. Bromwell for, with Mr. Winstead against.

Mr. Brown for, with Mr. Barry against.

Mr. Fino for, with Mr. Betts against.

Mr. Harsha for, with Mr. Glenn against.

Mr. Schenck for, with Mr. Hall against.

Mr. Siler for, with Mr. Robison against.

Mr. Rogers of Texas for, with Mr. Weaver against.

Mr. Cooley for, with Mr. Westland against.

Mr. KNOX changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY AND RELATED AGENCIES APPROPRIATION BILL, 1962

The SPEAKER pro tempore. The unfinished business is the further consideration of the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes. The question is on the motion of the gentleman from New York [Mr. ROONEY], on which the previous question has been ordered. Without objection, the Clerk will again report the motion of the gentleman from New York.

There was no objection.

Mr. CRAMER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CRAMER. This amendment is the extension of the Civil Rights Commission, receding by the House to the amendment offered as a rider in the other body——

The SPEAKER pro tempore. What is the gentleman's inquiry?

Mr. CRAMER. To the appropriation bill for the Departments of State and Justice and the judiciary, is it not?

The SPEAKER pro tempore. The Clerk is about to report the motion.

The Clerk read as follows:

Mr. ROONEY moves that the House recede from its disagreement to the amendment of the Senate numbered 25 and concur therein with an amendment as follows: In lieu of the date of "September 9, 1963" in said amendment, insert: "September 30, 1963."

The SPEAKER pro tempore. The question is on the motion.

Mr. CRAMER. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CRAMER. The vote then occurs on the motion to recede and concur in the amendment to the Senate rider extending the life of the Civil Rights Commission for 2 years. The Committee on the Judiciary of the House voted out H.R. 6496, which contained an amendment providing for vote fraud protection for all citizens.

Mr. ROONEY. Mr. Speaker, the gentleman is not stating a parliamentary inquiry.

Mr. CRAMER. I am coming to the parliamentary inquiry, Mr. Speaker, which is——

The SPEAKER pro tempore. The Chair wants to cooperate with the Members in protecting their rights under the rules. That means all Members' rights. If the gentleman will state his parliamentary inquiry, the Chair will be glad to hear him.

Mr. CRAMER. Is it true, Mr. Speaker, that if this motion is voted upon favorably, there will be no opportunity on the part of the House whatsoever to consider the vote fraud amendment approved in a bill——

Mr. ROONEY. Mr. Speaker, I submit that is not a parliamentary inquiry.

Mr. CRAMER. Which is now pending before the Committee on Rules?

The SPEAKER pro tempore. The Chair has stated before that he has his own personal opinion. The Chair cannot construe the result of the vote.

Mr. CRAMER. Mr. Speaker, a further parliamentary inquiry. Is it true that the motion pending before the House has priority over any other motion and that the only opportunity for the House to consider the vote fraud amendment would be to vote this down, and at that time the vote fraud amendment could be considered?

The SPEAKER pro tempore. The Chair will answer the first part of the gentleman's inquiry. The latter part is not the subject of a parliamentary inquiry. It does have priority, answering the first part.

The question is on the motion.

Mr. CRAMER. Mr. Speaker, what is the parliamentary situation if this motion is voted down?

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. ROONEY]. The determination of the vote is a matter for the House to work its will on.

Mr. SIKES. Mr. Speaker, on that I demand the yeas and nays.

Mr. FULTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. FULTON. Will the Speaker restate the issue so we know what it is?

The SPEAKER pro tempore. The question has already been stated twice.

Mr. FULTON. But I have asked that it be again stated. Some of us at the present time do not understand it; we could not hear it.

The SPEAKER pro tempore. Without objection the Clerk will again read the motion.

The Clerk read as follows:

Mr. ROONEY moves that the House recede from its disagreement to the amendment of the Senate numbered 25 and concur therein with an amendment as follows:

"In lieu of the date 'September 9, 1963' in said amendment insert 'September 30, 1963.'"

Mr. ROONEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. ROONEY. This concerns the Commission on Civil Rights, does it not?

The SPEAKER pro tempore. The question concerns what is contained in the motion.

The gentleman from Florida demands the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York.

The question was taken; and there were—yeas 301, nays 106, not voting 30, as follows:

[Roll No. 198]

YEAS—301

Adair	Albert	Arends
Addabbo	Anderson, Ill.	Aspinall
Addonizio	Anfuso	Auchincloss

Avery	Griffiths	Nygaard
Ayres	Gubser	O'Brien, Ill.
Bailey	Hagen, Calif.	O'Brien, N.Y.
Baker	Halleck	O'Hara, Ill.
Baldwin	Halpern	O'Hara, Mich.
Baring	Hansen	O'Konski
Barrett	Harding	Olsen
Bass, N.H.	Harrison, Wyo.	O'Neill
Bass, Tenn.	Harvey, Ind.	Osmers
Bates	Harvey, Mich.	Ostertag
Battin	Hays	Pelly
Becker	Hechler	Perkins
Belcher	Hiestand	Peterson
Bell	Hoeven	Pfost
Blatnik	Hoffman, Ill.	Philbin
Boland	Holifield	Pike
Bolling	Holland	Pillion
Bolton	Holtzman	Pirnie
Bow	Horan	Powell
Brademas	Hosmer	Price
Bray	Hull	Pucinski
Breeding	Inouye	Quie
Brewster	Jarman	Randall
Bromwell	Joelson	Reece
Brooks, Tex.	Johnson, Calif.	Reifel
Broomfield	Johnson, Md.	Reuss
Bruce	Johnson, Wis.	Rhodes, Ariz.
Burke, Ky.	Judd	Rhodes, Pa.
Burke, Mass.	Karsten	Riehlman
Byrne, Pa.	Karth	Rivers, Alaska
Byrnes, Wis.	Kastenmeier	Rodino
Cahill	Kearns	Rogers, Colo.
Cannon	Kee	Rooney
Carey	Keith	Roosevelt
Cederberg	Kelly	Rostenkowski
Celler	Keogh	Roudebush
Chamberlain	Kilday	Roush
Chelf	Kilgore	Rousselot
Chenoweth	King, Calif.	Rutherford
Chiperfield	King, N.Y.	Ryan
Church	King, Utah	St. George
Clancy	Kirwan	St. Germain
Clark	Kluczynski	Santangelo
Coad	Knox	Saund
Cohelan	Kowalski	Saylor
Collier	Kunkel	Schadeberg
Conte	Kyl	Scherer
Cook	Lane	Schneebeli
Corbett	Langen	Schweiker
Corman	Lankford	Schwengel
Cunningham	Latta	Scranton
Curtin	Lesinski	Seely-Brown
Curtis, Mass.	Libonati	Shelley
Daddario	Lindsay	Sheppard
Daniels	Lipscomb	Shipley
Dawson	McCormack	Short
Delaney	McDonough	Shriver
Dent	McDowell	Sibal
Denton	McFall	Sisk
Derounian	McIntire	Smith, Calif.
Derwinski	McVey	Smith, Iowa.
Dingell	Macdonald	Springer
Dole	MacGregor	Stafford
Dominick	Machrowicz	Staggers
Donohue	Mack	Steed
Doyle	Madden	Stratton
Dulski	Magnuson	Stubblefield
Durno	Mailliard	Sullivan
Dwyer	Martin, Mass.	Taber
Edmondson	Martin, Nebr.	Teague, Calif.
Ellsworth	Mathias	Thompson, N.J.
Fallon	May	Thompson, Tex.
Farbstein	Merrow	Thomson, Wis.
Feighan	Miller, Clem	Thornberry
Fenton	Miller, George P.	Toll
Findley	Miller, N.Y.	Tollefson
Finnegan	Milliken	Tupper
Fino	Minshall	Udall, Morris K.
Flood	Moeller	Vanik
Fogarty	Monagan	Van Pelt
Ford	Montoya	Van Zandt
Frelinghuysen	Moore	Wallhauser
Friedel	Moorehead, Ohio	Walter
Fulton	Moorhead, Pa.	Watts
Gallagher	Morgan	Weaver
Garland	Morris	Weis
Garmatz	Morse	Whalley
Gavin	Mosher	Wharton
Giaimo	Moss	Wickersham
Gilbert	Moulder	Widnall
Glenn	Multer	Wilson, Calif.
Goodell	Murphy	Wilson, Ind.
Goodling	Natcher	Wright
Granahan	Nelsen	Yates
Gray	Nix	Younger
Green, Oreg.	Norblad	Zablocki
Green, Pa.		Zelenko
Griffin		

NAYS—106

Abbitt	Alger	Ashbrook
Abernethy	Andersen, Minn.	Ashmore
Alexander	Andrews	Beckworth
Alford		Beermann
Bennett, Fla.	Grant	Michel
Bennett, Mich.	Gross	Mills
Berry	Hagan, Ga.	Murray
Blitch	Haley	Norrell
Boggs	Hardy	Passman
Bonner	Harris	Patman
Boykin	Hemphill	Pilcher
Broyhill	Henderson	Poage
Burleson	Herlong	Poff
Casey	Hoffman, Mich.	Rains
Colmer	Huddleston	Ray
Cramer	Ikard, Tex.	Riley
Curtis, Mo.	Jennings	Rivers, S.C.
Davis, James C.	Jensen	Roberts
	Johansen	Rogers, Fla.
Davis, John W.	Jonas	Scott
Davis, Tenn.	Jones, Ala.	Selden
Devine	Kilburn	Sikes
Dorn	Kitchin	Smith, Miss.
Dowdy	Kornegay	Smith, Va.
Downing	Laird	Spence
Elliott	Landrum	Stephens
Everett	Lennon	Taylor
Evins	Loser	Teague, Tex.
Fascell	McCulloch	Trimble
Fisher	McMillan	Tuck
Flynt	McSween	Utt
Forrester	Mahon	Whitener
Fountain	Marshall	Whitten
Frazier	Mason	Williams
Gary	Matthews	Willis
Gathings	Meader	Winstead

NOT VOTING—80

Ashley	Hall	Rogers, Tex.
Barry	Harrison, Va.	Schenck
Betts	Harsha	Siler
Brooks, La.	Healey	Slack
Brown	Hébert	Thomas
Buckley	Ichord, Mo.	Thompson, La.
Cooley	Jones, Mo.	Ullman
Dague	Morrison	Vinson
Diggs	Rabaut	Westland
Dooley	Robison	Young

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Buckley for, with Mr. Hébert against.

Mr. Rabaut for, with Mr. Brooks of Louisiana against.

Mr. Healey for, with Mr. Morrison against.

Mr. Ashley for, with Mr. Cooley against.

Mr. Ullman for, with Mr. Harrison of Virginia against.

Mr. Diggs for, with Mr. Vinson against.

Mr. Brown for, with Mr. Thompson of Louisiana against.

Mr. Betts for, with Mr. Rogers of Texas against.

Until further notice:

Mr. Ichord of Missouri with Mr. Barry.

Mr. Slack with Mr. Hall.

Mr. Thomas with Mr. Schenck.

Mr. Young with Mr. Robison.

Mr. BAKER, Mr. AYRES, and Mr. AUCHINCLOSS changed their vote from "nay" to "yea."

Mr. COLLIER changed his vote from "present" to "yea."

The result of the vote was announced as above recorded.

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

THE FULL RIGHT OF FRANCHISE

Mr. CURTIS of Missouri. Mr. Speaker, I believe it was unfortunate that the rules of the House did not permit the gentleman from Florida [Mr. CRAMER] to fully explain the vote the House was taking on the Rooney amendment.

The House had been maneuvered into a parliamentary situation on the extension of the Civil Rights Commission where it was not possible to vote to include the amendment adopted in the Judiciary Committee to extend the jurisdiction of Civil Rights Commission to include vote fraud. There was only one vote that a Member who was interested in seeing this amendment become part of the Civil Rights Commission legislation could cast and that was "nay." Had the nays carried there was no question that the Civil Rights Commission extension could then have been presented so the Congress could vote up or down the extension of its jurisdiction, to include the honest counting of the ballots.

There is no question that this situation was deliberately planned by the leadership of the Congress which decided against extending the jurisdiction of the Civil Rights Commission to include vote fraud. The statement of the gentleman from Florida [Mr. CRAMER] yesterday along with the colloquy that followed—pages 19119–19121 of the RECORD—should be read by all persons interested in the subject of civil rights.

I will say only this on the substantive question involved: The right of franchise consists of two parts; first, the right to cast a ballot freely; second, the right to have the ballot cast counted honestly. The first right is meaningless if the second right is denied. For years I have seen those who claim great interest in civil rights legislation go all out for the right to vote, but when it is sought to make that right meaningful by including the right to have the ballot counted honestly they not only lose interest, but indulge in parliamentary maneuvering to prevent the issue from being joined. This in itself is in the nature of a denial of a civil right.

I believe the issue is being drawn, however, and not much longer will these half-hearted advocates of civil rights be able to pose as the champions of the basic civil rights—the full right of the franchise—the right to vote freely and the right to have the vote counted honestly.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 24: Page 36, line 21, strike out "$302,000" and insert "$888,000".

Mr. ROONEY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ROONEY moves that the House recede from its disagreement to the amendment of the Senate numbered 24 and concur therein.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SIKES. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. Twenty-nine Members have arisen, not a sufficient number.

The yeas and nays were refused.

The question was taken, and on a division (demanded by Mr. SIKES) there were—ayes 225, noes 72.

So the motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 26: Page 37, line 2, insert: ": *Provided further*, That the compensation of any employee paid from funds provided under this head shall not exceed $20,500 per annum."

Mr. ROONEY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ROONEY moves that the House recede from its disagreement to the amendment of the Senate numbered 26 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

PUBLIC WORKS APPROPRIATION BILL, 1962

The SPEAKER pro tempore. The further unfinished business is the vote on the motion of the gentleman from Iowa [Mr. JENSEN] to recommit the bill H.R. 9076, the public works appropriation bill for 1962, on which the yeas and nays were ordered on yesterday.

Without objection, the Clerk will again report the motion to recommit.

There was no objection.

The Clerk read as follows:

Mr. JENSEN moves to recommit the bill H.R. 9076 to the Committee on Appropriations with instructions to report the same back forthwith with the following amendment: Page 11, line 13, strike out "$55,468,000" and insert "$51,243,000"; and on page 11, line 14, strike out "$53,268,000" and insert "$49,043,000"; and on page 11, line 24, strike out the period, insert a colon and the following proviso: "*Provided further*, That no part of the funds herein appropriated shall be available for constructing the following transmission lines and facilities:

"Vernal-Provo No. 1 transmission line and substation 138 kilovolts;

"Craig-Sinclair transmission line and substation 115 kilovolts;

"Glen Canyon-Sigurd-St. George transmission lines and substations 138 kilovolts;

"Glen Canyon-Phoenix transmission lines and substations 230 kilovolts (double circuit);

"Four Corners-Albuquerque transmission line and substation 230 kilovolts (double circuit);

"Curecanti-Rangely transmission line 230 kilovolts;

"And the Gunnison-Midway section of the Curecanti-Midway transmission lines and substation."

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HALLECK. I am led to present this inquiry because of some questions that have been asked of me by some of the newer Members. As I understand, this is a motion to recommit with instructions to strike out certain parts of the bill. If this kind of a motion to recommit is carried, then would it follow immediately that the bill would come back to the House for a vote as amended by the motion to recommit, and it would come back immediately for a vote up or down?

The SPEAKER pro tempore. The answer to the parliamentary inquiry is in the affirmative, that it would, because the motion calls for reporting back forthwith.

Mr. HALLECK. I thank the Chair.

The SPEAKER pro tempore. The question is on the motion on which the yeas and nays were demanded.

The question was taken; and there were—yeas 182, nays 225, not voting 29, as follows:

[Roll No. 199]

YEAS—182

Abbitt	Fino	Monagan
Adair	Fisher	Moore
Alexander	Flynt	Moorehead, Ohio
Alger	Ford	Morse
Anderson, Ill.	Forrester	Nelsen
Arends	Frelinghuysen	Norblad
Ashbrook	Fulton	Osmers
Ashmore	Garland	Ostertag
Auchincloss	Gary	Patman
Avery	Gavin	Pelly
Ayres	Glenn	Pike
Baldwin	Goodell	Pillion
Barry	Goodling	Pirnie
Bass, N.H.	Griffin	Poff
Bates	Gross	Quie
Battin	Gubser	Ray
Becker	Haley	Rhodes, Ariz.
Beermann	Halleck	Riehlman
Belcher	Halpern	Riley
Bell	Harvey, Ind.	Rivers, S.C.
Berry	Harvey, Mich.	Rogers, Fla.
Blitch	Hemphill	Roudebush
Bolton	Herlong	Rousselot
Bow	Hiestand	St. George
Boykin	Hoeven	Saylor
Bray	Hoffman, Ill.	Schadeberg
Bromwell	Hoffman, Mich.	Scherer
Broomfield	Hosmer	Schneebeli
Broyhill	Jensen	Schweiker
Bruce	Johansen	Scott
Burke, Ky.	Jonas	Schwengel
Burleson	Judd	Scranton
Byrnes, Wis.	Kearns	Seely-Brown
Cahill	Keith	Short
Casey	Kilburn	Sibal
Cederberg	Kilgore	Smith, Calif.
Chamberlain	King, N.Y.	Smith, Va.
Chiperfield	Kitchin	Springer
Church	Knox	Taber
Clancy	Kunkel	Taylor
Clark	Kyl	Teague, Calif.
Collier	Laird	Thomson, Wis.
Conte	Langen	Tuck
Cramer	Latta	Tupper
Curtin	Lennon	Utt
Curtis, Mass.	Lindsay	Van Pelt
Curtis, Mo.	Lipscomb	Van Zandt
Daddario	McCulloch	Wallhauser
Davis, James C.	McDonough	Walter
Dent	McIntire	Watts
Derounian	McMillan	Weis
Derwinski	McSween	Whalley
Devine	MacGregor	Wharton
Dole	Mailliard	Whitener
Dorn	Martin, Mass.	Widnall
Dowdy	Mason	Williams
Downing	Mathias	Wilson, Calif.
Durno	Meader	Wilson, Ind.
Dwyer	Michel	Younger
Fenton	Miller, N.Y.	
Findley	Milliken	
	Minshall	

NAYS—225

Abernethy	Boggs	Corman
Addabbo	Boland	Cunningham
Addonizio	Bolling	Daniels
Albert	Bonner	Davis, John W.
Alford	Brademas	Davis, Tenn.
Andersen, Minn.	Breeding	Dawson
	Brewster	Delaney
Andrews	Brooks, Tex.	Denton
Anfuso	Burke, Mass.	Dingell
Aspinall	Byrne, Pa.	Dominick
Bailey	Cannon	Donohue
Baker	Carey	Doyle
Baring	Celler	Dulski
Barrett	Chelf	Edmondson
Bass, Tenn.	Chenoweth	Elliott
Beckworth	Coad	Ellsworth
Bennett, Fla.	Cohelan	Everett
Bennett, Mich.	Cook	Evins
Blatnik	Corbett	Fallon
Farbstein	Kowalski	Pucinski
Fascell	Landrum	Rains
Feighan	Lane	Randall
Finnegan	Lankford	Reece
Flood	Lesinski	Reifel
Fogarty	Libonati	Reuss
Fountain	Loser	Rhodes, Pa.
Frazier	McCormack	Rivers, Alaska
Friedel	McDowell	Roberts
Gallagher	McFall	Rodino
Garmatz	McVey	Rogers, Colo.
Gathings	Macdonald	Rooney
Giaimo	Machrowicz	Roosevelt
Gilbert	Mack	Rostenkowski
Granahan	Madden	Roush
Grant	Magnuson	Rutherford
Gray	Mahon	Ryan
Green, Oreg.	Marshall	St. Germain
Green, Pa.	Martin, Nebr.	Santangelo
Griffiths	Matthews	Saund
Hagan, Ga.	May	Selden
Hagen, Calif.	Merrow	Shelley
Hansen	Miller, Clem	Sheppard
Harding	Miller, George P.	Shipley
Hardy		Shriver
Harris	Mills	Sikes
Harrison, Wyo.	Moeller	Sisk
Hays	Montoya	Smith, Iowa
Hechler	Moorhead, Pa.	Smith, Miss.
Henderson	Morgan	Spence
Holifield	Morris	Stafford
Holland	Mosher	Staggers
Holtzman	Moss	Steed
Horan	Moulder	Stephens
Huddleston	Multer	Stratton
Hull	Murphy	Stubblefield
Ikard, Tex.	Murray	Sullivan
Inouye	Natcher	Teague, Tex.
Jarman	Nix	Thomas
Jennings	Norrell	Thompson, N.J.
Joelson	Nygaard	Thompson, Tex.
Johnson, Calif.	O'Brien, Ill.	Thornberry
Johnson, Md.	O'Brien, N.Y.	Toll
Johnson, Wis.	O'Hara, Ill.	Tollefson
Jones, Ala.	O'Hara, Mich.	Trimble
Karsten	O'Konski	Udall, Morris K.
Karth	Olsen	Vanik
Kastenmeier	O'Neill	Weaver
Kee	Passman	Whitten
Kelly	Perkins	Wickersham
Keogh	Peterson	Willis
Kilday	Pfost	Winstead
King, Calif.	Philbin	Wright
King, Utah	Pilcher	Yates
Kirwan	Poage	Zablocki
Kluczynski	Powell	Zelenko
Kornegay	Price	

NOT VOTING—29

Ashley	Hall	Rogers, Tex.
Betts	Harrison, Va.	Schenck
Brooks, La.	Harsha	Siler
Brown	Healey	Slack
Buckley	Hébert	Thompson, La.
Colmer	Ichord, Mo.	Ullman
Cooley	Jones, Mo.	Vinson
Dague	Morrison	Westland
Diggs	Rabaut	Young
Dooley	Robison	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Vinson for, with Mr. Hébert against.

Mr. Hall for, with Mr. Rogers of Texas against.

Mr. Harrison of Virginia for, with Mr. Brooks of Louisiana against.

Mr. Betts for, with Mr. Westland against.

Mr. Harsha for, with Mr. Buckley against.

Mr. Schenck for, with Mr. Cooley against.

Until further notice:

Mr. Thompson of Louisiana with Mr. Dooley.

Mr. Ullman with Mr. Siler.

Mr. DEVINE changed his vote from "nay" to "yea."

The vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. JENSEN. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 378, nays 31, not voting 27, as follows:

[Roll No. 200]

YEAS—378

Abbitt	Dominick	King, Utah
Abernethy	Donohue	Kirwan
Adair	Dorn	Kitchin
Addabbo	Dowdy	Kluczynski
Addonizio	Downing	Knox
Albert	Doyle	Kornegay
Alexander	Dulski	Kowalski
Alford	Durno	Kunkel
Andersen, Minn.	Dwyer	Kyl
	Edmondson	Laird
Andrews	Elliott	Landrum
Anfuso	Ellsworth	Lane
Arends	Everett	Langen
Ashbrook	Evins	Lankford
Ashmore	Fallon	Latta
Aspinall	Farbstein	Lennon
Auchincloss	Fascell	Lesinski
Avery	Feighan	Libonati
Ayres	Fenton	Lindsay
Bailey	Findley	Lipscomb
Baker	Finnegan	Loser
Baldwin	Fino	McCormack
Baring	Fisher	McCulloch
Barrett	Flood	McDonough
Barry	Flynt	McDowell
Bass, N.H.	Fogarty	McFall
Bass, Tenn.	Ford	McIntire
Bates	Forrester	McMillan
Battin	Fountain	McSween
Becker	Frazier	McVey
Beckworth	Frelinghuysen	Macdonald
Beermann	Friedel	MacGregor
Belcher	Fulton	Machrowicz
Bell	Gallagher	Mack
Bennett, Fla.	Garland	Madden
Bennett, Mich.	Garmatz	Magnuson
Berry	Gary	Mahon
Betts	Gathings	Mailliard
Blatnik	Gavin	Martin, Nebr.
Blitch	Giaimo	Mathias
Boggs	Gilbert	Matthews
Boland	Glenn	May
Bolling	Granahan	Meader
Bolton	Grant	Merrow
Bonner	Gray	Miller, Clem
Bow	Green, Oreg.	Miller, George P.
Boykin	Green, Pa.	
Brademas	Griffin	Miller, N.Y.
Bray	Griffiths	Milliken
Breeding	Gubser	Mills
Brewster	Hagen, Calif.	Minshall
Brooks, Tex.	Haley	Moeller
Broomfield	Halleck	Monagan
Broyhill	Halpern	Montoya
Bruce	Hansen	Moore
Burke, Ky.	Harding	Moorehead, Ohio
Burke, Mass.	Hardy	
Burleson	Harris	Moorhead, Pa.
Byrne, Pa.	Harrison, Wyo.	Morgan
Cahill	Harvey, Ind.	Morris
Cannon	Harvey, Mich.	Morse
Carey	Hays	Mosher
Casey	Hechler	Moss
Cederberg	Hemphill	Moulder
Celler	Henderson	Multer
Chamberlain	Herlong	Murphy
Chelf	Hoeven	Murray
Chenoweth	Holifield	Natcher
Chiperfield	Holland	Nelsen
Church	Holtzman	Nix
Clancy	Horan	Norblad
Clark	Hosmer	Norrell
Coad	Huddleston	Nygaard
Cohelan	Hull	O'Brien, Ill.
Colmer	Ichord, Mo.	O'Brien, N.Y.
Conte	Ikard, Tex.	O'Hara, Ill.
Cook	Inouye	O'Hara, Mich.
Corbett	Jarman	O'Konski
Corman	Jennings	Olsen
Cramer	Jensen	O'Neill
Cunningham	Joelson	Osmers
Curtin	Johnson, Calif.	Ostertag
Curtis, Mass.	Johnson, Md.	Passman
Curtis, Mo.	Johnson, Wis.	Patman
Daddario	Jones, Ala.	Pelly
Daniels	Judd	Perkins
Davis, James C.	Karsten	Peterson
	Karth	Pfost
Davis, John W.	Kastenmeier	Philbin
Davis, Tenn.	Kearns	Pike
Dawson	Kee	Pilcher
Delaney	Keith	Pillion
Dent	Kelly	Pirnie
Denton	Keogh	Poage
Derounian	Kilday	Price
Diggs	Kilgore	Pucinski
Dingell	King, Calif.	Quie
Dole	King, N.Y.	Rains
Randall	Selden	Tollefson
Reece	Shelley	Trimble
Reifel	Sheppard	Tuck
Reuss	Shipley	Tupper
Rhodes, Ariz.	Short	Udall, Morris K.
Rhodes, Pa.	Shriver	Ullman
Riehlman	Sibal	Vanik
Riley	Sikes	Van Pelt
Rivers, Alaska	Sisk	Van Zandt
Rivers, S.C.	Smith, Iowa	Wallhauser
Roberts	Smith, Miss.	Walter
Rodino	Smith, Va.	Watts
Rogers, Colo.	Spence	Weaver
Rogers, Fla.	Springer	Weis
Rooney	Stafford	Whalley
Roosevelt	Staggers	Whitener
Rostenkowski	Steed	Whitten
Roudebush	Stephens	Wickersham
Roush	Stratton	Widnall
Rutherford	Stubblefield	Williams
Ryan	Sullivan	Wilson, Calif.
St. Germain	Taylor	Wilson, Ind.
Santangelo	Teague, Calif.	Winstead
Saund	Teague, Tex.	Wright
Schadeberg	Thomas	Yates
Scherer	Thompson, N.J.	Younger
Schneebeli	Thompson, Tex.	Zablocki
Schwengel	Thomson, Wis.	Zelenko
Scott	Thornberry	
Seely-Brown	Toll	

NAYS—31

Alger	Hoffman, Ill.	Rousselot
Anderson, Ill.	Hoffman, Mich.	St. George
Bromwell	Johansen	Saylor
Byrnes, Wis.	Jonas	Schweiker
Collier	Kilburn	Scranton
Derwinski	Marshall	Smith, Calif.
Devine	Martin, Mass.	Taber
Goodell	Mason	Utt
Goodling	Michel	Wharton
Gross	Poff	
Hiestand	Ray	

NOT VOTING—27

Ashley	Harrison, Va.	Rogers, Tex.
Brooks, La.	Harsha	Schenck
Brown	Healey	Siler
Buckley	Hébert	Slack
Cooley	Jones, Mo.	Thompson, La.
Dague	Morrison	Vinson
Dooley	Powell	Westland
Hagan, Ga.	Rabaut	Willis
Hall	Robison	Young

So the bill was passed.

The Clerk announced the following pairs:

Until further notice:

Mr. Hébert with Mr. Brown.
Mr. Cooley with Mr. Meader.
Mr. Rogers of Texas with Mr. Siler.
Mr. Thompson of Louisiana with Mr. Robison.
Mr. Brooks of Louisiana with Mr. Westland.
Mr. Buckley with Mr. Frelinghuysen.
Mr. Harrison of Virginia with Mr. Dooley.
Mr. Powell with Mr. Schenck.
Mr. Healey with Mr. Harsha.
Mr. Vinson with Mr. Hall.

Mr. ASHBROOK changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDING TITLE V OF THE AGRICULTURAL ACT OF 1949

Mr. SISK, from the Committee on Rules, reported the following privileged resolution (H. Res. 455, Rept. No. 1176) which was referred to the House Calendar and ordered to be printed.

Resolved, That immediately upon the adoption of this resolution the bill (H.R. 2010) to amend title V of the Agricultural Act of 1949, as amended, and for other purposes, with the Senate amendment thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendment be, and the same is hereby, disagreed to and that the conference requested by the Senate on the disagreeing votes of the two Houses be, and the same is hereby, agreed to.

AUTHORIZING APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION

Mr. HOLIFIELD. Mr. Speaker, I call up the conference report on the bill—H.R. 7576—to authorize appropriations for the Atomic Energy Commission, in accordance with section 261 of the Atomic Energy Act of 1951, as amended, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. VAN ZANDT. Mr. Speaker, reserving the right to object, it is my understanding we will have 1 hour of debate on this conference report?

The SPEAKER pro tempore. There will be 1 hour of general debate, and the gentleman from California [Mr. HOLIFIELD] will have control of the time.

Mr. VAN ZANDT. Mr. Speaker, several weeks ago when this matter was on the floor, this side of the aisle allocated half of the time to the majority. Would my friend from California advise whether or not this side of the aisle will be extended the same courtesy at this time.

Mr. HOLIFIELD. The gentleman from California will be glad to yield 30 minutes to the gentleman from Pennsylvania.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1101)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7576) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 101. PLANT OR FACILITY ACQUISITION OR CONSTRUCTION.—There is hereby authorized to be appropriated to the Atomic Energy Commission in accordance with the provisions of section 261a(1) of the Atomic Energy Act of 1954, as amended, the sum of $194,440,000 for acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion as follows:

"(a) SPECIAL NUCLEAR MATERIALS.—

"Project 62-a-1, modifications to production and supporting installations, $7,500,000.

"Project 62-a-2, fission product recovery, phase II, Hanford, Washington, $1,500,000.

"Project 62-a-3, modifications for improved natural fuel elements, Savannah River, South Carolina, $3,950,000.

"Project 62-a-4, solvent purification installation, Savannah River, South Carolina, $500,000.

"Project 62-a-5, additional reactor confinement, Savannah River, South Carolina, $3,000,000.

"Project 62-a-6, electric energy generating facility for the new production reactor, Hanford, Washington, $58,000,000: *Provided*, That the electric energy generated by this facility shall be used exclusively by the Commission in connection with the operation of the Hanford, Washington, installation.

"(b) SPECIAL NUCLEAR MATERIALS.—

"Project 62-b-1, relocation of Clinch River pumping station, Oak Ridge, Tennessee, $1,425,000.

"Project 62-b-2, feed vaporization building, Paducah, Kentucky, $585,000.

"Project 62-b-3, permanent Gallaher Bridge, Oak Ridge, Tennessee, $1,265,000.

"(c) ATOMIC WEAPONS.—

"Project 62-c-1, weapons production, development, and test installations, $7,500,000.

"Project 62-c-2, specialized plant addition and modification, Oak Ridge, Tennessee, $3,500,000.

"Project 62-c-3, Tandem Van de Graaff facility, Los Alamos, New Mexico, $3,500,000.

"(d) REACTOR DEVELOPMENT.—

"Project 62-d-1, test plant for Project SNAP, Santa Susana, California, $3,375,000.

"Project 62-d-2, experimental beryllium oxide reactor, National Reactor Testing Station, Idaho, $8,000,000.

"Project 62-d-3, fuels recycle pilot plant, Hanford, Washington, $5,000,000.

"Project 62-d-4, high radiation level analytical laboratory, Oak Ridge National Laboratory, Tennessee, $2,000,000.

"Project 62-d-5, improvements to radioactive liquid waste system, Oak Ridge National Laboratory, Tennessee, $1,700,000.

"Project 62-d-6, experimental organic cooled reactor loops, National Reactor Testing Station, Idaho, $6,000,000.

"Project 62-d-7, ultrahigh temperature reactor experiment building, Los Alamos Scientific Laboratory, New Mexico, $3,500,000.

"(e) REACTOR DEVELOPMENT.—

"Project 62-e-1, additional transient housing, Argonne National Laboratory, Illinois, $300,000.

"Project 62-e-2, technical services building, National Reactor Testing Station, Idaho, $1,500,000.

"Project 62-e-3, instrumentation and health physics building, Brookhaven National Laboratory, New York, $2,000,000.

"Project 62-e-4, study, development, and design for nuclear processes which have application for improving and utilizing coal and coal products, $5,000,000.

"(f) PHYSICAL RESEARCH.—

"Project 62-f-1, modification to CP-5 reactor and low energy accelerator installations, Argonne National Laboratory, Illinois, $1,650,000.

"Project 62-f-2, accelerator and reactor additions and modifications, Brookhaven National Laboratory, New York, $1,875,000.

"Project 62-f-3, accelerator improvements, Cambridge and Princeton accelerators, $500,000.

"Project 62-f-4, accelerator improvements, Lawrence Radiation Laboratory, California, $550,000.

"(g) PHYSICAL RESEARCH.—

"Project 62-g-1, high energy physics laboratory, Argonne National Laboratory, Illinois, $6,900,000.

"Project 62-g-2, chemistry laboratory, Brookhaven National Laboratory, New York, $6,000,000.

"Project 62-g-3, cosmotron laboratory addition, Brookhaven National Laboratory, New York, $525,000.

"Project 62-g-4, mechanical shops building, Lawrence Radiation Laboratory, California, $2,640,000.

"Project 62-g-5, physics building, University of Chicago, Illinois, $800,000.

"(h) BIOLOGY AND MEDICINE.—

"Project 62-h-1, laboratory for mixed fission product inhalation studies, Lovelace Foundation, Albuquerque, New Mexico, $2,000,000.

"(i) BIOLOGY AND MEDICINE.—

"Project 62-i-1, cell physiology laboratories, Oak Ridge National Laboratory, Tennessee, $500,000.

"Project 62-i-2, mammalian genetics laboratories, Oak Ridge National Laboratory, Tennessee, $760,000.

"Project 62-i-3, controlled environment laboratory, Brookhaven National Laboratory, New York, $1,000,000.

"Project 62-i-4, animal bioradiological laboratory, Lawrence Radiation Laboratory, California, $700,000.

"(j) COMMUNITY.—

"Project 62-j-1, additional junior high school construction, Los Alamos, New Mexico, $1,750,000.

"Project 62-j-2, additional elementary school construction, Los Alamos, New Mexico, $700,000.

"Project 62-j-3, Mesa public library addition, Los Alamos, New Mexico, $70,000.

"Project 62-j-4, real estate development, Los Alamos County, New Mexico, $410,000.

"(k) GENERAL PLANT PROJECTS.—$34,510,000.

"SEC. 102. LIMITATIONS.—(a) The Commission is authorized to start any project set forth in subsections 101 (a), (c), (d), (f), and (h), only if the currently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for that project.

"(b) The Commission is authorized to start any project set forth in subsection 101 (b), (e), (g), (i), and (j), only if the currently estimated cost of that project does not exceed by more than 10 per centum the estimated cost set forth for that project.

"(c) The Commission is authorized to start a project under subsection 101(k) only if it is in accordance with the following:

"1. For community operations, the maximum currently estimated cost of any project shall be $100,000 and the maximum currently estimated cost of any building included in such project shall be $10,000.

"2. For all other programs, the maximum currently estimated cost of any project shall be $500,000 and the maximum currently estimated cost of any building included in such a project shall be $100,000.

"3. The total cost of all projects undertaken under subsection 101(k) shall not exceed the estimated cost set forth in that subsection by more than 10 per centum.

"SEC. 103. ADVANCE PLANNING AND DESIGN.—There are hereby authorized to be appropriated funds for advance planning, construction design, and architectural services, in connection with projects which are not otherwise authorized by law, and the Atomic Energy Commission is authorized to use funds currently or otherwise available to it for such purposes.

"SEC. 104. RESTORATION OR REPLACEMENT.—There are hereby authorized to be appropriated funds necessary to restore or to replace plants or facilities destroyed or otherwise seriously damaged, and the Atomic Energy Commission is authorized to use funds currently or otherwise available to it for such purposes.

"SEC. 105. CURRENTLY AVAILABLE FUNDS.—In addition to the sums authorized to be appropriated to the Atomic Energy Commission by section 101 of this Act, there are hereby authorized to be appropriated to the Atomic Energy Commission to accomplish the purposes of this Act such sums of money as may be currently available to the Atomic Energy Commission.

"SEC. 106. SUBSTITUTIONS.—Funds authorized to be appropriated or otherwise made available by this Act may be used to start any other new project for which an estimate was not included in this Act if it be a substitute for a project or portion of a project authorized in subsections 101 (a), (b), and (c) and the estimated cost thereof is within the limit of cost of the project for which substitution is to be made, and the Commission certifies that—

"(a) the project is essential to the common defense and security;

"(b) the new project is required by changes in weapon characteristics or weapon logistic operations; and

"(c) it is unable to enter into a contract with any person, including a licensee, on terms satisfactory to the Commission to furnish from a privately owned plant or facility the product of services to be provided in the new project.

"SEC. 107. AMENDMENT OF PRIOR YEAR ACTS.—(a) Section 101 of Public Law 86-457 is amended by striking therefrom the figure '$211,476,000' and substituting therefor the figure '$338,476,000'.

"(b) Section 101(f) of Public Law 86-457 is amended by striking therefrom 'Project 61-f-7, design and engineering, linear electron accelerator, $3,000,000' and substituting therefor 'Project 61-f-7, linear electron accelerator, $114,000,000'.

"(c) Section 101(d) of Public Law 86-457 is amended by striking therefrom the figure '$24,000,000' for project 61-d-9, advanced test reactor, and substituting therefor the figure '$40,000,000'.

"SEC. 108. PROJECT RESCISSIONS.—(a) Public Law 86-457 is amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

"Project 61-b-2, high-velocity test track, Sandia Base, New Mexico, $2,100,000.

"(b) Public Law 86-50, as amended, is further amended by rescinding therefrom authorization for projects, except for funds heretofore obligated, as follows:

"Project 60-a-2, prototype installations, gaseous diffusion plants, $1,000,000.

"Project 60-b-1, cylinder storage area, Paducah, Kentucky, $500,000.

"(c) Public Law 85-590, as amended, is further amended by rescinding therefrom authorization for projects, except for funds heretofore obligated, as follows:

"Project 59-c-9, test assembly building, $510,000.

"Project 59-d-1, reprocessing pilot plant, Oak Ridge National Laboratory, Tennessee, $3,500,000.

"Project 59-d-3, fast reactor safety testing station, Nevada test site, $1,367,000.

"(d) Public Law 85-162, as amended, is further amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

"Project 58-b-6, additions to gaseous diffusion plants, $6,600,000.

"(e) Public Law 84-506, as amended, is further amended by rescinding therefrom authorization for projects, except for funds heretofore obligated, as follows:

"Project 57-a-6, charging and discharging system, Hanford, Washington, $3,450,000.

"SEC. 109. COOPERATIVE POWER REACTOR DEMONSTRATION PROGRAM.—

"(a) Section 111 of Public Law 85-162, as amended, is further amended by striking out the date 'June 30, 1961,' in clause (3) of subsection (a) and inserting in lieu thereof the date 'June 30, 1962.'

"(b) There is hereby authorized to be appropriated to the Atomic Energy Commission

the sum of $7,000,000 to be available, in addition to the funds heretofore authorized, for carrying out the Commission's power reactor demonstration program in accordance with the terms and conditions provided in sections 110 and 112 of Public Law 86–50. The maximum amount of the program authorization, specified in subsection 110(b) of Public Law 86–50 and section 109 of Public Law 86–457, is increased by $12,000,000. In addition to the amounts authorized under subsection 110(c) of Public Law 86–50 and section 109 of Public Law 86–457, the Commission is authorized to use funds not to exceed $7,000,000 in the aggregate, to provide research and development assistance in support of unsolicited proposals from the utility industry to construct nuclear powerplants.

"(c) Funds appropriated to the Commission pursuant to the authorization contained in subsections (b) and (d) of section 110 of Public Law 86–50 shall be available to the Commission, notwithstanding the provisions of section 111(f) of Public Law 85–162, for a cooperative arrangement in accordance with the basis for an agreement described in the program justification data for arrangement numbered 60–110–2, a cooperative power reactor project designated as the LaCrosse boiling water reactor."

And the Senate agree to the same.

CHET HOLIFIELD,
MELVIN PRICE,
Managers on the Part of the House.

JOHN O. PASTORE,
ALBERT GORE,
HENRY M. JACKSON,
HENRY DWORSHAK,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7576) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The Senate struck out all of the House bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the House bill and the Senate amendment. Except for technical, clarifying, and conforming changes, the following statement explains the differences between the House bill and the substitute agreed to in conference.

SECTION 101

The House, in considering H.R. 7576, deleted project 62–a–6, electric generating facilities for the new production reactor, Hanford, Wash., $95,000,000. The Senate in acting upon the bill passed by the House, struck all after the enacting clause and inserted a substitute amendment which provided for the aforementioned electric generating facilities. In addition, the Senate added a project 62–e–4, study, development, and design for nuclear processes which have application for improving and utilizing coal and coal products, $5,000,000.

The committee of conference agreed to a modified version of project 62–a–6 to read as follows:

"Project 62–a–6, electric energy generating facility for the new production reactor, Hanford, Washington, $58,000,000: *Provided*, That the electric energy generated by this facility shall be used exclusively by the Commission in connection with the operation of the Hanford, Washington installation."

Project 62–a–6 authorizes $58,000,000 for the installation of an electric generating facility at the New Production Reactor (NPR) at Hanford, Wash. This facility will consist principally of one turbine generator unit with a rated capacity of approximately 400,000 kilowatts.

The statutory language specifies that the electric energy generated by this facility shall be used by the Commission in connection with the operation of the Hanford, Wash., site. Since the site has an estimated 400,000 kilowatt requirement, this plant as designed, should be capable of meeting the power requirements of the Hanford site. The Hanford site is situated at Richland, Wash., and consists of approximately 428 square miles, owned by the Federal Government. At the site, there are eight plutonium producing reactors, various installations for separation of plutonium metal, and the fabrication of fuel elements for these reactors and related support facilities. The entire complex is operated under contract for the government by the General Electric Co.

Studies submitted to the Joint Committee on Atomic Energy on the economics of such a plant indicate that, operating at an 85 percent load factor, all costs could be paid back, including payments of a 4 percent interest charge, in 9 years. These studies assume an 11-year plutonium production campaign beginning in 1962 when the plutonium reactor goes into operation. This period is believed to be reasonable, particularly in view of the recent Soviet decision to resume nuclear weapons testing and development. A letter of August 18 from the Atomic Energy Commission summarizes the results of these studies (see appendix A to this report).

It is recognized that the Commission may enter into negotiations to make necessary adjustments under its existing arrangement with the power supplier at the Hanford site in the best interests of the Government. This authorization does not contemplate commercial sales of electric power by the Commission. It is understood that the Commission may, by negotiation with its current supplier of electric power, provide for emergency reserve capacity to guarantee continuity of power supply in the event of any interruption in power from the AEC facility.

The disposition of energy produced by these facilities will be similar to the practice followed at other AEC sites where electricity is generated incident to the operation of Government-owned reactors. A letter from the AEC summarizing the practice at these other sites is attached as appendix B to this report.

In view of the limitations imposed upon the Commission with respect to the disposition of the power produced by the facilities constructed under project 62–a–6, the conferees agreed to delete section 110 of H.R. 7576. Section 110 had provided for transfer to the Secretary of Interior of the power produced by the larger facility originally proposed under project 62–a–6. In view of the fact that the project, as agreed to by the conferees, provides for use of the power at the Hanford installation, section 110 was no longer deemed necessary.

In summary, the authorization of the single electric generator facility as recommended by the conferees would have the following advantages:

1. All of the electric power produced at the facility will be used for national defense purposes at the AEC Hanford plutonium weapons material production installation.

2. Since the electric power production is limited to the AEC Hanford installation, the question of whether or not AEC would be in the "commercial power business" is completely eliminated.

3. The Hanford atomic electric plant at 400,000 kilowatts would still be the world's largest atomic powerplant from a single reactor.

4. Economic studies submitted by the Atomic Energy Commission indicate that the entire capital cost of the generating facility will be paid for with interest in nine years of dual purpose operation.

COAL RESEARCH

With respect to project 62–e–4, added by the Senate and providing $5,000,000 for study, development and design for nuclear processes which have application for improving and utilizing coal and coal products, the conferees on the part of the House agreed to the Senate amendment.

The authorization provided by project 62–e–4 will be used to explore the areas in which nuclear energy may be used to aid the coal industry. Among the projects for which this authorization might be used are research and development work in the use of radioisotopes in the coal industry, gasification of coal by high temperature nuclear heat and related laboratory investigations into the nature of radiation induced chemical reactions. Provision is made for participation by the Department of the Interior through its Bureau of Mines and in connection with research work, the Office of Coal Research, by means of interagency agreements and transfers of funds. A letter from AEC summarizing this program is attached as appendix C to this report.

(APPENDIX A)

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., August 18, 1961.

MR. JAMES T. RAMEY,
Executive Director, Joint Committee on Atomic Energy, Congress of the United States.

DEAR MR. RAMEY: In accordance with your request of August 16, we have calculated the duration of the dual-purpose period at the Hanford NPR necessary to pay off the investment in a powerplant consisting of one turbine-generator unit. The unit assumed was sized at the 400 emw level now under study for a 2-unit project. The budget estimate is $58 million.

As requested, the calculations have been performed on three different bases:

1. FPC's primary evaluation
2. FPC's secondary evaluation
3. FPC's secondary evaluation including credit for advanced power sales.

The results are as follows:

1. On the basis of the primary evaluation, a 12-year dual-purpose period (14-year production campaign) would pay off the plant.

2. On the basis of the secondary evaluation, a 10-year dual-purpose period (12-year production campaign) would pay off the plant.

3. On the basis of the secondary evaluation including credit for advanced power sales, a 9-year dual-purpose period (11-year production campaign) would pay off the plant.

You will recall that current studies have assumed an 8-year dual-purpose period—10-year production campaign.

Sincerely yours,

A. R. LUEDECKE,
General Manager.

(APPENDIX B)

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., August 31, 1961.

MR. JAMES T. RAMEY,
Executive Director,
Joint Committee on Atomic Energy,
Congress of the United States.

DEAR MR. RAMEY: In accordance with your verbal request of August 30, to Mr. Hollingsworth, attached are two tabulations: Table I, AEC-owned plants, operating or dismantled, that generate power; table II, AEC purchased electric power.

Note that table I includes all electric powerplants owned and operated by the AEC, and AEC-owned reactor facilities producing steam used for electric power generation by others. It includes only plants that are in operation as of June 30, 1961, or have been in operation and have been dismantled. Table II covers AEC power purchases for the fiscal year ending June 30, 1960, for installations with demands of 1 megawatt and over; complete data for fiscal year 1961 are not yet available. We are attaching, however, a report of AEC electric power statistics which shows the actual and projected requirements for our major installations, fiscal years 1960 through 1964; the projected fiscal year 1961 requirements are not appreciably different than the actual fiscal year 1960 usage.

We will be happy to supply whatever other information you may desire.

Sincerely yours,

A. R. LUEDECKE,
General Manager.

TABLE I.—*AEC-owned plants operable or dismantled that generate power*

Name of plant	Location	Capacity, electric kilowatts (net)	Year of startup	Interconnecting utility
Nuclear:				
Shippingport Atomic Power Station	Shippingport, Pa	60,000	1957	Duquesne Light.[1]
Experimental boiling water reactor	Lemont, Ill	4,500	1956	(2).
Sodium reactor experiment	Santa Susana, Calif	6,000	1957	Southern California Edison.[3]
Homogeneous reactor experiment No. 1	Oak Ridge, Tenn	140	1952	(4).
Boiling reactor experiments	NRTS, Idaho	2,400	1954	(4).
Experimental breeder reactor No. 1	NRTS, Idaho	150	1951	(5).
Homogeneous reactor experiment No. 2	Oak Ridge, Tenn	300	1957	(2).
Stationary low powerplant No. 1	NRTS, Idaho	200	1958	(2).
Submarine intermediate reactor Mark A	West Milton, N.Y	10,000	1957	Niagara Mohawk Power Co.[3]
Nonnuclear				
LASL	Los Alamos, N. Mex	22,000		Public Service of New Mexico.[6]
Savannah River		158,000		South Carolina Electric & Gas and South Carolina Generating Co.[7]
Oak Ridge		238,000		Tennessee Valley Authority.[6]
Pratt & Whitney Connecticut operations	Middletown, Conn	4,000		Hartford Electric Co.[7]

[1] Power distributed under provisions of Atomic Energy Act of 1946 as amended.
[2] No export power.
[3] Power distributed under provisions of sec. 44, Atomic Energy Act of 1954, as amended.
[4] Power facility dismantled; no export power.
[5] Small amount of power has been exported for demonstration purposes.
[6] Power generated for onsite usage; interchange arrangement available.
[7] Power generated for onsite usage; interconnected, but no interchange arrangement

TABLE II.—*AEC purchased electric power, fiscal year 1960 (installations with purchased demands of 1,000 kilowatts and over)*

AEC installation	Name of electric power supplier	Demand, kilowatts [1]	Purchased energy, megawatt-hours [2]	AEC installation	Name of electric power supplier	Demand, kilowatts [1]	Purchased energy, megawatt-hours [2]
Oak Ridge	Tennessee Valley Authority	1,912,000	15,257,554	Sandia-Livermore	Pacific Gas & Electric Corp	1,000	7,552
Paducah	do	1,484,000	12,268,305	UCLRL-Berkeley	do	18,000	104,303
Do	Electric Energy, Inc	735,000	6,454,705	LSL-Livermore	do	11,000	55,055
Portsmouth	Ohio Valley Electric Corp	1,954,000	17,113,948	LRL-site 300	do	1,000	4,436
Fernald	Cincinnati Gas & Electric Co	17,000	110,000	National reactor testing station.	Idaho Power Co. and Utah Power & Light Co.	26,000	154,140
	South Carolina Electric & Gas Co.	30,000	263,520	Argonne Laboratory	Public Service Co. (Illinois)	11,600	53,707
Savannah River	South Carolina Electric & Gas Co.	102,000	615,534	Ames Laboratory	City of Ames-municipal	2,000	4,790
Weldon Springs	Union Electric Co. of Missouri	8,000	48,222	Brookhaven National Laboratory.	Long Island Lighting Co	16,000	78,823
Hanford	Bonneville Power Administration.	339,000	2,542,826	Bettis Atomic Power Laboratory.	Duquesne Lighting Co	9,000	39,697
ALO-Sandia Base	Public Service Co. of New Mexico.	9,000	37,446	Do	West Penn Power Co	2,000	8,248
South Albuquerque Works	do	4,000	16,649	Pratt & Whitney facility	Hartford Electric Light Co	3,000	15,901
Los Alamos	do	10,000	28,550	Knolls Atomic Power Laboratory.	Niagara Mohawk Power Corp	10,000	36,623
Nevada test site	Southern Nevada Power Co	6,000	17,600	AEC headquarters	Potomac Electric Power Co	3,000	11,059
Rocky Flats	Public Service Co. of Colorado	9,000	38,807	Princeton	Public Service Electric & Gas Co.	4,000	3,958
Kansas City plant	Kansas City Power & Light Co.	9,000	43,042	Yale	United Illuminating Co	1,000	2,530
Mound Laboratory	Dayton Power & Light Co	2,000	15,000	Harvard	Cambridge Electric Light Co	2,000	1,799
Pinellas Peninsula	Florida Power Corp	3,000	14,942	Evandale	Cincinnati Gas & Electric	7,000	34,012
Salton Sea	Imperial Irrigation District	1,000	2,021				

[1] Maximum demand rounded to nearest 1,000 kilowatts.
[2] 1 megawatt-hour is equivalent to 1,000 kilowatt-hour.

(APPENDIX C)

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., August 7, 1961.

HON. CHET HOLIFIELD,
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

DEAR MR. HOLIFIELD: In your letter of August 4, 1961, you asked for information concerning the programs and projects which we would initiate or accelerate if the Congress adopts the amendment to our fiscal year 1962 authorization bill which authorizes us to spend $5 million for research on nuclear processes which would have application for utilizing coal.

In view of the fact that funds for such a program are not included in our fiscal year 1962 budget, we have not developed our plans as completely as we have for other programs which are in the budget. However, we have given quite a bit of thought to this area and the points discussed in this letter are reasonably firm.

There are a number of areas where nuclear energy holds promise of being of great assistance to the coal industry. The scope of the areas in which nuclear energy could be of help is very broad, extending from the actual mining operation through the development of new uses and new markets for coal and coal products. For example, nuclear radiation may make it possible to utilize coal as the raw material in the production of various materials for use in industry and agriculture which are now produced from other sources. Similarly, the heat generated by nuclear reactions may speed the day when gasification of coal is an economic reality rather than a dream, or it may point the way toward more efficient and more economic means of removing the coal values from their place in nature. Of equal importance is the fact that radioisotopes produced by nuclear processes may well be instrumental in improving health and safety conditions in mining operations as well as in showing the way to improvements in mining and processing operations themselves.

The programs which we would carry out starting in fiscal year 1962, should the necessary authorization and appropriations be given by Congress, cover all of the potential areas where nuclear processes may benefit the coal industry.

The largest program which we would undertake covers studies and research and development aimed at solving the problems of coal gasification. This program, which we estimate at approximately $2,000,000 in fiscal year 1962, is divided into four parts as follows: (1) conceptual design of a nuclear reactor capable of delivering outlet coolant at 2,200° F. using long-lived low-cost fuel, (2) conceptual design of a coal gasification plant to use the heat from such a reactor, (3) development and design of critical key components for the overall plant, including the reactor, and (4) an expansion of the work on high temperature, long-life fuels to be used in this reactor.

The results of this integrated program, some work on which has been under way for the past few years, should lead to a pilot plant and eventually to a prototype should the economics prove interesting.

The work on this program would be undertaken by our national laboratories and by industrial contractors, and would require very close cooperation with the Bureau of Mines, at the Morgantown, W. Va., site.

Another program, of almost equal magnitude, and possibly of more far-reaching consequence to the coal industry in the event of success, deals with the possibility that

chemical reactions induced by massive nuclear radiation may make possible the use of coal as the basic raw material in the production of chemicals which are used in large quantities by industry and agriculture. In this effort, we plan a two-pronged approach. One, which we estimate will cost of the order of $400,000 in fiscal year 1962, will be basic in nature and will be aimed at obtaining a better understanding of radiation induced reactions. This work would be done primarily at our laboratories and at those of the universities. The other part of this program would be of a more applied nature and would be aimed at determining the technical and economic feasibility of producing specific chemical compounds or mixtures of compounds by reacting coal with water, hydrogen, nitrogen, oxygen and other materials under the influence of massive nuclear radiation. This latter effort, which would cost approximately $1,500,000 in fiscal year 1962, would be carried out at our laboratories, at universities and in the engineering laboratories of industry.

Another program which we feel can have immediate as well as long range beneficial impact on the coal industry is a proposed $500,000 program aimed at the use of radioisotopes to improve health and safety conditions of mining operations and to increase efficiency in mining, processing, transportation, and utilization of coal.

There are several areas where it appears that use of radioisotope tracer and gaging techniques can be useful in mine safety. In fiscal year 1962, we propose to initiate studies on such things as:

(1) The use of radiation from radioisotopes to minimize the probability of static discharge and thus to lessen the chances of mine explosions.

(2) The use of radioactive tracers to follow the flow of noxious gaseous and liquid mine effluent and thus to improve the control of pollution from coal mining and processing operations.

(a) The use of radioisotope gaging and detection equipment for on-the-spot checks of integrity of roof support structures, hoisting equipment, and other critical equipment.

Aside from the safety directed programs, we would undertake work aimed at using radioisotope techniques to improve efficiency of operation. Examples of such activities are:

(1) use of radioisotope gages in bore holes to determine quality and extent of reserves.

(2) Use of radioisotope gages in analyses of coal for more efficient burning and processing.

(3) Use of radioisotope sensing instruments to assist in the automatic control of mining, transport, and processing equipment.

The work on utilization of radioisotopes by the coal industry would be done largely by industrial laboratories and it would require very close cooperation, not only with the Office of Coal Research of the Department of Interior, but also with the mine and processing operators themselves.

In addition to these programs which have fairly definite objectives, we would propose to institute a series of longer range studies to determine in what other areas nuclear processes might be expected to have a beneficial impact on the coal industry. Our initial efforts in this work would be to look at the feasibility, practicality, and potential long-range economics of using nuclear reactors at mine sites to produce high temperature, high pressure steam which might be used to extract the coal values from their place in nature, not as a solid, but as a gaseous or liquid material.

In this general study program, we would also try to find out if nuclear processes could make it possible once again for coal to be the starting point in production of such things as benzene and anthracene which were once produced from coal but are now largely produced from liquid or gaseous hydrocarbons.

These general studies would cost an estimated $400,000 in fiscal year 1962, and would be made by industrial contractors or our laboratories working in close cooperation with the Office of Coal Research and the coal industry.

As one last and much longer range effort to assist the coal industry, we propose a program of grants to universities in coal producing areas to encourage increased effort on research and development aimed at improving coal mining, processing, or utilization by means of nuclear processes. The cost of this phase of our proposed program in fiscal year 1962 is estimated at $200,000.

With regard to your questions about the role of the Department of Interior in the program, I have already indicated that large portions of the program must, of necessity, be carried out in close cooperation with the Office of Coal Research or with the Bureau of Mines. While we have not yet developed the details of such cooperation, it is clear that the full talents of both agencies, and of the entire coal industry, must be brought to bear if the program is to be a success. Some programs, such as conceptual design of reactors, development of nuclear fuels, studies of the effect of massive nuclear radiations on chemical reactions, and the construction and operation of any nuclear pilot plants or prototypes which might develop as the program progresses, together with all aspects of nuclear safety, are clearly areas where the AEC will take the lead and the Department of Interior will furnish support. In other cases, such as the programs aimed at utilizing radioisotopes to improve safety or to enhance operational efficiency of specific mining or processing operations, it seems equally clear that the Department of Interior will take the lead and the AEC will give technical support to the effort. In still other cases, such as design and development of overall coal gasification plants or studies of the possible use of nuclear reactors at mine sites, the joint talents of both agencies will be required.

In order to assure a unified program, aimed at the primary objective of using nuclear processes to assist the coal industry, I would suggest that funds for the entire program be appropriated to the AEC with such transfer to the Department of Interior as is required being made after more definitive agreements have been reached between the two agencies.

Sincerely yours,

GLENN T. SEABORG, *Chairman.*
CHET HOLIFIELD,
MELVIN PRICE,
Managers on the Part of the House.

Mr. HOLIFIELD. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT], and retain the balance of the time for myself.

Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we are nearing the end of a long and laborious session. I know that the Members, like myself, are all tired and anxious to go home. On these last concluding items of business I hope that we can have the attention of the Members of the House so that we can look at this problem today devoid of emotion and hysteria, and consider it upon its merits.

Mr. Speaker, St. Paul, one of the great Apostles, once said in a speech to the Romans, "Come and let us reason together." This is what I am asking for today. Let us reason together.

Mr. Speaker, today we have before us the conference report on H.R. 7576. It contains authorization for construction of production and weapon facilities, research and development facilities and power generation assistance projects. Practically all of the items are directly connected with the defense of our nation. I shall not belabor the RECORD today with further comment on the items which are in agreement. I shall speak directly to the procedures of the conference and the merits of the issue in disagreement.

Mr. Speaker, on August 8 the House sent to the conference the authorization bill as passed by the other body.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I shall be happy to yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Speaker, I have had numerous questions asked of me as to what the result would be if the conference report is voted down. Of course, the gentleman from California [Mr. HOLIFIELD] has just said that there are many items of vital importance to the country contained in this bill. We all knew that from the beginning. But now, as I understand it, under the rules of the House, if the conference report is voted down that would simply mean that the other body would have to act further in respect to this item that is in dispute. In other words, it would not mean that the bill is killed?

Mr. HOLIFIELD. Well, of course, I cannot tell the gentleman what it would mean because I do not know what the action of the other body will be. But I do intend to comment on this situation, if the gentleman from Indiana will bear with me.

Mr. HALLECK. I thank the gentleman.

Mr. HOLIFIELD. Mr. Speaker, on August 8 the House sent to the first conference the authorization bill as passed by the Senate. The House did a most unusual thing in that it instructed the House conferees—the gentleman from Illinois [Mr. PRICE] your present Speaker, and the gentleman from Pennsylvania [Mr. VAN ZANDT]—to reject project 62-a-6 as passed by the Senate, and that amendment that was retained in the original bill by the Senate and deleted by the House provided for the construction of two electric generators of approximately 400,000 kilowatts of capacity each, at a total cost of $95 million. The Members will note that the conferees were instructed not to accept this amendment of the Senate. Your conferees were faced with a difficult problem. The Senate had included this item by a vote of 54 to 36, a 60-percent majority vote on their side. The House had rejected the Senate amendment by a recorded vote of 235 to 164, which was a 59-percent majority vote.

Mr. Speaker, it is evident to all of us that the two legislative bodies were almost equal percentage wise in their advocacy for the item in the other body and in their rejection here in the House of Representatives.

The majority of the conferees in the Senate were adamant in their position. The majority of the conferees on the House side, aware of their instructions,

did not accept the Senate position. The conferees of each body were then faced with three possible courses of action. The Senate conferees could remain firm in their instructed position; the House conferees could remain firm in their instructed position; either side could surrender. Neither body would surrender completely to the position of the other body.

Under this condition of absolute stalemate, the authorization bill would die in conference and the atomic energy program, which is vital to our national defense, would be injured. It was obvious that neither House could impose its will completely on the other body. Neither House is sovereign over the other body on legislative matters. A compromise between the coequal legislative bodies was not only necessary but it was imperative.

So we come to the third alternative, which is a compromise. Your House conferees have brought to you for your consideration today a legitimate, reasonable compromise. The gentleman from Illinois [Mr. PRICE] and your present speaker signed the majority conference report and the statement of the managers on the part of the House. The gentleman from Pennsylvania [Mr. VAN ZANDT] was in disagreement on one of the two items of difference. I understand from one of Mr. VAN ZANDT'S letters to the Members under date of September 1 that he agrees with the gentleman from Illinois [Mr. PRICE] and with me on the $5 million research item for coal research. We appreciate the gentleman's cooperation on an item that helps his own congressional area and wish he could extend the same spirit of cooperation to the great northwest area of our United States.

What does the compromise between the two legislative bodies do?

The House conferees rejected the original two-generator, $95 million provision of the Senate.

The House conferees accepted a compromise amendment offered by the Senate which reduced the provision from two generators to one generator.

We accepted a reduction in the appropriation from $95 million to $58 million.

The Senate conferees accepted language in the conference amendment which provided—and I hope the Members on the floor will listen to this very carefully—they accepted language which provided that the electric energy generated by this facility will be used by the Commission in connection with the operation of the Hanford reactor. Every kilowatt of electricity will be used in a defense establishment. We are now buying our energy from the Bonneville system, which is a Government-owned facility, at 2.3 mills per kilowatt. If this generating facility is approved we will obtain all of the energy that we need at Hanford at a reduced rate. Every kilowatt of it will go for defense purposes. Not one kilowatt of it will go into the commercial market. So it means that instead of buying from the Bonneville system, as it now does, the AEC will use its own free byproduct steam to provide its own electric power to run its own installation, to make weapons material.

This provision completely eliminates any charge of commercial distribution of Government-produced kilowatts of electric energy. It uses Government-produced energy instead of buying it from another Government agency. It follows many precedents of Government utilization of its own power, including other AEC sites.

Right here in this Capitol Building the Government operates its own steam plant for our own use. In this case, however, the Government buys coal and oil to produce the heat. In the Hanford case the steam is produced as a byproduct. Surely no reasonable person can object to the merits of this compromise arrangement. We are using free steam, steam that is going to be made anyway, and we are paying for it here in the Capitol for use right here in the House Office Buildings and the Senate Office Buildings. We can get it free at Hanford to operate this great eight-reactor complex which is making plutonium for the weapons that stand between the United States and the slave world.

Again, let me emphasize this point. It is byproduct steam. It is free. It does not displace coal. It does not displace oil. It does not displace gas. It does not displace the private sale of electrical energy. If it did any of these things, somebody might have a reasonable, logical argument, but it does none of these three or four things.

As to the economics, our economic studies show it will amortize the cost of the generating equipment, that is, one big generator, the largest in the world, of 400,000 kilowatt capacity; it will amortize it, including interest at 4 percent, in from 9 to 11 years. It should be noted that this plant will operate at 85 percent of plant factor load instead of a 30 to 50 percent load factor estimated by the Federal Power Commission in its original report on the 800,000 kilowatt plant. Accordingly, the economics of this plant look very good. The cost of the electric power to the Government will be less than 2 mills per kilowatt.

Let me impress upon you this fact. We are now paying 2.3 mills to the Bonneville system for every kilowatt we use. The estimate we have from the experts is that this will produce electricity at 1.7 mills per kilowatt, a saving of 0.6 of a mill for every kilowatt we use, and over the years we use billions of them in this installation. This is a saving of 30 percent upon the present cost of electricity at the Hanford plant, 1.7 mills in place of 2.3 mills, and all of this will be used for national defense purposes, every kilowatt of it. Not one kilowatt will be sold commercially.

I have given you the points on this. I think that the logic is unassailable. I want to say to the Members of the House that your majority conferees, the gentleman from Illinois [Mr. PRICE] and your present speaker, present this conference report as a necessary and reasonable solution to the strongly expressed attitudes of two coequal legislative bodies. We have acted in good faith as representatives of the House. We realize that the instructions of the House were a strong expression of the attitude of the majority of its Members. We were faced in conference with a strongly felt position of the conferees on the part of the other body. We have acted in the time-honored tradition of fair and reasonable compromise of the differences between the two great and coequal legislative bodies of our Congress.

On this I rest my case, and I ask for the support of the House in the adoption of this conference report, which has only these two items, the $5-million coal research item and this one-generator item, which are different from the bill as originally passed by the House. On the coal research item, the gentleman from Pennsylvania [Mr. VAN ZANDT] has said in his letter that the House should not turn this down. So this leaves the one generating facility in disagreement. If you support the conference report and approve it, you cast a vote for economy.

This is not a private versus public power fight. This is not a coal fight. The plant is going to be built. The electric energy is needed. And whether it is from waste steam out of a generator or from the Bonneville public power system, you are going to have Government-generated power in either instance. In one instance, you are going to pay 2.3 mills for it and in the other instance you are going to pay 1.7 mills.

Upon this, Mr. Speaker, I rest my case.

The SPEAKER pro tempore (Mr. EVINS). The gentleman has consumed 15 minutes.

Mr. VAN ZANDT. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, first let me express to my colleague, and chairman of the joint committee, my appreciation for yielding the minority or the opposition to the Hanford compromise half of the time or 30 minutes.

Mr. Speaker, I arise in opposition to the conference report before us and wish to state that when the opportunity presents itself it is my intention to ask for the yeas and nays so that the House may emphatically state its opposition for the fourth time against the proposed electric powerplant at Hanford, Wash.

To refresh our memories of the previous action taken by the House on the Hanford proposal, the record shows that on July 13 the Hanford project authorizing $95 million for an 800,000-kilowatt powerplant was eliminated from the AEC authorization bill by a teller vote of 176 to 140.

On July 18, the Senate restored the Hanford project to the AEC authorization bill and when the bill was returned to the House on August 8, I offered a motion instructing the House conferees not to agree to the Senate action, and after due debate a motion to table my motion was defeated by a rollcall vote of 235 to 164. Then by another rollcall vote of 235 to 164 the motion was adopted. On both votes the majority was 71.

Since August 8 the conferees have met twice and on the second meeting by a vote of 6 to 2 the so-called Hanford compromise was adopted with Senator

HICKENLOOPER, of Iowa, one of the Senate conferees, and myself refusing to sign the conference report.

This brief history of House action brings us up to this moment when we have before us the conference report on the AEC authorization bill which contains the so-called Hanford compromise reducing the $95 million 800,000-kilowatt powerplant to a $58 million 400,000-kilowatt station.

Mr. Speaker, it is not my intention to take up the time of this body debating the Hanford issue because all has been said that can be said about it.

I would like, however, to call attention to the following reasons why the House should continue its opposition for the fourth time against the Hanford project.

First. In authorizing the 400,000-kilowatt facility at a cost of about $58 million, Congress would be granting the Hanford project on the installment plan.

Second. If authorization is granted to construct the facility, to utilize half the steam, regardless of cost to the Nation's taxpayers, it would be almost impossible to prevent the Government from taking the next step in 1962 by authorizing the addition of another 400,000-kilowatt facility.

Third. By cutting the $95 million 800,000-kilowatt powerplant down to a $58 million 400,000-kilowatt power station such action would increase the per kilowatt of installed capacity cost by 22 percent and thus make each kilowatt-hour of electric energy more expensive to the taxpayer.

Fourth. The construction of the Hanford project would have the effect of releasing 400,000 kilowatts of firm power—previously supplied to Hanford—into the Bonneville system.

This quantity of power would add to the present surplus and could be used by the BPA to justify further the proposed Bonneville-California intertie as the first leg of an all-Federal giant power grid.

Fifth. The construction of such a facility will not make Hanford self-sufficient in terms of power because BPA would still be required to tie into the installation to supply standby power to meet the needs of Hanford during those periods when the reactor would be shut down for any reason.

Sixth. The construction of the 400,000-kilowatt facility would still have the effect of putting the AEC in the power business on a very large scale even though this power supposedly would be used exclusively at the Hanford station.

Mr. Speaker, these are six powerful reasons why the House should refuse to accept this new, bob-tailed version of the Hanford project which in reality provides for the original project in reduced form.

Furthermore, if the House were to accept this installment plan compromise it would be simply surrendering to the Senate's persistence in trying to obtain approval for the Hanford project.

Mr. Speaker, during the course of the debate on the so-called Hanford compromise an attempt will be made to link the Hanford power project with national security.

Frankly, the resumption of nuclear tests has no bearing whatsoever on the merits of Hanford except that it emphasizes the need for eliminating unnecessary projects of this kind in order to meet actual defense budgetary requirements.

In addition, voting down the conference report containing the so-called Hanford compromise will not affect the weapons program or in fact, our national defense in any way whatsoever.

The record will show that the plutonium production reactor at Hanford is nearing completion and the AEC's planning provides for the increased needs of the Nation for weapons grade plutonium to meet the requirements for the resumption of nuclear testing and expanding our stockpile of nuclear weapons.

Mr. Speaker, I hope that this conference report will be voted down by a large majority so that the House may request a new conference with the Senate after which the AEC authorization bill will come back to us in a few days with the Hanford power project deleted.

Then the House can proceed to take final action on the bill and in no way interfere with adjournment.

Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES. Mr. Speaker, the purpose of the Joint Committee on Atomic Energy is to advance the nuclear art. That is our purpose. That is the reason why we consider legislation. Now, that is the first test that any bill emanating from our committee should fulfill.

Mr. Speaker, this project here will not advance the nuclear art and, as far as I know, there is no one who says that it will.

On page 258 of the hearings, Senator PASTORE, of Rhode Island, said this:

> In other words, there is no pretense on the part of anyone that this project is going to improve the nuclear technology.

So this project fails the first and foremost test we should have in any bill which we present to this body.

Number 2: This project raises important questions of law and policy of this Congress as far as its role should be when we bring legislation before you. In the Atomic Energy Act of 1954, section 44, which has been discussed at great length here on the floor, this statement is made:

> Nothing in this Act shall be construed to authorize the Commission to engage in the sale or the distribution of energy for commercial purposes except when it is incidental to the operation.

Let us consider that particular feature. This bill contains $58 million. It does not appear to me that $58 million is purely incidental. Furthermore, we have already put $25 million into this project for purposes of convertibility. It does not seem to me that this is merely incidental when we consider the way taxes are these days.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. BATES. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. I think it is only proper to point out to the House at this time that the $25 million mentioned by the gentleman is not included in the cost factor mentioned by the chairman of the Joint Committee.

Mr. BATES. I was going to go into that a little later.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. BATES. I yield to the gentleman from California.

Mr. HOLIFIELD. The gentleman knows, of course, that section 44 of the act of 1954 states that any energy—and I am reading from that section—

> Produced by the AEC incident to the operation of research and development facilities of the Commission or by production facilities of the Commission can be sold or distributed by the Commission.

The gentleman raises the point of incidence and states that $58 million is not incidental. I point out to the gentleman that the expenditure of the $58 million will be returned with 4 percent interest within 9 years; and after that the income will more than take care of the $25 million which has already been spent on the reactor and which will be wasted unless this generator is provided for. Is not that correct?

Mr. BATES. I cannot, of course, agree with the gentleman.

Mr. HOLIFIELD. The gentleman cannot agree that the $25 million will not be wasted?

Mr. BATES. Permit me to develop the point later.

In addition to the $58 million we authorize here, in addition to the $25 million we have already spent—in addition to that there is a cost of approximately $27 million which will be used for overhead purposes that would not have been incurred if the question of utilizing this heat had not come up. This makes a total of $110 million, and I say to the gentleman that $110 million is not just incidental to the utilization of the reactor.

How about the power marketing arrangements? These, in my judgment, are contrary to the express statements which have been made to this Congress when we had the bill up before us and it was discussed in the Senate by the Senator from Rhode Island. He said:

> It will not go into the grid of either public or private companies. But the cold hard fact of the matter is that this power will go into the Bonneville chain.

The next question that was considered in respect to this matter is the question of contribution to national defense. I think I know a little something about national defense. For 23 years, over half of my lifetime, I was engaged in nothing but military defense, either on active duty or as a member of the Armed Services Committee of the House; and I can say to you without any fear of contradiction whatsoever that I can think of hundreds of places where we can spend this money that will contribute much more to the defense of our country than utilizing a type of steam that was discarded by our engineers over a hundred years ago. We can find

many better places where this money can be spent.

Will this reactor produce power economically? Go through this record, if you will, and try to determine in your own mind whether there is any economical feasibility. Why, the figures you will see will amaze you. Nothing has ever been put together in concrete form that you can really understand, so far as cost is concerned. I can tell you when the 800,000 kilowatt project was before us they told us that for 25 years of the 33-year period it would only be marginal.

Now, we are going to produce under this bill 400,000, or one-half of what we had before.

What does the record show in connection with this particular matter? In a report to the Atomic Energy Commission by the Federal Power Commission, here is what the Federal Power Commission said:

> In order to gain operating experience and to permit the design of the second unit to take advantage of steam conditions which are found to exist in actual reactor operation, it may be desirable to install initially only one unit, and to operate the reactor for a period of at least 1 year before beginning design of the second unit.

It goes on further and says:

> However, as indicated above, it is more desirable from an economic standpoint, based on consideration of power needs and values used in this report, to install both units initially.

So, if the two units were marginal, this report indicates that the one which is proposed here today is submarginal.

How about the cost of convertibility which the gentleman referred to? That will not be considered in the cost of the power utilized there. It has been so recommended before by the same Federal Power Commission. It stated:

> Costs of convertibility, now being incurred in the construction of the reactor, are not considered in this report in determining economic feasibility. However, since these costs are being incurred to make power production possible, they are proper charges to the cost of power, and should be recovered from power revenues, if possible.

The fact of the matter is nobody knows, there is not a single soul in this Chamber today can tell you what the cost is going to be to the Federal Government as far as this matter is concerned. This will depend on later consultation between the Secretary of the Interior, the Atomic Energy Commission, and Bonneville.

This matter was voted down, and properly so, when it was considered by the House, by a vote of 235 to 164. The House was right then and it will be right today if it votes this matter down again.

Mr. HOLIFIELD. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Speaker, I rise in support of the conference report, and would like to state at the outset that the chairman of the committee has explained the situation which existed in conference and the necessity for a compromise if the conferees were to come to any agreement and submit any proposal to this House.

The other body felt just as strongly about the position it took on rollcall vote as this membership felt about the position of the House. It became apparent and obvious that they wanted a free conference and would not agree except on the basis of a compromise. I cannot see anything wrong with that. That is more or less in keeping with normal procedures here in the Congress. That is the reason we have conference committees; that is the reason we call them conference committees.

The signers on the part of the House feel that they have made a fair compromise, and we believe that the House should agree to this conference report.

First of all, let me say there is no competition with coal involved in this project. There is no competition with private power involved in this project. Hanford does not use coal, it does not use gas. It gets none of its power at the present time from private sources. It gets it exclusively from Bonneville.

Mr. Speaker, it has been stated here that national defense is not involved, but all the oratory on this floor to the contrary cannot erase the testimony before our committee to the effect that this is in the interest of national defense and that it is important to our national defense.

Nor can all the oratory to the contrary here on the floor of the House today erase the fact that this action would be in keeping with existing law.

The gentleman from Pennsylvania said that this raises a question of law. I do not think it raises any question of law in a controversial fashion. It merely complies with existing law.

Mr. Speaker, section 44 of the Atomic Energy Act which the chairman of the Joint Committee, the gentleman from California [Mr. HOLIFIELD] explained a moment ago in a query to the gentleman from Pennsylvania, gives this authority. It states as follows:

> If energy is produced at production facilities of the Commission or is produced in experimental utilization facilities of the Commission, such energy may be used by the Commission, or transferred to other Government agencies or sold to publicly, cooperatively or privately owned utilities or users at reasonable and nondiscriminatory prices.

The gentleman from Massachusetts [Mr. BATES] read a different part of the same section of that act, but he left out one important word. The gentleman from Massachusetts read the concluding sentence of section 44, which reads as follows:

> Nothing in this Act shall be construed to authorize the Commission to engage in the sale or distribution of energy for commercial use except such energy as may be produced by the Commission incident to the operation of research and development facilities of the Commission, or of production facilities of the Commission.

The gentleman from Massachusetts left out the words "commercial use."

Mr. BATES. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Massachusetts.

Mr. BATES. I think that was included in my remarks. I thought I left it in.

Mr. PRICE. That is the key word in this sentence, because this energy is not being used for commercial purposes. It is being used for the operation of a national defense plant, a national defense facility, the Hanford atomic energy installation.

Mr. BATES. If the gentleman will yield further, the only point I tried to establish in quoting from that, and I thought I had included it all, the only word I wanted to stress was that the power should be incidental.

Mr. PRICE. We feel it is incidental, because you have the steam regardless of what we do here today. You can either use the steam profitably for the operation of the plant, and if you use it properly as we propose to do, in time you will pay for the operation of this particular plant.

Mr. HOLIFIELD. Mr. Speaker, will the gentlemen yield?

Mr. PRICE. I yield to the gentleman from California.

Mr. HOLIFIELD. At this particular time at the Argonne laboratory we have a reactor that is running there and we are using 5,000 kilowatts of electricity for the Government's use at the Argonne facility. At Oak Ridge, Tenn., we plan to use approximately 22,000 kilowatts for the operation of the Oak Ridge plant out of an AEC-owned reactor. So this is not anything different than we planned. This is not anything different insofar as the principle involved is concerned as between Argonne, Oak Ridge, and Hanford.

In all instances energy is being produced at a reactor and being used by the Commission itself, as the gentleman has shown in section 44, where it says if energy is produced at production facilities of the Commission it can be used by the Commission, and that is exactly what the law says. There is no question of law. There may be a question of whether someone likes the law or not, but that is the law. We are following the use of the law.

Mr. PRICE. The gentleman from California is absolutely correct. I was about to point that out. The gentleman from California, however, did it much more ably than I could. That was the point I was getting to, and the point which I wanted to make clear to the House. This is steam incidental to the operation of this reactor, and this project provides for the amortization of this reactor over the years. So any vote to eliminate this project will be a vote in favor of waste, in my opinion.

Mr. HOLIFIELD. If the gentleman will yield further, a vote to approve this conference report is a strong vote for economy, because we are now spending around $7 million a year for Bonneville power. We can produce that and amortize the generation facilities. Then, after it is amortized, after possibly 9 years of operation, you will have this capital plant amortized. Outside of the operating expense, you will have practically free power.

The gentleman from Massachusetts [Mr. BATES] used a collection of figures

which totaled up to $110 million. I have studied this very thoroughly; and where he gets the figures I cannot tell you. He brought in a factor of $27 million for operating expenses over the life of the reactor. Of course, there are operating expenses in a reactor, but that is also figured in in the amortization of the reactor; and not only is that figured in, but 4 percent interest is figured in. The original F.P.C. estimate was on a 35 to 50 percent plant factor for the 800,000 kilowatt plan in the Northwest region, and with one generator for the Hanford installation you have an 85 percent plant factor. That is what makes the difference in economy as between two reactors and one reactor.

Mr. PRICE. Mr. Speaker, the gentleman from Pennsylvania [Mr. VAN ZANDT] made the remark that there are few items involved in this particular authorization bill that pertain to the weapons program. I was just looking over the authorization appropriation for the atomic energy program and the projects which the Commission is seeking and which are involved in this particular conference report. I can see numerous important projects that are tied in with the weapons program. For instance modifications to production and supporting installations, $7,500,000, which I understand is very vital to the weapons program.

There is the fission product recovery facility at Hanford, Wash., $1,500,000, which is important to the weapons program.

There is the relocation of the Clinch River pumping station, Oak Ridge, Tenn., $1,425,000, which is also important.

There is the test plant for Project SNAP, Santa Susana, Calif., which is vital to the military program.

There is a very substantial item in this conference report that has to do with stepping up the advanced test reactor program, and that is considered to be very important and very vital to the Atomic Energy naval reactor program.

Mr. Speaker, who are the people who recommended this project? This did not originate among Members of Congress. This project is recommended by the Atomic Energy Commission unanimously. The present Chairman, Dr. Seaborg, endorses this program. The former Chairman under the previous administration, Mr. McCone, endorsed it and is very much interested in this particular program. These are many items in this conference report that are vital to the weapons program. The gentleman from Pennsylvania [Mr. VAN ZANDT], in a letter which he sent out, said that delay in the adoption of this conference report would in no way interfere with the AEC appropriations contained in the public works bill. That is not a fact. It will interfere with the AEC appropriations contained in the public works bill. The gentleman overlooks the fact that there are no construction items in the public works bill that passed this House, and there can be no construction items in the public works bill that passes the other body unless we approve this authorization. So it does vitally affect the appropriations for the Atomic Energy Commission, very vitally affects them.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. I am sure that the gentleman knows this Congress would never adjourn without the passage of an Atomic Energy authorization bill.

Mr. PRICE. The gentleman has made the point that failure to adopt this conference report will not delay adjournment. I say he can give no such guarantee.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. VAN ZANDT. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES. Mr. Speaker, the question of what costs are going to be considered in total costs has been under debate. The $58 million with 4-percent interest will be included, but the $25 million for convertible features certainly will not be included. There is an additional $27 million in additional operating costs that will not be included. In addition, this bill requires transmission lines, the cost of which is not included in this bill.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. BATES. I yield to the gentleman from California.

Mr. HOLIFIELD. The gentleman knows this does not require significant transmission lines. They exist on the Hanford facility with eight different reactors, and there are lines that come from the Bonneville Dam for the backup power. Small transmission lines may be required but there is no item of any consequence involved in transmission lines. Of course, the $27 million will accrue over a period of years in operating this, and it will be paid off by the savings on the power.

Mr. VAN ZANDT. Mr. Speaker, I yield 10 minutes to the gentleman from California [Mr. HOSMER].

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. Ninety-nine Members are present, not a quorum.

Mr. DAVIS of Tennessee. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 201]

Anfuso	Harrison, Va.	Siler
Ashley	Healey	Slack
Bass, Tenn.	Hébert	Spence
Brooks, La.	Jones, Mo.	Springer
Brown	McDonough	Thompson, La.
Buckley	Morrison	Vinson
Cooley	Rabaut	Winstead
Dague	Robison	
Hall	Rogers, Tex.	

The SPEAKER pro tempore. On this rollcall 412 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AUTHORIZING APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION

The SPEAKER pro tempore. The Chair recognizes the gentleman from California [Mr. HOSMER].

Mr. HOSMER. Mr. Speaker, so far we have had one teller vote, two rollcall votes, and many hours of argument on this matter. We are about to have another rollcall vote on it. Basically, we have had all these because this particular issue in the atomic energy authorization bill makes it a battleground for the public versus private power issue.

Mr. Speaker, whether or not public power is or is not logically intertwined in this matter, as a matter of fact it is intertwined, and it is intertwined to the detriment of the Nation's nuclear science program. If we do not today reject this conference report and thereby reject atomic energy authorization bills as a battleground for the public power issue, all this is going to plague us again and again, year after year after year, and the accumulated delay and detriment to the Nation's nuclear science program will, in the aggregate, be far more serious than if we made no authorization and no appropriation whatsoever this year.

Mr. Speaker, this kind of issue belongs over in the public works bills where it can be discussed along with unrelated items, without detriment and delay to those others. It would be very simple to handle these matters via authorizations to the power authorities—Bonneville, TVA, or whatever other authorities there are—let the issue be fought out cleanly on that battleground rather than here. By doing so we would not hamper, hamstring, and delay our nuclear science program which, my colleagues, we must do everything we can to implement in this great day of scientific progress and scientific competition, if you will, for survival.

Let me emphasize that point by saying this: I do not believe there is a person in this Chamber who does not agree that should these 400,000 kilowatts go into Hanford under this authorization, that somebody would not be back here next year for the other 400,000 kilowatts at Hanford to complete the originally planned program.

In other words, this is not a compromise. This is merely the first of two steps toward getting the 800,000 kilowatts at Hanford, 400,000 at a time, and much more expensively.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Indiana.

Mr. HALLECK. I made a few observations earlier when the gentleman from California [Mr. HOLIFIELD] very graciously yielded to me at the opening of the debate. In line with what the gentleman has just said, the House has twice expressed itself as being against this project. Now, the only way for the

House to maintain this position is to vote down this conference report. Then when that is done, that does not mean the end of this bill. It does not mean that you have voted against the other provisions in the bill, which we are for. It simply means that the House insists upon its position which we have twice taken. Then under the rules of the House it would be in order to move that the House insist upon its position and put the other body to the vote. I think that is what ought to be done.

Mr. HOSMER. The gentleman is entirely correct. By insisting upon the position of the House, we place this kind of a fight in the proper battleground and keep it away from the nuclear science program.

Mr. Speaker, I want to touch upon the economics of the proposition before us. $58 million for 400,000 kilowatts of power, they say, but that does not include $25 million that has already gone into this piece of machinery.

It does not include $27 million additional operating cost and at least $21 million for transmission interties. That makes not a $58 million project but a $131 million project. In other words, we are not talking about $58 million today, we are talking about $131 million. And we are not talking about its taking 9 years to pay back the cost of the investment, but over a quarter of a century for, remember, that the $95 million project that was originally proposed was to take over a quarter of a century to pay out. This one is even more costly.

In addition to that, this 400,000 kilowatts would not be firm power that the Hanford project could depend upon. It would be interruptible power. The hearings are replete with statements from witnesses that the plutonium reactor will be in production, then it will be out of production, and all the interruptions to power production will make it necessary for Hanford to call on Bonneville for other sources for power. So this is not any bonanza that is going to make Hanford self-sufficient from the power standpoint at all.

You are still going to have an additional 400,000 kilowatts of capacity which must be available. In short, this is economic roulette and a very sophisticated form of economic roulette because it will be forever impossible for the taxpayers to receive back the $58 million in any form that is billed as the cost of this bill or, more properly, the $131 million which is its actual price tag.

But let us assume just for a moment that this could be paid back in 9 to 11 years, as they say it might. How many things can happen in 9 to 11 years to change these hypotheses upon which this calculation is made? Nine years ago it was September 1952. How many things have happened in these last 9 years that none of us could foresee? Nine years ago the Korean war was still on. Stevenson and Eisenhower were contesting for the Presidency. Many Members of this House in September 1952, had not the remotest notion they would ever be in politics, let alone Members of the Congress of the United States. Nikita Khrushchev was unknown outside the Soviet Union 9 years ago. That is how things can change in 9 short years. Vietnam was a free country. Polaris was not heard of. There are some two-score nations on the face of this earth that 9 years ago were not here.

So you see things can change very quickly and there is no guarantee, even under the most optimistic circumstances, that those circumstances would persist long enough for any of this investment ever to be returned to the taxpayers of the United States.

Moreover, and beyond that, in 9 years from now, when this is supposed to pay off, we are either going to be at peace or we are going to be at war. If we are at war, Hanford will be one of the prime enemy targets and the $58 million investment will stand a great chance of being blown to atoms. If we are at peace it will undoubtedly be because agreements have been made between the United States and the Soviet Union and the other great powers with respect to the reduction or elimination of nuclear weapons and therefore we will not be producing plutonium at Hanford; and therefore there will be no steam to run this plant; and therefore the $58 million could not be recovered.

That is why I say the Hanford finances are a sophisticated form of economic roulette, because not half the chambers are loaded with bullets but all the chambers are loaded.

In conclusion, I ask that this conference report be voted down, first, so that we may once and for all and firmly establish the Atomic Energy authorization as no battleground for the public power issue and that issue shall not be allowed to delay our nuclear science program. Second, because we have before us no compromise, but only a step toward 800,000 kilowatts of public power. Third, because it will prove impossible to get back the public investment—the money will go down a rathole.

Mr. VAN ZANDT. Mr. Speaker, I yield myself the remainder of the time.

Mr. Speaker, in the few minutes allotted to me I would like to conclude the debate on the part of those of us who are in opposition to the Hanford compromise.

It has been mentioned during the debate that this compromise is a fair one. As one of the conferees, I think the House should know that the conference was offered the proposition of the Senate's yielding on the Hanford project and the House accepting the $5 million for the Morgantown, W. Va., laboratory. Of course, the Senate confereees said "No." They insisted on not only retaining the $5 million item in the bill but likewise the Hanford project. Then the compromise was approved by a vote of 6 to 2.

Since the last House vote on the Hanford project, a war of nerves has been conducted. Frankly, in all my legislative experience over a period of many years never have I encountered the pressure that was applied in connection with this issue. It went so far that investigators of the other body investigated those elements of our industrial life who were supporting opposition to the Hanford project.

Therefore the Hanford compromise is not a fair one as far as the House is concerned. As a matter of fact it would give to the Senate everything they asked for and ignore the wishes of this body. As stated, it is the first step toward the ultimate construction of the Hanford project and a giant Federal power grid. I think that we have proved our case here today to the point that the compromise contained in this conference report will put the Atomic Energy Commission in the power business. It has been mentioned also that the power will be economical. But as the gentleman from Massachusetts [Mr. BATES] said, when you take into consideration all of the cost factors of the project, the energy produced will be mighty expensive.

Mr. Speaker, I hope those who are in opposition to the Hanford project will vote down the conference report and send this bill back to conference.

Mr. HOLIFIELD. Mr. Speaker, I yield myself the remainder of the time.

Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks at this point in the RECORD on this subject.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ULLMAN. Mr. Speaker, I rise in support of adoption of the conference report. First, I want to pay sincere tribute to the gentleman from California [Mr. HOLIFIELD] and the gentleman from Illinois [Mr. PRICE]. They are to be commended for their work and have truly earned the gratitude of the House for an able job carried out under most difficult circumstances. As I made clear when that issue was before us, I felt strongly that the decision to instruct our conferees prior to any meeting with the conferees from the other body was not a sound one. However, it was done and it is a credit to these two gentlemen that the proposal which they have brought back to us is truly a good and a fair compromise.

While I have consistently urged the House to authorize full conservation of the byproduct steam that will be produced at Hanford, I am fully in support of this compromise. It should eliminate completely the false issue of public versus private power which has been consistently raised by the opponents of the Hanford proposal. Like the earlier proposal it is completely feasible, both technically and economically. It is, as well, in the national interest—a point which I want to stress very strongly.

As the gentleman from California has so ably stated, the proposed authorization of one generator to utilize this byproduct heat will put the vital atomic energy facilities at Hanford on a fully self-sustaining basis in terms of electric energy. Not only would this represent a very substantial saving to the taxpayers of the United States, but it has even more important implications from the standpoint of national security. The plutonium production reactor and the other facilities at the AEC complex there are obviously of basic importance to our defense effort. At the present time, they are dependent on outside sources for the

great quantities of electric energy which are utilized. Adoption of the conference report will make possible the elimination of that dependence on outside energy sources. In my opinion, this aspect alone, in these dangerous and difficult times, demands that we accept the proposal of the conference committee and authorize the one generator.

Mr. Speaker, the people of the Pacific Northwest are united behind this important project. They recognize its value to our area and to the entire Nation. I urge my colleagues not to be misled by the false arguments raised by the sectionalists and the shortsighted special interest groups. I urge you to adopt this report.

Mr. CORMAN. Mr. Speaker, I rise in support of the conference report and the position of my very able and esteemed colleague from California [Mr. HOLIFIELD]. The economics and the philosophy of this issue have been amply debated on both sides by competent spokesmen for the opposing views.

One matter which has not been touched on, and of which the community I represent is acutely aware, is the relation of generating electricity to the problem of air pollution. I fully appreciate the fact that prospects of Hanford electric energy coming to Los Angeles are remote. Yet the tremendous advantage to any community by producing its electricity through hydro or atomic energy is a matter which deserves our consideration. Pollution of the air in our metropolitan cities is a complex one and extremely expensive to solve. The taxpayers of Los Angeles, and of California, have spent substantial amounts of money to identify, and where possible to eliminate, air pollutants. One of the factors was the generation of electricity through the use of crude oil. At substantial cost to the power users, production of power with this type of fuel is banned during certain periods of the year. It would be greatly to the advantage of Los Angeles if all of its power could be generated with hydro or atomic energy. The Los Angeles Air Pollution Control District informs me that a steam generating plant producing 800,000 kilowatts of power—the amount to be generated by the original Hanford proposal—and using as their fuel crude oil, which is the least expensive and at times the only available fuel, this steam generating plant would pump into the atmosphere daily 90 tons of sulfur dioxide, 60 tons of nitrate oxides, and 10 tons or aerosols, a total of 160 tons of air pollutant per day. The issue is whether or not the public shall have the advantage of this quantity of power production without the evils of air pollution.

Some comments as to the size and efficiency of the original Hanford proposal had led me to believe that the project was of such minor size and efficiency that it should concern me little. On further checking, I discover that this quantity of electric energy exceeds that which is available to California from the great hydroelectric producing facility at Hoover Dam. I know that Hoover Dam supplies to California an appreciable part of its electricity, and that every kilowatt which comes from hydropower decreases by that much the amount of air pollution which the people of Los Angeles must suffer. I am most hopeful that the position of the conferees will be sustained and that we could hope for a reevaluation of the original proposal at some later date. I urge a "Yes" vote on the conference report.

Mr. HOLIFIELD. Mr. Speaker, I find the position of the gentleman from Pennsylvania very strange. He has supported the $100 million atomic reactor in Shippingport which delivers its subsidized power to a private utility company.

He is supporting now the atomic powerplant in Pennsylvania which is built on top of a coal mine. He is supporting the atomic plant in New England which uses oil and which will replace oil. He is supporting an atomic powerplant at Peach Bottom, Pa.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. Mr. Speaker, I cannot yield to the gentleman at this time.

Mr. VAN ZANDT. The gentleman mentioned my name.

Mr. HOLIFIELD. Mr. Speaker, I cannot yield at this time.

Mr. Speaker, this is a compromise between two coequal bodies. We will be having one generator instead of two under this compromise. There is no competition in this instance with coal, oil, or gas. There is no competition with private power. The present power for the Hanford eight reactors in existence comes from the Bonneville system. The proposed electric power will come from the one new dual-purpose reactors, and it would take care of that reactor's operation and the other reactors.

The studies prove that this has economic value. This is an economic vote. It is a vote for economy. We are paying 2.3 mills for power from the Bonneville system and this will produce power at 1.7 mills. This will give a 30-percent saving on the annual electricity bill for the defense plant at Hanford. All of the power will be used exclusively under the terms of the amendment in the conference report for a defense plant. Not one kilowatt will be sold commercially and not one kilowatt of power will compete with commercial power. Those are the facts of the case in spite of the oratory you have heard here on this floor; and upon these facts, Mr. Speaker, I rest my case. I ask for the adoption of the conference report.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

All time has expired.

PARLIAMENTARY INQUIRY

Mr. VAN ZANDT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. VAN ZANDT. Mr. Speaker, as I understand the parliamentary situation, we are about to vote on the conference report and those in opposition to the Hanford project by voting "no" on the conference report will support their position; is that correct?

The SPEAKER pro tempore. The Chair does not consider that to be a parliamentary inquiry. The conference report speaks for itself.

Mr. HOLIFIELD. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the adoption of the conference report.

Mr. VAN ZANDT. Mr. Speaker, I ask for the yeas and nays on this vote.

The yeas and nays were ordered.

The question was taken; and there were—yeas 156, nays 251, not voting 28, as follows:

[Roll No. 202]

YEAS—156

Addabbo	Hansen	O'Hara, Mich.
Addonizio	Harding	O'Konski
Albert	Healey	Olsen
Andersen, Minn.	Hechler	Passman
	Hemphill	Patman
Andrews	Henderson	Pelly
Anfuso	Holifield	Pfost
Aspinall	Holtzman	Philbin
Baldwin	Horan	Pilcher
Baring	Ichord, Mo.	Poage
Bass, Tenn.	Inouye	Price
Beckworth	Joelson	Pucinski
Bennett, Fla.	Johnson, Calif.	Rains
Blatnik	Johnson, Md.	Randall
Boland	Johnson, Wis.	Reuss
Bolling	Jones, Ala.	Rivers, Alaska
Brademas	Karsten	Roberts
Breeding	Karth	Rodino
Brewster	Kastenmeier	Rogers, Colo.
Brooks, Tex.	Kelly	Rooney
Burke, Ky.	Keogh	Roosevelt
Burke, Mass.	Kilday	Rostenkowski
Cannon	Kilgore	Roush
Carey	King, Calif.	Rutherford
Celler	King, Utah	Ryan
Coad	Kirwan	St. Germain
Cohelan	Kluczynski	Santangelo
Corman	Kowalski	Saund
Daniels	Lane	Shelley
Davis, John W.	Loser	Sheppard
Davis, Tenn.	McCormack	Shipley
Delaney	McDowell	Sisk
Diggs	McFall	Smith, Iowa.
Dingell	Machrowicz	Smith, Miss.
Donohue	Mack	Stafford
Doyle	Madden	Stratton
Durno	Magnuson	Stubblefield
Edmondson	Mailliard	Sullivan
Elliott	Marshall	Teague, Tex.
Everett	May	Thomas
Evins	Miller, Clem	Thompson, N.J.
Farbstein	Miller, George P.	Thompson, Tex.
Feighan	Montoya	Thornberry
Finnegan	Morris	Tollefson
Fogarty	Moss	Trimble
Frazier	Moulder	Udall, Morris K.
Friedel	Multer	Ullman
Gallagher	Murphy	Vanik
Garmatz	Murray	Wickersham
Gilbert	Norblad	Willis
Green, Oreg.	O'Brien, Ill.	Yates
Griffiths	O'Hara, Ill.	Zablocki
Hagen, Calif.		Zelenko

NAYS—251

Abbitt	Blitch	Corbett
Adair	Bolton	Cramer
Alexander	Bonner	Cunningham
Alford	Bow	Curtin
Alger	Bray	Curtis, Mass.
Anderson, Ill.	Bromwell	Curtis, Mo.
Arends	Broomfield	Daddario
Ashbrook	Broyhill	Davis, James C.
Ashmore	Bruce	
Auchincloss	Burleson	Dent
Avery	Byrne, Pa.	Denton
Ayres	Byrnes, Wis.	Derounian
Bailey	Cahill	Derwinski
Baker	Casey	Devine
Barrett	Cederberg	Dole
Barry	Chamberlain	Dominick
Bass, N.H.	Chelf	Dorn
Bates	Chenoweth	Dowdy
Battin	Chiperfield	Downing
Becker	Church	Dulski
Beermann	Clancy	Dwyer
Belcher	Clark	Ellsworth
Bell	Collier	Fallon
Bennett, Mich.	Colmer	Fascell
Berry	Conte	Fenton
Betts	Cook	Findley

Fino	Kyl	Rhodes, Ariz.
Fisher	Laird	Rhodes, Pa.
Flood	Landrum	Riehlman
Flynt	Langen	Riley
Ford	Latta	Rivers, S.C.
Forrester	Lennon	Rogers, Fla.
Fountain	Lesinski	Roudebush
Frelinghuysen	Libonati	Rousselot
Fulton	Lindsay	St. George
Garland	Lipscomb	Saylor
Gary	McCulloch	Schadeberg
Gathings	McDonough	Schneck
Gavin	McIntire	Scherer
Giaimo	McMillan	Schneebeli
Glenn	McSween	Schweiker
Goodell	McVey	Schwengel
Goodling	Macdonald	Scott
Granahan	MacGregor	Scranton
Grant	Mahon	Seely-Brown
Gray	Martin, Mass.	Selden
Griffin	Martin, Nebr.	Short
Gross	Mason	Shriver
Gubser	Mathias	Sibal
Hagan, Ga.	Matthews	Sikes
Haley	Meader	Smith, Calif.
Halleck	Merrow	Smith, Va.
Halpern	Michel	Spence
Hardy	Miller, N.Y.	Springer
Harris	Milliken	Staggers
Harrison, Wyo.	Mills	Steed
Harsha	Minshall	Stephens
Harvey, Ind.	Moeller	Taber
Harvey, Mich.	Monagan	Taylor
Hays	Moore	Teague, Calif.
Herlong	Moorehead, Ohio	Thomson, Wis.
Hiestand	Moorhead, Pa.	Toll
Hoeven	Morgan	Tuck
Hoffman, Ill.	Morse	Tupper
Hoffman, Mich.	Mosher	Utt
Holland	Natcher	Van Pelt
Hosmer	Nelsen	Van Zandt
Huddleston	Nix	Wallhauser
Hull	Norrell	Walter
Ikard, Tex.	Nygaard	Watts
Jarman	O'Brien, N.Y.	Weaver
Jennings	O'Neill	Weis
Jensen	Osmers	Whalley
Johansen	Ostertag	Wharton
Jonas	Perkins	Whitener
Judd	Peterson	Whitten
Kearns	Pike	Widnall
Kee	Pillion	Williams
Keith	Pirnie	Wilson, Calif.
Kilburn	Poff	Wilson, Ind.
King, N.Y.	Quie	Winstead
Kitchin	Ray	Wright
Knox	Reece	Younger
Kornegay	Reifel	
Kunkel		

NOT VOTING—28

Abernethy	Dooley	Robison
Ashley	Green, Pa.	Rogers, Tex.
Boggs	Hall	Siler
Boykin	Harrison, Va.	Slack
Brooks, La.	Hébert	Thompson, La.
Brown	Jones, Mo.	Vinson
Buckley	Lankford	Westland
Cooley	Morrison	Young
Dague	Powell	
Dawson	Rabaut	

So the conference report was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Buckley for, with Mr. Brooks of Louisiana against.

Mr. Ashley for, with Mr. Rogers of Texas against.

Mr. Rabaut for, with Mr. Hébert against.

Mr. Dawson for, with Mr. Cooley against.

Mr. Morrison for, with Mr. Harrison of Virginia, against.

Mr. Powell for, with Mr. Slack against.

Mr. Thompson of Louisiana, for, with Mr. Abernethy against.

Mr. Green of Pennsylvania, for, with Mr. Brown against.

Mr. Westland for, with Mr. Dooley against.

Mr. Lankford for, with Mr. Hall against.

Until further notice:

Mr. Jones of Missouri with Mr. Siler.

Mr. MOORHEAD of Pennsylvania changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The Clerk will report the Senate amendment.

The Clerk read as follows:

Strike out all after the enacting clause and insert:

"SEC. 101. PLANT OR FACILITY ACQUISITION OR CONSTRUCTION.—There is hereby authorized to be appropriated to the Atomic Energy Commission in accordance with the provisions of section 261a(1) of the Atomic Energy Act of 1954, as amended, the sum of $226,440,000 for acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, as follows:

"(a) SPECIAL NUCLEAR MATERIALS.—

"Project 62-a-1, modifications to production and supporting installations, $7,500,000.

"Project 62-a-2, fission product recovery, phase II, Hanford, Washington, $1,500,000.

"Project 62-a-3, modifications for improved natural fuel elements, Savannah River, South Carolina, $3,950,000.

"Project 62-a-4, solvent purification installation, Savannah River, South Carolina, $500,000.

"Project 62-a-5, additional reactor confinement, Savannah River, South Carolina, $3,000,000.

"Project 62-a-6, electric energy generating facilities for the new production reactor, Hanford, Washington, $95,000,000.

"SPECIAL NUCLEAR MATERIALS.—

"Project 62-b-1, relocation of Clinch River pumping station, Oak Ridge, Tennessee, $1,425,000.

Project 62-b-2, feed vaporization building, Paducah, Kentucky, $585,000.

"Project 62-b-3, permanent Gallaher Bridge, Oak Ridge, Tennessee, $1,265,000.

"(c) ATOMIC WEAPONS.—

"Project 62-c-1, weapons production, development, and test installations, $7,500,000.

"Project 62-c-2, specialized plant addition and modification, Oak Ridge, Tennessee, $3,500,000.

"Project 62-c-3, Tandem Van de Graaff facility, Los Alamos, New Mexico, $3,500,000.

"(d) REACTOR DEVELOPMENT.—

"Project 62-d-1, test plant for project SNAP, Santa Susana, California, $3,375,000.

"Project 62-d-2, experimental beryllium oxide reactor, National Reactor Testing Station, Idaho, $8,000,000.

"Project 62-d-3, fuels recycle plant, Hanford, Washington, $5,000,000.

"Project 62-d-4, high radiation level analytical laboratory, Oak Ridge National Laboratory, Tennessee, $2,000,000.

"Project 62-d-5, improvements to radioactive liquid waste system, Oak Ridge National Laboratory, Tennessee, $1,700,000.

"Project 62-d-6, experimental organic cooled reactor loops, National Reactor Testing Station, Idaho, $6,000,000.

"Project 62-d-7, ultra high temperature rreactor experiment building, Los Alamos Scientific Laboratory, New Mexico, $3,500,000.

"(e) REACTOR DEVELOPMENT.—

"Project 62-e-1, additional transient housing, Argonne National Laboratory, Illinois, $300,000.

"Project 62-e-2, technical services building, National Reactor Testing Station, Idaho, $1,500,000.

"Project 62-e-3, instrumentation and health physics building, Brookhaven National Laboratory, New York, $2,000,000.

"Project 62-e-4, study, development, and design for nuclear processes which have application for improving and utilizing coal and coal products, $5,000,000.

"(f) PHYSICAL RESEARCH.—

"Project 62-f-1, modifications to CP-5 reactor and low energy accelerator installations, Argonne National Laboratory, Illinois, $1,650,000.

"Project 62-f-2, accelerator and reactor additions and modifications, Brookhaven National Laboratory, New York, $1,875,000.

"Project 62-f-3, accelerator improvements, Cambridge and Princeton accelerators, $500,000.

"Project 62-f-4, accelerator improvements, Lawrence Radiation Laboratory, California, $550,000.

"(g) PHYSICAL RESEARCH.—

"Project 62-g-1, high energy physics laboratory, Argonne National Laboratory, Illinois, $6,900,000.

"Project 62-g-2, chemistry laboratory, Brookhaven National Laboratory, New York, $6,000,000.

"Project 62-g-3, cosmotron laboratory addition, Brookhaven National Laboratory, New York, $525,000.

"Project 62-g-4, mechanical shops building, Lawrence Radiation Laboratory, California, $2,640,000.

"Project 62-g-5, physics building, University of Chicago, Illinois, $800,000.

"(h) BIOLOGY AND MEDICINE.—

"Project 62-h-1, laboratory for mixed fission product inhalation studies, Lovelace Foundation, Albuquerque, New Mexico, $2,000,000.

"(i) BIOLOGY AND MEDICINE.—

"Project 62-i-1, cell physiology laboratories, Oak Ridge National Laboratory, Tennessee, $500,000.

"Project 62-i-2, mammalian genetics laboratories, Oak Ridge National Laboratory, Tennessee, $760,000.

"Project 62-i-3, controlled environment laboratory, Brookhaven National Laboratory, New York, $1,000,000.

"Project 62-i-4, animal bioradiological laboratory, Lawrence Radiation Laboratory, California, $700,000.

"(j) COMMUNITY.—

"Project 62-j-1, additional junior high school construction, Los Alamos, New Mexico, $1,750,000.

"Project 62-j-2, additional elementary school construction, Los Alamos, New Mexico, $700,000.

"Project 62-j-3, Mesa public library addition, Los Alamos, New Mexico, $70,000.

"Project 62-j-4, real estate development, Los Alamos County, New Mexico, $410,000.

"(k) GENERAL PLANT PROJECTS.—$34,510,000.

"SEC. 102. LIMITATIONS.—(a) The Commission is authorized to start any project set forth in subsections 101 (a), (c), (d), (f), and (h), only if the currently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for that project.

"(b) The Commission is authorized to start any project set forth in subsections 101 (b), (e), (g), (i), and (j), only if the currently estimated cost of that project does not exceed by more than 10 per centum the estimated cost set forth for that project.

"(c) The Commission is authorized to start a project under subsection 101(k) only if it is in accordance with the following:

"1. For community operations, the maximum currently estimated cost of any project shall be $100,000 and the maximum currently estimated cost of any building included in such project shall be $10,000.

"2. For all other programs, the maximum currently estimated cost of any project shall be $500,000 and the maximum currently estimated cost of any building included in such a project shall be $100,000.

"3. The total cost of all projects undertaken under subsection 101(k) shall not exceed the estimated cost set forth in that subsection by more than 10 per centum.

"SEC. 103. ADVANCE PLANNING AND DESIGN.—There are hereby authorized to be appropriated funds for advance planning, construction design, and architectural services, in connection with projects which are not otherwise authorized by law, and the Atomic Energy Commission is authorized to use funds currently or otherwise available to it for such purposes.

"SEC. 104. RESTORATION OR REPLACEMENT.—There are hereby authorized to be appropriated funds necessary to restore or to replace plants or facilities destroyed or otherwise seriously demaged, and the Atomic Energy Commission is authorized to use funds currently or otherwise available to it for such purposes.

"SEC. 105. CURRENTLY AVAILABLE FUNDS.—In addition to the sums authorized to be appropriated to the Atomic Energy Commission by section 101 of this Act, there are hereby authorized to be appropriated to the Atomic Energy Commission to accomplish the purposes of this Act such sums of money as may be currently available to the Atomic Energy Commission.

"SEC. 106. SUBSTITUTIONS.—Funds authorized to be appropriated or otherwise made available by this Act may be used to start any other new project for which an estimate was not included in this Act if it be a substitute for a project or portion of a project authorized in subsections 101 (a), (b), and (c) and the estimated cost thereof is within the limit of cost of the project for which substitution is to be made, and the Commission certifies that—

"(a) the project is essential to the common defense and security;

"(b) the new project is required by changes in weapon characteristics or weapon logistic operations; and

"(c) it is unable to enter into a contract with any person, including a licensee, on terms satisfactory to the Commission to furnish from a privately owned plant or facility the product or services to be provided in the new project.

"SEC. 107. AMENDMENT OF PRIOR YEAR ACTS.—(a) Section 101 of Public Law 86–457 is amended by striking therefrom the figure '$211,476,000' and substituting therefor the figure '$338,476,000'.

"(b) Section 101(f) of Public Law 86–457 is amended by striking therefrom 'Project 61–f–7, design and engineering, linear electron accelerator, $3,000,000' and substituting therefor 'Project 61–f–7, linear electron accelerator, $114,000,000'.

"(c) Section 101(d) of Public Law 86–457 is amended by striking therefrom the figure '$24,000,000' for project 61–d–9, advanced test reactor, and substituting therefor the figure '$40,000,000'.

"SEC. 108. PROJECT RESCISSIONS.—(a) Public Law 86–457 is amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

"Project 61–b–2, high velocity test track, Sandia Base, New Mexico, $2,100,000.

"(b) Public Law 86–50, as amended, is further amended by rescinding therefrom authorization for projects, except for funds heretofore obligated, as follows:

"Project 60–a–2, prototype installation, gaseous diffusion plants, $1,000,000.

"Project 60–b–1, cylinder storage area, Paducah, Kentucky, $500,000.

"(c) Public Law 85–590, as amended, is further amended by rescinding therefrom authorization for projects, except for funds heretofore obligated, as follows:

"Project 59–c–9, test assembly building, $510,000.

"Project 59–d–1, reprocessing pilot plant, Oak Ridge National Laboratory, Tennessee, $3,500,000.

"Project 59–d–3, fast reactor safety testing station, Nevada test site, $1,367,000.

"(d) Public Law 85–162, as amended, is further amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

"Project 58–b–6, additions to gaseous diffusion plants, $6,600,000.

"(e) Public Law 84–506, as amended, is further amended by rescinding therefrom authorization for projects, except for funds heretofore obligated, as follows:

"Project 57–a–6, charging and discharging system, Hanford, Washington, $3,450,000.

"SEC. 109. COOPERATIVE POWER REACTOR DEMONSTRATION PROGRAM.—

"(a) Section 111 of Public Law 85–162, as amended, is further amended by striking out the date 'June 30, 1961,' in clause (3) of subsection (a) and inserting in lieu thereof the date 'June 30, 1962,'.

"(b) There is hereby authorized to be appropriated to the Atomic Energy Commission the sum of $7,000,000 to be available, in addition to the funds heretofore authorized for carrying out the Commission's power reactor demonstration program in accordance with the terms and conditions provided in sections 110 and 112 of Public Law 86–50. The maximum amount of the program authorization, specified in subsection 110(b) of Public Law 86–50 and section 109 of Public Law 86–457, is increased by $12,000,000. In addition to the amounts authorized under subsection 110(c) of Public Law 86–50 and section 109 of Public Law 86–457, the Commission is authorized to use funds not to exceed $7,000,000 in the aggregate, to provide research and development assistance in support of unsolicited proposals from the utility industry to construct nuclear power plants.

"(c) Funds appropriated to the Commission pursuant to the authorization contained in subsections (b) and (d) of section 110 of Public Law 86–50 shall be available to the Commission, notwithstanding the provisions of section 111(f) of Public Law 85–162, for a cooperative arrangement in accordance with the basis for an agreement described in the Program Justification Data for Arrangement Numbered 60–110–2, a cooperative power reactor project designated as the LaCrosse Boiling Water Reactor.

"SEC. 110. DISPOSITION OF ELECTRIC ENERGY.—

"(a) Electric energy produced during the operating life of the electric generating facilities constructed under section 101(a) shall be delivered by the Commission at the site of said generating facilities to, and pursuant to agreement with the Secretary of the Interior who shall transmit and dispose of such energy under the terms prescribed by section 44 of the Atomic Energy Act of 1954, as amended.

"(b) Allocation of costs to the production of such electric energy shall be made jointly by the Commission and the Secretary of the Interior, and, in the event of disagreement, shall be made by the President. Costs so allocated shall be returned to the Treasury from revenue derived by the Secretary from the disposition of electric energy marketed through the Bonneville Power Administration."

Mr. HOLIFIELD (interrupting the reading of the Senate amendment). Mr. Speaker, I ask unanimous consent that further reading of the Senate amendment be dispensed with, and that it be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. HOLIFIELD moves that the House insist on its disagreement to the Senate amendment.

The motion was agreed to.

A motion to reconsider was laid on the table.

AMENDMENTS TO FEDERAL AIRPORT ACT

Mr. HARRIS. Mr. Speaker, I call up the conference report on the bill (H.R. 8102) to amend the Federal Airport Act so as to extend the time for making grants under the provisions of such act, and for other purposes.

The Clerk read the title of the bill.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1166)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8102) to amend the Federal Airport Act so as to extend the time for making grants under the provisions of such Act, and for other purposes, having met, after full and free conference, have been unable to agree.

OREN HARRIS,
JOHN BELL WILLIAMS,
SAMUEL N. FRIEDEL,
JOHN JARMAN,
JOHN B. BENNETT,
WILLIAM L. SPRINGER,
HAROLD R. COLLIER,
Managers on the Part of the House.

WARREN G. MAGNUSON,
A. S. MIKE MONRONEY,
GEORGE A. SMATHERS,
NORRIS COTTON,
ANDREW F. SCHOEPPEL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8102) to amend the Federal Airport Act so as to extend the time for making grants under the provisions of such act, and for other purposes, report that the conferees have been unable to agree.

OREN HARRIS,
JOHN BELL WILLIAMS,
SAMUEL N. FRIEDEL,
JOHN JARMAN,
JOHN B. BENNETT,
WILLIAM L. SPRINGER,
HAROLD R. COLLIER,
Managers on the Part of the House.

The SPEAKER pro tempore. The Clerk will report the Senate amendment.

The Clerk read as follows:

Strike out all after the enacting clause and insert: "That section 4 of the Federal Airport Act (49 U.S.C. 1103) is amended by inserting '(a)' immediately after 'SEC. 4.' and by adding at the end thereof the following new subsection:

"'ANNOUNCEMENT OF PROGRAM

"'(b) It shall be the duty of the Administrator to make public by January 1 of each year the proposed program of airport development intended to be undertaken during the fiscal year next ensuing and he may revise such program to the extent he finds necessary to accomplish the purposes of this Act.'

"SEC. 2. (a) The first sentence of section 5(a) of such Act (49 U.S.C. 1104(a)) is amended by inserting immediately before the period at the end thereof the following: 'and the sum of $66,500,000 for each of the fiscal years ending June 30, 1962, June 30, 1963, June 30, 1964, June 30, 1965, and June 30, 1966'.

"(b) Section 5(b) of such Act (49 U.S.C. 1104(b)) is amended by inserting '(1)' immediately after '(b)' and by adding at the end thereof the following new paragraph:

"'(2) For the purpose of carrying out this Act with respect to projects in Hawaii, Puerto Rico, and the Virgin Islands, in addition to such sums as may otherwise be authorized to be obligated by this Act, there is hereby authorized to be obligated by the

execution of grant agreements pursuant to section 12 of this Act the sum of $1,500,000 for each of the fiscal years ending June 30, 1962, June 30, 1963, June 30, 1964, June 30, 1965, and June 30, 1966. Each such authorized amount shall become available for obligation beginning July 1 of the fiscal year for which it is authorized, and shall continue to be so available until so obligated. Of each such amount, 40 per centum shall be available for projects in Hawaii, 40 per centum shall be available for projects in Puerto Rico and 20 per centum for projects in the Virgin Islands.'

"(c) Section 5 of such Act is further amended by redesignating subsections (c) and (d) as subsections '(d)' and '(e)', respectively, and by inserting immediately after subsection (b) the following new subsection:

"'SPECIAL AUTHORIZATION FOR CERTAIN GENERAL AVIATION AIRPORTS

"'(c) In addition to other sums available under this Act, there is authorized to be obligated by the execution of grant agreements pursuant to section 12 the sum of $7,000,000 for each of the fiscal years ending June 30, 1962, June 30, 1963, June 30, 1964, June 30, 1965, and June 30, 1966, for the development in the several States of airports the primary purpose of which is to serve general aviation and to relieve congestion at airports having high density of traffic serving other segments of aviation. Each such authorized amount shall become available for obligation beginning July 1 of the fiscal year for which it is authorized and shall continue to be so available until so obligated.'

"(d) Subsection (d) of such section 5 (as so redesignated by subsection (c) of this section) is amended by striking out 'subsections (a) and (b)' and inserting in lieu thereof 'subsections (a), (b), and (c)'.

"(e) Subsection (e) of such section 5 (as so redesignated by subsection (c) of this section) is amended by striking out 'section 204 of the Civil Aeronautics Act of 1938 (49 U.S.C. 424)' and inserting in lieu thereof 'subsection (a) of section 303 of the Federal Aviation Act of 1958 (49 U.S.C. 1344(a))'.

"SEC. 3. (a) Paragraph (1) of section 6(b) of such Act (49 U.S.C. 1105(b)(1)) is amended to read as follows:

"'(b)(1) Twenty-five per centum of all amounts authorized to be obligated by section 5(a) and all of the amounts authorized to be obligated by section 5(c) shall, as such amounts become available, constitute a discretionary fund.'

"(b) Paragraph (2) of section 6(b) of such Act (49 U.S.C. 1105(b)(2)) is amended to read as follows:

"'(2) Such discretionary fund shall be available for such approved projects in the several States, Puerto Rico, and the Virgin Islands as the Administrator may deem most appropriate for carrying out the national airport plan, regardless of the location of such projects. The Administrator shall give consideration, in determining the projects for which such fund is to be so used, to the existing airport facilities in the several States, Puerto Rico, and the Virgin Islands, and to the need for or lack of development of airport facilities in the several States, Puerto Rico, and the Virgin Islands.'

"(c) Paragraph (3) of section 6(b) of such Act (49 U.S.C. 1105(b)(3)) is amended by striking out 'and national forests' and inserting in lieu thereof 'national forests, and special reservations for Government purposes'.

"(d) Section 6(c) of such Act (49 U.S.C. 1105(c)) is amended to read as follows:

"'REDISTRIBUTION OF FUNDS

"'(c) Any amount apportioned for projects in a State pursuant to subsection (a) of this section which has not been obligated by grant agreement at the expiration of the fiscal year following the fiscal year for which it was first authorized to be obligated shall be added to the discretionary fund established by subsection (b) of this section.'

"SEC. 4. Section 9(d) of such Act (49 U.S.C. 1108(d)) is amended by inserting '(1)' immediately after '(d)' and by adding at the end thereof the following new paragraphs:

"'(2) No project shall be approved by the Administrator which does not include provision for installation of such of the landing aids specified in section 10(d) as are determined by him to be required for the safe and efficient use by aircraft of the airport taking into account the category of the airport and the type and volume of traffic utilizing the airport.

"'(3) No project shall be approved by the Administrator unless he is satisfied that fair consideration has been given to the interest of communities in or near which such project may be located.'

"SEC. 5. (a) Section 10 of such Act (49 U.S.C. 1109) is amended by striking out subsection (e) and inserting in lieu thereof the following:

"'LANDING AIDS

"'(d) To the extent that the project costs of an approved project represent the cost of installation of (1) land required for the installation of approach light systems, (2) in-runway lighting, (3) high intensity runway lighting, or (4) runway distance markers, the United States share shall be not to exceed 75 per centum of the allowable costs of such installation.'

"(b) Subsection (a) of such section 10 is amended by striking out '(d), and (e)' and inserting in lieu thereof 'and (d)'.

"SEC. 6. (a) Paragraph (5) of section 11 of such Act (49 U.S.C. 1110) is amended to read as follows:

"'(5) the airport operator or owner will furnish without cost to the Federal Government for use in connection with any air traffic control activities, or weather-reporting activities and communication activities related to air traffic control, such areas of land or water, or estate therein, or rights in buildings of the sponsor as the Administrator may consider necessary or desirable for construction at Federal expense of space or facilities for such purposes;'.

"(b) Section 11 of such Act is further amended by adding at the end thereof the following new sentence: 'Whenever the Administrator shall obtain from a sponsor any area of land or water, or estate therein, or rights in buildings of the sponsor and shall construct thereon at Federal expense space or facilities, he is authorized to relieve the sponsor from any contractual obligation entered into under this Act to provide free space in airport buildings to the Federal Government to the extent he finds such space no longer required for the purposes set forth in paragraph (5) of this section.'

"SEC. 7. Section 13(b) of such Act (49 U.S.C. 1112) is amended to read as follows:

"'COSTS NOT ALLOWED AFTER JUNE 30, 1961

"'(b) With respect to amounts obligated under this Act after June 30, 1961, the following shall not be allowable project costs: (1) the cost of construction of that part of a project intended for use as a passenger automobile parking facility; or (2) the cost of construction of any part of an airport building except such of those buildings or parts of buildings intended to house facilities or activities directly related to the safety of persons at the airport.'

"SEC. 8. (a)(1) Paragraph (7) of section 2(a) of such Act (49 U.S.C. 1101(a)(7)) is amended by striking out 'Alaska, Hawaii,';

"(2) Paragraph (12) of section 2(a) of such Act (49 U.S.C. 1101(a)(12)) is amended by striking out 'on May 13, 1946,'.

"(b) Section 3(a) of such Act (49 U.S.C. 1102(a)) is amended—

"(1) by striking out 'Alaska, Hawaii, and' where it appears in the first sentence thereof; and

"(2) by striking out 'Alaska, Hawaii,' in the third sentence thereof.

"(c)(1) The heading of section 7 of such Act (49 U.S.C. 1106) is amended to read as follows: 'Availability of funds for projects in Puerto Rico and the Virgin Islands'.

"(2) The text of section 7 of such Act is amended by striking out 'Alaska, in Hawaii, or in Puerto Rico,' and inserting in lieu thereof 'Puerto Rico'.

"(d) Section 9(c) of such Act (49 U.S.C. 1108(c)) is amended by striking out 'Alaska, Hawaii,' and by inserting before the period at the end thereof a comma and 'or a special reservation for Government purposes'.

"(e) Section 10(c) of such Act (49 U.S.C. 1109(c)) is amended by striking out 'Alaska and' where it appears in the heading and in the text of such section.

"SEC. 9. The Federal Aviation Act of 1958 (49 U.S.C. 1301 et seq.) is amended by adding at the end of section 1109 thereof of a new subsection as follows:

"'(e) The head of any agency of the Federal Government charged with any duty of inspection, clearance, collection of taxes or duties, or other similar function, including, but not limited to, the Secretary of the Treasury, Secretary of Agriculture, Attorney General, and Secretary of Health, Education, and Welfare, is authorized to acquire by purchase, condemnation, lease, or otherwise, space at public airports which he deems necessary for the performance of such duties and to pay a reasonable compensation therefor.'

"SEC. 10. The amendments made by this Act shall not apply with respect to projects for which amounts have been obligated by the execution of grant agreements before their enactment. With respect to such projects, the Federal Airport Act shall continue to apply as if this Act had not been enacted."

Mr. HARRIS (interrupting the reading of the amendment). Mr. Speaker, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. HARRIS moves that the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That section 4 of the Federal Airport Act (49 U.S.C. 1103) is amended by inserting '(a)' immediately after 'SEC. 4.' and by adding at the end thereof the following new subsection:

"'ANNOUNCEMENT OF PROGRAM

"'(b) It shall be the duty of the Administrator to make public by January 1 of each year the proposed program of airport development intended to be undertaken during the fiscal year next ensuing, and he may revise such program to the extent he finds necessary to accomplish the purposes of this Act.'

"SEC. 2. (a) Section 5 of such Act (49 U.S.C. 1104) is amended by redesignating subsection (d) as subsection (e), and by inserting immediately after subsection (c) the following new subsection:

"'APPROPRIATION AUTHORIZATION FOR PROJECTS

"'(d)(1) For the purpose of carrying out this Act with respect to projects in the sev-

eral States, in addition to other amounts authorized by this Act, appropriations amounting in the aggregate to $199,500,000 are hereby authorized to be made to the Administrator over a period of three fiscal years, beginning with the fiscal year ending June 30, 1962. Of amounts appropriated under this paragraph, $66,500,000 shall become available for obligation, by the execution of grant agreements pursuant to section 12, beginning July 1 of each of the fiscal years ending June 30, 1962, June 30, 1963, and June 30, 1964, and shall continue to be so available until expended.

"'(2) For the purpose of carrying out this Act with respect to projects in Hawaii, Puerto Rico, and the Virgin Islands, in addition to other amounts authorized by this Act, appropriations amounting in the aggregate to $4,500,000 are hereby authorized to be made to the Administrator over a period of three fiscal years, beginning with the fiscal year ending June 30, 1962. Of amounts appropriated under this paragraph, $1,500,000 shall become available for obligation, by the execution of grant agreements pursuant to section 12, beginning July 1 of each of the fiscal years ending June 30, 1962, June 30, 1963, and June 30, 1964, and shall continue to be so available until expended. Of each such amount, 40 per centum shall be available for projects in Hawaii, 40 per centum shall be available for projects in Puerto Rico, and 20 per centum shall be available for projects in the Virgin Islands.

"'(3) For the purpose of developing, in the several States, airports the primary purpose of which is to serve general aviation and to relieve congestion at airports having high density of traffic serving other segments of aviation, in addition to other amounts authorized by this Act for such purpose, appropriations amounting in the aggregate to $21,000,000 are hereby authorized to be made to the Administrator over a period of three fiscal years, beginning with the fiscal year ending June 30, 1962. Of amounts appropriated under this paragraph, $7,000,000 shall become available for obligation, by the execution of grant agreements pursuant to section 12, beginning July 1 of each of the fiscal years ending June 30, 1962, June 30, 1963, and June 30, 1964, and shall continue to be so available until expended.'

"(b) Subsection (e) of such section 5 (as so redesignated by subsection (a) of this section) is amended by striking out "section 204 of the Civil Aeronautics Act of 1938 (49 U.S.C. 424)" and inserting in lieu thereof subsection (a) of section 303 of the Federal Aviation Act of 1958 (49 U.S.C. 1344 (a))'.

"SEC. 3. (a) Section 6(a) of such Act (49 U.S.C. 1105 (a)) is amended to read as follows:

"'APPORTIONMENT OF FUNDS

"'SEC. 6. (a) As soon as possible after July 1 of each fiscal year for which any amount is authorized to be obligated by section 5(a) or 5(d)(1), 75 per centum of the amount made available for that year shall be apportioned by the Administrator among the several States, one-half in the proportion which the population of each State bears to the total population of all the States, and one-half in the proportion which the area of each State bears to the total area of all the States. Each amount so apportioned for a State shall, during the fiscal year for which it was first authorized to be obligated and the fiscal year immediately following, be available only for grants for approved projects located in that State, or sponsored by that State or some public agency thereof but located in an adjoining State, and thereafter any portion of such amount which remains unobligated shall be redistributed as provided in subsection (c) of this section. Upon making an apportionment as provided in this subsection, the Administrator shall inform the executive head of each State, and any public agency which has requested such information, as to the amounts apportioned for each State. As used in this subsection, the term "population" means the population according to the latest decennial census of the United States and the term "area" includes both land and water.'

"(b) Paragraph (1) of section 6(b) of such Act (49 U.S.C. 1105(b)(1)) is amended to read as follows:

"'(b)(1) Twenty-five per centum of all amounts authorized to be obligated by sections 5(a) and 5(d)(1) and one hundred per centum of all amounts authorized to be obligated by section 5(d)(3) shall, as such amounts become available, constitute a discretionary fund.'

"(c) Paragraph (2) of section 6(b) of such Act (49 U.S.C. 1105(b)(2)) is amended to read as follows:

"'(2) Such discretionary fund shall be available for such approved projects in the several States, Puerto Rico, and the Virgin Islands as the Administrator may deem most appropriate for carrying out the national airport plan, regardless of the location of such projects. The Administrator shall give consideration, in determining the projects for which such fund is to be so used, to the existing airport facilities in the several States, Puerto Rico, and the Virgin Islands, and to the need for or lack of development of airport facilities in the several States, Puerto Rico, and the Virgin Islands.'

"'(d) Paragraph (3) of section 6(b) of such Act (49 U.S.C. 1105(b)(3)) is amended by striking out 'and national forests' and inserting in lieu thereof 'national forests', and special reservations for Government purposes".

"'(e) Section 6(c) of such Act (49 U.S.C. 1105(c)) is amended to read as follows:

"'REDISTRIBUTION OF FUNDS

"'(c) Any amount apportioned for projects in a State pursuant to subsection (a) of this section which has not been obligated by grant agreement at the expiration of the two fiscal years for which it was so apportioned shall be added to the discretionary fund established by subsection (b) of this section.'

"'SEC. 4. Section 9(d) of such Act (49 U.S.C. 1108(d)) is amended by inserting '(1)' immediately after '(d)' and by adding at the end thereof the following new paragraphs:

"'(2) No project shall be approved by the Administrator which does not include provision for installation of such of the landing aids specified in section 10(d) as are determined by him to be required for the safe and efficient use by aircraft of the airport, taking into account the category of the airport and the type and volume of traffic utilizing the airport.

"'(3) No project shall be approved by the Administrator unless he is satisfied that fair consideration has been given to the interest of communities in or near which such project may be located.'

"SEC. 5. (a) Section 10 of such Act (49 U.S.C. 1109) is amended by striking out subsection (e) and inserting in lieu thereof the following:

"'LANDING AIDS

"'(d) To the extent that the project costs of an approved project represent the cost of (1) land required for the installation of approach light systems, (2) in-runway lighting, (3) high intensity runway lighting, or (4) runway distance markers, the United States share shall be of not to exceed 75 per centum of the allowable costs thereof.'

"(b) Subsection (a) of such section 10 is amended by striking out '(d), and (e)' and inserting in lieu thereof 'and (d)'.

"SEC. 6. (a) Paragraph (5) of section 11 of such Act (49 U.S.C. 1110(5)) is amended to read as follows:

"'(5) the airport operator or owner will furnish without cost to the Federal Government for use in connection with any air-traffic control activities, or wheather-reporting activities and communication activities related to air traffic control, such areas of land or water, or estate therein, or rights in buildings of the sponsor as the Administrator may consider necessary or desirable for construction at Federal expense of space or facilities for such purposes;'.

"(b) Section 11 of such Act is further amended by adding at the end thereof the following new sentence: 'Whenever the Administrator shall obtain from a sponsor any area of land or water, or estate therein, or rights in buildings of the sponsor and shall construct thereon at Federal expense space or facilities, he is authorized to relieve the sponsor from any contractual obligation entered into under this Act to provide free space in airport buildings to the Federal Government to the extent he finds such space no longer required for the purposes set forth in paragraph (5) of this section.'

"SEC. 7. Section 13(b) of such Act (49 U.S.C. 111(b)) is amended to read as follows:

"'COSTS NOT ALLOWED AFTER JUNE 30, 1961

"'(b) With respect to amounts obligated under this Act after June 30, 1961, the following shall not be allowable project costs: (1) the cost of construction of that part of a project intended for use as a public parking facility for passenger automobiles; or (2) the cost of construction of any part of an airport building except such of those buildings or parts of buildings intended to house facilities or activities directly related to the safety of persons at the airport.'

"SEC. 8. (a)(1) Paragraph (7) of section 2(a) of such Act (49 U.S.C. 1101(a)(7)) is amended by striking out 'Alaska, Hawaii,';

"(2) Paragraph (12) of section 2(a) of such Act (49 U.S.C. 1101(a)(12)) is amended by striking out 'on May 13, 1946,'.

"(b) Section 3(a) of such Act (49 U.S.C. 1102(a)) is amended—

"(1) by striking out 'Alaska, Hawaii, and' where it appears in the first sentence thereof; and

"(2) by striking out 'Alaska, Hawaii,' in the third sentence thereof.

"(c)(1) The heading of section 7 of such Act (49 U.S.C. 1106) is amended to read as follows:

"'AVAILABILITY OF FUNDS FOR PROJECTS IN PUERTO RICO AND THE VIRGIN ISLANDS'

"(2) The text of section 7 of such Act is amended by striking out 'Alaska, in Hawaii, or in Puerto Rico,' and inserting in lieu thereof 'Puerto Rico'.

"(d) Section 9(c) of such Act (49 U.S.C. 1108(c)) is amended by striking out 'Alaska, Hawaii,' and by inserting before the period at the end thereof the following: ', or a special reservation for Government purposes'.

"(e) Section 10(c) of such Act (49 U.S.C. 1109(c)) is amended by striking out 'Alaska and' where it appears in the heading and in the text of such section.

"SEC. 9. Section 1109 of the Federal Aviation Act of 1958 (49 U.S.C. 1509) is amended by adding at the end thereof the following new subsection:

"'(e) There are authorized to be appropriated such sums as may be necessary to enable the head of any department or agency of the Federal Government charged with any duty of inspection, clearance, collection of taxes or duties, or other similar function, with respect to persons or property moving in air commerce, to acquire such space at public airports (as defined in the Federal Airport Act) as he determines, after consultation with the Administrator of the Federal Aviation Agency, to be necessary for

the performance of such duty. In acquiring any such space, the head of such department or agency shall act through the Administrator of General Services in accordance with the procedures established by law which are generally applicable to the acquisition of space to be used by departments and agencies of the Federal Government.'

"SEC. 10. The amendments made by this Act shall not apply with respect to projects for which amounts have been obligated by the execution of grant agreements before their enactment. With respect to such projects, the Federal Airport Act shall continue to apply as if this Act had not been enacted."

Mr. HARRIS. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, if the Members will bear with me for just a few minutes, I think I can explain this situation with reference to the extension of the Federal aid to airports program. There is a question in disagreement here with which the Members of this House are vitally concerned. For that reason I would ask your attention while I undertake with the assistance of other members of the committee to bring this matter to you.

You are familiar with the fact that the House reported a bill extending the airport program for a period of 5 years, and it carried with it a concept of financing under the usual method of appropriations. That bill passed the House by an overwhelming vote but without a rollcall. The other provisions contained in the bill were not in serious disagreement.

The Senate has returned the House bill with a good many changes, including a change in the method of financing which would permit the continuation of the present program of contractual authority, that is, by authorizing the Administrator of the Federal Aviation Agency to make grant agreements with airport sponsors in advance of appropriations.

As may be noted from the conference report, the conferees met and after several meetings and rather extensive consideration and argument came to no agreement. We have just reported the disagreement to the House. The conferees are offering here now a substitute bill. We hope that the other body will accept this substitute.

The bill as passed by the House authorized a 5-year program of grants to sponsors at the rate of $75 million a year or a total of $375 million. The amount contained in the bill as it passed the Senate was the same. The difference is that the House bill authorized appropriations while the Senate proposed to extend the present method of making grant agreements in advance of appropriations.

There are some minor differences in the Senate and the House versions, which I will explain.

The House conferees were willing to go along in general with these Senate amendments but could not agree to the Senate method of providing funds for the program. A suggestion was advanced, incidentally by me, in the conference, and discussed, to accept the Senate provision on grant agreements with the provision that the Administrator must submit to the House and Senate Committees on Appropriations a list of projects to receive Federal grants, with such commitments to become final, if not disapproved, within 60 days by either committee. But a majority of the House conferees would not go along with this suggestion. I might say there also was some reluctance on the part of some of the conferees of the other body.

After consultation, this substitute proposal has been worked out which would retain the House method of providing funds, but limiting the program to 3 years. This, perhaps, might—and I emphasize the word "might"—offer a basis of compromise between the two bodies.

Sponsors in the hearings said they needed a minimum of 18 months to make plans and financial arrangements to participate in the Federal airport program. It would appear that to permit orderly planning, funds must be made available at least 2 years in advance. The reason we adopted the advance commitment in 1955 was to give sponsors advance knowledge of the availability of funds to permit long-range planning.

In addition to that reason, I might say in all frankness, the appropriation for the program had gone down year after year and finally reached exactly zero. If we authorize appropriations for a 3-year program, as provided in this substitute, and an appropriation is made this session for 2 years, that is the total of $150 million—$75 million a year for 2 years—and then followed at the next session by another appropriation of an additional $75 million for the following year, the sponsors then would be assured, in my opinion, of sufficient time for advance planning.

I might mention, if this were to be done, the agency can obligate or enter into agreements of only $75 million a year. If this proves satisfactory, Mr. Speaker, we could come back in 1963 with a simple extension to complete the 5-year program. In other words, what we are saying is that this is an opportunity to see that this regular method of providing funds can carry on the program as the Congress intends, because of this great issue and because there is so much feeling on the part of the membership of the House as well in other areas throughout the country. Everyone is of the opinion, and we are together on that, as to the need for continuation of the airport construction program. It is a necessity, and as a matter of fact, it is imperative that we have an additional airport construction program. But, if during this 3-year period the plan proposed in this substitute is not satisfactory and does not work out to permit the program to be carried on, then we can come back and consider some other approach to it, if not the present method. But, at least this is an opportunity to see and to demonstrate that this regular method now can be effectuated and carry out this program as the Congress intends.

I would like to make it clear that we have no assurance that the other body will accept this 3-year extension program.

The Senate conferees absolutely refused to accept the House provision authorizing appropriations for 5 years. They pointed out to us that in the other body they had a rollcall vote on the question and the vote was 73 to 9. In other words, they have had a vote on the issue on the record, and it will be our intention here in the House today to have a rollcall vote on this provision, so we can have a record of the votes in the House on the provision. And, I will say that those who want to insist that we continue the contractual grant agreement program should vote "No" on this proposal and those who want to insist that we again adopt the procedure of regular appropriations should vote "Yes" on this substitute. I think that is the only way that we can show for the record what the actual feeling is of the membership of the House.

On the other hand, when we passed the airport bill the House did not take a record vote, if you will recall, on the proposal, but if the House insists on financing this program by appropriations, the substitute offered today, if not accepted by the Senate, would give us something new to consider in the conference. I hope it will not be necessary to go to conference. There simply, in my judgment, is no use going back to a conference on the diametrically opposed provisions of the Senate and the House bills as they now stand.

Except for the method of financing the program, the pending substitute generally accepts the Senate amendment to the bill passed by the House. The amendment passed by the Senate included a provision for Hawaii. The substitute accepts that proposal. The House bill authorized an appropriation of $1.5 million a year, 65 percent going to Puerto Rico and 35 percent to the Virgin Islands. The Senate amendment permits Hawaii to share in this $1.5 million with the fund being divided 40 percent to Hawaii, 40 percent to Puerto Rico, and 20 percent to the Virgin Islands.

Under the 2-year extension of the program voted in 1959, Alaska, Hawaii, Puerto Rico, and the Virgin Islands shared in a $3 million annual allocation, divided as follows: 45 percent to Alaska, 25 percent to Hawaii, 20 percent to Puerto Rico, and 10 percent to the Virgin Islands. This made the following amounts available: Alaska, $1,350,000; Hawaii, $750,000; Puerto Rico, $600,000; Virgin Islands, $300,000.

Under the Senate amendment, as included in the substitute, Hawaii would get $600,000 annually of the $1.5 million fund. Puerto Rico would get $600,000, and the Virgin Islands $300,000.

Under the House bill, Hawaii's apportionment as a State would be $131,618, which it still would receive under the Senate proposal. This added to the $600,000 available from the special fund still would be short of the $750,000 a year Hawaii has been getting under the old formula.

The other body felt that Hawaii is entitled to this special treatment because water areas, which complicate the State's transportation problems, were not taken into consideration in the apportionment formula, which is based on a State's population and land area. The Senate

bill would make Puerto Rico and the Virgin Islands eligible for grants from the discretionary fund. This would permit the Administrator to take care of any emergency which might result from the revision of the distribution formula.

The House bill includes an amendment offered by the gentleman from New York [Mr. DEROUNIAN], which, in effect, would require approval of the Board of Supervisors of Nassau County, N.Y., before any funds under the bill could be made available for any project in Nassau County.

The Senate adopted a substitute for this language, which is general in nature, applicable to all projects and which reads:

> No project shall be approved by the Administrator unless he is satisfied that fair consideration has been given to the interest of communities in or near which such project may be located.

The Senate also included an amendment to make special reservations for Government purposes eligible for discretionary funds. Under present law Federal agencies may apply for discretionary funds for airport projects, in national parks, recreation areas, monuments, or forests. The Senate amendment would in effect extend existing authority to the Pribilof Islands, so that a field could be built on one of the islands in the Bering Sea.

The Senate also has an amendment to permit the head of a Federal agency charged with any duty of inspection, clearance, collection of duties, or other similar functions to obtain space at public airports necessary for the performance of such duties.

The proposed substitute includes a rewritten provision of that amendment.

Mr. Speaker, that generally explains this substitute, and I again repeat that we are proposing here a forward funding program through the regular direct appropriation route. It is the intention, as we have gone into it and discussed it with members of the appropriate committee, that in the first appropriation this year forward funding for 2 years would be provided. That is a total of $150 million, out of which grant agreements can be entered into to an extent of $75 million a year, thus permitting the carrying out of long-range plans, by providing in advance funds necessary for these sponsoring municipalities to arrange to finance their projects. That is simply and factually just what is proposed here, and we feel that the Congress should approve it, and carry it out; and it is our hope and our desire that it will be adhered to. Then we will again be doing away with this whole issue of so-called back-door spending which has been with us so long. Under the proposed substitute the Appropriations Committee will have a review of the program before the commitments and obligations are made.

We think that is as it should be and as intended. I hope to see this work out satisfactorily.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. You are advocating that the House adhere to its opposition to the so-called back-door spending?

Mr. HARRIS. I am trying to.

Mr. HOFFMAN of Michigan. If we have long-range planning how can we keep the policy of going to the Appropriations Committee without repudiating the planning boys?

Mr. HARRIS. No plan can be consummated until the appropriation is made under this provision.

The Government cannot go out and make promises in advance of appropriations.

Mr. HOFFMAN of Michigan. Yes, but representatives of the Government do make promises.

Mr. HARRIS. Not in this; and this has nothing to do with any other program. This is a domestic program. In my judgment we should do as much for our own people as we are doing for people in other countries throughout the world.

Mr. HOFFMAN of Michigan. What is that?

Mr. HARRIS. I thought the gentleman would agree with me on that.

Mr. HOFFMAN of Michigan. Yes, but it is a new philosophy, is it not?

Mr. HARRIS. It is not new with me.

Mr. HOFFMAN of Michigan. Seriously, if the administration, whichever party is in power, or some top representative promises another nation something, are we not bound or is not a subsequent Congress bound, by that promise, not legally but morally, to make good on that promise?

Mr. HARRIS I can say to the gentleman practically, legally, or any other way there is no way under this bill to make commitments under this program until an appropriation has been made.

Mr. HOFFMAN of Michigan. That is fine, if that be the result.

Mr. HARRIS. Once the appropriation has been made, they can then obligate those appropriated funds up to $75 million a year, and funds appropriated remain available until expended.

Mr. HOFFMAN of Michigan. Do I vote "yes" or "no" to help out on the gentleman's substitute?

Mr. HARRIS. I am going to vote "yes" because I have offered the substitute. I think it is the only way I can see at this moment of getting a bill in keeping with the ideas that an overwhelming majority of this House would like.

Mr. HOFFMAN of Michigan. Is that the next record vote that is coming up?

Mr. HARRIS. Yes.

Mr. HOFFMAN of Michigan. Then I vote "yea"?

Mr. HARRIS. I trust the gentleman will vote "yes."

The SPEAKER pro tempore. The time of the gentleman from Arkansas has expired.

Mr. HARRIS. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, I do not know that the chairman made it absolutely clear where we are today. We did have a conference. We were in disagreement on several matters, most of which were minor, and we have ironed those out. There is, however, one fundamental difference between the House bill and the Senate bill, and that was the method of financing.

The Senate bill came in with the same number of years that we did. The Senate, however, retained the power of the Administrator to borrow from the Treasury. This is commonly known as back-door spending. This was the Senate version, not the House version. The House version is that we appropriate, then we spend.

This was the point of disagreement between the House and Senate. We did not yield to the Senate on that point. All of the conferees on the Senate side were in agreement they wanted to retain this feature. We did say we would come back to the House and recommend that the program be for 3 years on this kind of a pay-as-you-go basis instead of 5 years. If this passes the House today we will send it over to the Senate, and they can do what they want to do with it. They can either pass it or ask for another conference. It is either 3 years or nothing, as far as I am concerned. Three years I think is the minimum this program ought to be carried out on.

It is possible for the Administrator of the FAA to plan new programs, but he must come to the Appropriations Committee and get the appropriations first. It has been very well understood that there has to be some leadtime. In other words, you do not construct airports on a 12-month basis. Where you have a bond issue to be considered, 24 months leadtime is essential. I think it ought to be appropriated to the Administrator for that period. If the Appropriations Committee makes 24 months leadtime the rule, it will be possible for the Administrator to plan well ahead on the program and to bring it out.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Wisconsin.

Mr. LAIRD. This procedure has worked out very well with the Hill-Burton hospital program, and it should work out very well here.

Mr. SPRINGER. There is no reason why this could not be worked out under the program we are presenting to you today. I believe it is a good arrangement, and you certainly ought to approve it today.

Mr. HARRIS. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Speaker, I take this time—and I will not take the full 5 minutes allotted me—to direct my remarks to a memorandum which I presume every Member of this House received, and one which I am sure carried a lot of weight, and properly so, with every Member of the House in connection with this legislation. I refer to the memorandum on this bill, dated September 7, which came from the U.S. Conference of Mayors and the Airport Operators' Council.

Mr. Speaker, in that memorandum—and I shall not elaborate on it—they pointed to four or five specific reasons

why the original bill and the Senate version of the bill was in their opinion necessary in meeting the airport construction needs of the Nation. However, I wanted to make it clear that in going through each point set forth in the memorandum from the Council of Mayors and from the Airport Operators' Association that in the proposal that we bring before you today with the 3 years of advance financing, we meet each and every one of them. In fact, in some instances the fact that the 3 years of funds will be available in advance should, I believe, make the program even more effective under this the 5-year back-door financing proposal. At the same time we steer entirely away from the contract authority approach which I am sure many Members of this House—as reflected in the temper of the House when the foreign aid bill came before us—would prefer to do in dealing with this legislation.

Mr. YOUNGER. Mr. Speaker, will the gentleman yield?

Mr. COLLIER. I yield to the gentleman from California.

Mr. YOUNGER. Mr. Speaker, I want to associate myself with the conference committee and congratulate them for standing firm on the committee and House position.

Mr. COLLIER. I thank the gentleman from California.

Mr. HARRIS. Mr. Speaker, I yield such time as he may require to the chairman of the subcommittee, the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker, I support the proposal that has been offered by the chairman of my committee. However, there was some concern expressed on the part of Members regarding the question of whether or not sufficient leadtime will be given by the Appropriations Committee in order to permit a system of orderly planning in the development of this program. I do not see the chairman of the Subcommittee on Appropriations on the floor at the moment. However, I may say that he has authorized me to inform the House that he will recommend appropriations for a minimum of 2 years, which should meet the needs for advanced planning time, which need was established in testimony of witnesses before our subcommittee.

Mr. CORMAN. Mr. Speaker, I rise in opposition to the committee amendment. As I understand the distinguished gentleman from Arkansas, the committee chairman, he desires an expression of opinion from Members of the House concerning the matter of future borrowing authority as was provided in the Senate version of the airports bill. It is further my understanding that a "no" vote at this time constitutes an endorsement of the Senate's proposed method of financing.

Statements concerning the tremendous projected growth of air travel have been made by a great number of experts and I would not presume to add my personal opinion except to note that in the expansion of metropolitan areas and their problems, planners themselves are normally passed up by statistics. No one questions the necessity for adequate ground facilities to handle this projected traffic, nor I would think is there any contention that the great cost for these installations should be borne solely by the local government responsible for the area in which they are located. It is true that there is advantage to local communities, their people, and their industry in the development of adequate airport facilities which attract a portion of air commerce.

This fact the city of Los Angeles recognized many years ago, and it has extended great local effort to provide itself and its visitors with the finest international airport in the world. But this airport, and its extensive and costly equipment, benefit not just the Los Angeles city taxpayer. They benefit every traveler who passes through our city, every shipper who wishes to deliver or receive the vast array of commodities which pass through this port of the air. It adds substantially to the wealth and strength of this whole Nation. A similar statement can be made for airport facilities everywhere. Accepting this fact, the Congress has wisely adopted legislation over the years creating a partnership between local governments and the Federal Government, so that each may pay a reasonable share of the substantial cost of such terminals. Our city has, to some degree, been benefited by this program.

But anyone familiar with the severe strain on the tax base of the large American city knows that it takes sound, detailed and long-range planning for cities to equip themselves with their portion of the matching funds for the program. To suppose that a city could accomplish such a feat on a year-to-year basis is folly. I would respectfully suggest that if the city as one partner must make long-range plans and firm commitments, the Federal Government's plans must be equally long range and firm if the two partners are to be able to work together efficiently and effectively.

The American taxpayer, whether he is paying city taxes, State taxes, or Federal taxes, is acutely aware of the fact that there are great demands at every level which must be met and which, I am certain, he is willing to meet.

But these demands place upon the legislator the highest responsibility for efficiency in these expenditures. For one-half of this city-Federal partnership to refuse to make firm commitments for periods longer than 1 year makes no sense to those responsible for the municipal portion of the financing, and I must say it makes no sense to me. I respectfully submit that firm, long-range commitments from both local and Federal Government are a necessity for an efficient program. For this reason I shall vote "no."

Mr. HARRIS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 398, nays 4, not voting 34, as follows:

[Roll No. 203]

YEAS—398

Abbitt	Delaney	Joelson
Abernethy	Dent	Johansen
Adair	Denton	Johnson, Md.
Addabbo	Derounian	Johnson, Wis.
Addonizio	Derwinski	Jonas
Albert	Devine	Jones, Ala.
Alexander	Diggs	Judd
Alford	Dingell	Karsten
Alger	Dole	Karth
Andersen, Minn.	Dominick	Kastenmeier
	Donohue	Kearns
Anderson, Ill.	Dorn	Kee
Andrews	Dowdy	Keith
Anfuso	Downing	Kelly
Arends	Doyle	Keogh
Ashbrook	Dulski	Kilburn
Ashmore	Durno	Kilday
Aspinall	Dwyer	Kilgore
Auchincloss	Edmondson	King, Calif.
Avery	Elliott	King, N.Y.
Ayres	Ellsworth	King, Utah
Bailey	Everett	Kirwan
Baker	Fallon	Kitchin
Baldwin	Farbstein	Kluczynski
Baring	Fascell	Knox
Barrett	Feighan	Kornegay
Barry	Fenton	Kowalski
Bass, N.H.	Findley	Kunkel
Bass, Tenn.	Finnegan	Kyl
Bates	Fino	Laird
Battin	Fisher	Landrum
Becker	Flood	Lane
Beckworth	Flynt	Langen
Beermann	Ford	Latta
Belcher	Forrester	Lennon
Bell	Fountain	Lesinski
Bennett, Fla.	Frazier	Libonati
Bennett, Mich.	Frelinghuysen	Lindsay
Berry	Friedel	Lipscomb
Betts	Fulton	Loser
Blatnik	Gallagher	McCulloch
Blitch	Garmatz	McDonough
Boggs	Gary	McDowell
Boland	Gathings	McFall
Bolton	Gavin	McIntire
Bonner	Giaimo	McMillan
Bow	Gilbert	McSween
Boykin	Glenn	McVey
Brademas	Goodell	Macdonald
Bray	Goodling	MacGregor
Breeding	Granahan	Mack
Brewster	Grant	Madden
Bromwell	Gray	Magnuson
Brooks, Tex.	Griffin	Mahon
Broomfield	Griffiths	Mailliard
Broyhill	Gross	Marshall
Bruce	Gubser	Martin, Mass.
Burke, Ky.	Hagan, Ga.	Martin, Nebr.
Burke, Mass.	Hagen, Calif.	Mason
Burleson	Haley	Mathias
Byrne, Pa.	Halleck	Matthews
Byrnes, Wis.	Halpern	May
Cahill	Hansen	Meader
Cannon	Harding	Merrow
Carey	Hardy	Michel
Casey	Harris	Miller, Clem
Cederberg	Harrison, Va.	Miller, George P.
Celler	Harrison, Wyo.	
Chamberlain	Harsha	Miller, N.Y.
Chelf	Harvey, Ind.	Milliken
Chenoweth	Harvey, Mich.	Minshall
Chiperfield	Hays	Moeller
Church	Healey	Monagan
Clancy	Hechler	Montoya
Clark	Hemphill	Moore
Coad	Henderson	Moorehead, Ohio
Cohelan	Herlong	
Collier	Hiestand	Moorhead, Pa.
Colmer	Hoeven	Morgan
Conte	Hoffman, Ill.	Morris
Cook	Hoffman, Mich.	Morse
Corbett	Holifield	Mosher
Cramer	Holland	Moss
Cunningham	Holtzman	Multer
Curtin	Horan	Murphy
Curtis, Mass.	Hosmer	Murray
Curtis, Mo.	Huddleston	Natcher
Daddario	Hull	Nelsen
Daniels	Ichord, Mo.	Nix
Davis, James C.	Ikard, Tex.	Norblad
	Inouye	Norrell
Davis, John W.	Jarman	Nygaard
Davis, Tenn.	Jennings	O'Brien, Ill.
Dawson	Jensen	O'Brien, N.Y.

O'Hara, Ill.	Roosevelt	Taber
O'Hara, Mich.	Rostenkowski	Taylor
O'Konski	Roudebush	Teague, Calif.
Olsen	Roush	Teague, Tex.
O'Neill	Rousselot	Thomas
Osmers	Rutherford	Thompson, La.
Ostertag	Ryan	Thompson, N.J.
Passman	St. George	Thompson, Tex.
Patman	Santangelo	Thomson, Wis.
Pelly	Saund	Thornberry
Perkins	Saylor	Toll
Peterson	Schadeberg	Tollefson
Pfost	Schenck	Trimble
Philbin	Scherer	Tuck
Pike	Schneebeli	Tupper
Pilcher	Schweiker	Udall, Morris K.
Pillion	Schwengel	Ullman
Pirnie	Scott	Utt
Poage	Scranton	Vanik
Poff	Seely-Brown	Van Pelt
Price	Selden	Van Zandt
Pucinski	Shelley	Wallhauser
Quie	Sheppard	Walter
Rains	Shipley	Watts
Randall	Short	Weaver
Ray	Shriver	Weis
Reece	Sibal	Whalley
Reifel	Sikes	Wharton
Reuss	Smith, Calif.	Whitener
Rhodes, Ariz.	Smith, Iowa	Whitten
Rhodes, Pa.	Smith, Miss.	Wickersham
Richlman	Smith, Va.	Widnall
Riley	Spence	Williams
Rivers, Alaska	Springer	Willis
Rivers, S.C.	Stafford	Wilson, Ind.
Roberts	Steed	Wright
Rodino	Stephens	Yates
Rogers, Colo.	Stratton	Younger
Rogers, Fla.	Stubblefield	Zablocki
Rooney	Sullivan	Zelenko

NAYS—4

Bolling	Green, Oreg.	Sisk
Corman		

NOT VOTING—34

Ashley	Hébert	Rogers, Tex.
Brooks, La.	Johnson, Calif.	St. Germain
Brown	Jones, Mo.	Siler
Buckley	Lankford	Slack
Cooley	McCormack	Staggers
Dague	Machrowicz	Vinson
Dooley	Mills	Westland
Evins	Morrison	Wilson, Calif.
Fogarty	Moulder	Winstead
Garland	Powell	Young
Green, Pa.	Rabaut	
Hall	Robison	

So the motion was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Wilson of California.
Mr. Cooley with Mr. Robison.
Mr. Morrison with Mr. Hall.
Mr. Powell with Mr. Brown.
Mr. Rogers of Texas with Mr. Dooley.
Mr. St. Germain with Mr. Siler.
Mr. Fogarty with Mr. Garland.
Mr. Brooks of Louisiana with Mr. Westland.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDING THE IMMIGRATION AND NATIONALITY ACT

Mr. WALTER. Mr. Speaker, I call up the conference report on the bill (S. 2237) to permit the entry of certain eligible alien orphans, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1172)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2237) to permit the entry of certain eligible alien orphans, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with the following amendment: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That section 101(b) of the Immigration and Nationality Act (8 U.S.C. 1101) is hereby amended by adding the following new subparagraph (6):

"'(6) The term "eligible orphan" means any alien child under the age of fourteen at the time at which the visa petition is filed pursuant to section 205(b) who is an orphan because of the death or disappearance of both parents, or because of abandonment, or desertion by, or separation or loss from, both parents, or who has only one parent due to the death or disappearance of, abandonment, or desertion by, or separation or loss from the other parent, and the remaining parent is incapable of providing care for such orphan and has in writing irrevocably released him for emigration and adoption.'

"SEC. 2. Section 101(b)(1) of the Immigration and Nationality Act (8 U.S.C. 1101) is hereby amended by adding the following:

"'(F) a child who is an eligible orphan, adopted abroad by a United States citizen and spouse or coming to the United States for adoption by a United States citizen and spouse: *Provided*, That no natural parent or prior adoptive parent of any such child shall thereafter, by virtue of such parentage be accorded any right, privilege, or status under this Act.'

"SEC. 3. (a) Section 205(b) of the Immigration and Nationality Act (8 U.S.C. 1155) is hereby amended to read as follows:

"'(b) Any citizen of the United States claiming that any immigrant is his spouse or child and that such immigrant is entitled to a nonquota immigrant status under section 101(a)(27)(A), or any citizen of the United States claiming that any immigrant is his parent or unmarried son or unmarried daughter and that such immigrant is entitled to a quota immigrant status under section 203(a)(2), or any alien lawfully admitted for permanent residence claiming that any immigrant is his spouse or his unmarried son or his unmarried daughter and that such immigrant is entitled to a quota immigrant status under section 203(a)(3), or any citizen of the United States claiming that any immigrant is his brother or sister or his married son or his married daughter and that such immigrant is entitled to a preference under section 203(a)(4) may file a petition with the Attorney General. No petition for quota immigrant status or a preference in behalf of a son or daughter under paragraph (2), (3), or (4) of section 203(a) of the Immigration and Nationality Act shall be approved by the Attorney General unless the petitioner establishes that he is a parent as defined in section 101(b)(2) of the Immigration and Nationality Act of the alien in respect to whom the petition is made, except that no such petition shall be approved if the beneficiary thereof is an alien defined in section 101(b)(1)(F). No petition for nonquota immigrant status in behalf of a child as defined in section 101(b)(1)(F) shall be approved by the Attorney General unless the petitioner establishes to the satisfaction of the Attorney General that the petitioner and spouse will care for such child properly if he is admitted to the United States, and (i) in the case of a child adopted abroad, that the petitioner and spouse personally saw and observed the child prior to or during the adoption proceedings, and (ii) in the case of a child coming to the United States for adoption, that the petitioner and spouse have complied with the preadoption requirements, if any, of the State of such child's proposed residence. The petition shall be in such form and shall contain such information and be supported by such documentary evidence as the Attorney General may by regulations prescribe. The petition shall be made under oath administered by any individual having authority to administer oaths, if executed in the United States, but, if executed outside the United States, administered by an immigration officer or a consular officer.'

"(b) The second sentence of section 205(c) of the Immigration and Nationality Act (8 U.S.C. 1155) is hereby amended to read: 'Not more than two such petitions may be approved for one petitioner in behalf of a child as defined in section 101(b)(1)(E) or (F), unless necessary to prevent the separation of brothers and sisters.'

"SEC. 4. The first sentence of section 221(c) of the Immigration and Nationality Act (8 U.S.C. 1201) is hereby amended to read: 'An immigrant visa shall be valid for such period, not exceeding four months, as shall be by regulations prescribed, except that any visa issued to a child lawfully adopted by a United States citizen and spouse while such citizen is serving abroad in the United States Armed Forces, or is employed abroad by the United States Government, or is temporarily abroad on business, shall be valid until such time, for a period not to exceed three years, as the adoptive citizen parent returns to the United States in due course of his service, employment, or business.'

"SEC. 5. (a) Title I of the Immigration and Nationality Act (8 U.S.C. 1101) is hereby amended by adding the following:

"'JUDICIAL REVIEW OF ORDERS OF DEPORTATION AND EXCLUSION

"'SEC. 106. (a) The procedure prescribed by, and all the provisions of the Act of December 29, 1950, as amended (64 Stat. 1129; 68 Stat. 961; 5 U.S.C. 1031 et seq.), shall apply to, and shall be the sole and exclusive procedure for, the judicial review of all final orders of deportation heretofore or hereafter made against aliens within the United States pursuant to administrative proceedings under section 242(b) of this Act or comparable provisions of any prior Act, except that—

"'(1) a petition for review may be filed not later than six months from the date of the final deportation order or from the effective date of this section, whichever is the later.

"'(2) the venue of any petition for review under this section shall be in the judicial circuit in which the administrative proceedings before a special inquiry officer were conducted in whole or in part, or in the judicial circuit wherein is the residence, as defined in this Act, of the petitioner, but not in more than one circuit;

"'(3) the action shall be brought against the Immigration and Naturalization Service, as respondent. Service of the petition to review shall be made upon the Attorney General of the United States and upon the official of the Immigration and Naturalization Service in charge of the Service district in which the office of the clerk of the court is located. The service of the petition for review upon such official of the Service shall stay the deportation of the alien pending determination of the petition by the court, unless the court otherwise directs;

"'(4) except as provided in clause (B) of paragraph (5) of this subsection, the petition shall be determined solely upon the administrative record upon which the deportation order is based and the Attorney General's findings of fact, if supported by reasonable, substantial, and probative evidence on the record considered as a whole, shall be conclusive;

"'(5) whenever any petitioner, who seeks review of an order under this section, claims to be a national of the United States and makes a showing that his claim is not frivolous, the court shall (A) pass upon the issues presented when it appears from the pleadings and affidavits filed by the parties that no genuine issue of material fact is presented; or (B) where a genuine issue of material fact as to the petitioner's nationality is presented, transfer the proceedings to a United States district court for the district where the petitioner has his residence for hearing de novo of the nationality claim and determination as if such proceedings were originally initiated in the district court under the provisions of section 2201 of title 28, United States Code. Any such petitioner shall not be entitled to have such issue determined under section 360(a) of this Act or otherwise;

"'(6) if the validity of a deportation order has not been judicially determined, its validity may be challenged in a criminal proceeding against the alien for violation of subsection (d) or (e) of section 242 of this Act only by separate motion for judicial review before trial. Such motion shall be determined by the court without a jury and before the trial of the general issue. Whenever a claim to United States nationality is made in such motion, and in the opinion of the court, a genuine issue of material fact as to the alien's nationality is presented, the court shall accord him a hearing de novo on the nationality claim and determine that issue as if proceedings had been initiated under the provisions of section 2201 of title 28, United States Code. Any such alien shall not be entitled to have such issue determined under section 360(a) of this Act or otherwise. If no such hearing de novo as to nationality is conducted, the determination shall be made solely upon the administrative record upon which the deportation order is based and the Attorney General's findings of fact, if supported by reasonable, substantial and probative evidence on the record considered as a whole, shall be conclusive. If the deportation order is held invalid, the court shall dismiss the indictment and the United States shall have the right to appeal to the court of appeals within thirty days. The procedure on such appeals shall be as provided in the Federal rules of criminal procedure. No petition for review under this section may be filed by any alien during the pendency of a criminal proceeding against such alien for violation of subsection (d) or (e) of section 242 of this Act;

"'(7) nothing in this section shall be construed to require the Attorney General to defer deportation of an alien after the issuance of a deportation order because of the right of judicial review of the order granted by this section, or to relieve any alien from compliance with subsections (d) and (e) of section 242 of this Act. Nothing contained in this section shall be construed to preclude the Attorney General from detaining or continuing to detain an alien or from taking him into custody pursuant to subsection (c) of section 242 of this Act at any time after the issuance of a deportation order;

"'(8) it shall not be necessary to print the record or any part thereof, or the briefs, and the court shall review the proceedings on a typewritten record and on typewritten briefs; and

"'(9) any alien held in custody pursuant to an order of deportation may obtain judicial review thereof by habeas corpus proceedings.

"'(b) Notwithstanding the provisions of any other law, any alien against whom a final order of exclusion has been made heretofore or hereafter under the provisions of section 236 of this Act or comparable provisions of any prior Act may obtain judicial review of such order by habeas corpus proceedings and not otherwise.

"'(c) An order of deportation or of exclusion shall not be reviewed by any court if the alien has not exhausted the administrative remedies available to him as of right under the immigration laws and regulations or if he has departed from the United States after the issuance of the order. Every petition for review or for habeas corpus shall state whether the validity of the order has been upheld in any prior judicial proceeding, and, if so, the nature and date thereof, and the court in which such proceeding took place. No petition for review or for habeas corpus shall be entertained if the validity of the order has been previously determined in any civil or criminal proceeding, unless the petition presents grounds which the court finds could not have been presented in such prior proceeding, or the court finds that the remedy provided by such prior proceeding was inadequate or ineffective to test the validity of the order.'

"(b) This section shall take effect on the thirtieth day after its approval and, notwithstanding the provisions of any other law, including section 405 of the Immigration and Nationality Act, shall then be applicable to all administrative proceedings involving deportation or exclusion of aliens notwithstanding (1) that the person involved entered the United States prior to the effective date of this section or of the Immigration and Nationality Act or (2) that the administrative proceeding was commenced or conducted prior to the effective date of this section or of the Immigration and Nationality Act. Any judicial proceeding to review an order of deportation which is pending unheard in any district court of the United States on the effective date of this section (other than a habeas corpus or criminal proceeding in which the validity of the deportation order has been challenged) shall be transferred for determination in accordance with this section to the court of appeals having jurisdiction to entertain a petition for review under this section. Any judicial proceeding to review an order of exclusion which is pending unheard on the effective date of this section shall be expedited in the same manner as is required in habeas corpus. All laws or parts of laws inconsistent with this section are, to the extent of such inconsistency, repealed. If any particular provision of this section, or the application thereof to any person or circumstance, is held invalid, the remainder of this section and the application of such provision to other persons or circumstances shall not be affected thereby.

"SEC. 6. Section 222 of the Immigration and Nationality Act (8 U.S.C. 1202) is hereby amended by deleting from subsection (a) the language 'race and ethnic classification;', and by deleting from subsection (c) the language 'his race and ethnic classification:'.

"SEC. 7. (a) Section 101(d)(1) of the Immigration and Nationality Act (8 U.S.C. 1101) is hereby amended by inserting immediately after 'December 31, 1946,' the following: 'or from June 25, 1950, to July 1, 1955,'.

"(b) Section 101(d)(2) of the Immigration and Nationality Act (8 U.S.C. 1101) is hereby amended (1) by striking out 'and (C)' and inserting in lieu thereof '(C)', and (2) by inserting immediately after 'December 31, 1946' the following: '; and (D) the term "Korean hostilities" relates to the period from June 25, 1950, to July 1, 1955'.

"SEC. 8. (a) Section 329(a) of the Immigration and Nationality Act (8 U.S.C. 1440) is amended by inserting after 'December 31, 1946,' the following: 'or during a period beginning June 25, 1950, and ending July 1, 1955,'.

"(b) Section 329(b)(4) of the Immigration and Nationality Act (8 U.S.C. 1440) is hereby amended by inserting after 'December 31, 1946,' the following: 'or during a period beginning June 25, 1950, and ending July 1, 1955,'.

"SEC. 9. Section 202(e) of the Immigration and Nationality Act (8 U.S.C. 1152) is hereby amended to read as follows:

"'(e) After the determination of quotas has been made as provided in section 201, revision of the quotas shall be made by the Secretary of State, the Secretary of Commerce, and the Attorney General, jointly, whenever necessary, to provide for any change of boundaries resulting in transfer of territory from one sovereignty to another, a change of administrative arrangements of a colony or other dependent area, or any other political change, requiring a change in the list of quota areas or of the territorial limits thereof. In the case of any change in the territorial limits of quota areas, not requiring a change in the quotas for such areas, the Secretary of State shall, upon recognition of such change, issue appropriate instructions to all consular offices concerning the change in the territorial limits of the quota areas involved. Whenever one or more colonies or other component or dependent areas overseas from the governing country, or one or more quota areas have been subject to a change of administrative arrangements, a change of boundaries, or any other political change, the annual quota of the newly established quota area or the number of visas authorized to be issued under section 202(c)(1), notwithstanding any other provisions of this Act, shall not be less than the sum total of quotas in effect or number of visas authorized for the area immediately preceding the change of administrative arrangements, change of boundaries, or other political change.'

"SEC. 10. Section 205(c) of the Immigration and Nationality Act (8 U.S.C. 1155) is hereby amended by adding at the end thereof the following new sentence: 'Notwithstanding the provisions of this subsection, no petition shall be approved if the alien previously has been accorded, by reason of marriage determined by the Attorney General to have been entered into for the purpose of evading the immigration laws—

"'(1) a nonquota status under section 101(a)(27)(A) as the spouse of a citizen of the United States, or

"'(2) a preference quota status under section 203(a)(3) as the spouse of an alien lawfully admitted for permanent residence.'

"SEC. 11. Section 212(a)(6) of the Immigration and Nationality Act (8 U.S.C. 1182) is hereby amended to read as follows:

"'(6) Aliens who are afflicted with any dangerous contagious disease;'.

"SEC. 12. Section 212 of the Immigration and Nationality Act (8 U.S.C. 1182) is hereby amended by adding the following additional subsection:

"'(f) Any alien afflicted with tuberculosis in any form who (A) is the spouse or the unmarried son or daughter, or the minor unmarried lawfully adopted child, of a United States citizen, or of an alien lawfully admitted for permanent residence, or of an alien who has been issued an immigrant visa, or (B) has a son or daughter who is a United States citizen, or an alien lawfully admitted for permanent residence, or an alien who has been issued an immigrant visa, shall, if otherwise admissible, be issued a visa and admitted to the United States for permanent residence in accordance with

such terms, conditions, and controls, if any, including the giving of a bond, as the Attorney General, in his discretion after consultation with the Surgeon General of the United States Public Health Service, may by regulations prescribe.'

"SEC. 13. Section 212(a)(9) of the Immigration and Nationality Act (8 U.S.C. 1182) is hereby amended by changing the semicolon at the end to a period, and adding thereafter the following: 'Any alien who would be excludable because of the conviction of a misdemeanor classifiable as a petty offense under the provisions of section 1(3) of title 18, United States Code, by reason of the punishment actually imposed, or who would be excludable as one who admits the commission of an offense that is classifiable as a misdemeanor under the provisions of section 1(2) of title 18, United States Code, by reason of the punishment which might have been imposed upon him, may be granted a visa and admitted to the United States if otherwise admissible: *Provided*, That the alien has committed only one such offense, or admits the commission of acts which constitute the essential elements of only one such offense.'

"SEC. 14. Section 212 of the Immigration and Nationality Act (8 U.S.C. 1182) is hereby amended by adding the following additional subsection:

"'(g) Any alien, who is excludable from the United States under paragraphs (9), (10), or (12) of this section, who (A) is the spouse or child, including a minor unmarried adopted child, of a United States citizen, or of an alien lawfully admitted for permanent residence, or (B) has a son or daughter who is a United States citizen or an alien lawfully admitted for permanent residence, shall, if otherwise admissible, be issued a visa and admitted to the United States for permanent residence (1) if it shall be established to the satisfaction of the Attorney General that (A) the alien's exclusion would result in extreme hardship to the United States citizen or lawfully resident spouse, parent, or son or daughter of such alien, and (B) the admission to the United States of such alien would not be contrary to the national welfare, safety, or security of the United States; and (2) if the Attorney General, in his discretion, and pursuant to such terms, conditions, and procedures as he may by regulations prescribe, has consented to the alien's applying or reapplying for a visa and for admission to the United States.'

"SEC. 15. Section 212 of the Immigration and Nationality Act (8 U.S.C. 1182) is hereby amended by adding the following additional subsection:

"'(h) Any alien who is the spouse, parent, or child of a United States citizen or of an alien lawfully admitted for permanent residence and who is excludable because (1) he seeks, has sought to procure, or has procured, a visa or other documentation, or entry into the United States, by fraud or misrepresentation, or (2) he admits the commission of perjury in connection therewith, may be granted a visa and admitted to the United States for permanent residence, if otherwise admissible, if the Attorney General in his discretion has consented to the alien's applying or reapplying for a visa and for admission to the United States.'

"SEC. 16. Section 241 of the Immigration and Nationality Act (8 U.S.C. 1251) is hereby amended by adding the following:

"'(f) The provisions of this section relating to the deportation of aliens within the United States on the ground that they were excludable at the time of entry as aliens who have sought to procure, or have procured visas or other documentation, or entry into the United States by fraud or misrepresentation shall not apply to an alien otherwise admissible at the time of entry who is the spouse, parent, or a child of a United States citizen or of an alien lawfully admitted for permanent residence.'

"SEC. 17. Section 310 of the Immigration and Nationality Act (8 U.S.C. 1421) is hereby amended by adding the following additional subsection:

"'(e) Notwithstanding the provisions of section 405(a), any petition for naturalization filed on or after the enactment of this subsection shall be heard and determined in accordance with the requirements of this title.'

"SEC. 18. (a) Section 340(a) of the Immigration and Nationality Act (66 Stat. 260; 8 U.S.C. 1451(a)) is hereby amended by inserting, following the language 'that such order and certificate of naturalization' the language 'were illegally procured or'.

"(b) Section 340(b) of the Immigration and Nationality Act (66 Stat. 260; 8 U.S.C. 1451(b)) is hereby amended by inserting, immediately preceding the word 'procured', the language 'illegally procured or'.

"SEC. 19. Section 349 of the Immigration and Nationality Act (8 U.S.C. 1481) is hereby amended by adding the following subsection:

"'(c) Whenever the loss of United States nationality is put in issue in any action or proceeding commenced on or after the enactment of this subsection under, or by virtue of, the provisions of this or any other Act, the burden shall be upon the person or party claiming that such loss occurred, to establish such claim by a preponderance of the evidence. Except as otherwise provided in subsection (b), any person who commits or performs, or who has committed or performed, any act of expatriation under the provisions of this or any other Act shall be presumed to have done so voluntarily, but such presumption may be rebutted upon a showing, by a preponderance of the evidence, that the act or acts committed or performed were not done voluntarily.'

"SEC. 20. Section 354(4) of the Immigration and Nationality Act (8 U.S.C. 1486) is hereby amended to read as follows:

"'(4) who has attained the age of sixty years, and has had a residence outside of the United States and its outlying possessions for not less than ten years, during all of which period he has been engaged in an occupation of the type designated in paragraphs (1), (2), or (4) of section 353, or paragraph (2) of this section, and who is in bona fide retirement from such occupation; or who is the spouse or child of the national described in this paragraph and who has his residence abroad for the purpose of being with such American citizen spouse or parent; or'.

"SEC. 21. The language 'CHAPTER 3—ISSUANCE ON ENTRY DOCUMENTS' of the table of contents of the Immigration and Nationality Act, as amended, is hereby amended to read as follows:

"'CHAPTER 3—ISSUANCE OF ENTRY DOCUMENTS'

"SEC. 22. (a) The title preceding section 212 of the Immigration and Nationality Act, as amended, is hereby amended to read as follows:

"'GENERAL CLASSES OF ALIENS INELIGIBLE TO RECEIVE VISAS AND EXCLUDED FROM ADMISSION; WAIVERS OF INADMISSIBILITY'

"(b) The title preceding section 329 of the Immigration and Nationality Act, as amended, is amended to read as follows:

"'NATURALIZATION THROUGH ACTIVE-DUTY SERVICE IN ARMED FORCES DURING WORLD WAR I OR WORLD WAR II OR THE KOREAN HOSTILITIES'

"SEC. 23. (a) The table of contents (TITLE I—GENERAL) of the Immigration and Nationality Act is hereby amended by adding the following:

"'Sec. 106. Judicial review of orders of deportation and exclusion.'

"(b) Section 212 of the table of contents of the Immigration and Nationality Act is hereby amended to read as follows:

"'Sec. 212. General classes of aliens ineligible to receive visas and excluded from admission; waivers of inadmissibility.'

"(c) Section 329 of the table of contents of the Immigration and Nationality Act, is hereby amended to read as follows:

"'Sec. 329. Naturalization through active-duty service in Armed Forces during World War I or World War II or the Korean hostilities.'

"SEC. 24. (a) The following Acts and all amendments thereto and parts of Acts and all amendments thereto are repealed:

"(1) Section 4 of the Act of September 3, 1954 (68 Stat. 1145; 8 U.S.C. 1182a);

"(2) Section 4 of the Act of September 11, 1957 (71 Stat. 639–640; 8 U.S.C. 1205);

"(3) Sections 5, 6, and 7 of the Act of September 11, 1957 (71 Stat. 640–641; 8 U.S.C. 1182b; 8 U.S.C. 1182c; 8 U.S.C. 1251a);

"(4) Section 15 of the Act of September 11, 1957 (71 Stat. 643–644; 50 U.S.C. App. 1971a, note);

"(5) Sections 9 and 12 of the Act of September 11, 1957 (71 Stat. 641–642; 8 U.S.C. 1255a; 8 U.S.C. 1153, note);

"(6) Section 2 of the Act of August 21, 1958 (72 Stat. 699; 8 U.S.C. 1255; 8 U.S.C. 1153, note);

"(7) Sections 4 and 6 of the Act of September 22, 1959 (73 Stat. 644–645; 8 U.S.C. 1153, note).

"(b) Paragraphs (4), (5), (6), and (7) of subsection (a) of this section shall take effect upon the expiration of the one hundred and eightieth day immediately following the date of enactment of this Act.

"SEC. 25. (a) Any alien eligible for a quota immigrant status under the provisions of section 203(a) (2) or (3) of the Immigration and Nationality Act on the basis of a petition filed with the Attorney General prior to July 1, 1961, shall be held to be a nonquota immigrant and, if otherwise admissible under the provisions of that Act, shall be issued a nonquota immigrant visa: *Provided*, That, upon his application for an immigrant visa, and for admission to the United States, the alien is found to have retained his relationship to the petitioner, and status, as established in the approved petition.

"(b) At any time prior to the expiration of the one hundred and eightieth day immediately following the enactment of this Act a special nonquota immigrant visa may be issued to an eligible orphan as defined in section 4 of the Act of September 11, 1957, as amended (8 U.S.C. 1205; 71 Stat. 639, 73 Stat. 490, 74 Stat. 505), if a visa petition filed in behalf of such eligible orphan was (A) approved by the Attorney General prior to September 30, 1961, or (B) pending before the Attorney General prior to September 30, 1961, and the Attorney General approves such petition."

And the House agree to the same.

That the title of the bill be amended to read as follows: "An Act to amend the Immigration and Nationality Act; and for other purposes."

FRANCIS E. WALTER,
MICHAEL A. FEIGHAN,
FRANK CHELF,
RICHARD E. POFF,
ARCH A. MOORE, JR.,
Managers on the Part of the House.

JAMES O. EASTLAND,
OLIN D. JOHNSTON,
JOHN L. MCCLELLAN,
SAM J. ERVIN, JR.,
EVERETT M. DIRKSEN,
HIRAM FONG,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2237) to permit the entry of certain eligible alien orphans, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The language of the legislation agreed to differs from the language of the House amendment to S. 2237 in the following technical respects:

1. It is proposed in section 3(a) that immigration officers as well as consular officers may administer the oaths in connection with a petition.

2. In section 5(a) and section 21 the title of the new section 106 of the Immigration and Nationality Act was amended to conform with the provisions of the said section 106, to read:

"JUDICIAL REVIEW OF ORDERS OF DEPORTATION AND EXCLUSION"

3. In section 24(b) a provision regarding the deferred repeal of section 15 of the act of September 11, 1957, was agreed to.

4. In section 25 the dates of June 30, 1961, were changed to July 1, 1961 and September 30, 1961, respectively, so as to facilitate the processing of pending applications filed with, or approved by, the Attorney General.

FRANCIS E. WALTER,
MICHAEL A. FEIGHAN,
FRANK CHELF,
RICHARD H. POFF,
ARCH A. MOORE, Jr.,
Managers on the Part of the House.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXPANDING THE SALINE WATER CONVERSION PROGRAM

Mr. ASPINALL. Mr. Speaker, I call up the conference report on the bill (H.R. 7916) to expand and extend the saline water conversion program being conducted by the Secretary of the Interior, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

Mr. GROSS. Mr. Speaker, reserving the right to object, will the gentleman briefly explain what happened in conference?

Mr. ASPINALL. If the gentleman will yield to me I shall be pleased to.

The managers on the part of the House were able to get the conferees to stay very close to the language of the House bill. We did accept the amendment that had to do with patents which is similar to a provision heretofore adopted in the coal research legislation.

The Senate provided $100 million for a 10-year program. The House provided $50 million for a 5-year program. The committee on conference compromised on a 6-year program with a $75 million appropriation to be used for a basic and applied research program.

None of this money is to be used for demonstration plans. The Department will have to come back to the Congress of the United States if they desire any new demonstration plants.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1158)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7916) to expand and extend the saline water conversion program being conducted by the Secretary of the Interior, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows: In lieu of the language inserted by the Senate amendment insert the following: "That the Act of July 3, 1952 (66 Stat. 328), as amended (42 U.S.C. 1951–1958), is further amended to read as follows:

"'SECTION 1. In view of the increasing shortage of usable surface and ground water in many parts of the Nation and the importance of finding new sources of supply to meet its present and future water needs, it is the policy of the Congress to provide for the development of practicable low-cost means for the large-scale production of water of a quality suitable for municipal, industrial, agricultural, and other beneficial consumptive uses from saline water, and for studies and research related thereto. As used in this Act, the term "saline water" includes sea water, brackish water, and other mineralized or chemically charged water, and the term "United States" extends to and includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

"'SEC. 2. In order to accomplish the purposes of this Act, the Secretary of the Interior shall—

"'(a) conduct, encourage, and promote fundamental scientific research and basic studies to develop the best and most economical processes and methods for converting saline water into water suitable for beneficial consumptive purposes;

"'(b) conduct engineering research and technical development work to determine, by laboratory and pilot plant testing, the results of the research and studies aforesaid in order to develop processes and plant designs to the point where they can be demonstrated on a large and practical scale;

"'(c) recommend to the Congress from time to time authorization for construction and operation, or for participation in the construction and operation, of a demonstration plant for any process which he determines, on the basis of subsections (a) and (b) above, has great promise of accomplishing the purposes of this Act, such recommendation to be accompanied by a report on the size, location, and cost of the proposed plant and the engineering and economic details with respect thereto;

"'(d) study methods for the recovery and marketing of commercially valuable byproducts resulting from the conversion of saline water; and

"'(e) undertake economic studies and surveys to determine present and prospective costs of producing water for beneficial consumptive purposes in various parts of the United States by the leading saline water processes as compared with other standard methods.

"'SEC. 3. In carrying out his functions under section 2 of this Act, the Secretary may—

"'(a) acquire the services of chemists, physicists, engineers, and other personnel by contract or otherwise;

"'(b) enter into contracts with educational institutions, scientific organizations, and industrial and engineering firms;

"'(c) make research and training grants;

"'(d) utilize the facilities of Federal scientific laboratories;

"'(e) establish and operate necessary facilities and test sites at which to carry on the continuous research, testing, development, and programing necessary to effectuate the purposes of this Act;

"'(f) acquire secret processes, technical data, inventions, patent applications, patents, licenses, land and interests in land (including water rights), plants and facilities, and other property or rights by purchase, license, lease, or donation;

"'(g) assemble and maintain pertinent and current scientific literature, both domestic and foreign, and issue bibliographical data with respect thereto;

"'(h) cause on-site inspections to be made of promising projects, domestic and foreign, and, in the case of projects located in the United States, cooperate and participate in their development in instances in which the purposes of this Act will be served thereby;

"'(i) foster and participate in regional, national, and international conferences relating to saline water conversion;

"'(j) coordinate, correlate, and publish information with a view to advancing the development of low-cost saline water conversion projects; and

"'(k) cooperate with other Federal departments and agencies, with State and local departments, agencies, and instrumentalities, and with interested persons, firms, institutions, and organizations.

"'SEC. 4. (a) Research and development activities undertaken by the Secretary shall be coordinated or conducted jointly with the Department of Defense to the end that developments under this Act which are primarily of a civil nature will contribute to the defense of the Nation and that developments which are primarily of a military nature will, to the greatest practicable extent compatible with military and security requirements, be available to advance the purposes of this Act and to strengthen the civil economy of the Nation. The fullest cooperation by and with Atomic Energy Commission, the Department of Health, Education, and Welfare, the Department of State, and other concerned agencies shall also be carried out in the interest of achieving the objectives of this Act.

"'(b) All research within the United States contracted for, sponsored, cosponsored, or authorized under authority of this Act, shall be provided for in such manner that all information, uses, products, processes, patents, and other developments resulting from such research developed by Government expenditure will (with such exceptions and limitations, if any, as the Secretary may find to be necessary in the interest of national defense) be available to the general public. This subsection shall not be so construed as to deprive the owner of any background patent relating thereto of such rights as he may have thereunder.

"'SEC. 5. (a) The Secretary may dispose of water and byproducts resulting from his operations under this Act. All moneys received from dispositions under this section shall be paid into the Treasury as miscellaneous receipts.

"'(b) Nothing in this Act shall be construed to alter existing law with respect to the ownership and control of water.

"'SEC. 6. The Secretary shall make reports to the President and the Congress at the beginning of each regular session of the action taken or instituted by him under the

provisions of this Act and of prospective action during the ensuing year.

"'SEC. 7. The Secretary of the Interior may issue rules and regulations to effectuate the purposes of this Act.

"'SEC. 8. There are authorized to be appropriated such sums, to remain available until expended, as may be necessary, but not more than $75,000,000 in all, (a) to carry out the provisions of this Act during the fiscal years 1962 to 1967, inclusive; (b) to finance, for not more than two years beyond the end of said period, such grants, contracts, cooperative agreements, and studies as may theretofore have been undertaken pursuant to this Act; and (c) to finance, for not more than three years beyond the end of said period, such activities as are required to correlate, coordinate, and round out the results of studies and research undertaken pursuant to this Act: *Provided*, That funds available in any one year for research and development may, subject to the approval of the Secretary of State to assure that such activities are consistent with the foreign policy objectives of the United States, be expended in cooperation with public or private agencies in foreign countries in the development of processes useful to the program in the United States: *And provided further*, That every such contract or agreement made with any public or private agency in a foreign country shall contain provisions effective to insure that the results or information developed in connection therewith shall be available without cost to the United States for the use of the United States throughout the world and for the use of the general public within the United States.'

"SEC. 2. Section 4 of the joint resolution of September 2, 1958 (72 Stat. 1707; 42 U.S.C. 1958 (d), is hereby amended to read:

"'The authority of the Secretary of the Interior under this joint resolution to construct, operate, and maintain demonstration plants shall terminate upon the expiration of twelve years after the date on which this joint resolution is approved. Upon the expiration of a period deemed adequate for demonstration purposes for each plant, but not to exceed such twelve-year period, the Secretary shall proceed as promptly as practicable to dispose of any plants so constructed by sale to the highest bidder, or as may otherwise be directed by Act of Congress. Upon such sale, there shall be returned to any State or public agency which has contributed financial assistance under section 3 of this joint resolution a proper share of the net proceeds of the sale.'"

And the Senate agree to the same.

WAYNE N. ASPINALL,
LEO W. O'BRIEN,
WALTER ROGERS,
JOHN P. SAYLOR,
CRAIG HOSMER,
Managers on the Part of the House.

HENRY M. JACKSON,
ALAN BIBLE,
JOHN A. CARROLL,
THOMAS H. KUCHEL,
GORDON ALLOTT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7916) to expand and extend the saline water conversion program being conducted by the Secretary of the Interior, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The conference committee accepted for the most part the language of the House-passed bill.

The conference committee agreed with the House position that Federal construction and operation of demonstration plants or participation in the construction and operation of demonstration plants should be authorized in separate legislation as the need develops and upon a determination of justification by the Secretary of the Interior and recommendation to the Congress. On the basis of this agreement the House language providing for this procedure was adopted in lieu of titles II and III in the Senate-passed bill.

With respect to the scope and life of an expanded research and development program the conference committee agreed upon a ceiling on expenditures of $75 million for the 6-year period fiscal year 1962 through fiscal year 1967. This compares with a ceiling of $50 million for a 5-year program in the House-passed bill and $100 million for a 10-year program in the Senate-passed bill. The conference committee reaffirmed the position taken by both the House and Senate committees that the Department should have flexibility in the use of these funds and that no year-by-year limitation is intended.

The conference committee adopted language in the Senate-passed bill relating to patents. The provision requires that all information, patents, processes, and other developments resulting from Federal expenditures under this program be available to the general public. An exception is made in those cases where the Secretary determines that the imposition of this requirement would not be in the interest of national defense.

The type of program needed was a matter discussed by the conference committee. There was general agreement by the conferees that the most pressing need at this time, in order to attain our goal of truly low-cost desalination, is a program of broad basic research to supply new ideas and basic data necessary for the development of new processes. While the legislation does not break down the amount authorized to be appropriated between basic research and applied research the conference committee agreed that emphasis should be placed upon basic or fundamental research and that there should be allocated to this phase of the program all the funds that can be efficiently and effectively used.

In connection with the question of how far a process could be carried forward under the language adopted in the conference report the conference committee discussed the definition of a pilot plant. In this legislation the committee is thinking of a pilot plant as the device or facility necessary to prove out on a process—to determine whether it will work and the problems involved. It is not intended to be a finished product and is subjected to various tests and further experimentation in order to improve the workability or solve problems that develop. In addition to determining and improving workability, its purpose is to produce technical knowledge and provide the necessary data and information for demonstration plant designs.

With respect to demonstration plant proposals to be submitted to the Congress pursuant to the language adopted in the conference report the House conferees want to again direct the attention of the Secretary of the Interior to the general guidelines which were suggested by the House committee for use in examining such proposals.

WAYNE N. ASPINALL,
LEO W. O'BRIEN,
WALTER ROGERS,
JOHN P. SAYLOR,
CRAIG HOSMER,
Managers on the Part of the House.

Mr. DADDARIO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. DADDARIO. Mr. Speaker, the House should be aware that certain efforts are tending to undermine our Federal patent system—a system which has been one of the keystones of the free enterprise system for 170 years.

This is being done by a legislative clause with which the Senate has been amending research and development legislation during the past 2 years. It was passed in the Coal Research Act of last year. This year it has been placed in the Marine Sciences and Research Act, now pending before the House committee, and it has been added to the Saline Water Conversion Act, the conference version of which is before us.

The clause is not the result of recommendations on the part of the Judiciary Committees of the two Houses. It stems rather from the activities of the Senate Antimonopoly Subcommittee. Here is the way the clause reads:

All research within the United States contracted for, sponsored, cosponsored, or authorized under authority of this act, shall be provided for in such manner that all information, uses, products, processes, patents, and other developments resulting from such research developed by Government expenditure will (with such exceptions and limitations, if any, as the Secretary may find to be necessary in the interest of national defense) be available to the general public. This subsection shall not be construed as to deprive the owner of any background patent relating thereto of such rights as he may have thereunder.

Slight variations exist, depending on the purpose of the bill.

That language is being insisted upon by the chairman of the Senate subcommittee, because it has a worthwhile objective and appears to be relatively noncontroversial, it has been slipping through in the legislation mentioned.

To my mind, however, it represents a chipping away at a system which has been extremely valuable to America for a good many years. I do not make this statement lightly. I have been a member of, and presently chair, the Patent Subcommittee of the Committee on Science and Astronautics which for 2 years has been investigating the merits of Government or public ownership of inventions produced under Federal space research contracts. It is a very complex problem, and the solution to it certainly does not lie in a piecemeal effort to make all inventions produced in connection with Federal research free to the public at large.

We are deluding ourselves if we go on such an assumption, for the net result is that of a boomerang—we only hamper the research we are trying to buy. At the proper time, our committee will make a thorough report on this matter to the House.

I want to emphasize, however, that the clause under discussion is unnecessary, unwise, inadequately drawn, and impractical. Its net effect will be quite opposite what is intended.

It is unnecessary because in all its research contracts with private industry

the Federal Government retains a right to use, make or have made any invention or discovery arising therefrom—whether patented or not. This right is irrevocable and royalty-free. It is all the Federal Government, as such, can use. The commercial application of the invention, if any, cannot be exploited by the Government—so, except in rare cases where the national welfare or security is involved, or where the Government has initiated and paid for the technology involved from the very beginning, there is no need for this type of legislation so far as the National Government is concerned.

It is unwise because its effect, whether by design or otherwise, is to negate the philosophy and methods developed by the U.S. Constitution for the purpose of stimulating scientific invention and the advancement of the arts. That philosophy is based upon the proposition that a limited monopoly can be a useful thing. It recognizes certain truths of human nature. And so, in exchange for full public disclosure of the details of the invention, it gives the inventor the right to market his invention exclusively for a limited time. The legislation I am discussing, however, demands the contrary. It makes the invented concept not only free to the Government—which is as it should be when the Government helps pay for the development—but free to the general public as well. Yet so far as the constitutional concept is concerned, the fact that the Government may have contributed to the development of a good scientific idea by supporting it with research funds, does not at all justify taking commercial rights away from the inventor.

The clause is further unwise, in my judgment, because it sets precedents which are applicable not only to patents but to copyrights as well. Most of our finest writings, scientific and otherwise, would never see the light of day if it were not for the copyright. Are we prepared to accept the notion that all knowledge or thoughts developed in part through Government service or sponsorship cannot be copyrighted? I doubt it very much. Yet if we set such a precedent in regard to patents, the day may not be far away when the same thing will be inflexibly required from copyrights.

The clause is inadequately drawn for several reasons. It permits the Secretary of the Department involved to make exceptions to the general rule of free public availability in the interests of national defense. Such matters are already handled by statute—by the Inventions Secrecy Act in regard to patent application cases—by the National Security Act in regard to information, processes, and so forth, which are highly classified. The use of the phrase thus appears, at best, to be redundant. More important is the inclusion of the word "products" as one of the items which, if developed under the research contract, must be made available to the public. Now, under the terms of a Government research contract any prototypes or products developed are the property of the United States. How to make such products fully and freely available to the general public is a mystery. It would appear to be physically impossible. More than that, making products available to the general public is not and never has been a function of the Federal Government. If the intent is to assure that commercial products are made available to all manufacturers without royalty payments, then we are imposing a system of patent dedication or compulsory licensing—and I submit that this should not be done in any legislation without full debate by the House.

The clause is impractical since it will not have the effect which is intended. It will not result in more, better, and cheaper products being made available to the general public.

The research done by our subcommittee proves this beyond doubt. But, worse than that, it is very likely to hamstring or at least retard the very research it is designed to promote. This seems particularly true in regard to the Saline Water Act. I should like to call attention to the fact that the National Saline Water Conference held in July at Woods Hole, Mass., brought out very clearly the urgent need for more basic research in this area. Recommendations have been made by the experts for $5 million a year to be used solely for basic research as distinguished from applied research and development. Real scientific breakthroughs are essential. Is it likely that any segment of private enterprise will devote its best efforts to evolve such breakthroughs when, first, the potential commercial market is so great; second, it cannot depend on background patents to sustain its position in the marketplace; and third, it must make its findings free for its competitors to use? I think not.

Let me repeat that what we are asked to do is far too serious a matter to be legislated lightly. This body has never had the opportunity to examine the proposed legislation or debate it. It should not take the risk of damaging our tested patent system with its eyes closed, which is what we will be doing if we continue to permit these amendments to be tacked onto otherwise needed legislation.

It should be emphasized that this patent clause has, in no case that I am aware of, been requested by the administration. Certainly it was not requested in regard to the Saline Water Conversion Act this year. It has simply been tacked on and, apparently, with very little discussion. I note, for example, that the Senate report merely identifies the amendment but does not undertake to explain it or attempt to justify the need for it.

I am convinced, however, that, insofar as the purpose of this clause is to disseminate scientific information with the greatest possible speed, it has genuine merit. To this end I have drawn an amendment patterned after the clause in question, which I believe is far more appropriate than the existing legislation:

All research within the United States contracted for, sponsored, cosponsored, or authorized under the authority of this act shall be provided for in such manner that all information as to uses, products, processes, patents, and other developments resulting from that activity will (with such exceptions and limitations, if any, as the Secretary may find to be necessary to protect the equitable interests of the Government and the contractor) be available to the general public at the earliest possible time. This subsection is not to be so construed as to deprive the owner of any background patent relating thereto of such rights as he may have thereunder.

Taking into consideration the nature of the conference report, this language justifiably deserves your examination with respect to the principles at stake.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDING THE LAW ESTABLISHING THE INDIAN REVOLVING LOAN FUND

Mr. HALEY. Mr. Speaker, I call up the conference report on the bill (S. 1540) to amend the law establishing the Indian revolving loan fund, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1162)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1540) to amend the law establishing the Indian revolving loan fund, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and concur in the same with an amendment as follows: In lieu of the matter inserted by the House amendment insert the following: "That the appropriation authorization in section 10 of the Act of June 18, 1934 (48 Stat. 986), is hereby amended by increasing it from $10,000,000 to $20,000,000."

And the House agree to the same.

JAMES A. HALEY,
ED EDMONDSON,
THOMAS G. MORRIS,
E. Y. BERRY,
HJALMAR C. NYGAARD,
Managers on the Part of the House.

FRANK CHURCH,
ERNEST GRUENING,
QUENTIN N. BURDICK,
BARRY GOLDWATER,
GORDON ALLOTT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1540) to amend the law establishing the Indian revolving loan fund, submit the following statement in explanation of the effect of the action

agreed upon and recommended in the accompanying conference report:

As it passed the Senate, S. 1540 called for a $25,000,000 increase in the amount authorized to be appropriated for the general Indian revolving loan fund established by the Act of June 18, 1934. It also called, in effect, for a merger of this fund with two other such funds which have been established for the Navajo-Hopi Tribes and for the Indians of Oklahoma.

The bill was amended in the House to reduce the increase in the amount authorized to be appropriated to $5,000,000 and to delete all other provisions of the bill.

The conferees are agreed that in lieu of the $5,000,000 increase proposed by the House and the $25,000,000 increase proposed by the Senate, a $10,000,000 increase should be allowed. This will make the total amount authorized for the general loan fund $20,000,000. The conferees are also agreed that questions concerning a further increase and concerning the proposed merger, as well as such questions as arise concerning interest rates to be charged and the like, can be better handled at some later date. The need for such consideration will probably arise when bills dealing with fractionated heirship problems are taken up, as they probably will be in the near future.

JAMES A. HALEY,
ED EDMONDSON,
THOMAS G. MORRIS,
E. Y. BERRY,
HJALMAR C. NYGAARD,
Managers on the Part of the House.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CLARIFYING THE REEMPLOYMENT RIGHTS OF CERTAIN PERSONS ENTERING THE ARMED FORCES

Mr. KILDAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8765) to amend and clarify the reemployment provisions of the Universal Military Training and Service Act, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, I assume the gentleman will take a minute or two to explain this bill.

Mr. KILDAY. Mr. Speaker, I will be glad to explain the bill.

The purpose of this bill is to amend the existing reemployment provisions of the Universal Military Training and Service Act to clarify and remove any doubts that might arise with regard to the reemployment protection to be accorded certain persons who leave their jobs to enter the Armed Forces in the interest of national defense.

In the month of August this year the Congress passed a law giving the President the power to extend the period of service of persons on active duty and the power to call individuals and Reserve organizations to active duty without their consent. The purpose of this bill is to extend the reemployment rights for the same period of time it is possible to extend involuntarily the period of service or to extend those reemployment rights for the same period that a person volunteers for active service, provided that additional service is no greater than that to which he could have been involuntarily called.

Mr. SHORT. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BATES] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. BATES. Mr. Speaker, the purpose of H.R. 8765 as stated in the report is to clarify certain existing rights and to remove any doubts that might otherwise arise with regard to reemployment protection to certain persons who enter the armed services.

There is ample protection in existing law for the inductee, or the enlistee; and there is ample protection in existing law for the individual serving on active duty who has his enlistment involuntarily extended so that he serves beyond 4 years.

But some doubt does exist with regard to reservists being ordered to active duty who have previously served on active duty and were discharged and returned to their former jobs. Likewise, some doubt may arise with regard to individuals who voluntarily extend their enlistments in lieu of having their enlistments involuntarily extended. This is particularly true for the individual whose 4 years of service may expire sometime after September 1 and who wishes to voluntarily extend his enlistment.

Enactment of H.R. 8765 would assure reemployment rights for individuals who are involuntarily recalled to active duty for a period of 1 year, or who voluntarily extend their enlistments for a period of 1 year, or whose enlistments are involuntarily extended for a period of 1 year, or for whatever period the Congress may authorize enlistments or calls to active duty beyond the 1-year period contained in the resolution recently enacted which authorized the President to order reservists to active duty.

The other features of the proposed legislation are technical, and merely clarify existing rights.

QUESTION

This legislation appears to contradict the statement made by Chairman VINSON when the House acted on House Resolution 505—Public Law 87–117—which authorized the President to order members of the Ready Reserve to active duty.

At that time, the chairman in a colloquy on the floor assured the Members of the House that the reemployment rights of the reservists would be protected.

ANSWER

Chairman VINSON was absolutely correct in his statement. Ready Reservists now being called to active duty do have reemployment right protection under the law. However, the law clearly does not apply in those instances in which a military member who is presently on active duty elects voluntarily to extend his enlistment during the period of the present crises. In such a case, this member who is motivated by patriotic reasons would be denied reemployment rights since his extension of enlistment was voluntary and not the result of operation of law.

There also may be some doubt as to whether reservists with substantial periods of active duty service who were discharged and who are being ordered to active duty under the resolution are protected. To remove any doubt about this individual, the proposed amendment will grant him protection for the period of time involuntarily ordered to active duty under the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 9 of the Universal Military Training and Service Act, as amended (50 U.S.C. App. 459) is amended as follows:

(1) By amending paragraph (1) of subsection (g) to read as follows:

"(1) Any person who, after entering the employment to which he claims restoration, enlists in the Armed Forces of the United States (other than in a reserve component) and who between June 24, 1948, and August 1, 1961, serves for not more than four years, or who on and after August 1, 1961, serves any period additional or otherwise, not exceeding four years (plus in each case any period of additional service imposed pursuant to law) shall be entitled upon release from service under honorable conditions to all the reemployment rights and other benefits provided for by this section in the case of persons inducted under the provisions of this title."

(2) By amending paragraph (2) of subsection (g) to read as follows:

"(2) Any person who, after entering the employment to which he claims restoration, enters upon active duty (other than for the purpose of determining his physical fitness and other than for training), whether or not voluntarily, in the Armed Forces of the United States or the Public Health Service in response to an order or call to active duty shall, upon his relief from active duty under honorable conditions, be entitled to all of the reemployment rights and benefits provided by this section in the case of persons inducted under the provisions of this title, if the total of such active duty performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any such active duty, additional or otherwise, performed after August 1, 1961, does not exceed four years (plus in each case any additional period in which he was unable to obtain orders relieving him from active duty)."

(3) By amending paragraph (4) of subsection (g) to read as follows:

"(4) Any employee not covered by paragraph (3) of this subsection who holds a position described in paragraph (A) or (B) of subsection (b) of this section shall upon request be granted a leave of absence by his employer for the period required to perform active duty for training or inactive duty training in the Armed Forces of the United States. Upon his release from a period of such active duty for training or inactive duty training, or upon his discharge from hospitalization incident to that training, such

employee shall be permitted to return to his position with such seniority, status, pay, and vacation as he would have had if he had not been absent for such purposes. He shall report for work at the beginning of his next regularly scheduled working period after expiration of the last calendar day necessary to travel from the place of training to the place of employment following his release, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control. Failure to report for work at such next regularly scheduled working period shall make the employee subject to the conduct rules of the employer pertaining to explanations and discipline with respect to absence from scheduled work. If that employee is hospitalized incident to active duty for training or inactive duty training, he shall be required to report for work at the beginning of his next regularly scheduled work period after expiration of the time necessary to travel from the place of discharge from hospitalization to the place of employment, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control, or within one year after his release from active duty for training or inactive duty training, whichever is earlier. If an employee covered by this paragraph is not qualified to perform the duties of his position by reason of disability sustained during active duty for training or inactive duty training, but is qualified to perform the duties of any other position in the employ of the employer or his successor in interest, he shall be restored by that employer or his successor in interest to such other position the duties of which he is qualified to perform as will provide him like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in his case."

(4) By renumbering paragraph (5) of subsection (g) as paragraph (6), and by inserting a new paragraph (5) as follows:

"(5) Any employee not covered by paragraph (3) of this subsection who holds a position described in paragraph (A) or (B) of subsection (b) of this section shall be considered as having been on leave of absence during the period required to report for the purpose of being inducted into, entering or determining by a preinduction or other examination his physical fitness to enter the Armed Forces of the United States. Upon his rejection, upon completion of his preinduction or other examination, or upon his discharge from hospitalization incident to that rejection or examination, such employee shall be permitted to return to his position in accordance with the provisions of paragraph (4) of this subsection."

With the following committee amendments:

On page 2, strike out lines 1 through 5, inclusive, and insert in lieu thereof the following: "and who serves for not more than four years, or who on and after August 1, 1961, serves any additional period not exceeding the maximum period for which he might be called into or retained in service involuntarily (plus in each case any period of additional service imposed pursuant to law) shall be entitled".

On page 2, strike out lines 22 through 25, inclusive, and insert in lieu thereof the following: "total of such active duty performed did not exceed four years, and the total of any such additional active duty performed after August 1, 1961, does not exceed the maximum period for which he might be called into or retained in service involuntarily".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON BANKING AND CURRENCY

Mr. MULTER. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency have until midnight tonight to file conference reports on the bills S. 902 and H.R. 8762.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PERSONAL EXPLANATION

Mr. CELLER. Mr. Speaker, in the colloquy yesterday between the gentleman from Virginia [Mr. SMITH] and the gentleman from Florida [Mr. CRAMER], there was an implication that when the Judiciary Committee approved the bill to extend the life of the Civil Rights Commission I did not ask for a rule on that bill. I did ask for a rule, and I ask unanimous consent to include in the RECORD a letter which I addressed to the distinguished chairman of the Rules Committee, together with his response thereto, which indicates that I did apply for a rule and that the chairman of the Rules Committee would endeavor to schedule hearings on this matter at an early date.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

(The matter referred to follows:)

AUGUST 21, 1961.

Hon. HOWARD W. SMITH,
Chairman, Committee on Rules,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: The Committee on the Judiciary has reported favorably, amended, to the House, H.R. 6496, to make the Commission on Civil Rights a permanent agency in the executive branch of the Government.

Three copies of this reported bill are enclosed and three copies of the accompanying committee report, House Report No. 995.

Pursuant to authorization of the Committee on the Judiciary, I am writing to request the Rules Committee to grant a rule for the consideration of this bill on the floor of the House. We would appreciate being given a hearing before your committee at the earliest convenient date.

Sincerely yours,

EMANUEL CELLER, *Chairman.*

HOUSE OF REPRESENTATIVES,
COMMITTEE ON RULES,
Washington, D.C. August 22, 1961.

Hon. EMANUEL CELLER,
Chairman, Committee on the Judiciary,
House Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: This will acknowledge your letter of August 21 requesting that the Committee on Rules hold a hearing on H.R. 6496, a bill to make the Commission on Civil Rights a permanent agency in the executive branch of the Government.

I shall endeavor to schedule hearings on this matter at an early date and shall be glad to advise you of the time set.

Sincerely,

HOWARD W. SMITH, *Chairman.*

AMENDMENT OF THE SHIP MORTGAGE ACT, 1920

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill—H.R. 2308—to amend the Ship Mortgage Act, 1920, with respect to its applicability to certain vessels, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, after line 13, insert:

"SEC. 3. The proviso at the end of section 511(h) of the Merchant Marine Act, 1936, as amended, is amended to read as follows: '*Provided*, That until January 1, 1962, in addition to the extensions hereinbefore permitted, further extensions may be granted ending not later than December 31, 1962'."

Page 2, after line 13, insert:

"SEC. 4. The amendment made by the first section of this Act shall take effect December 31, 1961, or on the date of enactment of this Act, whichever date first occurs."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

EXPORT INSURANCE AND GUARANTEES

Mr. MULTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill S. 2325, to amend the Export-Import Bank Act of 1945, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. WIDNALL. Mr. Speaker, reserving the right to object, will the gentleman from New York explain what has happened to this bill?

Mr. MULTER. If the gentleman will yield, I will be happy to.

Mr. Speaker, this bill was considered by the House Banking and Currency Subcommittee No. 3, together with four other bills intended to improve the export condition and position of American exporters. The idea is to improve their competitive position insofar as exporting American products and services are concerned. Today many foreign countries are extending not only guarantees against political risks, but also guarantees against credit risks. This is putting the American exporters in an unfair competitive position. Under this bill we will permit the Export-Import Bank to issue guarantees and insurance where private enterprise will not issue them, not only for the political risks that they are presently guaranteeing, but also for credit risks.

Mr. Speaker, the bill does not call for any additional authorization, moneywise. As a matter of fact, it imposes a limitation on the use of the authorization of the Export-Import Bank to the extent that it will be required to set up a reserve

of 25 percent of the total amount of liability that it may guarantee under this program. In no event will it be permitted to extend guarantees for an aggregate of more than $1 billion. The reserves therefor will come out of the present $7 billion authorization under which the Bank presently is operating.

Mr. Speaker, the committee has assured the Congress in its report that we will further study this matter and have further hearings in January, at which time we will take up for further consideration the four other bills that were before the committee at the same time we had this bill before us.

Mr. Speaker, this bill is intended merely to get the program off the ground and to get it started. We will review the entire operation next January and then, if necessary or desirable, come before the Congress with further legislation.

Mr. WIDNALL. Will the gentleman tell us how this bill as amended differs from the original Senate version?

Mr. MULTER. The original Senate version had no limitation as to the amount. It gave the Bank the right to issue this kind of insurance in any manner and to any extent it saw fit. We require them to set up reserves and the reserves we do set up, I understand, are much beyond any possible potential loss that may be incurred. In addition to that we write into the bill as reported by our committee a provision requiring it to charge fees and premiums commensurate with the risk that it will undertake. In addition to that we strike out of the Senate version of the bill the extension of the life of the Bank from 1963 to 1968, which means that we must review the entire program next year in order to determine what, if anything, we shall do with the Export-Import Bank. We limit the insurance program to Americans and those foreigners doing business here.

Mr. WIDNALL. Mr. Speaker, I withdraw my reservation of objection.

Mr. GROSS. Mr. Speaker, further reserving the right to object, is this strictly a credit guarantee or does this go into the same program that the ICA has with respect to guaranteeing investments as to expropriation, convertibility, war risk; and in the latest foreign give-away bill, revolution and insurrection were also brought in? Is this bill limited to credits only?

Mr. MULTER. Mr. Speaker, if the gentleman will yield to me I will say to the House that this bill is strictly limited to the Export-Import Bank operations which are for the benefit of Americans; and we so say in the bill. This is for the benefit of American enterprise. It is in line with the program that has been conducted by this Bank since 1934 when it was first brought into being. It has nothing to do with other programs to which the gentleman referred. It covers political risks, as heretofore authorized, and also commercial credit risks.

Mr. GROSS. What does the gentleman mean by political risks?

Mr. MULTER. That is a guarantee of currency convertibility and a guarantee against nationalization and confiscation by any foreign power.

Mr. GROSS. Then you have embarked upon approximately the same program with respect to exporters as the ICA furnishes to American investors in foreign lands; is that correct?

Mr. MULTER. May I say to the gentleman that we are doing nothing further with respect to the political risk guarantee program than has been in the law since 1934. We are not extending that program one iota. What we are doing now is clarifying the law so as to indicate to the Export-Import Bank that it may also guarantee or insure commercial credit risks, and with this injunction, that to the extent private insurance companies will underwrite that risk they shall do so first and the Export-Import Bank to that extent will only be a reinsurer or a coinsurer.

Mr. GROSS. Mr. Speaker, I will say to the gentleman from New York and the Members of the House that this is simply further proof—and I am not going to object to the consideration of this bill—this is further proof that with all of the billions that we have expended all over the world we still have not established by virtue of that spending a climate favorable to American investment in foreign countries or export trade to foreign countries. This is further proof that what this Government has been doing through the foreign give-away program has resulted only in failure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 2 of the Export-Import Bank Act of 1945 is amended to read as follows:

"(c)(1) The Export-Import Bank of Washington, in furtherance of its objects and purposes under this Act, is authorized and empowered to guarantee, insure, coinsure, and reinsure against risks of loss arising in connection with export transactions; and to establish and maintain fractional reserves in connection therewith. The reserves maintained by the Bank for the guarantees, insurance, coinsurance or reinsurance issued pursuant to this section shall be not less than 25 per centum of the related contractual liability of the Bank. Insofar as contracts of guarantee, insurance, coinsurance, and reinsurance are concerned, only that part of the Bank's liabilities represented by reserves provided for above shall be taken into account for the purposes of applying the limitations imposed by section 7 of this Act.

"(2) The Bank may issue such guarantees, insurance, coinsurance, and reinsurance to or with exporters, insurance companies, financial institutions, or others, or groups thereof, and where appropriate may employ any of the same to act as its agent in the issuance and servicing of such guarantees, insurance, coinsurance, and reinsurance, and the adjustment of claims arising thereunder."

SEC. 2. Section 8 of the Export-Import Bank Act of 1945 is amended by striking out "June 30, 1963" and inserting in lieu thereof "June 30, 1968."

The SPEAKER pro tempore. The Clerk will report the committee amendments.

The Clerk read as follows:

1. On page 1, lines 8 and 9, strike out "reinsure against risks of loss arising in connection with export transactions" and insert in lieu thereof "reinsure United States exporters and foreign exporters doing business in the United States in an aggregate amount not in excess of $1,000,000,000 outstanding at any one time against political and credit risks of loss arising in connection with United States exports".

2. On page 2, after the period in line 7, insert the following new sentence: "Fees and premiums shall be charged in connection with such contracts commensuate, in the judgment of the Bank, with the risks covered."

3. On page 2, strike out section 2.

The committee amendments were agreed to.

Mr. MULTER. Mr. Speaker, this bill authorizes the Export-Import Bank to take the first step toward meeting a longstanding need for a comprehensive export guarantee program. Dramatic events on the gold market last year focused public attention on the need to provide American businesses with a wider range of tools in selling American goods and services abroad. The Members of this House are fully aware, of course, of the fact that we must do all we can to stimulate our exports, not only to maintain a sound economy and provide more jobs here at home, but also to keep the dollar strong in international markets. One of the needs has been for a complete system of guarantees and insurance, covering both political risks and credit risks, for our exports. Private insurance companies have hesitated to enter this field, without some form of coinsurance or reinsurance.

Other countries have scored "firsts" in this field in providing export guarantees. No less than 19 entities have been established for this purpose in other countries, including France, Germany, Japan, the United Kingdom, and other major industrialized nations who are competing with us in world markets. President Kennedy's message to the Congress on our balance-of-payments situation in February of this year recognized the need for a better export guarantee program for American exporters, and reported that he had directed the Export-Import Bank to prepare a new program "to place our exporters on a basis of full equality with their competitors in other countries." Acting under the President's directive, the Bank has met with insurance companies and others in the field to formulate such a program. This bill is needed to put the program into operation.

S. 2325 authorizes the Bank to provide guarantees, insurance, coinsurance, and reinsurance, covering U.S. exports against political and credit risks to the extent this coverage is not available on reasonable terms from private industry. The bill limits the Bank to $1 billion of contracts outstanding at any one time under this program. The program will be established on a self-supporting basis, with fees and premiums being charged

commensurate with the risks covered. The bill also requires the Bank to set up reserves to cover its potential liabilities under the new program on the basis of 25 cents for each dollar of potential liability. This is an extremely conservative reserve formula; testimony before our committee indicated that even in a bad year losses would not run more than a small fraction of this 25-percent figure.

This bill was introduced by the distinguished chairman of the Banking and Currency Committee, the gentleman from Kentucky [Mr. SPENCE]. It was ordered favorably reported to the House by unanimous vote of the committee, following hearings held on this and related bills by Subcommittee No. 3, of which I have the honor to serve as chairman. As I indicated before, this is not the only solution to the problem of how best to provide an effective export guarantee system, and it is certainly not the only solution to the many related problems of how to stimulate American exports. An alternative solution to the export guarantee problem is embodied in H.R. 7102 and H.R. 7103, companion bills introduced by my able colleague on the Banking and Currency Committee, the gentleman from New Jersey [Mr. WIDNALL], and myself. Other provisions to stimulate exports are included in H.R. 7266 and H.R. 8249, introduced by another valued member of our committee, the gentleman from Ohio [Mr. ASHLEY], and by the gentleman from California [Mr. ROOSEVELT]. After our hearings were set, the other body passed another similar bill, S. 1729, introduced by Senator ENGLE, who has worked diligently on this problem. Unfortunately, time did not permit a complete exploration by our subcommittee of the many questions raised by these bills. Hearings for that purpose on all of these bills will be held early next year. There was unanimous agreement, however, that a start should be made this year on establishing an export guarantee program, and that S. 2325 offered an appropriate vehicle for doing so.

Accordingly, our subcommittee agreed to certain amendments to S. 2325 and reported the bill favorably to the full committee with these amendments. The full committee agreed unanimously with our recommendations. The first amendment, limiting liability under the new program to $1 billion, I have already mentioned. Our second amendment requires the payment of premiums commensurate with the risks involved. Our third amendment eliminated the provision of the introduced bill extending the statutory life of the Bank, now due to expire June 30, 1963. We feel there is ample time to consider this extension next year, in connection with the complete hearings we plan to hold on this subject.

A fourth amendment provides that contracts under the bill shall be written for the benefit of U.S. exporters and foreign exporters doing business in the United States. This amendment is designed to make sure the program will not be used to benefit tax-haven corporations, either directly as beneficiaries of guarantee or insurance contracts, or indirectly through guarantees or insurance of sales to tax-haven corporations.

These are the principal changes recommended by your committee. One final comment should be made. As indicated by the committee report, the committee and the Export-Import Bank are in complete agreement that this bill will be used to stimulate a private-enterprise solution to the problem of export guarantees and insurance. The Bank will act under this bill only to fill a gap which thus far private enterprise has not filled. It will actively seek to encourage private companies to enter this field, and they will be given every opportunity to do so. The Bank's powers under this bill will be used to help private companies write this insurance to the fullest practicable extent, rather than to supplant private insurance with Government insurance.

This is a good bill. I know of no opposition to it, and I urge its adoption by the House.

The bill was ordered to be read a third time, was read the third time and passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MULTER. Mr. Speaker, I ask unanimous consent that all Members have permission to extend their remarks in the RECORD immediately prior to the passage of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

THE PEACE CORPS

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 454 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7500) to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the amendments recommended by the Committee on Foreign Affairs now printed in the bill, and the committee amendment beginning on page 45 of the bill and continuing through page 50 (proposed as title II of the bill) shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Kansas [Mr. AVERY] and pending that I yield myself such time as I may consume.

Mr. Speaker, the reading of the rule makes clear its purpose. It makes in order with 2 hours of general debate the consideration of the bill, H.R. 7500, to establish on a permanent basis the Peace Corps. The rule is an open rule except for title II, which deals with taxes, on which points of order are also waived.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Iowa.

Mr. GROSS. That is one of the most important provisions in this bill, the preferential treatment in regard to taxes.

Mr. BOLLING. A closed rule is customary in connection with the consideration of all provisions with regard to the Internal Revenue Code. This is standard procedure.

Mr. GROSS. I do not like this standard procedure.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield.

Mr. HOFFMAN of Michigan. This is a closed rule from page 45 on to the end of the bill?

Mr. BOLLING. That is correct. That includes title II, and only title II.

Mr. HOFFMAN of Michigan. That is the title that gives the benefits.

Mr. BOLLING. This is the section that deals with amendments to the Internal Revenue and the Social Security Act, and only that.

Mr. HOFFMAN of Michigan. It gives to the Peace Corps members practically the same benefits as are given to veterans.

Mr. BOLLING. I am not sure as to that, but it does give them benefits.

Mr. HOFFMAN of Michigan. I mean the Peace Corps members and their relatives on down to the third and fourth generations.

Mr. BOLLING. Merely the members of the Peace Corps.

Mr. AVERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think the provisions of the bill, H.R. 7500, either have been or will be explained under general debate. I would rather direct my remarks to the entire theory behind the concept of a Peace Corps and the status we find it in today.

As is the case frequently when we come to the floor we find two conflicting points of view affecting a piece of legislation. We find that true today more than we do in most cases. The proponents of the Peace Corps would like to convert the Peace Corps into more of an evangelistic mission. The opponents of the Peace Corps, on the other hand, maintain that the Peace Corps has not yet developed to the point where it can be established or not established that it is in the national interest, and second, that it is overburdened, perhaps, with administrative and personal costs.

I think an objective analysis of the proposal would probably indicate that the true position, the unbiased conclusion from such an analysis, would lie somewhere between those two extremes.

I think it should be made abundantly clear, and I think the principal issue may revolve around this point, that if this bill is not passed today it will do no violence, it will not in any way affect the operation of the Peace Corps as we know it today.

I think the Members of the House are well aware of the fact that the Peace Corps today is operating under an Executive order. The funds to finance whatever missions may be undertaken and the funds to defray the cost of training of so-called volunteers are taken from the President's contingency fund. In the mutual security appropriation bill, which passed the House last week, we added $175 million to the President's contingency fund from which the President is drawing to operate the Peace Corps under Executive order. If the usual pattern of things develops the contingency fund will probably be even larger when the bill comes back from the other body. So there is no financial problem before us on the Peace Corps.

I submit, Mr. Speaker, that the Corps should continue under Executive order until there is tangible evidence that it is justified and it is in the national interest and that it is performing the task it is alleged it can perform in the field of improving our international relations.

Mrs. BLITCH. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I yield to the gentlewoman from Georgia.

Mrs. BLITCH. Mr. Speaker, I want to associate myself with the remarks of the gentleman from Kansas. The gentleman has well stated the position that I take on this bill.

Mr. AVERY. I appreciate the support of the gentlewoman from Georgia, and I trust that her point of view may be shared by many Members on her side of the aisle.

Mr. KEARNS. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from Pennsylvania.

Mr. KEARNS. Mr. Speaker, I think this is the most atrocious bill that has ever been brought before the Congress in the 15 years that I have been here.

Mr. AVERY. I do not think I would entirely agree with the gentleman that it is the most atrocious bill that has been brought before the Congress. But, certainly, there have been much more desirable pieces of legislation presented to the House. I hope the House will act in its wisdom this afternoon and not approve the so-called Peace Corps bill.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman suggest that we vote against the rule?

Mr. AVERY. I will come to that, if the gentleman will permit. I would like to come to that point as quickly as I am able to do so.

Mr. Speaker, let us take a quick look at the Peace Corps as it is operating under Executive order. Mr. Speaker, we have now under Executive Order 131 administrators plus a certain number of advisers, and we have trained in the 6 months in which it has been in operation 158 volunteers and there are approximately 300 more volunteers who are in training at some eight universities and colleges across the land. I do not know what the total cost of the Peace Corps has been up until now. The salary range for these 131 employees is from $20,000 down to $3,000 per year. I do not know just where the mean or average would fall.

Mr. Speaker, I would like to point out too that I question whether the House can act in wisdom on this bill in the short time that we have to consider it. There are 38 pages in the bill. The bill was made available to the Committee on Rules late one afternoon. The committee report was not available until the hearing in the Committee on Rules was underway when, lo and behold, when we got the committee report there were 54 amendments to the bill which we received just the night before. I submit, Mr. Speaker, it is extremely difficult for the Committee on Rules or for the Members of the House to act with any degree of wisdom or any degree of understanding under that kind of procedure. I am not in any way, Mr. Speaker, indicting my colleagues nor do I mean to infer anything unfavorable so far as the chairman of the Committee on Foreign Affairs is concerned. Certainly, the gentleman from Pennsylvania has probably had one of the greatest legislative loads to carry that any Member of the House has ever had to carry. But that is the way this did work out. Therefore, I think favorable action on this measure, if ever, could certainly be deferred until next year.

I would like to discuss for just a minute and examine some of the operations we presently have in foreign countries which are at least comparable to the operation of the Peace Corps.

From non-Government sources we have foundations. I think you are all familiar with those. Probably, the Ford Foundation is the best known. We also have the 4–H Clubs exchange. That is known as the International Youth Foundation Exchange.

Mr. Speaker, over the past 12 years there have been 1,325 youth exchanges under that program. We also have missionaries. We have 34,000 American missionaries already in foreign countries that are attempting to do certainly about the same kind of work that is proposed by the Peace Corps. Of the 34,000, 27,000 are Protestant missionaries, 7,000 are Catholic. The Jewish organizations send certain advisers, medical doctors, and technicians abroad, also.

Now, let us see what the Government is doing. Please understand we are considering to superimpose on top of a rather burdensome organization already yet another Federal bureau, another Federal agency, another operation in the field of foreign affairs.

Now, we have a diplomatic corps, of course. I do not know as the House has ever been advised as to how many people we have overseas in the diplomatic corps. Under the ICA program, that is now to be under the aid for international development, we have 9,000 technicians abroad already. Then we have the USIA, and this may come as a surprise to some of you. I am sure you are all familiar with the USIA; that is the U.S. Information Agency under the direction, of course, of the well-known television personality Edward R. Murrow. There is no question, of course, that Mr. Murrow is qualified to disseminate good will about the United States. He established that qualification, of course, when he produced this now famous film "Harvest of Shame." Mr. Murrow, under the USIA, has 149 schoolteachers working for him in various foreign assignments.

Please let me impose upon you to repeat this: The U.S. Information Agency has about 149 positions available. These are primarily schoolteachers to teach English in various foreign countries. By yesterday morning they could not even fill these 149 positions they have, because there is a reluctance of applicants to go overseas, and they also have some reservations about the applicants that they do get. So, it seems to me it is a little farfetched to believe that we are going to be able to send a strong mission abroad under the Peace Corps to perform as schoolteachers.

Incidentally, it seems that the Peace Corps up to now may be developing for just that, a recruiting agency to send teachers abroad. Mr. Shriver advised me by letter this week that he has had requests for several schoolteachers to go to the Philippines. There are also schoolteachers in Ghana and several other countries.

I submit, Mr. Speaker, that it is not necessary to establish another Federal agency that will merely serve as a recruiting agency to send schoolteachers abroad. Certainly we should wait and see how the Peace Corps develops under the administrative order before we decide that it should become a permanent bureau of the Government.

Now, we sit here in the House and read the Washington newspapers and get imbued with the idea that this Peace Corps has really caught fire overseas and that if we do not establish it as a permanent agency, perhaps we are not keeping faith with some of the other countries.

I tried to find out as much as I could about the Peace Corps and its reception in other countries, and I took advantage of every bit of information I could find. I thought you might be interested in a short article that appeared in the U.S. News & World Report under the title "Truth About the Peace Corps." Now, you understand this would not be a summary made by a Government bureau; it was not a report made by anybody representing the administration or any other department of the Government. This was a newsman's summary of what he found in other countries. Hear this:

Good will is a fine thing, but a Boy Scout approach is not enough.

It would not do much good to send the sons of good families, fresh from Harvard, to underdeveloped countries.

That is a direct quote.

From Latin America:

What we need is professional and technical help, not idealistic amateurs.

Yet, the Latin Americans "would rather not be put on the spot of rejecting the awkward but humanitarian offer of the American President."

From southeast Asia: "The early flush of enthusiasm is beginning to wear off, even before the first American gets into the field." Asiatics want solid industrial help, not community projects, and "are losing interest in the idea of Americans working on a village level."

I called the editor of the U.S. News & World Report to see if those statements could be documented. He assured me they could. In view of that, Mr. Speaker, I submit that this bill should be defeated and not acted on at least until some of the present volunteers get to their assignments and have performed. That should take place before we take action here setting up another bureau which will cost $40 million a year if the request the administration has sent us is granted.

I would also like to suggest—perhaps many Members read this—in February there appeared in a letters-to-the-editor section of the Washington Post—it surprised me greatly that the Post printed the letter in view of its editorial policy—but this letter was written by a Mr. Vohra, the Washington correspondent for the Times of India. He wrote this:

In the garden of Mr. Kennedy's new ideas, a weed is growing. It needs to be eradicated before it takes deep roots.

And in closing:

I am honestly skeptical. I would suggest: spare them the ordeal.

He is referring to the volunteers.

That brought down a good deal of criticism on Mr. Vohra, so he wrote another letter to the editor under date of March 12, in which he said that even though some of his original apprehension had been appeased, he still was—

puzzled by the estimated expense on each Corps member—$5,000 annually. This is about 100 times higher than India's per capita income. If I am not mistaken, this is about the salary of an India Cabinet Minister. I don't quite follow how this amount is to be squared with the ideal of living like the native.

I would take those summaries as some indication at least of the attitude in the recipient countries themselves.

So, Mr. Speaker, let me close by saying nobody can question the motives of the Peace Corps or the objects for which it was intended. They are idealistic, and certainly they are to be given serious consideration. All I am saying, Mr. Speaker, is that the House should not act at this time to make a permanent bureau, a permanent agency, out of a project that is in the experimental stage. Not even one of the volunteers has reached his destination and is performing the duty for which he was trained.

To take responsible action I think we should at least wait until the trainees are on duty and their service can be evaluated.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7500) to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7500 with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Pennsylvania [Mr. MORGAN] will be recognized for 1 hour and the gentleman from New Hampshire [Mr. MERROW] for 1 hour.

Mr. KEARNS. Mr. Chairman, at the conclusion of the debate I shall offer a motion to recommit this bill to the Committee on Education and Labor.

The CHAIRMAN. The Chair will entertain that motion at the proper time.

Mr. MORGAN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, H.R. 7500 is a bill to provide for a Peace Corps to help peoples of interested countries and areas in meeting their needs for skilled manpower. The purpose of the bill is to provide congressional backing for and the necessary implementation of a simple idea.

The basic objective of the Peace Corps is to make use of several thousand of our finest and most dedicated people who are able and willing to serve overseas in order to help the people of the less developed countries to live better and to promote world peace. The availability of dedicated people, many of them young but including mature and experienced persons as well, for such service provides us with an important means for improving the conduct of our foreign policy.

Most of us would agree, I believe, that the most difficult problem in the field of international relations is the failure of the people of the various nations of the world to understand each other. There can be no question but that if the people of Asia, Latin America, and Africa can become acquainted as friends, neighbors, and coworkers with a carefully selected group of our young people and with older people who are sufficiently dedicated to sacrifice personal gain in order to serve, there will be a better understanding between the United States and the countries where the Peace Corps operates.

It is also one of the major purposes of our foreign policy to assist economically underdeveloped countries to develop. These countries need skilled manpower. They need people who can serve as teachers in their schools. They need trained surveyors, not merely to teach them to survey but actually to go out and survey the routes for their highways and assist with other development projects. They need people who are experienced in farming to go to rural villages and work with the villages in improving their agricultural methods. They need people who can work with their villagers in improving health and sanitation.

The purpose of the Peace Corps is to make it possible to improve the effectiveness of our foreign policy by utilizing the services of several thousand Americans who possess the skills needed by the less developed countries and who are ready to go to these countries and serve without receiving the compensation and allowances normally available to those engaged in Government service abroad.

Let me urge you not to lose sight of the fact that the volunteers are the Peace Corps. The whole purpose of this bill is to make it possible for us to select, train, and maintain overseas a corps of volunteers. I urge you not to lose sight of this fact because many pages of the bill do not deal directly with the volunteers. It is necessary to provide various administrative authorities as well as a small permanent organization of civil servants to carry on the Peace Corps program. Much of the bill is devoted to such matters, but the fact remains that the program is a program for maintaining a force of volunteers abroad, and the funds authorized by the bill will be used primarily for that purpose.

There are some who apparently have gotten the impression that the length of the bill and the technical language which it contains in some sections means that the Peace Corps volunteers are going to have a lot done for them. Let me begin my discussion of what a Peace Corps volunteer gets by saying a word about what he does not get.

First, he does not receive a salary for his services. While he is in training in the United States and during the 21 months he serves overseas, he gets his room and board with a limited allowance of spending money for such items as toothpaste and razor blades. He gets his travel—tourist class—and he gets medical service. At the end of his service, he gets a termination payment of $75 per month of satisfactory service on which he pays income tax, the same as does everyone else.

The volunteer does not get a diplomatic or special passport; he travels with the same passport as any other private citizen. He is allowed to take not to exceed 300 pounds of unaccompanied baggage, and he cannot be accompanied by any dependents. The only way a married couple can serve in the volunteer corps is for both to be accepted as qualified volunteers and available for service.

The volunteer derives no advantage under the Selective Service Act. His draft obligations are the same as anyone else. The bill specifically provides that there shall be no draft exemption resulting from Peace Corps service. The question of deferment is entirely in the

hands of the local draft board, the same as everyone else.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Iowa.

Mr. GROSS. What has happened in the case of that character by the name of Kamen, of Miami, Fla., who I understand disrupted a Rotary meeting in Miami where an anti-Communist film was being shown?

Mr. MORGAN. I am sure the gentleman is aware that his draft board has met and has issued a statement to the effect that he will not be deferred.

Mr. GROSS. If the gentleman will yield further, the national draft director then stated that he was going to conduct an investigation. Does the gentleman know whether anything has transpired in that respect at national draft headquarters?

Mr. MORGAN. The bill specifically spells out that any Peace Corps volunteer will receive no exemption under the Selective Service Act.

Mr. GROSS. If the gentleman will yield further, that is what Shriver told us some time ago. But this character is still in training, based upon the last word I had.

Mr. MORGAN. I understand this boy is 21 years old. They are taking only those who are 23 years old.

Mr. GROSS. That has nothing to do with the fact that he can be drafted at 21.

Mr. MORGAN. They are taking only 23-year-olds. As I understand it the boy will be subject to the draft when his name comes up.

Mr. GROSS. But apparently he is still in training at Pennsylvania State College.

Mr. MORGAN. I think he is in training yet at Pennsylvania State College.

Mr. GROSS. Does the gentleman think a character of that kind ought to be in training?

Mr. MORGAN. I do not feel that I am qualified to judge this case. I have never seen the boy nor heard all of the facts. He has not yet been approved by the final selection board. He has not yet been enrolled as a Peace Corps volunteer, and I am sure when he comes up for final approval by the selection board everything will be taken into consideration.

Mr. GROSS. Is the gentleman saying that the funds of the taxpayers of this country should be spent to train an individual of that character, simply to throw him out later?

Mr. MORGAN. This is a free country, and everybody, has a right to a full hearing and a fair trial. I think the boy is just receiving very fair treatment. When he goes before the selection board the final decision will be made.

Mr. GROSS. What selection board? Is the gentleman speaking now of the so-called Peace Corps selection board?

Mr. MORGAN. It is not composed of Peace Corps volunteers; it includes senior Peace Corps officials as well as people from the Universities. There are phsychiatric and medical examinations and a lot of other considerations that are considered before the final selection of these volunteers.

Mr. GROSS. But, this is the Peace Corps selection board that the gentleman is talking about?

Mr. MORGAN. Yes.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. I might say in answer to the question of the gentleman a few words about the Charles Kamen case.

The presence of Charles Kamen in the Peace Corps training program has provoked discussion and some controversy. It is important, I believe, for the Members of Congress to know why Mr. Kamen was invited to training and further selection, why he has not been summarily dismissed as some people have demanded, and what the Peace Corps selection process is like.

Charles Kamen was invited to training on the basis of an outstanding record as a student. He was the president of the student council at Brandeis University. He has strong letters of recommendation from several professors at Brandeis, from his Rabbi, and from businessmen in Miami. He did well on the Peace Corps entrance test. On the basis of this favorable evidence, Mr. Kamen was invited to train for a teaching project in the Philippines. It should be pointed out that this training period is part of the selection process and that Mr. Kamen had not been made a Peace Corps volunteer in fact.

Subsequent to that invitation, it was learned that Mr. Kamen had been involved in an incident in Miami, Fla., at a Rotary Club meeting. I hope Members of this House are informed of the fact that Mr. Kamen was invited to attend that meeting and did not force himself in, as some has suggested. The letters received by the Peace Corps about the incident call for the dismissal of Mr. Kamen on the grounds that he is either emotionally unstable or a Communist. Both of these are very grave charges. A third interpretation is possible: That he is a young man of good character who made an error which has been highly publicized and for which he has publicly apologized. The Peace Corps has been trying to find out which of these is true.

Mr. Kamen has not yet been selected for Peace Corps service. During his 2 months at Pennsylvania State University, where the training project is being held, Mr. Kamen has been undergoing further psychological testing, psychiatric interviews, interviews of faculty members, and so forth. He—like every volunteer in training—will have been the subject of a full field check by the Federal Bureau of Investigation. In addition, he will be under the supervision, as will every volunteer, of the Peace Corps training staff during the intensive training program which runs 60 hours each week. On the basis of all of the evidence, and not a fragment of it, a final selection board will determine whether or not Mr. Kamen can bear the responsibility of representing his country in the Peace Corps.

What the Peace Corps Director has insisted on—and I applaud him for it—is the adherence to an orderly process in the determination of Mr. Kamen's fitness. In fairness to every individual volunteer and with deep concern for its public trust, the Peace Corps must be guided by the concept of due process. If an orderly inquiry reveals that Mr. Kamen is lacking either in emotional maturity or in loyalty to his country, Mr. Shriver has assured us that he will not be assigned to oversea service. But Mr. Kamen, along with all of the other young men and women of America who are and will be volunteering for Peace Corps service, must be assured that they will be judged on the basis of all the evidence, after due deliberation by responsible officials—and this is what the Peace Corps is trying to do.

Mr. BECKER. Will the gentleman yield very briefly for a question?

Mr. MORGAN. I yield briefly for a question.

Mr. BECKER. The gentleman from Kansas [Mr. AVERY] a few moments ago stated that this is an experimental program. My question is this: Does the gentleman from Pennsylvania agree with that statement? Why should we rush into making this a permanent agency before we get through a period of experience and find out whether or not it is really worth while? I hope it will be worth while. Many of these matters come up as a matter of experiment, and this could be handled by the executive branch of the Government, because there are plenty of funds in the contingency fund, and in other areas.

Mr. MORGAN. I do not think there are plenty of funds available. Of course, the gentleman knows that the contingency fund was cut from the $500 million requested by the Executive and the $300 million authorized to $175 million in the appropriation bill as it passed the House.

The Peace Corps was set up under an Executive order but the President wants to know how the Congress stands. If permanent legislation is not passed by the Congress I assume the program will be closed out. This is a going concern. We already have 182 of these Peace Corps volunteers overseas. Fifty of them will start work in Africa in the next week or so. As I said, this is a going concern. I do not believe we should wait until January to pass this authorization bill. This bill has already passed the other body and I am in favor of providing the necessary authority for the program to get into high gear.

Mr. BECKER. It is already operating.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I want to commend the chairman of the Committee on Foreign Affairs as well as the

members of his committee for bringing this bill to the floor. As to the question propounded by the gentleman from New York [Mr. BECKER], where an agency is established that has to come to the Congress each year for money with which to operate that agency, I do not believe we can say it is a permanent agency, particularly in an area of this kind. This bill provides an authorization of $40 million. That is the amount requested to run the Peace Corps for the fiscal year 1962. They have got to come back here again, and if the Congress does not like the way in which it is operating, the most effective way to terminate any agency is to kill the funds which it needs for operation. So in a sense it is not a permanent agency. It has to come in again and get its money with which to operate.

Mr. MORGAN. This bill authorizes funds for only 1 year. There has to be an authorization and an appropriation each year.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. MORGAN. I yield to the gentleman from New York.

Mr. TABER. How much is it going to cost the Government for each member of the so-called Peace Corps?

Mr. MORGAN. Approximately $9,000 per volunteer per year.

Mr. TABER. For each volunteer per year.

Mr. MORGAN. That includes transportation, subsistence, training—a complete breakdown.

Mr. TABER. That includes their clothing and food and all matters of that kinds?

Mr. MORGAN. Transportation, training, clothing, salary, termination pay, leave allowance; everything is supposed to be included.

Mr. TABER. $9,000 is the figure that it will cost for one volunteer for 1 year?

Mr. MORGAN. For 1 year, yes.

Mr. TABER. And how many is it proposed to take into this outfit the first year?

Mr. MORGAN. For the fiscal year 1962, 2,500.

Mr. TABER. Are there any other emoluments beyond the $9,000?

Mr. MORGAN. No, that is all.

Mr. TABER. That covers it?

Mr. MORGAN. That covers it.

Mr. TABER. It does not include health insurance and that sort of thing, I suppose.

Mr. MORGAN. As I understand it, everything has been figured in.

Mr. Chairman, the Peace Corps volunteer gets no PX privileges and will not be located in any major city. The entire Peace Corps program is directed toward assisting people living in rural areas. The volunteer is expected to live in the villages among the people he works with. His scale of living will be adjusted to that of the local people with whom he works. If he serves as a teacher, his living allowance will be the same as that of a local teacher. If he works as a surveyor, he will live as surveyors do in the locality where he is located.

The Peace Corps volunteer does derive a number of benefits under this bill. He receives, in addition to the living and traveling allowances and the $75 per month which I have mentioned, the regular protection given Federal employees for disability if injured or disabled by disease while serving overseas. He also is given the benefit of counting his Peace Corps service toward civil service retirement and civil service seniority if he becomes a Government employee subsequent to his work with the Peace Corps.

There is also the possibility that he may be exempted from the civil service general entrance examination by the Civil Service Commission if he has satisfactorily completed his Peace Corps service.

Peace Corps volunteers are able to count their Peace Corps service for purposes of social security coverage, and their payment of income tax is deferred under the same conditions as that of enlisted personnel serving in the Armed Forces.

Volunteers also have the benefit of a moratorium on payments of principal and interest on student loans provided under the National Defense Education Act, under the same conditions as enlisted personnel in the Armed Forces.

Consideration of the benefits which I have just enumerated indicates, it seems to me, that most of them are the result not so much of a desire to make things attractive to members of the Peace Corps as foresight and anticipation of problems before they arise. The legislation could ignore all these matters with the result that we would have a short and simple bill which would not raise a number of controversial issues. On the other hand, I believe we are all realistic enough to know that we will not be able to disregard such matters as payments for disability incurred overseas, counting Peace Corps service toward civil service retirement or social security, and the relation of Peace Corps expense allowances and termination payments to income taxes. All these problems have to be faced and, in my judgment, it is better to face them now and deal with them positively and directly than to postpone them with the resulting necessity of rushing through legislation to meet situations that arise.

In considering whether or not we are doing too much for the Peace Corps volunteers, we should not forget that most of these people are not likely to choose missionary-type service as a career. They cannot make a career with the Peace Corps, and most of them presumably after their Peace Corps service will try to find jobs in business, Government, agriculture, or teaching at the normal rates of pay and with the normal interest in providing for their families and themselves as well as possible.

This is one reason why it is necessary to give consideration to such matters as social security and civil service retirement rights.

If the Peace Corps volunteers were all planning to devote their lives to serving humanity without regard to material rewards, we could disregard several of the points included in the bill; but, since we are trying to make it possible for young people to fit service in the Peace Corps into a more conventional career, we have to make certain provisions for this purpose.

Let me say just a word about volunteer leaders. Volunteer leaders are older people with greater experience who are to be assigned to work with volunteers. The bill provides that there cannot be more than 1 volunteer leader to 25 volunteers. The volunteer leaders are to get termination payments of not to exceed $150 per month, and will receive living and travel allowances on the same basis as the volunteers.

The bill provides that "under exceptional circumstances volunteer leaders may be accompanied by their spouses and minor children and that living, travel, and other allowances will be provided for such spouses and minor children."

There have been only 12 volunteer leaders selected so far, and none of them are married. The motivation of the volunteer leaders will be the same as that of the volunteers, and I am sure that when you consider the extreme austerity of the provisions made for them, there need be no fear that mature people will be seeking jobs as volunteer leaders in order to enjoy overseas vacations.

Section 7 of the bill deals with Peace Corps employees. These are the people who will constitute the permanent Civil Service staff that administers the Peace Corps. These people will be hired under the Classification Act of 1949 or the Foreign Service Act and will be subject to the normal provisions governing Federal employment.

The bill authorizes 30 supergrades, of whom 2 may receive salaries up to $19,000 per year. I realize that the House is very conservative in its attitude toward creating additional supergrades, but let me point out that this is a new agency and that if it is to function, it will need competent people. During its operations under the Executive order, it has been utilizing the services of a number of outstanding people who have been serving as consultants on a per diem basis. It will be impossible to continue arrangements of this type on a permanent basis.

Let me conclude with a word about the selection of Peace Corps volunteers. All volunteers, as well as all other Peace Corps personnel, are subject to investigation as to their loyalty or the possibility that they may become a security risk. Any investigation which develops any data indicating any question as to the loyalty or security status of the individual is required to be referred to the Federal Bureau of Investigation for a full-field investigation. The result of such field investigation is then referred to the agency for appropriate action.

Peace Corps volunteers are given a rigid examination before selection for training, and the selection process continues during the training period. No one is enrolled as a volunteer until his

3-month training period has been completed and he has been completely screened for oversea service.

The bill authorizes an appropriation of $40 million. Let me make the point that most of this money goes to support volunteers. It is estimated that it will cost $9,000 per year for each volunteer in service. This includes his training in the United States, transportation, living allowances, and termination pay at the end of his service. It is planned to fund the training and maintenance of a force of about 2,500 volunteers. You cannot divide the total authorization by $9,000 per volunteer to determine how many volunteers can be supported since over half the volunteers currently planned for will be serving under contracts with U.S. universities or private organizations such as CARE, which are funded on a 2-year basis, that is, when the Peace Corps enter into a 2-year contract with an organization, the funds for the 2-year period will be obligated.

The fact remains that only about $5 million of the $40 million requested is required for administration. The rest is to support volunteers.

The Peace Corps has 12,000 applicants for volunteer service. They plan to put 2,500 overseas by the end of fiscal 1962 if $40 million is available. If the amount is cut, the number will have to be reduced.

Considering the very modest allowances and termination payment the volunteers receive, there is not much possibility of economizing on the expenditures for this purpose. The general administrative overhead is a relatively small portion of the total budget so that curtailing this type of expenditure is not going to save a large sum of money. There is no alternative but to reduce the number of volunteers if funds are not provided to maintain them.

I urge that the House approve this bill. The Peace Corps is a going thing. There are 182 volunteers overseas at the present time and there are 318 more in training in the United States. Foreign nations have demonstrated their interest in the Peace Corps and the desire for assistance from our people. The President feels, however, that the Peace Corps should not be continued on its present basis. Congress should give careful consideration to the Peace Corps and give official approval to its existence. The Peace Corps shows great promise of becoming a major element in our foreign policy. It would be a great mistake to bring it to an end.

Mr. MERROW. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, H.R. 7500, the measure we are considering today, provides for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower. The Peace Corps was started on March 1, 1961, when President Kennedy issued an Executive order establishing the Corps on a temporary basis. The order was based upon a comprehensive report prepared by Robert Sargent Shriver, Jr., former president of the Chicago Board of Education, who had undertaken a study of the Peace Corps proposal at the request of the President.

H.R. 7500 places the Peace Corps on a permanent basis and it is a pleasure to support this legislation. The Peace Corps will, I am certain, be most useful in helping various countries meet their needs for skilled manpower, and it will make a great contribution to the establishment of permanent peace.

PROPOSED BUDGET FOR THE PEACE CORPS

The proposed budget for the current fiscal year is as follows: Private agency and university programs, $26,100,000; administrative programs, $11,400,000; and direct administrative programs training for fiscal year 1963, $2,500,000, making a total of $40 million.

As is stated in the report:

> This $40 million will enable the Peace Corps to have 2,700 men and women in service overseas or in training by the end of fiscal year 1962, and will enable the Peace Corps to enter into training contracts with universities to train additional volunteers during the summer of 1962.
>
> The estimated average annual cost per volunteer is $9,000. This includes all overhead items, training costs, oversea support, and all other cost elements.

INSPIRING PROGRAM

The Peace Corps is, to my mind, an inspiring program. It is designed to promote world peace through assistance to countries which need and want the help of trained manpower. It aims to help others to help themselves which is fundamental and exceedingly important.

The Peace Corps will consist of volunteers who are skilled as teachers, agricultural extension workers, medical assistants, sanitation engineers, construction foremen, mechanics, civil administrators, social workers, and a variety of other occupations. They will be sent to countries which have expressed a desire and a need for their help in the specified field of their endeavor. They will receive brief, intensive training in the language, customs, traditions, and economy of the countries to which they will be sent. Already 50 or more countries have expressed an interest in Peace Corps volunteers and, at the present time, the Peace Corps has announced 10 projects which will operate in 9 different countries. Volunteers have already reached three of these countries. Another 15 projects are currently being evaluated and nearing the stage of completion.

People who enroll in the Peace Corps will work not just for, but they will work with the people whom they are endeavoring to assist. They will live on a scale geared to the level of those people, fraternizing with them, and learning from them while they teach. They will be dispersed throughout the country and not concentrated in urban areas. Thus there will be an opportunity to have close contacts with the population.

COMPENSATION

The financial compensation which members of the Peace Corps will receive while they are abroad will be based on the scale of living in the host country. There will, however, be provision for supplementary pay at home to assure that they will not have served at a great sacrifice or a jeopardization of their future occupations.

Other compensations of Peace Corps service will not only be the personal value of the experience with its numerous facets but there will be the satisfaction of having contributed to the national value of the Peace Corps. This is an investment in the future. The program, while presenting opportunity for individual service in educational, social, and economic fields, will help tremendously in developing mutual understanding.

It will strengthen the cords of mutual interest and comprehension which are necessary to bind together peacefully a world which can no longer afford to—or indeed find it possible to—exist in separate compartments. Those who serve in this project will return qualified to render better service in the field of foreign affairs of the United States. Both by precept and osmosis they will broaden, stimulate, and spread more widely at home an interest in American foreign relations. The very nature of the program underwrites its success. The interest on the investment will be cumulative.

COUNTRY RESPONDS FAVORABLY TO PEACE CORPS

The response of the country to the idea of a Peace Corps is indicative of its value. It appeals to the best motives of mankind. It offers an opportunity to put into practice the idealism, the desire for service and the sense of dedication which is so often frustrated in the ordinary lives of men. It has an aura of adventure and of hopefulness. It has been gratifying to see the enthusiasm throughout our country for a project of such high purpose.

Section 2 of this measure sets forth the declaration of purpose in these words:

> It is the policy of the United States and the purpose of this act to promote world peace and friendship through a Peace Corps, which shall make available to interested countries and areas men and women of the United States qualified for service abroad and willing to serve, under conditions of hardship if necessary, to help the peoples of such countries and areas in meeting their needs for trained manpower, and to help promote a better understanding of the American people on the part of the peoples served and a better understanding of other peoples on the part of the American people.

PROGRAM NOT VISIONARY

The program is, however, not a visionary one. It has been carefully and sagaciously planned. It is the product of consultation among numerous authorities on foreign affairs, educators, and private agencies engaged in similar activities. Great care will be taken in the selection of volunteers who will be sent abroad. There is no requirement that a volunteer must have a college education. Those skilled in crafts and trades may be much needed. Selection standards will, however, be high. Not only will written tests, physical examinations, and interviews be given with a view to determining technical competence and physical

condition, much emphasis will be placed upon suitability, maturity, adaptability, and also motivation. Procedures have been devised for screening those who might wish to use the Peace Corps for subversive purposes. Nor will it be allowed to serve as a platform for proselyting.

OPERATION THROUGH SEVERAL CHANNELS

Peace Corps projects, after approval by the host country as well as the Corps itself, will operate through several channels: First, through contracts or grants to private agencies engaged in similar activities; second, through contracts or grants with colleges, universities, or other educational institutions; third, through programs of other U.S. Government agencies. Skilled or semiskilled workers might supplement the work of existing technical and economic cooperation projects; fourth, through programs of the United Nations. The services of Peace Corps volunteers will be offered to the United Nations for work in technical assistance and development programs; and fifth, through programs administered directly by the Peace Corps. The Peace Corps will supplement our foreign economic aid program but it will not be a substitute for any part of it.

The projects of the Peace Corps will differ from other programs in various ways. There is at present in many of the less developed countries a gap in what may be called middle manpower. As a rule, unskilled labor is plentiful. Expert advisers and capital funds may be furnished by existing programs. But there is, and is likely to be for another generation in many countries, a dearth of college and professionally trained people with various skills, with teaching, and leadership ability as well as operational capabilities. Peace Corps volunteers will work side by side with the native population and sometimes in a subordinate capacity.

PEACE CORPS MADE UP OF VOLUNTEERS

Another primary difference between the Peace Corps and other programs will be its composition. It will be made up of volunteers. Those who serve in it will know that their living standards will not be the same as those of the United States or those of other oversea programs. Another differing feature will be the working of the Peace Corps directly with universities and other private agencies.

PEACE CORPS SHOULD BE A SEPARATE AGENCY

It is because of the fundamental differences between the Peace Corps and other programs that it does not fit into any of the agencies now in operation or contemplated. For this reason, it should be organized under separate administration. In comparison with the cost of other programs, its budget will be modest. As I have already stated, the expenditure for the first year is not to exceed $40 million. This is in sharp contrast with the amounts required to finance other programs. If the Peace Corps is to be incorporated into a much larger program it would not only lose its identity, it would doubtless receive less attention than will be needed to make the new project successful.

An important reason for setting the Peace Corps up as a separate agency is the fact of the enthusiastic response with which it has met in its formative stages.

The country will support a program in which it has exhibited such great interest. That enthusiasm must be maintained. In stirring the imagination of the people the Peace Corps will serve as a vital instrument in the successful operation of our foreign relations.

The program has immediate value, but its long-range value is even more significant. In a world that is rapidly shrinking with the development of the various methods of communication, and from the threat of military inventions, it is essential that means be found to promote congenial living. Operating both for the good of the country it serves and for its sponsor, the Peace Corps is a double-edged instrument with which we hope to wage the peace.

A special study mission to Asia, western Pacific, Middle East, southern Europe, and north Africa—made up of members of the Foreign Affairs Committee, of which Congressman PILCHER was the chairman—stated in its report that it "is convinced that there is a significant number of young Americans trained in agriculture, home economics, and other practical fields of activity who recognize the importance of world problems, particularly those of the less developed countries. It would be of great value not only in creating a favorable impression of the United States but also in promoting sound and basic improvements in economic development if more places for such young people were found in oversea operations. The committee believes that the United States is failing to utilize one of its important assets by not developing a program for using such services. If young Americans with farm background and adequate technical training, who are willing to live in the villages and share in the daily work of the people and who would serve with only a minimum salary and subsistence allowance, could be carefully selected and sent to the less developed countries, they could be unusually effective representatives of the United States." These statements are also included in the report accompanying this bill.

EFFECTIVE AGENCY IN REPRESENTING THE UNITED STATES

The Peace Corps can serve as a most effective agency in representing the United States. Not only will this organization help in solving the needs for skilled manpower in the underdeveloped countries but the members of the Peace Corps living with the population will be able to convey to these people the value of a free society and they will have the opportunity to help in explaining the ideas and the ideals which have made us what we are today—a great free Republic. It seems to me that the Peace Corps can be most effective in the ideological conflict in which we find ourselves.

At the time Robert Sargent Shriver, Jr., appeared before the Committee on Foreign Affairs, I asked him, "Would you address yourself for a moment to just how these people are going to be helpful in this ideological struggle in convincing the people in the underdeveloped areas, that the free system is better than this Communist ideology?"

Mr. Shriver replied:

> In the first place, we share with you the desire that these people be good representatives of the United States along the lines you have just described. For that reason in the training program at each training center an important part of the training is devoted to a study of American principles of government, democratic life, and also to tactics of Communist agitators. We think in the first place we are trying to send overseas people who are well qualified in our own Government vis-a-vis the Communist form of government.

I stated to Mr. Shriver, "I think from what you have said and the way you envision the program is going to be, we can conclude that the Peace Corps will be an important factor in the ideological struggle. You would say that, I assume?"

Mr. Shriver replied:

> Yes; without it having that as its sole objective. This is a byproduct, you might say. Service is the first thing. When the service is well done, the recipient looks to who the servant is, who is providing this, and wants to know more about the society that produced such an individual.

Mr. Shriver is one of the ablest and most effective public officials in the Government today and I am sure that, under his leadership, the Peace Corps will be a powerful instrument in helping others help themselves and, at the same time, a most effective means of making clear to the people with whom they come in contact the value of the free society which they represent.

I have been a supporter of the Peace Corps from the very beginning, and it is my hope that this House will approve H.R. 7500 with an overwhelming majority and that subsequently the funds will be appropriated to put a permanent Peace Corps into operation. This new endeavor in the field of international relations is, I am certain, destined to become one of the most effective programs in foreign policy and is, I am sure, destined to make a monumental contribution to world peace.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from West Virginia.

Mr. BAILEY. May I ask the distinguished gentleman from New Hampshire if he does not think that we should have a stronger statement of policy on the part of the Congress emphasizing carrying the idea of Americanism abroad and selling the idea of our way of life? I think we have weakened the statement by overlooking that particular point.

Mr. MERROW. I think the gentleman has made an important contribution to the consideration of this bill. I take it from what he has said that he is thinking about the ideological struggle in which we find ourselves. The people in the Peace Corps as representing our society, I think, can be very helpful in that respect.

I am glad the gentleman made the point.

Mr. BAILEY. Mr. Chairman, will the gentleman yield further?

Mr. MERROW. I yield to the gentleman from West Virginia.

Mr. BAILEY. My idea is that they should not go over there as representatives of American business to step up business for American firms that are selling abroad, but that they ought to be selling something far more important than American products, and that is American ideas and American ideals.

Mr. MERROW. Personally, I think they should represent the entire country, represent the ideas and the ideals that have made us what we are at the present time.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from Iowa.

Mr. GROSS. Would the gentleman think it would be a good idea to send some coal miners over there to teach them how to mine coal in these foreign countries?

Mr. MERROW. I think the gentleman addressed that question to the gentleman from West Virginia who is perfectly capable of answering, if he wishes.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from Kansas.

Mr. AVERY. If I may reply to the gentleman from Iowa, I might point out that before the Committee on Rules, the chairman of the Committee on Foreign Affairs advised us that there was no limitation on age and that they had one corpsman who was 67 years old, and they even offered to enroll the chairman of the Committee on Rules himself.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I think the point that has just been brought out is very interesting because in all the statements that have been made, it is indicated that they do not want to sell Americanism abroad. I refer specifically to page 5 of the committee hearings where Mr. Shriver himself said:

> Mr. Chairman, there would be no religious proselytizing or political propagandizing. I would say they would be advised to keep their comments of that nature to a minimum, perhaps not to make them at all.

Mr. MERROW. I assume that there would not be such in any specific area.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from Ohio.

Mr. HAYS. Of course, if the gentleman can understand what he just read, and I am sure he can, that has nothing to do with Americanism. Mr. Shriver was talking about political proselytizing. We do not want them to go over peddling Republicanism or anything like that or selling the Democratic Party. There is a big difference between selling Americanism and selling a political party.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from Michigan.

Mr. JOHANSEN. I notice in the report that was submitted and this is to be found in the record during debate in the other body, a memorandum prepared by the agency itself and it was suggested that a significant number of these volunteers should be completely turned over to some international agency so that they would have entry into those countries that would find it repugnant to have them, if they came over there under American sponsorship. I am sure there is not going to be any promotion of the United States on the part of these corpsmen.

Mr. MERROW. The Peace Corps will certainly not be turned over to an international agency.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I would like to make one statement inasmuch as the gentleman from Ohio did take me to task for what I said. Very specifically, so far as the hearings are concerned, they would seem to indicate talking about the free enterprise system of our way of life, would be political. On page 95, Mr. Shriver again says:

> One of our virtues, I hope, in the Peace Corps, is instead of going over there as agents, say, of the U.S. Government, we go over there and become part of the operating machinery of a foreign government.

I wonder what that means, if it does not mean to not sell Americanism. But, to go on, Mr. Shriver further said:

> We are not Americans over there working for our country, but we are working for the Philippines or working for the Thais.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Do we have a Peace Corps now?

Mr. MERROW. Yes, on a temporary basis.

Mr. HOFFMAN of Michigan. How temporary?

Mr. MERROW. This would make it permanent.

Mr. HOFFMAN of Michigan. How temporary is it? Just as long as the President wants it, he can have it; can he not?

Mr. MERROW. This legislation would make it permanent.

Mr. HOFFMAN of Michigan. Yes, I know. You say, we have it now and it was established under Executive order. Is there any reason why the President must rescind that order?

Mr. MERROW. I presume he could continue it, but I think it would be a fine thing if the Congress would make it permanent.

Those who serve in the Peace Corps will return qualified to render better service in the United States particularly in the field of foreign affairs because they would know more about the countries in which they have lived.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. RILEY].

Mr. RILEY. Mr. Chairman, I understand that most of the people who participate or are to participate in this program are young people. On the whole, I have great confidence in the youth of America, in the young people of this Nation. I know there are a few exceptions in any large group, it makes no difference whether they are young or old. Let us consider the proposition which is before us objectively. We draft the youth of this Nation and send them to risk their lives on the field of battle in wars in which they have no part in the making. I believe, then, they should have an opportunity to work as volunteers, as under this program, to establish better relations with other nations, and thus help to promote peace in a troubled world.

We older folks have not made any howling success in establishing peace during the last 50 years, to my knowledge. During that time we have fought three bloody wars and have existed in an uneasy emergency during the rest of the period. Not only that, but we have put a mortgage on every person in this country, even to the third generation of babes yet unborn. Most of this debt is the result of war.

I believe our youth should have an opportunity, then, to work for better relations between our country and the rest of the world, to work by example and precept, by living among them and not altogether by trying to persuade. There has been a lot of persuasion attempted in the past. They will, by living austerely among the people with whom they are to live, show them that Americans can live with and help them. This will mean more in my opinion than anything we can do at this time.

In the work of our so-called foreign aid programs we properly have to work through the local governments. Oftentimes the masses of the people do not understand and do not know all the help we are giving them. Certainly these young people living among the masses can acquaint them with what we are trying to do and the sacrifices we are making to try to help them.

As was brought out by the gentleman from New Hampshire who proceeded me, these young folks will be living and associating with the average people of the country to which they are assigned. They can create a much needed better image of America, I am afraid that our image is not too good in some respects in some of the countries at the present time.

I call your attention to the fact that these young folks are going to live in this old world of ours a whole lot longer than those of us here on the floor this afternoon. They have more at stake than we have. I believe they have a right to try to make the world in which they are to live a place where they would like to live.

In spite of careful screening, of educational and training programs, the Corps is bound to get some misfits. We have some disappointments in the personnel of our own offices, yet I am sure each one of us feels himself competent to select his personnel and is careful in so doing.

I think the experiment is worth a try, Mr. Chairman; certainly, nothing ventured, nothing gained, nothing accomplished. The present efforts have not been successful. I hope this new approach will be approved and that the young people who will have to bear the burden of wars and debts of wars will have an opportunity to try to improve that situation by the passage of this bill.

Mr. MORGAN. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS. Mr. Chairman, I think it is in order to congratulate the gentleman from South Carolina, [Mr. RILEY], on the speech he has just made. He has probably put this debate on the high plane on which it should be kept. I think he made some very cogent points which are in keeping with the kind of dedicated service he has rendered since he has been a Member of the House.

I was glad to note that Members on the floor applauded him. His speech was worthy of applause, and it was the kind of speech you would expect from the distinguished and able gentleman from South Carolina.

Mr. MERROW. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. WILSON].

Mr. WILSON of Indiana. Mr. Chairman, I am awfully happy that there is room for a difference of opinion in this august body, because I am going to have to take the other side of this issue, even though it may be unpopular. I have been opposed to this program since its inception, and I want to point out a few reasons.

In my opinion, the Peace Corps bill we are considering at this time is the greatest foreign aid boondoggle ever perpetrated upon the American taxpayer, and perhaps the greatest insult to foreign countries that will be subjected to their gems of wisdom.

I have several reasons for my opposition to this program.

First, for Uncle Sap, as our Government is known to those abroad, to send a group of youthful people, if not juveniles, to do a job in which they are wholly inexperienced and even inadequately trained, is unthinkable. Our seasoned diplomats have done and are doing the world's worst job in diplomacy. Pray tell me, how can we expect inadequately trained and unseasoned kids to do as well? The old saying, "Never send a kid to do a man's job" is certainly apropos in dealing with our most delicate problem of all, international relations.

Another reason: these youngsters should be digging in, so to speak, and getting some experience to top off their formal education. Formal education without experience, proven experience, is questionably and risky.

Another reason: I feel these youngsters may become a part of the problem instead of a part of the answer.

I well remember traveling abroad at various times where we were giving foreign aid and where we had our boys and our diplomats. I have seen the signs spread all over, "Americans, go home."

In spite of all the aid we were giving them in various ways, in spite of the fact we were participating in the defense of their homeland, they were carrying signs that said "Americans, go home."

I well remember near the close of the war when I traveled in some of these countries. In fact in many of them I was asked: "Do you know what is wrong with you Americans?" I said, "No. What?"

I was told, "There are three things. You are overpaid, you are oversexed, and you are over here."

Now, that is the way they felt about us near the close of the war. You people have heard those remarks too. It is nothing new to us.

Mr. Chairman, I would like to be a part of the answer to our international problems, even to the point of supporting a Peace Corps which would have a fair chance of success; a Peace Corps, if you please, built of able-bodied, retired citizens, skilled through the experience that is so necessary to compete successfully in this complex world. I would support a program made up of highly skilled people of proven ability and experience. It would not only be of value to those countries to which they go, but it would solve an important problem at home, namely, the utilization of the time of highly skilled and ambitious people now in retirement.

Mr. Chairman, I am extremely dubious of the cost per person of this project and the money we will have to spend in the future. I am concerned not just with the initial cost, but with the cost of such benefits as are certain to follow, such as medical benefits, pensions, and so forth. This program will eventually run into hundreds of millions of dollars.

Mr. Chairman, I simply cannot be a party to this. It is the greatest boondoggle of all time, cloaked in a mantle of childlike gold.

Mr. Chairman, we have heard talk about $9,000 per year. I have the figures and the facts which show the initial cost is nearer $10,000 a year per person right now. It is going to be much more. There are already proposals by the AFL–CIO that we increase the Peace Corps number to 100,000. Some people are even suggesting that it should be increased to 1 million.

Mr. Chairman, we have heard talk about the ages of these people. I got the facts no later than yesterday from the Peace Corps on Ghana, Tanganyika, and Colombia. The oldest person in these three Peace Corps projects is 32 years of age.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield on that point?

Mr. WILSON of Indiana. I will yield on that point, but I want to complete this.

Out of the 156 who have completed their training for these three projects and been assigned—and this comes directly from the Peace Corps headquarters—the oldest is 32, the average age is approximately 23, and the youngest is 19.

Mr. SMITH of Iowa. I personally interviewed the 17 that trained at Iowa State College that went down to St. Lucia last week, and one of them is 55 years old and had taken a 2-year leave of absence, and had been a schoolteacher in the public schools of Detroit for 2 years.

Mr. WILSON of Indiana. The gentleman had better correct the Peace Corps headquarters' figures, because this data on these three projects came out of their office yesterday. The oldest one of the 156 assigned in these projects is 32 years of age, the youngest is 19 years of age, and the average age is 23. That information came out of the Peace Corps headquarters.

Mr. SMITH of Iowa. I have personal knowledge of this.

Mr. WILSON of Indiana. The gentleman also spoke of experience, but I recall our department of education turned down a teacher's application to go to Alaska and teach. She had taught 42 years, and was on retirement, but they turned her down because they said she had not had teacher training.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. PILCHER].

Mr. PILCHER. Mr. Chairman, I rise in support of H.R. 7500. Most of you know my stand on foreign aid for the past 8 years. I have based practically all of my criticism on the grounds that we were not reaching the small people around the world; that we were not getting next to the small people.

Mr. Chairman, this is a gamble. This is a game of chance. I do not know whether it is going to work out or not. But we older people and our diplomats have not done so well in our foreign affairs, and in our foreign relations in the past 10 years. Certainly there is much room for improvement.

Mr. Chairman, in Vietnam where there has been more waste and extravagance, and I think even corruption in our foreign aid program, than in any other country in the world, there is a little program like this going on. I think it is one of the finest programs I have ever seen anywhere in any country. This is a program where they bring in the North Vietnamese refugees from the hills. They have an experiment station, manned by young college graduates—agricultural graduates—of this country living in quonset huts, working with the Vietnamese people. This is in the same area where they are giving these refugees 10 acres of land. These young graduates have shown these people how to plant their crops in rows. They are plowing with water buffalo. They are the happiest people I have found anywhere around the world.

Mr. Chairman, I want to assure this: As a member of the Foreign Affairs Committee, if this program does not work, I am going to make a trip—and I think there are several on our committee who are going into the field next year where these volunteers are working—and we are going to bring back a fair report where and when we think it is working. Where we think it is doing a good job, we are going to tell the Congress. Where they have made a failure, or if I think they are not doing a good job, I am going to make a statement to the Congress giving the details of that failure.

But with world conditions as they are now, this entire program will not cost as much as one rocket; it will not cost as much as a big bomber. Is it not worth trying? If you are in a business and going broke you will try anything honorable that comes along if you think it will save your business. Certainly our world affairs are in such shape that we need to try something. I have lots of faith in these young people. I know we are going to get misfits. You will get misfits in any organization. But I believe the majority of these young people are going to be dedicated, hard-working people. The only thing I would suggest is, that in selecting these volunteers, we select people who we think are dedicated and have their heart in it.

For instance, I have seen a school teacher with only a little certificate that was more dedicated and did a better job teaching school than some of the Ph. D.'s.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. PILCHER. I yield to the gentleman from Ohio.

Mr. HAYS. Does not the gentleman think, for example, that the people we sent to Ghana who have had 4 years of college and all of whom have a teacher's training certificate in English, even though the gentleman from Indiana [Mr. WILSON] would condemn them for being inexperienced, are going to have to get experience somewhere; and I wonder how many thousands of inexperienced teachers are going to be teaching in America this coming year. The fact that they have trained for 4 years would indicate that we are not sending out inexperienced, immature, untrained people. They have trained for exactly what they are going to do.

Mr. PILCHER. The gentleman is correct.

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. PILCHER. I yield to the gentleman.

Mr. BRADEMAS. Mr. Chairman, I would like to say in response to what was said by my colleague from Indiana that some years ago when I was a student in college I went on a Peace Corps-type expedition, working with Aztec Indians in the mountains of rural Mexico. We were college students. Some of us were premedical students who were able to go out and vaccinate some of the Indians against various tropical diseases. Others were students of agriculture who were able to show the Indians how to raise better crops. Other students were able—and I include myself among that group—simply to work with our hands and help them build a playground and show them little things like calisthenics, which was a great, new invention to them in rural Mexico. We were not people of profound experience in the world, and yet I can assure you that later observations have shown that our group and successive groups left a significant impact for good upon the people of that rural community in the mountains of Mexico.

So I want to disagree with the gentleman from Indiana.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. PILCHER. I yield to the gentleman.

Mr. BOLAND. Mr. Chairman, I am delighted to find the gentleman from Georgia espousing this particular bill. As the membership of this House well knows he is one of the best traveled members of the Committee on Foreign Affairs in the remote areas of this world, to find out precisely how our foreign aid program has worked. I think perhaps some of the best reports that have been filed in the Congress have been filed by the gentleman from Georgia. As has been suggested, when he is in an area, he looks at more than just the trees. He looks at the program. I think he has been disappointed in a great many areas with this program and the way it has worked.

I think that, finding himself as he does now in agreement with this kind of legislation, I am sure he recognizes better than most of us the importance that this particular program will have in the free world and in those areas where we have got to build up, develop friendships. I want to compliment the gentleman on a very solid discussion of this measure.

Mr. PILCHER. I thank the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PILCHER. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman have any idea how much we are now spending on these 9,000 so-called technical experts all over the world? Is the gentleman saying in his statement that these are not dedicated people?

Mr. PILCHER. I do not care if we spend $10 billion if this group can help bring on world peace and can contribute to saving the life of one American boy, or if it can help us create a better understanding with people around the world. I am willing to give the program a try. I do not know whether it will succeed and neither does the gentleman. It could succeed, or it may not, but I think at this time, that we are going to have to try and do something. We have tried everything else and it has not worked too well.

Mr. GROSS. We have tried everything else. We have tried everything without telling these people to lift themselves with their own bootstraps; but I do not know how you are going to lead them around by the hand.

Mr. PILCHER. Nobody is going to try to lead them.

Mr. GROSS. But this has no other function.

Mr. PILCHER. We are going to try and create a better understanding and sell America to the people around the world and help them in their schools and clinics and agriculture, and in other ways. If we can but create a better climate and atmosphere with and for the other free peoples of the world, then with this added friendship, perhaps our solid front presented to our common enemy will make him think twice before he leaps.

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. ZABLOCKI].

Mr. ZABLOCKI. Mr. Chairman, I rise in support of the proposed Peace Corps Act. I believe that this is an important and constructive piece of legislation, and I hope that it will receive prompt approval of the House.

I know that it is not necessary for me to review the history of the proposal embodied in the bill before us, nor the many things which have been said and written about it. The Peace Corps is an imaginative proposal, and it has received active support of many responsible people throughout our Nation. The Peace Corps, if properly managed, can make an important contribution to the attainment of the objectives of our foreign policy. It can assist in the economic development of the less developed countries. It can provide aid at the grassroots level to peoples who wish to remain free and to attain a decent standard of living. It can promote better understanding abroad of the United States, of our willingness to help those who help themselves, and of our dedication to the cause of peace, justice, and freedom in the world.

These are important considerations. If the Peace Corps can live up to its expectations, and at the same time provide valuable training and experience to Americans serving in it, it will have done its job well. It will be worth every penny of the $40 million that the legislation authorizes for this project.

Mr. Chairman, the Committee on Foreign Affairs has given careful and thorough study to the Peace Corps bill. As reported to the House, the bill contains a number of amendments adopted by the committee, strengthening and improving this legislation. Every effort has been made to prevent any unnecessary expenditure of the taxpayer's dollars, and to start this project on a sound and manageable basis.

I believe that the bill before us is a sound bill, and that it should be enacted. I urge the membership of the House to vote for it.

Mr. ZABLOCKI. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. CELLER] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. CELLER. Mr. Chairman, it has been rightfully said that the Peace Corps deserves an opportunity to prove itself. One of the obligations that a shrinking world has thrust upon us is the need to learn how other people live and to inform them how we live. The Peace Corps can help us achieve these purposes.

I support this program. It is person-to-person diplomacy. I think we can approve the Peace Corps with our eyes wide open. We should neither overestimate nor underestimate its potential value. We should give it a fair opportunity to prove itself by voting the full authorization for 1 year.

At the outset, $40 million should be considered adequate. This will enable the Peace Corps to put approximately 3,000 men and women in training or overseas by the end of fiscal year 1962. If that amount is reduced, it means that fewer qualified people would be enlisted—and in terms of total effectiveness, this would mean that what is already a modest program would be reduced to such a point that its impact would be largely lost.

I am glad to note, Mr. Chairman, that the Peace Corps has instituted a thorough screening and training program for volunteers. This includes personal interviews, references, tough examinations, physical and psychiatric examinations, and a full field investigation by the Federal Bureau of Investigation. We shall know that persons who go overseas as Peace Corps volunteers will have been carefully selected and prepared for the arduous jobs they must do and the hardships they will face.

It should be understood, Mr. Chairman, that Peace Corps groups will not go rushing into a nation uninvited. They will work in that country at the express request of the host Government and on projects which will further the development of the people among whom they work. If there be any doubt about the practicality of the tasks they will be doing, let me describe briefly the projects that have already been announced:

In Colombia, Peace Corps volunteers will work side by side with 64 Colombians on community development work in small communities as a part of that Government's community action program. They will construct feeder roads, assist in improving cooperative farms, work in community schools, and help build adequate health facilities.

In Tanganyika, Peace Corps volunteers will survey feeder roads and help in their construction. They will oversee and help in the maintenance, grading, and supervising of main roads. They will conduct basic geological mapping. I might point out that one of the volunteers going to Tanganyika is a young engineer from a major New York firm who has been granted a 2-year leave of absence without pay in order to serve in the Peace Corps.

In India, volunteers will work with rural housing teams, in industrial training institutes, and in agricultural implements workshops.

In Nigeria, Peace Corps volunteers will serve as secondary school teachers of biology, chemistry, math, English, and history. In Ghana—where, as in Nigeria, there are serious shortages of teachers—volunteers will be teaching various secondary school subjects.

The cost of a Peace Corps volunteer, Mr. Chairman, is very reasonable. Sargent Shriver, Director of the Corps, estimates it to be $9,000 a year—and that includes everything; administrative costs, transportation, living expenses, medical services, and the $75 for every month of service successfully completed in the Corps.

I might point out that the average cost per year of a grade 4 technician sent overseas under the existing aid program is $18,200—and the division of world missions of the Methodist Church estimates the cost of a missionary to be $6,850 for 1 year plus the cost of selection and training.

Peace Corps volunteers, Mr. Chairman, will have to be prepared to sacrifice what most of them consider elementary comforts. They must be physically fit. They must be men and women of good will and must have the zeal of hardy missionaries. By example, they must win friends for America and be living symbols of our way of life.

I believe they will do this.

Mr. MERROW. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. CURTIS].

Mr. CURTIS of Massachusetts. Mr. Chairman, I rise in support of the bill, and should like first to answer those who seem to regard the Peace Corps as an idealistic boondoggle. On the contrary, it is a very practical and patriotic program which will help the United States to meet one of the great challenges of the cold war. The Soviet bloc nations have been outdoing us in their efforts to propagandize and infiltrate developing and uncommitted countries. Our country must make a greater effort.

It has been said that we need a better worldwide campaign of public education, and surely the presence of dedicated young Americans, working shoulder to shoulder with people of other countries in an effort to improve their lot, will help show those people what the United States stands for, and the kind of young men which it produces. It is expected that Peace Corps volunteers will work with a missionary zeal and a spirit of dedication. I have confidence enough in the youth of America to believe that that ideal can be realized. The actions of these young men in the Peace Corps will speak louder than words.

The need for the United States to do more in matching the actions of the Soviet bloc nations in sending large numbers of technicians and agents to other countries was brought home to me by the experience of a man I know who was sent as a teacher to Ghana under the auspices of the State Department.

He was engaged in teaching athletics in Ghana, and he made pretty good progress for a while. Then he found he was being undercut. He found that people were going to his students and telling them not to pay any attention to him, that he was just an emissary of a capitalistic country. I have here a letter of last December in which his wife described these happenings. It bears the postmark of Accra, Ghana, and says:

> There is great anti-American feeling here in Ghana now. This has been building up since July. It wasn't like this our first year here. I don't know how it will end, but we see more and more Russians and Chinese. The U.S. flag is really trailing.

Mr. Chairman, our country has not done as well in the cold war as we should. We are being outmatched. The other side is spending 10 times more on propaganda than we are. They are sending many time as many agents around the world, like these Chinese and Russians mentioned in the above letter, than we are.

As a member of the Committee on Foreign Affairs, I know that we have a point 4 program. It is doing good work. But we must do more. This program enables American youths who are idealistic and willing to work under hard conditions, to show the people in these developing and uncommitted countries what our fine, devoted, and dedicated American youth look like. Their work will surely be a fine influence for our country.

This program must not be confused with something that I have heard called blank cartridge diplomacy. It is a very practical way to influence the peoples of the world in the way we want to see them influenced.

Mr. Chairman, I was glad to hear the gentleman from Georgia, [Mr. PILCHER] address the committee a few moments ago. I was with the gentleman on the trip to Vietnam. I saw those American boys, recent graduates of agricultural colleges, living there under conditions of hardship and working shoulder to shoulder with their Vietnamese counterparts, at th's agricultural experimental station. That is the kind of program that goes to the grassroots, and is the sort of thing we can expect from the Peace Corps.

I felt some trepidation when the gentleman from Georgia rose to address the committee, because I know how influential he can be. I recalled with what effect he spoke in opposition to the foreign aid bill a few weeks ago. So it was all the more pleasing to hear his remarks at this time.

One member of the Committee on Foreign Affairs told us that she had sent out a questionnaire to the people in her district in rather large numbers and that 62 percent were in favor of the Peace Corps.

Finally, Mr. Chairman, let us think of what this program may do for some of our own youth. The Director of the program, Hon. Robert Sargent Shriver, Jr., told us about some of the training programs. His remarks from page 13 of the hearings, are as follows:

> Let me take a typical case of a typical training program. This would be just like the

others in general. Perhaps it would help to answer some of your questions. One of them, let's say, is the training program for Tanganyika. That is where we first started. It is at El Paso, Tex. The curriculum there is a 66-hours-a-week training program, Monday through Saturday night.

It consists of six large components. First, there is a large amount of training in the history, customs, et cetera, of the country they are going to. Second, there is a large component of American history, Government politics, and so on. In that area we also give instructions in what they might expect in the way of anti-American activity in the specific country. Third, there is a course given by the Public Health Service in health practices that should be followed when living in that particular country, tropical living, for example. Fourth, there is a large component of physical fitness, which would be health exercises and toughening. And, fifth, there is a big component of language.

Sixth, there is additional training in the specific skill that these people will be expected to carry out in the country to which they are going. To show you how the detail—how we attempt to get down to detail—we have geologists in training to go to Tanganyika. We have six or seven down there so it is possible for us to drop off two and still have four. We have them working under the direction of geologists from the University of Texas. They are doing fieldwork in geology.

We then invited the head of the geology department from the Government of Tanganyika to come to this country and go there and see if the kind of training our people were getting was the kind they wanted. He said the training was fine, the faculty was good, but the actual rocks on which they were working were not the kind of rock they would be working on in Tanganyika. We asked him to tell us what they needed. The people at the university said, "We have rocks like that 100 miles from here." These geologists were transported to that location and the man from Tanganyika said that is the right kind and they have been working on that rock.

This training program at Texas Western was conducted there, first, because this used to be the Texas College of Mines. Therefore, they had good geology, civil engineering, and surveying. They had field camps where fieldwork could be done. Second, the temperature and even the terrain at El Paso were similar to the temperature and terrain in Tanganyika.

Third, it just happened by good fortune that they had a man on their faculty there this summer who was qualified to give instruction in Swahili, which they will be speaking in Tanganyika.

After that training program is completed in Texas this particular group will go to Puerto Rico. In Puerto Rico, up in the mountainous jungles of Puerto Rico, we have a former CCC forestry camp where these people will be given an additional type of experience and training. First they will be living in tents, not houses. They will not be utilizing modern sanitary plumbing facilities. They will be taking long hikes, 20, 25 miles. They will be doing swimming under the training of expert swimmers.

They will be getting the experience of working in villages in Puerto Rico which are somewhat like the villages they will be encountering in underdeveloped countries. Their houses are built on stilts and have thatched roofs. People in this particular part of Puerto Rico are not so well educated. They don't have a high economic level. Some of our volunteers will get the experience of seeing what it is like to live in the tropics, working with people in underdeveloped areas before they get to Tanganyika.

The Government of Tanganyika has established a training camp there near Mount Kilimanjaro, where for 2 additional months our volunteers will get additional training in Swahili, in civil engineering and geology, preparing them for the work they will do there. Then they will go into the field.

We think a variety of things will be accomplished. No. 1, we will have gotten rid of anybody who hasn't got what it takes. It is a tough course intellectually, physically, and morally. And, second, we believe that every volunteer will have a degree of proficiency in Swahili. They will not be embarrassed to start talking. They will be speaking it before they run into the native people. They will have good instruction in health out of a book, and then in practice in Puerto Rico.

In addition, I might say, since you asked about it, that there will be a U.S. Public Health Service doctor detailed to go with our mission to Tanganyika. He will be stationed in the hospital there, where most of the time, if not all the time, he will be working as part of the medical program in this hospital helping Tanganyikans—doing medical work for them. In addition to what he does for them he will have the responsibility for the medical safety, if you will, of our own people. So he will be like a circuit court judge. He will go from place to place where our volunteers are working, seeing to it that they are following proper medical practices, and so on.

We think they will arrive in the field well equipped in language, in spirit, medically, well equipped in their skill, well equipped emotionally for the work they are going to do.

Such a statement encourages us to believe that these young men will be capable of worthwhile accomplishment, and that their experience will be of great value to them.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Massachusetts. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I do listen with a great deal of pleasure to the gentleman from Georgia and to the gentleman from Massachusetts who is now addressing us. Will the gentleman tell me, what is the difference between the objective of these people who are going abroad and the freedom riders who went south?

Mr. CURTIS of Massachusetts. I cannot see any similarity.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. COHELAN].

Mr. COHELAN. Mr. Chairman, the question has been raised, "Exactly what will Peace Corps volunteers be doing in the countries where they serve?" I think the best answer to that question is to look at the projects that have already been announced by the Peace Corps.

In Colombia, 64 volunteers will be working side by side with 64 Colombians on community development projects in small Colombian communities as part of that Government's rural action program. They will assist in activities such as construction of access roads, building small farm buildings, raising small farm animals, cooperative farm improvement, and the development of programs for community recreation.

In Tanganyika, 4 civil engineers, 6 geologists, and 20 road surveyors have been requested by that Government to survey feeder roads and to help in their construction; to oversee and help in the maintenance, grading, and supervising of main roads; to help construct small bridges and culverts; and to conduct basic geological mapping. These volunteers will be performing operational functions under the supervision of the Government of Tanganyika.

In India, 10 volunteers will supplement the work of agricultural extension advisers, 8 will help fill the gap caused at village-level training centers by a shortage of Indian training specialists. Two volunteers will work in an industrial training institute for small industry, and another two will be stationed at a small agricultural implements workshop. Additional volunteers will work with a rural housing team, demonstrating the better utilization of existing building materials and developing new construction materials which can be used by the villagers.

In Chile, 51 men and women will work with the Chilean Institute of Rural Education, a nonsectarian, private organization, in family education, hygiene, organized recreation, home economics, and small farming methods and demonstrations.

In Ghana, 70 volunteers will teach math, English, biology, general science, and French in that country's secondary schools. The Government of Ghana, faced with a severe teacher shortage, Mr. Chairman, is providing the volunteers with living quarters and an allowance of $165 per month, allowing them to live on a scale comparable to that of Ghana's secondary school teachers.

In the Philippines, 150 volunteers will serve as teachers' aids in elementary schools scattered throughout the most rural areas of the Republic.

In Nigeria approximately 100 volunteers will be teaching biology, chemistry, math, English, and history in secondary schools.

Seventeen volunteers have been assigned to projects in the Federation of West Indies. They will be working on the island of St. Lucia, in projects designed to increase livestock production, to develop irrigation systems for small farms, to introduce soil conservation techniques, and to improve vocational and health education. Programs of rural development are urgently needed on this island where people subsist on diets inadequate for basic health, and the work of Peace Corps volunteers—in animal care, horticulture, extension work, home economics, and teaching—will help to implement a program of development that may well become the pattern for future improvement of the Federation's people.

I submit, Mr. Chairman, that these projects already announced by the Peace Corps are practical, down-to-earth, people-to-people programs, which can make a very substantial contribution to human development and better relations between other countries and our own.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. JAMES C. DAVIS].

Mr. MERROW. Mr. Chairman, I also yield 5 minutes to the gentleman from Georgia [Mr. JAMES C. DAVIS].

Mr. JAMES C. DAVIS. Mr. Chairman, almost without exception, everyone wants peace. Just about everyone is willing to take every possible step to preserve peace and avoid war.

That desire does not justify impractical, needless, extravagant moves at a time when our resources are being strained to maintain military strength in this time of crisis.

The establishment of the so-called Peace Corps would extravagantly and needlessly duplicate the work of no less than nine international organizations that are already being supported by American taxpayers.

These overlapping organizations are the World Health Organization; the Pan American Health Organization; the Organization of American States; the Inter-American Children's Institute; the Caribbean Commission; the Food and Agriculture Organization; the Inter-American Institute of Agricultural Sciences; the Colombo Plan Council for Technical Cooperation, and the newly named Agency for International Development.

Last year, we contributed about $19 million to the first eight organizations I have just named. This year we are being asked to contribute $23.6 million to them. Of course, we plan to hand out some $158 million to all the international organizations that are now in existence. But, I am concerned here only with those agencies that are already performing the task that would be duplicated by the Peace Corps.

The last named and by far the most expensive of these nine organizations is the Agency for International Development. It is the successor to the International Cooperation Administration, which has been allowed to collapse, finally, under the weight of its own ineffectiveness.

The International Cooperation Administration, and its predecessor organizations, have helped distribute $95.075 billion in the last 16 years to foreign countries in an effort to build up their economies and make them self-sustaining.

This represents the most expensive relief program in the history of the world. Yet, even the most ardent supporters of foreign aid concede that the program has failed to accomplish its task.

And, now, it is proposed that we create yet another high-priced agency, a hastily planned, hurriedly organized agency—the Peace Corps—to enter the same field. Most of its activities would duplicate work that already is being carried on.

If these nine organizations are doing their jobs—and they claim to be—then I do not see the logic, the commonsense, of shackling the taxpayers with another agency that, no matter how humanitarian in intent, would be entirely superfluous.

If the present international organizations are not doing their jobs, then we should discontinue financial assistance to them and reexamine our entire concept of what needs to be done in our visionary attempt to make over the world in our own image.

It has been said that the Peace Corps would win friends for us in foreign lands. That implies that we lack friends abroad, notwithstanding the expenditure of $95 billion in foreign aid.

If this implication is true, and the evidence indicates that it is, I do not believe that the creation of a Peace Corps would have any perceptible influence on world opinion. Indeed, the Communists already are telling the underdeveloped countries of the world that the Peace Corps is a capitalistic plot to plant spies within their midst.

We are told that members of the Peace Corps would serve also as teachers and as technician helpers in the fields of education, public health, agriculture, urban renewal, and public administration.

One American agency alone, the International Cooperation Administration, is performing all these tasks at the present time. This organization, of course, is now designated as the Agency for International Development. But only the name has been changed. It is still in the money-lending and money-giving business. This organization has an estimated 9,000 trained technicians scattered around the globe. It is costing us an average of almost $15,000 to send each of these 9,000 technicians into the field.

The Agency for International Development is supposed to help underdeveloped countries build roads. The Peace Corps also would engage in that work.

The old International Cooperation Administration's record in the roadbuilding field left much to be desired.

For example, on June 24, 1961, our Ambassador to Cambodia, the Honorable William Trimble, warned the Department of State that American prestige in that southeast Asian country was deteriorating.

Ambassador Trimble explained that the so-called Cambodian-American Friendship Highway in Cambodia was falling apart and, as a result, we were losing face.

This 130-mile highway was built only 2 years ago under our foreign aid program. We sent alleged experts over to Cambodia to engineer the project. The road was supposed to represent the best in American roadbuilding know-how.

The initial cost of Friendship Highway was put at $15 million. Then it was doubled to $30 million after construction had started. It is said that rain has now all but washed away this supposed tribute to American knowledge.

The road is full of cracks and crevices. It is practically impassable. Ambassador Trimble reported that Prince Sihanouk recently started out to traverse the road by automobile; that it was in such poor condition that he was forced to turn back.

The Cambodian press has held up the road as an example of bad workmanship by Americans. The Communists point to it with scorn. And, President Kennedy has asked Congress for another $2.7 million for emergency repair work on the road.

This road was designed to cost $15 million. The investment has grown to $32.7 million. It may go higher. But even worse, the poor workmanship has caused us to lose face in Cambodia. If our highly paid experts have made this miserable record, is it likely that a group of hastily assembled amateurs can improve upon it?

The Agency for International Development, as it is now known, is supposed to help underdeveloped countries improve their agricultural methods. The Peace Corps would also be engaged in that work. Our record in this field also leaves much to be desired.

Before beginning a new program, the existing program should be improved and perfected.

We have sent millions of dollars worth of expensive tractors, reapers, mowers, and other mechanized equipment to underdeveloped countries.

But these illiterate and primitive farmers want no part of this equipment. They are content to go on farming with the same primitive implements that their forefathers used. Meanwhile, the tractors, reapers, and mowers stand abandoned in the hot sun—or are used as chicken roosts.

These farmers did not seek our help—they did not accept our help.

By no means are these isolated examples of the ineffectiveness of our campaign to improve the lot of less fortunate countries.

I take no pleasure from the glaring weaknesses in our foreign aid programs. Certainly, we all would like to see the eradication of poverty, hunger, disease, and illiteracy.

But we cannot let humanitarian intent blind us to the facts. And the fact is that in 16 short years we have taken almost $100 billion from our own economy and handed it over to foreign governments with little result.

Some of this money has been wasted; some has gone into the pockets of dictators and strong men, who have less compassion for their own people than we do; some of this money has been misspent. I trust that some actually has filtered down to the people.

I think the time is long past when we must come to our senses, do an about face and begin practicing rigid economy.

Now, the Peace Corps proposes to get into the malaria eradication business. This field is being amply served at the present time.

The Agency for International Development is carrying out bilateral malaria eradication programs in 24 countries. The World Health Organization and the Pan American Health Organization also are engaged in stamping out malaria. We are contributing a total of $9 million to these two health organizations this year. Of that total, $5.5 million is earmarked specifically for malaria eradication programs.

The Pan American Health Organization reported earlier this year that it

had been successful in eradicating malaria in Martinique, Puerto Rico, Chile, and Barbados. The organization reported significant progress toward eliminating malaria in a number of other countries, including Panama, Argentina, French Guiana, Venezuela, and Guadaloupe.

The Pan American Health Organization said it has trained some 200 workers from 40 countries to lead the fight against malaria in their home areas.

The larger World Health Organization reports similarly that last year it assisted in more than 600 health projects in 126 countries and territories. More than 250 of these projects were concerned with the eradication of communicable diseases, such as malaria and tuberculosis. The World Health Organization is concentrating heavily on developing rural health services and training public health workers.

Dr. H. van Zile Hyde, who is assistant to the Surgeon General for International Health, the U.S. Public Health Service, testified on August 21, 1961, that the ancient problem of malaria is rapidly being solved.

Dr. Hyde told a House subcommittee of the Committee on Appropriations that 5 years ago 1.3 billion people lived in malarious areas. Today, 300 million of these people are living in areas where malaria has been totally eradicated; 55 million live in areas that are almost free of malaria.

Dr. Hyde testified further that a total of 526 million people are now being protected against malaria by systematic attack programs. This means that 68 percent of the original 1.3 billion people who just 5 years ago were imperiled by malaria are now protected.

The United Nations Health Organization is asking for $2.5 million this year to continue its malaria eradication program; the Agency for International Development seeks $30 million for bilateral programs against malaria.

Existing organizations are waging and winning this fight. Why should another agency be created to duplicate this work at great expense?

Now, the Peace Corps proposes to send schoolteachers to foreign countries.

The Agency for International Development will continue education programs that were being financed and carried out by the old International Cooperation Administration.

We are directly supporting schools in Turkey, Lebanon, Egypt, Greece, and Honduras at an overall cost of $12.6 million a year. We are financing the construction of a college in Ethiopia. We are conducting 214 separate educational projects in 41 countries of the world.

This program is costing us $45.5 million in Africa; $7 million in the Near East; $12.9 million in the Far East; $15.7 million in Asia, and $2 million in Europe. This adds up to $83.2 million.

The United Nations Educational, Scientific, and Cultural Organization has been engaged in the education field for a number of years.

UNESCO, as this agency is commonly known, supplies textbooks and other classroom equipment to underdeveloped areas. UNESCO promoted teaching and research; it helps member states—and there are 98 of them—improve and broaden their school systems. We are contributing more than $4.6 million to UNESCO this year.

Still other international organizations that are concerned with education are the Inter-American Children's Institute and the Caribbean Commission.

The Inter-American Children's Institute, as the name suggests, serves the Latin American countries. It concerns itself with training native schoolteachers. It also develops social services and formulates plans for basic nutrition surveys. We are contributing $32,000 this year to the Institute.

The Caribbean Commission administers training programs and cooperative education. It also offers regular services in such fields as plant and animal disease reporting. Our contribution to the Caribbean Commission this year amounts to about $83,000.

Now, the Peace Corps proposes to teach agricultural methods in countries which it would serve. There is hardly enough room now for all the organizations that are teaching farm techniques in underdeveloped countries.

The Agency for International Development is active in the agriculture field. So are the Caribbean Commission, the Organization of American States, the Food and Agriculture Organization and the Inter-American Institute of Agricultural Sciences.

The Food and Agriculture Organization is a specialized agency that is concerned, in the main, with land and water development, animal breeding and crop production. It conducts agricultural extension programs, home economic classes, and forestry. It even has a branch dealing with the uses of atomic energy in agriculture.

This Food and Agriculture Organization is an agency of the United Nations. Eighty-one countries of the world—from Afghanistan to Yugoslavia—are members. We contribute about $3 million a year to the organization.

The Inter-American Institute of Agricultural Sciences serves Latin America. Its activities include research in the breeding of dairy and beef cattle, crop experiments and the training of native farmers.

The Institute last year reports that it trained 252 farmers, the highest number in its history—53 of these farmers are candidates for degrees as masters of agriculture. The Institute also is making progress in securing higher yields from corn, coffee and rice crops. Our share of the cost of this organization is $227,000 this year.

The Organization of American States is training and assigning native experts to assist member nations in solving specific problems related to the entire spectrum of economic and social development.

Thus, individual countries in Latin America are being afforded the opportunity to improve their status through the assistance and knowledge of their own people. Can the Peace Corps do more of this, or do it better? I think not.

The Peace Corps also would duplicate the work of the Colombo Plan Council for Technical Cooperation. Membership of this organization is made up of 18 nations in south and southeast Asia.

The Colombo plan was set up to combat poverty and to stimulate economic growth among its member nations. The organization reported "very heartening progress" last year.

During last year, external aid valued at more than $1.7 billion was made available to member states by the Colombo Plan. The organization made some 4,300 training awards, and the services of 500 experts and a large number of consultants to member states requesting them.

It is heartening that the people of these emerging nations are striving to help themselves.

The Peace Corps in one way or another would duplicate and overlap the activities of almost every service that already is being offered these people. The truth of the matter is that these nine organizations in many cases are already duplicating the work of each other.

Now, just the other day, Secretary of the Army Stahr endorsed a recommendation that the military establish its own version of the Peace Corps. Tentative plans for a military Peace Corps call for dispatching specially tailored military units with men having skills in civil engineering, public health, transportation and communications to underdeveloped countries requesting assistance.

This is precisely the duties that are contemplated for the civilian Peace Corps and they are precisely the duties that are already being performed for good or bad by the nine American and international organizations that I have been discussing.

But the duplication does not end even there.

Private organizations—such as Protestant and Catholic churches—have an estimated 40,000 skilled missionaries in foreign countries. They are spending in excess of $200 million a year to build hospitals, train native workers, combat disease and poverty, and to teach the illiterate to read and write.

Taking a realistic view of the Peace Corps, I do not see how inexperienced youth can succeed in elevating the living standards of much of the world when mature knowledge—backed up by billions of dollars from both public and private sources—have not succeeded.

President Kennedy issued an Executive order last March setting up a so-called pilot Peace Corps for the purpose of determining if the idea was feasible. He appointed his brother-in-law, R. Sargent Shriver, Jr., to direct the project.

Mr. Shriver says that Peace Corps members will receive no salary. But he concedes that each member would receive $75 a month plus allowances and benefits. The $75 a month stipend would be held in escrow for payment to the Peace Corps man upon completion of his or her tour of duty.

Each Peace Corps man would receive a living allowance—the exact amount to be determined by the economy of the country to which he is assigned. This allowance, for example, would amount to $224 a month for those stationed in Tanganyika, which is one of the first countries to which Peace Corps members have been assigned.

This would be a very favored group. Each member of the Peace Corps would receive a travel allowance, plus medical care, plus a $10,000 life insurance policy while he is in service which would be paid for from Peace Corps funds. We do not do this for classified civil service employees. Members of Congress pay part of the premiums on their policies.

When all the costs of supporting and training each Peace Corps man is added up, the total averages out at $9,180 a year. Although this figure in itself represents a considerable sum of money, it applies only to the lower echelon.

The upper echelon would be rewarded much more handsomely for participating in a program that is supposedly based on self-dedication and personal sacrifice.

Mr. Shriver appeared before the House Subcommittee on Manpower Utilization, of which I am chairman, to appeal for the creation of 30 so-called supergrade positions for the administrative staff of the Peace Corps. These supergrade positions range up to $19,000 a year.

The Peace Corps wants one supergrade executive for each nine employees who would be stationed in Washington. By contrast, the Department of Defense has only one supergrade position for each 1,290 employees.

In addition, 10 other administrative personnel of the Peace Corps would be paid up to $15,000 a year. So, 40 people in the Peace Corps will be receiving salaries in the $15,000 to $19,000 bracket.

The initial cost of the Peace Corps is only a "foot in the door" to a much more expensive program. Already some of the more vigorous supporters of the Peace Corps are envisioning vast increases in the size of the proposed 2,700-member organization.

I have no doubt that once we vote this Peace Corps into being, it will be with us for many years—regardless of its effectiveness. I have no doubt that it will be constantly expanding, as is always the case with these governmental agencies and bureaus.

Now, the youth of America have a tremendous opportunity to serve their country in these critical times. We are being told in somewhat alarming tones that the United States is suffering acutely from a shortage of qualified teachers, scientists, engineers, missile experts—that we actually are lagging behind Soviet Russia in these vital fields.

The Peace Corps threatens to siphon off a lot of young people, and send them off on a 2-year experiment that appears doomed to failure.

I believe that the Peace Corps applicants could better serve America and humanity by studying for the professions, such as law, teaching, science, medicine, and the ministry.

We cannot strengthen the weak by weakening the strong.

And that is one of the results of the proposal we are considering today.

Mr. MERROW. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. CONTE] for a unanimous-consent request.

Mr. CONTE. Mr. Chairman, increasing numbers of the world's underprivileged people are seeking a greater participation in their own self-advancement. Whether or not peace is secured for all time depends to a large extent on the efforts made by the more fortunate nations in associating themselves with the hopes and ambitions of the less fortunate, not only through the sharing of wealth, but through humanitarian service which is neither condescending charity nor self-seeking.

In the sharing of wealth, the people of this Nation have indeed made a generous contribution with the outpouring of material aid. The problems we are confronted with today, however, call for a more profound and dramatic expression of this attitude and it is because I believe the Peace Corps can become that expression of American democracy in its most practical form that I support this bill and the appropriation necessary to carry out the program.

I look upon this program and what we are attempting to achieve rather as I would view an economic equation of supply and demand. We have in this country, thousands of young people, newly graduated from college, motivated by a force to do good work on behalf of the United States in areas of the world where people are living in dire, primitive conditions. Here is the supply of manpower we have to lay out roads, develop villages, modernize agriculture and teach school.

On the other hand, the demand arises in areas of the world where technical and academic skills are in short supply and where the very conditions of life present a challenge to the devotion and vigor of young people educated in a healthy, free society. This is the supply and demand of which I speak. When our people put their hands and their skills to work in the development of this two-thirds of the world which is striving to advance, they are going to make a real contribution to world peace, for the economic advance of these nations—as we all recognize—is one of the conditions of peace.

In case any of my colleagues should think that I have become a pie-in-the-sky idealist, I want to assure them that I am not without misgivings about the program. While I am hopeful that the mistakes that will surely accompany a new program of this type will be small, we can anticipate, even with the best administration, that they will occur.

There is also a danger inherent in us all that we might expect too much in a short space of time. We have all had experiences related to us by people who have spent some time living in primitive and unsanitary conditions. Some of those I have talked to have emphasized that the parent sponsoring body did not expect any real return during the first year of operation. It is estimated that almost a year elapses before a person can become fully assimilated and adjusted to life under these conditions and able to make a practical contribution. The feeling of apprehension that has exorcised me most is that the program may fail because we expect too much too soon. Therefore we have to guard against the dangers of overoptimism at home as well as among those people whom we are attempting to assist overseas.

The Peace Corps will also come under fire from local Communist groups who will brand it as an instrument of American imperialism and as an organization whose aim it is to indoctrinate the local people. In such an atmosphere, one slip, one mistake on the part of our personnel could erase the good will built up over a period of time.

So far as the $40 million authorization is concerned, this is higher than many of us anticipated when the project was first mooted. It had been my hope that the program might have commenced on a more modest budget than has been the case, thereby enabling the administrators of the Corps to learn as the program got underway. However, it can be fully appreciated, that if the budget is reduced this would mean a comparable reduction in the estimated 2,700 volunteers we proposed to have overseas by the end of fiscal year 1962. It would mean, in terms of effectiveness, that the program would be reduced to the extent that its impact could be largely lost. The success of the operation depends in large measure on the person-to-person contact—it depends on reaching people who are unexposed to modern ideas and modern methods. Clearly we stand to lose much if we have to reduce the number of volunteers we are able to send abroad and it follows also that the countries in which the Peace Corps could have an effect must accordingly be reduced.

In addition to the response from more than 12,000 American men and women who have applied to serve in the Peace Corps, the need and desire for volunteers abroad has been clearly expressed in many quarters and its purpose and potential in assisting the problems of development have been warmly endorsed by heads of state in many of the emergent nations, and now, in our desire for economy if we should scale down the authorization, the Peace Corps will be unable to respond to the high expectations which surround it, and this could seriously weaken American prestige abroad. I ask my colleagues to think carefully before attempting to cut the proposed $40 million authorization because I believe it would seriously reduce the momentum gained both at home and abroad and would represent a failure on the part of this Government to meet its responsibilities to those who have turned to it from overseas and to the thousands of American citizens who have responded so enthusiastically to its call.

There is also the point to consider that some of the countries we anticipate helping do not want this assistance without being able to bear some of the cost themselves. These nations feel a moral obligation to pay for at least part of the cost of the volunteers in their country and it is right that we should not reject their willingness to do so, but in fact, encourage them to make some contribution. On the credit side, we have an agency of people who are ready, willing, and able to fill the gaps in a newly emerging society by transferring their skills to the people of these nations. I emphasize the transfer of skills because I visualize the program as being one where our people will not merely perform tasks for the benefit of the recipient communities, but will, in fact, transfer their knowledge so that the recipients will be in the position of eventually becoming self-reliant and sufficiently competent to pass on to their own community the knowledge they have acquired.

I can understand the request that has come from the Philippine Government for the Peace Corps to supply teachers in order to improve the quality of English usage and expression in the Philippine Republic. In fact, I am very proud that a constituent of mine from the First District of Massachusetts, David Pierson, of Greenfield, will be working with this project in the Philippines. At the same time, while the teaching of the three R's and general science is important, the program must be well balanced so that in our enthusiasm to improve upon standards and eradicate illiteracy, we do not lose sight of the need to assist some of the more primitive nations in the development of their own artisan societies.

The teaching of technical skills is essential to a newly emergent nation so that they can construct their own roads, develop villages, and modernize their agriculture. There is no worse sight in a small village in southeast Asia than a valuable piece of agricultural equipment lying idle because the local people, once having exhausted the machinery, have cast it aside because they cannot perform a simple repair job. It is at this level in a community that the Peace Corps can be of great value and I have no reason to believe that the administrators of the program are unaware of this.

I believe that the Director of the Peace Corps, Sargent Shriver, and his staff have shown a high degree of enthusiasm and ability in starting the program under the Executive order of the President. I have read the hearings with considerable interest and to my mind, Sargent Shriver has shown the clarity and confidence of a captain who recognizes his goal and the means of achieving it successfully. From the evidence I have, it would seem that flowing from this enthusiasm and ability, instilled into each volunteer is the understanding of what is expected of them and what they, in turn, must expect on working in a territory tormented by hunger, disease, and illiteracy; but yet a country whose peoples have nevertheless a consciousness of their own dignity; their great traditions and spiritual values.

Still on the credit side are our young people who, in full knowledge of the difficulties and dangers of the situation can successfully meet the challenge they face with true compassion and a sincere respect for their cultures and aspirations.

If we are to conceive the value of the Peace Corps in numerical terms alone, it would be fair to estimate the influence it could have on the thoughts and actions of millions of people in the underdeveloped areas of the world. This realistic goal of reaching the mass should not make us lose sight of the potential of each volunteer and the influence they will have on key people in the recipient countries. It follows, therefore, that the potential of each single volunteer is limitless.

But in aiming to reach the maximum number of persons at the level of the tribe, and the village, the volunteers must seek the medium through which they will be best able to impart knowledge of their technical and agricultural skills as well as their enthuiasms for the values of free institutions.

The overriding question is, Will it work? Is it possible for these relatively young, inexperienced people to bring genuine assistance and understanding to people of vastly different backgrounds and cultures in remote corners of the earth and at the same time, maintain their equilibrium and their deep-rooted dedication to the principles of American democracy which are essential for the success of their mission? This question is more important than the precise amount of finance we are authorizing for the program.

We are asking a great deal of these volunteers. But then we have always asked a great deal of our young people. It seems that governments have always given them the most difficult tasks to perform—the hideous task of waging war is theirs—now the arduous task of winning the battle of men's minds for peace is theirs. It is because I have faith in the courage and determination of young America to win this battle that I support the measure and respectfully commend it to you.

Mr. MERROW. Mr. Chairman, I yield 6 minutes to the gentleman from Ohio [Mr. ASHBROOK].

Mr. ASHBROOK. Mr. Chairman, I rise in opposition to this bill. What we are dealing with here is a pure and simple political misnomer. This bill is a hodgepodge of contradictions and confusion. It is at the same time a very broad delegation of power which in the end will undoubtedly set up one more bureaucratic monstrosity.

In the so-called Peace Corps, we are telling the world that these men and women are volunteers but our every action belies this statement. The U.S. Government is recruiting the corpsmen, paying well over $9,000 to train them and it cannot be denied this is a Government program. It is an attempt to glamorize and imitate the serious, dedicated work that our missionaries have been doing for many years, an unfortunate attempt I fear.

On page 5, line 15 of the bill, H.R. 7500, it states:

> Except as provided in this act, volunteers shall not be deemed officers of the United States for any purpose.

We state exactly the opposite on page 6, line 22:

> Volunteers shall be deemed to be employees of the U.S. Government for the purposes of the Federal Employees Compensation Act.

And on page 10, line 9, in further subterfuge the bill says:

> Volunteers shall be deemed employees of the U.S. Government for the purposes of the Federal Tort Claims Act and any other Federal tort liability statute.

These are but a few of the deceptions as to the description of the Peace Corps man. When it comes to securing the protection of the U.S. Government, the corpsman of course reverts back to a volunteer status. A government which allows harassment of its nationals abroad, the expropriation of their property, and the desecration of its flag would not want to get involved in protecting citizens who are supposedly sent abroad as ambassadors of good will. They have the full backing of the Government at least until that time.

R. Sargent Shriver, Director of the Peace Corps, stated at the National Conference on Youth Services Abroad, held in Washington last March 29, as reported by the Washington Star, that service might be more dangerous than military service in an outpost like Berlin or Fort Dix, N.J. He stated, and I quote:

> You might be captured—I told you it was dangerous.

At the meeting cited, Director Shriver delivered a message from President Kennedy who said in part:

> This conference must be a milestone on the way to a new era of American pioneering.

On this I agree. Indeed, it will be a new era of American pioneering but it is an era I want nothing to do with. Peace Corps men will be encouraged, in this new era, not to speak out on our way of life. Please do not defend capitalism or our free enterprise system as a way of life. That would be political. Do not dare speak about religion or religious freedom. I suppose even the late President Roosevelt's Four Freedoms should not be discussed. In his testimony before the House Committee on Foreign Affairs noted on page 5 of the committee hearings, Director Shriver said:

> We have said in our factbook on the Peace Corps and all our statements about the Peace Corps, Mr. Chairman, there would be no religious proselytizing or political propagandizing. I would say they would be advised to keep their comments of that nature to a minimum, perhaps not to make them at all. It is obvious on the other hand that after their workday is over they will be there as citizens of the United States and that

there will be many questions about the Peace Corps, about the United States.

One cannot help but wonder under this environment and approach, Mr. Speaker, how they will answer these questions. Mr. Shriver said that they need a "missionary zeal" but further reiterated in his testimony on page 29:

They are not to do any religious proselytizing or table thumping on religious issues.

Equally confusing is whether or not they will be an instrument of the State Department. I must confess that I would be more impressed with the prospective chances of the Peace Corps if it had little or nothing to do with the State Department; yet on page 3 of the hearings, Mr. Shriver testified:

The Peace Corps is planned to be organized as an agency within the Department of State, specifically designed to recruit, select, train, and administer volunteers and to develop programs for the maximum utilization of their skills and idealisms.

Note again that Peace Corps men are "volunteers" and yet are to be "recruited, selected, and administered" at the same time. Further complicating this program is Director Shriver's explanation on page 55 of the hearings:

We have, generally speaking, adopted the words of the Secretary of State, who at a meeting of the National Advisory Council said that he felt that the Peace Corps could make its greatest contribution to foreign policy by not being a part of it.

That can be interpreted many ways, Mr. Chairman. I am inclined to take a charitable outlook at what he meant but it does illustrate one more facet of the political incomprehensibility of this bill.

The hand of the State Department can be seen in Mr. Shriver's reference to the Battle Act, as witnessed by the testimony on page 30 of the committee hearings:

Mr. BARRY. Why do you want to be excepted from the Battle Act?

Mr. SHRIVER. In a large part of the world that we are dealing with, political situations are in a great state of flux. You have these nations wavering between the East and the West. Personally, I think it would be a great mistake if arbitrarily it was stated that the Peace Corps could not go into any country where there was this situation. I think that if the Peace Corps can possibly make a contribution, it would be of great help to the country. I think it would be of great help if the President was given the privilege of determining—as he has the privilege with other aspects of oversea operations—the privilege of determining whether it is in the best interests of the United States to permit the Peace Corps to go to a particular country.

We have had requests for Peace Corps volunteers from countries just of the type you are talking about. I think it would be a shame to say "No, we can't do business with you."

Mr. Shriver further states on page 95 of the committee hearings:

One of the virtues, I hope, in the Peace Corps, is instead of going over there as agents, say of the U.S. Government, we would go over there and become part of the operating machinery of a foreign government * * *. We are not Americans over there working for our country, but we are working for the Philippines or working for the Thai.

Would we be working for the Communists in Poland? In Yugoslavia? This would certainly seem to be the import of his statement regarding the Battle Act should the President decide to send corpsmen to what he might consider the not-so-to-be not-so-communistic members of the Communist bloc. Director Shriver refers to the Peace Corps thusly: "This is a service operation. It is serving the foreign country." Another indication of the type of "new era of American pioneering."

Mr. Shriver states on page 21:

If possible, if the Congress approves, we have a request in our legislation for specific permission to supply Peace Corps volunteers to the constituent agencies of the United Nations.

Which side would they be promoting in the Congo, for example?

Others have gone even further in their ideas about the Peace Corps. The New York Herald Tribune on February 20, 1961 carried an article under a by-line of John Molleson entitled "Peace Corps Plan Lauded by Toynbee. Hopes Young People Will Wed Foreigners." The article quotes:

Arnold J. Toynbee, British historian, yesterday applauded President Kennedy's plan for a Peace Corps of young people to serve in foreign lands.

He said it was important that they should live the life of the people among whom they work "eating the same food, wearing the same clothes and sharing the same living conditions."

I hope that some of the young people will even marry the local people, especially if they are of a different race, because that wins their hearts," Mr. Toynbee said. Ambassador Adlai E. Stevenson, appearing on the same panel, described this as procreative diplomacy.

Again quoting from Director Shriver's address to the National Conference on Youth Services Abroad, the Washington Star article of March 30, 1961, reports:

A hesitant brunette was assured she need not worry about "controls over fraternization" with inhabitants abroad. Mr. Shriver said the Peace Corps needs "mature people" who know how to fraternize. "In general, we are not opposed to what you are worried about," he told his somewhat embarrassed questioner.

Mr. Chairman, I cite but a few examples of the contradictions and confusions in this legislation. A whole speech could be devoted to the bill's broad delegation of power. What will be the result of such confusion and contradiction? Once more I say that the Peace Corps is a misnomer and a political sleight-of-hand trick. I am not urging that our young people should go abroad to evangelize or act patronizing. I do, however, think it is wrong for them to deemphasize their own country. With such an outlook this organized confusion might well turn into organized embodiment of the Ugly American.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. JOHNSON].

Mr. JOHNSON of Maryland. Mr. Chairman, prior to World War I, we in America lived by George Washington's admonition to stay away from foreign entanglements. With our Atlantic Ocean on one side and the Pacific on the other, and a strong Navy, we could be complacent at home. But, with the advent of the fast plane, the splitting of the atom, and the development of the deadly war missile, all this changed. What now goes on in the Far East and the Middle East is just as important to us in America as what takes place in our neighboring State. And with this change, a life and death struggle has developed between two great forces— our democratic way of life and communism. There are two opposite roads open to us. The one is to tell the rest of the world to take care of their own problems and run the risk of seeing communism spread to every nation on earth, hoping it will not reach our own. Following this road, we do not need our military bases abroad, nor to continue with our economic foreign assistance. If this is the way we want to live, let us make our position clear to the world and stop talking about brotherly love, understanding, and the enlightened age we live in. If we do not want to live that way, then we have to make our intentions equally clear. There is, unfortunately, no middle road. In my opinion and I am confident all thinking Americans share the same view, we must meet the challenge by exerting whatever means necessary to protect our way of life.

Certainly, the continuing of the Peace Corps is and should be an important part in furthering better understanding between those nations of the free world. Under the Mutual Security Act, Congress authorized the expenditure of $10,000 to defray the costs for the study of a youth corps program. As a result of the findings, the President issued an Executive order as of March 1, 1961, establishing the Peace Corps on a pilot basis. Since that time, a new agency has been under the capable, efficient, and aggressive directorship of Sargent Shriver. Few public servants have given so freely of their time, energy, and personal sacrifice. Through his personal calls, and those of his staff, Members of Congress have been afforded an opportunity to thoroughly discuss this meritorious legislation. Today, the Peace Corps is a working agency within the Department of State, with some $3 million having been spent to date. Some 450 volunteers are in the process of intense training, with projects agreed upon in Tanganyika, Colombia, Ghana, and elsewhere. And what is so encouraging is the favorable public response of the program. This is evidenced by the some 12,000 applicants eagerly applying as volunteers, who want to share in a major international effort to increase the welfare of all men and improve understanding among nations. With the Peace Corps, a new direction in foreign policy technique provides what has been called middleman power to underdeveloped countries. Its purpose is to provide person-to-person help in the development of nations where the need is greatest. No skyscrapers will

rise, no dams will be built, but a significant bridge of understanding between our people and those of other nations should make the world a better place in which to live. I strongly urge that the House support, wholeheartedly, H.R. 7500.

Mr. GALLAGHER. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ROOSEVELT. Mr. Chairman, of the numerous constructive proposals presented to the Congress by the administration of President Kennedy, that of the Peace Corps has struck a most responsive chord in the hearts and minds of our people. This grand and novel concept has induced a large, and continuing, favorable response from the moment that it was announced by then candidate-for-President, John F. Kennedy. Included in the widespread, laudatory reaction to this new proposal were numerous immediate applications to participate in the Corps. These applications, which soon numbered into the thousands, came from a broad base of individuals of all ages and with a large variety of valuable attributes. This tremendously encouraging response was startling to even the most avid proponents of the Peace Corps concept. Interest and encouragement, now that the proposal has been more concretely formulated, is higher than ever.

It is not very difficult to understand why this proposal has gained this great dimension of support. The idea of the Peace Corps touches deep springs in our American heritage. As a people we would far rather construct than destroy. The Corps provides a positive, constructive approach to the alleviation of the world's problems. It is as William James suggested of a similar concept, "the moral equivalent to war." The proposal to send qualified Americans abroad to assist and hasten the desirable progress of the developing nations that are striving to enter into the mainstream of the 20th century, appeals to both the idealistic and pragmatic qualities of the indomitable American spirit. The Peace Corps supporters and applicants combine the characteristics of altruism and realism in their understanding of the complexities and difficulties of the world situation and their desire that something constructive be done.

President Kennedy accurately sensed the great desire of Americans to make necessary sacrifices for the national good. Our citizens have awaited just such a call to positive action. In a situation of great tensions, the most difficult and trying role belongs to those who must remain inactive. It is in this role that most of our citizens have found themselves. For the total period of the cold war most of our people have had to restrain the natural impulse to act to alleviate tensions. Nothing in the way of a positive and active program was offered in which individual citizens could participate. Of course, the desire to help in the cause of freedom and progress must necessarily be restricted by the nature of the adversities. During the time of war everyone has a task to accomplish. But in the cold war situation only limited numbers can perform the necessary functions.

We are now offered for our consideration a proposal which will have the effect of expanding the numbers of our citizens who can actively participate on the frontlines of the cold war. And, if the endeavor is successful, as I am quite optimistic that it will be, a still greater number of our countrymen can serve in this noble cause. Even those who are unable to participate directly will now be enabled to identify themselves with this adventuresome, hopeful, constructive effort. All Americans can know that we will be engaging the enemies—tyranny, poverty, disease, and illiteracy—directly and personally. We will be working with the peoples of the developing nations on the much talked about, but little practiced, person-to-person basis. The Peace Corps represents an opportunity to provide economic, social, and educational assistance and to further the cause of peace through personal relationships and the development of mutual understanding.

The Peace Corps is presently functioning on a temporary pilot basis. It is operating under an Executive order as an independent agency within the State Department, financed from mutual security funds allocated for the present fiscal year.

The administration is now requesting a minimal appropriation for the next fiscal year in order that the Peace Corps may continue its operations on an expanded, but still experimental, basis. The appropriation of such funds will enable the Congress, as well as the American people, to observe the Corps as it functions. We will then be capable of assessing the degree of success of this new operation and determining the advisability of its continuance based upon practical experience. There are, of course, risks involved in carrying out this venture. However, I firmly beleve that the potential rewards of this endeavor substantially outweigh the inherent risks. I strongly believe that this would be a valuable and worthwhile undertaking, particularly in view of the 1-year appropriation which would allow for cautious congressional scrutiny.

The provisions, and their effect, of the Peace Corps bill have already been well explicated to us. The dedicated and able Mr. Robert Sargent Schriver, Jr., has done an outstanding job in establishing and organizing the Peace Corps and in proselytizing for it. Indeed, he deserves our approbation and commendation for his fine performance.

Desiring not to be repetitious, I shall refrain from discussing the various merits of the several provisions of the bill. However, I do wish to enlarge upon two points which have caused some concern.

First, the Peace Corps selection process. The procedure established by the Corps for selecting recruits is as stringent and rigorous as any that I have encountered. Candidates will be screened for technical competence, maturity, physical condition, and motivation. This screening process will be effectuated by the administration of written tests, physical examinations, interviews, and observation during the entire period from the initial acceptance until, and through, the time the recruits are sent into the field. The administrators of the program are particularly alert to prevent the entrance of persons into the program who might seek to use the Peace Corps for subversive purposes. These procedures are presently, and will continue to be, arduously and assiduously administered.

Second, the Peace Corps will go only where it is needed and wanted. The projects of the Corps will be developed jointly by our administrators and the foreign nation involved, or in some cases with the help of voluntary agencies or universities. In every instance, the foreign nation must favor the project, and volunteers will be sent to no country where they are unwelcome. Furthermore, diligent efforts will be made to match a volunteer's special background, knowledge and experience to the geographical areas where he could function most effectively.

Mr. Chairman, the Peace Corps can add a new dimension to America's foreign policy, a positive and constructive one, for which people here and abroad have long waited.

Mr. MORGAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7500) to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower, had come to no resolution thereon.

VETERANS' ADMINISTRATION REVOLVING SUPPLY FUND

The SPEAKER pro tempore. The Chair lays before the House the following request from the Senate.

The Clerk read as follows:

IN THE SENATE OF THE UNITED STATES,
September 7, 1961.

Ordered, That the House of Representatives be requested to return to the Senate the bill (H.R. 8414) entitled "An act to amend section 5011 of title 38, United States Code, to clarify the authority of the Veterans' Administration to use its revolving supply fund for the repair and reclamation of personal property."

FELTON M. JOHNSTON,
Secretary.

The SPEAKER pro tempore. Without objection, the request of the Senate will be granted.

There was no objection.

HURRICANE CARLA

Mr. THOMPSON of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMPSON of Texas. Mr. Speaker, in the past few days, I have been very much touched by the expressions of interest and concern of my colleagues regarding the Hurricane Carla, which struck the Ninth Congressional District.

I am happy to report that while damage is extremely serious, it is not as bad as has been from time to time reported. Agriculture has suffered perhaps the most of all. Many coast communities sustained severe wind and wave damage. However, when I think of the great hurricane of 1900 which killed from 6,000 to 8,000 people and compare it with Carla which had almost no loss of life, I am thankful.

I have thought many times of what a superb job was done by the Weather Bureau and all of the facilities—aviation, radar, radio, television—all working together to warn the people of the imminent dangers of the approaching storm and to urge them to vacate unprotected areas. The mass evacuation, without doubt, saved countless lives.

As the full story is known, I shall make a suitable expression to Dr. Francis W. Reichelderfer, Chief of the Weather Bureau, and to his able and courageous men including those of the supporting agencies.

I take this opportunity, also, to express my appreciation and that of the people whom I have the honor to represent, to my thoughtful and helpful colleagues.

ANCIENT ORDER OF HIBERNIANS HONORS THE FATHER OF THE AMERICAN NAVY ON COMMODORE JOHN BARRY DAY

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, history records that Commodore John Barry, a native of County Wexford, Ireland, was one of the bravest naval officers of the young country fighting for its independence that became the United States of America.

Time and again, though outmanned and outgunned, Captain Barry and his crew attacked individual ships of the most powerful navy in the world. Sometimes he won, sometimes he lost; but the daring leadership of Barry inspired the colonists to fight on against great odds. It was this indomitable quality of the man that strengthened morale of our seamen, and harassed the British. For every vessel in the small American Navy that went down before the superior firepower of British men-of-war, the spirit of the rebels became all the more "unsinkable."

In the *Lexington*, Capt. John Barry captured, in April 1776, the British sloop *Edward*. Barry was later promoted to the *Effingham*, but the vessel was destroyed in the Delaware. In the *Raleigh*, 32, Captain Barry then fell in with the 50-gun ship *Experiment* and the frigate *Unicorn*, in September 1778. He kept up a running fight for 2 days, and, when the wind died out, he finally beached his ship on the coast of Maine and escaped with his men. Previous to this, he and 27 of his men boarded the armed schooner *Alert* in the Delaware, capturing 116 men and officers, and sinking the schooner and 2 transports.

Captain Barry, in the *Alliance*, made a successful cruise and captured several prizes. On March 10, 1783, he fought the last sea fight of the Revolution but had to give up his prey, when two British frigates hove into view. No one had to ask Barry to fight for the independence of his adopted country. As an Irishman, the need to be free was one of the most important things in life. And when the colonists rose up against the oppressor who also held his native Ireland in bondage, Barry fought with the skill and the valor that could never be vanquished. His personal example became a tradition that has inspired Navy men from his day to the present.

He was the "Father of the American Navy," a Navy that has since grown up to become the most powerful force afloat, ranging from the Mediterranean to the Formosa Straits to protect the free world of today from aggression. Millions of Americans who are proud of their Irish origin, honor the memory of the lad from Wexford who became one of the naval heroes of the Revolution, and contributed much to the winning of the War for Independence.

The Ancient Order of Hibernians has designated Wednesday, September 13, as "Commodore John Barry Day" and as an AOH holiday that will be observed by appropriate exercises in all local divisions of the order.

As a member of the AOH, it is my privilege to bring this occasion to your attention so that the U.S. House of Representatives may speak up in tribute to the memory of Commodore John Barry who led the way toward the establishment of that alert, efficient, and gallant arm of our security—the U.S. Navy.

OUR TRUE FRIENDS

Mr. DORN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and to include an article.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN. Mr. Speaker, during these days of double standard international morality, when we witness so-called neutrals failing to assert what would otherwise have been an effective moral leadership if they had condemned Soviet Russia's starting nuclear tests as the world rightly expected them to, it is good to remember that there are committed nations who are not afraid to speak out for what is right and decent in the world.

President Carlos P. Garcia, the leader of the Philippine people, had the courage to invite the U.S. Government to establish our missile bases in the Philippines in the face of megaton-rattling threats by Nikita Khrushchev and vociferous intimidations by Mao Tse-tung. He also had the statesmanship and the moral valor to sign into law a bill passed by the Philippine Congress outlawing the Communist Party from the Philippines. He is a true friend of the American people and we have confidence in his leadership. He is entitled to our undivided support.

It is to be regretted therefore that this session of Congress has been unable to act on the Philippine war damage claims bill which we owe the Philippine people and which has been pending settlement since 1950. We must make it clear that it is only because of the press of other major administration measures and the inevitable accumulation of last minute urgent domestic bills before adjournment that prevented us from taking up the Philippine bill.

I ask unanimous consent to make as part of my remarks an editorial of the Washington News that appeared yesterday which should show to our Filipino friends what an important vehicle of American public opinion thinks of our failure to act on a matter vital to the Philippines:

AN HONEST DEBT

Ninety billion dollars is the latest official figure on our foreign aid spending over a 15-year period ending June 30, 1960.

Foreign aid is one thing—basically a gamble on keeping the recipients from joining the Communist bloc. A bona fide debt is quite another thing—no gamble about it, no lofty sentiment, just a simple obligation.

In this latter category falls the $73 million we owe the Philippines in unpaid compensation for damages done to their country by our having to fight a war there. The Congress of 1946 decided such claims were justified and passed the Philippine Rehabilitation Act.

But the appropriation then approved was $73 million short of meeting the total amount of damages. Despite repeated polite reminders from the Philippines, the sum has been dangling ever since. A measure introduced this session by Representative CLEMENT ZABLOCKI of Wisconsin authorizes payment, but it is still in the freezer of the House Rules Committe.

This is inexcusable, especially in the light of the Philippines' own prompt repayment to us of the final $20 million installment on funds we lent for their military buildup. It's no way to treat a demonstrated friend, while pouring out billions we don't owe to such dubious states as, say, Communist Yugoslavia. Even in the few days remaining of this session, the House with a little resoluteness still can act on this measure and underscore our ties of more than a half century with the Philippines.

TAX DEDUCTION FOR RETRAINING

Mr. SHORT. Mr. Speaker, I ask unanimous consent that the gentleman

from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, one of the recommendations reached by the Republican Policy Committee's Operation Employment deals with the effects of taxation on retraining and seeks to encourage a tax climate in which the learning of new skills would be fostered. I quote from the final report of "Operation Employment, Employment in the Dynamic American Economy," CONGRESSIONAL RECORD pages 15765–15791, August 14, 1961:

3. In the area of taxation, our legislation and administration of tax laws has not kept up with the times. No personal incentive is contained in our tax laws for those individuals contemplating retraining. The Federal Government is thus actually hindering rather than fostering retraining by these and other outmoded practices. We recommend tax revisions providing tax deductions or credits for workers undergoing retraining for new skills.

I have today introduced legislation to amend the Internal Revenue Code to carry into effect this recommendation of the Republican Policy Committee's study group. This legislation would make amounts paid by a taxpayer for his education or training deductible as a trade or business expense.

At present, we find that our tax laws and regulations very narrowly circumscribe the areas in which educational expenses can be considered deductible business or trade expenses. The only basis which is recognized for such deductions is job preservation; only those expenses may be deducted which are undertaken to prevent one from losing a job, from being fired for not taking a particular course of study. Certainly this is a correct ruling and these are business expenses. However, it is too narrow. The acquisition of new skills and the improvement of old, without the threat of dismissal, are also trade and business expenses, and should be recognized as such.

In one field, through concerted action in which I had a part, the Internal Revenue Service was induced to make a ruling consistent with the philosophy which underlies the bill I have introduced. This was the continuing education of teachers. Summer education of teachers to heighten their teaching skills is now an allowable deduction. The improvement of all vocational skills should be the subject of such deductions as should the gaining of new skills. It is my hope that this new philosophy will be adopted.

BILL TO PERMIT DIVISION OF CORPORATIONS

Mr. SHORT. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I have today introduced a bill which would amend the Internal Revenue Code to permit the division of a corporation into two corporations on a fully non pro rata basis.

It is the purpose of this bill to permit a corporation to be divided into two corporations of comparable size in a tax-free transaction but only if the distribution is fully non pro rata so that after it each former shareholder owns stock in one and only one of the survivor corporations. While such a division is sometimes now permissible under section 355, that section now requires that the corporation divided be engaged in the active conduct of two separate businesses for the 5 years preceding the distribution. It is believed that the requirement of "the active conduct of a trade or business" is not necessary in the case of fully non pro rata distributions.

DETAILED EXPLANATION OF BILL

Subparagraphs (A), (B), and (C) of paragraph (1) of section 355(c), which the bill would add to the code, are practically self-explanatory and state the mechanical and arithmetical limits of the transactions which will be permitted to occur tax free. The two survivor corporations must be of comparable size and must not have any common shareholders.

Subparagraph (D) provides that 90 percent of the stock of the distributing corporation must have been acquired more than 5 years before the distribution or received as a gift, devise, or bequest from a person who acquired it more than 5 years before the distribution. It should be observed that for purposes of this section a tax-free acquisition of stock is considered an acquisition at the time of the tax-free exchange or distribution, so that the requirement of the subparagraph is not satisfied if stock was acquired in a reorganization or in a section 351 transaction less than 5 years before the distribution.

Subparagraph (E) is intended to prevent stockholders from achieving a taxable exchange or purchase through the use of contributions to capital. Thus, for example, if stockholder A—owning 50 percent of the stock—contributes an apartment house to the corporation while stockholder B—owning 50 percent of the stock—contributes investment securities to the corporation before the distribution, and after the distribution each shareholder owns stock of a corporation which owns the property contributed by the other shareholder, the transaction will not qualify under subsection (c)(1)(E). Such a transaction will be treated as a total liquidation, even if the distributing corporation is not formally liquidated, but retained by one of the shareholders.

Subparagraph (F) is intended to guard against the use of the subsection for tax avoidance purposes. While the courts would probably read this requirement into the statute in any case, a clear statement is believed desirable in view of the fact that the bill brings a new concept into the code.

Proposed section 355(c)(2) makes it clear that section 356 does not apply to any transaction which fails to meet the requirements of subsection (c)(1) because some or all of the shareholders own stock of more than one corporation—directly or constructively by application of section 318—after the transaction. In such a case, the transaction is treated as a partial or total liquidation immediately preceded by a distribution to which section 301 applies. This may be illustrated by a simple example: A and B each own 50 percent in value of the stock of corporation Z. One-half—in value—of the assets of corporation Z are transferred to corporation X and the other one-half—in value—are transferred to corporation Y. Immediately thereafter all of the stock of X and Y is distributed to A and B and Z is liquidated. In the distribution A receives 90 percent of the stock of corporation X and 10 percent of the stock of corporation Y, while B receives 90 percent of the stock of corporation Y and 10 percent of the stock of corporation X. The transaction fails to meet the requirements of subsection (c)(1) and under subsection (c)(2) it is taxed as follows: A is treated as having received a dividend of 10 percent of the stock of corporation Y and B is treated as having received a dividend of 10 percent of the stock of corporation X immediately before the distribution of all the other stock distributed. A is also treated as having received 90 percent of the stock of corporation X in a total liquidation and B is similarly treated as having received 90 percent of the stock of corporation Y in a total liquidation.

It should be observed that the Commissioner's authority under existing section 312(i) to allocate earnings in section 355 transactions will, of course, extend to transactions permitted by the new subsection which the bill will add to section 355.

THE KHRUSHCHEV THREATS—A PATTERN OF BLACKMAIL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Indiana [Mr. BRAY] is recognized for 30 minutes.

Mr. BRAY. Mr. Speaker, there is talk again of negotiation with Khrushchev. But we must ask ourselves, "What will we negotiate about? What will we talk about?"

FREE ELECTIONS—ONLY SOLUTION TO BERLIN PROBLEM

For all too long we have allowed the Soviets to take the initiative, to keep on the offensive. For all too long we have tried merely to answer their false charges, to repair the damage made by the blasts that the Soviets have made against the dikes of freedom.

We have a weapon that will throw the Soviets on the defensive if we have the courage, vigor and tenacity to use that weapon to its fullest. That weapon is the demand that Russia give to her satellite countries freedom of choice—to allow these peoples to vote for the kind of government they want and to elect the officials they want.

This demand should not be repeated just once; it must be repeated a million

times—in the legislative forums of the free world, from the rostrum of the United Nations, by press, radio and television throughout the world. It should be beamed hourly to these captive nations. If we will publicize the truth with the same vigor as Russia does her lies, truth will win.

The demand for free elections is one that Russia cannot openly refuse and yet one which she knows she can never accept and keep the people under her dictatorship. This demand on our part will put Russia on the defensive as nothing else will. The right of the free ballot box is inherent in the Atlantic Charter and in the Yalta declarations, which Russia accepted and cannot repudiate.

Let us lead from our strength to Russia's weakness. Our greatest strength, the strength that has made America what it is today, is the recognition of the freedom and dignity of man. It is the recognition of freedom and human dignity that has made America so strong economically that our problems are those of surplus while the Communist problem is that of a continuing scarcity.

The denial of the freedom and dignity of man is Russia's greatest weakness. As those behind the Iron Curtain become more aware of the advantages of freedom that have been denied them by Russian autocracy, that weakness will become catastrophic.

It is true that America, through diplomatic channels and with all the dignity of State Department verbiage, requested Russia to recognize her commitments and give these satellite peoples the right to determine their status by secret ballots. Of course, Russia has ignored this request, but we have done nothing to push and publicize our actions, so nothing came of the demands for free elections among the satellite peoples. Our demands were so feeble that the Soviets did not even need to attempt to answer them.

We have to do more than write a polite diplomatic note suggesting that the peoples who were liberated from Nazi tyranny by the aid of American materiel, men and money should be allowed to form their own government, live their own lives, elect their officials as they see fit. We must seize the offensive by demanding the right of all peoples to the free ballot. When we do that, Russia will be on the defensive.

LET'S NEGOTIATE WITH RUSSIA AS TO WHEN FREE ELECTIONS WILL BE HELD IN SATELLITE COUNTRIES

Russia always wants to negotiate with the free world. To the Russians negotiate means but one thing—they intend to keep what they have and negotiate for what we have. That was the pattern at Yalta, Teheran, and Potsdam. Our failure at these conferences was not because of a lack of loyalty on the part of our American leadership. Nevertheless we allowed millions to be caught behind the Iron Curtain by these conferences because we did not understand the Russian pattern of gradual encroachment.

The United States has not been the only country that has been misled and betrayed by a confidence in Russia. Through the centuries Russia has taken over untold millions in the same manner. Russia seldom intentionally goes to war, especially against a strong, determined foe. In fact, her pattern of conquest for centuries has been a gradual series of moves so slight as to remain almost unrecorded in history. Today world opinion, if properly informed, could throw back the Soviet aggression. Our constant demands that Russia grant her satellite peoples the right of a secret ballot to allow them to chart their own lives will not be granted, of course, for a long time and only after great turmoil and repercussions in Russia. However, our demands that Russia grant her people the freedom enjoyed in other nations will focus world attention, the attention of the satellite peoples and the attention of the Russian people themselves on Russia's great weakness.

THERE IS ONLY ONE THING TO NEGOTIATE REGARDING BERLIN

When Russia wants to negotiate on Berlin we should tell her, in effect, if we are to negotiate we want to do so on the only real question at issue. When that question is settled all other questions regarding Berlin can be settled. Then negotiation should be as to when and how free elections will be held in East Germany. Yes, and if Russia wants, in West Berlin and West Germany too, for they already have free elections. Let us negotiate as to when and how people in all of Germany will be allowed to vote for the kind of government they want and the officials they want to serve them. After all, that is only what Russia agreed to do under the Atlantic Charter and the Yalta declarations. Why should she be afraid to allow the people in her satellite countries to be free, to vote for a government and officials of their own choosing?

The Soviets have allowed free elections only twice. Forty-three years ago when the Bolsheviks overthrew by violence the true revolutionaries, the Kerensky regime—November 22, 1918—they allowed an election and in that election they were defeated 4 to 1. They then liquidated the election commission and the elected non-Bolsheviks.

In November 1945, while the Allied forces—including the Russian Army—were in control of Austria, an election was held. Despite Russian efforts, the Communist Party was defeated in that election 40 to 1. After such an overwhelming defeat at the ballot box, the Communists unsuccessfully tried to overthrow the legal government of Austria by force in May 1947 and again in October 1950. Fortunately their designs were thwarted by the courageous stand taken by the Austrian leaders, strongly supported by the Western Powers. Finally in October 1955, all occupying troops were withdrawn from Austria. When the Russian flag was lowered, a terrific cheer rose in Vienna that shocked the Russians, who apparently had not realized the bitterness against them.

Since that time the Soviet Union has refused to permit free elections in her satellite countries. During the last election in West—free—Berlin, December 7, 1958, the East Germans made a terrific effort by news stories, radio, television and personal efforts to persuade the West Germans to vote for communism. In that free election the residents of West Berlin, who knew both freedom and communism, voted more than 50 to 1 against communism.

IT IS RUSSIA WHICH IS A COLONIAL POWER

There is a false charge that Russia has launched against the West which I regret to admit has gained some strength among the uncommitted people of the world. Russia says that she is against colonialism—that the West is for colonialism.

Both of these statements are false but we have not adequately refuted these lies. Great Britain has released all claim on Burma, India, Nigeria, Ghana, Pakistan, Ceylon and many other countries. Britain had exerted only nominal control on these countries for years but now their only connection with Britain is that if they believe that it is to their advantage to be a member of the British Commonwealth they may do so.

The United States gave the Philippines their absolute freedom and we have helped them to the extent of billions of dollars.

France has allowed the countries of Morocco, Tunis, Niger, Mauritania, Mali, Chad, Senegal, Dahomey, Upper Volta, Guinea, the French Congo, and other countries to choose the kind of government they want.

During the same period that the Western nations have been giving the maximum of freedom to their people, Russia was placing manacles on Poland, East Germany, Hungary, Latvia, Estonia, Lithuania, Rumania, Bulgaria, Georgia, Armenia, and a score of other peoples alien to Russia. It is the U.S.S.R. that is guilty of the evils of colonialism, yet the West has been listening to the Russian lie and saying little. In our demands that Russia allow her satellite people the freedom of choice as to government, we should in the same breath forcibly point out and prove through all the forums available to us—United Nations committees, radio, newspapers—that it is Russia who is guilty of the evils of colonialism.

RUSSIAN ELECTIONS A TRAGIC JOKE

The Russian commissars at times have argued feebly that the people of the satellite countries can vote. This answer, however, cannot stand up. They do have elections in the satellite countries but they are a farce. For example, in East Germany the people have to vote or there will be reprisals against them. They have no choice as to their form of government; they can only vote "ja" ("yes"). In Russia they can only vote "da"; in Hungary "ingen"; in Poland "tak." Each man on the ticket is handpicked by the bosses in the Kremlin. The people have never had the opportunity to choose their form of government nor their officials.

To freedom-loving peoples, this is worse than no election, for it adds hypocrisy to the tyranny of the dictator.

The people in East Germany, however, found another way to vote—with their feet. Two million had already escaped from Communist East Germany through West Berlin—the hole in the barbed wire curtain of Russia—before this hole was closed and a ring of Russian bayonets set up to guard the border. More than one-seventh of the people of East Germany—the youth, the farmers, the workmen, the technicians, the teachers, the scientists, the cream of East Germany—left their meager belongings and fled from their homes toward the light of freedom that they could see in West Berlin. This mass exodus of the people of East Germany proved that Russian communism is not the Utopian paradise claimed by Khrushchev.

Let us tell this story to the uncommitted nations of the world, many of whom are toying with the idea of believing Communist lies. Truth is the strongest force in the world if we will give it the same opportunity to work as the Russians give to lies. Let us affirm and reaffirm our faith in the ballot box as the protection of freemen. Let us demand of those who are responsible for carrying the banner of America, whether they be military, State Department, or information officers that they courageously, honestly and vigorously carry the story of the greatness of America. Let us be finished with apologies for America—let us make it plain that they are not needed and are no longer popular.

THE TRAGIC ERRORS OF OUR FAILURE TO UNDERSTAND RUSSIA

The great error that the West has made is that we do not understand Russian history. A brief study of five centuries of Russian history makes it clear that her actions today follow the same pattern that has guided her every maneuver since the small principality of Muscovy—the area surrounding Moscow—launched its march of expansion in approximately A.D. 1462 under the rule of Ivan III, the Great, hungrily devouring nation after nation and race after race. It has been very difficult for the Western mind to comprehend the Russian philosophy of making constant aggression against her neighbors into a way of life. In America too often we see the Russian conquests as a result of communism. The Russian ambition for conquest is constant and began centuries before Marx, Lenin, or Stalin were born.

During the last 5 centuries Russian aggression had devoured 46 distinct races speaking 61 different languages and hungers for more. Earlier Russian conquests were at times made under the guise of furthering or protecting Christianity through acting as the head of the Orthodox Church. Many other of her conquests were under the guise of pan-Slavism.

Since the Communists seized control of Russia their conquests have been made in the name of world communism, but the result to the unfortunate victims is the same—the loss of freedom. Communism has been an even better vehicle to carry Russian imperialism than was the church or pan-Slavism.

THE COMMISSARS "OUTCZARS" THE CZARS IN DENYING FREEDOM TO THEIR SUBJECTS

The czars were adept at denying freedom of action to their subjects, but under them the Russian peasant still owned his pig and his cow. Under communism he owns nothing, not even his home, his farm, his cow, or his children. So the commissars "outczared" the czars in enslaving the people.

It has been said that Stalin performed the role of the Russian ruler exactly like the historical czars. Under communism the Soviets have been able to expand Russian boundaries at a greater tempo than had been accomplished under the czars. Russian communism, by holding out the alleged altruistic goals of world communism to the downtrodden, the underprivileged and the depressed peoples of the world, has promised a better, happier way of life. The Communists have used the promise of sharing the wealth to lure the poor into the Russian orbit. The Soviets have never made good on that promise.

Communism has, on the other hand, imposed upon its people a form of economics and government which the West abandoned at the end of feudal days. Under the Soviet system the privileged few dispense the necessities of life to the serfs who work for them and who must rely upon them for protection, leadership, and a way of life. Russia has cast a halo of love and light over the manacles of slavery to lure the victims into Russia's orbit.

Russia, by the experience and training of centuries, has become most adept at using military force, subversion, treason, and lies to bring about the conquest and enslavement of peoples. She has now added to that capability the false but alluring promise of a happier, more abundant way of life under communism. This combination adds persuasion to force and has proven a most formidable enemy of freedom.

No revolution in history has so deviated from its originally announced aim as has the Russian revolution of 1917. Instead of producing a classless utopia as originally planned by Marx and perhaps as originally planned by Lenin, Russia has become a society of great class distinction with an enormous chasm in wealth and standard of living between the faceless masses and the Communist bosses.

Why do we not, through every media available to us, tell this story to the world?

THE FREEDOM AND DIGNITY OF MAN IS JUST DAWNING THROUGH THE IRON CURTAIN

For several centuries the Western World generally has accepted the principle that government should exist only by the consent of the governed. That philosophy must have begun by now to given no evidence of having penetrated enter into the Russian mind, but it has the thinking of the Russian rulers. It is worthy of note that Russia is the last conglomerate empire in the world; that is, the last empire that is held together by force without having any economic or racial reason for its existence. Such empires can continue to exist only where the government operates for the benefit, glory, and power of the rulers, and where the rights of the individual are ignored.

The great empires of the past, such as the Persian Empire under Cyrus, the Roman Empire under the Caesars, the Arab Empire under the Abbassides, ceased to exist centuries ago. The Turkish Ottoman Empire and the Austrian-Hungarian Empire of the Hapsburgs ceased to exist after the days of World War I. Every other empire in the world has ceased to exist except the Russian empire, which is today one of the largest of all times and holds within its confines possibly the largest number of races of any empire in history.

Russia is the successor and carries the heritage of the Mongol Empire, perhaps the greatest empire of all time. Unquestionably the Mongol Empire, founded by Genghis Khan on the principle of unquestioned submission of the individual to the state, has contributed greatly to the Russian philosophy of today.

To compare the West with Russia of a few years ago it is necessary to go back to the West of several centuries ago. The Renaissance, the Reformation and various other social, political, and economic revolutions swept over the West, bringing with them the realization of the freedom and dignity of the individual.

These same revolutions did not enter Russia. And so the free ballot, the only guarantee of the freedom of man, did not enter Russia. First the strength and iron control of the Mongol Empire and later Russia's autocratic rulers kept intact that same Iron Curtain that had kept enlightened philosophy from entering the great Russian Empire.

The first thought of reform that entered Russia occurred when her armies entered Germany and France toward the end of the Napoleonic Wars, and for the first time the Russians saw the greatness of the West. Young Russian officers attempted to free the serfs and to get a constitution modeled after the American Constitution, but these officers were purged by the czars.

After their defeat in the Crimean War—1853–56—and the Russo-Japanese War of 1904, the Russians again saw the great advantages of freedom that were denied them. Many revolts of limited nature took place in Russia. While the Russians had not yet comprehended the dignity of the individual, they at least wanted a kinder and better czar.

REAL REVOLUTION IN RUSSIA THWARTED BY COMMUNISTS

In 1917 the revolt against Russian autocracy was led by men of unquestioned integrity, such as Kerensky, Milkov, and Prince Luov, who definitely were interested in the well-being of the people. During the brief period that they were in power, plans were being made for a government similar to that of the United States. But all the plans for constitutional government and a free ballot for the people were thrown out by the Lenin-Trotsky-Stalin Bolsheviks and the country was fashioned into a dictatorship more ruthless even than

that of the czars. The massacres, the mass deportations, the political purges, the enslavement of the minds and bodies of men to bring all under the absolute dictatorship during those bloody years of the 1920's and the 1930's are still fresh on the pages of history.

It was after World War II when the Soviet Army had been successful, with American and British materiel and military aid, that great numbers of Russians became really acquainted with the better, happier way of life in the West. Dick Johnson, correspondent for the New York Times, well expressed Russia's dilemma shortly after the close of the war when he said that the Soviets made two great mistakes—showing the Russians to Europe and Europe to the Russians.

COMMUNISM'S FAILURE EXPOSED TO THE RUSSIANS AND HER SATELLITES

A typical example of the realization of the poorer way of life that communism had given occurred when the Russian troops entered Budapest. The Russian soldiers, finding apartments with modern plumbing, in Communist frenzy tore out the plumbing, thinking these were the homes of the wealthy. When they found that these apartments were occupied by laboring people such as they themselves, they were shocked to discover the success of a free economy compared with that of a Communist police state. Russia is now unquestionably going through a soul searching far greater than during those instances of the past when just a slight breath of freedom fanned the Russian mind.

It is impossible to keep an educated, thinking people under the rigid thought control of Communist dictatorship. Yet, to compete with the modern world, as Stalin and Khrushchev were aware, it is necessary to bring education into Russia, for uneducated men cannot build an ICBM or a nuclear bomb.

What Stalin found and what Khrushchev is rapidly discovering in a more forceful manner is that education is a two-way road. When people become educated they demand more freedom, more choice of action, and the better things of life. The slight glimpses through the Iron Curtain following the Napoleonic Wars, the Crimean War, and the Russo-Japanese War caused unrest, but today exposing the Russians to the broader view has brought to the Soviets the realization of the differences between the want and scarcity that is communism and the abundance that freedom is giving to the West.

The recognition of the freedom and dignity of the individual that swept Europe in those centuries during and after the Renaissance and the Reformation is just now carrying that appreciation throughout the Russian Empire. A glimpse beyond that wall has occurred in Berlin where one-seventh of the people in East Germany have escaped to the West. This is only a token of the flood of people who will leave the satellite countries and Russia itself unless the Soviets keep in repair those walls and make them more impenetrable by more barbed wire and more bayonets to keep in all those who would escape to freedom.

Russia is confronted today with a very serious problem. They are aware that if people within their Empire were granted the government of their choice and leaders of their choice, chosen through free secret elections, several countries would emerge from what is now under solitary Russian rule. Rumania, Bulgaria, Hungary, Poland, East Germany, Estonia, Latvia, Lithuania, and many others would demand freedom. To grant them freedom would be to destroy the Russian Empire, the last of the conglomerate empires that has escaped the demands for freedom.

How much do the uncommitted nations of the world know of how those nations lost their freedom? Why are we not telling them of the dangers of playing "footsie" with the Russians?

KHRUSHCHEV FACED WITH UNSOLUBLE PROBLEMS

As long as Russia was annexing Asiatic tribes inferior economically and industrially to her and whose people, as her own, had been denied the realization of freedom, the problem of keeping these people suppressed was not too great. However, when Russia holds captive those who have known freedom, who have known the free ballot, who have known a cultural, economic, and industrial accomplishment far superior to Russia's, then her difficulties multiply. Such countries, among others, are East Germany, Poland, Hungary, Czechoslovakia, Estonia, Latvia, Lithuania. These countries must be dreaming of the day when they again can go to free elections and vote as free men.

While this problem is real to Russia, it is even greater to Khrushchev. Khrushchev, a most ambitious dictator, sees his popularity on the wane; and as ambitious rulers through the ages have attempted to destroy the image of their predecessors who climbed to greater heights than they, so it is with Khrushchev when he sparks the anti-Stalin movement. Khrushchev is faced with the dilemma that has faced tyrants through the ages. He must impress his subjects and he must show them his power through making territorial gains.

Stalin, leading from weakness, gained more territory in World War II than any other country in history as a result of one war. Yet, Khrushchev, leading from strength, has made no gains. Instead he has seen China, Yugoslavia, Albania, all of which at the death of Stalin appeared well within the Soviet orbit, today demonstrating to the world the heresy that a nation can be Communist without being Russian Communist. The Russians are becoming increasingly aware that China may well become a most difficult problem to the Soviets in the near future.

Khrushchev has also been faced with the sad plight of seeing these captive peoples, the ones that he has been telling the world are so in love with Russia, breaking for freedom through the iron wall at the Brandenburg gate in Berlin. The plight was so sad to him that he had to close the gate. It demonstrated that great Russia is to its people a prison instead of a modern utopia.

Khrushchev is faced with the ever-mounting difficulty of explaining to his people why the countries within the Russian orbit are the only countries in the world around which walls must be built and manned by soldiers with bayonets to keep the people in. He must explain to the people just awakening to the cry of freedom and dignity why the Soviets' problems are those of scarcity while ours are those of surplus. Khrushchev cannot explain the truth. So why are not we giving the true explanation by every available media—the right of man to be free?

Khrushchev's failure, frustration, and bitterness should not fill us with optimism, for a dictator that is desperate is dangerous, and he is desperate.

RUSSIA DOES NOT INTEND TO START A WAR

Russia has no intention of becoming involved in a war with the United States. Many facts attest to this. Russia's use of rockets and missiles has been gaged to the spectacular rather than toward military usage or scientific achievement. Russia's entire space program has been toward showmanship and the spectacular and gaged solely for two purposes.

First, Russia wants to impress her own people and those in her satellite countries by giving them what is apparently another great Russian accomplishment as a substitute for the rising demands among these peoples for the freedom and dignity of the individual and for more consumer goods. Russia's second purpose is to awe and frighten the people of the world, a type of blackmail, saying in effect that the world will be destroyed unless we yield to her demands. Khrushchev is playing Russian roulette with his country's future.

The United States is far ahead of Russia in the use of satellites that may be of scientific or military value such as the Samos, the "spy" or reconnaissance satellite which will carry optical cameras and send pictures back by television. The Midas, while in orbit, detects heat such as that which would be made by a missile firing, by means of infrared rays. That evidence is then transmitted electronically to our missile stations.

The United States also has communications, weather and navigation satellites aloft. Russia has not developed such satellites which are of great scientific and military value. Her developments in space have been toward the spectacular, to impress or frighten people. Russia could develop satellites of scientific and military value. The Russian mind is scientifically as capable as the American mind. But the fact is that Khrushchev demands all available energy and know-how in Russia is to be utilized for the spectacular. Khrushchev's attempted appeasement of his subjects by the spectacular is comparable to the circus of ancient Rome.

UNITED STATES SECOND TO NONE MILITARILY

During the last election campaign we heard a great deal about the supposed missile gap, but when President Kennedy recently sent a message to the Congress to "beef up" our conventional weapons and equipment such as tanks and guns, he did not request additional ICBM's or an accelerated bomber or fighter program.

The reason for this is that the President believes that the United States is well ahead of Russia in these fields. While I believe that the United States should have proceeded with the B–70 bomber program at the accelerated rate as planned by President Eisenhower to prepare for conditions that may exist 4 or 5 years from now, I am certain that President Kennedy is right today as to our superiority in the field of military air and military missile power.

I have been especially interested and keep myself informed as to our military strength and buildup, as I have been on the House Armed Services Committee for more than 8 years and a commissioned officer in the Active or Inactive Reserve since 1925. For several years I have addressed this body toward the end of Congress and pointed out in some detail our military strength and the progress that we have been making through the years.

It is true that we did make an error regarding our missile program and that was when the President, on July 1, 1947, canceled our NX–774 program, the forerunner of our ICBM Atlas missile program. We did allow Russia to gain an advantage in long-distance missiles and rockets during the next 6 years.

In 1953, however, we started our missile program full speed ahead and today, except for the rockets capable of lifting heavy loads into orbit, we are well ahead of Russia, especially in the military missile field. Besides many Army and Navy atomic missiles of short or intermediate range we have atomic missiles which can be fired from planes at ground targets many hundreds of miles away with great accuracy.

Russia knows of our superiority in missiles. The United States now has Atlas and Titan missile squadrons operational and in increasing numbers that can go 6,500 miles—9,000 miles if necessary—and strike any target in Russia with pinpoint accuracy, each carrying an atomic warhead 100 times more powerful than the one that destroyed Hiroshima. The recent missile squadrons that we are constructing can fire the missiles from underground "silos" where they have almost absolute protection from enemy attack. The Minuteman, a much cheaper, solid-propellant missile, is coming into operation.

While the number of atomic bombs the United States has is classified, it is a well-known fact that we have many times the number of such weapons that Russia has. The United States has a couple of thousand bombers, each capable of dropping an atomic bomb on Russia. We also have a couple of thousand fighter bombers with atomic capabilities. We are far ahead of Russia in the field of the atomic-powered Polaris submarine. Chapters could be written on our rapidly improving and expanding military strength in many fields, in the air, on the ground and on and under the sea. The recent U–2 incident showed the world that the United States could fly over Russia at will, something that she cannot do to us. I am, however, well aware of Russia's strength, and know that we should not be complacent. However, we should not have an inferiority complex and certainly we do not need to yield to Russian blackmail because of any supposed inferior military strength on our part.

AMERICAN ECONOMIC STRENGTH FAR GREATER THAN RUSSIAN

America's economic strength is many times greater than that of Russia—so great that our problems are those of surplus while Russia's are those of scarcity.

A startling example of this is that in Russia today it takes a workingman more hours of labor to earn the money to purchase the seven essential foods than it took him in 1928. In the United States the workingman can earn the money to purchase the same seven essential foods in one-half the time it took in 1928. In Russia one-half the people work on farms and cannot produce food enough to adequately support the population. In the United States one-eighth of the people live on farms and produce a superabundance of food to supply America and a substantial part of the world. The same pattern is true throughout Russian industry. Russia has centered all her interest on the spectacular to impress the people to the point of forgetting that they are not receiving the sacred right of freedom.

RUSSIA'S MISSILE ACCOMPLISHMENTS DIRECTED TO INSPIRE FEAR INSTEAD OF MILITARY USEFULNESS

Despite Russia's threats of her great missile accomplishments, we know that she has only fired three of these long-distance, surface-to-surface missiles more than 4,000 miles. We know this because her missile range across Siberia is only 4,000 miles long and only three missiles have gone beyond Siberia to land in the Pacific Ocean.

The United States has fired scores of missiles from 5,000 to 9,000 miles with remarkable accuracy, a fact of which all the world is aware, for most of our test shots have been down range from Cape Canaveral across the Caribbean and the Atlantic and the others out over the Pacific. With the few tests that Russia has made, she could not possibly have made missile advances such as those made by the United States.

Russia does have ICBM's. We do not know their accuracy nor the effectiveness of their warheads. We do know the efficiency of these missiles is inferior to ours; they could not have made the advances that we have made with their lack of testing. They could improve the capabilities of their weapons but Russia, in this as in many other fields, has relied upon the spectacular to impress her own and satellite subjects and to inspire the world with fear to gain her ends.

No leader in the world has ever worked more tenaciously and dramatically to impress the world with fear than has Khrushchev. The Mongol leaders of the 12th to the 15th centuries have never been exceeded in their ability to gain selfish territorial ends by inspiring the peoples of that day with fear and the Russian leaders of today are worthy successors to the Mongols in that art.

It is impossible to rationalize by our standards the frowns and smiles—the wild threats and friendly promises—the rapid contradictions—the startling inconsistencies—the insane ravings—the puerile bragging—the obvious brazen falsehoods of the Kremlin. It is part of the cold war, of which Russia has been most adept and in which Khrushchev has become a past master.

Khrushchev's wrecking of the summit conference last year—his beating on the desk at the United Nations with his shoe—his praise of the looting and murder in the Congo—his encouraging the murderous butchering in Laos—his support of uprisings throughout the world—Russia's 95 vetos in the United Nations—her inspired demonstrations of the "pinko" students in the United States and abroad—the encouragement of the ravings of "chicken pickin' " Castro and the alternating promises of peace and threats of war—all are a part of the cold war.

Khrushchev's firing seven atomic bombs in rapid succession within the last few days could not have been made as much for research purposes as to blackmail the free world by fear. If these explosions were for scientific reasons there would have been periods of study between each shot. Every atomic blast in the past by the United States has been for testing purposes; as a result of these explosions we are far ahead of Russia in the efficiency of our bombs. Russia is now frightening the world by threatening to fire a 100-megaton bomb, probably in the sky. This could be possible and dangerous but of no great research value. The United States already has made great studies, without testing, of the feasibility of an antimissile missile with an atomic projector which would be fired and exploded many miles in the sky to intercept incoming atomic missiles.

It might be thought that a 100-megaton bomb would be 10 times as destructive as a 10-megaton bomb. This is not the case. Ten 10-megaton bombs would place 10 craters with a combined radius of 2.5 miles and a total area of destruction of 20 square miles. But if instead a 100-megaton bomb were used it would only exceed the coverage of a 10-megaton bomb on the earth's surface by the multiple of the cube root of 10 which means it would blast a crater of slightly more than one-half-mile radius covering an area of 1 square mile. While the 100-megaton bomb would be but little more destructive on the earth's surface, it might instill the people of the world with 100 times more fear and that is the Russian goal of today.

So what Russia will do in the end no one knows, but even today they are planning to scare the world and to blackmail us into yielding to Russian slavery.

IF KHRUSHCHEV INTENDED TO ATTACK HE WOULD NOT BE MAKING SUCH VIOLENT THREATS

No nation in history has been as violent in threats against the peace of the world as has Russia. She has done everything possible to instill fear in the world to make it aware of her threat.

But that fact more than all else demonstrates that she does not mean to start a war. If Russia intended an attack instead of threats she would promise peace and kindness in order to get us off guard so she could more readily launch an attack.

Russia has followed for centuries the philosophy of Sun Tsu, the famous Chinese military leader and writer of the fifth century before Christ, who said:

All warfare is based on deception. Hence, when able to attack we must seem unable; when using our forces, we must seem inactive; when we are near, we must make the enemy believe that we are away; when far away, we must make him believe that we are near.

Russia's history for 500 years has shown her never to give a warning of an attack. Russia's first great military conquest when Ivan III started expanding the principality of Muscovy was the conquest of Novgorod when he sent a small army under the guise of friendship to assist that city. The Russian army is still there.

Russia was the protector of Poland when she first participated in the partitioning of that country in 1772. Russia was also the protector of the Crimea, the Circassians and Caucasian tribes before she took them over. In the invasion of Poland during 1939 Russia was claiming friendship and love of Poland on the very day—September 17—that 100 Russian divisions swept over the Polish eastern border, while Germany had attacked from the west 17 days earlier.

In 1877, Russia asked Rumania to allow her forces to go into that country to assist her in the war against Turkey, saying:

The Emperor of all Russias, pledges himself to maintain and to make respected the political rights of the Rumanian state to maintain and defend the present integrity of Rumania.

While there she took over Bessarabia from Rumania.

In the Russian conquest of Estonia, Latvia, and Lithuania, pursuant to her secret agreement with Germany in 1939, Russia was promising friendship, loyalty, and assistance to each of these countries as her armies were moving in. In February 1921, as the Russian Army was massing on the borders of Georgia, Lord Curzon, Foreign Secretary of Great Britain, protested to Russia over what appeared to be an impending attack. Russia's reply was:

Soviet Russia has not committed and will not commit in the future any hostile act against the Republic of Georgia.

Within hours, four Russian Army corps overran Georgia, massacring thousands.

BEWARE OF RUSSIA WHEN SHE PROMISES PEACE

The story of five centuries of Russian aggression shows a monotonous pattern of promising peace, obtaining the confidence and good will of the country that is about to be made a prey, and then violating that confidence. If Russia intended an attack on the West it would be against every Russian principle to give the warning that she has today, for that warning is making us aware of the threat, and I assure you that the United States is ready for such an attack.

Russia intends to gain victory by instilling the West with fear. Most of Russia's conquests have been by a series of subtle moves ranging from outright blackmail to a pretense of protection, from open threats to treaties of friendship. For example, when Russia marched into Poland and the Baltic countries in accordance with her secret conspiracy with Hitler in 1939, she was breaking 36 treaties of friendship and nonaggression which had been openly arrived at since World War I. When the object of Russian aggression resists her, she backs away and directs her aggression elsewhere. She does not return to direct her aggression against that same country until it has become either friendly to Russia or has become unprepared.

As history is filled with Russian aggression toward other people, there are also examples of her backing away when confronted with determined resistance.

It will be recalled that American forces landed in Lebanon on July 14, 1958, following violent threats by Russia against practically the whole free world. When Russia saw that the United States was able and willing to resist Soviet aggression, her violent threats abated. On July 24 the Polish Embassy in Moscow had a party where Khrushchev sat at the table of our Ambassador Llewellyn Thompson and was most cordial and friendly for an hour and a half. This again demonstrated that there are two things that Russia respects—strength and determination.

The fact that Russia does not intend to spark a war does not mean that war will not come. Khrushchev is desperate. He knows that the United States has economic and military power greater than his, but does he know that the United States has a spiritual will to resist Russia in her continuing goal of stifling freedom and the dignity of free people?

If Khrushchev knows that we have such spiritual determination there will be no war, but does Khrushchev know this? Khrushchev sees that the world is laughing at him because his failure is evidenced by the escaping millions in Berlin. He is attempting to blackmail us into surrendering freedom but we must remember that the blackmailer is never appeased. If we yield in Berlin, tomorrow the demands will be the Rhine.

The increasing demands of the people behind the Iron Curtain for freedom and dignity, such as the West has enjoyed for centuries but which is just penetrating through the Iron Curtain, will intrigue them more and more. They will want freedom and the spectacular alone will not appease them.

But Khrushchev will not intentionally start a war unless he is a madman and if he is that, then our yielding to him will not bring peace. Every vacillation, every yielding to Russia by surrendering the freedom of man encourages her to think that we will give in. The most certain way we have of getting into war is by compromise, vacillation, by yielding to her bluffs and by encouraging Russia to make the fatal plunge believing that we would yield again as we have so often in the past.

And so it is up to us to keep that path brilliantly lighted and crystal clear with a firm, fair, well-defined policy so that Russia will not stumble into a war of miscalculation. So that Russia will know just how far she can go—and that that step is definitely just short of West Berlin.

Again I repeat, every American leader who gives the impression that the United States will yield in Berlin is encouraging Russian aggression that may lead to war. The right is on our side. We should continue to demand that Russia abandon her colonialism of which she falsely accuses us. We must demand that she give her satellite peoples the secret ballot; we must demand that she grant them freedom and dignity denied by Russian leaders but accepted as a way of life in the West. Again we must push truth with the same vigor as Russia pushes lies. We must lead from our strength to Russia's weakness.

I realize that there are those in the world who do not treasure freedom, those to whom the freedom and dignity of man means but little. I am certain, however, that the overwhelming majority of Americans prize that freedom more than life itself. There are but two philosophies of government in the world. One is that God created man and that all government is for the benefit of man. This is the belief of the free. The other theory is that the state is supreme and that man was created to serve as a slave to that State. This is the belief of communism. So our contest with Russia today is not just a struggle for lands and power—it is a struggle for the souls of men. It is as fundamental as life itself.

Freedom is a gift from God to man, but it can only be maintained by the strong and the brave. There are those who say that it is better to be a live jackal than a dead lion. That may be true for lions and jackals, but we are talking about men.

WILL THE U.S. DELEGATION TO THE INTERPARLIAMENTARY UNION CONFERENCE MEET THE CHALLENGE OF SELF-DETERMINATION?

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 30 minutes.

Mr. FEIGHAN. Mr. Speaker, the Interparliamentary Union will convene in Brussels, Belgium, tomorrow for its 50th conference. This conference is important to the future representative, self-government because its tradition has been to provide a common meeting ground for parliamentarians of the world. The parliamentary form of government is the key to self-government. Nations may differ as to the precise parliamentary form best suited to their needs, but the function of all parliamentary bodies worthy of the name is to provide a voice for the governed in the affairs of their government.

I was a delegate to the 47th conference of the Union held at Rio de Janeiro in 1958. On that occasion I addressed the conference on the question of development of Representative Assemblies in Non-Self-Governing Territories. This question was before the Conference in the form of a resolution authorizing steps to encourage representative self-government in non-self-governing territories.

On behalf of the United States I offered an amendment to the pending resolution—the amendment read as follows:

And since it is a matter of equal concern that many once free and independent nations during the past 40 years have been reduced to the status of non-self-governing nations, deprived of their free political institutions and representative parliamentary bodies, thus creating a situation causing widespread strife within such nations, leading to international tensions which might give rise to war;

Considers that such non-self-governing nations should be given consideration equal to that accorded non-self-governing territories in all proceedings of the conference.

The basic point I strongly urged was that for the Conference to limit its interest to what we have come to call non-self-governing territories while neglecting the pressing problems of non-self-governing nations, would be an act of unprecedented hypocrisy. My plea principally was that at least equal consideration be given to the need for reestablishing representative self-government in the captive, non-Russian nations of the vastly expanded Russian Empire.

At that Conference the representatives of the Russian Communist empire posed as enthusiastic supporters of self-government for the colonial and dependent areas of the free world. They were anxious to cause as much embarrassment for the free world as possible. The forum of the Conference was seized upon by the Russians as a world platform to inflame world opinion against Great Britain, France, Spain, and Portugal in particular, and the Western World in general.

The U.S. amendment and my speech infuriated the Russians. I will include my speech in the extension of my remarks. This U.S. amendment was referred by the proper committee to which it had been assigned, to the Juridical Committee, to be considered at a later meeting of the Union.

At the spring, interim meeting of the Interparliamentary Union, held in Naples during 1959, the pending resolution and the U.S. amendment were considered. The same objections expressed at the Rio Conference were raised against the U.S. amendment, particularly by the Russians, who recognized in this amendment a threat to their Russian colonial empire. The matter was held over for further study.

The 48th Conference of the Interparliamentary Union was held at Warsaw, Poland in 1959. No action was taken on the pending resolution concerning non-self-governing territories which could have afforded the U.S. delegates an opportunity to express their support for the U.S. amendment to give equal concern to non-self-governing nations.

I was not a delegate to the 1959 Conference.

The issue of self-government rests at the core of the Berlin crisis. President Kennedy has proposed the only reasonable peaceful solution to the crisis of Berlin and East Germany, that is, exercise of the right of self-determination by the people directly concerned. All the peoples of Europe, on both sides of the Russian Iron Curtain, are anxiously awaiting steps to effectuate the peaceful proposals put forth by President Kennedy. The U.S. delegation to the Interparliamentary Union Conference in Brussels can further the peaceful solution to the Berlin crisis proposed by President Kennedy by calling for consideration of means by which representative self-government can be restored to the peoples of the non-self-governing nations within the present-day Russian Communist empire.

The agenda, 3(c), of the Brussels Conference, calls for consideration of the political development of non-self-governing territories. The British and the French delegates at the spring meeting urged this consideration. The U.S. delegation must insist upon equal consideration to non-self-governing nations.

The Russians should be made to answer why they claim to favor self-government for nations and territories outside the Russian Communist empire and why they refuse to discuss self-government for peoples and nations held subjugated by Russian terrorism and force of arms. This Russian duplicity is their usual tactic of a double standard used to suit their aims and ambitions.

The peace of the world demands that men be free. Therefore it is imperative that the vital question of self-determination of nations, as well as territories, be considered by the Conference.

The U.S. delegates have the obligation to take a firm and decisive stand on this issue. They must initiate and support the U.S. amendment to accord equal time and consideration to the problem of the non-self-governing nations of the Russian empire.

I have urged delegates to the Conference at Brussels to insist that the U.S. amendment of 1958 in Rio de Janeiro be presented and brought to a vote. I will be awaiting a reply from Brussels on the action that the delegation takes. I hope I can report to the Members of the House before adjournment.

My speech at the 47th Conference in support of the amendment offered in behalf of the United States reads as follows:

The quest for peace engages the attention and efforts of men of good will in all parts of the world. All humanity is today beset by strife and tensions which, if allowed to persist, will plunge the world into the disaster of another war. This is the overriding challenge of our times. The question before all of us is: How can we remove the strife and tensions which give rise to war?

One of the outstanding causes of strife and tension is injustice. That is, injustice against people and nations.

In our times it is injustices against entire nations which cause unrest on a scale unparalleled in the history of mankind and thereby retard the winning of a lasting peace. The demand for genuine, representative self-government is heard from the people of all nations who are today the victims of colonialism or imperialism in any form.

The old colonialism is giving way to the rising tide of nationalism as the empires of the past are becoming reconciled to the need for a new world order in which all nations shall govern their own affairs and live at peace with their neighbors. This reconciliation carries with it the high responsibility for assisting the people of the old colonial territories in the task of building free political institutions which will assure representative parliamentary bodies. Only through the exercise of a universal vote, free and secret ballots, the right of multiple political parties which take their case to the electorate at fixed intervals, and parliamentary bodies which adhere to the right of the opposition to dissent, can such free political institutions be built and preserved. In turn this requires responsible local leadership which is responsive to the will of the electorate.

This, then, is the challenge which confronts both the statesmen of the administering power of the non-self-governing territories and the people of such territories. It is a common task in which both interests must assume equal responsibility. There is sufficient good will on all sides to assure success once the objectives are clearly defined and a time set for the accomplishment of the task.

Significant and praiseworthy steps have already been taken by the administering powers in many of the non-self-governing territories. In some, democratic and representative parliamentary bodies are in the process of forming, others are undergoing adjustments to make direct representation of the people a reality. In some the tempo of constructive change is not keeping pace with the popular demands of the politically awakened people. But in practically all these territories the need for a change is recognized and the reconciliation which accompanies it provides the necessary basis for a bright and orderly future.

Turning to the new colonialism, one immediately sees under the yoke of this new imperialism a long array of politically mature and well established nations which today are non-self-governing, which have been deprived of their free political institutions and whose representative parliamentary bodies have been destroyed. These ancient and proud nations, surely no less than the newly awakened nations of Asia and Africa, are worthy of the considerate and continuing interest of this conference.

During the past 40 years this new colonialism, this new imperialism has

forcibly incorporated once free, democratic and independent nations into its empire. This new imperialism seeks to accommodate the rising tide of nationalism by spuriously proclaiming that these nations are independent. However, by its own definition the new imperialism limits this independence to hollow form while the substance of the state, that is the very life of the state and its people, is completely controlled by an alien, unwanted and predatory power. Clearly, no nation or territory can be self-governing unless the people therein exercise complete control over the internal affairs of the nation and are undisturbed masters of their destiny. The record of the past 40 years demonstrates that the people of these non-self-governing nations will never be satisfied with "national independence" which is limited to meaningless forms. So long as they are deprived of the essential substance of national independence, which is the right to govern their own affairs free from alien control or direction, they will continue to exercise the only opportunities open to them to dissent, that is, by internal revolts and freedom revolutions.

Within the past 5 years we have witnessed three outstanding expressions of violent dissent by the people within the orbit of Russian influence. In 1953 there was the mass uprising in East Germany in which the workers and peasants sought to throw off alien rule. This was followed in 1956 by the popular revolts in Poland in which all the people of Poland were in sympathy. Then in October of 1956 the entire Hungarian nation, workers, peasants, soldiers, intellectuals and even some of the new ruling class rose up in a bloody revolution which resulted in the restoration for 5 historic days of national independence in substance as well as in form. All the people of the world know that it took a major military campaign by the Red Army to return Hungary to the status of a non-self-governing nation. Time does not permit a full recount of the many popular uprisings which have taken place over a period of many years in Ukraine, Georgia, Turkestan, the Baltic States, and in other non-Russian nations. However, the implicit warning carried by these events urges us to find an honorable remedy to end the human strife and dangerous international tensions which they create.

To that end I propose that the draft resolution now before this conference be amended to reflect the urgent need for developing procedures whereby the people of once free and independent nations which have been reduced to the status of non-self-governing territories shall be accorded the opportunity, under the United Nations supervision, to freely determine the substance as well as the form of their government. Such steps would be in accordance with the spirit and the letter of the United Nations Charter.

Allow me to make one point clear, beyond any doubt. I do not include in my proposal the Russian nation itself which, as is well known, is only one of many nations which make up the Soviet Union, of which its population constitutes a minority. It is strictly an internal matter for the Russian people to determine whether their nation is to be self-governing. This is not a concern of this conference nor should it be a concern of the United Nations.

It has always appeared to me to be grossly unjust that in any consideration of the colonial or dependent territory problem that the burden is placed only upon the old colonialism, which as I have said has largely reconciled itself to the inevitable changes taking place in the world. The new colonialism, the new imperialism carries with it a far greater threat to the winning of the peace. Surely the non-Communist world, in and of itself, cannot expect to eliminate the dangerous international tensions which give rise to war. These tensions can be eliminated only by an equal amount of good will and desire for changes on the part of the ruling class of the new colonialism. That is, changes which accord with the freely expressed will of the people. The cause of peace and amity among nations requires that this burden be borne by all forms of colonialism and imperialism.

To that end I urge this conference now and in the future to give equal consideration and attention to the problems of non-self-governing nations as that given to non-self-governing territories.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SLACK (at the request of Mr. BAILEY), for the remainder of this week, on account of illness.

Mr. ROBISON (at the request of Mr. HALLECK), for Wednesday, September 13, on account of business in the 37th District of New York.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN, for 30 minutes, on Monday, September 18, 1961, and for 30 minutes, on Tuesday, September 19, 1961.

Mr. BAILEY, for 30 minutes, on Monday, September 18, 1961.

Mr. SCHWENGEL (at the request of Mr. SHORT), for 30 minutes, on September 18.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. CURTIS of Massachusetts, his remarks in Committee and to include extraneous matter.

Mr. HOFFMAN of Michigan.

Mr. FEIGHAN (at the request of Mr. GALLAGHER) to revise and extend his remarks under special order today and include extraneous matter.

(The following Members (at the request of Mr. SHORT) and to include extraneous matter:)

Mr. CUNNINGHAM.

Mr. KEARNS.

Mr. BEERMANN.

Mrs. MAY.

(The following Members (at the request of Mr. GALLAGHER) and to include extraneous matter:)

Mr. CAREY.

Mr. BAILEY.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker pro tempore:

H.R. 6141. An act to amend the act of September 1, 1954, in order to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the application and operation of such act, and for other purposes; and

H.R. 7035. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER pro tempore announced his signature to an enrolled bill of the Senate of the following title:

S. 1317. An act to change the designation of that portion of the Hawaii National Park on the island of Hawaii, in the State of Hawaii, to the Hawaii Volcanoes National Park, and for other purposes.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H.R. 176. An act to amend section 331 of title 28 of the United States Code so as to provide for representation on the Judicial Conference of the United States;

H.R. 2816. An act for the relief of CWO James M. Cook;

H.R. 2863. An act to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes;

H.R. 3606. An act for the relief of William C. Winter, Jr., lieutenant colonel, U.S. Air Force (Medical Corps);

H.R. 3863. An act for the relief of Woody W. Hackney of Fort Worth, Tex.;

H.R. 4369. An act for the relief of Henry James Taylor;

H.R. 4458. An act to authorize the Secretary of the Interior to replace lateral pipelines, line discharge pipelines, and to do other work he determines to be required for the Avondale, Dalton Gardens, and Hayden Lake irrigation districts in the State of Idaho;

H.R. 4669. An act to amend the law relating to gambling in the District of Columbia;

H.R. 5182. An act for the relief of Charles P. Redick;

H.R. 5559. An act for the relief of Ralph E. Swift and his wife, Sally Swift;

H.R. 6667. An act to amend the act of August 16, 1957, relating to microfilming of papers of Presidents of the United States, to remove certain liabilities of the United States with respect to such activities;

H.R. 6996. An act for the relief of Harry Weinstein;

H.R. 7035. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes;

H.R. 7264. An act for the relief of M. C. Pitts;

H.R. 7447. An act to amend the Strategic and Critical Materials Stock Piling Act to provide for the immediate disposition of certain waterfowl feathers and down;

H.J. Res. 109. Joint resolution designating the 17th day of December 1961 as "Wright Brothers Day"; and

H.J. Res. 499. Joint resolution authorizing a celebration of the American patent system.

ADJOURNMENT

Mr. GALLAGHER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 19 minutes p.m.) the House adjourned until tomorrow, Thursday, September 14, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1306. A letter from the Under Secretary of Commerce, transmitting a draft of a proposed bill entitled "A bill to amend the provisions of title 35 of the United States Code relating to the oath of applicant for patent, and the provisions of the Trademark Act of July 5, 1946, relating to verification by the applicant of application for trademark registration, and for other purposes"; to the Committee on the Judiciary.

1307. A letter from the Under Secretary of Commerce, transmitting a draft of a proposed bill entitled "A bill to authorize the Secretary of Commerce, in cooperation with the State of Alaska, to undertake studies and surveys relative to a highway construction program for Alaska, and for other purposes"; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SISK: Committee on Rules. House Resolution 455. Resolution taking H.R. 2010 from the Speaker's table and agreeing to the conference; without amendment (Rept. No. 1176). Referred to the House Calendar.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. H.R. 7318. A bill to amend the Federal Aviation Act of 1958, as amended, to provide for a class of supplemental air carriers, and for other purposes; with amendment (Rept. No. 1177). Referred to the Committee of the Whole House on the State of the Union.

Mr. TOLL: Committee on the Judiciary. H.R. 9096. A bill to amend the antitrust laws to authorize leagues of professional football, baseball, basketball, and hockey teams to enter into certain television contracts, and for other purposes; with amendment (Rept. No. 1178). Referred to the House Calendar.

Mr. SPENCE: Committee of conference. S. 902. A bill to amend the Small Business Investment Act of 1958, and for other purposes (Rept. No. 1179). Ordered to be printed.

Mr. SPENCE: Committee of conference. H.R. 8762. A bill to amend the Small Business Act to increase the amount available for regular business loans thereunder (Rept. No. 1180). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MILLS:

H.R. 9189. A bill to amend the Tariff Act of 1930 and certain related laws to provide for the restatement of the tariff classification provisions, and for other purposes; to the Committee on Ways and Means.

By Mr. CAHILL:

H.R. 9190. A bill to amend the act of July 13, 1946, to authorize the construction, maintenance, and operation of certain additional toll bridges over or across the Delaware River and Bay; to the Committee on Public Works.

By Mr. CELLER:

H.R. 9191. A bill to amend section 64(a)(2) of the Bankruptcy Act; to the Committee on the Judiciary.

H.R. 9192. A bill to amend the Immigration and Nationality Act so as to remove limitations on the authority of the Attorney General to prescribe the fees to be charged for services rendered to individuals and to authorize the Attorney General to prescribe such fees administratively on a basis commensurate with the services rendered; to the Committee on the Judiciary.

By Mr. CURTIS of Missouri:

H.R. 9193. A bill to amend the Internal Revenue Code so as to permit the division of a corporation into two corporations on a fully non pro rata basis; to the Committee on Ways and Means.

H.R. 9194. A bill to amend the Internal Revenue Code of 1954 to provide that the costs of education or training shall be deductible as trade or business expenses when incurred in order to obtain a new or better job, as well as when incurred in order to maintain existing skills, status, salary, or employment; to the Committee on Ways and Means.

By Mr. HALPERN:

H.R. 9195. A bill to authorize Federal mutual savings banks; to the Committee on Banking and Currency.

By Mrs. KEE:

H.R. 9196. A bill to amend chapter 73 of title 38, United States Code, with respect to the annual rate of compensation of certain medical personnel, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. RAINS:

H.R. 9197. A bill to authorize Federal mutual savings banks; to the Committee on Banking and Currency.

By Mr. CELLER:

H.R. 9198. A bill requiring announcement of the fact that music broadcast in connection with certain programs was recorded or otherwise reproduced in a foreign country; to the Committee on Interstate and Foreign Commerce.

By Mr. CAREY:

H.R. 9199. A bill for the relief of certain officers and enlisted personnel of the 1202d Civil Affairs Group (Reinf Tng), Fort Hamilton, Brooklyn, N.Y.; to the Committee on the Judiciary.

By Mr. ROUSH:

H.R. 9200. A bill to amend the Federal Property and Administrative Services Act of 1949 to authorize the disposal of surplus property to certain welfare agencies; to the Committee on Government Operations.

By Mr. WEAVER:

H.R. 9201. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to establish a marketing program for wheat; to the Committee on Agriculture.

By Mr. HALPERN:

H.R. 9202. A bill to amend the National Housing Act to provide specific authority for the insurance by the Federal Housing Administration, under its home improvement loan programs, of loans for the construction of civil defense shelters; to the Committee on Banking and Currency.

H.R. 9203. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for expenses incurred by him in the construction of a civil defense shelter of approved type and design; to the Committee on Ways and Means.

By Mr. ADDABBO:

H.R. 9204. A bill to assist the several States in establishing hospital facilities and programs of posthospital aftercare for the care, treatment, and rehabilitation of narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CAHILL:

H.J. Res. 570. Joint resolution granting consent of Congress to the State of Delaware and the State of New Jersey to enter into a compact to establish the Delaware River and Bay Authority for the development of the area in both States bordering the Delaware River and Bay; to the Committee on the Judiciary.

By Mr. FOGARTY:

H.J. Res. 571. Joint resolution proposing an amendment to the Constitution relating to eligibility to the office of President; to the Committee on the Judiciary.

By Mr. RIVERS of Alaska:

H.J. Res. 572. Joint resolution to authorize the Secretary of Commerce, in cooperation with the State of Alaska, to undertake studies and surveys relative to a highway construction program for Alaska, and for other purposes; to the Committee on Public Works.

By Mr. FULTON:

H. Res. 456. Resolution expressing the sense of the House of Representatives that Kuwait should become a member of the United Nations; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 9205. A bill for the relief of Pui Yuk Cheng; to the Committee on the Judiciary.

H.R. 9206. A bill for the relief of Bartolomeo Ventimiglia; to the Committee on the Judiciary.

By Mr. DINGELL:

H.R. 9207. A bill for the relief of Mrs. Marjanna Szlikowicz; to the Committee on the Judiciary.

By Mr. FASCELL:

H.R. 9208. A bill for the relief of Alvaro Rodriguez Jimenez; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 9209. A bill for the relief of Giuseppina Leonardis Caruso; to the Committee on the Judiciary.

H.R. 9210. A bill for the relief of Estela Colobong; to the Committee on the Judiciary.

By Mr. JOELSON:

H.R. 9211. A bill for the relief of Marie Kopoochian; to the Committee on the Judiciary.

By Mr. LANKFORD:

H.R. 9212. A bill for the relief of Mrs. Irene Kakaviatos; to the Committee on the Judiciary.

By Mr. MOSHER:

H.R. 9213. A bill for the relief of Rafael Bosch and his wife, Angeles Bosch; to the Committee on the Judiciary.

By Mr. MURPHY:

H.R. 9214. A bill for the relief of Ki Eun Chung; to the Committee on the Judiciary.

By Mr. RIEHLMAN:

H.R. 9215. A bill for the relief of Marija Lulic; to the Committee on the Judiciary.

By Mr. ZELENKO:

H.R. 9216. A bill for the relief of Evangelos Stephanides; to the Committee on the Judiciary.

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

QUARTERLY REPORTS

The following reports for the first calendar quarter of 1961 were received too late to be included in the published reports for that quarter:

A. Active-Retired Lighthouse Service Employees Association, Post Office Box 2169, South Portland, Maine.
D. (6) $326.50. E. (9) $388.90.

A. Aetna Casualty & Surety Co., 151 Farmington Avenue, Hartford, Conn.
E. (9) $66.

A. Aetna Insurance Co., for itself and as successor to Piedmont Fire Ins. Co. and World Fire & Marine Ins. Co., 670 Main Street, Hartford, Conn.
E. (9) $106.32.

A. Agricultural Insurance Co., et al., 111 John Street, New York, N.Y.
E. (9) $198.33.

A. American Civil Liberties Union, Inc., 156 5th Avenue, New York, N.Y.
D. (6) $1,989.25. E. (9) $1,989.25.

A. American Dental Association, 222 East Superior Street, Chicago, Ill.
D. (6) $11,490.20. E. (9) $11,490.20.

A. American Eagle Insurance Co., et al., 123 William Street, New York, N.Y.
E. (9) $301.73.

A. American Home Assurance Co., 59 John Street, New York, N.Y.
E. (9) $60.35.

A. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.
D. (6) $516. E. (9) $8.

A. American Merchant Marine Institute, Inc., 11 Broadway, New York, N.Y.
E. (9) $1,862.29.

A. American Nurses' Association, Inc., 10 Columbus Circle, New York, N.Y.
D. (6) $5,299.11. E. (9) $5,299.11.

A. American Re-Insurance Co., 99 John Street, New York, N.Y.
E. (9) $11.32.

A. American Thrift Assembly, 1025 Connecticut Avenue NW., Washington, D.C.
D. (6) $1,136. E. (9) $9,615.38.

A. American Tramp Shipowners Association, Inc., 11 Broadway, New York, N.Y.
D. (6) $23,500. E. (9) $15,894.37.

A. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C.
D. (6) $10,290.06. E. (9) $23,008.36.

A. AMVETS (American Veterans of World War II), 1710 Rhode Island Avenue, Washington, D.C.
E. (9) $1,831.25.

A. American Yugoslav Claims Committee, 61 West 87th Street, New York, N.Y.
D. (6) $180. E. (9) $289.04.

A. Robert E. Ansheles, 1025 Connecticut Avenue NW., Washington, D.C.
B. American Thrift Assembly, 1025 Connecticut Avenue NW., Washington 6, D.C.
D. (6) $1,500.

A. Apache Tribe of the Mescalero Reservation, Mescalero, N. Mex.

A. Arnold, Fortas & Porter, 1229 19th Street NW., Washington, D.C.
B. Apache Tribe of the Mescalero Reservation, Mescalero, N. Mex.

A. Arnold, Fortas & Porter, 1229 19th Street, Washington, D.C.
B. Commissioner of Baseball, 30 Rockefeller Plaza, New York, N.Y.
E. (9) $703.56.

A. Arnold, Fortas & Porter, 1229 19th Street NW., Washington, D.C.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y.
D. (6) $3,335. E. (9) $138.81.

A. Edward Atkins, 51 East 42d Street, New York, N.Y.
B. National Association of Shoe Chain Stores, Inc., 51 East 42d Street, New York, N.Y.
D. (6) $250. E. (9) $250.

A. A. V. Atkinson, 1925 K Street NW., Washington, D.C.
B. Communications Workers of America, 1925 K Street NW., Washington, D.C.
E. (9) $2,819.92.

A. Atlantic, Gulf & Great Lakes Shipbuilding Association, 529 Tower Building, Washington, D.C.
D. (6) $3,318.47. E. (9) $3,318.47.

A. Atlantic Mutual Insurance Co., Post Office Box 6, Wall Street Station, New York, N.Y.
E. (9) $119.26.

A. Charles E. Babcock, Route 2, Box 406, Vienna, Va.
B. National Council, Junior Order United American Mechanics, 325 North Broad Street, Philadelphia, Pa.

A. Frederic A. Baker, 296 Lexington Road, Berkeley, Calif., and 1201 19th Street NW., Washington, D.C.
B. Federated Indians of California.

A. Bankers & Shippers, Inc., Co. for itself and on behalf of Jersey Insurance Co. of New [illegible] and Pacific Insurance Co. of New York, [illegible]old Street, New York, N.Y.
E. (9) $19.80.

A. A. Wesley Barthelmes, 1701 K Street NW., Washington, D.C.
B. Insurance Co. of North America and Life Insurance Co. of North America, 1600 Arch Street, Philadelphia, Pa.
D. (6) $441.

A Richard E. Barton, 1000 Connecticut Avenue, Washington, D.C.
B. Los Angeles Chamber of Commerce, 404 South Bixel Street, Los Angeles, Calif.
D. (6) $3,500. E. (9) $3,500.

A. Carl H. Berglund, 607 South Pine Street, Tacoma, Wash.

A. Bergson & Borkland, 918 16th Street NW., Washington, D.C.
B. Freeport Sulphur Co., 161 East 42d Street, New York, N.Y.

A. Helen Berthelot, 1925 K Street NW., Washington, D.C.
B. Communications Workers of America, 1925 K Street NW., Washington, D.C.
E. (9) $3,226.81.

A. Walter J. Bierwagen, 900 F Street NW., Washington, D.C.
B. Division 689, Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, 900 F Street NW., Washington, D.C.

A. C. B. Blankenship, 1925 K Street NW., Washington, D.C.
B. Communications Workers of America, 1925 K Street NW., Washington, D.C.
E. (9) $3,081.06.

A. Boston Insurance Co., for itself and Old Colony Insurance Co., 87 Kilby Street, Boston, Mass.
E. (9) $75.43.

A. Boykin & De Francis, 1000 16th Street NW., Washington, D.C.
B. Mrs. Claire Hugo Stinnes, Grossenbaumerstrasse 253, Mulheim Ruhr, Germany.
E. (9) $160.

A. Boykin & De Francis, 1000 16th Street NW., Washington, D.C.
B. Studiengesellschaft fur Privatrechtliche Auslandsinteressen, e.v., contrescarpe 46, Germany.
D. (6) $10,000. E. (9) $280.

A. William N. Brinker, 1729 H Street NW., Washington, D.C.
B. Institute of Scrap Iron & Steel, Inc.

A. Florence I. Broadwell, 1729 G. Street NW., Washington, D.C.
B. National Federation of Federal Employees, 1729 G Street NW., Washington, D.C.
D. (6) $2,942.34. (9) $33.92.

A. Brotherhood of Locomotive Engineers, 1122 Engineers Building, Cleveland, Ohio.

A. Lyman L. Bryan, 2000 K Street NW., Washington, D.C.
B. American Institute of Certified Public Accountants, 270 Madison Avenue, New York, N.Y.
D. (6) $75. E. (9) $57.25.

A. Bulgarian Claim Committee, 24 Beekman Street, New York, N.Y.
D. (6) $35.56. E. (9) $32.02.

A. John J. Burke, 1062 West Platinum Street, Butte, Mont.
B. Pacific Northwest Power Co., Post Office Box 1445, Spokane, Wash.
E. (9) $675.

A. George B. Burnham, 132 Third Street, SE., Washington, D.C.

B. Numerous stockholders of the Burnham Chemical Company, 132 Third Street SE., Washington, D.C.
D. (6) $325. E. (9) $325.

A. George P. Byrne, Jr., 53 Park Place, New York, N.Y.
B. U.S. Wood Screw Service Bureau, 53 Park Place, New York, N.Y.

A. Camden Fire Insurance Association, St. Paul Fire & Marine Insurance Co., Security Insurance Co. of New Haven, Phoenix Insurance Co. of Hartford, 111 John Street, New York, N.Y.
E. (9) $184.82.

A. James A. Campbell, 900 F Street NW., Washington, D.C.
B. American Federation of Government Employees, 900 F Street NW., Washington, D.C.
D. (6) $3,230.76. E. (9) $323.08.

A. Canal Zone Central Labor Union and Metal Trades Council, Post Office Box 471, Balboa Heights, C.Z.
D. (6) $5,318.93. E. (9) $5,397.94.

A. Carpinter & Baker, as agents for Springfield Fire & Marine Insurance Co., Great American Insurance Co., and Connecticut Fire Insurance Co., 99 John Street, New York, N.Y.
E. (9) $118.99.

A. Hal M. Christensen, 806 Connecticut Avenue NW., Washington, D.C.
B. American Dental Association, 806 Connecticut Avenue NW., Washington, D.C.
D. (6) $3,250.

A. Cities Service Petroleum, Inc., 70 Pine Street, New York, N.Y.
E. (9) $90.

A. Citizens Committee on Natural Resources.
D. (6) $6,080. E. (9) $4,385.70.

A. Clarence F. Cockrell, 501 Patrick Street, Portsmouth, Va.
B. Active-Retired Lighthouse Service Employees Association, South Portland, Maine.
D. (6) $45. (9) $63.31.

A. Paul G. Collins, 730 15th Street NW., Washington, D.C.
B. American Bankers Association, 12 East 36th Street, New York, N.Y.
D. (6) $120.

A. Colorado Railroad Association, 845 Equitable Building, Denver, Colo.
E. (9) $252.76.

A. Committee for Return of Confiscated German and Japanese Property, 926 National Press Building, Washington, D.C.
D. (6) $200. E. (9) $100.

A. Bernard J. Conway, 222 East Superior Street, Chicago, Ill.
B. American Dental Association, 222 East Superior Street, Chicago, Ill.
D. (6) $4,250.

A. Ben C. Corlett, 730 15th Street NW., Washington, D.C.
B. American Bankers Association, 12 East 36th Street, New York, N.Y.
D. (6) $1,250. E. (9) $455.61.

A. Council of State Chambers of Commerce, 1025 Connecticut Avenue, Washington, D.C.
D. (6) $905.38. E. (9) $905.38.

A. Paul L. Courtney, 1001 Connecticut Avenue NW., Washington, D.C.
D. (6) $300.

A. Joseph M. Creed, 1317 F Street NW., Washington, D.C.
B. American Bakers Association, 1317 F Street NW., Washington, D.C.
E. (9) $10.

A. Leo J. Crowley, 840 Equitable Building, Denver, Colo.
B. Colorado Railroad Association, 845 Equitable Building, Denver, Colo.
D. (6) $252.76. E. (9) $252.76.

A. Charles L. Cusumano, 42 Broadway, New York, N.Y.
B. Casimiro Guirici, 906 East 141st Street, Bronx, N.Y.
E. (9) $32.

A. R. E. Davenport, Jr., Farmville, N.C.
D. (6) $470.84. E. (9) $479.13.

A. Joffre C. David, 4401 East Colonial Drive, Orlando, Fla.
B. Florida Fruit and Vegetable Association, 4401 East Colonial Drive, Orlando, Fla.
D. (6) $305.52. E. (9) $265.58.

A. S. P. Deas, secretary, Southern Pine Industry Committee, 520 National Bank of Commerce Building, New Orleans, La.

A. Timothy V. A. Dillon, 1001 15th Street NW., Washington, D.C.
B. Westlands Water District, Post Office Box 4006, Fresno, Calif.
D. (6) $3,061.68. E. (9) $61.68.

A. Division 689, Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, 900 F Street NW., Washington, D.C.

A. William C. Doherty, 100 Indiana Avenue NW., Washington, D.C.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C.
D. (6) $3,125.

A. Evelyn Dubrow, 1710 Broadway, New York, N.Y.
B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y.
D. (6) $2,160.

A. James B. Dyess, 1411 K Street NW., Washington, D.C.
B. National Association of Wheat Growers, 1411 K Street NW., Washington, D.C.
D. (6) $690. E. (9) $690.

A. John W. Edelman, 1025 Vermont Avenue NW., Washington, D.C.
B. Textile Workers Union of America, 99 University Place, New York, N.Y.
D. (6) $2,762.36. E. (9) $762.31.

A. Harold Edwards, 1012 14th Street NW., Washington, D.C.
B. National Health Federation, 709 Mission Street, San Francisco, Calif.
D. (6) $700.

A. Otis H. Ellis, 1001 Connecticut Avenue NW., Washington, D.C.
B. National Oil Jobbers Council, 1001 Connecticut Avenue NW., Washington, D.C.
D. (6) $6,000.

A. John W. Emeigh, 1040 Warner Building, Washington, D.C.
B. The National Rural Letter Carriers' Association, 1040 Warner Building, Washington, D.C.
D. (6) $816.94. E. (9) $11.15.

A. Lawrence E. Ernst, 301 East Capitol Street, Washington, D.C.
B. National Star Route Mail Carriers Association, 301 East Capitol Street, Washington, D.C.
E. (9) $22.50.

A. Far East Group, Inc., 1000 Connecticut Avenue NW., Washington, D.C.

A. James Finucane, 926 National Press Building, Washington, D.C.
B. Committee for Return of Confiscated German and Japanese Property, 926 National Press Building, Washington, D.C.
D. (6) $100.

A. Fireman's Fund Insurance Co., 3333 California Street, San Francisco, Calif.
E. (9) $150.86.

A. Florida Fruit & Vegetable Association, 4401 East Colonial Drive, Orlando, Fla.
D. (6) $1,695.67. E. (9) $1,695.67.

A. E. F. Forbes, 604 Mission Street, San Francisco, Calif.
B. Western States Meatpackers Association, Inc., 604 Mission Street, San Francisco, Calif.
D. (6) $7,500.

A. Forest Farmers Association, Post Office Box 7284, Station C., Atlanta, Ga.

A. James F. Fort, 1616 P Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C.
D. (6) $500. E. (9) $203.54.

A. John A. Gosnell, National Small Businessmen's Association, 801 19th Street NW., Washington, D.C.
D. (6) $1,400.

A. Rodger S. Gunn, 4618 Highland Drive, Salt Lake City, Utah.
B. Liberty Under Law, Inc., Post Office Box 2013, Salt Lake City, Utah.

A. William A. Hanscom, 100 Indiana Avenue NW., Washington, D.C.
B. Oil, Chemical & Atomic Workers International Union, 1840 California Street, Denver, Colo.
D. (6) $1,250. E. (9) $225.

A. Murray Hanson, 425 13th Street NW., Washington, D.C.
B. Investment Bankers Association of America, 425 13th Street NW., Washington, D.C.
D. (6) $600. E. (9) $607.88.

A. Robert E. Harper, 1913 I Street NW., Washington, D.C.
B. National Business Publications, Inc., 1913 I Street NW., Washington D.C.

A. Hartford Fire Insurance Co., New York Underwriters Insurance Co., Northwestern Fire & Marine Insurance Co., Citizens Insurance Co., 690 Asylum Avenue, Hartford, Conn.
E. (9) $84.80.

A. Joseph D. Henderson, 431 Balter Building, New Orleans, La.
B. American Association of Small Business, Inc., 431 Balter Building, New Orleans, La.
D. (6) $1,875.

A. L. S. Hitchr er, 1145 19th Street NW., Washington, D.C.
B. National Agricultural Chemicals Association.

A. John R. Holden, 1710 Rhode Island Avenue NW., Washington, D.C.
B. AMVETS (American Veterans of World War II), 1710 Rhode Island Avenue NW., Washington, D.C.
D. (6) $1,187.50. E. (9) $75.

A. Home Insurance Co., for itself and as successor to National Liberty Insurance Co., 59 Maiden Lane, New York City, N.Y.
E. (9) $66.39.

A. B. A. Hungerford, 53 Park Place, New York, N.Y.
B. George P. Byrne, 53 Park Place, New York, N.Y.

A. John M. Hurley, Washington Railroad Association, 302 Hoge Building, Seattle, Wash.

A. Individual Income Tax Legislation, Inc., 216 Maryland Avenue NE., Washington, D.C.
D. (6) $15,000. E. (9) $13,533.

A. Institute of Scrap Iron & Steel, Inc., 1729 H Street NW., Washington, D.C.
D. (6) $300. E. (9) $8.66.

A. Insurance Co. of North America et al., 79 John Street, New York, N.Y.
E. (9) $214.98.

A. International Association of Machinists, Machinists Building, Washington, D.C.
E. (9) $1,826.89.

A. Harold G. Jacobson, 637 Basswood, Richland, Wash.

A. Daniel Jaspan, Post Office Box 1924, Washington, D.C.
B. National Association of Postal Supervisors, Post Office Box 1924, Washington, D.C.
D. (6) $3,391.23. E. (9) $54.15.

A. Jewish War Veterans of the United States of America, 1712 New Hampshire Avenue NW., Washington, D.C.
D. (6) $3,000. E. (9) $367.80.

A. William T. Jobe, 1901 Pennsylvania Avenue NW., Washington, D.C.
B. National Ice Association, Inc., 1901 Pennsylvania Avenue NW., Washington, D.C.

A. Peter D. Joers, 810 Whittington, Hot Springs, Ark.
B. Dierks Forests, Inc., 810 Whittington Avenue, Hot Springs, Ark.

A. Glendon E. Johnson, 1701 K Street NW., Washington, D.C.
B. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.
D. (6) $456.

A. Max H. Jordan, 1040 Warner Building, Washington, D.C.
B. The National Rural Letter Carriers' Association, 1040 Warner Building, Washington, D.C.
D. (6) $749.69. E. (9) $3.60.

A. Jerome J. Keating, 100 Indiana Avenue, NW., Washington, D.C.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C.
D. (6) $2,150.76.

A. William F. Kenney, Shell Oil Co., New York, N.Y.
B. Shell Oil Co., 50 West 50th Street, New York, N.Y.

A. Franklin E. Kepner, Berwick Bank Building, Berwick, Pa.
B. Associated Railroads of Pennsylvania, Room 1022, Transportation Center, Philadelphia, Pa.

A. Joseph T. King, 1028 Connecticut Avenue NW., Washington, D.C.
E. (9) $656.19.

A. Mr. and Mrs. Harry L. Kingman.
D. (6) $1,285. E. (9) $1,285.

A. S. F. Kirby, 20 North Wacker Drive, Chicago, Ill.
B. National Council on Business Mail, 20 North Wacker Drive, Chicago, Ill.
D. (6) $500. E. (9) $161.06.

A. James F. Kmetz, 1435 K Street NW., Washington, D.C.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C.
D. (6) $2,790.

A. William L. Kohler, 1616 P Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C.
D. (6) $1,500. E. (9) $180.30.

A. Kominers & Fort, 529 Tower Building, Washington, D.C.
B. Atlantic, Gulf and Great Lakes Shipbuilding Association, 529 Tower Building, Washington, D.C.
D. (6) $2,970. E. (9) $77.53.

A. Herman C. Kruse, 245 Market Street, San Francisco, Calif.
B. Pacific Gas & Electric Co., 245 Market Street, San Francisco, Calif.
D. (6) $753. E. (9) $1,923.94.

A. Dillard B. Lasseter, 1616 P Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C.
D. (6) $3,000. E. (9) $375.

A. Dillard B. Lasseter, Post Office Box 381, Washington, D.C.
B. National Association of Agricultural Stabilization and Conservation County Office Employees, care of Clyde R. Payne, Secretary-Treasurer, Jasper, Fla.
D. (6) $825. E. (9) $125.

A. Dillard B. Lasseter, Post Office Box 381, Washington, D.C.
B. Organization of Professional Employees of the U.S. Department of Agriculture, Post Office Box 381, Washington, D.C.
D. (6) $450. E. (9) $125.

A. G. E. Leighty, 400 First Street NW., Washington, D.C.

A. Richard T. Leonard, 815 16th Street NW., Washington, D.C.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C.
E. (9) $598.98.

A. Liberty Under Law, Inc., Post Office Box 2013, Salt Lake City, Utah.
D. (6) $5. E. (9) $8.35.

A. Charles B. Lipsen, 1741 De Sales Street NW., Washington, D.C.
B. Retail Clerks International Association, 1741 De Sales Street NW., Washington, D.C.
D. (6) $3,250. E. (9) $1,850.92.

A. Harold O. Lovre, 1616 P Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C.
D. (6) $3,000. E. (9) $214.35.

A. A. E. Lyon, 400 First Street NW., Washington, D.C.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C.
D. (6) $1,050.

A. LeRoy E. Lyon, Jr., 530 West Sixth Street, Los Angeles, Calif.
B. California Railroad Association, 215 Market Street, San Francisco, Calif.
D. (6) $708.33. E. (9) $683.26.

A. J. A. McCallam, Washington Representative, American Veterinary Medical Association, 1507 M Street NW., Washington, D.C.
E. (9) $666.80.

A. John A. McCert, 900 F Street NW., Washington, D.C.
B. American Federation of Government Employees.
D. (6) $2,272.20. E. (9) $37.20.

A. William A. McClintock, Jr., 7447 Skokie Boulevard, Skokie, Ill.
B. National Committee for Insurance Taxation, 1710 H Street NW., Washington, D.C.

A. Albert L. McDermott, 745 Washington Building, Washington, D.C.
B. American Hotel Association, 777 14th Street NW., Washington, D.C.
D. (6) $200. E. (9) $24.60.

A. Joseph T. McDonnell, 425 13th Street NW., Washington, D.C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.

A. Charles R. McNeill, 730 15th Street NW., Washington, D.C.
B. American Bankers Association, 12 East 36 Street, New York, N.Y.
D. (6) $500. E. (9) $31.30.

A. John W. MacKay, 509 14th Street NW., Washington, D.C.
B. National Postal Union, 509 14th Street NW., Washington, D.C.
D. (6) $3,499.99. E. (9) $150.

A. MacLeish, Spray, Price & Underwood, 134 South LaSalle Street, Chicago, Ill.
B. National Committee for Insurance Taxation, Hay-Adams House, Washington, D.C.
E. (9) $1,032.78.

A. Albert E. Maddocks, 1883 South Seventh East, Salt Lake City, Utah.
B. Liberty Under Law, Inc., Post Office Box 2013, Salt Lake City, Utah.

A. James D. Mann, 409 Sheraton Building, Washington, D.C.
B. Private Truck Council of America, Inc., 409 Sheraton Building, Washington, D.C.

A. James Mark, Jr., 1435 K Street NW., Washington, D.C.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C.
D. (6) $4,040.

A. Tommy M. Martin, 1040 Warner Building, Washington, D.C.
B. The National Rural Letter Carriers' Association, 1040 Warner Building, Washington, D.C.
D. (6) $816.94. E. (9) $12.80.

A. Albert E. May, 1000 Connecticut Avenue, Washington, D.C.
B. Committee of American Steamship Lines, 1000 Connecticut Avenue, Washington, D.C.
D. (6) $280. E. (9) $73.54.

A. Arnold Mayer, 100 Indiana Avenue NW., Washington, D.C.
B. Amalgamated Meat Cutters and Butcher Workmen of North America, 2800 North Sheridan Road, Chicago, Ill.
D. (6) $1,205. E. (9) $735.

A. Mrs. Vera Mayer.
B. National Consumers League, 1025 Vermont Avenue NW., Washington, D.C.
D. (6) $1,290.76.

A. Ross A. Messer, 724 Ninth Street NW., Washington, D.C.

B. National Association of Post Office and General Services Maintenance Employees, 724 Ninth Street NW., Washington, D.C.
D. (6) $1,500. E. (9) $64.85.

A. M. Barry Meyer, 1616 P Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C.
D. (6) $100. E. (9) $78.27.

A. Joseph L. Miller, 1025 Connecticut Avenue, Washington, D.C.
B. Northern Textile Association, Quinebaug-French River Manufacturers Association, and Theisen-Clemens.
D. (6) $1,050. E. (9) $105.

A. Claude Minard, 215 Market Street, San Francisco, Calif.
B. California Railroad Association, 215 Market Street, San Francisco, Calif.

A. Manfred L. Minzer, Jr., 20 E Street NW., Washington, D.C.
B. Commodity Exchange, Inc., 81 Broad Street, New York, N.Y.
D. (6) $3,000. E. (9) $1,975.

A. Willis C. Moffatt, 536 First Security Building, Boise, Idaho.
B. Standard Oil Co. of California, 225 Bush Street, San Francisco, Calif., et al.

A. Joseph E. Moody, 1000 16th Street NW., Washington, D.C.
B. National Coal Policy Conference, Inc., 1000 16th Street NW., Washington, D.C.
D. (6) $625.

A. Kenneth R. Morefield, 4401 East Colonial Drive, Orlando, Fla.
B. Florida Fruit & Vegetable Association, 4401 East Colonial Drive, Orlando, Fla.
D. (6) $305.49. E. (9) $293.76.

A. Bernard R. Mullady, 1200 15th Street NW., Washington, D.C.
B. International Brotherhood of Electrical Workers.
D. (6) $2,730.

A. Howard E. Munro, 815 16th Street NW., Washington, D.C.
B. Canal Zone Central Labor Union & Metal Trades Council, Post Office Box 471, Balboa Heights, C.Z.
D. (6) $1,443.23. E. (9) $1,814.96.

A. Mutual Insurance Committee on Federal Taxation, 20 North Wacker Drive, Chicago, Ill.

A. John H. Myers, 1224 Cleveland Street, Wilmette, Ill.
B. National Committee for Insurance Taxation, 1710 H Street NW., Washington, D.C.

A. J. Walter Myers, Jr., Post Office Box 7284, Station C, Atlanta, Ga.
B. Forest Farmers Association Cooperative, Post Office Box 7284, Station C, Atlanta, Ga.
D. (6) $63.88. E. (9) $104.29.

A. National Association Businessmen, Inc., 1725 K Street NW., Washington, D.C.
D. (6) $950.40. E. (9) $1,455.17.

A. National Association for the Advancement of Colored People, 20 West 40th Street, New York, N.Y.

A. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C.
D. (6) $639,593.90. E. (9) $11,779.92.

A. National Association of Postal Supervisors, Post Office Box 1924, Washington, D.C.
D. (6) $12,500. E. (9) $7,906.98.

A. National Association of Post Office & General Services Maintenance Employees, 512 Victor Building, Washington, D.C.
D. (6) $18,822.56. E. (9) $2,268.96.

A. National Association of Real Estate Boards, 36 South Wabash Avenue, Chicago, Ill., and 1300 Connecticut Avenue NW., Washington, D.C.
E. (9) $10,943.13.

A. National Association of Wheat Growers, 1411 K Street, NW., Washington, D.C.
D. (6) $690. E. (9) $690.

A. National Business Publications, Inc., 1913 I Street NW., Washington, D.C.

A. National Coal Policy Conference, Inc., 1000 16th Street NW., Washington, D.C.
E. (9) $3,856.94.

A. National Committee for Insurance Taxation, 1710 H Street NW., Washington, D.C.
D. (6) $16,760. E. (9) $13,355.03.

A. National Conference for Repeal of Taxes on Transportation, 1710 H Street NW., Washington, D.C.
D. (6) $200.

A. National Council on Business Mail, 20 North Wacker Drive, Chicago, Ill.
D. (6) $174.11. E. (9) $161.06.

A. National Federation of Federal Employees, 1729 G Street NW., Washington, D.C.
D. (6) $114,069.03. E. (9) $12,456.07.

A. National Federation of Independent Business, Inc., 740 Washington Building, Washington, D.C.
D. (6) $13,122.17. E. (9) $13,122.17.

A. National Housing Conference, Inc., 1025 Connecticut Avenue NW., Washington, D.C.
D. (6) $28,749.49. E. (9) $23,942.86.

A. National Postal Union, 509 14th Street NW., Washington, D.C.
D. (6) $18,102. E. (9) $10,400.

A. National Reclamation Association, 897 National Press Building, Washington, D.C.
D. (6) $6,534. E. (9) $14,872.92.

A. National Rehabilitation Association, Inc., 1025 Vermont Avenue NW., Washington, D.C.
B. National Rehabilitation Association, Inc., 1025 Vermont Avenue NW., Washington, D.C.
D. (6) $7,205.01. E. (9) $767.50.

A. National Rural Letter Carriers' Association, 1040 Warner Building, Washington, D.C.
D. (6) $8,723.75. E. (9) $6,949.92.

A. National Small Business Men's Association, 801 19th Street NW., Washington, D.C.
D. (6) $5,000. E. (9) $2,678.10.

A. National Tax Equality Association, 1000 Connecticut Avenue NW., Washington, D.C.
D. (6) $7,509.29. E. (9) $6,853.40.

A. Samuel E. Neel, 1001 15th Street NW., Washington, D.C.
B. Mortgage Bankers Association of America, 111 West Washington Street, Chicago, Ill.
D. (6) $4,750.02. E. (9) $4,857.44.

A. Samuel E. Neel, 1001 15th Street NW., Washington, D.C.
B. James W. Rouse & Co., Inc., 14 West Saratoga Street, Baltimore, Md., et al.

A. George R. Nelson, Machinists Building, Washington, D.C.
B. International Association of Machinists, Machinists Building, Washington, D.C.
D. (6) $1,500. E. (9) $326.89.

A. Russ Nixon, 1319 F Street NW., Washington, D.C.
B. United Electrical, Radio & Machine Workers of America, 11 East 51st Street, New York, N.Y.
D. (6) $747.51. E. (9) $260.

A. Joseph A. Noone, 603 Associations Building, 1145 19th Street NW., Washington, D.C.
B. National Agricultural Chemicals Association, 1145 19th Street NW., Washington, D.C.
D. (6) $50. E. (9) $3.50.

A. Walter O. Noreen, 509 14th Street NW., Washington, D.C.
B. National Postal Union, 509 14th Street NW., Washington, D.C.
D. (6) $1,153.85. E. (9) $75.

A. Northwest Committee for Transportation Planning, 2928 Macomb Street NW., Washington, D.C.
D. (6) $45. E. (9) $77.80.

A. John A. O'Donnell, 1616 P Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C.
D. (6) $1,500. E. (9) $600.

A. John A. O'Donnell, 1025 Connecticut Avenue NW., Washington, D.C.
B. Philippine Sugar Association, 1025 Connecticut Avenue NW., Washington, D.C.
D. (6) $1,500. E. (9) $1,500.

A. John A. O'Donnell, 1025 Connecticut Avenue NW., Washington, D.C.
B. Philippine War Damage Claimants Association, Escolta Building, 46 Escolta, Manila, Philippines.

A. Charles T. O'Neill, Jr., 730 15th Street NW., Washington, D.C.
B. American Bankers Association, 12 East 36th Street, New York, N.Y.
D. (6) $375. E. (9) $20.45.

A. Organization of Professional Employees of the U.S. Department of Agriculture, Post Office Box 381, Washington, D.C.
D. (6) $441.38. E. (9) $498.26.

A. Andrew A. Pettis, 100 Indiana Avenue NW., Washington, D.C.
B. Industrial Union of Marine and Shipbuilding Workers of America, 534 Cooper Street, Camden, N.J.
D. (6) $3,384.60. E. (9) $2,075.61.

A. T. E. Pinkston, Kentucky Railroad Association, 101 East High Street, Lexington, Ky.
E. (9) $286.45.

A. Platt, Fuller & Company, as agent for National Insurance Co. of Hartford, 79 John Street, New York, N.Y.
E. (9) $28.28.

A. Sanford L. Patt, 723 Investment Building, Washington, D.C.
B. Hawaiian Sugar Planters' Association, Honolulu, Hawaii.

A. Charles E. Potter, 1411 K Street NW., Washington, D.C.
B. Committee of American Tanker Owners, Inc., 1411 K Street NW., Washington, D.C.
D. (6) $6,249.99 E. (9) $522.26.

A. William I. Powell, 1110 Ring Building, Washington, D.C.
B. Independent Petroleum Association of America, 1110 Ring Building, Washington, D.C.
E. (9) $21.70.

A. Homer V. Prater, 900 F Street NW., Washington, D.C.
B. American Federation of Government Employees, 900 F Street NW., Washington, D.C.
D. (6) $2,329.60. E. (9) $30.

A. William C. Prather, 221 North La Salle Street, Chicago, Ill.
B. United States Savings and Loan League, 221 North La Salle Street, Chicago, Ill.
D. (6) $322.50. E. (9) $428.95.

A. John H. Pratt, 905 American Security Building, Washington, D.C.
B. National Electrical Manufacturers Association, 155 East 44th Street, New York, N.Y.
D. (6) $1,250. E. (9) $7.99.

A. Providence Washington Insurance Co. for itself and as successor to Anchor Insurance Co., 20 Washington Place, Providence, R.I.
E. (9) $75.43.

A. Public Information Commission of the Cotton Industries, 1211 South Brighton, Dallas, Tex.

A. Gordon M. Quarnstrom, 1726 Wilmette Avenue, Wilmette, Ill.
B. National Committee for Insurance Taxation, 1710 H Street NW., Washington, D.C.

A. William H. Quealy, 1612 K Street NW., Washington 6, D.C.
B. Smith-Corona Marchant, Inc., 410 Park Avenue, New York 22, N.Y.

A. William H. Quealy, 1612 K Street NW., Washington 6, D.C.
B. Standard Oil Co. of California, Standard Oil Building, San Francisco 4, Calif.

A. Railway Labor Executives' Association, 400 First Street NW., Washington 1, D.C.

A. Sydney C. Reagan, 3840 Greenbrier Drive, Dallas 25, Tex.
B. Southwestern Peanut Shellers Association, Box 48, Durant, Okla.
D. (6) $150.

A. William T. Reed, 5800 Connecticut Avenue, Chevy Chase, Md.
B. Standard Oil Co., 910 South Michigan Avenue, Chicago, Ill.
D. (6) $1,500. E. (9) $273.

A. George L. Reid, Jr., 1616 P Street NW., Washington 6, D.C.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington 6, D.C.
D. (6) $2,499.98. E. (9) $78.09.

A. Reinsurance Corp. of New York, 99 John Street, New York 38, N.Y.
E. (9) $22.63.

A. Reliance Insurance Co., for itself and as successor to Fire Association of Philadelphia, Reliance Insurance Co. of Philadelphia, Lumberman's Insurance Co., and Philadelphia National Insurance Co.
E. (9) $37.71.

A. William Neale Roach, 1616 P Street NW., Washington 6, D.C.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington 6, D.C.
D. (6) $3,000. E. (9) $118.27.

A. Francis J. Ryley, 519 Title and Trust Building, Phoenix, Ariz.
B. Mobil Oil Co., Los Angeles; Richfield Oil Corp., Los Angeles; Union Oil Co., Los Angeles; Tidewater Oil Co., Los Angeles; Shell Oil Co., San Francisco; Standard Oil Co. of California, San Francisco.

A. Fred J. Scanlan, 1303 New Hampshire Avenue NW., Washington, D.C.
B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C.
D. (6) $345.

A. Schoene and Kramer, 1625 K Street NW., Washington, D.C.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C.

A. Selvage & Lee, Inc., 1625 I Street NW., Washington, D.C.
B. New York Coffee and Sugar Exchange, 79 Pine Street, New York, N.Y.
D. (6) $1,200. E. (9) $28.84.

A. Maurice J. Shean, 940 25th Street NW., Washington, D.C.
B. City and county of San Francisco, Calif.
D. (6) $3,900. E. (9) $2,169.19.

A. David Silvergleid, 509 14th Street NW., Washington, D.C.
B. National Postal Union, 509 14th Street NW., Washington, D.C.
D. (6) $3,499.99. E. (9) $150.

A. Small Business Tax Conference, 1028 Connecticut Avenue NW., Washington, D.C.
D. (6) $5,051.40. E. (9) $4,705.40.

A. Carleton D. Smith, 1725 K Street NW., Washington, D.C.
B. Radio Corporation of America, 30 Rockefeller Plaza, New York, N.Y.

A. Harold Arden Smith, 605 West Olympic Boulevard, Los Angeles, Calif.
B. Standard Oil Co. of California, 225 Bush Street, San Francisco, Calif.
D. (6) $200. E. (9) $85.

A. Dr. Spencer M. Smith, Jr., 1709 North Glebe Road, Arlington, Va.
B. Citizens Committee on Natural Resources.
D. (6) $1,200. E. (9) $832.

A. Southern Pine Industry Committee, 520 National Bank of Commerce Building, New Orleans, La.
D. (6) $906.77. E. (9) $1,238.78.

A. Southwestern Peanut Shellers' Association, Box 48, Durant, Okla.
E. (9) $150.

A. Spring Air Co., 666 North Lake Shore Drive, Chicago, Ill.
E. (9) $2,775.47.

A. Raymond E. Steele, National Press Building, Washington, D.C.
D. (6) $1,850.

A. Russell M. Stephens, 900 F Street NW., Washington, D.C.
B. American Federation of Technical Engineers, 900 F Street NW., Washington, D.C.
D. (6) $240. E. (9) $20.

A. Charles L. Stewart, Jr., 231 South LaSalle Street, Chicago, Ill.
B. The Spring Air Co., 666 North Lake Shore Drive, Chicago, Ill.
E. (9) $379.12.

A. John S. Stump, Post Office Box 1101, Alexandria, Va.
B. R. E. Davenport, Jr., Farmville, N.C.
D. (6) $479.13.

A. J. Monroe Sullivan, 1625 K Street NW., Washington, D.C.
B. Pacific American Steamship Association, 16 California Street, San Francisco, Calif.
D. (6) $943.75. E. (9) $1,156.95.

A. Noble J. Swearingen, 224 East Capitol Street, Washington, D.C.
B. National Tuberculosis Association, 1790 Broadway, New York, N.Y.
D. (6) $225. E. (9) $22.

A. Christy Thomas & Associates, 536 Washington Building, Washington, D.C.
B. The National Association of River and Harbor Contractors, 15 Park Row, New York, N.Y.
D. (6) $750. E. (9) $172.29.

A. Julia C. Thompson, 711 14th Street NW., Washington, D.C.
B. American Nurses' Association, Inc., 10 Columbus Circle, New York, N.Y.
D. (6) $2,397.71.

A. Hon. Edward J. Thye, Northfield, Minn.
B. Spring Air Co., 666 North Lake Shore Drive, Chicago, Ill.
D. (6) $2,000. E. (9) $838.86.

A. Townsend Plan, Inc., 808 North Capitol Street, Washington, D.C.
D. (6) $13,008.59. E. (9) $2,236.

A. Trustees for Conservation, 251 Kearny Street, San Francisco, Calif.
D. (6) $4,514.18. E. (9) $2,529.84.

A. Universal Insurance Co. of New Jersey, 111 John Street, New York, N.Y.
E. (9) $33.94.

A. Richard E. Vernor, 1701 K Street NW., Washington, D.C.
B. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.
D. (6) $60. E. (9) $8.

A. Veterans of World War I, U.S.A., Inc., 40 G Street NE., Washington, D.C.

A. Bailey Walsh, 1346 Connecticut Avenue NW., Washington, D.C.
B. A. E. Holman and James Lofland, 6000 Saxony Road, Minneapolis, Minn.
D. (6) $500. E. (9) $500.

A. Bailey Walsh, 1346 Connecticut Avenue NW., Washington, D.C.
B. Lion Manufacturing Co., 2640 Belmont Avenue, Chicago, Ill.
D. (6) $900. E. (9) $900.

A. Bailey Walsh, 1346 Connecticut Avenue NW., Washington, D.C.
B. United Manufacturing Co., 3401 North California Street, Chicago, Ill.

A. Herbert F. Walton, 7447 Skokie Boulevard, Skokie, Ill.
B. National Committee for Insurance Taxation, 1710 H Street NW., Washington, D.C.
E. (9) $498.53.

A. Narvin B. Weaver, 1200 18th Street NW., Washington, D.C.
B. Cities Service Petroleum, Inc., 70 Pine Street, New York, N.Y.
E. (9) $90.

A. William E. Welsh, 897 National Press Building, Washington, D.C.
B. National Reclamation Association, 897 National Press Building, Washington, D.C.
D. (6) $3,750. E. (9) $247.76.

A. Western States Meat Packers Association, Inc., 604 Mission Street, San Francisco, Calif.
D. (6) $100,279.79. E. (9) $9.20.

A. Wherry Housing Association, 1737 H Street NW., Washington, D.C.
E. (9) $9,252.40.

A. John C. White, 838 Transportation Building, Washington, D.C.
D. (6) $900. E. (9) $37.39.

A. John J. Wicker, Jr., 706 Mutual Building, Richmond, Va.
B. Mutual Insurance Committee on Federal Taxation, 20 North Wacker Drive, Chicago, Ill.
D. (6) $2,207.82. E. (9) $607.82.

A. Myron Wiener, 1000 Connecticut Avenue, NW., Washington, D.C.
B. Far East Group, Inc., 1000 Connecticut Avenue, NW., Washington, D.C.

A. John Willard, Box 1172, Helena, Mont.
B. Montana Railroad Association, Helena, Mont.
D. (6) $124. E. (9) $25.48.

A. William W. Woodruff, 1730 K Street NW., Washington, D.C.
B. Pacific Gas & Electric Co., 245 Market Street, San Francisco, Calif.
D. (6) $600. E. (9) $1,116.72.

A. Albert Y. Woodward, 1625 I Street NW., Washington, D.C.
B. Flying Tiger Line, Inc., Lockheed Air Terminal, Burbank, Calif.

A. Albert Young Woodward, 1625 I Street NW., Washington, D.C.
B. Signal Oil & Gas Co., 1010 Wilshire Boulevard, Los Angeles, Calif.

A. John H. Young, 1411 Major Street, Salt Lake City, Utah.
B. Liberty Under Law, Inc., Post Office Box 2013, Salt Lake City, Utah.

QUARTERLY REPORTS

The following quarterly reports were submitted for the second calendar quarter 1961:

(NOTE.—The form used for reports is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE TWO COPIES WITH THE SECRETARY OF THE SENATE AND FILE THREE COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19------

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names or agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

NOTE ON ITEM "D."—(a) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $_____Dues and assessments
2. $_____Gifts of money or anything of value
3. $_____Printed or duplicated matter received as a gift
4. $_____Receipts from sale of printed or duplicated matter

5. $_____Received for services (e.g., salary, fee, etc.)
6. $_____TOTAL for this Quarter (Add items "1" through "5")

7. $_____Received during previous Quarters of calendar year
8. $_____TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $_____TOTAL now owed to others on account of loans
10. $_____Borrowed from others during this Quarter
11. $_____Repaid to others during this Quarter

12. $_____"Expense money" and Reimbursements received this Quarter

Contributors of $500 or more (from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": _____

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor*
	(*"Period"* from Jan. 1 through _____, 19____)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(a) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $_____Public relations and advertising services
2. $_____Wages, salaries, fees, commissions (other than item "1")
3. $_____Gifts or contributions made during Quarter
4. $_____Printed or duplicated matter, including distribution cost
5. $_____Office overhead (rent, supplies, utilities, etc.)
6. $_____Telephone and telegraph
7. $_____Travel, food, lodging, and entertainment
8. $_____All other expenditures

9. $_____TOTAL for this Quarter (Add "1" through "8")
10. $_____Expended during previous Quarters of calendar year

11. $_____TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).

12. $_____TOTAL now owed to person filing
13. $_____Lent to others during this Quarter
14. $_____Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7–11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7–15, 8–15, 9–15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

A. V. J. Adduci, 610 Shoreham Building, Washington, D.C.
B. Aerospace Industries Association of America, Inc., 610 Shoreham Building, Washington, D.C.
D. (6) $3,684. E. (9) $737.31.

A. J. Carson Adkerson, 976 National Press Building, Washington, D.C.

A. Aerospace Industries Association of America, Inc., 610 Shoreham Building, Washington, D.C.
D. (6) $4,123.75. E. (9) $4,123.75.

A. Aircraft Owners & Pilots Association, 4650 East-West Highway, Bethesda, Md.
E. (9) $122.40.

A. Air Freight Forwarders Association, 802 Ring Building, Washington, D.C.

A. Air Transport Association of America, 1000 Connecticut Avenue NW., Washington, D.C.
D. (6) $7,861.34. E. (9) $7,861.34.

A. George Venable Allen, 4730 Quebec Street NW., Washington, D.C.
B. Tobacco Institute, Inc., 808 17th Street NW., Washington, D.C.

A. Louis J. Allen, 1121 Nashville Trust Building, Nashville, Tenn.
B. Class I railroads in Tennessee.

A. Nicholas E. Allen & Merrill Armour, 1001 15th Street NW., Washington, D.C.
B. Music Operators of America, Inc., 128 East 14th Street, Oakland, Calif.
D. (6) $98. E. (9) $74.55.

A. W. L. Allen, 8605 Cameron Street, Silver Spring, Md.
B. Commercial Telegraphers' Union, 8605 Cameron Street, Silver Spring, Md.

A. Amalgamated Association of Street, Electric Railway & Motor Coach Employees of America, 5025 Wisconsin Avenue NW., Washington, D.C.

A. American Farm Bureau Federation, Merchandise Mart Plaza, Chicago, Ill., and 425 13th Street NW., Washington, D.C.
D. (6) $31,050. E. (9) $31,050.

A. American Federation of Labor & Congress of Industrial Organizations.
E. (9) $32,113.84.

A. American Federation of Musicians, 425 Park Avenue, New York, N.Y.
D. (6) $4,670.40. E. (9) $8,347.42.

A. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill.
D. (6) $14,994.83. E. (9) $14,994.83.

A. American Hotel Association, 221 West 57th Street, New York, N.Y.

A. American Israel Public Affairs Committee, 1737 H Street NW., Washington, D.C.
D. (6) $811.35. E. (9) $275.76.

A. American Justice Association, Defense Highway, Gambrills, Md.

A. American Legion National Headquarters, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $6,921.41. E. (9) $29,092.17.

A. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.
D. (6) $308.07. E. (9) $11.20.

A. American Medical Association, 535 Dearborn Street, Chicago, Ill.
E. (9) $129,696.48.

A. American National Cattlemen's Association, 801 East 17th Avenue, Denver, Colo.
D. (6) $78,962.42. E. (9) $5,404.61.

A. American Optometric Association, 8001 Jenkins Arcade, Pittsburgh, Pa.
D. (6) $2,500. E. (9) $3,059.

A. American Osteopathic Association, 212 East Ohio Street, Chicago, Ill.
D. (6) $607.90. E. (9) $607.90.

A. American Paper & Pulp Association, 122 East 42d Street, New York, N.Y.

A. American Parents Committee, Inc., 20 E Street NW., Washington, D.C., and 52 Vanderbilt Avenue, New York, N.Y.
D. (6) $1,428.60. E. (9) $2,316.26.

A. American Petroleum Institute, 1271 Avenue of the Americas, New York, N.Y.
D. (6) $11,661. E. (9) $12,877.

A. American Pulpwood Association, 220 East 42d Street, New York, N.Y.

A. American Retail Federation, 1145 19th Street NW., Washington, D.C.
D. (6) $62,309.33. E. (9) $8,070.92.

A. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C.
D. (6) $1,330.30. E. (9) $1,330.30.

A. American Steamship Committee on Conference Studies, 919 18th Street NW., Washington, D.C.
D. (6) $1,202. E. (9) $20,837.16.

A. American Sugar Beet Industry Policy Committee, 500 Sugar Building, Denver, Colo.

A. American Textile Machinery Association, 275 Massachusetts Avenue, Cambridge, Mass.
D. (6) $38.16.

A. American Tramp Shipowners Association, Inc., 11 Broadway, New York, N.Y.
D. (6) $1,000. E. (9) $8,303.06.

A. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C.
D. (6) $10,290.06. E. (9) $26,216.02.

A. AMVETS (American Veterans of World War II), 1710 Rhode Island Avenue, Washington, D.C.
E. (9) $1,831.25.

A. American Vocational Association, Inc., 1010 Vermont Avenue NW., Washington, D.C.

A. American Warehousemen's Association, Merchandise Division, 222 West Adams Street, Chicago, Ill.

A. America's Wage Earners' Protective Conference, 815 15th Street NW., Washington, D.C.
D. (6) $1,075. E. (9) $1,153.85.

A. Jerry L. Anderson, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.

A. Walter M. Anderson, Jr., Montgomery, Ala.
B. Alabama Railroad Association, 1002 First National Bank Building, Montgomery, Ala.
D. (6) $112.50. E. (9) $166.78.

A. Richard H. Anthony, 122 East 42d Street, New York, N.Y.
B. Trade Relations Council of the United States, Inc.

A. James Anton, 703 Maryland Avenue NE., Washington, D.C.
B. Keatinge & Older, 3325 Wilshire Boulevard, Los Angeles, Calif.
D. (6) $200. E. (9) $6.60.

A. W. B. Ardery, Washington, D.C.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.

A. Area Employment Expansion Committee, 1144 Pennsylvania Building, Washington, D.C.
E. (9) $795.86.

A. Arkansas Railroad Committee, 1100 Boyle Building, Little Rock, Ark.
B. Class I railroads operating in the State of Arkansas.
D. (6) $46.50. E. (9) $1,027.35.

A. Armored Carrier Corp., 222–17 Northern Boulevard, Bayside, N.Y.
E. (9) $15.

A. J. Sinclair Armstrong, 45 Wall Street, New York, N.Y.
B. United States Trust Co. of New York, 45 Wall Street, New York, N.Y.

A. Arnold, Fortas & Porter, 1229 19th Street NW., Washington, D.C.
B. Apache Tribe of the Mescalero Reservation, Mescalero, N. Mex.
E. (9) $3.41.

A. Arnold, Fortas & Porter, 1229 19th Street NW., Washington, D.C.
B. California Wine Institute, 717 Market Street, San Francisco, Calif.
D. (6) $6,500. E. (9) $772.49.

A. Arnold, Fortas & Porter, 1229 19th Street, Washington, D.C.
B. Commissioner of Baseball, 30 Rockefeller Plaza, New York, N.Y.
E. (9) $337.45.

A. Arnold, Fortas & Porter, 1229 19th Street, NW., Washington, D.C.
B. Howard F. Knipp, 3401 South Hanover Street, Baltimore, Md.
E. (9) $1.15.

A. The Associated General Contractors of America, Inc., 1957 E Street NW., Washington, D.C.

A. Associated Third Class Mail Users, 100 Indiana Avenue NW., Washington, D.C.
B. Associated Third Class Mail Users.
D. (6) $7,652.88. E. (9) $7,652.88.

A. Association of American Physicians and Surgeons, Inc., 185 North Wabash Avenue, Chicago, Ill.
D. (6) $375. E. (9) $375.

A. Association of American Railroads, 929 Transportation Building, Washington, D.C.
D. (6) $7,280.80. E. (9) $7,280.80.

A. Association of Casualty and Surety Companies, 60 John Street, New York, N.Y.
D. (6) $2,389.90. E. (9) $2,389.90.

A. Association of Oil Pipe Lines, 418 Munsey Building, Washington, D.C.

A. Association of Stock Exchange Firms, 120 Broadway, New York, N.Y.
E. (9) $363.54.

A. Association of Western Railways, 224 Union Station Building, Chicago, Ill.
D. (6) $15,465.37. E. (9) $15,465.37.

A. Atlantic Refining Co., 260 South Broad Street, Philadelphia, Pa.
E. (9) $1,500.

A. Richard W. Averill, 711 14th Street NW., Washington, D.C.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y.
E. (9) $210.44.

A. Harry S. Baer, Jr., 1115 17th Street NW., Washington, D.C.
B. National Aeronautical Services Association, 1115 17th Street NW., Washington, D.C.
D. (6) $2,604.17. E. (9) $42.20.

A. Charles B. Bailey, Sr., 2035 South Avenue, Toledo, Ohio.
B. Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees.
D. (6) $1,850. E. (9) $1,753.09.

A. George P. Baker, Soldiers Field Post Office, Boston, Mass.
B. Transportation Association of America.

A. Donald Baldwin, 1319 18th Street NW., Washington, D.C.
B. National Lumber Manufacturers Association, 1319 18th Street NW., Washington, D.C.
D. (6) $1,000. E. (9) $104.69.

A. Joseph H. Ball, 90 Broad Street, New York, N.Y.
B. American Steamship Committee on Conference Studies, 919 18th Street NW., Washington, D.C.
E. (9) $66.28.

A. J. H. Ballew, Nashville, Tenn.
B. Southern States Industrial Council, Nashville, Tenn.
D. (6) $2,400.

A. Arthur R. Barnett, 1200 18th Street NW., Washington, D.C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.
D. (6) $1,425. E. (9) $459.58.

A. William J. Barnhard, 425 13th Street NW., Washington, D.C.
B. American Chamber of Commerce for Trade with Italy, Inc., 105 Hudson Street, New York, N.Y.

A. William J. Barnhard, 425 13th Street NW., Washington, D.C.
B. American Importers of Brass & Copper Mill Products, Inc., 501 Fifth Avenue, New York, N.Y.

A. William J. Barnhard, 425 13th Street NW., Washington, D.C.
B. Imported Nut Section of the Association of Food Distributors, Inc., 100 Hudson Street, New York, N.Y.

A. William J. Barnhard, 425 13th Street NW., Washington, D.C.
B. Madden Corporations, 9 Rockefeller Plaza, New York, N.Y.

A. William J. Barnhard, 425 13th Street NW., Washington, D.C.
B. Office Machinery Group of the National Council of American Importers, Inc., 111 Fifth Avenue, New York, N.Y.

A. William J. Barnhard, 425 13th Street NW., Washington, D.C.
B. Office Machinery Group of the National Council of American Importers, Inc., 111 Fifth Avenue, New York, N.Y.

A. William J. Barnhard, 425 13th Street NW., Washington, D.C.
B. Olive Oil Association of America, Inc., 51 Chambers Street, New York, N.Y.

A. William J. Barnhard, 425 13th Street NW., Washington, D.C.
B. Strohmeyer & Arpe Co., 139 Franklin Street, New York, N.Y.

A. William G. Barr, 711 14th Street NW., Washington, D.C.
B. National Parking Association, Inc., 711 14th Street NW., Washington, D.C.

A. A. Wesley Barthelmes, 1701 K Street NW., Washington, D.C.
B. Insurance Co. of North America and Life Insurance Co. of North America, 1600 Arch Street, Philadelphia, Pa.
D. (6) $443.90. E. (9) $30.60.

A. William B. Barton, 1615 H Street NW., Washington, D.C.
B. Chamber of Commerce of the United States.

A. Laurie C. Battle, 918 16th Street NW., Washington, D.C.
B. National Association of Manufacturers.

A. John V. Beamer, 625 Valley Brook Lane, Wabash, Ind.
B. Fine Hardwoods Association, 666 North Lake Shore Drive, Chicago, Ill.
D. (6) $600. E. (9) $348.82.

A. James D. Bearden, 400 First Street NW., Washington, D.C.
B. Brotherhood of Railway & Steamship Clerks, 1015 Vine Street, Cincinnati, Ohio.
D. (6) $364.58.

A. James F. Bell, 1001 Connecticut Avenue NW., Washington, D.C.
B. National Association of Supervisors of State Banks, Munsey Building, Washington, D.C.
D. (6) $500. E. (9) $8.91.

A. Mrs. Rachel S. Bell, 1025 Connecticut Avenue NW., Washington, D.C.
B. Legislative Committee of the Committee for a National Trade Policy, Inc., 1025 Connecticut Avenue NW., Washington, D.C.

A. Ernest H. Benson, 400 First Street NW., Washington, D.C.
B. Brotherhood of Maintenance of Way Employees, 12050 Woodward Avenue, Detroit, Mich.
D. (6) $4,500.

A. Bergson & Borkland, 918 16th Street NW., Washington, D.C.
B. Freeport Sulphur Co., 161 East 42d Street, New York, N.Y.

A. Charles A. Betts, 1420 New York Avenue, Washington, D.C.
B. American Can Co., 100 Park Avenue, New York, N.Y.
E. (9) $19.20.

A. Charles C. Bevis, Jr., 1735 DeSales Street NW., Washington, D.C.
B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C.

A. Andrew J. Biemiller, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $4,290. E. (9) $467.40.

A. Walter J. Bierwagen, 900 F Street NW., Washington, D.C.
B. Division 689, Amalgamated Association of Street, Electric Railway & Motor Coach Employees of America, 900 F Street NW., Washington, D.C.

A. Hudson Biery, 4017 Carew Tower, Cincinnati, Ohio.
B. Ohio Valley Improvement Association, Inc., 4017 Carew Tower, Cincinnati, Ohio.

A. Bigham, Englar, Jones & Houston, 99 John Street, New York, N.Y., and 839 Shoreham Building, Washington, D.C.
B. American Institute of Marine Underwriters, Association of Marine Underwriters of the U.S., American Cargo War Risk Reinsurance Exchange, and American Hull Insurance.
E. (9) $139.23.

A. Robert J. Bird, 1000 Connecticut Avenue, Washington, D.C.
B. Hilton Hotels Corporation, 720 South Michigan Avenue, Chicago, Ill.

A. John H. Bivins, 1271 Avenue of the Americas, New York, N.Y.
B. American Petroleum Institute, 1271 Avenue of the Americas, New York, N.Y.
D. (6) $605. E. (9) $308.62.

A. James C. Black, 1625 K Street NW., Washington, D.C.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio.
D. (6) $600. E. (9) $500.

A. Richard W. Blake, 1113 10th Avenue, Greeley, Colo.
B. National Beet Growers Federation, 1113 10th Avenue, Greeley, Colo.

A. William Rhea Blake, 1918 North Parkway, Memphis, Tenn.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.

A. William Blum, Jr., 1741 K Street NW., Washington, D.C.
B. Committee for the Study of Revenue Bond Financing, 149 Broadway, New York, N.Y.
D. (6) $332.50. E. (9) $24.86.

A. Fred F. Bockmon, 704 Title and Trust Building, Phoenix, Ariz.
B. Southern Pacific Co., 65 Market Street, San Francisco, Calif., and the Atchison, Topeka & Santa Fe Railway, 121 East Sixth Street, Los Angeles, Calif.
D. (6) $250. E. (9) $645.90.

A. Fleming Bomar, 306 Southern Building, Washington, D.C.
B. American Automobile Association, 1712 G Street NW., Washington, D.C.

A. Joseph L. Borda, 918 16th Street NW., Washington, D.C.
B. National Association of Manufacturers.

A. Lyle H. Boren, Seminole, Okla.
B. The Association of Western Railways, 224 Union Station Building, Chicago, Ill.
D. (6) $345.18. E. (9) $150.

A. Robert T. Borth, 777 14th Street NW., Washington, D.C.
B. General Electric Co., 570 Lexington Avenue, New York, N.Y.
D. (6) $375. E. (9) $254.71.

A. G. Stewart Boswell, 1200 18th Street NW., Washington, D.C.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $637.50. E. (9) $16.40.

A. Charles M. Boyer, 2517 Connecticut Avenue NW., Washington, D.C.
B. Reserve Officers Association of the United States, 2517 Connecticut Avenue NW., Washington, D.C.

A. George L. Brady, 45 Monadnock Road, Newton, Mass.
B. Superior Oil Co., Los Angeles, Calif.
D. (6) $4,000. E. (9) $452.

A. Joseph E. Brady, 2347 Vine Street, Cincinnati, Ohio.
B. International Union of United Brewery, Flour, Cereal, Soft Drink & Distillery Workers of America, 2347 Vine Street, Cincinnati, Ohio.

A. Frank P. Brennan, Avoca, Iowa.
B. Iowa Power & Light Co., Des Moines, Iowa.

A. W. Kenneth Brew, 122 East 42d Street, New York, N.Y.
B. American Paper & Pulp Association, 122 East 42d Street, New York, N.Y.

A. Homer L. Brinkley, 1616 H Street NW., Washington, D.C.
B. National Council of Farmer Cooperatives, 1616 H Street NW., Washington, D.C.
D. (6) $6,249.96. E. (9) $290.45.

A. Florence I. Broadwell, 1729 G Street NW., Washington, D.C.
B. National Federation of Federal Employees, 1729 G Street NW., Washington, D.C.
D. (6) $3,432.73.

A. W. S. Bromley, 220 East 42d Street, New York, N.Y.
B. American Pulpwood Association, 220 East 42d Street, New York, N.Y.

A. Wayne L. Bromley, 1000 16th Street NW., Washington, D.C.
B. National Coal Policy Conference, Inc., Solar Building, Washington, D.C.
D. (6) $3,500.

A. Milton E. Brooding, 215 Fremont Street, San Francisco, Calif.
B. California Packing Corp., 215 Fremont Street, San Francisco, Calif.
D. (6) $2,000. E. (9) $1,500.

A. Derek Brooks, 1028 Connecticut Avenue NW., Washington, D.C.
B. National Retail Furniture Association, 666 Lake Shore Drive, Chicago, Ill.
D. (6) $600. E. (9) $733.58.

A. Brotherhood of Railway & Steamship Clerks, Freight Handlers, Express and Station Employees, 1015 Vine Street, Cincinnati, Ohio.
D. (6) $6,443.09. E. (9) $6,443.09.

A. J. Olney Brott, 730 15th Street NW., Washington, D.C.
B. American Bankers Association.
D. (6) $625. E. (9) $54.50.

A. Bryant C. Brown, 425 13th Street NW., Washington, D.C.
B. American Mutual Insurance Alliance.

A. J. D. Brown, 919 18th Street NW., Washington, D.C.
B. American Public Power Association, 919 18th Street NW., Washington, D.C.
D. (6) $125.

A. Brown & Lund, 1625 I Street NW., Washington, D.C.
B. American & Foreign Power Co., Inc., 100 Church Street, New York, N.Y.
D. (6) $500. E. (9) $31.23.

A. Brown & Lund, 1625 I Street NW., Washington, D.C.
B. National Association of Electrical Cos., Ring Building, Washington, D.C.
D. (6) $1,500. E. (9) $1,535.03.

A. Lyman L. Bryan, 2000 K Street NW., Washington, D.C.
B. American Institute of Certified Public Accountants, 270 Madison Avenue, New York, N.Y.
D. (6) $100. E. (9) $32.43.

A. George S. Buck, Jr., Post Office Box 9905, Memphis, Tenn.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $96. E. (9) $6.40.

A. Henry H. Buckman, 54 Buckman Building, Jacksonville, Fla.
B. Florida Inland Navigation District, Citizens Bank Building, Bunnell, Fla.
D. (6) $1,350. E. (9) $39.91.

A. Henry H. Buckman, 54 Buckman Building, Jacksonville, Fla.
B. Florida Ship Canal Navigation District, 720 Florida Title Building, Jacksonville, Fla.
D. (6) $1,350. E. (9) $39.91.

A. George J. Burger, 250 West 57th Street, New York, N.Y., and 740 Washington Building, Washington, D.C.
B. Burger Tire Consultant Service, 250 West 57th Street, New York, N.Y. and National Federation Independent Business, 740 Washington Building, Washington, D.C.

A. Burley & Dark Leaf Tobacco Export Association, Post Office Box 860, Lexington, Ky.
D. (6) $13,146.80. E. (9) $290.53.

A. Maurice G. Burnside, 1201 16th Street NW., Washington, D.C.
B. Division of Federal Relations, NEA, 1201 16th Street NW., Washington, D.C.
D. (6) $2,575. E. (9) $215.29.

A. David Burpee, Fordhook Farms, Doylestown, Pa.

A. Robert M. Burr, 105 Mansfield Avenue, Darien, Conn.
B. National Electrical Manufacturers Association, 155 East 44th Street, New York, N.Y.
D. (6) $729.64. E. (9) $366.70.

A. Orrin A. Burrows, 1200 15th Street NW., Washington, D.C.
B. International Brotherhood of Electrical Workers, 1200 15th Street NW., Washington, D.C.
D. (6) $3,874.98.

A. Hollis W. Burt, 1212 Munsey Building, Washington, D.C.
B. National Association of Supervisors of State Banks, 1212 Munsey Building, Washington, D.C.
D. (6) $47.50.

A. George P. Byrne, Jr., 53 Park Place, New York, N.Y.
B. U.S. Wood Screw Service Bureau, 53 Park Place, New York, N.Y.

A. C. G. Caffrey, 1145 19th Street NW., Washington, D.C.
B. American Cotton Manufacturers Institute, Inc., 1501 Johnston Building, Charlotte, N.C.
D. (6) $760.20. E. (9) $105.

A. Gordon L. Calvert, 425 13th Street NW., Washington, D.C.
B. Investment Bankers Association of America, 425 13th Street NW., Washington, D.C.
D. (6) $300. E. (9) $484.90.

A. Carl C. Campbell, 502 Ring Building, Washington, D.C.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $180.

A. John T. Carlton, and M. H. Manchester, 2517 Connecticut Avenue NW., Washington, D.C.
B. Reserve Officers Association of the United States, 2517 Connecticut Avenue NW., Washington, D.C.

A. Braxton B. Carr, 1025 Connecticut Avenue, Washington, D.C.
B. The American Waterways Operators, Inc., 1025 Connecticut Avenue, Washington, D.C.
D. (6) $1,300. E. (9) $210.74.

A. Robert S. Carr, 1220 Pennsylvania Building, Washington, D.C.
B. Hiram Walker & Sons, Inc., 8325 Jefferson Avenue, Detroit, Mich.

A. Henderson H. Carson, 600 First National Bank Building, Canton, Ohio, and 744 Pennsylvania Building, Washington D.C.
B. Hope Natural Gas Co., 445 West Main Street, Clarksburg, W. Va.
D. (6) $2,000. E. (9) $737.

A. Albert E. Carter, Mayflower Hotel, Washington, D.C.
B. Pacific Gas & Electric Co., 245 Market Street, San Francisco, Calif.
D. (6) $4,500. E. (9) $1,037.10.

A. Clarence B. Carter, Post Office Box 798, New Haven, Conn.
B. Railroad Pension Conference, Post Office Box 798, New Haven, Conn.
E. (9) $5.70.

A. Francis R. Cawley, 1101 Vermont Avenue NW., Washington, D.C.
B. Magazine Publishers Association, Inc., 444 Madison Avenue, New York, N.Y.
D. (6) $1,520. E. (9) $445.37.

A. Justice M. Chambers, 2521 Connecticut Avenue NW., Washington, D.C.
B. Greg-Gary Corp., 7 Park Avenue, New York, N.Y.
D. (6) $7,500.

A. Chapman, Wolfsohn & Friedman, 425 13th Street NW., Washington, D.C.
B. American Taxicab Association, Inc., 4415 North California Avenue, Chicago, Ill.
D. (6) $750.

A. Chapman, Wolfsohn & Friedman, 425 13th Street NW., Washington, D.C.
B. Camara Minera de Mexico, Gante 15, Mexico, D.F. Mexico.

A. Chapman, Wolfsohn & Friedman, 425 13th Street NW., Washington, D.C.
B. Camara Nacional De La Industria Pesquera, Manuel Maria Contreras No. 133, Mexico, D. F. Mexico.
D. (6) $3,000.

A. Chapman, Wolfsohn & Friedman, 425 13th Street NW., Washington, D.C.
B. Hawaiian Botanical Gardens Foundation, Inc., 1527 Keeaumoku Street, Honolulu, Hawaii.
D. (6) $1,000.

A. Chapman, Wolfsohn & Friedman, 425 13th Street NW., Washington, D.C.
B. Union Nacional De Productores De Azucar, S. A. De C. V. Balderas No. 36, Primer Piso, Mexico, D. F. Mexico.
D. (6) $8,750. E. (9) $958.43.

A. Chapman, Wolfsohn & Friedman, 425 13th Street NW., Washington, D.C.
B. West Marin (Calif.) Property Owners Association, 960 Fifth Avenue, San Rafael, Calif.
D. (6) $700. E. (9) $141.19.

A. Charitable Contributors Association, 100 Old York Road, Jenkintown, Pa.
E. (9) $1,310.26.

A. The Christian Amendment Movement, 804 Penn Avenue, Pittsburgh, Pa.
D. (6) $1,276.55. E. (9) $3,374.42.

A. Citizens Committee on Natural Resources.
D. (6) $6,708.50. E. (9) $5,527.53.

A. Citizens Foreign Aid Committee, 1001 Connecticut Avenue NW., Washington, D.C.

A. Charles Patrick Clark, 500 World Center Building, 918 16th Street NW., Washington, D.C.
B. Rapaport & Son., Inc., Central Street, Post Office Box 169, Windsor, Conn.

A. Earl W. Clark, 132 Third Street, SE., Washington, D.C.
B. Labor-Management Maritime Committee, 132 Third Street, SE., Washington, D.C.
D. (6) $900. E. (9) $92.83.

A. Robert M. Clark, 1710 H Street NW., Washington, D.C.
B. The Atchison, Topeka & Santa Fe Railway., 80 East Jackson Boulevard, Chicago, Ill.

A. Classroom Periodical Publishers Association, 38 West Fifth Street, Dayton, Ohio.

A. Clay Pipe Industry Depletion Committee, 1011 Woodward Building, Washington, D.C.
D. (6) $6,234.74.

A. Washington I. Cleveland, 1712 G Street NW., Washington, D.C.
B. D.C. Division, American Automobile Association, 1712 G Street NW., Washington, D.C.

A. Joseph Coakley, 815 16th Street NW., Washington, D.C.
B. Building Service Employees International Union, 155 North Wacker Drive, Chicago, Ill.
D. (6) $3,000.

A. Junius E. Cobean, Sr., 109 East Windsor Avenue, Alexandria, Va.
B. Brotherhood of Railway & Steamship Clerks, Freight Handlers, Express & Station Employees.
D. (6) $1,250.

A. A. C. Cocke, 821 Gravier Street, New Orleans, La.
B. American Steamship Committee on Conference Studies, 919 18th Street, NW., Washington, D.C.
E. (9) $539.97.

A. Clarence F. Cockrell, 501 Patrick Street, Portsmouth, Va.
B. Active-Retired Lighthouse Service Employees Association, South Portland, Maine.
D. (6) $60. E. (9) $105.56.

A. Edwin S. Cohen, 26 Broadway, New York, N.Y.
B. National Association of Investment Companies, 61 Broadway, New York, N.Y.
D. (6) $2,000. E. (9) $371.12.

A. Coles & Goertner, 1000 Connecticut Avenue NW., Washington, D.C.
B. American Tramp Shipowners Association, Inc., 11 Broadway, New York, N.Y.
D. (6) $2,500. E. (9) $158.70.

A. Coles & Goertner, 1000 Connecticut Avenue NW., Washington, D.C.
B. Committee of American Tanker Owners, Inc., 1411 K Street NW., Washington, D.C.
D. (6) $1,000. E. (9) $204.56.

A. Colorado Railroad Association, 845 Equitable Building, Denver, Colo.
E. (9) $1,263.36.

A. Committee for Collective Security, 18 East 60th Street, New York, N.Y.
D. (6) $160. E. (9) $234.64.

A. Committee on Cooperative Advertising, 570 Lexington Avenue, New York, N.Y.
D. (6) $709.57. E. (9) $709.57.

A. Committee for Study of Revenue Bond Financing, 149 Broadway, New York, N.Y.
E. (9) $4,418.36.

A. Committee To Support U.S. Congress, Post Office Box 74, Old Bridge, N.J.
D. (6) $5. E. (9) $2.88.

A. R. T. Compton, 918 16th Street NW., Washington, D.C.
B. National Association of Manufacturers.

A. Julian D. Conover, Ring Building, Washington, D.C.
B. American Mining Congress, Ring Building, Washington, D.C.
D. (6) $1,000. E. (9) $4.30.

A. Orval R. Cook, 610 Shoreham Building, Washington, D.C.
B. Aerospace Industries Association of America, Inc., 610 Shoreham Building, Washington, D.C.

A. Edward Cooper.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C.
E. (9) $22.

A. Mitchell J. Cooper, 1631 K Street NW., Washington, D.C.
B. Manufacturers' Association of Puerto Rico, San Juan, P.R.
D. (6) $1,500.

A. Ben C. Corlett, 730 15th Street NW., Washington, D.C.
B. American Bankers Association, 12 East 36th Street, New York, N.Y.
D. (6) $1,250. E. (9) $882.34.

A. Edward J. Coughlin, 900 F Street NW., Washington, D.C.
B. American Federation of Technical Engineers.
D. (6) $195. E. (9) $20.

A. Council of Mechanical Specialty Contracting Industries, Inc., 610 Ring Building, Washington, D.C.

A. Donald M. Counihan, 1000 Connecticut Avenue, Washington, D.C.
B. American Corn Millers' Federation, 1000 Connecticut Avenue, Washington, D.C.

A. Donald M. Counihan, 1000 Connecticut Avenue, Washington, D.C.
B. Classroom Periodical Publishers Association, 38 West Fifth Street, Dayton, Ohio.

A. Edsell Lee Couplin, 441 East Jefferson Avenue, Detroit, Mich.
B. Michigan Hospital Service, 441 East Jefferson Avenue, Detroit, Mich.
D. (6) $1,500.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. American Can Co., 100 Park Avenue, New York, N.Y.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. Axe-Templeton Growth Fund of Canada, Ltd., 120 East Roxborough Street, East Toronto, Ontario, Canada, et al.
E. (9) $15.22.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. Committee on Joint Resolution 1955 Legislature, Post Office Box 3170, Honolulu, Hawaii.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. Copper & Brass Research Association, 420 Lexington Avenue, New York, N.Y.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. The Cuban-American Sugar Co., 347 Madison Avenue, New York, N.Y.
E. (9) $21.09.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. International Minerals & Chemical Corp., Old Orchard Road, Skokie, Ill.
E. (9) $65.21.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. National Machine Tool Builders' Association, 2139 Wisconsin Avenue NW., Washington, D.C.

A. Mrs. Warren E. Cox, 2808 South Ives Street, Arlington, Va.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill.
E. (9) $14.49.

A. William A. Cromartie, 1 North LaSalle Street, Chicago, Ill.
B. The Singer Manufacturing Co., 149 Broadway, New York, N.Y.
E. (9) $265.24.

A. H. C. Crotty, 12050 Woodward Avenue, Detroit, Mich.

A. Leo J. Crowley, 840 Equitable Building, Denver, Colo.
B. Colorado Railroad Association, 845 Equitable Building, Denver, Colo.
D. (6) $1,263.36. E. (9) $1,263.36.

A. C. B. Culpepper, Post Office Box 1736, Atlanta, Ga.
B. National Conference on Non-Profit Shipping Associations, Inc.

A. John Curran, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $3,315. E. (9) $693.

A. Bryce Curry, 18th and M Streets NW., Washington, D.C.
B. National League of Insured Savings Associations, 18th and M Streets NW., Washington, D.C.
D. (6) $500.

A. Bernard Cushman, 5025 Wisconsin Avenue NW., Washington, D.C.
B. Amalgamated Association of Street, Electric Railway & Motor Coach Employes of America, 5025 Wisconsin Avenue NW., Washington, D.C.

A. John R. Dalton, 1508 Merchants Bank Building, Indianapolis, Ind.
B. Associated Railways of Indiana, 1508 Merchants Bank Building, Indianapolis, Ind.

A. D. C. Daniel, 1627 K Street NW., Washington, D.C.
B. National Independent Dairies Association, 1627 K Street NW., Washington, D.C.

A. John C. Datt, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $712.50. E. (9) $26.05.

A. Joffre C. David, 4401 East Colonial Drive, Orlando, Fla.
B. Florida Fruit & Vegetable Association, 4401 East Colonial Drive, Orlando, Fla.
D. (6) $277.75. E. (9) $229.35.

A. Charles W. Davis, One North La Salle Street, Chicago, Ill.
B. Sears, Roebuck & Co., 925 South Homan Avenue, Chicago, Ill.
E. (9) $440.55.

A. Charles W. Davis, One North La Salle Street, Chicago, Ill.
B. The Singer Manufacturing Co., 149 Broadway, New York, N.Y.
E. (9) $265.24.

A. Lowell Davis, 601 Ross Avenue, Mart, Tex.
D. (6) $80.50. E. (9) $80.50.

A. Donald S. Dawson, 731 Washington Building, Washington, D.C.
B. American Industrial Bankers Association, 813 Washington Building, Washington, D.C.

A. Donald S. Dawson, 731 Washington Building, Washington, D.C.
B. C.I.T. Financial Corp., 650 Madison Avenue, New York, N.Y.

A. Donald S. Dawson, 731 Washington Building, Washington, D.C.
B. D.C. Transit System, Inc., 36th and M Streets NW., Washington, D.C.
D. (6) $1,000.

A. Donald S. Dawson, 731 Washington Building, Washington, D.C.
B. Hilton Hotels Corp., Chicago, Ill.

A. Dawson, Griffin, Pickens & Riddell, 731 Washington Building, Washington, D.C.
B. Air Transport Association of America, 1000 Connecticut Avenue NW., Washington, D.C.
D. (6) $2,000. E. (9) $88.26.

A. Dawson, Griffin, Pickens & Riddell, 731 Washington Building, Washington, D.C.
B. American Industrial Bankers Association, 831 Washington Building, Washington, D.C.

A. Dawson, Griffin, Pickens & Riddell, 731 Washington Building, Washington, D.C.
B. C.I.T. Financial Corp., 650 Madison Avenue, New York, N.Y.

A. Dawson, Griffin, Pickens & Riddell, 731 Washington Building, Washington, D.C.
B. Equitable Life Insurance Co., 3900 Wisconsin Avenue NW., Washington, D.C.

A. Dawson, Griffin, Pickens & Riddell, 731 Washington Building, Washington, D.C.
B. Laundry-Dry Cleaning Association of District of Columbia, 2400 16th Street NW., Washington, D.C.

A. Dawson, Griffin, Pickens & Riddell, 731 Washington Building, Washington, D.C.
B. Variable Annuity Life Insurance Co., Washington, D.C.
D. (6) $1,000.

A. Michael B. Deane, 1411 K Street NW., Washington, D.C.
B. American Finance Conference, Inc., 1411 K Street NW., Washington, D.C.
D. (6) $2,000. E. (9) $561.99.

A. Michael B. Deane, 1411 K Street NW., Washington, D.C.
B. Comision de Defensa del Azucar y Formento de la Cana, 1825 Connecticut Avenue NW., Washington, D.C.
D. (6) $5,500. E. (9) $315.28.

A. Tony T. Dechant.
B. The Farmers' Educational & Cooperative Union of America, 1575 Sherman Street, Denver, Colo., and 1404 New York Avenue NW., Washington, D.C.

A. Frank L. Dennis, 1625 K Street NW., Washington, D.C.
B. American Petroleum Institute, 1271 Avenue of the Americas, New York, N.Y.
D. (6) $1,625. E. (9) $398.49.

A. Mary S. Deuel, 3026 Cambridge Place NW., Washington, D.C.
B. Washington Home Rule Committee, Inc., 924 14th Street NW., Washington, D.C.
D. (6) $1,102.50.

A. Joe T. Dickerson, 1625 K Street NW., Washington, D.C.
B. Mid-Continent Oil & Gas Association, 300 Tulsa Building, Tulsa, Okla.
D. (6) $175. E. (9) $15.

A. Cecil B. Dickson, 1523 L Street NW., Washington, D.C.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $1,125. E. (9) $156.07.

A. Timothy V. A. Dillon, 1001 15th Street NW., Washington, D.C.
B. Sacramento Yolo Port District, 705 California Fruit Building, Sacramento, Calif.
D. (6) $2,736.25. E. (9) $111.25.

A. Timothy V. A. Dillon, 1001 15th Street NW., Washington, D.C.
B. Thurman & Wright, 1229 Latham Square Building, Oakland, Calif.

A. Timothy V. A. Dillon, 1001 15th Street NW., Washington, D.C.
B. Westlands Water District, Post Office Box 4006, Fresno, Calif.
D. (6) $1,973.20. E. (9) $173.20.

A. Disabled American Veterans, 5555 Ridge Avenue, Cincinnati, Ohio.
E. (9) $1,750.

A. Disabled Officers Association, 1612 K Street NW., Washington, D.C.
E. (9) $3,750.

A. District Lodge No. 44, International Association of Machinists, 400 First Street NW., Washington, D.C.
D. (6) $22,290.37. E. (9) $16,926.31.

A. Division 689, Amalgamated Association of Street, Electric Railway & Motor Coach Employes of America, 900 F Street NW., Washington, D.C.

A. Division of Federal Relations, National Education Association, 1201 16th Street NW., Washington, D.C.
E. (9) $20,602.57.

A. Robert C. Dolan, 1200 18th Street NW., Washington, D.C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.
D. (6) $750. E. (9) $350.28.

A. Anthony P. Donadio, 2 North Charles Street, Baltimore, Md.
B. The Baltimore & Ohio Railroad Co., 2 North Charles Street, Baltimore, Md.
E. (9) $123.

A. Paul R. M. Donelan, 1523 L Street NW., Washington, D.C.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $441.

A. James L. Donnelly, 200 South Michigan Avenue, Chicago, Ill.
B. Illinois Manufacturers' Association, 200 South Michigan Avenue, Chicago, Ill.
E. (9) $557.52.

A. Donoghue, Ragan & Mason, 239 Wyatt Building, Washington, D.C.
B. California Shipping Co., 320 Market Street, San Francisco, Calif.
D. (6) $1,500. E. (9) $1,735.78.

A. Donoghue, Ragan & Mason, 239 Wyatt Building, Washington, D.C.
B. Sea-Land Service, Inc., Post Office Box 1050, Newark, N.J.
D. (6) $900. E. (9) $424.83.

A. Donoghue, Ragan & Mason, 239 Wyatt Building, Washington, D.C.
B. Seatrain Lines, Inc., 595 River Road, Edgewater, N.J.
D. (6) $900. E. (9) $424.84.

A. J. Dewey Dorsett, 60 John Street, New York, N.Y.
D. (6) $137.50.

A. Jasper N. Dorsey, 1730 K Street NW., Washington, D.C.
B. Southern Bell Telephone & Telegraph Co., Hurt Building, Atlanta, Ga.
D. (6) $785.50.

A. C. L. Dorson, 900 F Street NW., Washington, D.C.
B. Retirement Federation of Civil Service Employees of the U.S. Government, 900 F Street NW., Washington D.C.
D. (6) $2,036.01. E. (9) $237.67.

A. Fred H. Dressler, Post Office Box 188, Gardnerville, Nev.
B. American National Cattlemen's Association, 801 East 17th Avenue, Denver, Colo.

A. Ben DuBois.
B. Independent Bankers Association, Sauk Centre, Minn.

A. Evelyn Dubrow, 1710 Broadway, New York, N.Y.
B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y.
D. (6) $2,160. E. (9) $589.89.

A. Stephen M. Du Brul, 11–134 General Motors Building, Detroit, Mich.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.

A. Read P. Dunn, Jr., 1200 18th Street NW., Washington, D.C.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $108.

A. William E. Dunn, 1957 E Street NW., Washington, D.C.

B. The Associated General Contractors of America, Inc., 1957 E Street NW., Washington, D.C.

A. Henry I. Dworshak, 1102 Ring Building, Washington, D.C.
B. American Mining Congress, Ring Building, Washington, D.C.
D. (6) $675. E. (9) $13.95.

A. Eastern Meat Packers Association, Inc., 740 11th Street NW., Washington, D.C.
D. (6) $117.24. E. (9) $57.55.

A. Herman Edelsberg, 1640 Rhode Island Avenue NW., Washington, D.C.
B. Anti-Defamation League of B'nai B'rith, 515 Madison Avenue, New York, N.Y.
D. (6) $140. E. (9) $15.

A. J. C. B. Ehringhaus, Jr., Raleigh, N.C.
B. North Carolina Railroad Association, Box 2635, Raleigh, N.C.
D. (6) $2,875.02. E. (9) $473.21.

A. James B. Ehrlich, 1000 Connecticut Avenue NW., Washington, D.C.
B. Air Transport Association of America, 1000 Connecticut Avenue NW., Washington, D.C.
D. (6) $516.25. E. (9) $75.30.

A. John Doyle Elliott, 808 North Capitol Street, Washington, D.C.
B. Townsend Plan, Inc., 808 North Capitol Street, Washington, D.C.
D. (6) $1,092.

A. John M. Elliott, 5025 Wisconsin Avenue NW., Washington, D.C.
B. Amalgamated Association of Street, Electric Railway and Motor Coach Employes of America, 5025 Wisconsin Avenue NW., Washington, D.C.

A. Warren G. Elliott, 1701 K Street NW., Washington, D.C.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y.
D. (6) $130. E. (9) $6.91.

A. Clyde T. Ellis, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.

A. Otis H. Ellis, 1001 Connecticut Avenue NW., Washington, D.C.
B. National Oil Jobbers Council, 1001 Connecticut Avenue NW., Washington, D.C.
D. (6) $15,000.

A. Perry R. Ellsworth, 1145 19th Street NW., Washington, D.C.
B. Milk Industry Foundation, 1145 19th Street NW., Washington, D.C.
D. (6) $50. E. (9) $20.25.

A. John H. Else, 302 Ring Building, Washington, D.C.
B. National Retail Lumber Dealers Association, 302 Ring Building, Washington, D.C.
D. (6) $4,050. E. (9) $290.48.

A. Ely, Duncan & Bennett, 1200 Tower Building, Washington, D.C.
B. American Public Power Association, 919 18th Street NW., Washington, D.C.
D. (6) $2,100.

A. Ely, Duncan & Bennett, 1200 Tower Building, Washington, D.C.
B. Department of Water and Power of the City of Los Angeles, 207 South Broadway, Los Angeles, Calif.
D. (6) $2,400.

A. Ely, Duncan & Bennett, 1200 Tower Building, Washington, D.C.
B. East Bay Municipal Utility District, 2130 Adeline Street, Oakland, Calif.
D. (6) $2,100.

A. Ely, Duncan & Bennett, 1200 Tower Building, Washington, D.C.
B. Imperial Irrigation District, El Centro, Calif.
D. (6) $2,100. E. (9) $78.14.

A. Ely, Duncan & Bennett, 1200 Tower Building, Washington, D.C.
B. Palo Verde Irrigation District, Blythe, Calif.

A. Ely, Duncan & Bennett, 1200 Tower Building, Washington, D.C.
B. Six Agency Committee and Colorado River Board of California, 909 South Broadway, Los Angeles, Calif.
D. (6) $6,242.50. E. (9) $27.20.

A. Myles W. English, 966 National Press Building, Washington, D.C.
B. National Highway Users Conference, Inc., 966 National Press Building, Washington, D.C

A. Grover W. Ensley, 535 Lincoln Building, 60 East 42d Street, New York, N.Y.
B. National Association of Mutual Savings Banks, 60 East 42d Street, New York, N.Y.
D. (6) $100. E. (9) $110.

A. Lawrence E. Ernst, 301 East Capitol Street, Washington, D.C.
B. National Star Route Mail Carriers Association, 301 East Capitol Street, Washington, D.C.
E. (9) $22.50.

A. Frank C. Erwin, Jr., 918 Brown Building, Austin, Tex.
B. Structural Clay Products Industry Depletion Committee, 1032 Shoreham Building, Washington, D.C.
E. (9) $1,506.46.

A. John D. Fagan, 200 Maryland Avenue NE., Washington, D.C.
B. Veterans of Foreign Wars of the United States.
D. (6) $1,750. E. (9) $18.

A. Joseph C. Fagan, 1615 H Street NW., Washington, D.C.
B. Chamber of Commerce of the United States.

A. Family Tax Association, 2110 Girard Trust Building, Philadelphia, Pa.
D. (6) $905. E. (9) $2,809.81.

A. The Farmers' Educational and Co-Operative Union of America, 1575 Sherman Street, Denver, Colo., and 1404 New York Avenue NW., Washington, D.C.
D. (6) $59,289.41. E. (9) $21,246.66.

A. Joseph G. Feeney, 1725 I Street NW., Washington, D.C.
B. REA Express, 219 East 42d Street, New York, N.Y.
D. (6) $8,500. E. (9) $800.

A. Bonner Fellers, 1001 Connecticut Avenue NW., Washington, D.C.
B. Foreign Aid Committee.

A. Joe G. Fender, 314 Melrose Building, Houston, Tex.
B. National Conference of Non-Profit Shipping Associations, Inc.
D. (6) $2,354.28.

A. John A. Ferguson, 918 16th Street, NW., Washington, D.C.
B. Independent Natural Gas Association of America, 918 16th Street NW., Washington, D.C.
D. (6) $437.50.

A. Josiah Ferris, 510 Union Trust Building, Washington, D.C.
B. American Sugar Cane League, New Orleans, La., et al.
D. (6) $6,250.

A. Maxwell Field, Boston, Mass.
B. New England Shoe and Leather Association, 210 Lincoln Street, Boston, Mass.
D. (6) $400. E. (9) $191.41.

A. Norman A. Flaningam, 425 13th Street NW., Washington, D.C.
B. Consolidated Natural Gas Co., 30 Rockefeller Plaza, New York, N.Y.

A. George E. Flather, Jr., and Millard F. Ottman, Jr., Colorado Building, Washington, D.C.
B. The National Anti-Vivisection Society, 100 East Ohio Street, Chicago, Ill.
D. (6) $2,270. E. (9) $87.61.

A. Roger Fleming, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $1,100. E. (9) $22.56.

A. Donald G. Fletcher, 828 Midland Bank Building, Minneapolis, Minn.
B. Crop Quality Council, 828 Midland Bank Building, Minneapolis, Minn.
D. (6) $3,750. E. (9) $1,731.20.

A. Florida Citrus Mutual, Lakeland, Fla.
E. (9) $2,082.29.

A. Florida Fruit & Vegetable Association, 4401 East Colonial Drive, Orlando, Fla.
D. (6) $1,957.02. E. (9) $1,957.02.

A. Ronald J. Foulis, 1730 K Street NW., Washington, D.C., and 195 Broadway, New York, N.Y.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y.
D. (6) $550.

A. James W. Foristel, 1523 L Street NW., Washington, D.C.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $875. E. (9) $44.69.

A. James F. Fort, 1616 P Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C.
D. (6) $500. E. (9) $430.04.

A. Robert W. Frase, 1820 Jefferson Place NW., Washington, D.C.
B. American Book Publishers Council, Inc., 58 West 40th Street, New York, N.Y.
D. (6) $2,459.37. E. (9) $1,779.75.

A. W. E. Fravel, 400 First Street NW., Washington, D.C.
B. Brotherhood of Railroad Trainmen.

A. Elmer M. Freudenberger, 1701 18th Street NW., Washington, D.C.
B. Disabled American Veterans, 5555 Ridge Avenue, Cincinnati, Ohio.
E. (9) $1,750.

A. Philip P. Friedlander, Jr., 1343 L Street NW., Washington, D.C.
B. The National Tire Dealers and Retreaders Association, Inc., 1343 L Street NW., Washington, D.C.
D. (6) $450. E. (9) $20.

A. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.
D. (6) $29,144.72. E. (9) $9,794.40.

A. Garrett Fuller, 836 Wyatt Building, Washington, D.C.

B. West Coast Steamship Co., 601 Board of Trade Building, Portland, Oreg.

A. Wallace H. Fulton, 1707 H Street NW., Washington, D.C.
B. National Association of Securities Dealers, Inc.

A. Lawrence H. Gall, 918 16th Street NW., Washington, D.C.
B. Independent Natural Gas Association of America, 918 16th Street NW., Washington, D.C.
D. (6) $675. E. (9) $9.

A. M. J. Galvin, 207 Union Depot Building, St. Paul, Minn.
D. (6) $700. E. (9) $507.26.

A. Gardner, Morrison & Rogers, 1126 Woodward Building, Washington, D.C.
B. Bigham, Englar, Jones & Houston, 99 John Street, New York City, and Shoreham Building, Washington, D.C.
E. (9) $20.40.

A. Gardner, Morrison & Rogers, 1126 Woodward Building, Washington, D.C.
B. Mauritius Sugar Syndicate, Port Louis, Mauritius.

A. Warner W. Gardner, 734 15th Street NW., Washington, D.C.
E. (9) $73.36.

A. Marion R. Garstang, 30 F Street NW., Washington, D.C.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C.
D. (6) $200. E. (9) $4.10.

A. Gas Appliance Manufacturers Association, Inc., 60 East 42d Street, New York, N.Y.

A. J. M. George, 165 Center Street, Winona, Minn.
B. The Inter-State Manufacturers' Association, 163–165 Center Street, Winona, Minn.
D. (6) $1,500.

A. J. M. George, 165 Center Street, Winona, Minn.
B. National Association of Direct Selling Companies, 163–165 Center Street, Winona, Minn.
D. (6) $3,000.

A. Ernest Giddings, 1201 16th Street NW., Washington, D.C.
B. Division of Federal Relations, National Education Association, 1201 16th Street NW., Washington, D.C.
D. (6) $2,012.50. E. (9) $117.98.

A. Joseph S. Gill, 16 East Broad Street, Columbus, Ohio.
B. The Ohio Railroad Association, 16 East Broad Street, Columbus, Ohio.
D. (6) $1,250. E. (9) 144.30.

A. Philip Goldstein, 1000 Woodward Building, Washington, D.C.
B. Clay Pipe Industry Depletion Committee, 1011 Woodward Building, Washington, D.C.

A. Lawrence L. Gourley, 1757 K Street NW., Washington, D.C.
B. American Osteopathic Association, 212 East Ohio Street, Chicago, Ill.
D. (6) $375.

A. Government Employees' Council, 100 Indiana Avenue NW., Washington, D.C.
D. (6) $7,569.90. E. (9) $6,202.68.

A. James W. Grady, Jr., 1730 K Street NW., Washington, D.C., and 195 Broadway, New York, N.Y.

B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y.

A. James L. Grahl, 919 18th Street NW., Washington, D.C.
B. American Public Power Association, 919 18th Street NW., Washington, D.C.
D. (6) $70.

A. Grain & Feed Dealers National Association, 400 Folger Building, Washington, D.C.
E. (9) $80.

A. Grand Lodge of the Brotherhood of Locomotive Firemen & Enginemen, 318–418 Keith Building, Cleveland, Ohio.
D. (6) $13,879.15. E. (9) $10,831.37.

A. Gravelle, Whitlock, Markey & Tait, 1032 Shoreham Building, Washington, D.C.
B. Linen Supply Institute of Greater Washington, 2400 16th Street NW., Washington, D.C.
D. (6) $2,500. E. (9) $36.54.

A. Gravelle, Whitlock, Markey & Tait, 1032 Shoreham Building, Washington, D.C.
B. Structural Clay Products Industry Depletion Committee, Shoreham Building, Washington, D.C.
E. (9) $455.28.

A. Mrs. Edward R. Gray, 3501 Williamsburg Lane NW., Washington, D.C.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill.
E. (9) $46.92.

A. Mrs. Virginia M. Gray, 3501 Williamsburg Lane NW., Washington, D.C.
B. Citizens Committee for UNICEF, 20 E Street NW., Washington, D.C.
D. (6) $315. E. (9) $70.46.

A. Jerry N. Griffin, 731 Washington Building, Washington, D.C.
B. American Industrial Bankers Association, 813 Washington Building, Washington, D.C.

A. Jerry N. Griffin, 731 Washington Building, Washington, D.C.
B. CIT Corp., 650 Madison Avenue, New York, N.Y.

A. Jerry N. Griffin, 731 Washington Building, Washington, D.C.
B. Mutual Benefit Health and Accident Association, Omaha, Nebr.

A. Weston B. Grimes, 1001 Bowen Building, Washington, D.C.
B. Cargill, Inc., 200 Grain Exchange, Minneapolis, Minn.
D. (6) $8,060. E. (9) $5.40.

A. Albert A. Grorud, 816 East Street NE., Washington, D.C.
B. Yakima Indian Association of Washington State.
D. (6) $50. E. (9) $39.35.

A. Ben H. Guill, 2000 K Street NW., Washington, D.C.
B. American Smelting & Refining Co., New York, N.Y.
D. (6) $12,000. E. (9) $4,183.54.

A. Rodger S. Gunn, 4618 Highland Drive, Salt Lake City, Utah.
B. Liberty Under Law, Inc., Post Office Box 2013, Salt Lake City, Utah.

A. Terry Gunn, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.

A. Mrs. Violet M. Gunther, 1341 Connecticut Avenue NW., Washington, D.C.
B. Americans for Democratic Action, 1341 Connecticut Avenue NW., Washington, D.C.

A. Gypsum Association, 201 North Wells Street, Chicago, Ill.
E. (9) $7,950.

A. Frank E. Haas, 280 Union Station Building, Chicago, Ill.
B. The Association of Western Railways, 224 Union Station Building, Chicago, Ill.

A. Hoyt S. Haddock, 132 Third Street SE., Washington, D.C.
B. Labor-Management Maritime Committee, 132 Third Street SE., Washington, D.C.
D. (6) $900. E. (9) $194.60.

A. Hoyt S. Haddock, 132 Third Street SE., Washington, D.C.
B. Seafarers' Section, MTD, AFL–CIO, 132 Third Street SE., Washington, D.C.
D. (6) $1,500. E. (9) $1,132.01.

A. Louis P. Haffer, 802 Ring Building, Washington, D.C.
B. Air Freight Forwarders Association, 802 Ring Building, Washington, D.C.

A. Hal H. Hale, 419 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.

A. Randolph M. Hale, 1957 E Street NW., Washington, D.C.
B. The Associated General Contractors of America, Inc., 1957 E Street NW., Washington, D.C.

A. Haley, Wollenberg & Bader, 1735 De Sales Street NW., Washington, D.C.
B. Home Town Free Television Association, 2923 East Lincolnway, Cheyenne, Wyo.
D. (6) $558.

A. Harold T. Halfpenny, 111 West Washington Street, Chicago, Ill.

A. E. C. Hallbeck, 817 14th Street NW., Washington, D.C.
B. National Federation of Post Office Clerks, 817 14th Street NW., Washington, D.C.
D. (6) $4,500.

A. Charles A. Hamilton, 777 14th Street NW., Washington, D.C.
B. General Electric Co., 570 Lexington Avenue, New York, N.Y.
D. (6) $500. E. (9) $159.36.

A. W. C. Hammerle, 220 East 42d Street, New York, N.Y.
B. American Pulpwood Association, 220 East 42d Street, New York, N.Y.

A. Harold F. Hammond, 1710 H Street NW., Washington, D.C.
B. Transportation Association of America.

A. C. L. Hancock, 420 Lexington Avenue, New York, N.Y.
B. Copper & Brass Research Association, 420 Lexington Avenue, New York, N.Y.
D. (6) $3,000.

A. William A. Hanscom, 100 Indiana Avenue NW., Washington, D.C.
B. Oil, Chemical & Atomic Workers International Union, 1840 California Street, Denver, Colo.
D. (6) $1,250. E. (9) $225.

A. Murray Hanson, 425 13th Street NW., Washington, D.C.
B. Investment Bankers Association of America, 425 13th Street NW., Washington, D.C.
D. (6) $600. E. (9) $532.90.

A. Eugene J. Hardy, 918 16th Street NW., Washington, D.C.
B. National Association of Manufacturers.

A. L. James Harmanson, Jr., 1616 H Street NW., Washington, D.C.
B. National Council of Farmer Cooperatives, 1616 H Street NW., Washington, D.C.
D. (6) $4,249.96. E. (9) $70.03.

A. Herbert E. Harris 2d, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $1,275. E. (9) $53.45.

A. Merwin K. Hart, 156 Fifth Avenue, New York, N.Y.
B. National Economic Council, Inc., 156 Fifth Avenue, New York, N.Y.
D. (6) $100. E. (9) $195.34.

A. Stephen H. Hart, 500 Equitable Building, Denver, Colo.
B. National Livestock Tax Committee, 801 East 17th Avenue, Denver, Colo.
D. (6) $3,718.50.

A. Paul M. Hawkins, 1701 K Street NW., Washington, D.C.
B. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.
D. (6) $390. E. (9) $566.27.

A. Kit H. Haynes, 1616 H Street NW., Washington, D.C.
B. National Council of Farmer Cooperatives, 1616 H Street NW., Washington, D.C.

A. Mrs. Glenn G. Hays, 212 Maryland Avenue NE., Washington, D.C.
B. National WCTU, 1730 Chicago Avenue, Evanston, Ill.
D. (6) $571.56. E. (9) $424.41.

A. Joseph H. Hays, 280 Union Station Building, Chicago, Ill.
B. The Association of Western Railways, 224 Union Station Building, Chicago, Ill.

A. John C. Hazen, 711 14th Street NW., Washington, D.C.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y.
E. (9) $59.35.

A. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.
E. (9) $998.27.

A. Patrick B. Healy, 30 F Street NW., Washington, D.C.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C.
D. (6) $300. E. (9) $176.64.

A. George J. Hecht, 52 Vanderbilt Avenue, New York, N.Y.
B. American Parents Committee, Inc., 20 E Street NW., Washington, D.C.

A. William H. Hedlund, 909 American Bank Building, Portland, Oreg.
B. Standard Oil Co. of California, San Francisco, Calif., et al.

A. Hedrick & Lane, 1001 Connecticut Avenue NW., Washington, D.C.
B. Committee on Cooperative Advertising, 570 Lexington Avenue, New York, N.Y.
D. (6) $709.57. E. (9) $1.65.

A. Hedrick & Lane, 1001 Connecticut Avenue NW., Washington, D.C.
B. Comite de Productores de Azucar, Antonio Miro Quesada 376, Lima, Peru, S.A.
E. (9) $268.12.

A. Hedrick & Lane, 1001 Connecticut Avenue NW., Washington, D.C.
B. Encyclopaedia Britannica Films, Inc., Wilmette, Ill.
E. (9) $215.60.

A. Hedrick & Lane, 1001 Connecticut Avenue NW., Washington, D.C.
B. Reciprocal Inter-Insurers Federal Tax Committee, 400 United Artists Building, Detroit, Mich.
D. (6) $1,875. E. (9) $618.01.

A. Kenneth G. Heisler, 18th and M Streets NW., Washington, D.C.
B. National League of Insured Savings Associations, 18th and M Streets NW., Washington, D.C.
D. (6) $800.

A. Charles H. Heltzel, 1700 K Street NW., Washington, D.C.
B. Pacific Power & Light Co., Public Service Building, Portland, Oreg.
D. (6) $1,220. E. (9) $1,161.05.

A. Edmund P. Hennelly, 150 East 42d Street, New York, N.Y.
B. Socony Mobil Oil Co., Inc., 150 East 42d Street, New York, N.Y.
D. (6) $2,934.39. E. (9) $1,809.39.

A. Maurice G. Herndon, 801 Warner Building, Washington, D.C.
B. National Association of Insurance Agents, 96 Fulton Street, New York, N.Y., and 801 Warner Building, Washington, D.C.
D. (6) $440.10. E. (9) $440.10.

A. Clinton M. Hester, 432 Shoreham Building, Washington, D.C.
B. Boston Wool Trade Association, 263 Summer Street, Boston, Mass.
D. (6) $600. E. (9) $39.82.

A. Clinton M. Hester, 432 Shoreham Building, Washington, D.C.
B. National Association of Wool Manufacturers, 386 Fourth Avenue, New York, N.Y.
D. (6) $1,000.

A. Clinton M. Hester, 432 Shoreham Building, Washington, D.C.
B. National Football League, 1 Rockefeller Plaza, New York, N.Y.
E. (9) $16.

A. Clinton M. Hester, 432 Shoreham Building, Washington, D.C.
B. National Wool Growers Association, 414 Crandall Building, Salt Lake City, Utah.

A. Clinton M. Hester, 432 Shoreham Building, Washington, D.C.
B. National Wool Trade Association, 263 Summer Street, Boston, Mass.

A. Clinton M. Hester, 432 Shoreham Building, Washington, D.C.
B. New York Wool Trade Association, 155 East 44th Street, New York, N.Y.

A. Clinton M. Hester, 432 Shoreham Building, Washington, D.C.
B. Philadelphia Wool & Textile Association, Post Office Box 472, Station S, Philadelphia, Pa.

A. Clinton M. Hester, 432 Shoreham Building, Washington, D.C.
B. United States Brewers Association, 535 Fifth Avenue, New York, N.Y.
D. (6) $5,000. E. (9) $81.60.

A. W. J. Hickey, 2000 Massachusetts Avenue NW., Washington, D.C.
B. The American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C.
D. (6) $240.62.

A. John W. Hight, 1025 Connecticut Avenue NW., Washington, D.C.
B. Legislative Committee of the Committee for a National Trade Policy, Inc., 1025 Connecticut Avenue NW., Washington, D.C.

A. Ray C. Hinman, 150 East 42d Street, New York, N.Y.
B. Socony Mobil Oil Co., Inc., 150 East 42d Street, New York, N.Y.
D. (6) $1,250.

A. Lawrence S. Hobart, 919 18th Street NW., Washington, D.C.
B. American Public Power Association, 919 18th Street NW., Washington, D.C.
D. (6) $100.

A. Ralph D. Hodges, Jr.
B. National Lumber Manufacturers Association, 1319 18th Street NW., Washington, D.C.
E. (9) $43.55.

A. John R. Holden, 1710 Rhode Island Avenue NW., Washington, D.C.
B. AMVETS, 1710 Rhode Island Avenue NW., Washington, D.C.
D. (6) $1,187.50. E. (9) $75.

A. A. D. Holmes, Jr., Gallion, Ala.
B. National Association of Soil Conservation Districts, League City, Tex.
D. (6) $201.74. E. (9) $201.74.

A. Home Town Free Television Association, 2925 East Lincolnway, Cheyenne, Wyo.
E. (9) $558.

A. Edwin M. Hood, 1730 K Street NW., Washington, D.C.
B. Shipbuilders Council of America, 21 West Street, New York, N.Y.

A. Samuel H. Horne, Munsey Building, Washington, D.C.
B. The Singer Manufacturing Co., 149 Broadway, New York, N.Y.
E. (9) $265.24.

A. Lawrence W. Horning, 1010 Pennsylvania Building, Washington, D.C.
B. New York Central Railroad Co., 230 Park Avenue, New York, N.Y.

A. Donald E. Horton, 222 West Adams Street, Chicago, Ill.
B. American Warehousemen's Association, Merchandise Division.

A. Harold A. Houser, 1616 I Street NW., Washington, D.C.
B. Retired Officers Association, 1616 I Street NW., Washington, D.C.
D. (6) $2,500.

A. W. C. Howard, Quanah, Tex.
B. National Association of Soil Conservation Districts.

A. Erma D. Hubbard, 509 Ridgely Avenue, Annapolis, Md.
B. Military Survivors, Inc., 509 Ridgely Avenue, Annapolis, Md.

A. W. T. Huff, 918 16th Street NW., Washington, D.C.
B. Independent Natural Gas Association of America, 918 16th Street NW., Washington, D.C.
D. (6) $275. E. (9) $15.60.

A. William J. Hull, 326 Cafritz Building, Washington, D.C.
B. Ashland Oil & Refining Co., 1409 Winchester Avenue, Ashland, Ky.

A. William J. Hull, 326 Cafritz Building, 1625 I Street NW., Washington, D.C.
B. Ohio Valley Improvement Association, Inc.

A. Robert L. Humphrey, 918 16th Street NW., Washington, D.C.
B. National Association of Manufacturers.

A. B. A. Hungerford, 53 Park Place, New York, N.Y.
B. George P. Byrne, 53 Park Place, New York, N.Y.

A. C. E. Huntley, 2000 Massachusetts Avenue NW., Washington, D.C.
B. The American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C.
D. (6) $268.75.

A. Fred G. Hussey, 200 C Street SE., Washington, D.C.
B. Outdoor Advertising Association of America, Inc., 24 West Erie Street, Chicago, Ill.

A. Elmer F. Hutter, Post Office Box 2255, Washington, D.C.
B. Richard F. Bates, Sacramento, Calif., et al.
E. (9) $408.

A. William J. Hynes, 611 Idaho Building, Boise, Idaho.
B. Union Pacific Railroad Co., 1416 Dodge Street, Omaha, Nebr.
E. (9) $988.61.

A. Bernard J. Imming, 777 14th Street NW., Washington, D.C.
B. United Fresh Fruit & Vegetable Association, 777 14th Street NW., Washington, D.C.

A. Independent Natural Gas Association of America, 918 16th Street NW., Washington, D.C.
D. (6) $1,387.50. E. (9) $24.60.

A. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C.
D. (6) $7,442.93. E. (9) $7,442.93.

A. J. Stuart Innerst, 245 Second Street NE., Washington, D.C.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.
D. (6) $1,938.46. E. (9) $17.10.

A. Institute of American Poultry Industries, 67 East Madison Street, Chicago, Ill.
D. (6) $639.17. E. (9) $639.17.

A. Institute of Scrap Iron & Steel, Inc., 1729 H Street NW., Washington, D.C.
D. (6) $300. E. (9) $1.

A. International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America, 25 Louisiana Avenue NW., Washington, D.C.
E. (9) $25,022.66.

A. International Union of Electrical, Radio & Machine Workers, 1126 16th Street NW., Washington, D.C.
E. (9) $1,475.

A. Inter-State Manufacturer's Association, 163–165 Center Street, Winona, Minn.
D. (6) $3,000. E. (9) $6.75.

A. Iron Ore Lessors, St. Paul, Minn.
D. (6) $10. E. (9) $1,306.99.

A. Robert C. Jackson, 1145 19th Street NW., Washington, D.C.
B. American Cotton Manufacturers Institute, Inc., 1501 Johnston Building, Charlotte, N.C.
D. (6) $2,150. E. (9) $235.70.

A. Japanese American Citizens League, 1634 Post Street, San Francisco, Calif.
E. (9) $150.

A. Daniel Jaspan, Post Office Box 1924, Washington, D.C.
B. National Association of Postal Supervisors, Post Office Box 1924, Washington, D.C.
D. (6) $3,391.23. E. (9) $61.25.

A. Mrs. Margaret E. Jenkins, 30 Deerpath, Roslyn Heights, Long Island, N.Y.

A. Ray L. Jenkins, 1066 National Press Building, Washington, D.C.
B. Societe Internationale Pour Participations Industrialies Et Commerciales, S.A., Peter Merianstr. 19, Basel, Switzerland.

A. Joe Jenness, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.

A. Robert G. Jeter, Dresden, Tenn.
B. H. C. Spinks Clay Co., Paris, Tenn., et al.
E. (9) $281.63.

A. Gilbert R. Johnson, 1208 Terminal Tower, Cleveland, Ohio.
B. Lake Carriers' Association, 305 Rockefeller Building, Cleveland, Ohio.

A. Glendon E. Johnson, 1701 K Street NW., Washington, D.C.
B. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.
D. (6) $232.32. E. (9) $7.90.

A. Reuben L. Johnson.
B. The Farmers' Educational & Co-Operative Union of America, 1404 New York Avenue NW., Washington, D.C.
D. (6) $2,307.84. E. (9) $288.69.

A. W. D. Johnson, 400 First Street NW., Washington, D.C.
B. Order of Railway Conductors & Brakemen, O.R.C. & B. Building, Cedar Rapids, Iowa.

A. Ned Johnston, 4539 Everett, Kensington, Md.
B. The Tobacco Institute, Inc., 808 17th Street NW., Washington, D.C.

A. Geo. Bliss Jones, Montgomery, Ala.
B. Alabama Railroad Association, 1002 First National Bank Building, Montgomery, Ala.

A. James E. Jones, 122 East 42d Street, New York, N.Y.
B. American Paper & Pulp Association, 122 East 42d Street, New York, N.Y.

A. L. Dan Jones, 1110 Ring Building, Washington, D.C.
B. Independent Petroleum Association of America, 1110 Ring Building, Washington, D.C.
D. (9) $29.25.

A. Philip E. Jones, 920 Tower Building, Washington, D.C.
B. United States Beet Sugar Association, 920 Tower Building, Washington, D.C.
D. (6) $100.

A. Rowland Jones, Jr., 1145 19th Street NW., Washington, D.C.
B. American Retail Federation, 1145 19th Street NW., Washington, D.C.
D. (6) $2,000. E. (9) $268.84.

A. Edwin W. Kaler, 1725 I Street NW., Washington, D.C.
B. Waterman Steamship Corp., 61 St. Joseph Street, Mobile, Ala.
D. (6) $8,750.

A. John E. Kane, 1625 K Street NW., Washington, D.C.
B. American Petroleum Institute, 1271 Avenue of the Americas, New York, N.Y.
D. (6) $3,780. E. (9) $879.96.

A. Sheldon Z. Kaplan, 817 Barr Building, Washington, D.C.
B. Guatemala Sugar Producers Association, Guatemala City, Guatemala.

A. Eugene A. Keeney, 1615 H Street NW., Washington, D.C.
B. Chamber of Commerce of the United States.

A. Francis V. Keesling, Jr., 605 Market Street, San Francisco, Calif.
B. West Coast Life Insurance Co., 605 Market Street, San Francisco, Calif.

A. James C. Kelley, 1500 Massachusetts Avenue NW., Washington, D.C.
B. American Machine Tool Distributors' Association, 1500 Massachusetts Avenue NW., Washington, D.C.

A. David Walbridge Kendall, 1625 K Street NW., Washington, D.C.
B. Zantop Air Transport, Inc., Detroit-Metropolitan Airport, Inkster, Mich.
D. (6) $100. E. (9) $17.66.

A. I. L. Kenen, 1737 H Street NW., Washington, D.C.
B. American Israel Public Affairs Committee, 1737 H Street NW., Washington, D.C.

A. Harold L. Kennedy, 420 Cafritz Building, Washington, D.C.
B. The Ohio Oil Co., Findlay, Ohio.
D. (6) $500. E. (9) $263.25.

A. Miles D. Kennedy, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $3,750. E. (9) $31.65.

A. William F. Kenney.
B. Shell Oil Co., 50 West 50th Street, New York, N.Y.
D. (6) $750. E. (9) $200.

A. Ronald M. Ketcham, Post Office Box 351, Los Angeles, Calif.
B. Southern California Edison Co., Post Office Box 351, Los Angeles, Calif.
D. (6) $913.95. E. (9) $1,845.02.

A. Jeff Kibre, 1341 G Street NW., Washington, D.C.
B. International Longshoremen's & Warehousemen's Union, 150 Golden Gate Avenue, San Francisco, Calif.
D. (6) $1,550.50. E. (9) $1,360.80.

A. Charles E. Kief, 400 First Street NW., Washington, D.C.
B. Brotherhood of Railway & Steamship Clerks, 1015 Vine Street, Cincinnati, Ohio.
D. (6) $729.16.

A. John A. Killick, 740 11th Street NW., Washington, D.C.
B. Eastern Meat Packers Association, Inc., 740 11th Street NW., Washington, D.C.
D. (6) $12.50.

A. John A. Killick, 740 11th Street NW., Washington, D.C.
B. National Independent Meat Packers Association, 740 11th Street NW., Washington, D.C.
D. (6) $246.25.

A. Kenneth L. Kimble, 1701 K Street NW., Washington, D.C.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y.
D. (6) $125. E. (9) $1.06.

A. James F. King, 1825 Connecticut Avenue NW., Washington, D.C.
B. Manufacturing Chemists' Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C.
D. (6) $1,250.

A. Ludlow King, 2139 Wisconsin Avenue NW., Washington, D.C.
B. National Machine Tool Builders' Association, 2139 Wisconsin Avenue NW., Washington, D.C.

A. Rufus King, Southern Building, Washington, D.C.

A. T. Bert King, 812 Pennsylvania Building, Washington, D.C.
B. United States Savings & Loan League, 221 North La Salle Street, Chicago, Ill.
D. (6) $675.

A. S. F. Kirby, 20 North Wacker Drive, Chicago, Ill.
B. National Council on Business Mail, 20 North Wacker Drive, Chicago, Ill.
D. (6) $500. E. (9) $257.92.

A. Clifton Kirkpatrick, 1918 North Parkway, Memphis, Tenn.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $510. E. (9) $49.04.

A. James F. Kmetz, 1435 K Street NW., Washington, D.C.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C.
D. (6) $2,796.

A. Robert M. Koch, 210 H Street NW., Washington, D.C.
B. National Limestone Institute, Inc., 210 H Street NW., Washington, D.C.
E. (9) $25.

A. A. W. Koehler, 839 17th Street NW., Washington, D.C.
B. National Association of Motor Bus Owners, 839 17th Street NW., Washington, D.C.

A. William L. Kohler, 1616 P Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington D.C.
D. (6) $1,500. E. (9) $226.42.

A. Germaine Krettek, 200 C Street SE., Washington, D.C.
B. American Library Association, 50 East Huron Street, Chicago, Ill.
E. (9) $3,183.89.

A. Labor Bureau of Middle West, 1001 Connecticut Avenue, Washington, D.C., and 11 South La Salle Street, Chicago, Ill.

A. Labor-Management Maritime Committee, 132 Third Street SE., Washington, D.C.
D. (6) $6,462.34. E. (9) $5,829.04.

A. James K. Langan, 100 Indiana Avenue NW., Washington, D.C.
B. Government Employes' Council, 100 Indiana Avenue NW., Washington, D.C.
D. (6) $3,126.

A. Dillard B. Lasseter, 1616 P Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C.
D. (6) $3,000. E. (9) $375.

A. J. Austin Latimer, 1001 Connecticut Avenue NW., Washington D.C.
D. (6) $650.

A. John V. Lawrence, 1616 P Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C.
D. (6) $743.75. E. (9) $24.35.

A. Thomas B. Lawrence, 917 15th Street NW., Washington, D.C.
B. National Licensed Beverage Association, 420 7th Street, Racine, Wis.
D. (6) $650.

A. Warren Lawrence, 1700 K Street NW., Washington, D.C.
B. Standard Oil Co. of California, 1700 K Street NW., Washington, D.C.
D. (6) $180. E. (9) $75.

A. Robert F. Lederer, 835 Southern Building, Washington, D.C.
B. American Association of Nurserymen, Inc., 835 Southern Building, Washington, D.C.
D. (6) $24.38. E. (9) $35.33.

A. Ivy Lee and T. J. Ross, 405 Lexington Avenue, New York, N.Y.
D. (6) $7,500. E. (9) $6,707.67.

A. Daphne R. Leeds, National Press Building, Washington, D.C.
B. Sealy, Inc., 666 Lake Shore Drive, Chicago, Ill., et al.
D. (6) $10,000. E. (9) $24.81.

A. Legislative Committee of the Committee for a National Trade Policy, Inc., 1025 Connecticut Avenue NW., Washington, D.C.
D. (6) $2,545. E. (9) $6.

A. Richard T. Leonard, 815 16th Street NW., Washington, D.C.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C.
E. (9) $406.60.

A. Roy T. Lester, M.D., 1523 L Street NW., Washington, D.C.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $1,100. E. (9) $76.47.

A. John R. Lewis, 1625 K Street NW., Washington, D.C.
B. Mid-Continent Oil & Gas Association, 300 Tulsa Building, Tulsa, Okla.
D. (6) $220. E. (9) $22.35.

A. Hal Leyshon, 122 East 42d Street, New York, N.Y.
B. American Federation of Musicians, 425 Park Avenue, New York, N.Y.
D. (6) $6,666.64. E. (9) $1,226.14.

A. Liberty Under Law, Inc., Post Office Box 2013, Salt Lake City, Utah.
E. (9) $4.50.

A. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y., and 1701 K Street NW, Washington, D.C.
D. (6) $6,311.84. E. (9) $6,311.84.

A. L. Baine Liljenquist, 917 15th Street NW., Washington, D.C.
B. Western States Meat Packers Association, Inc., 604 Mission Street, San Francisco, Calif.
D. (6) $3,125. E. (9) $11.36.

A. Lawrence J. Linck, 53 West Jackson Boulevard, Chicago, Ill.
B. National Association of Chain Drug Stores, Vanderbilt Hotel, New York, N.Y.
D. (6) $8,400. E. (9) $16,833.58.

A. Lester W. Lindow, 1735 DeSales Street NW., Washington, D.C.

A. Linen Supply Institute of Greater Washington, 2400 16th Street NW., Washington, D.C.
D. (6) $2,536.54. E. (9) $2,536.54.

A. Charles B. Lipsen, 1741 DeSales Street NW., Washington, D.C.
B. Retail Clerks International Association, 1741 DeSales Street NW., Washington, D.C.
D. (6) $3,370. E. (9) $664.69.

A. Robert G. Litschert, 1200 18th Street NW., Washington, D.C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.
D. (6) $956.25. E. (9) $167.78.

A. Fred Livingston, 802 Ring Building, Washington, D.C.
B. Air Freight Forwarders Association, 802 Ring Building, Washington, D.C.

A. Fred Livingston, 802 Ring Building, Washington, D.C.
B. Record Industry Association of America, Inc., 1 East 57th Street, New York, N.Y.

A. Gordon C. Locke, 418 Munsey Building, Washington, D.C.
B. Association of Oil Pipe Lines.

A. John J. Long, 711 14th Street NW., Washington, D.C.
B. International Printing Pressmen & Assistants' Union of North America, Pressmen's Home, Tenn.
D. (6) $600. E. (9) $616.

A. Leonard Lopez, 400 First Street NW., Washington, D.C.
B. District Lodge No. 44, International Association of Machinists, 400 First Street NW., Washington, D.C.
D. (6) $2,499.90. E. (9) $15.

A. Lord, Day & Lord, 25 Broadway, New York, N.Y.
B. The Metropolitan Museum of Art, Fifth Avenue and 82d Street, New York, N.Y.

A. Harold O. Lovre, 1616 P Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C.
D. (6) $3,000. E. (9) $477.93.

A. Otto Lowe, Cape Charles, Va.
B. National Canners Association, 1133 20th Street NW., Washington, D.C.
D. (6) $1,500.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. American Finance Conference, 176 West Adams Street, Chicago, Ill.
D. (6) $1,250.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. Mobile Homes Manufacturers Association, 20 North Wacker Drive, Chicago, Ill.
D. (6) $1,000.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. National Association of Chain Drug Stores, Vanderbilt Hotel, New York, N.Y.
D. (6)$1,000.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. Outdoor Advertising Association of America, Inc., 24 West Erie Street, Chicago, Ill.
D. (6) $250.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. Roadside Business Association, 646 North Michigan Avenue, Chicago, Ill.
D. (6) $250.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. Western Medical Corporation, 415–423 West Pershing Road, Chicago, Ill.
D. (6) $1,000.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. Adolph von Zedlitz, 60 Sutton Place, South, New York, N.Y.

A. H. B. Luckett, 311 California Street, San Francisco, Calif.
B. American Steamship Committee on Conference Studies, 919 18th Street NW., Washington, D.C.
E. (9) $376.86.

A. John M. Lumley, 1201 16th Street, Washington, D.C.
B. Division of Federal Relations, NEA, 1201 16th Street, Washington, D.C.
D. (6) $168. E. (9) $10.97.

A. Milton F. Lunch, 2029 K Street NW., Washington, D.C.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C.
D. (6) $750.

A. John C. Lynn, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $2,225. E. (9) $29.13.

A. A. E. Lyon, 400 First Street NW., Washington, D.C.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C.
D. (6) $1,050.

A. William C. McCamant, 1145 19th Street NW., Washington, D.C.
B. American Retail Federation, 1145 19th Street NW., Washington, D.C.
D. (6) $1,000. E. (9) $55.

A. John A. McCart, 900 F Street NW., Washington, D.C.
B. American Federation of Government Employees.
D. (6) $2,650.90. E. (9) $49.20.

A. James L. McCaskill, 1201 16th Street, Washington, D.C.
B. National Education Association, 1201 16th Street, Washington, D.C.
D. (6) $250. E. (9) $13.25.

A. H. B. McCoy, 122 East 42d Street, New York, N.Y.
B. Trade Relations Council of the United States, Inc.

A. Albert L. McDermott, 745 Washington Building, Washington, D.C.
B. American Hotel Association, 777 14th Street NW., Washington, D.C.
D. (6) $250. E. (9) $25.

A. Angus H. McDonald.
B. The Farmers' Educational & Co-Operative Union of America, 1404 New York Avenue NW., Washington, D.C.
D. (6) $2,215.30. E. (9) $170.30.

A. Joseph T. McDonnell, 425 13th Street NW., Washington, D.C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.

A. William F. McKenna, 908 Colorado Building, Washington, D.C.
B. National Association of Mutual Savings Banks, 60 East 42d Street, New York, N.Y.

A. Marvin L. McLain, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $2,000. E. (9) $37.45.

A. William H. McLin, 1201 16th Street NW., Washington, D.C.
B. Division of Federal Relations, 1201 16th Street NW., Washington, D.C.
D. (6) $1,287. E. (9) $283.23.

A. W. H. McMains, 1132 Pennsylvania Building, Washington, D.C.
B. Distilled Spirits Institute, 1132 Pennsylvania Building, Washington, D.C.

A. C. W. McMillan, 801 East 17th Avenue, Denver, Colo.
B. American National Cattlemen's Association, 801 East 17th Avenue, Denver, Colo.
D. (6) $3,999.96. E. (9) $643.64.

A. Ralph J. McNair, 1701 K Street NW., Washington, D.C.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y.
D. (6) $481.25. E. (9) $5.64.

A. William P. MacCracken, Jr., 1000 Connecticut Avenue NW., Washington, D.C.
B. American Optometric Association, Inc.
D. (6) $3,050. E. (9) $8.50.

A. William P. MacCracken, Jr., 1000 Connecticut Avenue NW., Washington, D.C.
B. Frankel Bros., 521 Fifth Avenue, New York, N.Y.

A. William P. MacCracken, Jr., 1000 Connecticut Avenue NW., Washington, D.C.
B. Mrs. Willi Sietz, Savoy Hotel Hilton, New York City, N.Y.

A. John G. Macfarlan, 1725 I Street NW., Washington, D.C.
B. R E A Express, 219 East 42d Street, New York, N.Y.
D. (6) $1,158. E. (9) $455.72.

A. James E. Mack, 1028 Connecticut Avenue NW., Washington, D.C.
B. National Confectioners Association, 1028 Connecticut Avenue NW., Washington, D.C.

A. James E. Mack, 1028 Connecticut Avenue, NW., Washington, D.C.
B. Rolled Zinc Manufacturers Association, 1028 Connecticut Avenue NW., Washington, D.C.

A. Albert E. Maddocks, 1883 South Seventh East, Salt Lake City, Utah.
B. Liberty Under Law, Inc., Post Office Box 2013, Salt Lake City, Utah.

A. Don Mahon, executive secretary, National Independent Union Council, Box 959, Ben Franklin Station, Washington, D.C.
E. (9) $416.97.

A. Walter E. Maloney, 99 John Street, New York, N.Y.
B. American Steamship Committee on Conference Studies, 919 18th Street NW., Washington, D.C.
D. (6) $11,305. E. (9) $2,010.55.

A. Ben J. Man, 815 16th Street NW., Washington, D.C.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C.
D. (6) $2,832.74. E. (9) $576.24.

A. Carter Manasco, 4201 Chesterbrook Road, McLean, Va.
B. National Business Publications, Inc., 1913 I Street NW., Washington, D.C.
D. (6) $1,800.

A. Carter Manasco, 4201 Chesterbrook Road, McLean, Va.
B. National Coal Association, Coal Building, Washington, D.C.
D. (6) $3,000. E. (9) $265.75.

A. D. L. Manion, 2000 Massachusetts Avenue NW., Washington, D.C.
B. The American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C.
D. (6) $437.50.

A. Manufacturing Chemists' Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C.
E. (9) $2,475.

A. Olya Margolin, 1637 Massachusetts Avenue NW., Washington, D.C.
B. National Council of Jewish Women, Inc., 1 West 47th Street, New York, N.Y.
D. (6) $2,026.91. E. (9) $112.66.

A. James Mark, Jr., 1435 K Street NW., Washington, D.C.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C.
D. (6) $4,046.

A. Rodney W. Markley, Jr., Wyatt Building, Washington, D.C.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $1,500. E. (9) $510.94.

A. Raymond E. Marks, 65 Market Street, San Francisco, Calif.
B. Southern Pacific Co., 65 Market Street, San Francisco, Calif.

A. Edwin E. Marsh, 414 Crandall Building, Salt Lake City, Utah.
B. National Wool Growers Association, 414 Crandall Building, Salt Lake City, Utah.
D. (6) $2,899.98. E. (9) $1,555.12.

A. Winston W. Marsh, 1343 L Street NW., Washington, D.C.
B. National Tire Dealers and Retreaders Association, 1343 L Street NW., Washington, D.C.
D. (6) $1,240. E. (9) $10.

A. Fred T. Marshall, 1112 19th Street NW., Washington, D.C.
B. The B. F. Goodrich Co., 500 South Main Street, Akron, Ohio.

A. J. Paull Marshall, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $135.12. E. (9) $164.80.

A. Paul V. Martenson, 1730 K Street NW., Washington, D.C.
B. Shipbuilders Council of America, 21 West Street, New York, N.Y.

A. Drew Martin, 777 14th Street NW., Washington, D.C.
B. American Hotel Association, 221 West 57th Street, New York, N.Y.
D. (6) $300. E. (9) $200.

A. Mike M. Masaoka, 919 18th Street NW., Washington, D.C.
B. Japanese American Citizens League, 1634 Post Street, San Francisco, Calif.
D. (6) $150. E. (9) $50.

A. Walter J. Mason, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $3,315. E. (9) $825.35.

A. David Mathews, Jr., 345 Fourth Avenue, Pittsburgh, Pa.
B. The Pittsburgh Coal Exchange, 345 Fourth Avenue, Pittsburgh, Pa.
E. (9) $230.62.

A. P. H. Mathews, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $895.06. E. (9) $381.75.

A. Charles D. Matthews, 1200 18th Street N.W., Washington, D.C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.
D. (6) $337.50. E. (9) $161.79.

A. Joe G. Matthews, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $66.50. E. (9) $101.

A. C. V. and R. V. Maudlin, 1111 E Street NW., Washington, D.C.
B. National Association of Secondary Material Industries, Inc., 271 Madison Avenue, New York, N.Y.

A. Mrs. Vera Mayer.
B. National Consumers League, 1025 Vermont Avenue NW., Washington, D.C.
D. (6) $168.

A. John S. Mears, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $2,130.

A. Mehler, Goldsborough & Ives, 2000 K Street NW., Washington, D.C.
B. Ferro Corp., 4150 East 56th Street, Cleveland, Ohio.

A. Mehler, Goldsborough & Ives, 2000 K Street NW., Washington, D.C.
B. New York, New Haven and Hartford Railroad Co., 292 Madison Avenue, New York, N.Y.

A. Kenneth A. Meiklejohn, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $3,315.

A. Metropolitan Washington Board of Trade, 1616 K Street NW., Washington, D.C.

A. M. Barry Meyer, 1616 P Street NW., Washington, D.C
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C.
D. (6) $100. E. (9) $162.19.

A. James G. Michaux, 1145 19th Street NW., Washington, D.C.
B. American Retail Federation, 1145 19th Street NW., Washington, D.C.
D. (6) $2,000. E. (9) $69.88.

A. Michigan Hospital Service, 441 East Jefferson Avenue, Detroit, Mich.
E. (9) $1,503.91.

A. Midland Cooperative Dairy Association, Shawano, Wis.

A. C. R. Miles, 1615 H Street NW., Washington, D.C.
B. Chamber of Commerce of the United States.

A. John R. Miles, 1615 H Street NW., Washington, D.C.
B. Chamber of Commerce of the United States.

A. Military Survivors, Inc., 509 Ridgely Avenue, Annapolis, Md.
D. (6) $145. E. (9) $1,530.70.

A. Milk Industry Foundation, 1145 19th Street NW., Washington, D.C.

A. Dale Miller, Mayflower Hotel, Washington, D.C.
B. Dallas (Tex.) Chamber of Commerce.
D. (6) $1,500.

A. Dale Miller, Mayflower Hotel, Washington, D.C.
B. General Motors Corp., Detroit, Mich.
D. (6) $625.

A. Dale Miller, Mayflower Hotel, Washington, D.C.
B. Intracoastal Canal Association of Louisiana and Texas, 2211 South Coast Building, Houston, Tex.
D. (6) $2,625.

A. Dale Miller, Mayflower Hotel, Washington, D.C.
B. Texas Gulf Sulphur Co., Newgulf, Texas, and New York, N.Y.
D. (6) $2,250.

A. Edwin Reid Miller, 1004 Farnam Street, Omaha, Nebr.
B. Nebraska Railroads Legislative Committee, 1004 Farnam Street, Omaha, Nebr.
D. (6) $3,000. E. (9) $293.26.

A. Lloyd S. Miller, 1730 K Street NW., Washington, D.C., and 195 Broadway, New York, N.Y.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y.
D. (6) $501.

A. Claude Minard, 215 Market Street, San Francisco, Calif.
B. California Railroad Association, 215 Market Street, San Francisco, Calif.

A. M. D. Mobley, 1010 Vermont Avenue NW., Washington, D.C.
B. American Vocational Association, 1010 Vermont Avenue NW., Washington, D.C.

A. Willis C. Moffatt, 536 First Security Building, Boise, Idaho.
B. Standard Oil Co. of California, 225 Bush Street, San Francisco, Calif., et al.

A. Harry L. Moffett, 1102 Ring Building, Washington, D.C.
B. American Mining Congress, Ring Building, Washington, D.C.
D. (6) $825. E. (9) $7.

A. Joseph E. Moody, 1000 16th Street NW., Washington, D.C.
B. National Coal Policy Conference, Inc., 1000 16th Street NW., Washington, D.C.
D. (6) $625.

A. Walter H. Moorman, 4650 East-West Highway, Bethesda, Md.
B. Maryland Railroad Association, care of W. C. Purnell, 300 St. Paul Street, Baltimore, Md.
D. (6) $3,000. E. (9) $103.46.

A. Kenneth R. Moorefield, 4401 East Colonial Drive, Orlando, Fla.
B. Florida Fruit & Vegetable Association, 4401 East Colonial Drive, Orlando, Fla.
D. (6) $429.99. E. (9) $365.31.

A. Cecil Morgan, 30 Rockefeller Plaza, New York, N.Y.
B. Standard Oil Co. (New Jersey), 30 Rockefeller Plaza, New York, N.Y.
E. (9) $65.45.

A. Morison, Murphy, Clapp & Abrams, the Pennsylvania Building, Washington, D.C.
B. American Reciprocal Insurance Association, Kansas City, Mo.
D. (6) $2,500. E. (9) $492.

A. Morison, Murphy, Clapp & Abrams, the Pennsylvania Building, Washington, D.C.
B. Area Employment Expansion Committee, 1144 Pennsylvania Building, Washington, D.C.

A. Morison, Murphy, Clapp & Abrams, the Pennsylvania Building, Washington, D.C.
B. Ford Motor Co., the American Road, Dearborn, Mich.

A. Morison, Murphy, Clapp & Abrams, the Pennsylvania Building, Washington, D.C.
B. The Sperry & Hutchinson Co., 114 Fifth Avenue, New York, N.Y.

A. Joseph J. Mulhern, 11 Pemberton Square, Boston, Mass.
D. (6) $10,500. E. (9) $2,709.41.

A. Vincent S. Mullaney, 777 14th Street NW., Washington, D.C.
B. General Electric Co., 570 Lexington Avenue, New York, N.Y.
D. (6) $1,250. E. (9) $560.53.

A. T. H. Mullen, 711 14th Street NW., Washington, D.C.
B. American Paper & Pulp Association, 122 East 42d Street, New York, N.Y.

A. T. H. Mullen, 711 14th Street NW., Washington, D.C.
B. American Pulpwood Association, 220 East 42d Street, New York, N.Y.

A. Walter J. Munro, Hotel Washington, Washington, D.C.
B. Brotherhood of Railroad Trainmen.

A. Dr. Emmett J. Murphy, 5737 13th Street NW., Washington, D.C.
B. National Chiropractic Insurance Co., National Building, Webster City, Iowa.
D. (6) $600. E. (9) $600.

A. John Kevin Murphy, 222–17 Northern Boulevard, Bayside, N.Y.
B. Armored Carrier Corp., 222–17 Northern Boulevard, Bayside, N.Y.

A. Mutual Insurance Committee on Federal Taxation, 20 North Wacker Drive, Chicago, Ill.
D. (6) $1,540. E. (9) $10,917.16.

A. Kenneth D. Naden, H Street, Washington, D.C.
B. National Council of Farmer Cooperatives, 1616 H Street NW., Washington, D.C.
D. (6) $4,624.98. E. (9) $231.48.

A. Paul A. Nagle, 100 Indiana Avenue NW., Washington, D.C.
D. (6) $3,000.

A. National Association Chain Drug Stores, Inc., Vanderbilt Hotel, New York, N.Y.
E. (9) $17,833.58.

A. National Association of Direct Selling Companies, 163–165 Center Street, Winona, Minn.
D. (6) $13,750. E. (9) $52.50.

A. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.
D. (6) $1,125.27. E. (9) $20,464.06.

A. National Association of Frozen Food Packers, 919 18th Street NW., Washington, D.C.

A. National Association of Insurance Agents, Inc., 96 Fulton Street, New York, N.Y.
D. (6) $3,500. E. (9) $7,684.45.

A. National Association of Margarine Manufacturers, Munsey Building, Washington, D.C.

A. National Association of Motor Bus Owners, 839 17th Street NW., Washington, D.C.
E. (9) $335.54.

A. National Association of Mutual Savings Banks, 60 East 42d Street, New York, N.Y.
D. (6) $1,012.55. E. (9) $1,012.55.

A. National Association of Plumbing Contractors, 1016 20th Street NW., Washington, D.C.

A. National Association of Postal Supervisors, Post Office Box 1924, Washington, D.C.
D. (6) $12,500. E. (9) $8,713.26.

A. National Association of Retired Civil Employees, 1625 Connecticut Avenue NW., Washington, D.C.

A. National Association of Soil Conservation Districts, League City, Tex.
D. (6) $1,087.31. E. (9) $467.35.

A. National Association of Travel Organizations, 1422 K Street NW., Washington, D.C.
D. (6) $12,158.10. E. (9) $682.50.

A. National Automobile Dealers Association, 2000 K Street NW., Washington, D.C.
D. (6) $10,160.10. E. (9) $10,160.10.

A. National Coal Association, Coal Building, Washington, D.C.

A. National Coal Policy Conference, Inc., 1000 16th Street NW., Washington, D.C.
E. (9) $6,874.23.

A. National Committee on Parcel Post Size & Weight Limitations, 1145 19th Street NW., Washington, D.C.

A. National Conference for Repeal of Taxes on Transportation, 1710 H Street NW., Washington, D.C.
D. (6) $1,750. E. (9) $1,907.69.

A. National Conference of Non-Profit Shipping Associations, Inc., Post Office Box 1736, Atlanta, Ga.
D. (6) $2,412.50.

A. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill.

A. National Coordinating Committee for Export Credit Guarantees, One Liberty Street, New York, N.Y.
D. (6) $10,225. E. (9) $12,463.31.

A. National Cotton Compress & Cotton Warehouse Association, 1085 Shrine Building, Memphis, Tenn.

A. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $6,064.08. E. (9) $6,064.08.

A. National Council on Business Mail, 20 North Wacker Drive, Chicago, Ill.
D. (6) $153.48. E. (9) $757.92.

A. National Council of Farmer Cooperatives, 1616 H Street NW., Washington, D.C.
D. (6) $13,865. E. (9) $12,000.

A. National Council, Junior Order United American Mechanics, 3027 North Broad Street, Philadelphia, Pa.
E. (9) $190.

A. National Economic Council, Inc., 156 Fifth Avenue, New York, N.Y.
D. (6) $1,747.32. E. (9) $2,051.29.

A. National Electrical Contractors Association, Inc., 1200 18th Street NW., Washington, D.C.

A. National Electrical Manufacturers Association, 155 East 44th Street, New York, N.Y.
D. (6) $3,928.13. E. (9) $3,928.13.

A. National Federation of Federal Employees, 1729 G Street NW., Washington, D.C.
D. (6) $93,384.02. E. (9) $13,478.62.

A. National Food Brokers Association, 1916 M Street NW., Washington, D.C.
D. (6) $1,119. E. (9) $1,119.

A. National Independent Dairies Association, 1627 K Street NW., Washington, D.C.

A. National Independent Meat Packers Association, 740 11th Street NW., Washington, D.C.
D. (6) $4,544.80. E. (9) $2,275.84.

A. National League of Insured Savings Associations, 907 Ring Building, Washington, D.C.
B. Member associations of the league.
D. (6) $8,838.28. E. (9) $1,476.74.

A. National Limestone Institute, Inc., 210 H Street NW., Washington, D.C.
D. (6) $2,094. E. (9) $2,094.

A. National Livestock Tax Committee, 801 East 17th Avenue, Denver, Colo.
D. (6) $2,090. E. (9) $5,030.44.

A. National Lumber Manufacturers Association, 1319 18th Street NW., Washington, D.C.
D. (6) $2,657.25. E. (9) $3,135.62.

A. National Milk Producers Federation, 30 F Street NW., Washington, D.C.
D. (6) $3,818.21. E. (9) $3,818.21.

A. National Parking Association, Inc., 711 14th Street NW., Washington, D.C.

A. National Postal Transport Association, 100 Indiana Avenue NW., Washington, D.C.
D. (6) $9,318.32. E. (9) $9,318.32.

A. National Reclamation Association, 897 National Press Building, Washington, D.C.
D. (6) $19,390. E. (9) $12,809.43.

A. National Restaurant Association, 1012 14th Street NW., Washington, D.C.
D. (6) $5,650.30. E. (9) $5,650.30.

A. National Retail Furniture Association, 666 Lake Shore Drive, Chicago, Ill.

A. National Retail Merchants Association, 100 West 31st Street, New York, N.Y.
D. (6) $8,018.41. E. (9) $9,081.50.

A. National Retired Teachers Association and American Association of Retired Persons, 1346 Connecticut Avenue NW., Washington, D.C.
E. (9) $67.73.

A. National Rivers and Harbors Congress, 1028 Connecticut Avenue NW., Washington, D.C.
D. (6) $13,674.42. E. (9) $15,137.75.

A. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.
E. (9) $449.51.

A. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C.
D. (6) $177,025.06. E. (9) $2,616.72.

A. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C.
D. (6) $2,464. E. (9) $2,464.

A. National Turkey Federation, Post Office Box 69, Mount Morris, Ill.
E. (9) $2,980.57.

A. National Woman's Christian Temperance Union, 1730 Chicago Avenue, Evanston, Ill.
D. (6) $3,682.57. E. (9) $2,932.18.

A. National Wool Growers Association, 414 Crandall Building, Salt Lake City, Utah.
D. (6) $13,272. E. (9) $7,649.93.

A. Nation-Wide Committee of Industry, Agriculture, and Labor on Import-Export Policy, 815 15th Street NW., Washington, D.C.
D. (6) $13,925. E. (9) $13,008.75.

A. Robert R. Neal, 1701 K Street NW., Washington, D.C.
B. Health Insurance Association of America, 1701 K Street NW., Washington, D.C.
D. (6) $42.

A. William S. Neal, 918 16th Street NW., Washington, D.C.
B. National Association of Manufacturers.

A. Samuel E. Neel, 1001 15th Street NW., Washington, D.C.
B. Mortgage Bankers Association of America, 111 West Washington Street, Chicago, Ill.
D. (6) $4,750.02. E. (9) $4,079.21.

A. Samuel E. Neel, 1001 15th Street NW., Washington, D.C.
B. James W. Rouse & Co., Inc., 14 West Saratoga Street, Baltimore, Md., et al.

A. New England Shoe & Leather Association, 210 Lincoln Street, Boston, Mass.
D. (6) $591.41. E. (9) $591.41.

A. New York & New Jersey Dry Dock Association, 161 William Street, New York, N.Y.
D. (6) $2,184.18. E. (9) $170.66.

A. Charles M. Noone, 537 Washington Building, Washington, D.C.
B. National Association of Small Business Investment Companies, 537 Washington Building, Washington, D.C.
E. (9) $16.

A. T. A. Nooner, Jr., 38 South Dearborn Street, Chicago, Ill.
B. Railway Progress Institute, 38 South Dearborn Street, Chicago, Ill.
D. (6) $3,600.

A. O. L. Norman, 1200 18th Street NW., Washington, D.C.

B. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.
D. (6) $1,250. E. (9) $356.22.

A. Harry E. Northam, 185 North Wabash Avenue, Chicago, Ill.
B. Association of American Physicians and Surgeons, Inc., 185 North Wabash Avenue, Chicago, Ill.

A. Northwest Committee for Transportation Planning, 2928 Macomb Street NW., Washington, D.C.
D. (6) $10.95.

A. E. M. Norton, 30 F Street NW., Washington, D.C.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C.
D. (6) $300. E. (9) $4.50.

A. Brice O'Brien, 1102 Ring Building, Washington, D.C.
B. American Mining Congress, Ring Building, Washington, D.C.
D. (6) $675.

A. George J. O'Brien, 225 Bush Street, San Francisco, Calif.
B. Standard Oil Co. of California, 225 Bush Street, San Francisco, Calif.

A. E. H. O'Connor, 176 West Adams Street, Chicago, Ill.
B. Insurance Economics Society of America, 176 West Adams Street, Chicago, Ill.
D. (6) $7,448.93.

A. John F. O'Connor, 817 14th Street NW., Washington, D.C.
B. National Federation of Post Office Clerks, 817 14th Street NW., Washington, D.C.
D. (6) $4,374.96. E. (9) $218.70.

A. R. E. O'Connor, 122 East 42d Street, New York, N.Y.
B. American Paper & Pulp Association, 122 East 42d Street, New York, N.Y.

A. John A. O'Donnell, 1616 P Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C.
D. (6) $1,500. E. (9) $600.

A. Ohio Railroad Association, 16 East Broad Street, Columbus, Ohio.
E. (9) $1,654.66.

A. Alvin E. Oliver, 400 Folger Building, Washington, D.C.
B. Grain & Feed Dealers National Association, 400 Folger Building, Washington, D.C.
D. (6) $38.40. E. (9) $2.

A. Clarence H. Olson, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $2,700. E. (9) $73.80.

A. Samuel Omasta, 210 H Street NW., Washington, D.C.
B. National Limestone Institute, Inc., 210 H Street NW., Washington, D.C.
E. (9) $7.

A. Clayton L. Orn, 539 South Main Street, Findlay, Ohio.
B. The Ohio Oil Co., Findlay, Ohio.

A. Morris E. Osburn, Central Trust Building, Jefferson City, Mo.
B. Missouri Railroad Committee.

A. Kermit Overby, 2000 Florida Avenue NW., Washington, D.C.

B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.
D. (6) $157.

A. John A. Overholt, 10315 Kensington Parkway, Kensington, Md.
B. National Association of Retired Civil Employees, 1625 Connecticut Avenue, Washington, D.C.
D. (6) $1,076.95.

A. Vaux Owen, 1729 G Street NW., Washington, D.C.
B. National Federation of Federal Employees, 1729 G Street NW., Washington, D.C.
D. (6) $4,307.38. E. (9) $13.25.

A. Edwin F. Padberg, 1223 Pennsylvania Building, Washington, D.C.
B. The Pennsylvania Railroad Co., 6 Penn Center Plaza, Philadelphia, Pa.

A. Walter Page, 912 University Building, Syracuse, N.Y.
B. Midland Cooperative Milk Association.

A. Everett L. Palmer, 901 Hamilton Street, Allentown, Pa.
B. Pennsylvania Power & Light Co., 901 Hamilton Street, Allentown, Pa.
E. (9) $255.20.

A. Lew M. Paramore, Post Office Box 1310, Kansas City, Kans.
B. Mississippi Valley Association, 1978 Railway Exchange Building, St. Louis, Mo.

A. J. D. Parel, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $78.75.

A. Joseph O. Parker, 531 Washington Building, Washington, D.C.
B. Florida Fruit and Vegetable Association, 4401 East Colonial Drive, Orlando, Fla.
E. (9) $17.50.

A. Joseph O. Parker, 531 Washington Building, Washington, D.C.
B. Institute of American Poultry Industries, 67 East Madison Street, Chicago, Ill.
D. (6) $125. E. (9) $12.50.

A. Joseph O. Parker, 531 Washington Building, Washington, D.C.
B. National Turkey Federation, Post Office Box 69, Mount Morris, Ill.
E. (9) $40.65.

A. Holcombe Parkes, 38 South Deaborn Street, Chicago, Ill.
B. Railway Progress Institute, 38 South Dearborn Street, Chicago, Ill.
D. (6) $9,750.

A. James D. Parriott, 539 South Main Street, Findlay, Ohio.
B. The Ohio Oil Co., Findlay, Ohio.

A. A. Lee Parsons, 10 East 40th Street, New York, N.Y.
B. American Cotton Manufacturers Institute, 1501 Johnston Building, Charlotte, N.C.
D. (6) $240. E. (9) $113.32.

A. Robert D. Partridge, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.
D. (6) $62.10.

A. James G. Patton.
B. The Farmers' Educational and Co-Operative Union of America, 1575 Sherman Street, Denver, Colo., and 1404 New York Avenue NW., Washington, D.C.
D. (6) $1,250. E. (9) $792.08.

A. Philip C. Pendleton, 100 Old York Road, Jenkintown, Pa.
B. Charitable Contributors Association, 100 Old York Road, Jenkintown, Pa.
D. (6) $1,200. E. (9) $104.27.

A. Philip C. Pendleton, 100 Old York Road, Jenkintown, Pa.
B. Family Tax Association, 2110 Girard Trust Building, Philadelphia, Pa.
D. (6) $2,600. E. (9) $193.04.

A. Philip C. Pendleton, 100 Old York Road, Jenkintown, Pa.
B. The Pitcairn Co., 100 West 10th Street, Wilmington, Del.
D. (6) $2,400. E. (9) $410.45.

A. Robert Pennington, 1201 16th Street NW., Washington, D.C.
B. Division of Federal Relations, National Education Association, 1201 16th Street NW., Washington, D.C.
D. (6) $226. E. (9) $7.30.

A. Ervin L. Peterson, Milk Industry Foundation, 1145 19th Street NW., Washington, D.C.
B. Milk Industry Foundation, 1145 19th Street NW., Washington, D.C.

A. Hugh Peterson.
B. Georgia Power Co., 270 Peachtree Street, Atlanta, Ga.
D. (6) $7,500.

A. J. Hardin Peterson, Post Office Box 111, Lakeland, Fla.
B. Florida Citrus Mutual (Legislative Fund), Lakeland, Fla.
D. (6) $1,800. E. (9) $225.

A. J. Hardin Peterson, Post Office Box 111, Lakeland, Fla.
B. West Coast Inland Navigation District, Court House, Bradenton, Fla.
D. (6) $600. E. (9) $153.33.

A. J. Hardin Peterson, Post Office Box 111, Lakeland, Fla.
B. C. C. Woodard, 7630 Biscayne Boulevard, Miami, Fla., et al.

A. Kenneth Peterson, 1126 16th Street NW., Washington, D.C.
B. International Union of Electrical, Radio & Machine Workers, 1126 16th Street NW., Washington, D.C.
D. (6) $1,250.

A. Tom Pickett, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $76.67. E. (9) $6.15.

A. Albert Pike, Jr., 488 Madison Avenue, New York, N.Y.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y.
D. (6) $76.25.

A. James H. Pipkin, 1001 Connecticut Avenue NW., Washington, D.C.
B. Texaco, Inc., 135 East 42d Street, New York, N.Y.
D. (6) $600. E. (9) $2,358.68.

A. Pitcairn Co., 100 West 10th Street, Wilmington, Del.
E. (9) $2,721.44.

A. Plains Cotton Growers, Inc., 1720 Avenue M, Lubbock, Tex.
D. (6) $10,846.16. E. (9) $1,100.

A. Milton M. Plumb, 400 First Street NW., Washington, D.C.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C.

A. James K. Polk, 522 Fifth Avenue, New York, N.Y.
B. Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, N.Y.
E. (9) $37.

A. Frederick T. Poole, 418 Munsey Building, Washington, D.C.
B. Association of Oil Pipe Lines.

A. Frank M. Porter, 1271 Avenue of the Americas, New York, N.Y.
B. American Petroleum Institute, 1271 Avenue of the Americas, New York, N.Y.

A. Richard M. Powell, 1210 Tower Building, Washington, D.C.
B. National Association of Refrigerated Warehouses, 1210 Tower Building, Washington, D.C.

A. Thomas W. Power, 1012 14th Street NW., Washington, D.C.
B. National Restaurant Association, 1012 14th Street NW., Washington, D.C., and, 1530 North Lake Shore Drive, Chicago, Ill.
D. (6) $1,750. E. (9) $300.

A. William C. Prather, 221 North La Salle Street, Chicago, Ill.
B. United States Savings and Loan League, 221 North La Salle Street, Chicago, Ill.
D. (6) $322.50.

A. John H. Pratt, 905 American Security Building, Washington, D.C.
B. National Electrical Manufacturers Association, 155 East 44th Street, New York, N.Y.
D. (6) $1,250. E. (9) $123.94.

A. William H. Press, 1616 K Street NW., Washington, D.C.
B. Metropolitan Washington Board of Trade, 1616 K Street NW., Washington, D.C.
D. (6) $4,800.

A. Public Information Committee of the Cotton Industries, 1211 South Brighton, Dallas, Tex.

A. Ganson Purcell, 910 17th Street NW., Washington, D.C.
B. Insular Lumber Co., 1406 Locust Street, Philadelphia, Pa.
E. (9) $3.58.

A. Purcell & Nelson, 910 17th Street NW., Washington, D.C.
B. Christman Corp., 120 Wall Street, New York, N.Y.
E. (9) $68.58.

A. Purcell & Nelson, 910 17th Street NW., Washington, D.C.
B. Government Development Bank for Puerto Rico.
D. (6) $5,000. E. (9) $1.25.

A. Purcell & Nelson, 910 17th Street NW., Washington, D.C.
B. Nicaragua Sugar Estates, Ltd., Managua, Nicaragua.
D. (6) $1,250. E. (9) $34.74.

A. C. J. Putt, 920 Jackson Street, Topeka, Kans.
B. The Atchison, Topeka, & Santa Fe Railway Co., 920 Jackson Street, Topeka, Kans.

A. Alex Radin, 919 18th Street NW., Washington, D.C.
B. American Public Power Association, 919 18th Street NW., Washington, D.C.
D. (6) $325.26.

A. Edward F. Ragland, 6917 Marbury Road, Bethesda, Md.
B. The Tobacco Institute, Inc., 808 17th Street NW., Washington, D.C.

A. Railroad Pension Conference, Post Office Box 798, New Haven, Conn.
D. (6) $185.50. E. (9) $169.06.

A. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C.

A. Railway Progress Institute, 38 South Dearborn Street, Chicago, Ill.
D. (6) $148.14. E. (9) $148.14.

A. Alan T. Rains, 777 14th Street NW., Washington, D.C.
B. United Fresh Fruit & Vegetable Association, 777 14th Street NW., Washington, D.C.

A. Donald J. Ramsey, 1725 K Street NW., Washington, D.C.
B. Silver Users Association, 1725 K Street NW., Washington, D.C.
D. (6) $425. E. (9) $52.90.

A. J. A. Ransford, 1317 F Street NW., Washington, D.C.
B. Tidewater Oil Co., Los Angeles, Calif.

A. Stanley Rector, 506 Hotel Washington, Washington, D.C.
B. Unemployment Benefit Advisors, Inc.
D. (6) $1,000.

A. Robert E. Redding, 1710 H Street NW., Washington, D.C.
B. National Conference for Repeal of Taxes on Transportation, 1710 H Street NW., Washington, D.C.
E. (9) $228.

A. Otie M. Reed, 1107 19th Street NW., Washington, D.C.
B. National Creameries Association, 1107 19th Street NW., Washington, D.C.
D. (6) $1,875. E. (9) $3.341.28.

A. W. O. Reed, 6254 Woodland Drive, Dallas, Tex.
B. Texas Railroads.
D. (6) $75.80. E. (9) $288.35.

A. William T. Reed, 5800 Connecticut Avenue, Chevy Chase, Md.
B. Standard Oil Co., 910 South Michigan Avenue, Chicago, Ill.
D. (6) $1,500. E. (9) $255.

A. George L. Reid, Jr., 1616 P Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C.
D. (6) $1,999.98. E. (9) $78.19.

A. Herbert S. Reid, 466 Lexington Avenue, New York, N.Y.
B. New York State Association of Railroads.
D. (5) $1,500. E. (9) $59.30.

A. James Francis Reilly, 1625 K Street NW., Washington, D.C.
B. Potomac Electric Power Co., 929 E Street NW., Washington, D.C.
D. (6) $5,000. E. (9) $851.21.

A. William P. Reilly, 3636 16th Street NW., Washington, D.C.
B. Arizona Public Service Co., et al.
D. (6) $520. E. (9) $50.50.

A. Louis H. Renfrow, 1000 16th Street NW., Washington, D.C.
B. National Coal Policy Conference, Inc., Solar Building, Washington, D.C.
D. (6) $6,250.

A. Reserve Officers Association of the United States, 2517 Connecticut Avenue NW., Washington, D.C.

A. Retired Officers Association, 1616 I Street NW., Washington, D.C.
D. (6) $78,475.87.

A. Retirement Federation of Civil Service Employees of the United States Government, 900 F Street NW., Washington, D.C.
D. (6) $6,689.84. E. (9) $7,338.19.

A. James W. Richards, 1000 16th Street NW., Washington, D.C.
B. Standard Oil Co. (Indiana), 910 South Michigan Avenue, Chicago, Ill.
D. (6) $1,500. E. (9) $530.61.

A. Harry H. Richardson, 335 Austin Street, Bogalusa, La.
B. Louisiana railroads.
D. (6) $58.90. E. (9) $359.43.

A. James W. Riddell, 731 Washington Building, Washington, D.C.
B. Air Transport Association of America, 1000 Connecticut Avenue NW., Washington, D.C.

A. James W. Riddell, 731 Washington Building, Washington, D.C.
B. American Industrial Bankers Association, 831 Washington Building, Washington, D.C.

A. James W. Riddell, 731 Washington Building, Washington, D.C.
B. C.I.T. Financial Corp., 650 Madison Avenue, New York, N.Y.

A. James W. Riddell, 731 Washington Building, Washington, D.C.
B. Mutual Benefit Health and Accident Association, Omaha, Nebr.

A. James W. Riddell, 731 Washington Building, Washington, D.C.
B. State Farm Mutual Automobile Insurance Co., 112 East Washington Street, Bloomington, Ill.
D. (6) $1,813.34. E. (9) $85.86.

A. Richard J. Riddick, 1012 14th Street NW., Washington, D.C.
B. Freight Forwarders Institute, 1012 14th Street NW., Washington, D.C.
D. (6) $2,499.99. E. (9) $460.72.

A. Siert F. Riepma, Munsey Building, Washington, D.C.
B. National Association of Margarine Manufacturers.

A. C. E. Rightor, 3300 Rolling Road, Chevy Chase, Md.
B. Committee for Study of Revenue Bond Financing, 149 Broadway, New York, N.Y.
D. (6) $650. E. (9) $247.61.

A. George D. Riley, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $3,315. E. (9) $513.10.

A. William Neale Roach, 1616 P Street NW., Washington, D.C.
B. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C.
D. (6) $3,000.

A. Paul H. Robbins, 2029 K Street NW., Washington, D.C.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C.
D. (6) $250.

A. Charles A. Robinson, Jr., 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.
D. (6) $173.88.

A. Donald L. Rogers, 730 15th Street NW., Washington, D.C.
B. Association of Registered Bank Holding Companies, 730 15th Street NW., Washington, D.C.
D. (6) $343.75.

A. Frank W. Rogers, 1700 K Street NW., Washington, D.C.
B. Western Oil and Gas Association, 609 South Grand Avenue, Los Angeles, Calif.
D. (6) $5,100.

A. Watson Rogers, 1916 M Street NW., Washington, D.C.
B. National Food Brokers Association, 1916 M Street NW., Washington, D.C.
D. (6) $1,000.

A. George B. Roscoe, 1200 18th Street NW., Washington, D.C.
B. National Electrical Contractors Association, 1200 18th Street NW., Washington, D.C.

A. Albert R. Russell, 1918 North Parkway, Memphis, Tenn.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $457.42.

A. M. O. Ryan, 777 14th Street, Washington, D.C.
B. American Hotel Association, 221 W. 57th Street, New York, N.Y.
D. (6) $500. E. (9) $348.59.

A. William H. Ryan, 400 First Street NW., Washington, D.C.
B. District Lodge No. 44, International Association of Machinists, 400 First Street NW., Washington, D.C.
D. (6) $2,999.88. E. (9) $60.

A. Robert A. Saltzstein, 508 Wyatt Building, Washington, D.C.
B. The Associated Business Publications, 205 East 42d Street, New York, N.Y.
D. (6) $2,500. E. (9) $140.18.

A. Kimball Sanborn, 810 Pennsylvania Building, Washington, D.C.
B. Boston & Maine Railroad, Boston, Mass.

A. L. R. Sanford, 21 West Street, New York, N.Y.
B. Shipbuilders Council of America, 21 West Street, New York, N.Y.

A. O. H. Saunders, 1616 I Street NW., Washington, D.C.
B. Retired Officers Association, 1616 I Street NW., Washington, D.C.
D. (6) $1,950.

A. Schoene & Kramer, 1625 K Street NW., Washington, D.C.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C.

A. J. A. Schwab, 1223 Pennsylvania Building, Washington, D.C.
B. The Pennsylvania Railroad Co., 6 Penn Center Plaza, Philadelphia, Pa.

A. Arthur E. Scribner, 210 H Street NW., Washington, D.C.
B. National Limestone Institute, Inc., 210 H Street NW., Washington, D.C.
E. (9) $5.

A. Seafarers' Section, MTD, 132 Third Street SE., Washington, D.C.
D. (6) $10,625. E. (9) $9,483.99.

A. Durward Seals, 777 14th Street NW., Washington, D.C.
B. United Fresh Fruit and Vegetable Association, 777 14th Street NW., Washington, D.C.

A. Harry See, 400 First Street NW., Washington, D.C.
B. Brotherhood of Railroad Trainmen.
E. (9) $18.95.

A. Clayton A. Seeber, 1201 16th Street, Washington, D.C.
B. Division of Federal Relations, NEA, 1201 16th Street NW., Washington, D.C.
D. (6) $222. E. (9) $64.47.

A. Fred G. Seig, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $189.87. E. (9) $231.

A. Theodore A. Serrill, 1025 Connecticut Avenue NW., Washington, D.C.
B. National Editorial Association, 1025 Connecticut Avenue NW., Washington, D.C.
E. (9) $205.13.

A. Serta Associates, Inc., 666 North Lake Shore Drive, Chicago, Ill.
E. (9) $215.80.

A. Leo Seybold, 1000 Connecticut Avenue NW., Washington, D.C.
B. Air Transport Association of America, 1000 Connecticut Avenue NW., Washington, D.C.
D. (6) $1,125. E. (9) $83.25.

A. A. Manning Shaw, 1625 I Street NW., Washington, D.C.
B. Brown & Lund, 1625 I Street NW., Washington, D.C.
D. (6) $968.

A. Leander I. Shelley, 608 Fifth Avenue, New York, N.Y.
B. American Association of Port Authorities, Inc., Washington, D.C., and Airport Operators Council, Inc., Washington, D.C.
D. (6) $874.98. E. (9) $457.49.

A. David A. Shepard, 30 Rockefeller Plaza, New York, N.Y.
B. Standard Oil Co. (New Jersey), 30 Rockefeller Plaza, New York, N.Y.

A. Bruce E. Shepherd, 488 Madison Avenue, New York, N.Y.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y.
D. (6) $150.

A. Laurence P. Sherfy, 1102 Ring Building, Washington, D.C.
B. American Mining Congress, Ring Building, Washington, D.C.
D. (6) $675.

A. Robert H. Shields, 920 Tower Building, Washington, D.C.
B. United States Beet Sugar Association, 920 Tower Building, Washington, D.C.
D. (6) $250.

A. Richard C. Shipman.
B. The Farmers' Educational and Co-Operative Union of America, 1404 New York Avenue NW., Washington, D.C.
D. (6) $1,107.84. E. (9) $124.71.

A. Robert L. Shortle, 801 International Building, New Orleans, La.
B. Mississippi Valley Association, 1978 Railway Exchange Building, St. Louis, Mo.

A. Everett E. Shuey, Helena, Mont.
B. National Wool Growers Association, 414 Crandall Building, Salt Lake City, Utah.
E. (9) $1,264.92.

A. Charles B. Shuman, Merchandise Mart Plaza, Chicago, Ill.
B. American Farm Bureau Federation, Merchandise Mart Plaza, Chicago, Ill.
D. (6) $700.

A. Silver Users Association, 1725 K Street NW., Washington, D.C.
D. (6) $115. E. (9) $930.49.

A. Six Agency Committee, 909 South Broadway, Los Angeles, Calif.
E. (9) $5,524.70.

A. Harold S. Skinner, Post Office Box 2197, Houston, Tex.
B. Continental Oil Co., Post Office Box 2197, Houston, Tex.

A. Carstens Slack, 1625 I Street NW., Washington, D.C.
B. Phillips Petroleum Co., Bartlesville, Okla.
D. (6) $300. E. (9) $260.

A. Harold Slater, 1523 L Street NW., Washington, D.C.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.
D. (6) $875. E. (9) $58.48.

A. Stephen Slipher, 812 Pennsylvania Building, Washington, D.C.
B. United States Savings and Loan League, 221 North LaSalle Street, Chicago, Ill.
D. (6) $2,500. E. (9) $11.10.

A. M. C. Small, Post Office Box 69, Mount Morris, Ill.
B. National Turkey Federation, Post Office Box 69, Mount Morris, Ill.
D. (6) $450. E. (9) $194.02.

A. Carlton D. Smith, 1725 K Street NW., Washington, D.C.
B. Radio Corporation of America, 30 Rockefeller Plaza, New York, N.Y.

A. Dudley Smith, 732 Shoreham Building, Washington, D.C.
B. Association of Sugar Producers of Puerto Rico, 732 Shoreham Building, Washington, D.C.

A. Harold Arden Smith, 605 West Olympic Boulevard, Los Angeles, Calif.
B. Standard Oil Co. of California, 225 Bush Street, San Francisco, Calif.
D. (6) $200. E. (9) $55.

A. James R. Smith, 1060 Omaha National Bank Building, Omaha, Nebr.
B. Mississippi Valley Association, 1978 Railway Exchange Building, St. Louis, Mo.

A. Lloyd W. Smith, 416 Shoreham Building, Washington, D.C.
B. Chicago, Burlington & Quincy Railroad Co., 547 West Jackson Boulevard, Chicago, Ill., and Great Northern Railway Co., 175 East Fourth Street, St. Paul, Minn.
D. (6) $4,257.

A. Dr. Spencer M. Smith, Jr., 1709 North Glebe Road, Arlington, Va.
B. Citizens Committee on Natural Resources.
D. (6) $1,052.80. E. (9) $1,167.35.

A. Wallace M. Smith, 425 13th Street NW., Washington, D.C.
B. American Mutual Insurance Alliance.

A. Wayne H. Smithey, 1200 Wyatt Building, Washington, D.C.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $769. E. (9) $510.94.

A. Lyle O. Snader, 944 Transportation Building, Washington, D.C.

B. Association of American Railroads, Transportation Building, Washington, D.C.
D. (6) $174.38.

A. Thaddeus S. Snell, 134 South LaSalle Street, Chicago, Ill.
B. Gypsum Association, 201 North Wells Street, Chicago, Ill.
D. (6) $7,950.

A. Frank B. Snodgrass, 1025 Connecticut Avenue NW., Washington, D.C.
B. Burley & Dark Leaf Tobacco Export Association, Post Office Box 860, Lexington, Ky.
D. (6) $225. E. (9) $65.53.

A. Edward F. Snyder, 245 Second Street NE., Washington, D.C.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.
D. (6) $1,546.14.

A. Society for Animal Protective Legislation, 745 Fifth Avenue, New York, N.Y.
D. (6) $379.84. E. (9) $1,661.86.

A. Charles B. Sonneborn, 210 H Street NW., Washington, D.C.
B. National Limestone Institute, Inc., 210 H Street NW., Washington, D.C.
E. (9) $7.

A. Marvin J. Sonosky, 1028 Connecticut Avenue NW., Washington, D.C.
B. Sisseton-Wahpeton Sioux Tribe of South Dakota, Sisseton, S. Dak., et al.

A. J. Taylor Soop, 400 First Street NW., Washington, D.C.
B. International Brotherhood Electrical Workers, 330 South Wells Stree., Chicago, Ill.
D. (6) $1,446.

A. Southern States Industrial Council, 1103 Stahlman Building, Nashville, Tenn.
D. (6) $20,319.66. E. (9) $9,084.65.

A. William W. Spear, 214 National Bank Building, Fremont, Nebr.
B. Standard Oil Co. of Indiana, 910 South Michigan Avenue, Chicago, Ill.
D. (6) $900. E. (9) $490.64.

A. Lyndon Spencer, 305 Rockefeller Building, Cleveland, Ohio.
B. Lake Carriers' Asociation, 305 Rockefeller Building, Cleveland, Ohio.

A. John M. Sprague, 1730 K Street NW., Washington, D.C.
B. Humble Oil & Refining Co., Post Office Box 2180, Houston, Tex.

A. Thomas G. Stack, 1104 West 104th Place, Chicago, Ill.
B. National Railroad Pension Forum, Inc., 1104 West 104th Place, Chicago, Ill.
D. (6) $1,800. (E. (9) $3,240.80.

A. Howard M. Starling, 837 Washington Building, Washington, D.C.
B. Association of Casualty & Surety Companies, 60 John Street, New York, N.Y.
D. (6) $150.

A. Mrs. C. A. L. Stephens, Post Office Box 6234, Washington, D.C.

A. Russell M. Stephens, 900 F Street NW., Washington, D.C.
B. American Federation of Technical Engineers, 900 F Street NW., Washington, D.C.
D. (6) $240. E. (9) $20.

A. B. H. Steuerwald, 400 First Street NW., Washington, D.C.
B. Brotherhood of Railroad Signalmen, 2247 West Lawrence Avenue, Chicago, Ill.
D. (6) $750.

A. Sterling F. Stoudenmire, Jr., 61 St. Joseph Street, Mobile, Ala.
B. Waterman Steamship Corp., 61 St. Joseph Street, Mobile, Ala.
D. (6) $1,406.25.

A. Francis W. Stover, 200 Maryland Avenue NE., Washington, D.C.
B. Veterans of Foreign Wars of the United States.
D. (6) $2,375. E. (9) $275.25.

A. O. R. Strackbein, as executive secretary of America's Wage Earners' Protective Conference, 815 15th Street NW., Washington, D.C.
D. (6) $1,153.85.

A. O. R. Strackbein, 815 15th Street NW., Washington, D.C.
B. International Allied Printing Trades Association, Post Office Box 728, Indianapolis, Ind.
D. (6) $625.

A. O. R. Strackbein, as chairman for Nation-Wide Committee of Industry, Agriculture, and Labor on Import-Export Policy, 815 15th Street, Washington, D.C.
D. (6) $6,250.

A. O. R. Strackbein, 400 Bowen Building, Washington, D.C.
B. Texas Sugar Beet Growers Association, Hereford, Tex.
D. (6) $3,070. E. (9) $41.20.

A. Strasser, Spiegelberg, Fried, Frank & Kampelman, 1700 K Street NW., Washington, D.C.
B. American Association of Surplus Property Importers, 1700 K Street NW., Washington, D.C.

A. Strasser, Spiegelberg, Fried, Frank & Kampelman, 1700 K Street NW., Washington, D.C.
B. Blackfeet Tribe of the Blackfeet Reservation, Browning, Mont.

A. Strasser, Spiegelberg, Fried, Frank & Kampelman, 1700 K Street NW., Washington, D.C.
B. Ben Blumenthal, 608 Fifth Avenue, New York, N.Y.

A. Strasser, Spiegelberg, Fried, Frank & Kampelman, 1700 K Street NW., Washington, D.C.
B. Federation of American Scientists, 1700 K Street NW., Washington, D.C.

A. Strasser, Spiegelberg, Fried, Frank & Kampelman, 1700 K Street NW., Washington, D.C.
B. The Hualapai Tribe of the Hualapai Reservation, Peach Springs, Ariz.

A. Strasser, Spiegelberg, Fried, Frank & Kampelman, 1700 K Street NW., Washington, D.C.
B. Laguna Pueblo of New Mexico, Laguna, N. Mex.

A. Strasser, Spiegelberg, Fried, Frank & Kampelman, 1700 K Street NW., Washington, D.C.
B. The Nez Perce Tribe, Lapwai, Idaho.

A. Strasser, Spiegelberg, Fried, Frank & Kampelman, 1700 K Street NW., Washington, D.C.
B. The Oglala Sioux Tribe of the Pine Ridge Reservation, Pine Ridge, S. Dak.

A. Strasser, Spiegelberg, Fried, Frank & Kampelman, 1700 K Street NW., Washington, D.C.
B. Salt River Pima-Maricopa Indian Community, Scottsdale, Ariz.

A. Strasser, Spiegelberg, Fried, Frank & Kampelman, 1700 K Street NW., Washington, D.C.
B. The San Carlos Apache Tribe, San Carlos, Ariz.

A. Strasser, Spiegelberg, Fried, Frank & Kampelman, 1700 K Street NW., Washington, D.C.
B. Tuscarora Nation of Indians, Lewiston, N.Y.

A. William A. Stringfellow, 6004 Roosevelt Street, Bethesda, Md.
B. National Association of Mutual Insurance Agents, 827 Investment Building, Washington, D.C.

A. Structural Clay Products Industry Depletion Committee, 1032 Shoreham Building, Washington, D.C.
D. (6) $14,176.22. E. (9) $3,090.60.

A. Norman Strunk, 221 North LaSalle Street, Chicago, Ill.
B. United States Savings & Loan League, 221 North LaSalle Street, Chicago, Ill.
D. (6) $625. E. (9) $115.73.

A. Arthur Sturgis, Jr., 1145 19th Street NW., Washington, D.C.
B. American Retail Federation, 1145 19th Street NW., Washington, D.C.
D. (6) $1,000.

A. Frank L. Sundstrom, 350 Fifth Avenue, New York, N.Y.
B. Schenley Industries, Inc., 350 Fifth Avenue, New York, N.Y.

A. Surrey, Karasik, Gould & Efron, 1116 Woodward Building, Washington, D.C.
B. Aeromaritime, Inc., 1000 Vermont Avenue, Washington, D.C.

A. Surrey, Karasik, Gould & Efron, 1116 Woodward Building, Washington, D.C.
B. Amerop Commodities Corp., 120 Wall Street, New York, N.Y.

A. Surrey, Karasik, Gould & Efron, 1116 Woodward Building, Washington, D.C.
B. South Puerto Rico Sugar Co., 99 Wall Street, New York, N.Y.

A. Charles P. Taft, 1025 Connecticut Avenue NW., Washington, D.C.
B. Legislative Committee of the Committee for a National Trade Policy, Inc., 1025 Connecticut Avenue NW., Washington, D.C.

A. Glenn J. Talbott.
B. The Farmers' Educational & Co-Operative Union of America, 1575 Sherman Street, Denver, Colo., and 1404 New York Avenue NW., Washington, D.C.

A. Dwight D. Taylor, Jr., 918 16th Street NW., Washington, D.C.
B. American Airlines, Inc., 918 16th Street NW., Washington, D.C.
D. (6) $1,250. E. (9) $745.41.

A. John I. Taylor, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $958.33. E. (9) $37.19.

A. William L. Taylor, 1341 Connecticut Avenue NW., Washington, D.C.
B. Americans for Democratic Action, 1341 Connecticut Avenue NW., Washington, D.C.
D. (6) $1,364.13. E. (9) $37.25.

A. J. B. Thayn, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $1,375. E. (9) $22.95.

A. Oliver A. Thomas, 125 North Center Street, Reno, Nev.
D. (6) $175. E. (9) $1,093.67.

A. William B. Thompson, Jr., 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.

A. Eugene M. Thoré, 1701 K Street NW., Washington, D.C.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y.
D. (6) $555. E. (9) $7.23.

A. G. D. Tilghman, 1612 K Street NW., Washington, D.C.
D. (6) $3,750.

A. Sigmund Timberg, 815 15th Street NW., Washington, D.C.
B. Sealy, Inc., 925 North Halstead Street, Chicago, Ill., et al.

A. William H. Tinney, 1223 Pennsylvania Building, Washington, D.C.
B. The Pennsylvania Railroad Co., 6 Penn Center Plaza, Philadelphia, Pa.

A. M. S. Tisdale, 4200 Cathedral Avenue, Washington, D.C.
B. Armed Services Committee, Chamber of Commerce, Vallejo, Calif.
D. (6) $295. E. (9) $280.39.

A. Tobacco Associates, Inc., 1025 Connecticut Avenue NW., Washington, D.C.
E. (9) $1,061.

A. H. Willis Tobler, 30 F Street NW., Washington, D.C.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C.
D. (6) $2,468.75. E. (9) $194.72.

A. John H. Todd, 1085 Shrine Building, Memphis, Tenn.
B. National Cotton Compress & Cotton Warehouse Association, 1085 Shrine Building, Memphis, Tenn.

A. Dwight D. Townsend, 1025 Vermont Avenue NW., Washington, D.C.
B. Cooperative League of U.S.A., 343 South Dearborn Street, Chicago, Ill.

A. F. Gerald Toye, 777 14th Street NW., Washington, D.C.
B. General Electric Co., 570 Lexington Avenue, New York, N.Y.
D. (6) $750. E. (9) $128.32.

A. Trade Relations Council of the United States, Inc., 122 East 42d Street, New York, N.Y.

A. Transportation Association of America, 1710 H Street NW., Washington, D.C.

A. Richard S. Tribbe, 1508 Merchants Bank Building, Indianapolis, Ind.
B. Associated Railways of Indiana, 1508 Merchants Bank Building, Indianapolis, Ind.

A. Matt Triggs, 425 13th Street NW., Washington, D.C.
B. American Farm Bureau Federation, 2300 Merchandise Mart, Chicago, Ill.
D. (6) $1,712.50. E. (9) $65.87.

A. Glenwood S. Troop, Jr., 812 Pennsylvania Building, Washington, D.C.
B. United States Savings & Loan League, 221 North LaSalle Street, Chicago, Ill.
D. (6) $1,562.50. E. (9) $58.40.

A. J. T. Trullinger, National Bank of Commerce Building, Olympia, Wash.
B. Shell Oil Co., Shell Building, San Francisco, Calif., et al.

A. Dick Tullis, 307 Maple Terrace, Dallas, Tex.
B. Superior Oil Co., Houston, Tex., and Los Angeles, Calif.
D. (6) $2,400. E. (9) $1,445.75.

A. Ernest A. Tupper, 1420 New York Avenue NW., Washington, D.C.
B. American Can Co., 100 Park Avenue, New York, N.Y.
E. (9) $111.38.

A. Harold J. Turner, Henry Building, Portland, Oreg.
B. Spokane, Portland & Seattle Railway Co., Henry Building, Portland, Oreg., et al.

A. John W. Turner, 814 Railway Labor Building, Washington, D.C.
B. Brotherhood of Locomotive Engineers, B. of L.E. Building, Cleveland, Ohio.

A. William S. Tyson, 821 15th Street NW., Washington, D.C.
B. Local No. 30, Canal Zone Pilots Association, Post Office Box 601, Balboa, C.Z.
E. (9) $78.50.

A. William S. Tyson, 821 15th Street NW., Washington, D.C.
B. Western Range Association, 2438 Tulare Street, Fresno, Calif.
E. (9) $88.57.

A. Union Producing Co., 1525 Fairfield Avenue, Shreveport, La., and United Gas Pipe Line Co., 1525 Fairfield Avenue, Shreveport, La.
E. (9) $1,123.04.

A. United American Veterans, 1129 Vermont Avenue NW., Washington, D.C.

A. United Federation of Post Office Clerks, 817 14th Street NW., Washington, D.C.
D. (6) $193,633.32. E. (9) $15,628.60.

A. United States Savings & Loan League, 221 North LaSalle Street, Chicago, Ill.
E. (9) $13,834.76.

A. United States Trust Co. of New York, 45 Wall Street, New York, N.Y.

A. William R. Veal, 1730 K Street NW., Washington, D.C.
B. Humble Oil & Refining Co., Post Office Box 2180, Houston, Tex.
E. (9) $3.60.

A. Thomas M. Venables, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.

A. Richard E. Vernor, 1701 K Street NW., Washington, D.C.
B. American Life Convention, 230 North Michigan Avenue, Chicago, Ill.
D. (6) $75.75. E. (9) $3.30.

A. L. T. Vice, 1700 K Street NW., Washington, D.C.
B. Standard Oil Co. of California, 1700 K Street NW., Washington, D.C.
D. (6) $180. E. (9) $65.

A. Carl M. Walker, 30 F Street NW., Washington, D.C.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C.
D. (6) $150. E. (9) $19.50.

A. Paul H. Walker, 1701 K Street NW., Washington, D.C.
B. Life Insurance Association of America, 488 Madison Avenue, New York, N.Y.
D. (6) $280. E. (9) $2.82.

A. Stephen M. Walter, 1200 18th Street NW., Washington, D.C.
B. National Association of Electric Companies, 1200 18th Street NW., Washington, D.C.
D. (6) $574.50. E. (9) $55.48.

A. Washington Home Rule Committee, Inc., 924 14th Street NW., Washington, D.C.
D. (6) $127.50. E. (9) $1,633.01.

A. Jeremiah C. Waterman, 205 Transportation Building, Washington, D.C.
B. Southern Pacific Co., 205 Transportation Building, Washington, D.C.
D. (6) $900. E. (9) $52.50.

A. Watters & Donovan, 161 William Street, New York City.
B. New York & New Jersey Dry Dock Association, 161 William Street, New York City.

A. Weaver & Glassie, 1225 19th Street NW., Washington, D.C.
B. The Atlantic Refining Co., 260 South Broad Street, Philadelphia, Pa.
D. (6) $1,500.

A. Weaver & Glassie, 1225 19th Street NW., Washington, D.C.
B. Eastern Meat Packers Association, Inc., 740 11th Street NW., Washington, D.C.
D. (6) $5. E. (9) $2.24.

A. Weaver & Glassie, 1225 19th Street NW., Washington, D.C.
B. The National Independent Meat Packers Association, 740 11th Street NW., Washington, D.C.
D. (6) $225. E. (9) $21.88.

A. William H. Webb, 1028 Connecticut Avenue, Washington, D.C.
B. National Resources Development Association, 518 Sharp Building, Lincoln, Nebr., and International Union of Operating Engineers, 1125 17th Street NW., Washington, D.C.
D. (6) $500. E. (9) $2.71.

A. William H. Webb, 523–A LaSalle Building, Washington, D.C.
B. National Rivers and Harbors Congress, 1028 Connecticut Avenue, Washington, D.C.
D. (6) $2,436. E. (9) $396.68.

A. E. E. Webster, 400 First Street NW., Washington, D.C.
B. Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich.
D. (6) $3,917.16.

A. William E. Welsh, Press Building, Washington, D.C.
B. National Reclamation Association, 897 National Press Building, Washington, D.C.
D. (6) $3,750. E. (9) $225.

A. West Coast Inland Navigation District, Court House, Bradenton, Fla.
E. (9) $725.91.

A. Don White, 1201 Spring Street, Fairfax, Va.
B. National Audio-Visual Association, Inc., 1201 Spring Street, Fairfax, Va.
D. (6) $3,750. E. (9) $3,830.53.

A. Horace P. White, Post Office Box 5241, Baltimore, Md.
B. International Union of Mine, Mill & Smelter Workers, 941 East 17th Avenue, Denver, Colo.
D. (6) $432.04. E. (9) $431.39.

A. John C. White, 838 Transportation Building, Washington, D.C.
D. (6) $900. E. (9) $82.96.

A. Marc A. White, 1707 H Street NW., Washington, D.C.
B. National Association of Securities Dealers, Inc.

A. Richard P. White, 835 Southern Building, Washington, D.C.
B. American Association of Nurserymen, Inc., 835 Southern Building, Washington, D.C.
D. (6) $37.50. E. (9) $103.23.

A. H. Leigh Whitelaw, 734 15th Street NW., Washington, D.C.
B. Gas Appliance Manufacturers Association, Inc., 60 East 42d Street, New York, N.Y.

A. Scott C. Whitney, 918 16th Street NW., Washington, D.C.
B. American Airlines, Inc., 918 16th Street NW., Washington, D.C.
D. (6) $2,000. E. (9) $940.

A. Donald S. Whyte, 1102 Ring Building, Washington, D.C.
B. American Mining Congress, Ring Building, Washington, D.C.
D. (6) $450. E. (9) $52.10.

A. Louis E. Whyte, 918 16th Street, Washington, D.C.
B. Independent Natural Gas Association of America, 918 16th Street NW., Washington, D.C.

A. Albert E. Wilkinson, Investment Building, Washington, D.C.
B. The Anaconda Co., Hennessy Building, Butte, Mont.
D. (6) $2,250. E. (9) $691.70.

A. Franz O. Willenbucher, 1616 I Street NW., Washington, D.C.
B. Retired Officers Association, 1616 I Street NW., Washington, D.C.
D. (6) $3,000.

A. David C. Williams, 1341 Connecticut Avenue NW., Washington, D.C.
B. Americans for Democratic Action, 1341 Connecticut Avenue NW., Washington, D.C.
D. (6) $1,850.16. E. (9) $112.87.

A. Harding DeC. Williams, 1300 Connecticut Avenue, Washington, D.C.
B. National Association of Real Estate Boards, 36 South Wabash Avenue, Chicago, Ill., and 1300 Connecticut Avenue, Washington, D.C.
D. (6) $1,666. E. (9) $114.72.

A. Harold M. Williams, 67 East Madison Street, Chicago, Ill.
B. Institute of American Poultry Industries, 67 East Madison Street, Chicago, Ill.
D. (6) $200. E. (9) $11.72.

A. Robert E. Williams, 1000 Connecticut Avenue NW., Washington, D.C.
B. Air Transport Association of America, 1000 Connecticut Avenue NW., Washington, D.C.
D. (6) $950. E. (9) $86.25.

A. John C. Williamson, 1300 Connecticut Avenue, Washington, D.C.
B. National Association of Real Estate Boards, 36 South Wabash Avenue, Chicago, Ill., and 1300 Connecticut Avenue, Washington, D.C.
D. (6) $3,700. E. (9) $431.45.

A. Kenneth Williamson, Mills Building, Washington, D.C.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill.
D. (6) $2,711.55. E. (9) $820.92.

A. E. Raymond Wilson, 245 Second Street NE., Washington, D.C.
B. Friends Committee on National Legislation, 245 Second Street NE., Washington, D.C.
D. (6) $1,687.18.

A. Everett B. Wilson, Jr., 732 Shoreham Building, Washington, D.C.
B. Association of Sugar Producers of Puerto Rico, 732 Shoreham Building, Washington, D.C.

A. Henry B. Wilson, 1612 K Street NW., Washington, D.C.
B. Standard Oil Co. (New Jersey), 30 Rockefeller Plaza, New York, N.Y.

A. W. E. Wilson, 1525 Fairfield Avenue, Shreveport, La.
B. Union Producing Co., 1525 Fairfield Avenue, Shreveport, La., and United Gas Pipe Line Co., 1525 Fairfield Avenue, Shreveport, La.
D. (6) $600. E. (9) $523.04.

A. W. F. Wimberly, Post Office Box 4147, Atlanta, Ga.
B. The Pure Oil Co., 200 East Golf Road, Palatine, Ill.

A. Everett T. Winter, 1978 Railway Exchange Building, St. Louis, Mo.
B. Mississippi Valley Association, 1978 Railway Exchange Building, St. Louis, Mo.

A. Venlo Wolfsohn, 1729 H Street NW., Washington, D.C.
B. Institute of Scrap Iron & Steel, Inc., 1729 H Street NW., Washington, D.C.
D. (6) $300. E. (9) $1.

A. Frank G. Wolliney, 67 East Madison Street, Chicago, Ill.
B. Institute of America Poultry Industries, 67 East Madison Street, Chicago, Ill.

A. Russell J. Woodman, 400 First Street NW., Washington, D.C.
B. The Order of Railroad Telegraphers, 3860 Lindell Boulevard, St. Louis, Mo.
D. (6) $100.

A. Edward W. Wootton, 1100 National Press Building, Washington, D.C.
B. Wine Institute, 717 Market Street, San Francisco, Calif.

A. Alexander W. Wuerker, 1025 Connecticut Avenue, Washington, D.C.
B. The American Waterways Operators, Inc., 1025 Connecticut Avenue, Washington, D.C.
D. (6) $542. E. (9) $98.52.

A. Donald A. Young, 1615 H Street NW., Washington, D.C.
B. Chamber of Commerce of the United States.

A. J. Banks Young, 502 Ring Building, Washington, D.C.
B. National Cotton Council of America, Post Office Box 9905, Memphis, Tenn.
D. (6) $1,575.

A. John H. Young, 1411 Major Street, Salt Lake City, Utah.
B. Liberty Under Law, Inc., Post Office Box 2013, Salt Lake City, Utah.

A. Zantop Air Transport, Inc., Detroit-Metropolitan Airport, Inkster, Mich.
E. (9) $117.66.

A. Gordon K. Zimmerman, Washington, D.C.
B. National Association of Soil Conservation Districts, League City, Tex.

A. Zimring, Gromfine & Sternstein, 1001 Connecticut Avenue, Washington, D.C., and 11 South LaSalle Street, Chicago, Ill.

REGISTRATIONS

The following registrations were submitted for the second calendar quarter 1961:

(NOTE.—The form used for registration is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE TWO COPIES WITH THE SECRETARY OF THE SENATE AND FILE THREE COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_____

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

	QUARTER			
P	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:
1. State name, address, and nature of business.

2. If this Report is for an Employer, list names or agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).
(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

A. Clarence G. Adamy, 1725 I Street NW., Washington, D.C.
B. National Association of Food Chains, 1725 I Street NW., Washington, D.C.

A. Donald C. Alexander, 603 Dixie Terminal Building, Cincinnati, Ohio.
B. The Philip Carey Manufacturing Co., Lockland, Cincinnati, Ohio.

A. American Council for Technical Products, Inc., Post Office Box 9827, Washington, D.C.

A. AFL–CIO Maritime Committee, 132 Third Street SE., Washington, D.C.

A. American Federation of Musicians, 425 Park Avenue, New York, N.Y.

A. American Stock Yards Association, 1028 Connecticut Avenue NW., Washington, D.C.

A. Arnold, Fortas & Porter, 1229 19th Street NW., Washington, D.C.
B. California Wine Institute, 717 Market Street, San Francisco, Calif.

A. Association of Danish Shipowners, 33 Amaliegade, Copenhagen, Denmark.

A. Automobile Legal Association, 1047 Commonwealth Avenue, Boston, Mass.

A. A. Z. Baker, 1028 Connecticut Avenue NW., Washington, D.C.

A. Donald Baldwin, 1319 18th Street NW., Washington, D.C.
B. National Lumber Manufacturers Association, 1319 18th Street NW., Washington, D.C.

A. Richard B. Barker, 306 Southern Building, Washington, D.C.
B. National Lime Association, 925 15th Street NW., Washington, D.C.

A. William B. Barton, 1615 H Street NW., Washington, D.C.
B. Chamber of Commerce of the United States, 1615 H. Street NW., Washington, D.C.

A. James D. Bearden, 400 First Street NW., Washington, D.C.
B. Brotherhood of Railway & Steamship Clerks, 1015 Vine Street, Cincinnati, Ohio.

A. Peter D. Beter, 1012 Barr Building, Washington, D.C.
B. American Gold Association, Inc., Post Office Box 427, San Andreas, Calif.

A. S. B. Bledsoe, 627 Cafritz Building, Washington, D.C.
B. Latrobe Steel Co., Latrobe, Pa.

A. Joseph Borkin, 802 Ring Building, Washington, D.C.
B. Record Industry Association of America, Inc., One East 57th Street, New York, N.Y.

A. Richard Breed, 10 Prince Street, Alexandria, Va.

A. Charles H. Brown, Inc., 1028 Connecticut Avenue NW., Washington, D.C.
B. American Society of Composers, Authors & Publishers, 575 Madison Avenue, New York, N.Y.

A. Charles H. Brown, Inc., 1028 Connecticut Avenue NW., Washington, D.C.
B. The Colonial Sugar Refining Co., Ltd., Nausori, Suva, Fiji.

A. Charles H. Brown, Inc., 1028 Connecticut Avenue NW., Washington, D.C.
B. National Education Association, 1201 16th Street NW., Washington, D.C.

A. Henry H. Buckman, 54 Buckman Building, Jacksonville, Fla.
B. Cross-Florida Barge Canal Navigation District, 720 Florida Title Building, Jacksonville, Fla.

A. Carl Byoir & Associates, 800 Second Avenue, New York, N.Y.
B. Cargill, Inc., 200 Grain Exchange, Minneapolis, Minn.

A. California Wine Institute, 717 Market Street, San Francisco, Calif.

A. Carretta & Counihan, 1000 Connecticut Avenue, Washington, D.C.
B. Bicycle Manufacturers Association of America, 122 East 42d Street, New York, N.Y.

A. Alger B. Chapman, Jr., 11 Wall Street, New York, N.Y.
B. New York Stock Exchange, 11 Wall Street, New York, N.Y.

A. Citizens Committee for International Development, 1025 Connecticut Avenue NW., Washington, D.C.

A. Clay Pipe Industry Depletion Committee, 1011 Woodward Building, Washington, D.C.

A. Nicholas S. Collins, 1000 Connecticut Avenue NW., Washington, D.C.
B. Committee of American Steamship Lines, 1000 Connecticut Avenue NW., Washington, D.C.

A. Edward Cooper.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C.

A. Coordinated Marketing Agency, Inc., 575 Lexington Avenue, New York, N.Y.
B. Philippine Tobacco Board, Manila, Philippines.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. Axe-Templeton Growth Fund of Canada, Ltd., 120 East Roxborough Street E., Toronto, Ontario, Canada, et al.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. International Business Machines Corp., 590 Madison Avenue, New York, N.Y.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. International Minerals & Chemical Corp., Old Orchard Road, Skokie, Ill.

A. Covington & Burling, 701 Union Trust Building, Washington, D.C.
B. Raleigh Industries of America, Inc., 1168 Commonwealth Avenue, Boston, Mass.

A. Cross-Florida Canal Navigation District, 720 Florida Title Building, Jacksonville, Fla.

A. Elizabeth Hawes Daniel, 815 16th Street NW., Washington, D.C.
B. Retail, Wholesale & Department Store Union, 123 West 43d Street, New York, N.Y.

A. Donald S. Dawson, 731 Washington Building, Washington, D.C.
B. D.C. Transit System, Inc., 36th and M Streets NW., Washington, D.C.

A. Dawson, Griffin, Pickens & Riddell, 731 Washington Building, Washington, D.C.
B. Equitable Life Insurance Co., 3900 Wisconsin Avenue NW., Washington, D.C.

A. Dawson, Griffin, Pickens & Riddell, 731 Washington Building, Washington, D.C.
B. Variable Annuity Life Insurance Co., Washington, D.C.

A. Timothy V. A. Dillon, 1001 15th Street NW., Washington, D.C.
B. Thurman & Wright, 1229 Latham Square Building, Oakland, Calif.

A. Ernest J. Eaton, Washington Building, Washington, D.C.
B. Water Conversion Institute, Washington Building, Washington, D.C.

A. Walter A. Edwards, 1700 K Street NW., Washington, D.C.
B. Chrysler Corp., 341 Massachusetts Avenue, Detroit, Mich.

A. J. C. B. Ehringhaus, Jr.
B. North Carolina Railroad Association, Box 2635, Raleigh, N.C.

A. Grover W. Ensley, 535 Lincoln Building, 60 East 42d Street, New York, N.Y.
B. National Association of Mutual Savings Banks, 60 East 42d Street, New York, N.Y.

A. Frank C. Erwin, Jr., 918 Brown Building, Austin, Tex.
B. Structural Clay Products Industry Depletion Committee, 1032 Shoreham Building, Washington, D.C.

A. Joseph C. Fagan, 1615 H Street NW., Washington, D.C.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C.

A. Edward O'Brien Fennell, 1120 Connecticut Avenue NW., Washington, D.C.
B. United Air Lines, 5959 South Cicero Avenue, Chicago, Ill.

A. George E. Flather, Jr., Colorado Building, Washington, D.C.
B. The National Anti-Vivisection Society, 100 East Ohio Street, Chicago, Ill.

A. Fordyce, Mayne, Hartman, Renard & Stribling, 506 Olive Street, St. Louis, Mo.
B. National Rejectors, Inc., subsidiary of Universal Match Co., 5100 San Francisco, St. Louis, Mo.

A. Robert E. Fraley, 3325 Wilshire Boulevard, Los Angeles, Calif.
B. Great Lakes Airlines, Inc., Lockheed Air Terminal, Burbank, Calif.

A. David C. Fullarton, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.

A. A. Arthur Gardner, 1630 Jefferson Street, Hollywood, Fla.

A. Gardner, Morrison & Rogers, 1126 Woodward Building, Washington, D.C.
B. Mauritius Sugar Syndicate, Port Louis, Mauritius.

A. Ginsburg, Leventhal, Brown & Morrison, 1632 K Street NW., Washington, D.C.
B. Ashland Oil & Refining Co., Ashland, Ky.

A. Jay W. Glasmann, 306 Southern Building, Washington, D.C.
B. American Automobile Association, 1712 G Street NW., Washington, D.C.

A Philip Goldstein, 1000 Woodward Building, Washington, DC
B. Clay Pipe Industry Depletion Committee, 1011 Woodward Building, Washington, D.C.

A. Sanford Gottlieb, 245 Second Street NE., Washington, D.C.
B. National Committee for a Sane Nuclear Policy, Inc., 17 East 45th Street, New York, N.Y.

A. James W. Grady, Jr., 1730 K Street NW., Washington, D.C., and 195 Broadway, New York, N.Y.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y.

A. A. Lincoln Green, 1305 Key Drive, Alexandria, Va.
B. The National Council on the Facts of Overpopulation, 1305 Key Drive, Alexandria, Va.

A. Albert A. Grorud, 816 E Street NE., Washington, D.C.
B. Colville Indian Association, Coulee Dam, Wash.
E. (9) $31.35.

A. Hoyt S. Haddock, 132 Third Street SE., Washington, D.C.
B. AFL–CIO Maritime Committee, 132 Third Street SE., Washington, D.C.

A. Haight, Gardner, Poor & Havens, 80 Broad Street, New York, N.Y.
B. Association of Danish Shipowners, 33 Amaliegade, Copenhagen, Denmark.

A. Hedrick & Lane, 1001 Connecticut Avenue NW., Washington, D.C.
B. Encyclopedia Britannica Films, Inc., Wilmette, Ill.

A. Kenneth C. Hendricks, 7303 Norfolk Avenue, Bethesda, Md.

A. Individual Income Tax Legislation, Inc., 216 Maryland Avenue NE., Washington, D.C.

A. International Printing Pressmen & Assistants' Union of North America, Pressmen's Home, Tenn.

A. Jeppesen & Co., 8025 East 40th Avenue, Denver, Colo.

A. James E. Jones, 122 East 42d Street, New York, N.Y.
B. American Paper & Pulp Association, 122 East 42d Street, New York, N.Y.

A. Keatinge & Older, 3325 Wilshire Boulevard, Los Angeles, Calif.
B. Quaker City Airways, Inc.; Paul Mantz Air Services, Inc.; Great Lakes Airlines, Inc.; Trans-Alaskan Airlines, Inc.; and Curry Air Transport, Ltd.

A. Eugene A. Keeney, 1615 H Street NW., Washington, D.C.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C.

A. John T. Kelly, 1411 K Street NW., Washington, D.C.
B. Pharmaceutical Manufacturers Association.

A. David Walbridge Kendall, 1625 K Street NW., Washington, D.C.
B. Zantop Air Transport, Inc., Detroit-Metropolitan Airport, Inkster, Mich.

A. George W. Kenote, Keshena, Wis.
B. Menominee Enterprises, Inc., Neopit, Wis.

A. Rufus King, Southern Building, Washington, D.C.

A. George W. Koch, 1612 K Street NW., Washington, D.C.
B. Sears, Roebuck & Co., 925 South Homan Avenue Chicago, Ill.

A. Philip M. Lanier, 908 West Broadway, Louisville, Ky.
B. Kentucky Railroad Association, 101 East High Street, Lexington, Ky.

A. Milton M. Levin, 521 Fifth Avenue, New York, N.Y.
B. Bakery & Confectionery Workers International Union of America, Solar Building, Washington, D.C.

A. Milton M. Levin, 521 Fifth Avenue, New York, N.Y.
B. Coordinated Marketing Agency, Inc., 575 Lexington Avenue, New York, N.Y.

A. Hal Leyshon, 122 East 42d Street, New York, N.Y.
B. American Federation of Musicians, 425 Park Avenue, New York, N.Y.

A. Linen Supply Institute of Greater Washington, 2400 16th Street NW., Washington, D.C.

A. Fred Livingston, 802 Ring Building, Washington, D.C.
B. Record Industry Association of America, Inc., 1 East 57th Street, New York, N.Y.

A. James E. Lofland, 139 South Beverley Drive, Beverley Hills, Calif.

A. John J. Long, 216 Williamsburg Drive, Silver Spring, Md.
B. International Printing Pressmen & Assistants' Union of North America, Pressmen's Home, Tenn.

A. Lord, Day & Lord, 25 Broadway, New York, N.Y.
B. The Metropolitan Museum of Art, Fifth Avenue and 82d Street, New York, N.Y.

A. Scott W. Lucas, 1025 Connecticut Avenue NW., Washington, D.C.
B. National Association of Chain Drug Stores, Vanderbilt Hotel, New York, N.Y.

A. Albert L. McDermott, 745 Washington Building, Washington, D.C.
B. American Hotel Association, 777 14th Street NW., Washington, D.C.

A. Julia L. Maletta.
B. Amalgamated Clothing Workers of America, 15 Union Square, New York, N.Y.

A. Maritime Trades Department, AFL–CIO, 815 16th Street NW., Washington, D.C.

A. David M. Marsh, 837 Washington Building, Washington, D.C.
B. Association of Casualty & Surety Companies, 60 John Street, New York, N.Y.

A. Paul V. Martenson, 1730 K Street NW., Washington, D.C.
B. Shipbuilders Council of America, 21 West Street, New York, N.Y.

A. Menominee Enterprises, Inc., Neopit, Wis.

A. Miller & Chevalier, 1001 Connecticut Avenue, Washington, D.C.
B. Automobile Legal Association, 1047 Commonwealth Avenue, Boston, Mass.

A. Miller & Chevalier, 1001 Connecticut Avenue NW., Washington, D.C.
B. Jeppesen & Co., 8025 East 40th Avenue, Denver, Colo.

A. Clarence L. Miller, 1028 Connecticut Avenue NW., Washington, D.C.
B. American Stock Yards Association, 1028 Connecticut Avenue, Washington, D.C.

A. Dale Miller, Mayflower Hotel, Washington, D.C.
B. General Motors Corp., Detroit, Mich.

A. Wilbert J. Miller, 31 Dusenberry Road, Bronxville, N.Y.
B. Woven Label Industry of United States of America, 111 West 27th Street, New York, N.Y.

A. Mutual Insurance Committee on Federal Taxation, 20 North Wacker Drive, Chicago, Ill.

A. National Association of Food Chains, 1725 I Street NW., Washington, D.C.

A. National Conference of Non-Profit Shipping Associations, Inc., 26 Auburn Avenue, Atlanta, Ga.

A. The National Council on the Facts of Overpopulation, 1305 Key Drive, Alexandria, Va.

A. T. A. Nooner, Jr., 38 South Dearborn Street, Chicago, Ill.
B. Railway Progress Institute, 38 South Dearborn Street, Chicago, Ill.

A. Walter O. Noreen, 509 14th Street NW., Washington, D.C.
B. National Postal Union, 509 14th Street NW., Washington, D.C.

A. Robert Oliver, 400 First Street NW., Washington, D.C.
B. The Sperry & Hutchinson Co., 114 Fifth Avenue, New York, N.Y.

A. Holcombe Parkes, 38 South Dearborn Street, Chicago, Ill.
B. Railway Progress Institute, 38 South Dearborn Street, Chicago, Ill.

A. Pharmaceutical Manufacturer's Association, 1411 K Street NW., Washington, D.C.

A. Tom Pickett, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, Transportation Building, Washington, D.C.

A. Steuart L. Pittman, 910 17th Street NW., Washington, D.C.

A. Railway Progress Institute, 38 South Dearborn Street, Chicago, Ill.

A. Record Industry Association of America, Inc., 1 East 57th Street, New York, N.Y.

A. Robert E. Redding, 1710 H Street NW., Washington, D.C.
B. National Conference for Repeal of Taxes on Transportation, 1710 H Street NW., Washington, D.C.

A. William P. Reilly, the Woodner, Washington, D.C.
B. Arizona Public Service Co., et al.

A. John J. Riley, 1625 L Street NW., Washington, D.C.
B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C.

A. James F. Rill, 1730 K Street NW., Washington, D.C.
B. Steadman, Collier & Shannon, 1730 K Street NW., Washington, D.C.

A. Gordon W. Rule, Union Trust Building, Washington, D.C.

B. National Association of Engine & Boat Manufacturers, Inc., 420 Lexington Avenue, New York, N.Y.

A. Henry M. Shine, Jr., 1625 L Street NW., Washington, D.C.

B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C.

A. Special Committee on Taxation.

A. Steadman, Collier & Shannon, 1730 K Street NW., Washington, D.C.

B. National Shoe Manufacturers Association, 342 Madison Avenue, New York, N.Y.

A. Verne R. Sullivan, 1615 H Street NW., Washington, D.C.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C.

A. Surrey, Karasik, Gould & Efron, 1116 Woodward Building, Washington, D.C.

B. Aeromaritime, Inc., 1000 Vermont Avenue, Washington, D.C.

A. Burkett Van Kirk, 4320 Bladensburg Road, Cottage City, Md.

B. General Outdoor Advertising Co., Inc., 4320 Bladensburg Road, Cottage City, Md.

A. Harold S. Walker, Jr., 420 Lexington Avenue, New York, N.Y.

B. American Gas Association, Inc., 420 Lexington Avenue, New York, N.Y.

A. William H. Webb, 523–A La Salle Building, Washington, D.C.

B. National Resources Development Association, 518 Sharp Building, Lincoln, Nebr.

A. David C. Williams, 1341 Connecticut Avenue NW., Washington, D.C.

B. Americans for Democratic Action, 1341 Connecticut Avenue NW., Washington, D.C.

A. Lester L. Wolff, 575 Lexington Avenue, New York, N.Y.

B. Coordinated Marketing Agency, Inc., 575 Lexington Avenue, New York, N.Y.

A. Venlo Wolfsohn, 1729 H Street NW., Washington, D.C.

B. Institute of Scrap Iron & Steel, Inc., 1729 H Street NW., Washington, D.C.

SENATE

WEDNESDAY, SEPTEMBER 13, 1961

The Senate met at 11 o'clock a.m., and was called to order by Hon. LEE METCALF, a Senator from the State of Montana.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, in the morning hour at this wayside altar of prayer, may the consciousness of Thy overshadowing presence grip our spirits with the possibilities which rise for each of us in every new dawn, wait for us upon the threshold of each day, which challenge us in every duty, and which open for us on golden hinges every door of opportunity.

In all the hurried pace we go, help us this day not to forget in our contacts with others the things we ought to remember, especially in the case of those whose skies take light and color from what we give or withhold, comrades whose gaiety our frown may quench, children whose gleam or gloom so largely reflects our tempers, the aged whose dreams are all back of them and who are dependent upon our courtesy and consideration.

Before turning now to waiting tasks we pause for Thy benediction. We are grateful for a heritage worth living for and dying for, and for a deathless cause that no weapon that has been formed can ever defeat.

In the Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 13, 1961.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. LEE METCALF, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. METCALF thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. ENGLE, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, September 12, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on September 13, 1961, the President had approved and signed the following acts:

S. 1653. An act to amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises;

S. 1656. An act to amend chapter 50 of title 18, United States Code, with respect to the transmission of bets, wagers, and related information; and

S. 1657. An act to provide means for the Federal Government to combat interstate crime and to assist the States in the enforcement of their criminal laws by prohibiting the interstate transportation of wagering paraphernalia.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on the Judiciary.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8302) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 2 to the bill, and concurred therein with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 8520. An act to amend the Soil Conservation and Domestic Allotment Act, as amended, to add a new subsection to section 16 to limit financial and technical assistance for drainage of certain wet lands;

H.R. 8871. An act to amend the Federal Employees' Compensation Act of 1960; and

H.R. 9030. An act to amend the act to promote the education of the blind, approved March 3, 1879, as amended, so as to authorize wider distribution of books and other special instruction materials for the blind, and to increase the appropriations authorized for this purpose, and to otherwise improve such act.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 8520. An act to amend the Soil Conservation and Domestic Allotment Act, as amended, to add a new subsection to section 16 to limit financial and technical assistance for drainage of certain wetlands; to the Committee on Agriculture and Forestry;

H.R. 8871. An act to amend the Federal Employees' Compensation Act of 1960; and

H.R. 9030. An act to amend the act to promote the education of the blind, approved March 3, 1879, as amended, so as to authorize wider distribution of books and other special instruction materials for the blind, and to increase the appropriations authorized for this purpose, and to otherwise improve such act; to the Committee on Labor and Public Welfare.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. ENGLE. Mr. President, under the rule, there will be the usual morning hour. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEAVE OF ABSENCE

Mr. KUCHEL. Mr. President, I ask unanimous consent that the distinguished junior Senator from Texas [Mr. TOWER] be permitted to be absent from the sessions of the Senate this week, by reason of official business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF TITLE 35, UNITED STATES CODE, RELATING TO OATH OF APPLICANT FOR PATENT

A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation to amend the provisions of title 35 of the United States Code relating to the oath of applicant for patent, and the provisions of the Trademark Act of July 5, 1946, relating to verification by the applicant of application for trademark registration, and for other purposes (with accompanying papers); to the Committee on the Judiciary.

STUDIES AND SURVEYS RELATING TO A HIGHWAY CONSTRUCTION PROGRAM FOR ALASKA

A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation to authorize the Secretary of Commerce, in cooperation with the State of Alaska, to undertake studies and surveys relative to a highway construction program for Alaska, and for other purposes (with an accompanying paper); to the Committee on Public Works.

RESOLUTION OF AIR POLLUTION CONTROL ASSOCIATION

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Air Pollution Control Association favoring the convening of another National Conference on Air Pollution during the year 1961 or 1962.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

AIR POLLUTION CONTROL

Whereas the contamination of our Nation's community air supplies have become an important national problem; and

Whereas many public and private groups and associations are conducting activities directed toward the solution of this problem; and

Whereas a better common understanding of the goals, requirements, and problems of these many groups and communities would facilitate a more rapid solution to the basic problem; and

Whereas the Air Pollution Control Association has long supported all constructive efforts to further understanding of the causes and dimensions of the air pollution problem, and to provide an effective exchange of views and opinions relevant to its solution; and

Whereas these purposes were served in an outstanding fashion by the 1958 National Conference on Air Pollution, convened by the U.S. Department of Health, Education, and Welfare: Now, therefore, be it

Resolved—

1. That the Air Pollution Control Association does hereby urge the President of the United States, the Secretary of Health, Education, and Welfare, and the U.S. Surgeon General to convene another National Conference on Air Pollution during the year 1961 or 1962.

2. That the Air Pollution Control Association extend its cooperation to the Department of Health, Education, and Welfare in the development of a suitable program.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HAYDEN, from the Committee on Appropriations, with amendments:

H.R. 9033. An act making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes (Rept. No. 991).

By Mr. SMATHERS, from the Committee on Finance, with an amendment:

H.R. 10. An act to encourage the establishment of voluntary pension plans by self-employed individuals (Rept. No. 992).

Mr. MANSFIELD subsequently said: Mr. President, on behalf of the Senator from Florida [Mr. SMATHERS], I ask unanimous consent that the minority views of Senators DOUGLAS and GORE on H.R. 10 be printed with the committee report submitted thereon.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

By Mr. BYRD of West Virginia, from the Committee on Appropriations, with amendments:

H.R. 8072. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1962, and for other purposes (Rept. No. 993).

REPORT ENTITLED "MILITARY SEA TRANSPORTATION SERVICE, BROOKLYN, N.Y."—REPORT OF A COMMITTEE (S. REPT. NO. 990)

Mr. McCLELLAN. Mr. President, on behalf of the Committee on Government Operations, I submit the report made to it by the Senate Permanent Subcommittee on Investigations entitled "Military Sea Transportation Service, Brooklyn, N.Y.," and ask that it be printed.

The Military Sea Transportation Service, a unit of the U.S. Navy, is charged with providing sea transportation for cargo and personnel of the U.S. military forces. It also has the duty to plan for and be capable of expansion in time of war and it necessarily arranges for the replacement and maintenance of vessels essential to accomplish this function.

Eight days of public hearings were held concerning this agency. Testimony revealed that improper gratuities were given by certain contractors to some employees of the Military Sea Transportation Service; that bribery of certain Government employees existed; and that certain Government employees were involved in conflict of interest matters with various contractors. Four of the witnesses invoked the fifth amendment, one of whom was George P. Cross, who held the top civilian position with the Military Sea Transportation Service and who refused to answer all questions pertaining to the source of $99,993.22 over and above his Government salary which he expended during the period 1955 to 1960. Following this exposure Cross resigned his position. Another Military Sea Transportation Service employee, John A. Berg, who was assistant port engineer, has been advised by the Navy of his removal on a charge of conduct unbecoming to a Government inspector. This matter is under appeal.

One of the contractors doing business with this agency, Sigmund J. Pehel, Pehel Industries, Inc., Brooklyn, N.Y., invoked the fifth amendment concerning a $3,000 corporation check which was given to the firm's accountant, Leonard A. Harris. This check was purportedly issued to bribe an agent of the Internal Revenue Service who had audited the corporation's Federal income tax returns. Leonard A. Harris, a certified public accountant, also invoked the fifth amendment on all questions pertaining to this check. We are advised by the Treasury Department that an Internal Revenue agent, while under investigation by the Internal Revenue Service in connection with this matter, has resigned. Another Internal Revenue Service agent, who audited the books of another ship repair contractor doing business with the Military Sea Transportation Service, Monti-Marine Corp., Brooklyn, N.Y., also resigned while under investigation by the Internal Revenue Service. Leonard A. Harris, the accountant, has submitted his resignation as an agent enrolled to practice before the Treasury Department and has filed an amended 1957 income tax return reporting additional income.

Testimony also revealed that an officer of the Monti-Marine Corp. deliberately attempted to prevent the subcommittee from getting the true facts as to Monti-Marine's purchases from Bloomfield Theater Ticket Service, Inc., New York City, for Broadway shows and other places of amusement as gifts to Military Sea Transportation Service personnel. As a result of this officer's dishonorable and deceitful acts, spurious records were furnished to the subcommittee by the Bloomfield Theater Ticket Service, Inc., pursuant to a subcommittee subpena.

The subcommittee has recommended criminal prosecution by the Attorney General of the United States against individuals whose activities indicate criminal offenses. It has also recommended that the Bureau of Internal Revenue make certain investigations.

As reprehensible as the above facts may be, this investigation spotlighted a situation of even greater importance and gravity. As our hearings concluded, the Berlin situation came to a head and, as you will recall, the President of the United States, in his speech to the country on this matter, ordered many vessels in the Navy's mothball fleet to be reactivated so as to be ready for any sealift emergency. It is felt, therefore, that this investigation was particularly timely, and it is the hope of this subcommittee that the correction of the derelictions shown to exist will enable the Military Sea Transportation Service to fulfill its important task with vitality, honesty, and integrity.

The ACTING PRESIDENT pro tempore. The report will be received and printed, as requested by the Senator from Arkansas.

REPORT ENTITLED "FREEDOM OF COMMUNICATIONS"—REPORT OF A COMMITTEE—AUTHORITY FOR COMMITTEE ON COMMERCE TO SUBMIT REPORTS DURING SINE DIE ADJOURNMENT (S. REPT. NO. 994—PART I)

Mr. MAGNUSON. Mr. President, pursuant to Senate Resolution 305 of the 2d session of the 86th Congress, from the Committee on Commerce, I submit a report entitled "Freedom of Communications," prepared by its Subcommittee on Freedom of Communications, a subcommittee of the Subcommittee on Communications. The report is submitted in six parts. I submit at this time part I of the report and ask unanimous consent that the Committee on Commerce on behalf of its Subcommittee on Freedom of Communications be authorized to file parts II through VI with the Secretary of the Senate during the adjournment sine die of the 87th Congress, 1st session. I ask the report be printed with illustrations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MAGNUSON. I brought along for Senators who may be interested and who want to know what we are doing, a jacket design of the proposed publication. Of course, the demand for this has been terrific all over the country, from universities and schools. In its original committee print form 1,500 copies were printed.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. BIBLE, from the Committee on the District of Columbia:

Mary C. Barlow, of the District of Columbia, to be associate judge of the municipal court for the District of Columbia; and

James A. Washington, Jr., of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GRUENING:

S. 2540. A bill to increase from $75 to $85 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service, and to eliminate the requirement that certain of such widows must have married the employee before his retirement; to the Committee on Commerce.

By Mr. KEATING:

S. 2541. A bill for the relief of Katherine Cunningham; to the Committee on the Judiciary.

By Mr. DOUGLAS:

S. 2542. A bill for the relief of Remo Santilli; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 2543. A bill to donate to the Stockbridge-Munsee community some submarginal lands of the United States, and to make such lands parts of the reservation involved; to the Committee on Interior and Insular Affairs.

S. 2544. A bill for the relief of Artine Yessayan and Socie Hayotsian Yessayan; to the Committee on the Judiciary.

(See the remarks of Mr. PROXMIRE when he introduced the first above-mentioned bill, which appear under a separate heading.)

By Mr. BENNETT:

S. 2545. A bill to authorize regulated public hunting in certain national parks and monuments and recreation areas for the purpose of controlling surplus big game animal populations; to the Committee on Interior and Insular Affairs.

By Mr. LONG of Louisiana:

S. 2546. A bill to authorize the naming of the Old River, La., structures in honor of the late Capt. A. A. Humphreys and Lt. H. L. Abbott; to the Committee on Public Works.

By Mr. JOHNSTON:

S. 2547. A bill for the relief of Jagat Kumar Kaul; to the Committee on the Judiciary.

By Mr. BUTLER:

S. 2548. A bill for the relief of Key Sun Ryang; to the Committee on the Judiciary.

By Mr. GRUENING (for himself, Mr. CHAVEZ, Mr. RANDOLPH, Mr. YOUNG of Ohio, and Mr. LONG of Hawaii):

S.J. Res. 137. Joint resolution to authorize the Secretary of Commerce, in cooperation with the State of Alaska, to undertake studies and surveys relative to a highway construction program for Alaska, and for other purposes; to the Committee on Public Works.

(See the remarks of Mr. GRUENING when he introduced the above joint resolution, which appear under a separate heading.)

CONCURRENT RESOLUTION

PRINTING OF ADDITIONAL COPIES OF REPORT ENTITLED "FREEDOM OF COMMUNICATIONS"

Mr. MAGNUSON submitted a concurrent resolution—Senate Concurrent Resolution 47—to print additional copies of report entitled "Freedom of Communications," which was referred to the Committee on Rules and Administration.

(See the above concurrent resolution printed in full when submitted by Mr. MAGNUSON, which appears under a separate heading.)

RESOLUTION

PRINTING OF ADDITIONAL COPIES OF A COMMITTEE PRINT OF THE JUDICIARY SUBCOMMITTEE ON INTERNAL SECURITY ENTITLED "THE PUGWASH CONFERENCES"

Mr. DODD submitted the following resolution (S. Res. 208), which was referred to the Committee on Rules and Administration:

Resolved, That there be printed for the use of the Senate Committee on the Judiciary six thousand additional copies of its committee print, entitled "The Pugwash Conferences", issued by its Internal Security Subcommittee during the Eighty-seventh Congress.

RETURN OF CERTAIN LANDS TO THE STOCKBRIDGE-MUNSEE INDIAN COMMUNITY, SHAWANO COUNTY, WIS.

Mr. PROXMIRE. Mr. President, I introduce, for appropriate reference, a bill to return to the Stockbridge-Munsee Indian community in Shawano County, Wis., lands adjacent to their reservation which were taken over by the Federal Government in the 1930's. This bill will return lands which rightfully belong to the Stockbridge-Munsee community.

The lands are considered submarginal. They were taken over by the Federal Government during the depression under the national industrial recovery program and the Farm Security Administration.

The Department of Agriculture had jurisdiction over the lands for many years. Recently they were turned over to the Department of the Interior to be administered for the benefit of the Stockbridge-Munsee community.

But many members of the tribe who live on the lands can get title only on a year-to-year basis. This uncertain tenure makes it very difficult to establish decent homes and farms, and to secure satisfactory mortgage financing.

The bill would remedy this by donating the lands to the tribe and making them part of the reservation. Such action has been recommended by the Secretary of the Interior in both this administration and the previous one. This means it has bipartisan support.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2543) to donate to the Stockbridge-Munsee community some submarginal lands of the United States, and to make such lands part of the reservation involved, introduced by Mr. PROXMIRE, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

PRESENTING THE ADMINISTRATION'S HIGHWAY PROGRAM FOR ALASKA

Mr. GRUENING. Mr. President, I am most gratified that the Secretary of Commerce has today sent to the President of the Senate and to the Speaker of the House a legislative proposal to make a long-needed start in enabling the State of Alaska to catch up on its road-building program.

I ask unanimous consent that the message from the Secretary of Commerce be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

(See exhibit 1.)

Mr. GRUENING. Ever since my service in the Senate, all during the 86th Congress, I urged the previous administration to support a program of highways for Alaska, but to no avail. It was impossible to make the previous administration comprehend that Alaska entered the Union in a unique position after many years of discrimination and neglect. It had been deprived of Federal aid highways funds during the first 40 years of that legislation—from 1916 to 1956—although paying all Federal taxes, and hence when it became a State only two of its major cities were connected by roads. The majority of its cities were not, a situation unthinkable in the other 49 States.

In simple justice I proposed that the Federal Government had a duty to make

up for the years of discrimination so as to place Alaska in the same position as the other States with respect to its highway program.

I set out a full explanation of the situation in which Alaska finds itself at the time I introduced a bill to rectify this situation. I ask unanimous consent that excerpts from my comments on that occasion be printed at the conclusion of my remarks.

(See exhibit 2.)

Mr. GRUENING. President Kennedy—then Senator Kennedy—was fully aware of this situation when, on June 24, 1960, on the floor of the Senate, he stated:

We must expand and modernize Alaska's highway system—a system is an essential condition of Alaska's future development—by greatly increasing our highway program so that Alaska's highways will be the equal of those in other States, which have been receiving Federal help over a long period of time.

The proposal which President Kennedy has now sent over through the Secretary of Commerce is the first step in the fulfillment of Alaska's great and long overdue road needs. It is my hope that the Department of Commerce will be able to complete the needed surveys and studies well before the May 15, 1963, deadline and in any event will be in a position even before that time to make initial recommendations to the Congress for the construction of specific roads in and to Alaska.

It is with great pleasure that I introduce, on behalf of myself and the distinguished senior Senator from New Mexico, the able chairman of the Senate Committee on Public Works, [Mr. CHAVEZ], the senior Senator from West Virginia [Mr. RANDOLPH], the junior Senator from Ohio [Mr. YOUNG], and the junior Senator from Hawaii [Mr. LONG], the joint resolution recommended by the President through the Department of Commerce and ask for its appropriate reference. I ask unanimous consent that the joint resolution be printed at the conclusion of my remarks.

EXHIBIT 1

THE SECRETARY OF COMMERCE,
Washington, D.C., September 12, 1961.

Hon. LYNDON B. JOHNSON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is submitted herewith a proposed joint resolution entitled "To authorize the Secretary of Commerce, in cooperation with the State of Alaska, to undertake studies and surveys relative to a highway construction program for Alaska and for other purposes."

This Department has recently given intensive and careful consideration to the special problems of the State of Alaska in relation to its highway needs. Alaska's situation is unique both in terms of its location—separated from the rest of continental United States by another country—and its other unusual geographic and economic characteristics necessitating special treatment. There is need, in particular, for extraordinary local and long-development-type roads, and roads to interconnect centers of population which are accessible only by water or air transportation, or through Canadian territory. Federal-aid and State highway funds are, however, adequate only to meet highway needs in the populated areas of Alaska and are not at all available for highway use in Canada. We believe the actions contemplated by this proposed legislation would provide a reasonable and effective approach to these problems.

The proposed joint resolution would authorize the Secretary of Commerce, in cooperation with the State of Alaska, to undertake engineering studies and estimates and planning surveys relative to highway construction in Alaska and, in accordance with agreements to be negotiated with Canada by the Secretary of State, relative to roads in Canada to connect with Alaska. A report of such studies and surveys would be submitted to the Congress not later than May 15, 1963. An appropriation of $800,000 for financing the studies and reports referred to above would be authorized.

The Department of Commerce recommends the enactment by the Congress of the proposed joint resolution.

The Bureau of the Budget advises that there is no objection to the submission of this joint resolution from the standpoint of the administration's program.

Sincerely yours,

EDWARD GUDEMAN,
Under Secretary of Commerce.

EXHIBIT 2

STATEMENT OF SENATOR GRUENING

Alaska enters the Union under conditions which are unique in many fields. This is a result, in the main, of the fact that the 49th State lags 47 years after the last of her predecessors in being admitted; and these were years in which the relationship between the States and the Federal Government changed as never before in our history. Alaska has a lot of "catching up" to do to be on a basis of real, in addition to merely technical, equality with her sister States.

In no respect is the contrast between Alaska and all the other States more marked than in surface transportation. Alaska enters the Union unique in that not merely a few but a majority of her communities are unconnected with any others by highway or railroad. By the same token, these isolated Alaska communities are unconnected with the continental highway system.

Perhaps nowhere in the other 49 States does there exist a community, no matter how small, to which it is not possible to drive in an automobile or ride in a train. The whole economy and civilization of 20th century America is based on this free and ready access for goods and people. The very character of the American citizen is undoubtedly conditioned in an important way by the circumstance that, no matter where he lives, he can get in the family automobile and drive somewhere—to the nearest large city, to the capital of his State or Nation.

In Alaska, five of the seven largest cities, including Juneau, the capital, have no road system which leads to any other place. A dozen cities with population of 1,000 or more have neither road nor rail connection with any other city. In terms of surface transportation, Alaska in 1959 is in about the same situation as other States found themselves in 1850 before the construction of transcontinental railroads or a nationwide road network.

The reason for this state of affairs in the 49th State is not far to seek. It is owing to longstanding and almost totally unrelieved discrimination in the manner in which Federal highway programs have been enacted. Until 1956, Alaska was totally excluded from Federal-aid highway legislation. Since 1956, Alaska has been included, but on a sharply reduced basis. The State is still totally excluded from the interstate or throughway part of Federal programs—except that Alaska is included in the collection of the excise taxes which support the interstate program.

According to figures provided by the Bureau of Public Roads, there are today 5,356 miles of roads in Alaska. Of this total, 1,249 miles are classified as unconstructed. In other words, these roads exist only on paper. Of the remainder, only 2,515 miles are of such quality and in such locations that travel over them is possible throughout the year.

As far as surface is concerned, 1,113 miles are surfaced or paved, 38 miles surface treated, 2,720 miles gravel, and 246 miles unimproved. The total of existing and unconstructed rural roads is 5,320 miles, of such urban roads 23 miles.

This is a meager network indeed for an area one-fifth the size of the other 49 States combined. It seems obvious that the first thing which must be done to enable Alaska to progress is to provide a means to construct roads in the new State.

The BPR statistics show that 1,653 miles comprise a connecting primary system that serves the cities of Anchorage, Palmer, Fairbanks, Valdez, Seward, and Homer. Some 2,454 miles in a secondary system connect with the primary system. Much of Alaska's road mileage consists of isolated stubs of road that lead a short distance from population centers and then end abruptly.

"Why roads?" is a question which hardly needs asking in modern-day America. Roads are the arteries of transportation, commerce, and industry. "Why roads in Alaska?" can be answered in exactly the same terms as if the question related to Michigan, New Mexico, California, or New York.

Providing roads will enhance the economy not only of the 49th State but also of the Nation. There is, for residents and visitors alike, the obvious pleasure of travel in the largest and most beautiful of the States, on adequately constructed and maintained routes which will allow the Nation's citizens to observe the majestic scenic wonders of Alaska. From the grandeur of her sweeping mountainous panorama that includes the continent's highest peak (20,300-foot-high Mount McKinley) to her many mirror lakes and colorful streams, Alaska provides for tourists—and Alaskans, too—scenery that has no equal elsewhere in the world. Too, the avid sportsman will find Alaska a fisherman's glory, a hunter's paradise, for big game and fish abound. Alaska is the only State where every species of North American bear is found, for example. Tourism is already a major industry and growing rapidly. It may well be Alaska's greatest single economic potential.

Then the natural resources waiting to be developed include practically all the known minerals in the world today. These range from gold and silver, lead, zinc, and copper to mercury and antimony, platinum, chromium, nickel, iron, molybdenum and tungsten. Deposits are known to exist of fluorspar, petroleum and natural gas, to say nothing of vast storehouses of coal. In timber, approximately 350 billion board feet—including spruce, hemlock, cedar, cottonwood, and birch—grow in Alaska forests which are of vital importance to a lumber-hungry Nation. The States hydroelectric power potential should be mentioned in passing, for Alaska's many rivers and hanging lakes contain millions of potential kilowatts for industrial and domestic use.

All this wealth that is Alaska cries out to be developed, and a major program of Alaska throughways is urgently needed to serve as taplines to the vast resources that have been out of reach of potential capital investors throughout Alaska's history.

In the matter of roadbuilding all the other States have been assisted to a large extent by aid from the U.S. Government programs. The Federal Aid Road Act of 1916 provided the country's first major, national highway program. Alaska was totally excluded. In 1921 the Federal Highway Act substantially amended the previous law, but again Alaska

was left out. When Alaska finally was included in 1956, the ingredient of total land area in the formula for computing the amount of funds due the State was cut down, in Alaska's case, by two-thirds, leaving only one-third of Alaska's area counted. The cut was made over strenuous protests of Delegate—now Senator—E. L. (BOB) BARTLETT.

Statistics prove that if Alaska had shared on an equal basis with the other States in roadbuilding programs, her share by now would have reached the $575 million figure. Instead, Alaska has received only $94.7 million since 1916. Alaska is still totally eliminated from the interstate throughway trust fund program (as distinguished from the 1956 act's ABC funds for primary, secondary, and urban roads, in which Alaska does participate, although on a one-third basis).

Alaska has been subject to all the Federal taxes over the years that all the other States have paid. As a matter of fact, through taxation, Alaska has helped support the Federal-aid highway program since 1916, even though not receiving one penny in return. (The funds Alaska did receive in the form of appropriations to the Alaska Road Commission and the Bureau of Public Roads were drastically reduced, as compared with other States' participation, or, during some years, curtailed—eliminated—altogether.)

In addition, Alaskans were and are now paying, since 1956, the special tax on tires, tubes, gasoline, oil, new automobiles, trucks, buses, and trailers through which the interstate throughway system is supported. Yet Alaskans are deprived of all the benefits from this fund.

In recent years the U.S. Government has given outright grants to many foreign countries for various road programs. In the past decade, for example, $127 million has been granted to five Central American countries for use in completion of the Inter-American Highway. Surely no area is more vitally in need of roads to connect with an inter-American roadway system than is this country's largest State, with its strategic military importance as a defense outpost and outer perimeter in the defense warning system.

Even if Alaska should be included on a basis of equality in all the now-existing Federal aid to roadbuilding programs, it would be impossible ever to catch up with the rest of the States and put Alaska's road network on a par with that of the other 49 States. This situation poses the problem of how to achieve for Alaska a just parity or equality with the other States. What is the best method of obtaining the end result of equality? Alaska, in its pioneer stage of development, does not need superhighways of four- or six-lane construction at this time. It does need many miles of less elaborate highways, to put the 49th State on a basis of parity with the others, at least to end the isolation of communities one from another.

The ACTING PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S.J. Res. 137) to authorize the Secretary of Commerce, in cooperation with the State of Alaska, to undertake studies and surveys relative to a highway construction program for Alaska, and for other purposes, introduced by Mr. GRUENING (for himself and other Senators), was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Commerce, in cooperation with the State of Alaska, is hereby authorized to make engineering studies and estimates and planning surveys relative to a highway construction program for the State of Alaska, and, in accordance with treaties or other agreements to be negotiated with Canada by the Secretary of State in consultation with the Secretary of Commerce, engineering studies, estimates, and planning surveys relative to roads in Canada to connect with Alaska.

SEC. 2. On or before May 15, 1963, the Secretary of Commerce shall submit a report to the Congress which shall include—

(1) An analysis of the adequacy of the Federal-aid highway program to provide for a satisfactory program in both the populated and the undeveloped areas in Alaska;

(2) Specific recommendations as to the construction of roads through undeveloped areas of Alaska and to connect them with roads in Canada; and

(3) A feasible program for implementing such specific recommendations, including cost estimates, recommendations as to the sharing of cost responsibilities, and other pertinent matters.

SEC. 3. From time to time, either before or after submission of the report provided for in section 2 of this Act, the Secretary of Commerce may submit recommendations to the Congress with respect to the construction of particular highways to carry out the purposes of this Act.

SEC. 4. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be available until expended, the sum of $800,000 for the purpose of making the studies, surveys and report authorized by sections 1 and 2 hereof.

PRINTING OF ADDITIONAL COPIES OF REPORT ENTITLED "FREEDOM OF COMMUNICATIONS"

Mr. MAGNUSON. Mr. President, I submit, for appropriate reference, a concurrent resolution, section 1 of which provides that the report of the Committee on Commerce entitled "Freedom of Communications," prepared by the subcommittee of the Subcommittee on Communications, pursuant to Senate Resolution 305, which was agreed to on June 4, 1960, in six parts, be printed as a Senate report, each part to be printed as a separate volume with an appropriate title and illustrations which can be provided by the Printing Office; also that 15,000 copies of part I and part II be printed, of which 5,000 copies shall be for use of the committee, 5,000 copies for the Members of the House, and 5,000 copies for Members of the Senate; as well as other matters that needed to be done by the concurrent resolution.

On September 12, 1959, the Committee on Commerce appointed the Subcommittee on Freedom of Communications, as an oversight committee, to follow the operations of Government-licensed media under the 1959 amendment of the equal-time provision of the Communications Act. This provision allowed what are now known as the great presidential debates of 1960. The subcommittee was charged with the duty and function of receiving information and complaints concerning the treatment of news by media operating under Government license, in order to insure freedom, fairness, and impartiality in such news presentations.

On February 24, 1960, in the 2d session of the 86th Congress, this subcommittee was reappointed as a subcommittee of the Subcommittee on Communications.

On June 14, 1960, the Senate adopted Senate Resolution 305, authorizing this subcommittee to examine, investigate, and make a complete study of any and all matters pertaining to first, Federal policy on uses of Government licensed media for the dissemination of political opinions, news, and advertising, and the presentation of political candidates; and second, a review and examination of information and complaints concerning the dissemination of news by such media.

The congressional suspension of section 315, the equal-time provision, so far as the presidential and vice presidential candidates were concerned, for the presidential campaign of 1960 was facilitated by the existence of this subcommittee. The Senate was encouraged to try the 1960 experiment, so long as a "watchdog" committee was available as a safeguard in the event of abuse of the discretion granted.

The subcommittee report has been presented in six parts as follows:

Part I, "The Speeches, Remarks, Press Conferences, and Statements of Senator John F. Kennedy, August 1 through November 7, 1960."

Part II, "The Speeches, Remarks, Press Conferences, and Study Papers of Vice President Richard M. Nixon, August 17 through November 7, 1960."

I might say at this point that both Mr. Nixon and Mr. Kennedy cooperated very thoroughly and presented to the committee a great deal of historical information, of great value, not only to students, but to all Americans.

Part III, "The Joint Appearances of Senator John F. Kennedy and Vice President Richard M. Nixon and Other 1960 Campaign Presentations."

Part IV. "The 15-Minute Radio and Television Network Newscasts for the Period September 26 through November 7, 1960."

Part V, "Hearings Before the Freedom of Communications Subcommittee, March 27, 28, and 29, 1961."

Part VI, "Recommendations."

Parts I, II, and III constitute a unique record in American political history. For the first time, we have the complete press conferences, speeches, remarks, and statements of the two major candidates for the Presidency throughout the presidential campaign period. Here, then, is the presidential campaign of 1960. I am confident the Senate and the public will find these volumes of continuing interest and use as a general reference work.

The ACTING PRESIDENT pro tempore. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 47) was referred to the Committee on Rules and Administration, as follows:

Resolved by the Senate (the House of Representatives concurring, That the report of the Committee on Commerce entitled "Freedom of Communications" (prepared by a subcommittee of the Subcommittee on

Communications pursuant to S. Res. 305 agreed to June 14, 1960) in six parts be printed as a Senate report, each part to be printed as a separate volume with an appropriate title, illustrations, and an index in such form and style as may be directed by the Joint Committee on Printing.

SEC. 2. That there be printed fifteen thousand additional copies of each volume of parts I, II, and III, of which five thousand copies shall be for the use of the Committee on Commerce and the Subcommittee on Freedom of Communications, five thousand copies shall be prorated to the Members of the House of Representatives, and five thousand copies be prorated to the Members of the Senate.

SEC. 3. That there be printed five thousand additional copies of each volume of parts IV, V, and VI which shall be for the use of the Committee on Commerce and the Subcommittee on Freedom of Communications.

AMENDMENT OF CONSTITUTION, RELATING TO ELECTION OF PRESIDENT AND VICE PRESIDENT—AMENDMENT

Mr. MUNDT (for himself, Mr. THURMOND, Mr. MORTON, Mr. FONG, Mr. HRUSKA, Mr. GOLDWATER, and Mr. MCCLELLAN) submitted an amendment, in the nature of a substitute, intended to be proposed by them, jointly, to the joint resolution (S.J. Res. 12) proposing an amendment to the Constitution of the United States providing for the election of President and Vice President, which was referred to the Committee on the Judiciary and ordered to be printed.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO FOREIGN ASSISTANCE APPROPRIATION BILL

Mr. HAYDEN submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 9033) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes, the following amendment, namely:

Page 11, after line 9, insert the following: "SEC. 603. Public Law 87-195, approved September 4, 1961, is amended by inserting the following after the enacting clause: 'That this Act may be cited as "The Foreign Assistance Act of 1961."'"

Mr. HAYDEN also submitted an amendment, intended to be proposed by him to House bill 9033, making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1962, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

REPEAL OF LEGISLATION RELATING TO PURCHASE OF SILVER—ADDITIONAL COSPONSOR OF BILL

Mr. CLARK. Mr. President, I ask unanimous consent that I may be added as a cosponsor of S. 2420, to repeal certain legislation relating to the purchase of silver, and for other purposes, introduced by the distinguished senior Senator from Rhode Island [Mr. PASTORE], for himself and other Senators, and that my name may be listed with theirs on any future printings of the bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, September 13, 1961, he presented to the President of the United States the following enrolled bills:

S. 200. An act to amend the act entitled "An act relative to employment of certain adult Indians on or near Indian reservations," approved August 3, 1956;

S. 279. An act to provide Federal assistance for projects which will demonstrate or develop techniques and practices leading to a solution of the Nation's juvenile delinquency control problems;

S. 1317. An act to change the designation of that portion of the Hawaii National Park on the island of Hawaii, in the State of Hawaii, to the Hawaii Volcanoes National Park, and for other purposes;

S. 1528. An act to increase the relief or retirement compensation of certain former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service; and of widows and children of certain deceased former officers of such forces, department, or service;

S. 1529. An act to amend the act entitled "An act to regulate the height of buildings in the District of Columbia," approved June 1, 1910, as amended;

S. 1719. An act to amend title 23 of the United States Code with respect to Indian reservation roads;

S. 1762. An act to regulate the practice of physical therapy in the District of Columbia;

S. 1768. An act to provide for the restoration to Indian tribes of unclaimed per capita and other individual payments of tribal trust funds;

S. 1807. An act to authorize the disposition of land no longer needed for the Chilocco Indian Industrial School at Chilocco, Oklahoma; and

S. 2241. An act to donate to the Jicarilla Apache Tribe of the Jicarilla Reservation, N. Mex., approximately 391.43 acres of federally owned land.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. CLARK:

Address delivered by Senator HARRISON A. WILLIAMS, of New Jersey, to the annual conference of the American Municipal Association, Seattle, Wash., August 28, 1961.

By Mr. BARTLETT:

Introductory remarks by Senator AIKEN at Senate luncheon in honor of David Sarnoff, chairman of the board of the Radio Corp. of America, in Washington, D.C., on August 30, 1961.

THE WILDERNESS BILL AND CONSERVATION OF CONGRESSIONAL AUTHORITY

Mr. DODD. Mr. President, last week the Senate passed the so-called wilderness bill, which set aside certain parts of federally owned lands as permanent wilderness areas to be preserved entirely in the state of nature. Though this bill has passed the Senate, the House will not take action upon it until next year, and no one can tell at this point what the outcome will be. Therefore, discussion of this measure is very much in order, and I wish to speak briefly about it now.

Since I have been a Member of Congress, and long before, I have been greatly interested in the issue of conservation of our natural resources. I have spoken on the floor of the Senate on this question, and have always supported conservationist measures. Some of my friends expressed surprise, therefore, when on last Wednesday, September 6, I voted against the wilderness bill.

Though I support the objective of this bill, I opposed its passage because it delegated to the executive branch a traditional power of the Congress, that of disposing of Federal territory. The Constitution gives to the Congress exclusive power to dispose of territory of the United States. This calls for affirmative action by the Congress on any such proposal, and has been so interpreted by the courts. This may appear to be a small matter, but it is a part of one of the great constitutional questions of our time.

The proponents of the wilderness bill successfully obscured this basic constitutional issue, by providing that Congress could veto future Executive proposals for permanently allocating public lands as wilderness areas. This procedure, if extended to other fields, would reverse the role of Congress from that of writing the laws of this Nation, subject to veto by the President, to that of merely having the veto power over laws written by the President. There is a world of difference between these two approaches, and that difference spells the disintegration of congressional power and of our traditional system of checks and balances.

All who have studied the decline and fall of representative governments, all who have observed the process by which parliaments are transformed from bodies which initiate action and make laws to bodies which subserviently ratify the actions of an all-powerful executive, will share my apprehension over the fact that the Congress of the United States has traveled some distance down this road.

During the period in which I have served in Congress, I have seen proposals to delegate congressional power to the executive branch recur with increasing frequency. I regret to say that I have sometimes voted for such proposals. Each time this issue is before us, a plausible argument can be made for turning over this or that particular congressional power to the Executive, on the ground that such action will make the program in question more effective, better administered, and more coherently planned. And if one regards each of these proposed delegations of power as an isolated issue, he is tempted to support these delegations.

Yet, we must ask ourselves what will happen to the status of the Congress if

it does not soon turn its face rigidly against any further delegations of legislative power to the executive branch, however small or apparently meaningless? Each of us must answer that question himself, and many will have differing estimates as to what constitutes the danger point.

I believe the danger point has been reached, and I have made a personal decision to resist all future proposals which call for the delegation of one scrap of congressional power or responsibility or prerogative. This issue determined my position on the wilderness bill.

There was offered to the bill an amendment which would have restored the affirmative power of Congress to dispose of the lands in question. If that amendment had been adopted, I would have supported the wilderness bill. Since it was defeated, I voted against the bill.

Much as I wish to support conservation measures, the greatest conservation issue before us is the question of conserving the Constitution of the United States. In the interest of that kind of conservation, I opposed the wilderness bill, in the form in which it passed the Senate. I hope the Members of the House of Representatives will give the most careful attention to this constitutional question and will pass a bill which will preserve both the wilderness areas and the traditional role of the Congress.

The ACTING PRESIDENT pro tempore. Is there further morning business? If there is no further morning business, morning business is closed.

MOSCOW CLAIMS VICTORY IN THE CONGO

Mr. DODD. Mr. President, last Friday, I rose in the Senate to warn that United Nations policy in the Congo, if it were not quickly reversed, would inevitably lead to a complete Communist takeover in that country.

On Monday, I submitted in the Senate a resolution calling for the establishment of a select committee of the Senate to investigate the Congo situation. Simultaneously, I sent to Ambassador Stevenson a telegram urging him to insist that the U.N. suspend all action against the government of President Tshombe, of Katanga, and against white officers and white advisers serving under that government.

Only hours after I had submitted my resolution on Monday, there came to my attention an article, in the official Soviet periodical New Times, which claims a complete victory for the pro-Soviet side in the Congo, and paints a far blacker picture than I, myself, did on the basis of the information available to me Monday morning.

The article to which I refer appeared in the Russian language edition of the Moscow New Times, for September 8, which arrived in this country only Monday morning. The English language version of New Times should reach this country within the next week. Meanwhile, because I consider the article of such critical importance, I wish to present a translation of the text at the conclusion of my remarks. To the best of my knowledge, this will be the first translation available in the English language.

The article on the Congo in the Moscow New Times points out that the members of political parties of the national bloc, which was headed by Patrice Lumumba, have 23 seats in this government, or an absolute majority; that "the decision of the Parliament permits the new government tc carry out all decisions made earlier by the Lumumba government"; that Prime Minister Cyrille Adoula has accepted the request of Vice Premier Gizenga to appoint Gen. Victor Lundula as Chief of the United Congolese Army, and to fill the position of Minister of Defense and representative to the United Nations with Gizenga followers; that Adoula has further agreed to take certain unspecified measures against Colonel Mobutu, and that Gizenga is now demanding the removal from the army of all soldiers and officers who are against the unity of the country; and that Gizenga, in a telegram to Adoula, had called for an end to the separatist activity in Katanga, to preserve the territorial unity of the Republic within the framework of the policy of Patrice Lumumba, our adherence to which we have declared.

The article boasted that "the decision of the Parliament commits the new government to carry out all decisions made earlier by the Lumumba government, and factually cancels as illegal the decisions of the so-called Ileo government."

Mr. President, in the light of this information, I believe the situation in the Congo is even graver than I have previously described it. I believe that unless the United States can use its influence to reverse United Nations policy, or else to bring about a stay in the execution of this policy until there has been time for a reappraisal of the entire situation, the Congo, within a matter of months, will be irrevocably lost to the free world and to the Congolese people.

If there is anyone who still cherishes illusions about the possibility of achieving a middle-of-the-road solution through the coalition government which the U.N. has fostered and to which it is now giving all-out support, I would urge them to read the article in the Moscow New Times.

There is no talk in this article about any middle-of-the-road solution or of compromise with the non-Communists. The language of the article, on the contrary, is completely uncompromising. It speaks of nothing less than total victory and of the elimination of all those who oppose the institution of a Khrushchev-Gizenga new order in the Congo.

Because I considered this article in the Moscow New Times to be of such grave significance, I forwarded a translation to President Kennedy, as soon as it became available to me Monday afternoon.

The press has hinted in the past that the Administration was not altogether happy about United Nations policy in the Congo. In my wire to Ambassador Stevenson, I expressed the hope that present U.N. policy in that unhappy country did not enjoy the sanction and approval of the United States. For my own part, I simply cannot believe that President Kennedy has been provided with all the facts on this tortured situation.

Mr. President, the situation in the Congo can be redeemed. If the Kremlin had to act in its own right and with its own resources in the Congo, it would be completely helpless because of the thousands of miles that separate it from the African heartland. Geographically and logistically the Congo belongs to our sphere of operations, not the Soviet sphere.

There is no reason why the Congo should go Communist. There is every reason why it should remain free. But the dismal fact, nevertheless, is that the Congo is rapidly slipping under complete Communist control. If the Congo does go Communist, it will not be because of Soviet strength or because the Congolese people want communism: it will be because of U.N. policy in the Congo and because of the perverse folly that induces us to support this policy with our prestige and our money.

The words "perverse folly" are strong words, but I have used them with all deliberation. We are paying more than half of the $100 million that the United Nations has already budgeted or spent in the Congo. Could there be any folly greater or more perverse than financing the destruction of our friends and the victory of our enemies?

Mr. President, I ask unanimous consent to insert into the RECORD at the conclusion of my remarks the translation of the article entitled "The Development of the Events in Congo," by E. Primakov, which appeared in New Times, No. 37, September 8, 1961. I also ask unanimous consent to have inserted the text of my letter transmitting this translation to President Kennedy.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibits 1 and 2.)

Mr. DODD. In the light of this article in New Times, Mr. President, I again express the hope that it will be possible for the Senate, before Congress adjourns, to pass on the resolution I presented Monday calling for the establishment of a select committee on the Congo.

I think this matter is so urgent that, unless some action of this kind is taken, the Congo will inevitably become another part of the world Communist bloc.

This would be a great tragedy. It would be another in the list of tragedies that have been occurring and recurring with a frequency that is difficult to explain or even to understand.

We have been pouring out of our substance billions of dollars to give comfort and aid to our sworn enemy. If there is any objective historian left to write about our times, and if his writings are preserved for posterity, I am confident that, when he reviews what we have been doing over the last 8 or 9 years, he will have to say we were, indeed, strange people and that we were guilty of the greatest folly.

I have told my colleagues in the Senate within the last few weeks of the fact that the World Bank, in which we have membership, only a few weeks before the election in British Guiana, loaned the Communist, Cheddi Jagan, $1,250,000. Jagan came to Washington and personally negotiated that loan. He went back to British Guiana figuratively waving the check in the face of the people of British Guiana.

Jagan is a Communist. But he was able to say to these people, who had to make a decision with respect to him and the other two candidates, "Now you see what the United States thinks. I went to Washington and came back with $1,250,000." He won the election by only three seats. But our representative on the World Bank approved that loan. I say this is worse than folly—it is scandalous.

During the last 5 or 6 months the United Nations has made a loan to Castro's Cuba of $1,650,000, and the United States representative in the United Nations made no objection and joined in approval.

Here we have a record, in a period of 6 months, of approving a loan of $1,250,000 to the Communist Jagan in British Guiana and a record of our representative in the United Nations approving a loan of $1,650,000 to Castro.

Now we are paying the bill, to the extent of $50 million, to permit the United Nations to impose a Communist regime in the Congo.

I say to my colleagues and to the people of this country, it is high time they stood up and demanded an end to such procedures.

We are being besieged by the most ruthless, vicious, and relentless of enemies, who has publicly announced his will and determination to destroy us. We may have differences as to how we should meet this threat. But I do not believe there is a person in this land who wants us to lend and give money to our enemies, so that they may more quickly and effectively destroy us.

That is what is happening. I remember hearing in this body not long ago about the wonders we had accomplished in the Congo. There were some almost boastful statements made in this body about the wonderful things we had done. We find at this hour that the wonderful thing we have done is to push the Congo right to the brink of falling into the Communist orbit. And that is what is going to happen unless we do something about it. We have very little time to do it.

I, for one, like many of my colleagues, am tired of talking about it and issuing warnings when nobody seems interested in it. With the exception of a few newspapers, I have not heard anything about what is going on in the Congo. The people do not know what is going on in that country or, for that matter, around the world, because they are not being told the facts. Our duty is to tell the people the facts and the truth.

This raises another question. A way must be found to get these facts to our people.

I hope that other Members of this body will help in publicly underscoring the grave seriousness of this situation in the Congo. I believe we ought to send a Senate factfinding committee there, to find out what is going on and how it happens that we are spending $50 million of the money of the people of the United States to further a pro-Communist regime in the Congo. I say it is not only a scandal, it is one of the most disgraceful scandals in all history.

EXHIBIT 1

(Excerpts from the article by E. Primakov, "The Development of the Events in Congo," Moscow New Times, No. 37, Sept. 8, 1961)

"On August 2, a new government was formed in the Congo composed of 27 ministers and 17 state secretaries. Cyrille Adoula was appointed Prime Minister. According to the Stanleyville newspaper, Uhuru, the members of political parties of the national bloc which was headed by Patrice Lumumba have 23 seats in this government, or an absolute majority. The composition of this new Cabinet proves that the adventurous effort to liquidate the government of Lumumba completely failed.

The decision of the Parliament commits the new government to carry out all decisions made earlier by the Lumumba government, and factually cancels as illegal the decisions of the so-called Ileo government. In accordance with this decision, Adoula invited all the countries recognizing the legal government of Lumumba-Gizenga who had their diplomatic missions in Stanleyville, to transfer their missions to Leopoldville.

On August 16–19, Cyrille Adoula carried out in Stanleyville negotiations with Antoine Gizenga on different questions of internal and international character. Valentin Lubuma, chief of Antoine Gizenga's Chancery, announced:

"In the course of negotiations, Gizenga and Adoula expressed mutual desire to liquidate the crisis and help to pacify the country, continuing the work of the Congolese Parliament in this direction."

In accordance with this, Prime Minister Adoula and First Vice Premier Gizenga made important decisions which are indicated in the telegram from Gizenga to Cyrille Adoula, released by Valentin Lubuma at his press conference on August 28. Gizenga is asking Adoula to inform him how the decisions about the appointment of Gen. Victor Lundula as commander in chief of the United Congolese Army, and about appointments of Gizenga followers to the posts of Minister of Defense and representative in the United Nations, have been carried out. Gizenga in his telegram emphasized immediate necessity of transfer of the post of commander in chief of Congolese Army to Lundula "in order to stop mass murders of civilian population in different areas of the country, to end the separatist activity in Katanga, to preserve the territorial unity of the Republic within the framework of the policy of Patrice Lumumba, our adherence to which we have declared."

Lubuma released to the journalists the text of another telegram sent by Gizenga to Adoula. Here is the text:

"Simultaneously with taking the necessary measures in relation to Mobutu as we agreed in Stanleyville, it is necessary to remove from the army all soldiers and officers who are against the unity of the country. The complete restoration of security in the country is impossible without solution of the army problem."

Antoine Gizenga at the meeting on August 18 declared:

"The genuine nationalists realize that certain persons who played very negative roles in the fate of our country had entered into the new government."

The participation of such elements in the government became possible as a result of direct intervention of imperialist forces. The Secretariat of the United Nations has broken its promises to guarantee the complete freedom of self-expression to the members of the Congolese Parliament during the formation of the government and discussion of the candidacy for the ministerial posts.

EXHIBIT 2

(Copy of letter from Senator THOMAS J. DODD to President John F. Kennedy)

SEPTEMBER 11, 1961.

THE PRESIDENT,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: This morning I introduced a Senate resolution calling for the establishment of a select committee of the Senate to investigate the situation in the Congo. I did so because, as I stated in a Senate speech last Friday, September 8, I was alarmed by the increasing evidence that U.N. policy in the Congo, as it is currently being applied, is systematically undermining and destroying the anti-Communist elements and systematically strengthening Communist influence. The only result of such a policy must be a complete Communist takeover in the Congo.

Within the last hour there has come to my attention an article in the most recent issue of the official Soviet periodical, New Times (New Times, No. 37, Sept. 8, 1961), which completely bears out the interpretation I have placed on events. If anything, it paints a blacker picture than I did, on the basis of my previous information.

The article claims a complete victory for the pro-Soviet side in the Congo, and it adds details about the extent of this victory which have not yet appeared in the American press. Among other things, the article points out that the members of political parties of the national bloc which was headed by Patrice Lumumba have 23 seats in this government, or an absolute majority; that the decision of the Parliament permits the new government to carry out all decisions made earlier by the Lumumba government; that Adoula has accepted Gizenga's request to appoint Gen. Victor Lundula as chief of the United Congolese Army, and to fill the positions of Minister of Defense and representative to the United Nations with Gizenga followers; that Adoula has further agreed to take certain unspecified measures against Colonel Mobutu, and that Gizenga is now demanding the removal from the army of all soldiers and officers who are against the unity of the country.

I consider this article, which claims so sweeping a victory for the Soviet side, to be so significant that I enclose herewith a translation of the most relevant portions.

On the basis of this information and of information that has reached me privately from Stanleyville, I now believe that the situation is even graver than I had indicated in my statement of last Friday or in my statement this morning, on submitting my resolution calling for the establishment of a select committee on the Congo situation.

Unless the present trend of U.N. policy in the Congo is immediately reversed, there is no doubt in my mind that the Congo, within a matter of months, will be under complete Communist control. If this should happen, it will not be because of the indigenous strength of the Communist movement or because of Soviet intervention in the manner of Laos. If the Congo goes Communist under the circumstances to which I have referred, it will be thanks above all to the misbegotten policies of the U.N. and the actions of a U.N. army that is largely paid for by American funds.

This morning I sent a telegram to Ambassador Stevenson urging him to insist within the U.N. that, until there has been an opportunity for a reappraisal of the entire situation, the U.N. command in the Congo take no further action against white officers or white advisers in Katanga province; that it release those officers and advisers now in custody and permit them to resume their positions; and that it take no further measures to force the submission of President Tshombe to the coalition government in Leopoldville, in which the Vice-Premier and the Minister of the Interior are both Prague-trained Communists, and which will, in addition, shortly be saddled with a pro-Communist minister of defense.

I bring these details to your attention, Mr. President, in the earnest hope that you will be able to take the necessary action before the situation deteriorates beyond the point of no return.

Sincerely yours,

THOMAS J. DODD.

Mr. DODD subsequently said: Mr. President, earlier today I spoke on the situation which is developing in the Congo.

The statement I made to the Senate immediately after the morning hour was prepared only yesterday. I felt at the time I prepared this statement that we had only days or weeks in which to act. But events in the Congo have moved even more rapidly than I had anticipated.

The morning teletype brought ominous news. At 4 a.m. this morning, a United Nations force made up of Ghurka and Swedish soldiers attempted to take over the Post and Telegraph Building in Elizabethville, which was guarded by Katanga Army units. The Katanga Army units refused a demand that they surrender, and heavy fighting broke out. After 1 hour, the United Nations was able to claim victory.

At 6:59 a.m. this morning, the teletype reported that the Tshombe government had fallen, that President Tshombe has gone into hiding, and that two of his Cabinet Ministers had been arrested by the U.N.

The same teletype report quoted Prime Minister Adoula, head of the heavily weighted coalition government in Leopoldville, as saying that he had sent an administrator to Katanga to take over control of the province, and that meanwhile he had asked the U.N. to take over essential services. He told newsmen that he planned immediate measures to bring the Katanga Army under the control of the Central Government.

Mr. President, what has been done in the Congo in the name of the United Nations is a scandal of the first magnitude. It is a scandal that cries out for immediate and energetic counteraction.

It is not the business of the United Nations army, financed largely by U.S. money, to go about overthrowing anti-Communist governments and installing pro-Communist coalition governments. There is absolutely nothing in the Charter of the United Nations or in the resolutions of the Security Council which authorizes the actions taken by the U.N. command in the Congo over the past several weeks.

There is no authorization for it whatever. To put a pro-Communist government in the Congo with our money is nothing short of a highhanded, scandalous activity.

These actions are entirely arbitrary. They are so fraught with evil political consequences that it is difficult for me to believe that they have been taken in simple innocence or muddleheadedness by so-called international civil servants, who owe loyalty neither to one side or the other side in the cold war.

With all the earnestness at my command, I warn the leaders of the United Nations and the U.N. representatives in the Congo that, if the Congo goes Communist, the American people and free world opinion will hold them responsible and will demand an accounting.

I say that the United Nations is now before the bar of world opinion, and the American people will demand an accounting. If the Congo is turned over to the Communists by the use of United Nations bayonets—if that is what this organization is doing in the world—then we had better start doing something pretty fast about it.

With all the earnestness at my command, too, I again appeal to the Administration and to the Department of State to intervene immediately with the U.N. authorities.

The U.N. army must be ordered to desist from its illegal and arbitrary actions, or else we should immediately withdraw all financial and logistic support from it. It must be ordered to reinstate the government of President Tshombe, who has been guilty of nothing more than being a friend of the free world and the United States, and a firm enemy of communism. Apparently that is why the U.N. forces, with their bullets and bayonets, are driving him out.

I say to the Senate that there is no time for delay. This is a dark hour in history. The continent of Africa will fall into Communist hands unless we do something, and we are the only people in the world who can and want to do something. But we are being hamstrung, straitjacketed, and deprived of the means of doing something.

This is a situation which calls for immediate action. It calls for action within hours. It will not do any good a few weeks hence to say there is nothing we can do, that terrible blunder was made. We have heard this song for so long that I should suppose every person in the land would be tired of it.

Earlier today I said that we saw $1,250,000 given to the Communist Jagan by the World Bank while our representative on the Board of Directors voiced no objection. We saw the U.N. give $1,650,000 to that Communist rascal Castro, and our man on the U.N. committee made no objection. We are pouring out $50 million to support this outrageous U.N. action in the Congo.

When, where, and how will it be stopped? If we are to save this situation, we have very little time in which to do it.

TRIBUTE TO MOTION PICTURE PERMANENT CHARITIES

Mr. KUCHEL. Mr. President, charity has long been characteristic of the American people. Those of us among the fortunate have always been willing to unselfishly share our benefits with others not so fortunate as ourselves. As evidence of this, each year, thousands of us open our hearts and our pocketbooks to a multitude of humanitarian causes that provide help for the deprived members of society.

One of the most truly remarkable fund-raising organizations is embarking on its 20th aniversary campaign, and I invite the attention of my colleagues to it.

The organization to which I am referring is the Motion Picture Permanent Charities. Its record in industry federated fund raising is unparalleled. During the past 19 years, this organization has raised in excess of $24 million which it has distributed to both national and local charities conducting appeals in the Los Angeles area. For its 20th anniversary this year, it has set a goal of $1¼ million. If reached, it will mean that a united film industry drive will have contributed more than $25 million to the unfortunate. This, I might add, is over and above the year-round benefit and public appeal work donated by film stars.

The Motion Picture Permanent Charities had its start in 1942 under the leadership of a distinguished film producer, Samuel Goldwyn, and other prominent film industry figures. It was, as a matter of fact, the pioneer organization created by those in the picture business to consolidate all charity fund raising within their farflung motion picture labor.

Because of their excellent and unselfish labors, I commend the 25,000 film industry workers who have contributed so generously in past years. The Motion Picture Permanent Charities has been, and, I have no doubt, will continue to be, a glowing tribute to the generosity of the motion picture industry, and to the unselfish men and women who work in it. I take great pride in their devotion to the cause of those in need.

POSTAL SERVICE OF THE CONFEDERACY

Mr. ROBERTSON. Mr. President, considering annual deficits approaching a billion dollars a year in the operation of the Post Office Department, plus the current unwillingness of the Congress to require the users of second-class mail to pay more than 23 percent of the cost of handling it, there appeared in the Memphis Commercial Appeal an editorial concerning the operation of the Post Office Department of the Confederacy which should be of interest to all Members of the Congress. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

POST OFFICE MARVEL

Recently we called attention to the Constitution of the Confederate States of America because it required that the postal service support itself. We thought it was interesting at a time when Congress is all choked up on a plan to lower part of the cost in income taxes for running the Post Office.

It was more interesting than we knew. It brought a letter from T. W. Crigler, Jr., of Macon, Miss., president of the Confederate Stamp Alliance.

The Confederates made it work. The Post Office paid its own way and actually turned in a profit for each of the 4 years it was in operation, even though they were the first years of a new organization and they were disturbed by war conditions.

The stamp price went from 3 cents to 10, and it was double west of the Mississippi River. Payments to the railroads were reduced. So was the number of postal workers.

And, on the point that sticks in the throats of present-day Congressmen, the CSA Post Office increased the price of postal service for magazines and newspapers.

This marvel in business management was accomplished by John H. Regan, who went from Tennessee to Texas and from Texas to Congress. He was the only Postmaster General in the Cabinet of Jefferson Davis.

But there is a sad chapter in his later life. After the war Texas sent Mr. Regan back to Congress and he became chairman of the Committee on Post Offices and Post Roads. As Mr. Crigler writes, "He tried in vain to do the same thing for the U.S. Post Office Department that he did in such a fine way for the Confederacy."

NATIONAL SHRINE TO UNION VETERANS OF THE CIVIL WAR—RESOLUTION OF LADIES OF THE GAR

Mr. HICKEY. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Ladies of the Grand Army of the Republic in their recent convention in Indianapolis, Ind.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

DESCENDANTS OF UNION VETERANS OF THE CIVIL WAR

(Memorializing the 87th Congress relative to legislation for the erection of a National Memorial Building in the Capital of the United States of America for which those patriots laid down their lives 100 years ago in the greatest battle ever fought)

Whereas the descendants of the veterans of the Civil War desire to call particular attention to our elected Members of Congress; to the fact that today they would not be seated in this 87th Congress of the United States of America, had not our boys in blue laid down their lives in the greatest battle ever fought to save this land of ours and our liberties; and

Whereas we have noted that within the last few years many national memorials to distinguished men, and memorials to Presidents Franklin D. and Theodore Roosevelt, Wilson, Madison, and others have been approved, while our permanent resolution adopted unanimously at our annual convention in Rochester, N.Y., in 1934 has been overlooked; and

Whereas 100 years have already passed and year after year, for the last 27 years our legislation has been before Congress begging for this long-delayed honor: Now, therefore

Attention is directed to the debt all citizens of this country owe to our dead heroes and particular request is made to all Members of Congress to whom we have delegated the power to use in behalf of our national shrine resolution now under consideration in both Senate and House that early action be taken on this important legislation.

INTERNATIONAL PAYMENTS IMBALANCES

Mr. BUSH. Mr. President, I ask unanimous consent to have printed in the RECORD following my brief remarks an editorial from the Washington Post of this morning, September 13, entitled "Toward Stronger Currencies."

The editorial throws some bouquets toward the report of a subcommittee of the Joint Economic Committee, of which I am a member. It discusses the report of the Reuss subcommittee on the matter of our balance-of-payments deficit.

Toward the end of the article the following language appears:

The report might have been more explicit about measures needed to correct the American balance of payments, as a minority statement observes. No international credit mechanism can be a substitute for such measures, and without them none can hope to succeed.

The minority statement referred to in the language I have just read is contained in the report under the heading "Views of Senators PRESCOTT BUSH and JOHN MARSHALL BUTLER," and is found on pages 23 and 24. I ask unanimous consent that those minority views be printed in the RECORD following the printing of the editorial which I have just mentioned.

There being no objection, the editorial and individual views were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 13, 1961]

TOWARD STRONGER CURRENCIES

Means to improve the international monetary mechanism and thereby strengthen the dollar and other currencies are the subject of an interesting and constructive report of a committee headed by Congressman HENRY REUSS. Basically, the Reuss report points out, the international financial system is caught in a dilemma. As world trade expands, the need for gold and currency reserves to meet temporary imbalances goes up too. In the recent past, a good part of new reserves has been provided by the dollars that other countries have earned from surpluses with the United States. The U.S. balance-of-payments deficit, in other words, has enabled other countries to strengthen their financial position. But the position of the dollar has become more vulnerable owing to the rise in these foreign-held balances, which foreign official holders could convert into gold. To protect the dollar, the United States has been trying to put its balance of payments into equilibrium. But to the extent that this effort succeeds, the rest of the world will lose its principal source of new reserves. Inadequate reserves would invite deflationary policies, restrictive trade practices, and even currency instability.

International currency reserves do not, of course, need to grow in exact proportion to the rise in world trade. These reserves are not working balances, but serve to give protection against a rainy day. If increasing stability of trade reduces the prospect of rainy days, the need for reserves diminishes. Recent large payments deficits of the United States have greatly increased world reserves, and the Reuss report's statement that as long as any one country is short of reserves, the whole world is, goes too far. But for the long run there is little doubt that larger reserves will be needed.

In its recommendations for methods of strengthening international resources, the report argues for new borrowing powers for the International Monetary Fund. They should be for fixed amounts and definite periods. Countries pursuing inflationary policies would have access to these resources only if they agreed to take remedial action. These suggestions appear to be in line with the thinking of the IMF, which will probably be firmed up at the Fund's Vienna meeting on September 18.

The very strong stand taken by the report against any change in the gold value of the dollar or other currencies ought to contribute to international confidence. So should the recommendation that the Federal Reserve's 25-percent reserve requirement be dropped and all the Nation's gold clearly earmarked, as backing for its international obligations. The report might have been more explicit about measures needed to correct the American balance of payments, as a minority statement observes. No international credit mechanism can be a substitute for such measures, and without them none can hope to succeed. These measures, however, aimed mainly at the expansion of exports, are expected to be dealt with in a separate report by another committee under chairmanship of Congressman HALE BOGGS. Given the none too reassuring trend in the balance of payments, the Boggs committee report should read as interestingly as the Reuss report does.

VIEWS OF SENATORS PRESCOTT BUSH AND JOHN MARSHALL BUTLER

Because the subcommittee has not taken time to digest the testimony before it, or to debate and discuss the issues, conclusions, or recommendations, we are not willing to join in or approve this report.

The difficult economic problems inherent in international trade imbalances and settlement arrangements are now greatly complicated by the cold war which has added heavy overtones of an international political and dipiomatic order. Conflicting East-West ideologies, emerging national ambitions, together with the constraints which world ferment imposes upon our domestic economy, have thus made pronouncements such as those in this report extremely sensitive and delicate.

Certainly the expert witnesses who appeared before the subcommittee have made substantial, thought-provoking, and helpful contributions to the understanding of these issues. These contributions and the report prepared by the subcommittee staff, deserve serious and mature consideration, however, before a hasty set of findings and formal recommendations are put forward.

1. Foremost among the recommendations of the report, for example, is one proposing unilateral actions to be taken "to maintain confidence in the dollar as a principal reserve currency." Laudable as this objective is, there are, we believe, more formidable problems than the subcommittee report seems to recognize in arriving at precisely what actions will best foster and maintain that confidence. This is so because "confidence" is a state of mind—an elusive, sometimes emotional, and always a fragile thing which must be built up and nurtured over time.

The persons who do business and take risks in international trade and finance are likely to place very great emphasis on evidences of a nation's financial responsibility. Thus, it may well be that a congressional report such as this, which suggests that the first thing this country should do unilaterally is to "pursue vigorously our national economic goals of maximum employment, production, and purchasing power," may easily be misinterpreted.

Does this imply that these objectives are to be placed above reasonable price stability? Would it not be more reassuring to international confidence to show by our actions a

determination to work for a cyclically balanced Federal budget? Would not confidence be better inspired by demonstrating our ability to control domestic costs by adopting policies and practices necessary to increased economic productivity, while relying to the largest extent possible upon the free market, as opposed to the control and manipulation of selected segments?

2. An example of an attempt to impose Government manipulation as a substitute for market forces is the subcommittee recommendation that the Federal Reserve System pursue a policy of purchasing all maturities of Federal securities in the open market. The report shows a disregard for the traditional American market system by thus brushing aside the judgments of the market in this important area.

3. Perhaps the present 25-percent gold cover against Federal Reserve notes and deposits is no longer a necessary requirement. We fail to see, however, how removal—or even a subcommittee recommendation for removal—at this time can be conducive to international confidence in the stability of the dollar.

Any contribution to confidence which action to remove the statutory cover might have would certainly be greater if taken from a position of strength and a demonstrated capacity for solving our long-run balance-of-trade problems, rather than at a time when it risks interpretation as an expediency and palliative turned to from a position of weakness. This report itself stresses the current weaknesses and inadequacies of reserves, the evils of "hot" money, the need for negotiating a reallocation of mutual defense costs, and the seeming persistence of our balance-of-trade problem.

The fact, largely glossed over in the subcommittee report, is that the trend in our long-run balance of payments appears to be worsening despite modest efforts to right it. We would want, incidentally, to examine much more closely than I believe the subcommittee has, the thesis of the report that overall world reserves should be deemed deficient "so long as there is any deficiency of reserves in any country."

4. While we agree that every possible effort should be made to encourage the liberalizing of international trade by our own action and in cooperation with other countries, we think it presumptuous and diplomatically inexpedient for the United States, as a national policy, to accept the subcommittee's recommendation that we seek to influence other developed countries to rely, as an internal matter, on taxation rather than on higher interest rates for anti-inflationary action.

5. Finally, our concern with the subcommittee's conclusions and recommendations springs from a seeming emphasis on urgency in setting up a supplemental credit agreement to be rushed through diplomatic negotiation and legislative action. Needless to say, every problem that we can put behind us is so much to the good. The real need for urgency, however, lies in correcting the difficult root causes of the persistently adverse trend in our payments position, rather than in grasping at institutional changes or a new set of monetary mechanisms and settlement arrangements rushed through Congress in the expectation that these will assure long-term equilibrium.

On the present evidence, we go along with the recommendations of the report (1) that we reaffirm our opposition to an increase in the price of gold and to further devaluations or revaluations in the exchange rates of the principal currencies, and (2) that greater subscriptions to the existing IMF might be desirable for countries with plentiful present reserves. We would agree also in emphasizing that American export expansion will depend on efforts of American business to offer attractive products at competitive prices in markets which have many other sources of supply.

LEAVE OF ABSENCE FOR SENATORS WHO ARE DELEGATES TO THE INTERPARLIAMENTARY UNION CONFERENCE IN BRUSSELS

Mr. MANSFIELD. Mr. President, the following Senators must leave tonight for the Interparliamentary Union Conference which opens tomorrow in Brussels: The Senator from Tennessee [Mr. GORE], the president of the joint-American group; the Senator from Alaska [Mr. GRUENING]; the Senator from Wyoming [Mr. HICKEY]; and the Senator from Colorado [Mr. ALLOTT].

I have discussed this matter with the distinguished minority leader. Because of the significance of this meeting and the need for American representation, I now ask unanimous consent, on behalf of the minority leader and myself, that these Members of the Senate be given official leave of absence, in order to attend this most important Conference, and to do so at the request and the urging of the Senate.

The Interparliamentary Union plays a vital role in the strengthening of democratic institutions. Meetings of the Union enable legislators from the Parliaments and Congresses of the free world to share views and exchange knowledge about common problems and concerns. This has a very beneficial effect in developing closer ties between the legislative assemblies of democratic nations, and in fostering democratic government throughout the world.

It is clearly in the national interest for the Congress of the United States to be fully represented at these deliberations.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. ENGLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DODD in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. ENGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT TO SHIPPING ACT OF 1916

Mr. ENGLE. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. If there is no objection, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 6775) to amend the Shipping Act of 1916, as amended, to provide for the operation of steamship conferences.

The PRESIDING OFFICER. With respect to the pending business, the committee amendment strikes out all after the enacting clause and inserts a substitute, which, under Senate precedents, is considered as original text for purpose of amendment. Any amendment should be proposed to the committee amendment.

The committee amendment, if agreed to, is not open to further amendment.

Mr. ENGLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ENGLE. Mr. President, I ask unanimous consent that the order for the quroum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ENGLE. Mr. President, on June 12, 1961, the House passed on the Consent Calendar H.R. 6775, with amendments. The bill was referred to our Committee on Commerce the following day.

Examination of the House report (H. Rept. No. 498) and the hearing revealed the following matters, well worth noting:

First. The bill was designed to authorize the Federal Maritime Board—now the Federal Maritime Commission—under certain specified conditions to permit ocean common carriers serving U.S. foreign commerce, and conferences of such carriers, to enter into exclusive patronage, dual-rate contracts with shippers. Steamship conferences were defined as "associations of steamship lines serving particular trade routes in world commerce intended under our law as a means of providing stability for both carriers and shippers through supervised self-regulation among competing carriers on particular routes."

Of dual rate contracts the report said, page 2:

> One of the principle devices employed by steamship conferences in American foreign commerce is the so-called dual rate system, pursuant to which conference rates are set at two levels. The lower rate is charged to shippers who sign contracts agreeing to ship exclusively on vessels of members of the conference. The higher rate is charged to shippers who do not so agree.

Mr. President, I would observe at this time that the first conference agreement was entered into almost 100 years ago, in 1877. These conference arrangements have been traditional in the maritime industry ever since that time.

Second. The bill was the result of more than 2½ years of intensive study and hearings by a special subcommittee of the House Merchant Marine and Fisheries Committee, working in close cooperation with the staff of the Antitrust Subcommittee of the House Judiciary Committee which itself had been conducting related investigations of steamship conference activities.

Third. As to whether shippers and carriers favored steamship conferences and dual-rate contracts, the House report said, page 12:

> The conference system, with an appropriate tying device, have proven to be the most effective method, both from the point of view of the carrier and shipper (to assure

continuity of service on a particular route with a degree of stability of rates). In the course of the hearings before the committee, virtually all of the witnesses, both carrier and shipper, testified that they desired the continuance of the dual-rate contract system and that some such system was virtually a necessity for their continued successful operation.

In its conclusion the House report stated (p. 13):

Witnesses before the committee have been practically unanimous in their support of the conference system. A majority of witnesses have support[ed] the dual-rate system. The shippers on the one hand look to this system to provide stability of rates, and for assurances that their transportation costs are identical with those of their competitors shipping within the same conference. On the other hand, the owners and operators of oceangoing vessels flying the flag of the United States find that the conferences and the dual-rate system offer the only means by which the American lines can be assured of continued patronage in our foreign trade.

Fourth. In view of the fact that the bill passed the House on the Consent Calendar, with the chairman of the House Judiciary Committee present, we were somewhat surprised to find the following statements at pages 12–13 of the report:

The Department of Justice testimony on the legislation was generally unfavorable. While its position is consistent with the antitrust policy of the United States, it fails to take into account the peculiar nature of the particular business involved.

* * * * *

The hearings of the committee have made it quite clear that our traditional antitrust concepts cannot be fully applied to this aspect of international commerce. Your committee has concluded that any attempt to effect regulation of this commerce in a measure comparable to that applied to our domestic commerce would be highly detrimental to our essential American-flag merchant marine. Accordingly the committee has decided that it should encourage the continued maintenance of effective conferences and that, within safeguards, it should authorize and direct the Federal Maritime Board to approve exclusive patronage arrangements without which conferences might well become ineffective.

The question immediately presented to our committee was whether H.R. 6775, as it passed the House, was so obviously sound that to study it further would serve no worthwhile purpose. Had such been the case, no further extension of the interim dual rate law, which was due to expire on June 30, 1961, would have been necessary. Indeed, enactment of the bill under those circumstances would have brought to an appropriate conclusion a legislative endeavor which began in 1958 with the Supreme Court's decision of *Federal Maritime Board* v. *Isbrandtsen Co.* (356 U.S. 481 (1958)).

On June 16, our Merchant Marine and Fisheries Subcommittee held a hearing on the bill. Despite the brief notice it turned out to be a standing-room-only affair. Congressman THOR TOLLEFSON, ranking minority member of the House Merchant Marine and Fisheries Committee, testified forcefully and urged us to make a number of major amendments to the bill. His testimony brought sharply to our attention the fact that he and Congressman JOHN RAY, who is a member of both the Merchant Marine and Fisheries and the Judiciary Committees of the House, joined by Congressman MAILLIARD, had filed additional views appended to the House report.

By then it was beginning to dawn on us that the Consent Calendar passage of H.R. 6775 was more nearly the result of an unwritten truce than it was proof of a generally acceptable, noncontroversial, measure. Before the end of that 1 day's hearing this suspicion had become an absolute certainty. We were convinced then, and we are positive now that the June 30 expiration date of the interim dual rate law, plus certain deadlocks and compromises reached on the House side, caused the House to quietly pass the bill to us.

Our June 16 hearing established that each of the three agencies of our Government most intimately concerned with the bill—the Department of Commerce, including the Federal Maritime Board; the Department of State; and the Department of Justice—wanted various amendments, many of which were highly controversial and a number of which seriously conflicted with each other. While the shipper representatives who testified generally favored the bill, most of them, too, urged us to make major amendments to it. All ocean common carriers which testified opposed enactment of H.R. 6775 as it passed the House. Indeed, the spokesman for all but one of the American-flag ocean common carriers said that his lines would rather have no dual rate legislation at all than have us pass the House bill, unless we made major amendments to it.

Finally, that one day hearing brought forth, through the Department of State, the vigorous opposition of 12 friendly maritime nations to H.R. 6775 as it passed the House. Belgium, Denmark, Finland, France, Federal Republic of Germany, Italy, Japan, the Netherlands, Norway, the Philippines, Sweden, and the United Kingdom protested the extraterritorial scope of H.R. 6775 and its undertaking to regulate various phases of international shipping which they consider outside our jurisdiction and within theirs as sovereign states.

It took us no time at all to decide that what we needed was an extension of the interim dual rate law which would enable us to hear and consider carefully the views and recommendations of all interested parties. Therefore, we reported S. 2154, extending until June 30, 1962, the moratorium bill. The House cut the extension back to September 15, 1961; we acceded to the House amendment; and from July 17 through August 3 we held 6 more days of hearings, took an additional 573 pages of printed testimony, and finally, on August 29, our full committee unanimously reported H.R. 6775 with further amendments.

I stress that the bill now before the Senate was approved unanimously by the full committee on August 29.

I have no intention of consuming the time of the Senate by reviewing in detail matters which we feel are adequately covered by our report, Senate Report No. 860. However, I do want to touch on a few matters I would urge all Senators to keep in mind as they consider our bill and the various amendments which are offered to it. First and foremost, although we have sought and encouraged all interested parties to share with us their views and recommendations as to how we could make the House-passed bill a better measure in the public interest, it is unquestionably true that we have given the greatest weight to the views and recommendations of the Department of State and the Department of Commerce through the Federal Maritime Board, now the Commission. Drafting sessions of considerable length and intensity have been held with representatives of those Departments. Although the Antitrust Division of the Department of Justice has objected to certain amendments we have made to the House-passed bill, I can safely say that every change of any consequence which we have made, and to which the Department of Justice has objected, we made at the request of, or in keeping with, the recommendations of either, and in most cases both, the Department of State or the Department of Commerce, Federal Maritime Board.

Our committee found itself caught, just as did the House Merchant Marine and Fisheries Committee, in the crossfire of conflicting advice given by the Department of State and the Department of Commerce, Federal Maritime Board, on the one hand and the Department of Justice, Antitrust Division, on the other. Generally speaking, we followed the recommendations which we found were premised upon considerations of great importance to our foreign policy, our foreign trade, and our American flag merchant marine.

While we rejected certain proposals made by the Department of Justice, we did so with the conviction that their rejection worked no harm whatever to important principles of sound antitrust doctrine. What we appreciate, but what certain domestic-oriented antitrust personnel in the Department seem incapable of understanding, or unwilling to accept, is this:

International ocean common carriage, as an industry, inevitably tends toward monopoly unless industry self-regulation or Government regulation, or both, control rate competition. Otherwise, the lines involved engage in open rate warfare among themselves. Unless reasonable and effective industry self-regulation through steamship conferences is encouraged, subject to reasonable Government supervision, only the strong will survive. Said another way, the Antitrust Division's dedication to the principle of encouraging lines, eligible but unwilling to join Commission-approved and regulated conferences, to stay outside and cut the conference rates, cannot help but lead to the destruction of the conference system, with the inevitably monopolistic result of ocean rate wars which shippers dread as much as do the carriers.

In amending the House-passed bill, as we did, our committee gave considerable weight to a fact I urge Senators to keep uppermost in mind as they consider the bill, and especially as they consider the

proposed amendments of the distinguished Senator from Tennessee [Mr. KEFAUVER]. That fact is simply this:

The only nonconference lines today which desire to operate regularly on the basis of cutting conference rates are foreign-flag lines. Every American flag ocean common carrier offering regular liner service, including Isbrandtsen, desires to operate within Commission-approved and regulated conferences.

American-flag lines' solid preference for operating within the steamship conference structure is undoubtedly due to a number of factors. In the first place, although our American lines are among the best in the world, there is no denying that they are the highest cost operators. In an international ocean rate war, our American-flag lines, even if subsidized, could not survive for long. This is so because operating differential subsidy does not cover all items of operating costs. For example, none of the administrative or overhead expenses of American-flag subsidized lines are covered by operating differential subsidy payments, even though the administrative and overhead functions of our subsidized lines are carried out by personnel and through procedures which are much more expensive than those employed by competitive foreign-flag lines. And so it is, that our American lines, including all of our subsidized lines, have the most to lose if Commission approved—and I stress that—and regulated conferences are forced to dissolve.

There are three other matters concerning exclusive patronage dual rate contracts as used by Commission-approved conferences which I have found it helpful to keep in mind as I have deliberated about this bill:

First, with the exception of the United States, dual rate contracts and the more coercive exclusive patronage device known as the deferred rebate system—which is expressly prohibited by section 14, First, Shipping Act of 1916—are lawful and used extensively, without Government regulation or supervision, throughout the rest of the maritime world. Second, all carriers and conferences using dual rate contracts in the foreign commerce of the United States must offer them to all shippers on a nondiscriminatory basis. In practice they have apparently done so. Furthermore, it would clearly violate the present Shipping Act of 1916, and that act, as it would be amended by our bill, if they did not do so. And third, all conferences serving U.S. ports must admit to membership and to participation in their dual rate contracts, all other ocean common carriers desiring to join on the same reasonable terms as the other conference lines.

All Senators should note carefully the public interest safeguards which we have written into our amended version of the House-passed bill.

In the first place, no conference may institute a dual rate contract until it has been approved by the Commission. The Commission may not approve any such contract if it finds it detrimental to the commerce of the United States, or contrary to the public interest, or unjustly discriminatory or unfair as between shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors.

In addition, no dual-rate contract may be approved by the Commission unless the contract expressly permits prompt release of the contract shipper with respect to any shipment for which contract carriers or conference thereof cannot provide the space he needs on reasonable notice; provides that rates shall not be increased for a reasonable period, in no case less than 90 days, except in the event of war or other force majeure; covers only those goods as to which he has the legal right at the time of shipment to select the carrier; limits liquidated damages to what would be due at the contract rate on the particular shipment, less the cost of handling; permits the contract shipper to terminate on 90 days' notice; provides for a reasonable spread between contract and noncontract rates, in no event more than 15 percent of the noncontract rate; excludes from the coverage of the contract cargo loaded in bulk without mark or count; and contains other appropriate provisions as required by the Commission.

With all of these protective restraints written into the statute the public interest is, we feel, protected to the maximum extent possible. Indeed, there is some question whether such restricted contracts will assure the carriers the reasonable guarantee they need in order to furnish regular, dependable, and nondiscriminatory service. However, our committee believes they will; and accordingly it unanimously recommends enactment of the bill which we have reported, with a few minor technical amendments.

Mr. President, in summary, when the bill as passed by the House came to the Senate Commerce Committee, I asked whether there was any opposition to the bill. Almost unanimously the carriers said they would rather have no bill at all, than to have the bill as passed by the House. The State Department and the foreign-flag lines appeared before our committee and said:

We cannot go into a conference arrangement under legislation of this kind; we cannot do it, because this measure has the effect of applying on an extraterritorial basis the regulatory laws of the United States of America. And even if we wanted to participate in such conferences, we could not do so if we had to subject ourselves to American law, because our governments will not permit us to do so.

The next question was whether these shipping lines actually want a conference system. I asked them that question. All of them said they want a conference system. A conference system has been in operation throughout the maritime world for almost 100 years. But the only way we can get the foreign lines to participate—and the participation must be on an international basis—is to get them to participate on a voluntary basis, for we cannot force them to go into the conferences; we cannot mandate them into the conferences; and we cannot apply American law to foreign-flag lines. As a consequence, unless the foreign-flag lines are willing to come in on a voluntary basis, there is no way to have a conference system.

Therefore, we tried to write a measure which would provide for a system in which the foreign-flag lines would be willing to participate.

The lines accept lower rates from shippers which agree to give them exclusive contracts. But in order to prevent either the American-flag lines or the foreign lines which participate in the conferences from imposing upon American shippers rates and arrangements discriminatory against the American shippers and adverse to the American shippers and the American foreign trade, we have included a provision that unless the conferences meet certain specifications—namely, unless they are not discriminatory against American lines or American shippers or American courts or the American public interest—the Maritime Commission can step in and can order the American-flag lines out of the conference, thereby dissolving the conference.

The only hold we have over the foreign-flag lines is their desire to participate in these conferences. By empowering the U.S. Maritime Commission—as we do in this measure—to pull out the American-flag lines when and if the conferences are discriminatory against American shippers or adverse to the American public interest or injurious to the foreign trade of the United States, we give all the control that it is possible for us to give and at the same time maintain a conference system at all.

That is the kind of measure we today present to the Senate. It provides for a system which permits the conferences to operate; but it gives the Maritime Commission authority to see to it that the conferences do not operate adversely to the public interest; and if the conferences do operate adversely to the public interest, the only action available to us is to take out the American-flag lines. Under the provisions of the bill, the Maritime Commission is ordered to do so under such circumstances. The conferences must be affirmatively approved by the Commission.

Mr. President, I believe we have written the most practical bill we can possibly write; and it will make it possible to continue in existence and in operation these conference systems, which have stabilized world commerce and have been a part of the commerce on the seas for almost 100 years—since 1877; and at the same time we undertake, insofar as it is practical and possible to do so, to prevent the conferences from operating in a discriminatory manner against the shippers, the public interest, or the foreign trade of the United States of America.

Mr. BARTLETT. Mr. President, will the Senator from California yield?

Mr. ENGLE. I yield to the distinguished Senator from Alaska.

Mr. BARTLETT. Mr. President, the Senator from California is entitled to credit for bringing this bill to the floor. In fact, in my opinion, he is entitled to

much credit. Really, he was handed quite a package, because it was only 3 months ago this very day that the House passed the bill, after, as I understand, 2½ years of hearings; and the Senate Commerce Committee then had the task of either accepting that bill as it was or working out an amended bill.

It was the junior Senator from California [Mr. ENGLE] who headed the subcommittee on this subject. From my own knowledge, I know he spent endless hours on this complicated, highly technical, and very important subject.

I wish to pay him tribute now for what he has done in this area of such consequence to our trade and to the U.S. merchant marine, because, although the bill is not perfect—for no legislation ever is, it represent an arrangement with which, in my judgment, all can live.

The simple fact is that the testimony taken before the subcommittee of the Commerce Committee demonstrated beyond a shadow of doubt that if the conference system failed or went to pieces or broke down, there would be several evil results. One of them—an important one—would be that the American merchant marine, already so battered and beaten in recent years, would be further hurt, almost to the point of entire destruction.

Our flag carriers, as the Senator from California has said, benefit from the conference system, because—as he has also said—it is obvious that foreign ships operate more cheaply than our own.

Nevertheless, the foreign-flag ships have been willing to abide by the terms, agreements, and conditions of the conference system; and it has worked fairly well, all things considered.

Mr. President, for the United States and our Government now to tell these foreign-line operators that they must submit their confidential business data and all their records to the Department of Justice or any other agency of our Government is not workable. The problem—as has been stated by the Senator from California—is one which is international and extraterritorial; and our committee has been informed that if any effort is made to require foreign-line operators to submit their confidential records to an agency of our Government, that fact in itself may cause a collapse of the conference system.

It is my understanding—and I ask the Senator from California whether I am correct—that several foreign governments already have instructed their shipping operators not to abide by any such request from the U.S. Government.

Mr. ENGLE. I am glad to have that inquiry, and to state again that the State Department protested the bill the House passed; and 12 friendly nations—Belgium, Denmark, Finland, France, the Federal Republic of Germany, Italy, Japan, the Netherlands, Norway, the Philippines, Sweden, and the United Kingdom—all protested, and said that not only did they not want their flag lines to submit themselves to such jurisdiction, but they would prohibit it and they would protest it; and they did protest it, through the State Department.

We have had these conference systems for almost 100 years. We have conferences on a basis that makes it possible for foreign-flag lines to participate on a voluntary basis. We cannot mandamus them, and bring them in.

Mr. BARTLETT. We are equal partners. We are not the boss.

Mr. ENGLE. That is correct. If we do not do it that way, we are not going to have a conference system. The basic question is whether or not we want these conference systems. They have operated since 1877. They were considered proper and legal until 1958, in the Isbrandtsen case, in which it was held that a U.S. line could not violate the antitrust laws. Congress, because of the importance of maintaining the conference system, has validated the system notwithstanding the Supreme Court decision. Now we are trying to get a piece of legislation that makes it possible for conference systems to go forward with international trade, which everybody agrees is necessary to the permanence and stability of the U.S. maritime system.

We have undertaken to write legislation to make it possible to continue these 100-year-old conference systems and at the same time put them under regulation of American law so far as that is possible. The only way that is possible is through the grip we have upon our own lines to pull them out of the conferences if they are unfair and discriminatory, and break the conference. That is the only way we have. That is the way the legislation is written.

Mr. BARTLETT. Mr. President, will the Senator yield further?

Mr. ENGLE. I am delighted to yield.

Mr. BARTLETT. Is it not true that the whole situation has been under review many times over the years? The hope was that another, and perhaps better, arrangement might be made; but, unfailingly, and always, this conference arrangement, which has been in effect, as the Senator has said, almost 100 years, is the only logical way for this operation to be conducted. Is it not the case that this subject had voluminous study before enactment of the 1916 Shipping Act?

Mr. ENGLE. That is correct. Studies of this whole problem have been made over the years. That matter is dealt with on page 6 of the committee report. It refers, first, to the study made by the British Government. The King of England in 1906 ordered a royal commission investigation of conferences to determine whether their operations had caused injury to British or colonial trade and, if so, what remedial action should be taken. In 1909 the royal commission reported:

> The advantages conferred by shipping conferences are substantially dependent upon the system of deferred rebates or some system equally effective as a "tie" upon the shippers and equally uniform in its application.

In our own country, in the 62d Congress, in 1912, Congress authorized a study of the same subject matter by the House Merchant Marine and Fisheries Committee, the chairman of whom was J. W. Alexander. The report was thereafter known as the Alexander report. The committee studied the proposition and also arrived at the conclusion that the conference systems were absolutely necessary.

We have had hearings going on in the House committees, both in the Merchant Marine and Fisheries and the judiciary, comprising some 13,000 pages of testimony which have been taken in the last 2 years.

I read previously, in the statement I made, the conclusion drawn by the House Committee on Merchant Marine and Fisheries, namely, that the conference systems were necessary to the stability of international trade.

We have been up and down this subject and have studied it since 1909, when the royal commission studied it, and since the Alexander committee study made in 1912. Since then we have passed the Shipping Act of 1916. We have passed the Shipping Act of 1936. The subject has been under constant review. We arrived at the same conclusion reached by the royal commission in 1909 and the Alexander report in 1912, namely, that these conferences are absolutely necessary to the stability and permanence of the merchant marine system.

The answer to the question, "Do we want conferences?" has been given time and time again for over half a century. The problem is how these conferences can be continued and at the same time, because they have a tendency toward monopolistic practices, how those practices can be restricted in the public interest. That is what the bill undertakes to do.

Mr. BARTLETT. Mr. President, will the Senator yield further?

Mr. ENGLE. I am delighted to yield.

Mr. BARTLETT. In that connection, the Senator has previously pointed out that the public interest, which is hedged about in the legislative offering before us, is safeguarded because of what the Federal Maritime Commission is required to do under certain circumstances. It is also true that there is no Government regulation whatever and that members of the conference may operate without any regulation whatsoever from their national governments. The suggestion that there be Government intervention in the manner here proposed apparently has never been seriously offered.

The Senator from California a while ago made what I consider to be an important, and even a vital, point when he said these conferences are not exclusive clubs. We do not get in them and then blackball any other person who desires to enter and join them.

On the contrary, the law now specifically states—and it will be restated under the bill before the Senate—that the maritime company which is not in the conference and which wants in must be permitted to join if it proves ability and intention to operate a regular service in the trade.

I think we ought to dwell a bit more on that point. What will happen if

there is not a conference? There was abundant testimony before the Committee on Commerce that regularity of service is one thing which is likely to disappear. Rate wars will be instituted without a doubt, and without delay. Everyone would be delighted if that should occur, for a little while, but not for long, because companies would be forced out of business and the stronger would take over. If anyone thinks for a moment that the rates would stay at depressed levels, he is incorrect.

Mr. ENGLE. Mr. President, will the Senator permit me to interject at that point?

Mr. BARTLETT. Certainly.

Mr. ENGLE. We received a statement from one of our colleagues at the time the bill was under consideration that in respect to the business enterprises in which he was concerned—and they were substantial business enterprises—in the absence of a conference arrangement the business enterprise could never tell what would be the freight rate, because there would be one rate one day and another the next. As a consequence, it was not possible to bid or to do business upon the basis of stability. The rates would stay firm and solid for awhile, when there was an agreement, and then when a rate war went on and half of the companies went broke the rates would go sky high. As a consequence, if an enterprise made a contract for the delivery of goods in other parts of the United States by ship, to last over a period of years, there was no assurance that the freight rate would not be changed in the interim, to make the contract not worth having and, in fact, a solid detriment. That is why we need the kind of stability proposed.

Mr. BARTLETT. That is correct. The committee was informed that such occurs too frequently in respect to some of the nonconference operators. One might offer a shipper a very attractive rate, and the shipper might accept, only to discover that the rate for the next voyage would differ radically and would be much higher. Also, no regularity of service was assured. In fact, in too many cases regularity simply did not exist.

That brings me to my next point. Not only the shipping companies but also, to a great degree, the shippers, desired passage of the bill now before the Senate. These are the people who pay the bills. They know, as a result of sad experience, that unless they can operate upon a stable basis, they will be in trouble.

As the Senator from California said, and as I repeated, these people have been in trouble when they have gone hunting to seek more attractive rates.

The shippers came before the committee. They are not only content with a conference system, but they insisted before us that it was the only practical way and the only sensible way to do the job.

I do not suppose any of us is delighted or altogether happy because of confirming into law an arrangement which is admittedly monopolistic in certain respects, surrounded by safeguards though it may be.

Mr. ENGLE. Mr. President, will the Senator yield for another interjection?

Mr. BARTLETT. I yield.

Mr. ENGLE. The Senator refers to this as a monopolistic practice. A monopoly excludes everyone. The bill specifically provides that the conferences may be set up, when approved by the Maritime Administration, with certain restrictions, and that any common carrier who wishes in can get in on equal terms.

Mr. BARTLETT. That is basic, and that is vital. If we could get away from any grouping of people not smiled upon by law, I am sure we all would be glad to do so. No practical alternative has ever been offered, and the attempts in this direction date back over 10 decades. Probably the time will not come when a better alternative will be offered.

This is why we bring the bill before the Senate now, in the hope that it will be agreed to, because it provides a sensible arrangement to accommodate the needs of the Nation. I am confident it will have the effect of maintaining vigor in the American merchant marine and of promoting trade, both foreign and domestic.

The bill is all the better, in my opinion, because there is a further safeguard of the public interest, thanks to the willingness of the Senator from California to accept an amendment offered by my colleague [Mr. GRUENING] and myself to provide that when the Governor of a State feels his political area is being harmed by any rate structure within the conference he may make an appeal to the Federal Commission and the Commission must inquire promptly into the merits of the appeal and make a determination.

Mr. ENGLE. Will the Senator permit me to interject further at that point?

Mr. BARTLETT. Assuredly.

Mr. ENGLE. The Senator from Alaska and his colleague [Mr. GRUENING] are entitled to great credit for presenting the problem to the committee. The burden of their complaint was that the ports of Alaska have been discriminated against in a conference arrangement. In the trans-Pacific freight conference of Japan, Alaskan ports were charged 30 percent more for hauls than, for instance, was charged for the hauls from Japan to the port of San Francisco or some of the other ports on the west coast.

It was claimed that the conference arrangement was discriminatory and unfair to Alaska, and the Senators wished to have it corrected, and wished to have a fast way of getting the situation corrected. The bill provides that the Commission can take immediate cognizance of arrangements within the conference, not only those which are discriminatory as against shippers but also those which are discriminatory as among ports. There will be a hearing and a decision within 120 days.

The senior Senator from Alaska and his colleague have performed an excellent service for their State, as they always do. They have succeeded in having written into the bill the kind of protection to which their people are entitled, establishing procedures which will make it possible for the State of Alaska to redress any wrong which might occur through any discriminatory conference system which may be set up in the Pacific area.

Mr. BARTLETT. Or for any other State to do likewise, should the need arise.

In conclusion, Mr. President, I reiterate my praise for the junior Senator from California, whose dedication to this tough assignment has been most considerable. The Senator has worked hard and usefully, and has brought to the Senate a bill which I believe is a good bill and which should be passed.

Mr. ENGLE. Mr. President, I am very grateful to the Senator from Alaska for his comments and for the kind words he has stated with respect not only to the junior Senator from California but also with respect to the proposed legislation.

Mr. BARTLETT. Mr. President, will the Senator yield for one more comment?

Mr. ENGLE. I am very glad to yield.

Mr. BARTLETT. I also wish to pay tribute to my friend from Maryland [Mr. BUTLER] who is in the Chamber and about to speak, I judge, because of his attentiveness and helpfulness, as is true of his colleagues on the other side of the aisle.

Mr. BUTLER. I thank the Senator from Alaska. He is very kind.

Mr. ENGLE. Mr. President, I yield the floor.

Mr. BUTLER. Mr. President, I intend to vote for H.R. 6775 as amended and reported unanimously by our Committee on Commerce.

I intend to vote against all but a few of the amendments offered by the distinguished senior Senator from Tennessee.

My reasons for both courses are the same, and may be stated briefly:

First, I believe that in order to furnish a regular and dependable international ocean common carrier service to and from the United States, the carriers concerned must be allowed, as they are throughout the rest of the maritime world, to form steamship conferences within which they can agree upon their rates and other competitive practices. Otherwise, history proves that open-rate competition in the international ocean common carrier industry leads to a much more monopolistic situation. This is a fact which domestic-oriented antitrust authorities, having little interest in our merchant marine, would like to ignore.

As the Alexander committee pointed out in its report of 1914, which 2 years later served as the foundation of the Shipping Act, 1916—4 Alexander Committee Report, pages 416–417:

> To terminate existing (conference) agreements would necessarily bring about one of two results: The lines would either engage in rate wars which would mean the elimination of the weak and the survival of the strong or, to avoid a costly struggle, they would consolidate through common ownership. Neither result can be prevented by legislation and either would mean a monop-

oly fully as effective, and it is believed more so, than can exist by virtue of an agreement.

Second, I believe that under many circumstances such steamship conferences must be allowed, as they are throughout the rest of the maritime world, to enter into fair but effective exclusive patronage contracts with shippers. Otherwise, these conferences will not be able to protect themselves and the shippers they serve from the relatively unregulated rate competition of tramp carriers and nonconference lines eligible but unwilling to join the conference. History proves that unless conferences are permitted to enter into such exclusive patronage contracts with shippers, the conferences in many cases will disintegrate because they will be unable to defend themselves against nonconference rate competition.

Third, I note that the bill, as reported unanimously by our Committee on Commerce, conforms closely to the recommendations of the two Government agencies whose interest I deem clearly paramount here; the Department of State and the Department of Commerce/Federal Maritime Board—now Commission.

In addition, prompt enactment of our bill is urged by the great majority of American importers and exporters, and all American and foreign flag conference lines. Indeed, the only people who urge our bill's defeat or the equivalent—that is, acceptance of the chief amendments offered by the senior Senator from Tennessee—are people who are opposed to steamship conferences, or to their use of dual-rate exclusive patronage contracts, or both.

In this connection it should be noted that the House committee's report on the bill—House Report No. 498, page 12—states:

> In the course of the hearings before the committee, virtually all of the witnesses, both carrier and shipper, testified that they desired the continuance of the dual rate contract system and that some such system was virtually a necessity for their continued successful operation.

Our committee made similar findings. I mention this to emphasize that anyone who favors any course which would prevent steamship conferences from entering into fair but effective dual-rate contracts with shippers is opposing the overwhelming majority of American shippers.

To put it more specifically, the only American importers or exporters who would favor amending our bill, as the senior Senator from Tennessee would in his amendments C, D, and E, to encourage nonconference lines which are able but unwilling to join Commission-approved conferences, to stay outside and cut conference rates, are among the small minority of American importers and exporters who oppose legalizing dual rate contracts.

Fourth, I am confident that our bill provides ample safeguards of the public interest. As we said at page 11 of our report:

> 3. The amended bill contains ample safeguards of the public interest: Under your committee's amendments a conference could not institute a dual-rate contract until it had been approved by the Federal Maritime Commission. The Commission could not approve if it found the contract—
>
> (a) detrimental to the commerce of the United States; or
>
> (b) contrary to the public interest; or
>
> (c) unjustly discriminatory or unfair as between shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors.
>
> In addition, no contract could be approved unless it expressly—
>
> (a) Permitted prompt release of the contract shipper with respect to any shipment for which the contract carrier or conference could not provide the space he needs on reasonable notice,
>
> (b) provided that rates shall not be increased for a reasonable period, in no case less than 90 days except in case of war or other force majeure,
>
> (c) covered only those goods of the contract shipper as to which he has the legal right at the time of shipment to select the carrier,
>
> (d) limited liquidated damages to what would be due at the contract rate on the particular shipment, less cost of handling,
>
> (e) permitted the shipper to terminate on 90 days' notice,
>
> (f) provided for a reasonable spread between contract and noncontract rates, in no event more than 15 percent of the noncontract rate,
>
> (g) excluded from the coverage of the contract, cargo loaded in bulk without mark or count, and
>
> (h) contained other appropriate provisions required by the Commission.
>
> With all these protective restraints written into the statute, shippers' interests would, we feel, be protected to the maximum extent possible.

Incidentally, I wish to note that the senior Senator from Tennessee's amendments K are quite acceptable. They merely serve to underscore what we considered quite clear, that is, that it shall be unlawful to use any new dual-rate contracts until permission to use them has been given by the Commission.

It would be a major mistake to conclude that the above-mentioned public interest safeguards are the only protections which will be afforded by the Shipping Act, 1916, as amended by this act. We tend to forget the large number of restraints and controls which are already imposed by that statute upon the competitive practices of ocean common carriers serving U.S. ports. Therefore, permit me to review what I consider that statute's most important regulatory provisions (46 U.S.C. 80 et seq., 39 Stat. 728):

Section 1: By defining here the term "common carrier by water in foreign commerce," the statute's regulatory reach covers ocean common carriers, "whether in the import or export trade." This equating of inbound to outbound movements becomes quite significant when it is realized that Congress has thus given the regulatory agency the well-nigh impossible task of policing certain proscribed activities, regardless of whether they occur in New York or Bombay.

By providing that "a cargo boat commonly called an ocean tramp shall not be deemed such 'common carrier by water in foreign commerce,'" section 1 specifically exempts from regulation all ocean tramps engaged in the foreign trade of this country.

Section 14 of the Shipping Act, 1916, provides that certain practices by common carriers by water in foreign commerce are forbidden; namely, the use of deferred rebates, the use of fighting ships, retaliation against shippers by refusing space because a shipper has patronized another carrier or has complained to the Board, the making of unfair or unjustly discriminatory contracts with shippers based on the volume of freight offered or unjust discriminations in the matter of cargo space accommodations and settlement of claims. A fine of not more than $25,000 is prescribed by this section for any carrier which violates any provision of this section.

Section 15 provides that every common carrier by water or other person subject to the Shipping Act, 1916, must file with the Board a true copy of every agreement with another such carrier or other person subject to the act, "fixing or regulating transportation rates or fares; giving or receiving special rates, accommodations, or other special privileges or advantages; controlling, regulating, preventing, or destroying competition; pooling or apportioning earnings, losses or traffic, alloting ports or restricting or otherwise regulating the number and character of sailings between ports; limiting or regulating in any way the volume or character of freight or passenger traffic to be carried; or in any manner providing for an exclusive, preferential, or cooperative working arrangement."

I have emphasized the "preventing or destroying competition" language to show that those who drew the Shipping Act, 1916, were well aware of the fact that in certain circumstances agreements which "prevent or destroy competition" are not detrimental to the commerce of the United States. This is a feature of the Shipping Act which the Antitrust Division at the Department of Justice would like us to forget. But we cannot. To do so, would ignore the fact that international shipping is a tough business; a business which we can hardly expect to remake in our own domestic regulatory image.

The Board—now the "Commission"—is empowered, but not required, by this section to disapprove, cancel or modify any agreement, whether or not previously approved by it, which it finds unjustly discriminatory or unfair as between carriers, shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors, or to operate to the detriment of the commerce of the United States, or to be in violation of this act, and shall approve all other agreements.

Only those agreements requiring Board approval, and approved by the Board, shall be lawful. Before Board approval, or after disapproval, it is unlawful to carry out any such agreement.

Every agreement lawful under this section is by this section excepted from the antitrust laws.

A penalty of $1,000 a day for each day a violation of this section continues, to

be recovered by the United States in a civil action, is prescribed by this section.

By section 16, Shipping Act, 1916, common carriers by water in foreign commerce, individually and in conjunction with others, are forbidden, upon pain of a fine of not more than $5,000 for each offense, to grant undue preference or advantage to any person, locality or description of traffic, or to subject any person, to any undue or unreasonable prejudice or disadvantage in any respect whatsoever. They are also forbidden to allow a person to obtain transportation at less than the established rate by the use of false billing or other unfair device, or to influence insurance companies to discriminate against competing water carriers.

Section 17: This section prohibits all common carriers by water in foreign commerce from charging any rate which is unjustly discriminatory between shippers or ports, or is unjustly prejudicial to U.S. exporters as compared with their foreign competitors. It also requires that every carrier and every other person subject to the act shall establish just and reasonable regulations and practices relating to the receiving, handling, storing, or delivering of property.

Section 20: This section of the Shipping Act, 1916, prohibits the disclosure of certain information by a common carrier or other person subject to the act to any unauthorized person if such information may be used to the detriment or prejudice of the shipper, consignee, or carrier.

Section 21: This section empowers the Board to require any common carrier by water, or other person subject to this act, to file with the Board "any periodical or special report, or any account, record, rate, or charge, or any memorandum of any facts and transactions appertaining to the business of such carrier or other person subject to this act."

Two U.S. circuit courts of appeal have recently upheld the Board's power, under this section, to call for the production of documents—copies of section 15 agreements and other related documents—located abroad. (*Kerr Steamship Co.* v. *United States*, 284 F. 2d 61 (2d Cir. 1960), *Montship Lines, Ltd.* v. *Federal Maritime Board*, decided June 30, 1961 (D.C. Cir.).) Both courts carefully avoided passing on the question of the extent to which the documents sought could be forcibly elicited. In Montship, the court said that prior to any determination of whether foreign laws which forbid the production of documents excuse compliance with the Board's order, the petitioners—mostly foreign lines—would have to prove to the Board that they had tried in good faith to obtain a waiver of such restrictions from their local governments.

One hundred dollars for each day of default shall be forfeited to the United States by anyone who fails to file any documents as required by section 21; and for anyone convicted of destroying, mutilating or falsifying such documents, a fine or not more than $1,000, or imprisonment for not more than 1 year or both, is provided.

Section 27: This section of the Shipping Act, 1916, allows the Board by subpena to compel the attendance of witnesses and the "production of books, papers, documents, and other evidence from any place in the United States."

Returning now to our bill, I believe that while the Shipping Act, 1916, as amended by our bill, will go much further to regulate international shipping than any other nation has ever before gone, it can and must be enacted—and enacted now—in order to make it clear beyond doubt that steamship conferences have the right to enter into fair but effective dual rate contracts.

I subscribe wholeheartedly to the advice of the Under Secretary of State, George W. Ball, to our subcommittee on August 3, 1961. After urging enactment of a bill such as that which is today before the Senate, Mr. Ball said:

> We must ascertain the extent to which national, unilateral regulatory authority can, and should, extend into international shipping activities. Although the primary problem before this subcommittee is its work on H.R. 6775, I believe that a study should be begun in the near future to examine in detail this vexing problem of conflicting jurisdictions and the regulation of international commerce by sea.

In an appendix to his statement, Under Secretary Ball reported the responses which the Department of State had received to a questionnaire it had submitted in July 1961, to the embassies of the 12 maritime nations—Belgium, Denmark, Federal Republic of Germany, Finland, France, Italy, Japan, Netherlands, Norway, Philippines, Sweden, and the United Kingdom, nations which previously had commented on H.R. 6775. A fair summary of his report follows:

First. In answer to the questions of how much they regulated the competitive practices of carriers or conferences engaged in their foreign, waterborne commerce, the nations replied, "no regulation," or "no effective regulation."

Second. As to the limitations those nations would place on the production of documents or information by their nationals for use in legal proceedings abroad, five nations—Belgium, Italy, Japan, the Netherlands, and the United Kingdom—said they would not permit their nationals to comply; most of the others said they reserved the right to restrict document production.

Third. As to whether those nations regulated ocean freight rates in their foreign commerce, or, if not, how they were assured of the reasonableness of rates, all replied that they attempted no such regulation. Instead, they said they left this matter to the forces—as they called them—of "free competition." Since they had previously said they did not regulate steamship conferences, their use of the term "free competition" differs markedly from that of the Antitrust Division, Department of Justice. Clearly these nations leave the reasonableness of their ocean freight rates to the unregulated steamship conferences and other carriers serving their ports, subject, as they are, to many economic forces which affect the rates they charge.

Fourth. As to whether these nations permit shippers to bargain collectively for ocean freight rates, practically all do.

I urge all Senators to bear in mind that we are the only nation which requires steamship conferences to keep their membership doors open to all common carriers making a reasonable showing of willingness and ability to serve the trade regularly. Our conferences are thus "open shop" affairs; every applicant must be admitted on the same reasonable and equal terms and conditions available to all other members. And once admitted, they are eligible to participate with the other members in the conference's dual-rate contracts.

Another point to bear in mind is that Commission-approved dual-rate contracts must be offered to all shippers or consignees on the same terms and conditions. There cannot be any unjust favoring or preferred shippers or ports.

In closing, I want to express a sincere word of tribute and commendation to my friend and distinguished colleague, the junior Senator from California [Mr. ENGLE], who served as acting chairman of our Merchant Marine and Fisheries Subcommittee throughout its consideration of this bill, and to the chairman of our full committee, the distinguished senior Senator from Washington [Mr. MAGNUSON]. Both have devoted a great deal of time and thought to this complex problem. Largely as a result of their efforts, our committee was able, unanimously, to report this bill, which should now be enacted without any amendments other than those of a perfecting or technical sort. Mr. President, I hope the Senate will do just that.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. ENGLE. I desire to express my appreciation for the kind remarks of the Senator from Maryland and the statement he made with respect to the work on the bill. The Senator from Maryland takes an active, vigorous, and intelligent interest in the maritime affairs of this Nation, and has worked constructively with us on this side of the aisle in trying to bring forth a bill that will be fair to the shipping industry and the American public. The fact that the Senator from Maryland is so active and so well informed in this field is largely the reason for the bill being reported unanimously by the Senate Committee on Commerce.

Mr. BUTLER. I thank the Senator from California. I reciprocate very deeply the considerate remarks he has made.

I yield the floor.

HURRICANE CARLA

Mr. YARBOROUGH. Mr. President, on Tuesday of this week, September 12, the Houston Post published a very interesting editorial, entitled "Warning System Enabled All in Exposed Areas To Escape Carla." The editorial, while paying tribute to the use of modern

scientific devices in tracking this amazing tropical storm, which resulted in warning the people along the coast, also reviews what happened in the great hurricane that struck Galveston, Tex., on September 8, 1900, when 7,000 persons lost their lives in Galveston and on the mainland. The editorial points out that warnings were given as far back as the 4th of September that the storm was headed that way, but without the scientific knowledge now available, they did not know with what force the hurricane would strike, and out of a population of 15,000 at that time only one-third had left the beach areas, with the result that a great toll was taken.

The editorial pays tribute to the persons and agencies who the writer thinks are entitled to the greatest credit in the evacuation. The editorial points out that the Red Cross, civil defense, and other groups made an excellent record in taking care of the refugees from Carla throughout the threatened region, and states they have earned the highest praise.

I ask unanimous consent to have printed in the RECORD at this point the editorial from the Houston Post of September 12

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WARNING SYSTEM ENABLED ALL IN EXPOSED AREAS TO ESCAPE CARLA

South Texas' experience with Hurricane Carla was a dramatic demonstration of the blessings of modern science, and of public education. Radar finding and tracking facilities "tailed" this amazing tropical storm in its wanderings almost hourly for 4 days and nights, and no previous Texas-bound hurricane ever had such complete radio and television coverage. Anyone with access to a radio or TV set could learn the position, progress and condition of the storm at any time from Saturday morning to Monday night.

Such blow-by-blow reports on hurricanes in recent years, made possible by those modern devices, have made people in exposed areas more alert to the dangers than formerly, and thereby may well have saved countless lives. A measure of this boon may be taken by a comparison of the preliminaries of Carla with those of the great Galveston storm of 1900. It killed more people than all other known Texas hurricanes combined, and had more of the characteristics of Carla than any other. It struck on Saturday, September 8—3 days earlier in the month than Carla.

On the 4th, 5th, 6th, and 7th, the Washington weather office warned that a hurricane was raging in the gulf, and cautioned mariners against going to sea. With their 19th century facilities, however, the meteorologists of 1900 could not give the position or direction of the storm. The barometer at Galveston began falling on the 6th, and on the 7th the local weather bureau forecast high winds from the north that night. They began blowing hard early in the morning of the 8th, and gained velocity all day, while the tide mounted to 6 feet by 2 p.m. The last train to cross the bay before the tracks on the wooden bridge were submerged, arrived early in the afternoon.

Wind and tide rose all afternoon, approaching hurricane force. Yet, in the face of all these weather warnings, with the certain prospect of a full-fledged hurricane, only about one-third of the 15,000 residents of the area near the beaches where the greatest destruction occurred had the prudence to seek refuge on the highest ground and in the safest buildings. As the winds reached the velocity of 120 miles per hour and the mountainous tide swept over the island, many others would have left but it was too late. In that district, 2,636 houses were smashed into piles of debris, and 3,000 bodies were found in them next day. The total death toll, on the island and across on the mainland, was estimated at 7,000 or more.

Had the Galvestonians and mainland lowlanders of 1900 enjoyed the advantage of such insistent warnings as the entire population of the gulf coast received Saturday and Sunday, they would have evacuated, as hundreds of thousands did to escape the ravages of Carla, and thereby thousands of lives would have been saved.

The Red Cross, civil defense, and other groups have done a splendid job taking care of the refugees from Carla throughout the threatened region. They have earned the highest praise. All south Texas should give thanks for their services, and for the warnings on the air that enabled those in danger to batten down or retreat to safety.

Mr. YARBOROUGH. Mr. President, this morning the Washington Post has a very informative editorial on the same subject, entitled "The Great Storm." It states that the first heroes of the gulf coast's hurricane disaster were the Weather Bureau, its radar operators, and the Navy pilots who fly storm reconnaissance, and states that they performed magnificently.

I ask unanimous consent that the editorial from this morning's Washington Post be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE GREAT STORM

The first heroes of the gulf coast's hurricane disaster were the Weather Bureau, its radar operators and the Navy pilots who fly storm reconnaissance. Because they performed magnificently, there was sufficient warning to make possible an orderly and effective evacuation of nearly half a million people. The storm was one of the worst of a century that opened with the Galveston flood, in which 6,000 people died. And yet in this hurricane there have been only a handful of fatalities reported: an infant caught in a tornado at Kaplan, La., a man who stepped on a live power cable in Houston, half a dozen people trapped by another tornado in Galveston.

The Weather Bureau warnings over the 10-day life of the storm piled up in a dramatic sequence. Hurricane Carla was first reported to the Weather Bureau early on September 4 by ships in the lower Caribbean. At the Bureau's request, radar-equipped Navy patrol planes took off from Jacksonville to mark its progress hour by hour. An automatic station anchored in the Gulf of Mexico transmitted a steady stream of data. Storm warnings were issued the next day for the Honduras coast.

The storm moved slowly and erratically. Thursday morning it swept into the gulf and warnings were posted for west Florida. By 10 a.m. Friday the hurricane watch was extended westward across the Texas coast, and the Bureau warned residents to prepare to move. Later that day the evacuation began in Louisiana. Weather Bureau radar stations at Brownsville, Galveston, and Lake Charles, the end of a chain that runs up to Maine, were able to give civil authorities a steady and highly accurate flow of intelligence on the storm's movements.

Police, national guardsmen, civil defense units, and citizen volunteers carried out the massive relocation with remarkable success. By the time the storm hit land on Sunday, the most dangerously exposed towns were virtually deserted. On higher ground, discomfort and inconvenience was the refugee's lot, as always. But he was not in danger. For a heavily populated coast to undergo a storm of this disastrous proportion with so low a loss of life is a modern miracle.

Mr. YARBOROUGH. Some of these pilots who fly into the eyes of the storms describe those flights as routine. I heard one on a broadcast the other night describe it as a routine flight. He described how they fly at a height of 10,000 or 12,000 feet at night, but in the daytime, when they fly into the eye of the storm, they drop down to 1,000 or 1,200 feet. The pilots on these flights said they were shaken up and buffeted about, but that was part of the work.

The amazing courage of the pilots who fly into the eyes of hurricanes with winds up to 150 miles an hour is something for which every American should be thankful. I pay tribute to the pilots who fly reconnaisance flights into the eyes of storms. They normally fly at 10,000 to 12,000 feet high, but, in order to see the swells and the waves, as they go through the eye of the storm they drop down to 1,000 or 1,200 feet, and sometimes are forced lower by air pressures.

NATIONAL PARKS FOR THE FUTURE

Mr. YARBOROUGH. Mr. President, in the Atlantic Monthly of June 1961, there is an article warning of the necessity for preserving our national parks, under the title "National Parks for the Future," written by the Honorable Stewart Udall, Secretary of the Interior.

The article gives a brief review of the danger to our parks and the damage being done to them without adequate legislation for their preservation, especially in view of the millions of people who visit the parks. Last year some 72 million persons visited the national parks of the United States. This year the figure already is more than 79 million, and it will be 80 million, by all estimates, by the end of the year.

In calling for new national parks, Secretary of the Interior Udall mentioned seashore recreation areas and called for the acquisition of the three greatest needed areas: Cape Code, Padre Island, and Point Reyes, Calif.

Cape Code National Park has already been created. The bill relating to Padre Island is out of the subcommittee and pending before the full Committee on Interior and Insular Affairs.

The upper end of Padre Island was in the path of the storm. The recent storm illustrates the fact that Padre Island is more suitable for a national seashore recreation area than any other use because of the sandy shore and the high swells that can inundate the whole island during hurricanes. With appropriate warnings, the people can leave the island, just as they left the threatened areas in

the recent storm. It would not be wise to make investments of houses along the beach, but the wise thing to do would be to establish a national seashore recreation area.

I feel the great calamity which has struck that area strengthens the need for the establishment of a recreation area as embodied in S. 4. I hope both Houses of Congress will pass the bill and write it into law before the close of this session.

I commend the reading of the article to which I have referred, and ask unanimous consent to have the article, entitled "National Parks for the Future," printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NATIONAL PARKS FOR THE FUTURE

(By Stewart Udall)

In the summer of 1953, Bernard De Voto, the Cambridge conservationist and chronicler of the West, made his way through some 15 of our great national parks. With him traveled, figuratively speaking, some 17 million Americans who sought, with De Voto, to renew their spirits in the wild and scenic places of our land. On his return De Voto pronounced a verdict on what he had seen, and a disturbing verdict it was to all who knew his deep affection for our national parks. "Let's close the national parks," De Voto wrote caustically. "Let us, as a beginning, close Yellowstone, Yosemite, Rocky Mountain, and Grand Canyon National Parks—close them and seal them, assign the Army to patrol them, and so hold them secure for a more enlightened future."

De Voto's anger was directed at the rot, decay, and neglect he had encountered everywhere. Sewage was seeping into Yellowstone Lake, and the campgrounds of the park looked like outdoor slums because, as De Voto put it, "they are slums." On the breathtaking rim of Black Canyon of the Gunnison, the guardrails had rotted away; not one ranger was assigned to the area; and even the visitor's register had been stolen. Fire, health, and safety hazards were prevalent at every turn.

At about the same time, the Reader's Digest warned prospective visitors that "your trip is likely to be fraught with discomfort, disappointment, even danger," and Conrad Wirth, then as now the Director of the National Park Service, had to agree that "We actually get scared when we think of the bad health conditions." The Saturday Evening Post took its turn at bat and editorialized that the "great canyons, pristine lakes and the endless beauties of nature of our national parks" were being displaced by "traffic jams on beat-up highways, beer cans in the geysers, honky-tonk commercialism * * * outdoor slums."

America's glory has been its natural wonders; how, then, did we allow our national parks to suffer such disfigurement?

The answer is that up until 1941 the resources of the National Park Service, the custodian of our parks and monuments, were reasonably adequate. But with the onset of World War II, money and manpower were cut to the bone, and when millions of Americans turned to the parks in the postwar period, the rangers were overwhelmed.

In 1940 some 7 million people visited the parks. By 1953, the year of De Voto's trek, the figure had more than doubled, and the Park Service, with a smaller ranger force, had to administer 18 new areas as well.

Today few in Washington would dispute the proposition that the esprit and dedication of the men who run the National Park Service are unexcelled in our Government. Yet the postwar years found some rangers and their families living in rat-infested shacks and paying the Government a painful percentage of their modest salaries for the privilege. Not only the parks but the morale of the men charged to conserve them had become eroded to the danger point. These were the conditions which in 1956 called into being the restorative work of Mission 66.

RESTORATION

Mission 66 was designed as a 10-year rehabilitation program to accommodate the floodtide of visitors without compromising basic conservation values. A series of master plans was developed for each of the 181 areas administered by the Park Service, and sizable appropriations were obtained from a responsive Congress to enhance maintenance and underwrite new capital improvements. Thus, a frontal attack was made on the conditions that aroused De Voto's ire and caused misgivings in his fellow Americans.

Mission 66 is now at the halfway mark; a new administration has come to power; and it is an opportune moment to review the scope of the program and assess its work.

The Park Service takes justifiable pride in maintenance systems that now protect the health and safety of park visitors. And, unquestionably, the main new capital development projects—roads, trails, campsites, interpretive exhibits—have made the parks more hospitable and have quickened appreciation of their wonders. But problems of delicate judgment have been created also.

For example, take the problem of roads. In 1924, Stephen Mather, the first director of the Park Service, enunciated the basic guidelines: "It is not intended to have the parks gridironed with roads, but in each it is desired to make a good sensible road system so that visitors may have a chance to enjoy them. At the same time, large sections of each park will be kept in a natural wilderness state without feeder roads, and will be accessible only by trails for the horseback rider and the hiker."

CAMPSITES

In the late forties, the road systems in the parks were miserably inadequate and unsafe. However, 653 miles of existing roads have now been improved under Mission 66, while nearly 144 miles of new roads provide scenic vistas and access to new campground areas.

Camping is one of the more intimate park experiences. To encourage it, 7,000 new campsites have been created, and an additional 4,000 sites renovated. For access both to the spectacular and the humbler sites of natural beauty, 300 miles of trails have been built or improved. For many visitors, the most meaningful moments in the parks come when they join together around the fire in the evening to learn from ranger naturalists more of the natural history that surrounds them. There are now campfire circles for more than 25,000 persons, and 54 new interpretive centers to encourage the vital educational work of the Park Service.

Yet Mission 66 has inevitably evoked both praise and blame from those who love and use our parks. The truth of the matter is that in 1916 the Interior Department was pitched onto the horns of a dilemma by Congress' directive "to conserve the scenery * * * and the wildlife therein and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations."

Examining this singular congressional mandate, Wallace Stegner, the well-known novelist and conservationist, once wrote perplexedly: "Provide for use, but leave unimpaired. Use, but protect. Keep the parks primitive, but open them to millions. Make the scenery accessible with roads, trails, lookouts, but don't scar it up. Provide—invisibly—campsites for millions, lodge and motel accommodations for hundreds of thousands, and the facilities of whole towns to take care of them. * * * Protect and restore wildlife, even wolves and mountain lion, in order to keep the balance of nature, but do it in a show window where millions can thrill to see it."

Over the years, some of the wisest men in the Interior Department have wrestled with this dilemma, and it is not surprising that many policy directives have touched off controversy. There have been mistakes; I would cite Tioga Road in Yosemite and the tower on Clingman's Dome in the Great Smokies as two. But when you view the many Mission 66 projects in perspective, it is amazing that so few egregious errors have been committed.

TO USE AND YET PRESERVE

During the Kennedy administration, special care will be taken that in the planning of roads, buildings, and village developments, nature will take precedence over the needs of modern man. The Park Service cannot be too zealous in its work to maintain, and raise, the standards of the facilities and the services it provides. No road or lodging is an end in itself, but exists to enhance the value of the park it serves.

But too often critics have failed to concede that many of the "wrong" decisions have actually been dictated by conditions and compromises which preceded the establishment of the parks. For example, Floridians stipulated a developed area outside its heartland when they donated the land and money which led to the establishment of the Everglades National Park. And the Santa Fe Railroad and others owned land on the rim of the Grand Canyon long before it became a national park.

In my view, wise park administrators must steer judiciously between those who would ignore the park standards and those who construe each alternative according to their personal tastes. In any event, the pressure of tens of millions of people on a limited and often fragile landmass will surely grow more intense. Can our parks be both used and preserved at the same time?

The answer is, they must be if we are to keep faith with future generations and serve the men and women of today.

One concept long respected by the Park Service in its approach to the inherent dilemma has been the development within the wilderness of "zones of civilization" linked by roads. The result is that today 99 percent of our national park land still enjoys wilderness status, and a visitor need only wander 200 yards off any road to enter primitive and untouched country.

In Yellowstone, our oldest and most intensively used national park, the road system has been improved to carry the hundreds of thousands of cars that use it annually, but the natural wilderness has not been penetrated 1 foot farther than when the first motorcar was admitted 45 years ago. And here it should be borne in mind that Yellowstone is nearly three times the size of Rhode Island. All too few of the millions of visitors venture beyond these paved corridors, yet the opportunity is there for anyone who wants to seize it.

Looking at the vast panorama of our parks, one is impressed by the wisdom with which the Park Service has resolved the conflict between use and conservation. There are no more zealous guardians of our places of extraordinary beauty than those who cherish the purity of our wild lands. Fortunately for all of us, each noble stand of trees, each solitary mountain promontory, each desert canyon has its devoted band of friends. And this is as it should be, because wilderness land, paradoxically, is a fragile asset.

PARKS ARE FOR PEOPLE

However, it is also plain that parks are for people, and not people for parks. And these people are entitled to what De Voto has called amiable diversions in keeping with the purpose of their visit and the character of the park. The test of whether to allow such diversions as winter sports, for example, should be whether participants scar the terrain. Furthermore, we must consistently ask ourselves whether a particular organized activity adds a worthwhile dimension to the purpose for which our parks were established.

This brings into focus the central domestic crisis which confronts America today, the fact that population tends to outrun space, and that the very spaciousness which has formed the face and character of our people is now threatened. The most noticeable scarcity in this society of abundance is land. The pressures on our land—especially land suitable for parks and outdoor recreation—are relentless. Another four million Americans will be born into this country this year. Given fair weather each day, another 300,000 acres of countryside will fall to bulldozers, cement mixers, and logging crews.

If we want to save some of this land for parks and for the enjoyment of the outdoors, we must act now. The enemy is time, not people. And time has run out for piecemeal action. The day is long past when a stroke of the pen could create new national parks out of the public domain. The time is now past when we could hoard a few more acres of park land in the West, where it is still relatively plentiful, and hope that some philanthropist would give us a little more elsewhere.

NEW NATIONAL PARKS NOW

What is needed today, and needed urgently, is a truly national and wisely balanced program of land acquisition and park development. Last February, within a month of assuming office, President Kennedy spelled out in a message to Congress the broad goals of a national land-conservation program.

We have already come to the second phase of Mission 66. From 1956 to date, we rescued the national parks from rot and erosion; now, quickly, we must round out our park system by the inclusion of the remaining areas of exceptional scenic beauty. But new national parks are only a part of the answer to the exploding demand for outdoor recreation in all parts of the country. Our great national parks represent one of the few remaining opportunities for vacationing families to enjoy the "early morning" experience of the wilderness. We did not set aside our parks for casual inspection. These unique areas were meant to provide what Laurance Rockefeller has called the cathedral experience of nature.

Furthermore, most of our finest parks are located in the Western part of the United States, a considerable distance from centers of population. Yet America's families should have opportunities for outdoor recreation within easy reach of their homes. And, properly, they should rely for such recreation on their State and local governments. State and local action to set aside land for outdoor recreation would take pressure off the national parks, but more important would be the benefits which carefully developed open land would bring to the communities themselves and to their residents.

In most areas of our country, enough land is still available if we act now. But in the heavily industrialized parts of America, the only hope of salvaging what remains lies in inspired, and inspiring, leadership from our governors and mayors.

The challenge is a double one: to preserve the face of our country for ourselves and our children, and at the same time to provide plentiful and varied opportunities for people to enjoy the outdoors.

I should like to see new national parks to protect such unique areas, for example, as the deep, sandstone canyons that surround Rainbow Bridge in southern Utah; the last remaining prairie lands in Kansas; Santa Cruz Island, Calif.; and the proposed Great Basin Park in Nevada. We must also move quickly to add the Great Beach and adjoining land of Cape Cod; Padre Island, Tex.; and Point Reyes to the national seashore system.

Nowhere are the opportunities for outdoor recreation more limited than in or near our cities. What little open country separates the sprawling urban complexes on the east and west coasts is being preempted by various "developments." Only bold action can save what remains. For example, at the Delaware Water Gap a magnificently varied recreation area could be created surrounding the proposed Tocks Island Reservoir. This would give nearly one third of the Nation's population 75 miles of shore front for outdoor sports and recreation.

America's land and water are on the block. The highest bidder is seldom the wisest user. Short-term developments and short-term gains will be debited a thousandfold against the assets of future generations, whose claim on America is as valid as ours.

Some of us in Washington sense an ever-increasing interest in the land and in man's relationship to it. President Kennedy has already struck the keynote. If we seize the opportunity and act to save the spaciousness and grandeur of our land, later generations may record this period as one of the most significant in the American conservation movement.

ADOLFO LOPEZ MATEOS, PRESIDENT OF MEXICO

Mr. MANSFIELD. Mr. President, in the Christian Science Monitor of September 9, 1961, there appears an excellent article by Marion Wilhelm entitled "Mexico's No. 1 Revolutionary." The article deals with the properly elected and constituted President of the Republic of Mexico, Adolfo López Mateos. Despite the legitimate source of his authority, however, this outstanding leader of the Americas is a revolutionary in the sense that he has led in carrying forward Mexico's enormous economic and social transition. The article gives an indication of the rapidity of the progress in the great Republic to the south and the understanding and the perception of Senor Lopez Mateos in guiding this progress, progress which is uniquely Mexican as was, and is, the revolution in that country which has been in progress on a sane and orderly basis for over 50 years.

Mr. President, this is the kind of indigenous effort which can provide the basis for even more rapid progress when it is dovetailed with the concepts of the Alianza para Progresso.

I ask unanimous consent that the article to which I have referred be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEXICO'S NO. 1 REVOLUTIONARY

(By Marion Wilhelm)

MEXICO CITY.—If the United States is looking for revolutionary advisers in Latin America, one of the most experienced is Mexico's Adolfo López Mateos.

The leader of Latin America's oldest and, in many ways, most successful revolution put out his hand in guidance recently in a frank warning to hurry up the economic and social programs of the Alliance for Progress. "Delay or inefficiency in the action agreed upon will produce a bitterness of total despair," he said in a State of the Nation report marking the halfway point in his term of office.

President López Mateos has spanned the same period as the Mexican revolution, which began in 1910, but he looked even more experienced and politically mature as he told how his government is battling the extremists who plague all of Latin America.

GROWTH TALLIED

His review of national progress in the last 3 years shows Mexico ahead of other Latin American countries in annual industrial growth. Industrial production is up in that period from $6,500 million to $8,250 million. Electrical capacity rose in the same period from 2,500,000 to 3,100,000 kilowatts. Steel output grew from 1,100,000 to 1,700,000 tons. The country is building highways at an annual rate of 1,400 miles, handing out more than 5 million acres of land to campesinos every year, and spending nearly half a million dollars daily on public education.

But it is progress under constant political pressures, as the President went on to explain.

"I believe it is indispensable," he said, "to stress that this work has been carried out in spite of the anxieties and fears aroused by those who wish to frustrate and hinder it.

"The magnitude of the effort Mexicans are carrying out to free themselves from poverty, ignorance, lack of communications, and unsanitary conditions makes patriotic our refusal to adopt extremist sectarian attitudes which, retrogressively or demagogically, are attempting to hinder these tasks and create confusion.

"We Mexicans of good faith must not hold up nor detract from the national work and we must unite decisively in undertaking creative, productive, and positive activities if we wish to attain the stages of fecund stability that are in view."

POSITIVE BALANCE

"The balance of the first 50 years of the revolution is highly positive. * * * To undervalue that balance only because there are goals not yet reached would be to deny our history and encourage a dangerous deformation of our perspectives. * * * Without confidence and faith in what we are and in what we have been we could expose and lose ourselves to questionable experiments lacking roots in our own idiosyncracy.

"A tenacious propaganda * * * systematics and clever * * * with a borrowed ideology and pretended revolutionary aspirations * * * is trying to defect the government from the political and social doctrine that emanated from our people.

"Confronting this phenomenon there have arisen obscure social forces from the past which seek to regress and to stagnate, to perpetuate injustice, extend ignorance, arouse fanaticism, prejudice, and misery * * * a system of life Mexicans do not want.

"Under the protection of free expression both currents seek to propagate their ideas in social restlessness leading to public disorder, and the government is responding prudently but energetically, determined to keep the nation in order, tranquillity, and harmony. * * * Those who take up extreme positions have tried to qualify the Mexican revolutionary movement in a colorless center position. Nothing is more false. Within our constitution and within our ideals we are acting radically. We are realistic revolutionaries and not utopian dreamers."

COLLEGE NEWS CONFERENCE

Mr. MANSFIELD. Mr. President, it has come to my attention that the TV program "College News Conference," which was discontinued last November, will resume telecasts late next month on the new National Educational Television Network. I had the privilege of participating in a number of the presentations in this series over the years and was most chagrined by its termination.

I know that other Members of the Senate share my view that "College News Conference" was an outstanding public educational undertaking and will be happy to learn of its revival. Its manager, Ruth Hagy, who now heads her own producing firm, and the National Educational Television Network are to be commended for bringing this program once again to TV audiences throughout the Nation.

NEW YORK WORLD'S FAIR

Mr. KEATING. Mr. President, it is imperative that the World's Fair study bill pass the Senate this year. Sufficient lead time is absolutely vital if our Government is to make an effective and persuasive showing at the New York Fair.

The distinguished senior Senator from Ohio [Mr. LAUSCHE] has indicated opposition to our bill. I respect his views as we all do. I have discussed this matter with him and have endeavored to point out the important distinction between participation and support. We do expect the Federal Government to participate in the 1964–65 New York World's Fair. At the same time, we emphatically do not expect Federal support of the operations and planning of the fair.

This distinction between participation and support is an important one. We should participate in New York in the same way we participated in Moscow, Brussels, London, and World's Fairs and similar exhibitions throughout the world. The Soviets will be in New York with their buttons popping. This kind of an event is an important part of the overall propaganda and cultural battle between East and West.

Mr. President, when a World's Fair bill was being discussed last year at the end of the 1st session of the 86th Congress, I made it absolutely clear in my remarks that I hoped the Government of the United States would participate in the New York Fair in much the same fashion as we did in 1939. In 1939, the U.S. Government did not support the fair financially. But it did build a U.S. pavilion at the fair. I quote two sentences from my remarks at that time:

> I call attention to the fact that when New York held the 1939 fair, the only Federal participation in the way of appropriations was for the financing of the Federal building at the fair. In all other respects it was completely financed either by private interests or by the State of New York.

That statement was made by me on September 14, 1959, and is to be found in the CONGRESSIONAL RECORD, volume 105, part 15, page 19575.

The bill, which my distinguished colleague [Mr. JAVITS] and I have introduced, is the administration measure which was sent to the Congress by the Secretary of Commerce on behalf of the President.

The preceding administration, under Secretary of Commerce Mueller, had this to say about participation in the fair:

> For reasons which I shall set forth, it is now my view, fully concurred in by all agencies concerned, that the Federal Government should participate in the New York World's Fair. We believe further that such participation should be on a scale and in a manner commensurate and appropriate to the fair as a whole, calculated to assure widespread participation and attendance, and to achieve the best possible effect in terms of promoting international good will—the underlying purpose of a World's Fair.

In other words, the bill before us has the support both of the preceding administration and of the present administration. It has also been unanimously endorsed by the Governors at their conference recently held in Hawaii, in a resolution in which the Governors said in part:

> *Resolved,* That the Governors of the Nation give their support and endorsement to the 1964–65 New York World's Fair as an international project to further the cause of peace and understanding among peoples of the world.

Although I have never been personally engaged in the actual running of this kind of an activity, I can well recognize the necessity for sufficient leadtime. It is imperative that Congress act at this session, rather than to put off action until next year, which would cut down on the planning time which is needed so badly. I hope it will be possible to get action shortly.

KHRUSHCHEV'S LARGER AIM

Mr. KEATING. Mr. President, I invite attention to a perceptive article by Roscoe Drummond which appears today concerning long-term Soviet motives for Berlin and Germany. Mr. Drummond warns that Khrushchev's ambitions do not stop at West Berlin even, which he is now trying to strangle into an acceptance of Soviet domination, but extend to all of West Germany, which he ultimately hopes to intimidate into a position of neutrality.

Mr. President, the implication behind Mr. Drummond's point, I believe, is that we are in some danger right now of losing sight of the forest because of our concentration on the trees. The question of air access routes, of military or civilian flights, of foreigners going in and out of East Berlin, are, of course, important legal points on which we must not yield. But it may well be that the Soviets are deliberately raising these questions to distract us from the main issue. That is: Are we going to let the Communists eliminate Western influence and freedom in West Berlin and indeed throughout West Germany by their continued aggressive tactics?

True, we have spoken severely and sent notes of protest, but while we have done this the Soviets have acted—and closed off half a city from freedom and hope. Let us by all means insist on our legal position. But let us also not lose sight of what Mr. Drummond points out as the main objective, and let us take vigorous measures to demonstrate that we are not going to be distracted by minor points from the major issue of the Western presence in Berlin, the right of the German people to self-determination, and to the ultimate reunification of Germany.

Mr. President, I ask unanimous consent to have the article by Roscoe Drummond printed in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

K.'s LARGER AIM: NEUTRALIZED WEST GERMANY

(By Roscoe Drummond)

BONN.—As has happened so often in the past, Nikita Khrushchev is looking further ahead than the Western allies.

While we have our eyes and our hopes on West Berlin, Khrushchev has his eyes and his plans fixed on West Germany. We see the coming negotiations as a means of saving what is left of Berlin.

To Mr. K. the Berlin negotiations are not the end, they are just the waymark on the road to a much larger and—to us—calamitous objective. It is increasingly evident his purpose is to use gradual detachment of West Berlin from Western protection and influence as the means of detaching the whole of West Germany from the Western alliance.

West Berlin is not the main prize that the Soviet Union is after. An unarmed, intimidated, neutralized West Germany is the prize.

This is really the stake in the Berlin negotiations and if we see the stake as anything else, we will find ourselves helping Khrushchev to win his own game—to our undoing.

What is the prospect and what are the means by which the Soviets can reach this shattering objective?

Obviously it is not sure for Mr. K. by any means, but such a result could well come about unless we are totally aware that this is what he is after. What makes it a serious possibility is that the events in East Germany and Berlin in the past 3 weeks have thrust new and powerful political weapons in his hands.

Most of the preliminary steps to beginning the long-range drive to unhinge West Germany from its Western alliance have already been taken.

East Berlin has been annexed to East Germany, locked body and soul behind the Khrushchev wall.

The Soviets have swallowed up East Germany and are now in the process of rapidly digesting it into their Eastern European satellite empire.

West Berlin has been snuffed out as a free world showwindow behind the Iron Curtain and has become little more than a geographical location—no longer symbolizing the hope of a united Germany.

The prospect of German unification has now completely vanished before the very eyes of the German people who, though knowing in their hearts it had become a dream, can now no longer cherish even the dream.

What we have to realize is that the openly visible, permanently decisive division of Germany, which the Soviets will seal with a separate peace treaty soon, can have far-reaching political consequences in West Germany which can be only faintly foreseen.

What would the American reaction be if we had lost the war and the Japanese had occupied a third of the United States for 16 years and established an iron-heeled, iron-willed regime run from Tokyo with a puppet capital in Denver?

We would yearn and hope and strive to reunite the Nation—and would rely on our friends to help do so. But what would our feelings be if, in the end, the Japanese signed a treaty with its obedient Japanese regime in Western America and annexed it formally?

That is what the Soviets have done to a third of Germany and right now inevitably there will be many German people and not a few German leaders asking: "Have we misplaced our trust in the Western alliance? If only the Russians can give us a united nation, even if it has to be a totally disarmed and neutralized Germany, may not this be better than to live permanently divided?"

The Adenauer government believes no such thing. But what of the next German Government, and the next? Mr. K. is not thinking of next month or next year; he can wait—and work—in the hope that the Germans can be tempted to take his bait.

This is Khrushchev's aim in the coming Berlin negotiations—to begin to neutralize West Berlin in order to begin to neutralize West Germany.

THE CURRENT WAGE-PRICE ISSUE

Mr. CLARK. Mr. President, the dangers of another round of inflation arising from current developments in the auto and steel industries have been sharply and briefly analyzed in a statement issued by five economists representing four institutions of higher learning. They are Frank C. Pierson and Clair Wilcox of Swarthmore, Paul N. Guthrie of North Carolina, George H. Hildebrand of Cornell, and Fritz Machlup of Princeton.

These economists conclude that three critical tests are ahead—first, the negotiations in the auto industry; second, the question of a steel price increase on or after October 1; third, next year's negotiations in the steel industry. They argue that unless the line is held on these three occasions, an inflationary spiral could begin which, in their words, "can only result in the imposition of direct controls by the Federal Government."

Since their paper was dated, on August 28, a settlement in the auto industry has been reached which in my judgment, will not prove to be seriously inflationary. The second critical test, as these economists see it, will come in the steel industry next month.

I ask unanimous consent that the statement of the five economists may be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE CURRENT WAGE-PRICE ISSUE: STATEMENT BY FIVE ECONOMISTS WORKING IN THIS GENERAL AREA

A critical element in any period of business expansion such as the economy is now experiencing is the way in which wages and prices respond to an improvement in business conditions. During the past 3 years wholesale and consumer prices have remained relatively stable. Over the next 12 months, however, the price line may be breached by a series of wage and price increases in the automobile and steel industries. It is difficult to speak with much assurance about the justification for adjustments in particular industries, but the national interest clearly demands that the price line be held in these two fields if at all possible. Consequently, the burden of proof will fall squarely on the parties involved if this is not done.

The first test will come early this fall in the negotiations between the automobile workers and the major automobile manufacturers. If the union limits its demand for improvements in existing contracts to the most urgent aspects of job security, the pressure on the companies to raise prices on new models should not be excessive. Profits of automobile companies are already up sharply and, with increasing sales in prospect, are due to go higher. A sustained expansion in sales volume, which is almost sure to yield more jobs and higher profits, can best be assured if car prices are maintained or even reduced. There is, therefore, reason to hope that neither group will find any serious conflict between its own objectives and the country's welfare.

The second critical test will come in the steel industry when the 8½ cents per hour increase provided under the 1960 labor contract goes into effect October 1. As in the case of automobiles, steel output has recently been on the rise and is expected to go higher. With fuller utilization of capacity, important cost advantages are already beginning to be realized. Technological improvements are also yielding significant cost savings. As a consequence, profits are starting to improve and almost surely will increase further. In view of the competitive position of steel both in domestic and international markets, it can at least be argued that the industry's own interests would not be served by a price increase at this time. This suggests that the industry would not sacrifice much, if anything, if it kept its policies within a framework dictated by national requirements.

The third and perhaps most critical test will come in mid-1962 when the Steel Workers Union and the steel manufacturers enter negotiations for another contract. It is, of course, impossible to anticipate all the developments that may intervene to affect the outcome of these negotiations, but it is not too early to review possible approaches now. As in the case of the automobile industry, the principal problems lie in the area of job security and job expansion. With the increase to be put into effect October 1, average earnings in basic steel will be about $3.25 an hour, and earnings plus benefits will be well above $4 an hour. The question that will confront the union next year is whether a further substantial rise would contribute to the welfare of the bulk of its members. By concentrating on job expansion and employment security, the union might well do more for the workers in this industry than by pushing wages and related costs still higher. If this were done any direct conflict between the union's interest and the national interest could be avoided.

These three sets of decisions are closely related. Failure to hold the line on prices in automobiles and steel this fall will lay the basis for exorbitant wage demands by the steel union next year. A substantial rise in wages in steel at that time will lead to a further rise in the price of steel and to additional increases inw ages and prices in other industries. This sequence of events, especially in light of mounting tensions abroad, can only result in the imposition of direct controls by the Federal Government. This latter eventuality is almost a certainty if the major union and employer groups cannot find ways of reconciling their own needs with those of the country as a whole. The time to stop this chain of events is before it gets underway. We think that time is now.

PAUL N. GUTHRIE,
University of North Carolina.
GEORGE H. HILDEBRAND,
Cornell University.
FRITZ MACHLUP,
Princeton University.
FRANK C. PIERSON,
Swarthmore College.
CLAIR WILCOX,
Swarthmore College.

THE MANPOWER DEVELOPMENT AND TRAINING ACT

Mr. CLARK. Mr. President, according to newspaper accounts, hope has now been abandoned for passage this year by the House of Representatives of the Manpower Development and Training Act, which was passed by the Senate on August 23 and of which I had the honor to be in charge on the Senate floor. If this report is true, it is very disappointing news indeed.

This is one measure on which there is extraordinarily wide agreement in principle. The bill was approved unanimously by the Senate Committee on Labor and Public Welfare. It was passed by the Senate by a large majority, 60 to 31, and some of those who opposed it were, I believe, prepared to support a program somewhat scaled down in size. The administration is strongly behind the bill. So was every witness who testified on it at the Senate hearings.

No matter how much informed persons may disagree on fiscal and monetary policies in dealing with unemployment, they do not disagree that men and women whose skills are obsolete must be retrained if they are to obtain jobs and make their contribution to the growth and strengthening of the economy.

I hope that the reports are inaccurate and that the House of Representatives will still find time to act on this important measure.

As one more indication of the widespread public support for this bill, I ask unanimous consent to have printed in the RECORD at this point an editorial from the Harrisburg Patriot of August 29 entitled, "Jobless Training Program Could Salvage 'Lost' Men." I also ask permission to include the first of a series of reports by the Bureau of Labor Statistics summarizing European programs for retraining the unemployed, written by Phyllis P. Groom and printed in the August issue of the Monthly Labor Review.

There being no objection, the editorial and report were ordered to be printed in the RECORD, as follows:

JOBLESS TRAINING PROGRAM COULD SALVAGE "LOST" MEN

When the Senate's special Labor and Public Welfare Subcommittee went out into the various States last year to look into the problem of unemployment, testimony turned up a broad range of disagreement on what should be done.

But, the committee's final report noted, all sides—labor, management, Government—supported proposals for a program of training idle workers. Not a single witness opposed it.

Now the Senate has passed the Kennedy administration's proposal for a 4-year, $655 million job training program, and a counterpart bill has been approved by the House Education and Labor Committee and awaits only Rules Committee clearance for floor consideration and action.

The program is designed to help States and areas which have a burden of chronic unemployment. It is a measure of Pennsylvania's acute problem of long-term joblessness that leading advocates in the Congress of the Manpower Development and Training Act are from our State. Senator CLARK, who introduced one of the first proposals on this front, sponsored the administration's bill in

the Senate and was floor manager in the debate which led to its approval, 60 to 31. In the House, Pittsburgh's Representative ELMER J. HOLLAND, a former State senator introduced the legislation and led the fight in committee to get the bill cleared without change.

The plan is simply designed to set up courses of training for unemployed workers to learn new skills after surveys show the needs of industry. It will avail nothing if workers are trained in new skills only to find themselves where they were before with no jobs available for which they are qualified. Jobless workers taking the special courses would be paid allowances equal to unemployment compensation benefits.

Although the Federal Government will pay all the costs when the program begins, the States would be required to match the Federal spending 50–50 after the second year. This requirement, it seems to us, is all-important. Without it the States would continue to do little or nothing on their own.

Our own Commonwealth is probably typical. Despite the demonstrated and documented need and strong recommendations of such groups as the Lane Committee on Unemployment, our State continues to do far too little to help the jobless acquire new skills and new employment. The failure to move ahead also is marked in the field of vocational education, so badly overlooked in the current proposals before the legislature.

A job training program to help workers who have lost out through automation and other industrial changes cannot bring about, as Senator Clark has emphasized, a new state of Utopia. Nor can the proposed new Federal program solve unemployment, but it will make it possible to salvage the manpower of some chronically jobless in the national interest. At the same time, it will establish a responsibility to open up new opportunities to make a living for American workers who are idle through no fault of their own in a surging economy.

RETRAINING THE UNEMPLOYED

I. EUROPEAN GOVERNMENT PROGRAMS

(Phyllis P. Groom [1])

Retraining programs for unemployed workers are receiving growing attention in the United States as one means of reducing the number of the long-term unemployed and encouraging the growth of the economy. Shifts in the geographic centers of some industries, technological change, the decline of consumer demand for the products of certain industries, and resistance to hiring members of some segments of the labor force, are among the forces responsible for the increase in long-term unemployment [2] Illustrating one of these factors in recent testimony before the House Subcommittee on Unemployment and Impact of Automation, Secretary of Labor Arthur J. Goldberg said, "During the postwar period, productivity in the soft-coal industry nearly doubled, rising from 6.4 tons per man-day in 1947 to 12.2 tons in 1959. During this same period, the number of coal miners fell by 262,000. Productivity in the Nation's railroads during this period rose by 65 percent in physical terms. Freight-ton miles (including their equivalent passenger miles) rose from 530,300 per employee in 1947 to 719,900 in 1959. The number of workers employed by the railroads fell enormously, by 540,000."

The Secretary was testifying in support of administration bills S. 1991 and H.R. 7373, sent to the Congress on May 29, 1961. These bills are designed to provide unemployed workers whose skills have become obsolete the opportunity for retraining in skills which are, or will be, in demand and to encourage those now employed to adapt their skills to the changing technology. As submitted to the Congress, the proposed legislation authorizes the Secretary of Health, Education, and Welfare to enter into agreements with the States, under which State vocational education agencies would provide vocational training or retraining. It also authorizes the Secretary of Labor to promote, develop, and provide on-the-job training programs. The Federal Government would finance retraining allowances not exceeding the average unemployment compensation [3] in a State for periods up to 52 weeks for those not receiving unemployment compensation. On-the-job trainees who are compensated by their employer could also receive up to 50 percent of the retraining allowance payable in the State, but the allowance and the employer payment combined could not exceed $46 a week. In addition, workers in retraining courses could receive transportation and subsistence expenses when retraining facilities are not within commuting distance. Finally, the Secretary of Labor could pay 50 percent of the transportation expenses of families, as well as their household effects, if the breadwinner had been unemployed 6 months or more, when he determines that such persons (a) cannot reasonably be expected to find employment in their present location, (b) have bona fide offers of permanent employment, and (c) are qualified for the job. By early July, the bills had been reported favorably, but with substantial modifications, by House and Senate subcommittees.

A law of more limited scope in the field of training, the Area Redevelopment Act,[4] was enacted by the Congress on May 1, 1961. It includes authorization for the Federal Government to spend $4.5 million a year to help finance State and local programs to retrain persons unemployed or underemployed in areas of substantial and persistent unemployment and $10 million a year for States to make subsistence payments for as long as 16 weeks to those undergoing such training.

In Canada, which recently has been troubled with unemployment problems similar to those for which the United States is seeking solutions, the Parliament passed the Technical and Vocational Training Assistance Act in December 1960. This law authorizes the Federal Government to pay 75 percent of the cost of constructing vocational schools and training unemployed workers and vocational instructors, and 50 percent of the cost of vocational training of other persons.

As retraining programs are being developed under the Area Redevelopment Act and additional training legislation is considered, it is relevant to look at the policies of other governments on retraining of the unemployed. To a large extent, the structure and scope of a program is determined by provisions of its legislation and regulations, funds available, the primary functions of the government agencies involved, i.e., education or manpower agencies, and the criteria used to ascertain training needs and select candidates for training. Therefore, these will be the major points examined in a brief review of retraining in Western Europe, followed by a more detailed description of retraining programs in Sweden and France.

RETRAINING IN WESTERN EUROPE

In a number of countries of Western Europe, retraining programs for unemployed workers began either immediately after World War I or during the economic crises which followed. However, this article is based on reports of recent programs taking place in a period of relatively high employment when retraining by the government has been an integral part of assistance to areas of substantial unemployment or planning for full employment throughout the Nation, or both.[5] In addition to the national programs, both the Organization for European Economic Cooperation and the European Coal and Steel Community encourage retraining within their member countries by making funds available for this purpose and by holding conferences and making studies on the subject.

In Europe, retraining is generally part of broad governmental programs to provide assistance to unemployed workers. "Readaptation" is the term which has come into common use to describe such activity; it may include unemployment benefits, training allowances, travel and moving expenses, and a family allowance while the worker is separated from his family. Such assistance may be provided during both the retraining and reallocation period if the worker must move to another area to take up new employment. Unemployed workers who refuse training are disqualified from receiving unemployment benefits in France, Belgium, West Germany, the Netherlands, Switzerland, and the United Kingdom.

The structure of a retraining program naturally differs according to the needs of a country's economy, the initial vocational training (whether undertaken by the schools, employers, trade unions, or various combinations of these groups), and the governmental agencies responsible for the retraining. In the United Kingdom, for example, there is very little vocational retraining by the Government except for ex-servicemen and the handicapped. The primary responsibility for vocation training rests with the trades and industries concerned.

The necessity for retraining and the type of retraining presented varies somewhat according to the breadth of the initial vocational education. In Belgium, Germany, Norway, Sweden, and Switzerland, basic training is as broad as possible to provide maximum occupational mobility. In the Netherlands and in Denmark, the underlying principle appears to be to plan education in the technical schools on a broad base in preparation for specialized training as part of the training-within-industry system. In Austria, Ireland, and the United Kingdom, apprenticeships, generally quite lengthy, qualify for a specific occupation.

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[1] Of the Office of Publications, Bureau of Labor Statistics.

[2] In June 1961, 900,000 members of the labor force had been out of work over half a year, 500,000 more than a year earlier.

[3] The highest maximum weekly basic unemployment benefits, $55, are now being paid in California and Hawaii. The average weekly benefit paid in all States in March 1961, was $34.37.

[4] Public Law 87–27.

[5] The material for this article was obtained from Foreign Service reports and information from other U.S. and foreign sources. Among the most useful were:

"Dispositions pour faciliter la Création d' Activites Nouvelles," Communauté Européenne du Charbon et de l'Acier, 1959 ("Methods to Facilitate the Creation of New Activities, European Coal and Steel Community, 1959").

"Accelerated Vocational Training for Unskilled and Semiskilled Manpower" (European Productivity Agency, Organization for European Economic Cooperation, August 1960). This volume discusses not only the governmental structure for retraining in OEEC countries but also gives details on the operation of specific courses, i.e., budget, syllabus, and instruction methods.

The following sections of this article describe the structure of the governmental programs in Sweden and France, whose retraining programs vary considerably in organization and administration. In Sweden, for example, responsibility for retraining is held by the Board of Vocational Training, which operates the courses, and the Royal Labor Market Board, which assesses the training needs of the workers, and the manpower demands of the economy. In France, retraining is administered by a tripartite board under the control of the Ministry of Labor and Social Security. In both countries, the scope of authority at the national level is very broad—extending to teaching methods, supply of equipment and tools, and preparation of training programs.

SWEDEN

A program of training unemployed workers has been in effect in Sweden for many years. Training courses arranged by the Government were started originally to prevent unemployment, particularly among youth. However, until the late 1950's, skilled labor was generally in short supply. The policy of the Government has been therefore to train and retrain workers not only to alleviate unemployment and prepare workers displaced by technological change for new jobs but also to meet industrial requirements for skilled labor.

Functions of government agencies

The Royal Labor Market Board (Arbetsmarknadsstyrelsen) performs all the labor functions of the Government except factory inspection and mediation. It holds responsibility for the training and retraining of workers jointly with the Central Board of Vocational Training (Överstyrelsen för Yrkesutbildning).

The Royal Board and the county labor market boards ascertain immediate training needs from current and estimated future skilled manpower requirements furnished by the employers and from employment agency data on the number and the geographic distribution of the unemployed. The Labor Market Board also assesses the longrun need for skilled workers, through continuous study, to determine whether the number in training is proportionate to the occupational manpower requirements.

New training courses may be proposed by the Royal Board, a county board, or a municipality. The Central Board of Vocational Training, after consulting the Royal Board, makes the final decision. A vocational training committee consisting of manpower experts (named by the county labor board) and representatives of the employers and the unions within the occupation is appointed for each Board of Vocational Training course. The committee determines whether each employee has gained the requisite skills by the end of the course, thus guaranteeing that a trainee with a certificate has proved his suitability and has the necessary vocational skill for employment in the occupation.

In the fiscal year 1960–61, the Royal Board paid training allowances to 14,000 workers, 9,000 of whom attended courses under the auspices of the Central Board of Vocational Training. The Royal Board is preparing for a maximum of 20,000 to 25,000 in 1961–62. The Swedish Parliament approved a 105 million kronor ($20,296,500 [6]) appropriation for training and retraining workers under the auspices of the Labor Market Board in fiscal 1961–62. Almost 70 percent will go to the Board of Vocational Training to cover the costs of conducting the courses and the rest to the Royal Board for trainee living allowances.

[6] 1 krona=US$0.1933.

Most of the retraining courses are conducted under the supervision of the Central Board of Vocational Training. However, in 1958, the Royal Labor Market Board was authorized to extend trainee benefits to unemployed persons attending regular vocational schools or undergoing training in private firms. A county labor market board may now conclude an agreement with an employer for training in the employer's plant, subject to approval by the labor organizations concerned of the raining schedule and pay to the trainee for work performed.

Training programs

The Royal Labor Market Board selects the trainees and assigns them to courses or assists them in making a choice. To be selected for training, a person must meet the following general conditions: (1) Be registered for work at the employment exchange; (2) be capable of following the training, according to the local vocational training board; and (3) be physically fit for the occupation in question. To determine whether an applicant has the necessary qualifications for a specific occupation, the employment office investigates his previous occupations and schooling and administers vocational guidance tests when necessary.

The most numerous courses sponsored by the Board of Vocational Training are the retraining classes for persons between the ages of 16 and 40 with some work experience. There are also beginners' courses for those between 15 and 25 years with no training or work experience, which are meant to fill the gap between school and work for those who, because of lack of facilities, cannot attend regular vocational schools. In addition, there are some advanced training courses, mainly in construction trades, which permit workers to improve their skills or to acquire new skills in their own trade. Courses are started, canceled, or moved according to need. They may be set up in factories, regular vocational education institutions, empty premises of trade schools or provisional locations such as a vacant garage. Training on a permanent basis exists only in Stockholm and Gothenburg, where courses, chiefly in the metalworking industries, have been carried on since the 1930's.

During the past several years, the Swedish program has expanded rapidly, both owing to an increase in unemployment in some sectors of the economy and to a greater need for skilled workers in other sectors. In March 1961, 9,200 persons, of whom 1,700 were women, were registered as undergoing training. During the same month, there were 20,700 persons registered for unemployment compensation. Instruction was being given in some 60 trades. There are customarily 12 to 16 students in each of the industrial training classes and between 15 and 30 students in the commercial and domestic classes. Courses run from 4 to 22 months; 1 year is the most common length. Courses most frequently given in 1959 were those for automotive repairmen; welders; radio, television, and radar technicians; machinists; and building trades (advanced courses).

The Labor Market Board has also arranged for vocational training for farmworkers in areas where there is a demand for skilled industrial workers. As a result of improvements in agricultural methods, the percent of farmworkers receiving assistance from the unemployment fund rose from 7.6 percent in 1953 to 12.6 percent in 1958. The duration of assistance has also increased markedly. A total of 1,500 students were registered during the winters of 1953–59.

Training allowances

Living allowances are available for trainees and their families, subject to a means test. The maximum basic allowance for the trainee himself is 410 kronor a month. Trainees also receive rental allowances and certain other family supplements, as well as reimbursement for travel expenses. A trainee may be eligible to receive full rent for the family dwelling plus 70–100 kronor for his rent if away from home. The family supplement maximum is 55 kronor a month if the trainee lives at home, 140 kronor if away from home, plus 45 kronor per child under the age of 16 years. An unemployed trainee covered by unemployment insurance may choose between the insurance benefits and the Labor Market Board allowances. If he chooses the insurance benefits, he receives in addition an hourly "wage" of 1 krona (about 200 kronor a month) which is otherwise included in the living allowance. If assigned a job by the employment office during his training, a trainee must agree to interrupt the course. However, members of beginners' and retraining courses usually complete their courses without a break. At the end of his training, a worker can be granted a loan equivalent to 1 month's training allowance to tide him over until he is employed.

FRANCE

The objectives of vocational training for adult workers in France, as in other countries, are both economic and social. Retraining was originally planned as a means of meeting emergencies—either severe unemployment or an urgent need for manpower. The law of November 9, 1946, provided for the establishment of occupational training centers to furnish accelerated training in a trade, retraining in a new occupation, or a higher level of proficiency in the same trade. Government-approved and subsidized centers may be of two types: (1) community centers run by associations, trade unions, employers, or public corporations and open to all candidates presented by the manpower services; and (2) special centers designed to meet only the needs of a particular industrial establishment.

Regional development legislation enacted on August 14, 1954, included provision for a fund for retraining those whose employment has been affected by the closing or partial shutdown of a plant, conversion of a plant to another activity, or the decentralization of a firm or expansion of its activities.

Functions of Government agencies

To maintain a picture of the current employment situation, the Labor and Manpower Division of the Ministry of Labor and Social Security (Ministre du Travail et de la Sécurité Sociale) analyzes monthly statistics on the number of those receiving unemployment benefits, the number of unfilled jobs, and placements by the employment service. Medium- and long-term employment forecasts are made by the Ministry and the General Commission for Planning.

The retraining program is administered, under the control of the Ministry of Labor and Social Security, by a managing board (Association Nationale Interprofessionelle pour la Formation Rationnelle de la Main d'Oeuvre) composed of six members from the Ministry, six employer members appointed by the National Council of French Employers, and six worker members appointed by the "most representative" trade unions. As well as supervising the operation of the training centers, the Ministry controls such matters as contracts for supplies over a certain amount and the appointment of directors of centers. Community centers are completely financed from the funds of the Ministry; all of the costs of equipment and administration of the special centers in individual firms are met by those firms, but the Ministry provides allowances for the trainees and contributes part of the cost of instructors' salaries.

Training programs under the 1946 law

The minimum age for admission to a training course is 17 and the maximum, with some exceptions, is 35. Applicants undergo physical examinations, aptitude tests, and personal interviews to determine their suitability for training. Courses normally last 23 weeks, although some in the metal trades and clothing industries are as long as 36 weeks and that for an electronic technician lasts 45 weeks.

It was estimated in 1960 that at least 200,000 persons had been trained since 1945. (Average unemployment during the year 1957 was 80,700.[7])

In November 1957, there were 130 Government centers teaching about 60 different trades. Eighty-nine of these centers were teaching construction trades, but 21 also taught courses in the metal trades or other occupations. There were nine centers devoted to the metal trades, and the others taught various subjects. Building trades courses reportedly will continue to predominate because of high labor turnover and because the apprenticeship system alone cannot keep pace with the demand. No information is available on a national basis on how many of the trainees remain in the trade they were taught. However, spot checks in the building trades revealed that among persons leaving the centers in one region between January 1951 and August 1956, 88 percent of the bricklayers, 80 percent of those who had been trained in reinforced concrete and plastering, and 72 percent of these in plumbing and heating were working in these respective occupations at the end of 1956. In another area, 92 percent of the building trades workers were working in the occupation which they had been taught.

Training allowances

Trainees commonly receive an allowance (1.22 to 1.49 francs per hour[8]) based on the number of hours spent in training and are reimbursed for daily traveling expenses (up to a maximum of 20 kilometers) or, if boarding at the center, for one round trip (if married, a round trip every 2 months). Trainees who live at a center receive free lodging; they eat at a canteen which is partially subsidized.

Training under the regional development law

The law of August 14, 1954, authorizing the Government to develop regional programs to promote "financial stability, economic expansion, and social progress" was implemented by a decree issued on September 14, 1954, which, among other things, created a manpower retraining fund administered by the Ministry of Labor and Social Security. Aid is available to firms which underwrite the training of their own personnel and to firms which train, in addition to their own workers, individuals who have been promised employment by other establishments. The Government pays the wages, totally or partially, including the social insurance charges, of trainees and instructors during the training period, as well as the costs of material and training equipment.

Enterprises requesting training funds must develop (1) a program which is distinguished by its breadth or content from the regular plant training programs and which constitutes a special financial burden and (2) a procedure of training under the supervision of the technical services of the Ministry. The amount of financial assistance to a firm is determined by the training taught, the trainee's level of proficiency at the beginning of the course, the level which the course attempts to attain, the extent to which the learner works on the job, and the local labor market situation.

Between January 1, 1955 (when the decree became effective), and the end of 1959, nearly 200 enterprises received aid from the Government. About 13,000 workers underwent retraining at an average cost per worker of 600 francs. Workers were most commonly retrained in mechanical skills and for occupations in the electrical, textile, chemical, and paper and cardboard box industries.

TRENDS

The limited amount of information available at the time this article was prepared did not permit a detailed evaluation of retraining programs in European countries nor of their potential applicability to the United States. However, the report of the European Productivity Agency on accelerated vocational training,[9] which summarizes the types of problems encountered in administering retraining programs and the directions that these programs are taking in Europe, may give some guidance to those occupied with retraining problems in the United States. In general, it appears that these countries are veering toward broader training for greater occupational mobility. Advanced training for skilled workers, courses in new occupations for which apprenticeship programs have not been set up, construction trades courses, and training of technicians in fields such as electronics and nuclear chemistry are all receiving heavy emphasis. All countries report the difficulties in obtaining up-to-date high quality equipment for training purposes and recruiting competent instructors for training centers, particularly those that are used only seasonally. As in this country, much thought is being given to such problems as the retraining and placing of elderly and disabled workers, the methods of adapting training and retraining to changes in the employment structure, and the coordination of programs of the training and the employment services.

[7] Unemployed persons registered for work at the employment office.

[8] 1 franc = US$0.20255.

[9] Op. cit., pp. 73–75.

TRIBUTE TO THE SATURDAY EVENING POST

Mr. CLARK. Mr. President, today marks an important milestone in the life of an old friend, an observer of the American scene for nearly 2½ centuries, the Saturday Evening Post, which today appears in a new design. Like the city of Philadelphia, where it is published, an honored aspect of our American heritage is being refurbished.

The changes which appear in the magazine today are not the first to have been made nor, in all likelihood, will they be the last. As the cover painting of today's issue by Norman Rockwell shows, the Post has gone through many changes as it sought to keep pace with—or slightly ahead of—the times. It has been this ability to change, to take on the problems of the times without sacrificing the experiences of the past that has made the Post into the hearty, durable publishing landmark that it is.

It has been a long time between 1729, when Benjamin Franklin brought forth the first issue of the Pennsylvania Gazette, and today, when the current editors of the Post unveiled their new design, but the Post wears its years gracefully. To the present editors, the historical greatness of the Saturday Evening Post is inspiring but incidental. What interests them most, as creative craftsmen and artists, is that the magazine has so often dominated the field during an existence of unparalleled length. It has established precedent after precedent in keeping pace with the electrifying expansion of America.

When Ben Hibbs took over the editorship of the Saturday Evening Post he wrote:

I believe firmly in the American system—freedom of living—freedom of enterprise.

On January 1 next year, Ben Hibbs will be succeeded as editor of the Saturday Evening Post by Robert Fuoss. Already the new editor has told us we need have no fear that the magazine will abandon any of the great principles established for it by his predecessors. But he has added a promise of his own and it seems to me that the excitement of the new Post may be found in that statement:

I think the people of this Nation, and especially the young people, are embarked on what I would call the greatest pilgrimage in history. What they are seeking is a simple thing: It's something better. It sends them to churches and night schools and to the arts. It makes them impatient with the trite and the banal. It makes them wonder if this Nation has not made a basic mistake in putting its emphasis on size and numbers instead of on quality and excellence.

The intellectual level of word and pictures in the big magazines is a level set by editors, not readers. There is no lid on the reader's head except the one that we have put there.

And we're taking that lid off at the Saturday Evening Post.

They are courageous words, and it is in that spirit of courage and hope that we salute the new Saturday Evening Post. All of us wish Mr. Fuoss the greatest success in upholding the high new standards he is setting for this splendid magazine.

TRIBUTE TO THE LATE SENATOR THOMAS C. HENNINGS, JR.

Mr. KEFAUVER. Mr. President, I make note of the fact that the late beloved Senator Tom Hennings passed away 1 year ago today.

I know that all Senators still appreciate, perhaps even more vividly than ever, the leadership and inspiration he gave us during his long and useful service as a Member of the U.S. Senate.

INFLATION

Mr. MILLER. Mr. President, in the September 13, 1961, issue of the Wall Street Journal appears an editorial entitled "Optimism Out of Place." The editorial points out very well that inflation danger is very great and very imminent. It also supports what I have been saying, particularly in connection with the proposed steel price increase, that neither the steel companies nor the wage earners should be blamed if they are being squeezed by inflation; that the responsibility rests with the Congress and the administration, particularly for promoting Federal spending programs which promote inflation, and which we know will surely follow from deficit spending. We have already seen such deficits for the past fiscal year and we shall see even more for the current fiscal year. I ask unanimous consent

that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OPTIMISM OUT OF PLACE

Since the Secretary of the Treasury is the man most directly concerned with the people's money, you might suppose he would be especially alert to the threats to that money. Secretary Dillon, however, goes to considerable lengths to pooh-pooh any danger of inflation—and in the process leaves some doubt as to how well that subject is presently understood in Washington.

In the Dillon view, the prospective $6 billion budget deficit this fiscal year, coming on top of a hefty deficit in the last period, is not inflationary. Why not? He explains: "In view of our high rate of unemployment and the unused plant capacity in nearly every industry, I see no present danger of inflation in the classic pattern of too many dollars chasing too few goods."

This strikes us as a somewhat strange assessment. Of course an inflation can be spurred by an excessive money supply coupled with a shortage of goods. But the essence of an inflation is the first part of the equation: Too much money. And that is what the policies of the Kennedy administration are calculated to create.

The kind of deficit financing being practiced has the effect of creating money where none existed before. The administration's bias toward artificially cheap money aggravates that effect. The fact that these policies have not yet been reflected in general price rises means nothing at all; inflation customarily takes some time to produce its evil results.

The important thing is that inflation is being created now, a pool of excessive money from which can flow, almost regardless of supply conditions, the wage-price spiral the administration professes to fear. As a harmful side effect, there is also being created an inflation psychology which can lead to speculative excesses in the stock and other markets.

All that adds up to a situation that is far from healthy, and no amount of official optimism will make it healthier. The responsibility for protecting the value of the dollar is the Government's and the Government's alone. The last thing the Nation needs to hear about inflation are Pollyanna words from Washington.

CIVIL RIGHTS

Mr. MILLER. Mr. President, in the September 13 issue of the Chicago Tribune appeared two excellent editorials which I believe should be brought to the attention of readers of the CONGRESSIONAL RECORD. The first relates to the programs set forth in the Democratic Party's platform regarding civil rights legislation. To accomplish those goals the platform would require executive orders and legal action brought by the Attorney General, legislation, and improved congressional procedures to safeguard majority rule. Above all, it would require "the strong, active, persuasive, and inventive leadership of the President of the United States."

We know that that leadership on legislation and proposed legislation has not been forthcoming in this session of the Congress.

I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE CIVIL RIGHTS BETRAYAL

The Senate's vote to continue the Civil Rights Commission without enlarging its powers provides another lesson in the dishonesty of political platforms and the men who pledge themselves to carry out the platform promises.

The Democrats last fall promised Negro citizens to do a great deal more than merely continue the Civil Rights Commission. The big hurrah at the end of the platform was wholly devoted to civil rights; more than three pages of the platform booklet were devoted to this vote-catching subject. Here are just a few of the promises that the Democratic Senate has now betrayed:

"The Attorney General should be empowered and directed to file civil injunction suits in Federal courts to prevent the denial of any civil rights on grounds of race, creed, or color. * * *

"The new Democratic administration will broaden the scope and strengthen the powers of the present (civil rights) Commission and make it permanent. Its functions will be to provide assistance to communities, industries, or individuals in the implementation of constitutional rights in education, housing, employment, transportation, and the administration of justice.

"To accomplish these goals will require Executive orders, legal action brought by the Attorney General, legislation, and improved congressional procedures to safeguard majority rule. Above all, it will require the strong, active, persuasive, and inventive leadership of the President of the United States."

These fine sentiments have now been forgotten. The Senate buried them, and others like them, one by one, when they were proposed in a series of amendments.

As for President Kennedy, he has been ruthless in exerting political pressure on Congress to do his bidding in other matters. He eagerly traded patronage and other favors for votes from reluctant Members for his foreign aid program and got what he regarded as a fairly satisfactory compromise, but he doesn't seem to have shown the promised strong, active, persuasive, and inventive leadership in the struggle for extending civil rights.

The Negroes and members of other minorities who voted for him in the belief that he was going to go all out in their behalf have a right to their resentment. He couldn't have won without their votes in some critical States like Illinois, but the action in the Senate shows that the men and women who did so much to elect him last November were the victims of a confidence game.

We aren't overlooking the parallel betrayal by some Republicans. All that can be said in their defense is that their platform was a good deal less florid and all-embracing in its promises and that the failure to enact the promised legislation is primarily a Democratic betrayal because the Democrats command large majorities in both Houses.

AGRICULTURAL SURPLUSES

Mr. MILLER. Mr. President, the second editorial in the Chicago Tribune is entitled "Here We Go Again." It points out, among other things in connection with agricultural surpluses, that there was 29 percent more surplus of dairy products on July 31 of this year than as of 1 year ago.

I ask unanimous consent that the editorial from the Chicago Tribune be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HERE WE GO AGAIN

To conform with Federal Food and Drug Administration standards, the State department of agriculture has lowered the required minimum butterfat content of ice cream sold in Illinois from 12 to 10 percent, although there is nothing to prevent manufacturers from keeping the butterfat content higher than the minimum. In announcing the change, Ralph S. Bradley, State agriculture director, said he was clearly against it because it will result in an estimated additional 3 million pounds of butter on the already congested State market.

Mr. Bradley's concern about a butter surplus is commendable, for there is little doubt that a surplus of dairy products is building up again, reversing the downward trend of the last 2 years. However, Mr. Bradley, a Democrat who had a prominent role in President Kennedy's election campaign, should direct his protest not to the Food and Drug Administration, whose action will have a relatively negligible effect on the surplus, but to Orville L. Freeman, Secretary of Agriculture.

Milk production this year probably will rise more than 1 percent above the 122.9 billion pounds produced last year when there was certainly no shortage. In terms of milk equivalent, manufacturers' stocks of dairy products increased 2.4 billion pounds between January 1 and June 30, compared with an accumulation of 1.7 billion pounds in the same period a year ago. In addition to the sharp upturn in commericial inventories this year, Government purchases of dairy products under the price support program in the first 7 months have been equivalent to 5.3 billion pounds of milk, or 2.3 billion pounds above a year ago.

Volume of Government-owned stocks of surplus dairy products on July 31, not including those designated for sale or donation, was 29 percent above those of a year ago. On that date the surplus totaled 133 million pounds of butter, 34 million pounds of cheese, and 247 million pounds of nonfat dry milk. A year ago Government surplus stocks included only 34 million pounds of butter, no cheese, and 287 million pounds of nonfat dry milk.

Government purchases of surplus dairy products declined after price supports were lowered in 1958, and it is more than coincidence that the upturn in the surplus in the last year accompanied three increases in price supports. The first occurred a year ago this month. At that time, Congress, with the forthcoming election in mind, enacted a bill boosting price supports on butter, cheese, and nonfat dry milk, which President Eisenhower reluctantly signed into law.

This year Mr. Freeman has used his administrative powers to grant two additional price support increases on cheese and nonfat dry milk.

The present Federal program to support prices of manufacturing milk and cream has been in operation about 12 years. Net losses to the Government have amounted to well over $1 billion. In addition, more than $1 billion has been spent for dairy products used in foreign and domestic donations, transfer to the armed services and veterans' hospitals, and consumption under the special milk program for schools.

It is economic folly to raise price supports to levels that stimulate excessive production of commodities for which there is no real consumer demand at the higher price. Mr. Freeman could halt the surplus buildup by lowering supports, but he has demonstrated that taxpayers can expect no relief from him. Instead, they will be expected to provide

many more millions of dollars to buy and store the surpluses, and then to dispose of them through subsidized sales and giveaway programs, so that the Kennedy administration can further its scheme to control the economic destiny of American agriculture.

CORN PRODUCTION

Mr. MILLER. Mr. President, yesterday the Senator from New York [Mr. KEATING] pointed out that there have been sharp cutbacks in the estimates of savings to taxpayers as a result of Department of Agriculture estimates on corn production. In July we had one estimate of corn production; in August we had another, which was even greater; and in September we have an even greater one, so that the estimates that the taxpayers of the United States will be saved approximately $700 million as the result of reduced storage costs because of a decrease of 700 million bushels of corn have now been about cut in half.

The reason for this result has been the serious underestimates of corn production coming from the Department of Agriculture. For example, in Iowa it is now estimated that there will be a yield of 73 bushels an acre—an alltime high. While this yield is attributable considerably to excellent weather conditions, the fact is that estimates of how much this agricultural program will save taxpayers should be recognized for what they are. They are nothing but hopeful estimates and they are quickly diminishing in their scope.

I ask unanimous consent that an article from the Des Moines Register of September 12 relating to the corn yield be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SEE CORN HIGH OF 73 BUSHELS

(By Don Muhm)

Iowa farmers are going to topple a trio of significant corn and soybean marks this fall.

An alltime State average of 73 bushels of corn per acre has been predicted.

Then, there is the prospect of another alltime per-acre yield seen for soybeans (29 bushels), plus the greatest (102,022,000 bushels) crop in the State's history.

ADDED LUSTER

The already bright crop prospects took on added luster Monday as Iowa Crop and Livestock Reporting Service officials once again raised estimates.

An Iowa corn crop of 737,154,000 bushels was predicted, as the per-acre average was raised from last month's estimate of 69 bushels per acre to the new record high of 73 bushels.

Iowa farmers' progress in corn growing is illustrated by the fact the State average yield back in 1924 was a mere 28 bushels per acre. Not until 1942 did Iowans top the 60-bushel mark. The previous record average yield was 66 bushels per acre in 1958.

This is the State's third greatest corn crop, and a whopper considering Iowa farmers retired nearly 3 million feed-grain acres from production this season.

One of the best summers for farmers in history thwarted chances for a big reduction in Iowa corn production under the new emergency feed grain program.

FIVE-PERCENT DROP

So the 1961 corn crop is estimated to be only 5 percent less than that of a year ago, and 7 percent smaller than the alltime record (789,035,000 bushels) of 1959.

But there is little question that the fact 108,000 Iowa farmers retired land from production reduced the State's crop by about 200 million bushels.

Nationally, the estimates indicate about 372 million fewer bushels of corn this fall compared to a year ago with U.S. production predicated at 3,519 million bushels.

Only Illinois (76 bushels) and Indiana (74 bushels) lead Iowa in the average per-acre yield columns.

But Iowa, of course, is the national leader in total production—outranking second-place Illinois by more than a million bushels.

TOPPED ON SOYBEANS

Those same two States also top Iowa in the soybean yield category, with Illinois' estimate of a 30-bushel crop and 165 million bushels best in the Nation.

Iowa will rank second in soybean production, with its new record average yield of 29 bushels per acre and a crop of 102,022,000 bushels.

The previous Iowa high was in 1958 when nearly 80 million bushels were harvested. The former average yield record came in 1957 when the per-acre mark was 27 bushels.

The soybean crop for the United States is estimated at 720,356,000 bushels, about 30 million bushels short of being twice as large as the 10-year average for this crop.

The Iowa soybean production is 51 percent greater than last year's crop, and 96 percent above the State's 1950–59 average.

PRICE PROPS UP

This increase can be traced in part to the 1961 boost in soybean support prices by 45 cents a bushel up to $2.30.

No change was indicated in the size of Iowa's 1961 oats crop (143 million bushels), nor the State's estimate of hay production.

WELFARE AND GROWTH

Mr. MILLER. Mr. President, in the Washington Post of Sunday, September 10, the lead editorial entitled "Welfare Outruns Growth" points out that we cannot have all types of welfare programs while our economic growth is not increasing rapidly enough to sustain them.

As I have pointed out many times on the floor of the Senate, it is about time that we faced the fact that we must sacrifice something. The reaction to suggestions that some of the Federal spending programs that have been presented to us be cut back or eliminated has been that we cannot afford to sacrifice those programs.

Mr. President, this lead editorial from the Washington Post well points up that we cannot do everything all at once. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WELFARE OUTRUNS GROWTH

The administration has promised more rapid economic growth. At the same time it has argued the case for higher welfare expenditures. When the President presented his program last winter, proposals for growth and for welfare seemed to be fairly evenly balanced. What has become of this balance at the hands of Congress?

It is sadly apparent that growth has fared a lot worse than has welfare. Not all programs and laws, to be sure, fit neatly into this classification. But it is remarkable how many of them do, and the count is not cheering. The President's program contained two major growth proposals. One was the tax reform, centering upon an investment credit. This would have encouraged an increase in plant and equipment expenditures for modernization and expansion. The Congress first reduced the size of this credit, and eventually put the entire legislation over until next year. The other was the series of bills to aid education. Investment in education has been ranked as probably the most important longrun stimulus to growth by the Eckstein report prepared in 1959 for the Joint Economic Committee. Aid to education largely if not totally failed of enactment. This is particularly deplorable because investment in human beings takes a long time to mature. Even if something substantial is enacted next year, some young people will have suffered an irretrievable loss. The vocational training bill meanwhile has also been defeated.

Other new proposals involving growth fortunately have done better. The depressed areas program, as well as modest increases in the highway program and in national resources development, will help growth. Legislation on water pollution will improve community facilities, as will airport grants, assuming the bill passes. Expenditures for space exploration should provide some spillover of research into the earthbound sector of the economy. Most of these items, however, are quantitatively not very important.

In terms of money, the enlarged housing program is probably much the largest of the new growth expenditures. But housing generates less GNP, per dollar of capital invested, than almost any other investment expenditure. Housing expenditures are growth oriented, but less effectively so than most others.

The list of welfare measures is more impressive. Some of these were made necessary by the recession, such as temporary unemployment compensation and aid to dependent children. Others were unrelated to the recession, such as enhanced social security benefits, aid to agriculture, and the minimum wage law. Of major welfare proposals, only enlarged medical aid to the aged has failed of enactment.

It is clear that the Nation cannot do everything at once. Particularly at a time of sharply rising military expenditures, some other desirable items can and should be postponed. But this year's legislative experience suggests that welfare programs may have greater political appeal and smoother political sailing than growth programs. If that is the case, the administration may find it advisable to weigh next year's proposals more decisively in favor of growth, in the expectation that they will suffer attrition as they go through the political process.

NITZE ADDRESS ON BERLIN

Mr. MILLER. Mr. President, in the New York Times, issue of September 8, appeared an excerpt from a very excellent speech by Mr. Paul Nitze, special adviser to the President, regarding our position and strategies with respect to the cold war against the Communist world. I agree with practically everything that Mr. Nitze has expressed in his excellent statement except for the emphasis given to conventional warfare. But there are many other points in Mr. Nitze's speech which are sound and with which I agree.

I ask unanimous consent that the excerpts from the speech as contained in an article in the New York Times be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM NITZE SPEECH ON BERLIN

WASHINGTON, September 7.—Following are excerpts from a speech today by Paul H. Nitze, Assistant Secretary of Defense for International Security Affairs, to the Association of the U.S. Army, on military policy in the Berlin crisis:

"Berlin is the focus of a larger problem. Our capacities to meet the Berlin situation extend beyond the confines of the city and its access routes. I was reminded of this during the recent negotiations at Geneva over the problem of Laos. To emphasize his argument, Mr. Andrei A. Gromyko, the Soviet Foreign Minister, repeatedly pointed at a map of Laos marked to show territories said to be held by the different forces, saying, 'Just look at the map.'

"The question was not what one would see on that map, but whether that map was the right one. Was it big enough? Mr. Gromyko wished us to center attention on a map restricted to an area of preponderant advantage to the Communists—not on a bigger map showing our respective strengths on a global scale.

"The point is that we can offset a local preponderance of Communist strength by a determination to apply Western strength on terms other than those selected by the Soviet. Soviet tanks across the Autobahn to Berlin would interpose at only one of the many points throughout the world where the important or vital interests of the Soviet Empire are vulnerable.

"In meeting the Berlin or other Communist challenges, general nuclear war should not be our only recourse. But let me be very clear: we must first have nuclear striking power before our other capacities to meet these challenges can be effective.

"DETERRENT POWER INCREASED

"Thus, one of the first tasks to which this administration addressed itself was the strengthening of our nuclear deterrent capabilities both for the immediate future and the longer range future.

"To achieve this the United States took a series of measures. First, we moved to improve our missile deterrent by emphasizing hidden, moving, or invulnerable delivery systems. We accelerated the program for building of the Polaris submarine force. We expanded the development of the solid-fuel Minuteman. We are developing improved air-to-ground missiles, such as the Skybolt.

"Second, to protect our existing bomber forces for their nuclear deterrent role, we have increased our ground and airborne alert capacities and are working to install bomb alarm detectors and signals at key warning and communications points and all SAC (Strategic Air Command) bases.

"Third, we are constructing and improving our continental defense and warning systems, such as BMEWS (ballistic missile early warning system) and the satellite-borne Midas system to add precious additional minutes to our warning of an attack.

"Fourth, we are examining with care the problem—organizational and technical—of command and control of nuclear weapons to assure that the decision to use such weapons can be responsibly exercised under the authority of the President and to minimize the risks of triggering war by accident or miscalculation.

"Fifth, as an insurance policy to mitigate devastation of our population should there be a nuclear war, we are seriously undertaking a program of civilian defense.

"Finally, in spite of the Soviet resumption of nuclear tests, we shall still strongly support sensible proposals for achievement of responsible arms control.

"If a strong nuclear force were all we had to meet Communist challenges, a situation of superior local Communist strength might force on us the alternatives of either national humiliation or all-out war. For this reason, the second goal of the administration is to strengthen and expand the intermediate options in terms of military force.

"ARMY'S ROLE STRESSED

"In these intermediate options the U.S. Army plays a vital role. Our ability to respond to challenges with increased levels of force short of all-out war has been neglected in the past. We are doing our best to make the necessary adjustments.

"The increases in conventional capability will strengthen, and not weaken, our policy of deterring war. For the ability to commit forces in the intermediate range makes more credible to the U.S.S.R. the certain prospect that we will back our nonnuclear forces by the use of our strategic capabilities should that be necessary.

"In summary, first, we have great nuclear capabilities. We are not particularly impressed with the Soviet threat to develop nuclear weapons in the 100-megaton range. We are not interested in arms of a terroristic nature, but rather our nuclear capability is tailored to specific tasks.

"We have a tremendous variety of warheads which gives us the flexibility we require to conduct nuclear actions from the level of large-scale destruction down to mere demolition work. I could not, of course, give specific numbers, but I can say that the number of nuclear delivery vehicles of all types which the United States possesses provides the flexibility for virtually all modes and levels of warfare.

"Second, at the same time, we have a growing nonnuclear capability with a large growth potential. The economic base represented by the United States and our Western European allies far outdistances that of the Communist bloc.

"But to apply it to the development of enough conventional military power to offset fully the Communist conventional power will require determination, will, and sacrifice. I can only assure you that as these are called for by developments, the administration will ask for them in the full confidence that the American people will respond as they always have when their leaders lay great issues before them, and that our Allies will do their share."

MASSACHUSETTS COLLEGE RECORD

Mr. SALTONSTALL. Mr. President, all across the Nation young people are packing their bags this week and are leaving their homes for another year at college.

This is a significant thing in the life of our Nation. We may stand or fall in the future on the basis of the educational level of our people. Young people leaving their homes to acquire knowledge are rendering just as vital a service to their country as the young men and women leaving their homes for duty in the Armed Forces.

I am particularly proud, Mr. President, to note the record of the young people of Massachusetts in the colleges of the country.

According to a New York Times survey, 31.3 percent of the young people of Massachusetts between the ages of 18 and 24 are enrolled in a college. This is a remarkable record. It is surpassed only by the young people of the States of Utah and California. This percentage is substantially higher than the national average, which appears to be less than 25 percent.

Some of the finest colleges and universities in the world are located in Massachusetts, Mr. President. I am particularly pleased to note that our young people are taking full advantage of the wonderful facilities which are so close at hand.

NORTH CAROLINA'S FIRST INTERNATIONAL TRADE FAIR

Mr. JORDAN. Mr. President, at a time when our position is so critical in world affairs, I would like to call to the attention of the Congress an event which will take place soon in North Carolina.

On October 12, President Kennedy is scheduled to open North Carolina's first international trade fair. This is a first for North Carolina. It is also a first for the United States, because it is the first such event to be sponsored by a State government.

As part of Governor Sanford's program to keep North Carolina "on the go," the trade fair will bring together buyers and sellers from all over the world to see firsthand the products and technology of North Carolina's industry, research, and education.

The trade fair will take place in the vast facilities of the new coliseum and merchandise mart in Charlotte. As Governor Sanford has stated, the North Carolina Trade Fair will be a mammoth showcase for our State's products. The hundreds of exhibits will include a complete cross section of our productivity, all the way from rockets to rocking chairs.

We in North Carolina are proud of the progress we are making, and we want people from not only other areas of the United States but also from all over the world to come and see for themselves what we are doing and what we have the potential to do.

A great deal of work has been done in making plans for this very important event in our State. Teams of North Carolina businessmen, at their own expense, have traveled to many areas of the world and extended invitations to government officials, business leaders, and industrial leaders. And this week, Governor Sanford is in Mexico extending to the President of the Republic of Mexico a personal invitation to attend the North Carolina trade fair.

At the trade fair, the thousands of visitors from out of State and from foreign nations will get excellent samplings of our expanding economy's products. But we want them to see more, too. Special teams of interpreters will be on hand for foreign visitors, and a pool of privately owned airplanes will be on the spot to take visitors to the plants where the products on exhibit are actually manufactured.

Mr. President, I would like to say to my colleagues in the Senate, and to the world, that North Carolina is "on the go," and I know that those who visit the trade fair in October will agree.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. JORDAN. I yield.

Mr. ERVIN. I wish to commend my colleague for calling this trade fair to the attention of the Senate, and to associate myself with the remarks which he has made on the subject.

Mr. JORDAN. I appreciate very much the Senator's remarks, because he is thoroughly familiar with the situation. It will be a great event.

TRIBUTE TO SENATOR RUSSELL—CREATION OF NATIONAL PEANUT RESEARCH CENTER

Mr. TALMADGE. Mr. President, perhaps no single action taken by this 1st session of the 87th Congress will be of more eventual benefit to the farmers and consumers of America than its creation of a National Peanut Research Center to be located at Dawson, Ga.

The major credit for this long-needed facility belongs to my beloved and respected senior colleague [Mr. RUSSELL] and appropriate tribute to his role in the matter was paid to him in the September issue of the Peanut Journal of Suffolk, Va. An article by Hon. S. R. Baxley, chairman of the board of directors of the National Peanut Council, quotes in full an eloquent statement by Hon. Stephen Pace, Sr., of Americus, Ga., who himself—as a private citizen, as Congressman from the Third District of Georgia and as a member of the House Agriculture Committee—has made many invaluable contributions to the advancement of American agriculture.

The junior Senator from Georgia is pleased to associate himself with the statements of Messrs. Baxley and Pace. I ask unanimous consent, Mr. President, that the text of Mr. Baxley's article, entitled "Congress and President Authorize National Peanut Research Center," be printed herewith in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONGRESS AND PRESIDENT AUTHORIZE NATIONAL PEANUT RESEARCH CENTER

(By S. R. Baxley, chairman, board of directors, National Peanut Council)

To convey the message contained in this article I asked the general counsel of the Southeastern Peanut Association, Stephen Pace, for his assistance. Not only in his tribute to Senator RUSSELL, but in his appeal to continue our united approval and support of the National Peanut Research Center, his remarks are important to all of us.

The research center has been authorized by Congress and by President Kennedy. That is a great bit of progress. And yet, there is much vital work to be done. I, too, want to appeal to the peanut industry to stand solidly behind our leaders who are working to make this project a reality.

The day that the doors of this great laboratory are opened will be the time for acclamations. It is for us now to discourage any attempt to place selfish purposes ahead of our one great goal. There must be no contention within our ranks. We must have persistent unity. That has brought the project this far and it will bring it to final realization. We must stand together to insure success.

It is my hope that the following statement by Mr. Pace will be as enjoyable and inspiring to you as it has been to me:

"In a certain epistle you will find this question:

" 'By different methods different men excel;

" 'But where is he who can do all things well?'

"He's in Washington. He went there—as a young man—as the junior U.S. Senator from Georgia. He has served continuously since, and is there today as senior Senator. As the representative of a great agricultural State he has, throughout the years, sought and served the best interest of the farm people of the Nation. For them, for their welfare, and for that great segment of American industry which buys, handles, and processes the products of the farm, he has done 'all things' and 'all things well.'

"He is Senator RICHARD B. RUSSELL.

"To him there goes today 'such thanks as fits a king's remembrance' from every segment of the peanut industry. From the men and women who work in the fields in the sun to produce an average of 800,000 tons of peanuts each year. From the warehousemen who store them. From the shellers who buy, shell, sell, and ship them. From the manufacturers who process them into the finest, most delectable and health-giving food items on the American market.

"For to him must go the full credit for securing from the Congress, and the approval of the President, the authority for the establishment of a National Peanut Research Center.

"In this effort, Senator RUSSELL had the unanimous approval and support of the peanut industry. That may be rare, but 'where they do agree their unanimity is wonderful.' Let us hope that this concert of action, this harmony of views, this demonstration of success through general accord, will be followed throughout the industry by a great bringing together of all segments, of more sympathetic consideration and treatment by each of the positions and problems of the others, and the development of a policy and program of peace, progress, and prosperity.

"At the last convention of the National Peanut Council it was said that 'the establishment of this National Peanut Research Center will mean the dawn of a new day for the entire peanut industry; will result in the great improvement of the peanut from the field to the factory; will make the peanut and its products more attractive in taste, flavor, and quality; and will lead to great expansion of their use and markets.'

"That is common ground on which we can all stand. That is the road up the mountainside which we can all walk together, hand in hand. That is the summit we all seek. That is the pinnacle toward which we should now turn our eyes, our thoughts, our combined efforts.

"Shall we try?

" 'The fortunate is he whose earnest purpose never swerves;
Whose slightest action or inaction serves the one great aim.
Why, even death stands still, and waits an hour sometimes for such a will.' "

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 20, 21, 24, and 26 to the bill and concurred therein, and that the House receded from its disagreement to the amendment of the Senate numbered 25 to the bill and concurred therein with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H.R. 9076) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Tennessee Valley Authority and certain study commissions, for the fiscal year ending June 30, 1962, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker pro tempore had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

S. 1317. An act to change the designation of that portion of the Hawaii National Park on the island of Hawaii, in the State of Hawaii, to the Hawaii Volcanoes National Park, and for other purposes; and

H.R. 7035. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes.

HOUSE BILL REFERRED

The bill (H.R. 9076) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Tennessee Valley Authority, and certain study commissions, for the fiscal year ending June 30, 1962, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

AMENDMENT OF LAW RELATING TO INDECENT PUBLICATIONS IN DISTRICT OF COLUMBIA

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 4670) to amend the law relating to indecent publications in the District of Columbia, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BIBLE. I move that the Senate insist upon its amendment and agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HARTKE, Mr. SMITH of Massachusetts, and Mr. MILLER conferees on the part of the Senate.

OUR NATION'S FINANCIAL POSITION

Mr. BYRD of Virginia. Mr. President, military preparedness by the United States—efficient and invincible—today is vital to freedom in the world. This cannot be denied.

The force of our military might, the strength of our international relations, as well as our domestic stability, depend upon the solvency of our fiscal policy.

As we stand:

There have been 25 Federal deficits in the past 31 years; and there will be another deficit this year.

The Federal debt is approaching $300 billion; it is already beyond the World War II peak.

The purchasing power of the dollar is now 46.6 cents as compared with 100-cent dollars in 1939; and there is imminent danger of increasing inflation.

The deficit in our balance of payments with foreign countries continues; our gold supply is now less than it was at the beginning of World War II.

Our fiscal position is vulnerable, and Khrushchev knows it. This is a prime target in the strategy and tactics of the cold war he is waging against us.

The Federal fiscal policy urgently needs constant and critical review—no less than our military status, our foreign policy, and the Government's participation in domestic-civilian programs.

For this reason, with assistance of my staff, I have made an intensive study of current and recent trends in the ever-increasing programs and cost of the Federal Government.

This study emphasizes three significant facts:

First. Federal spending programs grow and grow; they are seldom if ever curtailed, and are rarely allowed to expire even when the need has passed;

Second. The public generally thinks of Federal spending in terms of the regular budget; nearly 25 percent of Federal expenditures this year will be through so-called Federal trust funds outside of the regular budget; and

Third. The big increases in Federal spending in the recent past, the present, and the future, have been, are and—short of war—will be in domestic-civilian programs; not defense or foreign aid. These programs are financed through both the regular budget and trust funds.

In this study I have confined myself almost exclusively to actual figures, official budget estimates and projections, and administration recommendations and actions.

FEDERAL EXPENDITURES, FISCAL YEAR 1965

From the study, without evaluating the need or desirability of the expenditures at this time, I have attempted to project the level of Federal spending 4 years hence in fiscal year 1965.

Assuming substantial adoption of current spending proposals, I do not hesitate to predict Federal expenditures—through both regular and trust fund budgets—in fiscal year 1965 totaling approximately $137 billion, as a minimum.

This total would include approximately $106 billion in expenditures through the regular budget, and approximately $31 billion through trust fund budgets.

I ask unanimous consent to have inserted in the RECORD at this point in my remarks three tables showing projected expenditures for fiscal year 1965 in more detail, and compared with actual figures for the past fiscal year 1961 and latest estimates for the present fiscal year 1962.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Federal expenditures, regular budget, fiscal years 1961, 1962, and 1965

[In billions of dollars]

Category	Actual, 1961	Official budget estimate, 1962	Byrd projection, 1965 [1]
National security	45.9	49.2	53.0
Foreign aid and international affairs	3.7	4.6	5.5
Total, other than domestic-civilian	49.7	53.8	58.5
Domestic-civilian:			
Veterans services and benefits	5.3	5.3	5.5
Labor and welfare	4.9	6.1	12.2
Agriculture and agricultural resources	5.5	5.7	6.0
Natural resources	2.0	2.2	2.9
Commerce, housing, and space technology	3.9	4.4	7.5
General government	1.9	2.1	2.3
Interest	9.1	8.7	9.5
Allowance for contingencies	----	.1	1.6
Total, domestic-civilian	32.5	34.6	47.5
Grand total	82.2	88.4	106.0
Deduct interfund transactions	−.6	−.7	----
Total (exclusive of trust fund expenditures)	81.5	87.7	106.0

[1] Assuming conditions short of war.

Federal expenditures, trust fund budgets, fiscal years 1961, 1962, and 1965

[In billions of dollars]

Trust fund	Actual, 1961	Official budget estimate, 1962	Byrd projection, 1965 [1]
Social security:			
OASI and disability	12.5	14.8	17.0
Unemployment	4.7	4.2	6.0
Highways	2.6	3.2	3.5
FNMA secondary market operations (net)	----	.7	.7
Other	3.4	3.8	4.0
Total, trust fund expenditures	23.2	26.7	31.2

[1] Assuming conditions short of war.

The projected expenditures for fiscal year 1965 through both the regular budget and trust funds are combined, and summarized in major categories (with 1961 and 1962 comparisons), as follows:

Total Federal expenditures, fiscal years 1961, 1962, and 1965

[In billions of dollars]

Category	Actual, 1961	Official budget estimate, 1962	Byrd projection, 1965 [1]
National security:			
Regular budget	45.9	49.2	53.0
Trust fund budgets	(2)	(2)	(2)
Subtotal	45.9	49.2	53.0

[1] Assuming conditions short of war.
[2] Less than $50,000,000.

Total Federal expenditures, fiscal years 1961, 1962, and 1965—Continued

[In billions of dollars]

Category	Actual, 1961	Official budget estimate, 1962	Byrd projection, 1965 [1]
Foreign aid and international affairs:			
Regular budget	3.7	4.6	5.5
Trust fund budgets	.2	.4	.4
Subtotal	3.9	5.0	5.9
Domestic-civilian:			
Regular budget [3]	31.9	33.9	47.5
Trust fund budgets	23.0	26.3	30.8
Subtotal	54.9	60.2	78.3
Total:			
Regular budget [3]	81.5	87.7	106.0
Trust fund budgets	23.2	26.7	31.2
Total	104.7	114.4	137.2

[3] Interfund transactions deducted: $600,000,000 in fiscal year 1961, and $700,000,000 in fiscal year 1962.

Mr. BYRD of Virginia. These figures show sharp expenditure increases in domestic-civilian programs; they have increased every year since the Korean war; they have already doubled since fiscal year 1954.

Critical reassessment of Federal participation in domestic-civilian programs is urgent if we are to maintain a solvent fiscal policy as the basis of our strength to meet existing world tensions.

REGULAR BUDGET DEFICIT FOR 1961

The 1961 figures as cited are actual for the year which ended last June 30, as officially published jointly by the Treasury Department and the Bureau of the Budget.

The opening estimate for that fiscal year showed a surplus of $4.2 billion; the year closed with a deficit of $3.9 billion. This was a deterioration of $8.1 billion for the year.

REGULAR BUDGET DEFICIT FOR 1962

The figures for the current fiscal year, 1962, are the latest estimates by the Bureau of the Budget. The 1962 deficit is now estimated by the Budget Director at $5.3 billion.

This is an early estimate for the current fiscal year. I predict the 1962 deficit will be $8 to $10 billion, and I suspect it will be closer to $10 billion.

PROJECTION FOR 1965

The combined deficits for fiscal years 1961 and 1962 may reach $12 to $14 billion. The rise in expenditures in these 2 years—especially in domestic-civilian categories—demonstrates the trend.

The 1965 calculations are my own, but they are sustained by a Budget Bureau projection as of January 18, 1961, which is higher. They represent experience and careful study of 25 messages and communications by the President to Congress between January 20 and July 26, 1961.

These 25 messages and communications contain at least 175 reports of actions already taken, recommendations, and promises, which involve increased Federal spending or use of Federal credit.

The cost of some of the actions, proposals, and promises was indicated, but many of the references were vague and open end as to their ultimate magnitude, duration, and expense.

However, there is no doubt that, by fiscal year 1965, each of the instances used in the calculations certainly or probably would increase Federal expenditures or use of Federal credit.

The 175 actions reported as taken, recommendations submitted, and promises made in the 25 messages and communications are summarized as follows: 129 for regular budget expenditure increases in domestic-civilian programs and activities; 16 for trust fund expenditure increases in domestic-civilian programs and activities—outside of the regular budget; 9 for regular budget expenditure increases in foreign aid and international relations programs and activities; and 21 for regular budget expenditure increases in military programs and activities.

These actions, recommendations, and promises are listed and documented in annex 1, which I ask to have published in the RECORD at the end of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See annex 1.)

Mr. BYRD of Virginia. Mr. President, tremendous expansion of Federal participation and spending in domestic-civilian programs was the order of the day in Presidential messages and communications prior to the Berlin crisis.

Fiscal stability is a vital element of military preparedness, but the administration has suggested no curtailment of domestic-civilian activities before or since the military buildup was accelerated.

Pressure continues on increasing Federal expenditures for housing, urban renewal, public assistance, public education, health, water resources, river basin development, and so forth.

Huge spending is contemplated in such new programs as space, moon and ocean exploration, depressed area redevelopment, retraining the jobless, and so forth.

More Federal spending programs are being formed in current studies on surface and mass transportation, acquisition and development of open spaces, and so forth.

New programs for grants to States and payments to individuals and institutions would be added for public assistance, health, agriculture, higher education, and so forth.

Orders were issued for speedup in public works already underway; and accelerated planning for public works projects of the future was directed.

There would be vast increases in trust fund expenditures, outside of the regular budget, for unemployment and aged health insurance, social security recipients, and continuing increases for highways—for both Interstate and ABC Systems.

Virtually no area of domestic-civilian activity by the Federal Government has been overlooked in Presidential message proposals for increased spending.

Expansion of foreign aid programs, including the new Peace Corps; and the military buildup, with renewed emphasis on civil defense, are in addition.

Assuming substantial enactment of the administration's proposals to date, I have been told that my projections for both regular budget and trust fund expenditures in 1965 are conservative.

Perhaps I have underestimated the 1965 level. Under present policy and attitudes, other competent forecasts and predictions tend to indicate even higher Federal expenditures within 4 years.

Representative CLARENCE CANNON, chairman of the House Appropriations Committee, says regular budget expenditures will reach $100 billion "in a couple of years." His statement may be found on page 16070 of the CONGRESSIONAL RECORD for August 16, 1961.

The Bureau of the Budget, on January 18, 1961, officially projected regular Federal budget spending into fiscal years 1965 and 1970. The projections were at three levels—low, medium, and high.

Each of the levels assumed a different set of Washington policies and public attitudes with respect to Federal programs and spending. The Bureau's high level projection for 1965 was $109.2 billion.

Policy and attitudes in Washington today, with respect to domestic-civilian spending, are remarkably similar to the assumptions used by the Bureau of the Budget in its high level projection.

I ask unanimous consent to insert in the RECORD at this point in my remarks a categorical breakdown comparing my regular Federal budget projection for fiscal year 1965 with the Budget Bureau's January 18 high level projection for the same year.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Regular Federal budget expenditure projections, fiscal year 1965

[In billions of dollars]

Category	Budget Bureau high projection, 1965	Byrd calculation, 1965
National security	46.8	53.0
Foreign aid and international affairs	5.4	5.5
Total, other than domestic-civilian	52.2	58.5
Domestic-civilian:		
Veterans' services and benefits	7.6	5.5
Labor and welfare	15.8	12.2
Agriculture and agricultural resources	6.0	6.0
Natural resources	2.9	2.9
Commerce, housing, and space technology	9.6	7.5
General government	2.4	2.3
Interest	9.8	9.5
Allowance for contingencies	3.0	1.6
Total, domestic-civilian	57.1	47.5
Grand total	109.2	106.0

FISCAL POLICY

Mr. BYRD of Virginia. Mr. President, indefinite deficit financing of vast increases in both nondefense and defense expenditures at the same time will create uncontrollable inflation and reopen the run on our gold. These are elements of weakness.

To date the administration appears to rely heavily on a high rise in so-called gross national product to produce the increase in Federal receipts needed to meet its increase in Federal expenditures.

While waiting for revenue from increased gross national product to catch up with Federal expenditures, the administration holds that the budget need be balanced only "over the years of a business cycle."

The validity of such a fiscal policy would be little better than an academic pipedream, and it could be used to justify dangerous fiscal irresponsibility.

BUSINESS CYCLE BALANCE

The President, in his message of March 24 on "Budget and Fiscal Policy"—page 1—said in part:

> The Federal budget should, apart from any threat to national security, be in balance over the years of a business cycle—running a deficit in years of recession when revenues decline and the economy needs the stimulus of additional expenditures—and running a surplus in years of prosperity, thus curbing inflation, reducing the debt, and freeing funds for private investment.

This does not work in practice. Since the Korean war ended, the Federal budget has been balanced three times with combined surpluses of $4.4 billion; and there have been five deficits totaling $26.4 billion.

In the 8 fiscal years since the Korean war, the net Federal deficit was some $22 billion; and the Federal debt—round figures—was increased $23 billion, from $266 billion to $289 billion.

Perhaps the 8 years since the Korean war do not constitute the period of a business cycle; the term is difficult to fix, and the President did not attempt to do it.

Whatever the duration of a "business cycle" may be, it is difficult to find periods of 3 to 10 years in recent history over which the Federal budget was balanced, or the Federal debt reduced.

Using periods of 3 to 10 years, there could be 52 cycles in 12 years. In 52 such cycles over 1950 to 1961, inclusive, a net surplus is found in only one 3-year period, and Federal debt was reduced in only one.

There was a 3-year-cycle surplus of $400 million in the 1956–58 period, and there was a net reduction of $600 million in the Federal debt during the 1955–57 cycle.

The actual Federal fiscal situations by cycles of 3 to 10 years over the 12-year period 1950 to 1961, inclusive, are shown in annex 2, which I ask unanimous consent to have printed in the RECORD at the end of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See annex 2.)

GROSS NATIONAL PRODUCT

Mr. BYRD of Virginia. The so-called gross national product has been moving continually upward, but generally it has not produced revenue sufficient to keep pace with the rising level of Federal expenditures.

Over the calendar year period 1954–60, inclusive, the so-called gross national

product increased $141.3 billion—from $363.1 billion to $504.4 billion.

Federal tax rates applicable over the period were changed very little. Regular budget Federal revenue rose to a high of $77.8 billion; but Federal expenditures were increased to a post-World War II peak of $81.5 billion.

Over the period 1954 to 1961, inclusive, in response to administration requests, the statutory limit on the Federal debt was raised eight times. Three of these increases were within one 16-month period.

The latest request was made in June of this year. The administration requested that the debt limit be raised to $298 billion. The debt, as of the most recent Treasury report, stands at approximately $293.5 billion.

Short of war, the debt will continue its rise in the current fiscal year, and when the year ends next June 30 the Nation's debt will be at its highest year-end peak in history.

CONCLUSION

Rising gross national product notwithstanding, continued Federal deficits, debt, inflation, and loss of gold in the United States do not stimulate the confidence of our allies or neutral nations.

I doubt that the Federal budget will be balanced in the foreseeable future unless the rate of increase in expenditures indicated by present proposals is prudently and effectively curtailed.

As chairman of the Senate Finance Committee, I do not see how Federal tax rates can be increased substantially. The point of diminishing returns has already been reached in some areas.

Our ability to pay for invincible military power required for the crucial period which is here and ahead depends upon the action we are willing to take to maintain fiscal solvency.

If we are unwilling to forego nonessential and postponable Federal expenditures to meet the situation which confronts us, it is appropriate that we should ask ourselves these questions:

First. How long can the Federal Government continue to spend, tax, and borrow at the present rate?

Second. Are we on a permanent deficit basis?

Third. When will the breaking point come?

Deficit spending increases public debt. This, accompanied by increasing wages without commensurate increase in productivity, means more and more inflation. We now have both.

In 20 years we have lost more than 50 percent of the purchasing power of the dollar. Let us, in all seriousness, ask ourselves:

How disastrous will it be if we continue inflation-breeding policies—which appear to be on the increase—when our concern should be for return to fiscal responsibility?

ANNEX 1

FEDERAL EXPENDITURE INCREASES

Actions announced, recommendations submitted, and promises made in 25 Presidential messages and communications—between January 20 and July 26, 1961—which certainly or probably would increase Federal expenditures or use of Federal credit in fiscal year 1961, in subsequent fiscal years—or both—are paraphrased and listed as follows:

DOMESTIC-CIVILIAN—REGULAR BUDGET

February 2 message—Program to restore momentum to American economy

1. Page 5: Reduction in interest rates on new loans to local public bodies for construction of community facilities—directed.

2. Page 5: Expansion of community facilities loan program—promised.

3. Page 5: Speedup in Housing and Home Finance Agency programs, including college housing—directed.

4. Page 5: Acceleration of urban renewal projects—promised and urged.

5. Page 6: Temporary program for extension of unemployment compensation benefits—recommended.

6. Page 6: Better services for unemployed insurance claimants and job applicants through U.S. Employment Service—directed.

7. Page 7: Enactment of interim aid to children of needy unemployed—recommended.

8. Page 7: Permanent aid program to needy children and certain other groups now excluded from public assistance programs—recommended.

9. Page 7: Immediate enactment of area redevelopment—distressed area—legislation, urged.

10. Page 7: Expansion of Federal program for distributing surplus food to needy families—directed.

11. Page 8: Establishment of pilot food-stamp programs in distressed areas—directed.

12. Page 8: Recommendations by Secretary of Agriculture to improve and strengthen school lunch program—ordered.

13. Page 10: Speedup in all procurement and construction plans, including public works, by all Federal departments and agencies—directed.

14. Page 12: Development of natural resources—minerals, water, forests, etc., and hydroelectric and thermal power resources generally—recommended.

February 6 message—U.S. balance of payments and outflow of gold

15. Page 6: Increase in foreign commercial representation, facilities, missions, and centers—directed.

16. Page 7: Submission of a new and expanded program of Export-Import Bank activities—directed.

17. Page 7: Submission of a plan for promotion of foreign travel in the United States—directed.

18. Page 8: Submission of a plan for expansion of agricultural exports—directed.

February 9 message—Health program

19. Page 3: Legislation to double present $10 million authorization for matching grants for construction of nursing homes—recommended.

20. Page 4: "Stimulatory" grants through States to communities, in initial amount of $10 million, to improve quality of services in nursing homes—recommended.

21. Page 4: Legislation establishing a new Bureau of Community Health in U.S. Public Health Service—recommended.

22. Page 4: Authorization for Surgeon General to make project grants for construction of experimental or demonstration hospitals and other facilities—recommended.

"Decisive Federal action" to stimulate and assist in establishment and expansion of medical and dental schools, and to help more talented and needy students—recommended (items 23-26).

23. Page 5: Planning grants to help academic institutions plan new facilities for medical and dental schools, and explore new ways of improving educational process.

24. Page 5: A 10-year program of matching grants to assist in construction, expansion, and restoration of medical and dental schools ($25 million first year and $75 million annually thereafter).

25. Page 6: Federal scholarships for medical and dental students (4-year scholarships, averaging $1,500 per student, for one-fourth of newly entering students).

26. Page 6: Additional Federal grant of $1,000 to medical institution for each $1,500 student scholarship.

27. Page 6: Program for Federal assistance to meet nursing needs and training requirement—recommended.

28. Page 6: Establishment of new National Institute of Child Health and Human Development—recommended.

29. Page 6: Increased appropriations for maternal and child health, crippled children, and child welfare programs—recommended.

30. Page 6: Study of adequacy of existing school health programs by Secretary of HEW—ordered.

31. Page 7: Expansion and increase in Federal matching funds for vocational rehabilitation programs—recommended.

32. Page 7: Expansion of grants for construction of medical research facilities—recommended.

33. Page 7: Removal of current limitation on Federal payment of "indirect" costs of medical research projects—asked.

34. Page 7: Increase in original budget requests for medical research—recommended.

February 20 message—American education

35. Page 3: Three-year program of Federal assistance for public elementary and secondary classroom construction and teachers pay (at least $15 per student in average daily attendance—$666 million first year, $866 million a year thereafter)—recommended.

36. Page 4: Extension of college housing loan program with a 5-year $250 million a year plan (in addition to 1961 speed-up)—recommended.

37. Page 4: Establishment of new long-term, low-interest loan program for academic facilities, at $300 million a year for 5 years—recommended.

38. Page 5: Extension and expansion of Defense Education Act—recommended, proposals to follow.

39. Page 5: Establishment of 5-year program of State-administered scholarships, with initial authorization of $26,250,000 to supplement but not supplant present student assistance program (funds would be allocated in the first year for 25,000 scholarships averaging $700 each; there would be 37,500 scholarships in the second year and 50,000 in each succeeding year; and scholarships could range up to a maximum of $1,000)—recommended.

40. Page 5: Payments to colleges and universities accepting Federal scholarship students—recommended.

February 23 message—Natural resources

41. Page 3: Comprehensive river basin plans and legislation permitting reservation of known future reservoir sites by operating agencies—recommended.

42. Page 4: Strengthening and speeding up flood control programs—promised.

43. Page 4: Small watershed projects—promoted.

44. Page 4: Legislation extending and increasing Federal financial assistance to municipalities for construction of water treatment facilities—recommended.

45. Page 4: Legislation extending and increasing Federal financial assistance for operation of State and interstate water pollution control agencies—proposed.

46. Page 5: Strengthening enforcement procedures to abate pollution situations of national significance—proposed.

47. Page 5: Intensive and broadened research to determine specific sources of water pollution, adverse effects, etc.—proposed.

48. Page 5: Establishment of a special unit in the Public Health Service for development of control measures to prevent and limit water pollution—proposed.

49. Page 5: Establishment of Federal air pollution control program—proposed.

50. Page 5: "Redoubled" efforts to select the most promising approaches to economic desalinization of ocean and brackish water—ordered.

51. Page 5: Legislation extending current saline water conversion research program, with increased funds—recommended.

52. Page 6: "Hydroelectric sites remaining in this country will be utilized and hydroelectric power will be incorporated in all multipurpose river projects" where optimum use of the water justifies it—promised.

53. Page 6: "Our efforts to achieve economically competitive nuclear power in areas where fossil fuel costs are high will be encouraged through basic research engineering developments, and construction of various prototype and full scale reactors by the Atomic Energy Commission in cooperation with industry"—promised.

54. Page 6: Development of plans for interconnection of areas served by Interior Department's marketing agencies with adequate common carrier transmission; development of plans for further national cooperative pooling of electric power, public and private, and development of plans to enlarge such pooling as now exists—ordered.

55. Page 7: Legislation to accelerate forest development on Federal public lands as a measure to relieve unemployment—recommended.

56. Page 7: Acceleration of public forest access roads—ordered.

57. Page 7: Development of a program to help small independent timber growers and processors attain better forest management standards, and more efficient production and utilization of forest crops—directed.

58. Page 7: Inventory and evaluation of public domain holdings as a basis for "improved resources management"—directed.

59. Page 7: Development of a public lands program of balanced usage of grazing, forestry, recreation, wildlife, urban development, and minerals—directed.

60. Page 7: Accelerated installation of soil conservation and water-saving works and practices to reduce erosion and improve forage capacities of public domain and revegetation of range lands where forage capacity has been depleted or destroyed—directed.

61. Page 8: A national program for oceanography, including construction of ship and shore facilities for research and survey, development of new instruments for charting seas and gathering data, and training new scientific manpower—promised.

62. Page 8: Enactment of wildlife protection legislation—recommended.

63. Page 8: Enactment of legislation leading to establishment of seashore areas for use and enjoyment of the public—recommended.

64. Page 8: Formulation of comprehensive Federal recreational lands program—directed.

65. Page 8: Survey to determine locations for additional national parks, forests, and seashore areas—directed.

66. Page 8: Action to insure that land acquired for the construction of federally financed reservoirs is sufficient to permit future development for recreational purposes—directed.

67. Page 8: Establishment of long-range program for planning and providing adequate open spaces for recreational facilities in urban areas—directed.

68. Page 9: Acceleration of the acquisition of upper Midwest wetlands through sale of Federal duck stamps—directed.

March 9 message—American housing

69. Page 3: No downpayment, 40-year FHA mortgages, to be made attractive to private investors—recommended.

70. Page 3: New program of long-term, low-interest loans for rental and cooperative housing financed from the special assistance fund of FNMA, to be processed and supervised by FHA—recommended.

71. Page 4: Removal of limitation on public housing, allowing construction of approximately 100,000 additional low rent units—recommended.

72. Page 4: Program of demonstration grants for experiments in housing for low-income families—suggested.

73. Page 4: Legislation to increase direct loan authorization for housing for elderly from $50 million to $100 million—recommended.

74. Page 4: Designation of 50,000 low-rent public housing units for elderly persons and families—directed.

75. Page 4: Legislation increasing by $500 per room the cost limitation for public housing for elderly—recommended.

76. Page 4: Additional subsidy of up to $10 per month for each housing unit occupied by elderly persons—recommended.

77. Page 5: Cooperation with local officials for development of individual projects within overall urban renewal areas—directed.

78. Page 5: New authorizations totaling $2.5 billion, over 4 years for urban renewal programs—recommended.

79. Page 5: Legislation liberalizing Federal allowances for relocation payments to displaced businessmen when localities share—recommended.

80. Page 6: Expansion of FHA authority to insure home improvement loans—recommended.

81. Page 6: Legislation permitting resale of existing housing in urban renewal areas at a realistic price for rehabilitation—recommended.

82. Page 6: Legislation for extended and expanded program of Federal aid to urban and metropolitan planning—recommended.

83. Page 7: Development of a long-range program and policy for dealing with open space and development of urban land—directed.

84. Page 7: Legislation providing $100 million to initiate a program of 20-percent grants to help public bodies finance reservation of land as permanent open space in urban areas, in the form of parks and other facilities—recommended.

85. Page 7: Legislation for urban renewal loans to help local agencies finance acquisition of open space for future public or private development—recommended.

86. Page 7: Legislation authorizing an additional $50 million for public facilities loans—recommended.

87. Page 7: Study of urban transportation problems and the proper role of the Federal Government in their solution—ordered.

88. Page 8: Extension of unused balance in farm housing loan authority, due to expire June 30, 1961, for 5 years—recommended.

89. Page 8: Procedures to assure adequate credit for farm and other housing in rural areas—ordered.

90. Page 8: Legislation permitting farm home improvement loans to be secured by either mortgages or other acceptable forms of security—recommended.

91. Page 8: Legislation to extend the veterans' housing loan program—both direct and guaranteed—and increase the direct loan authority above the present $150 million limit—recommended.

92. Page 9: Appropriations for market analysis, statistics, and research into housing and urban problems—requested.

93. Page 9: Enactment of special FHA insurance authorization to help finance tests and demonstrations of new approaches to home design and construction—recommended.

94. Page 9: Cabinet rank Department of Housing and Urban Affairs—recommended.

March 16 message—American agriculture

95. Page 4: Agriculture producer income support in the form of authorization for compensatory payments, commodity loans, commodity purchases, diversion programs, incentive payments, and export payments—recommended.

96. Page 5: Establishment of paid national farmer advisory committees for each commodity—recommended.

97. Page 5: Increase in quantity and quality of surplus food distribution to needy—directed.

98. Page 5: Pilot food stamp programs in eight areas—directed.

99. Page 6: Expansion of school lunch program—recommended.

100. Page 6: Extension and improvement of special school milk program—recommended.

101. Page 6: Authorization of additional $2 billion for calendar year 1961 under title I of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), permitting sale for local currencies of U.S. surplus agricultural products—requested.

102. Page 6: Extension and expansion of Agricultural Trade Development and Assistance Act of 1954 for 5 years—requested.

103. Page 6: Expansion of agricultural research into marketing, nutrition, and utilization—recommended, and surveys started.

104. Page 8: Liberalization and extension of Farm Home Administration lending operations for operating capital—directed.

105. Page 8: Modification of farm credit regulations to permit borrowing up to 95 percent (instead of 80 percent) of the cost of materials for building farm storage facilities and equipment—directed.

106. Page 8: Action guaranteeing that farmers will be able to earn 2 full years' storage payments for continuing to store 1960 crop wheat, corn, and grain sorghum and at least 1 year's storage payments for continuing to store other 1960 crops—directed.

April 13 message—Regulatory agencies

107. Page 4: Programs "in the field of aviation to frame the goals we should set for ourselves"—initiated.

108. Page 4: Efforts to work out positions that the administration as a whole should take toward the many remedial measures that have been, and are being, suggested with respect to the "ills" of surface transportation—announced.

109. Page 9: Organization of an administrative conference to consider questions of administrative procedure in Federal regulatory agencies—ordered.

110. Page 10: Revision of standards and pay of regulatory agency examiners—recommended.

April 20 message—Federal tax system

111. Page 13: Full cooperation of Federal law enforcement agencies, including Internal Revenue Service, with the Attorney General in a drive against organized crime—ordered.

112. Page 14: Additional funds and personnel for Internal Revenue Service—requested.

April 27 message—Ethical conduct in Government

113. Page 9: Designation of an officer in the Executive Office of the President charged with responsibility for coordination of ethics administration, prepare general regulations, develop methods of informing personnel about ethical standards, conduct studies, etc.—promised.

April 27 message—Reorganization Plan No. 1, Securities and Exchange Commission

114. Page 1: Provisions for final settlement of adjudicatory and regulatory matters before SEC by individual Commissioners, hearing examiners, etc.—proposed.

April 27 message—Reorganization Plan No. 2, Federal Communications Commission

115. Page 1: Provisions for final settlement of adjudicatory and regulatory matters, before FCC, by individual members of Commission, hearing examiners and other employees—proposed.

May 3 message—Reorganization Plan No. 3, Civil Aeronautics Board

116. Page 1: Provisions for final settlement of adjudicatory and regulatory matters, before the CAB, by individual members, hearing examiners and other employees—proposed.

May 9 message—Reorganization Plan No. 4, Federal Trade Commission

117. Page 1: Provisions for final settlement of adjudicatory and regulatory matters, before FTC, by individual Commissioners, hearing examiners, and other employees—proposed.

May 24 message—Reorganization Plan No. 5, National Labor Relations Board

118. Page 1: Provisions for final settlement of adjudicatory and regulatory matters, before NLRB, by individual Board members, hearing examiners, and other employees—proposed.

May 25 address—Urgent national needs

119. Page 3: A new manpower development and training program to train or retrain several hundred thousand workers in new occupational skills over a 4-year period, with subsistence and relocation allowances—recommended.

120. Page 4: Increase lending capacity of Small Business Administration—recommended.

121. Page 4: Further Federal action to "help reduce the cost of the home-buyer's mortgage"—recommended.

122. Page 9: Institution of "whatever new organization, policies, and controls that are necessary to insure maximum coordination and use all political, economic, and psychological resources in the attainment of our objectives"—promised.[1]

123. Page 9: Nationwide, long-range, civilian defense program identifying present fallout shelter capacity, providing for additional shelters and providing for warning, training, radiological monitoring, and stockpiling of food and medicines—recommended.

124. Page 11: Action calculated to land man on the moon, and return him to earth by 1970—recommended.

125. Page 12: Additional $23 million (together with $7 million already available) to accelerate development of Rover rocket and exploration of space to end of solar system—recommended.

126. Page 12: Additional $50 million to accelerate use of space satellites for worldwide communications—recommended.

127. Page 12: Additional funds for development of a satellite system for worldwide weather observation—recommended.

June 12 message—Reorganization Plan No. 6, Federal Home Loan Bank Board

128. Page 1: To allow Board to "deal more effectively with regulatory and policy matters"—proposed.

June 12 message—Reorganization Plan No. 7, maritime functions

129. Page 1: Creation of separate Maritime Commission charged with regulatory functions with respect to merchant marine, and transfer of subsidy and promotional functions to Secretary of Commerce—proposed.

DOMESTIC-CIVILIAN—TRUST-FUND

February 2 message—Program to restore momentum to American economy

1. Page 6: Permanent system of unemployment compensation—recommended.

2. Page 8: Increase in minimum monthly social security benefits for retired workers from $33 to $43, with increased benefits for more than 2.2 million people in the first 12 months—recommended.

3. Page 8: Payment of actuarily reduced social security benefits to men beginning age 62—recommended.

4. Page 9: Liberalization of the insured status requirement to provide social security benefits for 170,000 additional people—recommended.

5. Page 9: Increased aged widows social security benefit from 75 to 85 percent of husband's benefit, raising benefits for 1,550,000 widows—recommended.

6. Page 9: Expanded disability insurance protection under social security to make it payable after total disability for 6 months—recommended.

7. Page 9: Advance in date for payment by Veterans' Administration of $258 million in dividends on national service and U.S. Government life insurance policies—directed.

8. Page 9: Payment of additional dividends on national service and U.S. Government life insurance policies, if they can be justified within sound insurance practices—promised.

9. Page 10: Accelerated allocation of $724 million balance in Federal-aid-highway trust fund—directed.

February 9 message—Health program

Enactment, with tax increase, of health insurance program under social security for persons 65 years of age and over—recommended (items 10–13).

10. Page 2: Inpatient hospital service up to 90 days in a single spell of illness, for all in excess of $10 a day for 9 days (with minimum of $20) and full costs for the remaining 81 days.

11. Page 3: Skilled nursing home services up to 180 days after discharge from hospital.

12. Page 3: Hospital outpatient clinic diagnostic services for all costs in excess of $20.

13. Page 3: Community visiting nurse services, and related home health services "for a limited period of time."

February 28 message—Federal pay-as-you-go highway program

14. Page 7: Increases in the $925 million annual authorization for ABC system at the rate of $25 million every 2 years, beginning in 1964, until the $1 billion level is reached—recommended.

15. Page 7: Legislation to provide for assistance in finding housing for persons displaced by future Federal-aid-highway projects—urged.

16. Page 8: Extension of billboard control section of Highway Act for 4 years with incentive bonus doubled from one-half of 1 percent to 1 percent—recommended.

FOREIGN AID AND INTERNATIONAL RELATIONS—REGULAR BUDGET

January 30 address—State of the Union

1. Page 8: Full appropriation of $500 million pledged by Act of Bogotá for use as first step in development program for Americas—recommended.

March 1 message—Establishment of Peace Corps

2. Page 1: Peace Corps, on temporary pilot basis, established by Executive order.

March 14 communication—Chilean reconstruction and rehabilitation

3. Page 1: Appropriation of $100 million for Chilean reconstruction and rehabilitation—requested.

March 22 message—Foreign aid

4. Page 5: Consolidation into a new single administration the Washington and field activities of the ICA (including point 4), Development Loan Fund, food-for-peace program (Public Law 480) in its relations with other countries, local currency lending activities of Export-Import Bank, Peace Corps, donation of nonagricultural surpluses from other stockpiles, and related staff and services provided by the Department of State—proposed.

5. Page 8: Long-term foreign development loans (financed by creation of U.S. debt) with low or no interest, for periods of up to 50 years—recommended.

6. Page 8: Continuation of appropriations for foreign aid grant programs—recommended.

May 25 address—Urgent national needs

7. Page 6: Increased funds for U.S. Information Agency—requested.

8. Page 7: Increased emphasis on NATO conventional strength—endorsed.

9. Page 11: Establishment of strengthened and enlarged disarmament administration—proposed.

MILITARY—REGULAR BUDGET

January 30 address—State of the Union

1. Page 7: Prompt action to increase airlift capacity—directed.

2. Page 7: Prompt action to step up Polaris submarine program, using unobligated funds for earlier contracting—directed.

3. Page 7: Prompt action to accelerate entire missile program—directed.

March 28 message—National defense budget recommendations

4. Page 5: Continued acceleration and expansion of Polaris submarine and Polaris missile programs—recommended.

5. Page 6: Expansion and acceleration of Minuteman and Skybolt missile programs—recommended.

6. Page 7: Provisions for expansion in "bomber deterrent" protection—recommended.

7. Page 7: Additional authorization for improving continental defense and warning systems—recommended.

8. Page 8: Additional obligational authority for improving command and control of "our strategic deterrent"—recommended.

9. Page 8: Additional support for "a number of other space and research programs related to strategic and continental air defense forces"—recommended.

10. Page 9: Spending authority for speedup in limited warfare research programs, and for initiation of new programs—recommended.

11. Page 9: Additional appropriations for "increased flexibility of conventional forces"—recommended.

12. Page 9: Additional appropriations for "increased nonnuclear capacities of fighter aircraft"—recommended.

13. Page 10: Increased military personnel, training, and readiness for conventional forces—recommended.

May 25 address—Urgent national needs

14. Page 8: Complete reorganization and modernization of the Army's divisional structure to increase nonnuclear firepower, improve tactical mobility in any environment, insure flexibility, facilitate coordination with major allies, and provide modern mechanized divisions in Europe and new airborne brigades in both Pacific and Europe—ordered.

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[1] Language is sufficiently broad to include expenditures under military, foreign, and domestic-civilian categories.

15. Page 8: Additional appropriation of $100 million to reequip Army—requested.

16. Page 8: Rapid expansion in the orientation of existing forces for conduct of nonnuclear war, paramilitary operations, and sublimited or unconventional wars—directed.

17. Page 8: Increase and reorientation in special forces and unconventional warfare units—announced.

18. Page 8: New emphasis, throughout military services, on special skills and languages required in social, economic, psychological, governmental, and other efforts that are short of open conflict to counter Communist-sponsored outbreaks—proposed.

19. Page 8: Development of plans by Army to make possible rapid deployment of a major portion of its highly trained Reserve forces—announced.

20. Page 9: Additional $60 million in funds to increase the strength of Marine Corps—requested.

July 26 communication—Amendments to the budget for military functions

21. Page 1: Additional appropriations totaling $3,454,600,000 for military functions of the Department of Defense—requested.

ANNEX 2

Actual Federal fiscal experience, by cycles, fiscal years 1960 to 1961, inclusive, showing receipts, expenditures, deficits, and increase in debt

[In billions of dollars]

	3-year cycles	4-year cycles	5-year cycles	6-year cycles	7-year cycles	8-year cycles	9-year cycles	10-year cycles
Beginning fiscal year 1950:								
Receipts	145.2	209.9	274.3	334.5	402.3	472.9	541.4	609.3
Expenditures	148.8	222.9	290.4	354.8	421.0	490.0	561.4	641.7
Deficit	−3.6	−13.0	−16.1	−20.3	−18.7	−17.1	−19.9	−32.3
Increase in debt	+6.5	+13.5	+18.8	+21.9	+20.4	+18.2	+24.0	+32.4
Beginning fiscal year 1951:								
Receipts	173.5	237.9	298.1	365.9	436.5	505.0	572.9	650.7
Expenditures	183.4	250.9	315.3	381.5	450.5	521.9	602.2	678.7
Deficit	−9.9	−13.0	−17.2	−15.6	−14.0	−16.8	−29.2	−28.0
Increase in debt	+8.8	+14.1	+17.2	+15.7	+13.5	+19.3	+27.7	+29.4
Beginning fiscal year 1952:								
Receipts	190.4	250.6	318.4	389.0	457.5	525.4	603.2	680.8
Expenditures	206.9	271.3	337.5	406.5	477.9	558.2	634.7	716.2
Deficit	−16.5	−20.7	−19.1	−17.5	−20.3	−32.7	−31.5	−35.4
Increase in debt	+16.2	+19.3	+17.8	+15.6	+21.4	+29.8	+31.5	+34.3
Beginning fiscal year 1953:								
Receipts	189.3	257.1	327.7	396.2	464.1	541.9	619.5	
Expenditures	206.0	272.2	341.2	412.6	492.9	569.4	650.9	
Deficit	−16.7	−15.1	−13.5	−16.3	−28.7	−27.5	−31.4	
Increase in debt	+15.4	+13.9	+11.7	+17.5	+25.9	+27.6	+30.4	
Beginning fiscal year 1954:								
Receipts	192.4	263.0	331.5	399.4	477.2	554.8		
Expenditures	198.1	267.1	338.5	418.8	495.3	576.8		
Deficit	−5.7	−4.1	−6.9	−19.3	−18.1	−22.0		
Increase in debt	+6.9	+4.7	+10.5	+18.9	+20.6	+23.4		

	3-year cycles	4-year cycles	5-year cycles	6-year cycles	7-year cycles	8-year cycles	9-year cycles	10-year cycles
Beginning fiscal year 1955:								
Receipts	198.6	267.1	335.0	412.8	490.4			
Expenditures	199.6	271.0	351.3	427.8	509.3			
Deficit	−1.0	−3.8	−16.2	−15.0	−18.9			
Change in debt	−.6	+5.2	+13.6	+15.3	+18.1			
Beginning fiscal year 1956:								
Receipts	206.9	274.8	352.6	430.2				
Expenditures	206.6	286.9	363.4	444.9				
Deficit or surplus	+.4	−12.0	−10.8	−14.7				
Increase in debt	+2.1	+10.5	+12.2	+15.0				
Beginning fiscal year 1957:								
Receipts	207.0	284.8	362.4					
Expenditures	220.7	297.2	378.7					
Deficit	−13.6	−12.4	−16.3					
Increase in debt	+12.0	+13.7	+16.5					
Beginning fiscal year 1958:								
Receipts	214.2	291.8						
Expenditures	228.2	309.7						
Deficit	−14.0	−17.9						
Increase in debt	+15.9	+18.7						
Beginning fiscal year 1959:								
Receipts	223.3							
Expenditures	238.3							
Deficit	−15.1							
Increase in debt	+12.9							

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. BYRD of Virginia. I yield.

Mr. BUSH. I wish to compliment the distinguished Senator from Virginia upon his very splendid analysis of our financial position as a nation. As usual, he is again the one to remind us of our responsibilities in this connection. I wish that every Senator were in his seat to hear and study the material that has been given to the Senate today by the able chairman of our Committee on Finance. He has pointed up a situation which is dangerous. It is getting more serious all the time. The unhappy fact is that, rather than a growing awareness of the nature of the problem and of the seriousness of the difficulty that we face, there seems to be a sense of indifference toward it and an assumption that we are a nation with unlimited resources, that our credit cannot be strained, and that there is no limit to the amount of spending that we can afford if it seems to be politically desirable.

The Senator's speech should be a reminder to all of us, in both Houses of Congress, that there are limits which we must recognize. One of them is imposed by the national credit which is controlled by the budget. The Senator's forecast of an $8 billion to a $10 billion deficit in the current fiscal year is reasonable. I join him in his prediction that it will exceed $8 billion.

Next week I shall attend the Conference of the International Fund and World Bank. At this point I ask unanimous consent that I may be absent next week for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUSH. I shall attend the Conference as a representative of the Joint Economic Committee. The principal reason for my going is to try to study the problems which the Senator from Virginia is dealing with in his magnificent address, to find out what the other countries, which are so heavily dependent on us for their freedom and security think about the fiscal policies of the United States today.

Among those who will attend the Conference will be the heads of the central banks of 68 countries and the heads of finance ministries of various countries, and members of the financial communities and private banks, as well as representatives of other financial institutions of a great many nations. The U.S. delegation will be headed by Secretary of the Treasury Douglas Dillon and will include William McC. Martin, Jr., of the Federal Reserve Board, and Under Secretary of State Ball.

Some of these representatives of other countries have expressed privately to me on their visits to the United States this year their growing concern regarding the fiscal policies of this Government. I am anxious to learn at first hand and in private conversations—where these views are more likely to come out—how they are feeling today about us as a result of the last 8 months of this Government's operations.

Therefore, I thank the Senator for giving me an opportunity to make these remarks. I again compliment him very highly upon his analysis of the situation. I join him in the warning that it is time for us to wake up and to be realistic about what we can afford to do and what we cannot afford to do.

Mr. BYRD of Virginia. I am grateful to the Senator for his comments. I am glad the Senator is going to the International Monetary Conference. He is one of the best informed students of fiscal policies in the Senate. I hope when he returns he will make a report to the Senate on the conditions that he finds abroad.

Mr. BUSH. I thank the Senator. I cannot say that I hope the Senate will be in session when I return. If it is, I expect to have something to say on the subject.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. ERVIN. The Senator referred to the gross national product. Very frequently I see statements by what I call theoretical economists referring to our gross national product. I wonder if I am correct in assuming that the gross national product is the total value of all of our product plus the total value of all compensation.

Mr. BYRD of Virginia. That generally is correct.

Mr. ERVIN. If that is true, I should like to illustrate the unreliability of references to the gross national product by a hypothetical illustration. We will say that A has a business which has a gross product valued at $30,000 a year. A pays B $20,000 a year to operate the business. That $20,000 is paid out of the $30,000. B furnishes the brains for the work. However, B employs C to do the actual work in producing the product, and pays C $10,000 for his services.

We then add up all of these figures, and we see that there is a total of $60,000. That amount is a part of what we call the gross national product. We

see, however, that everything involved could not possibly exceed $30,000, which was the product that was sold. Therefore, it is very deceiving to talk about the gross national product, is it not?

Mr. BYRD of Virginia. The Senator is entirely correct; gross national product figures can be deceptive, indeed.

Mr. ERVIN. What we are doing is adding the money time and time again. Every time the money changes hands from one person to another, we have exactly the same amount of money, but we count the same money time and time again.

Mr. BYRD of Virginia. I thank the Senator. We have been depending entirely too much on possible increase in the gross national product as a basis for increasing expenditures of the Government.

Mr. KEFAUVER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DISTRICT OF COLUMBIA LIFE INSURANCE ACT

Mr. ROBERTSON. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of H.R. 7482, Calendar No. 823.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7482) to amend the Life Insurance Act of the District of Columbia approved June 19, 1934, as amended.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia?

There being no objection, the Senate proceeded to consider the bill.

Mr. ROBERTSON. Mr. President, I ask unanimous consent to have printed in the RECORD a letter I received from Chairman William L. Cary of the Securities and Exchange Commission, dated September 7, 1961.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SECURITIES AND EXCHANGE COMMISSION,
Washington, D.C., September 7, 1961.

The Honorable A. WILLIS ROBERTSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ROBERTSON: I am writing this letter to express the opposition of the Securities and Exchange Commission to H.R. 7482 and our belief that no action on the bill should be taken during this session of Congress.

H.R. 7482, a proposed amendment to the Life Insurance Act of the District of Columbia, would allow life insurance companies sponsoring investment companies which issue variable annuity contracts to establish special voting and management procedures with respect to the owners of these contracts.

The Commission's opposition to H.R. 7482 rests primarily on three grounds:

1. The bill is suggested as a vehicle for action under the Investment Company Act of 1940 which the Commission considers generally unsuitable.

2. The Commission is concerned that, in a bill tailored to meet a particular local problem, Congress might, without full consideration and the participation of all interested parties, establish what could be regarded as a national pattern for resolving an important problem under the 1940 act.

3. Even if this bill were enacted, no District of Columbia insurance company could sell variable annuities without first obtaining exemptions from the Commission. There can, of course, be no assurance as to how the Commission would deal with applications for the necessary exemptions, but it can be readily anticipated that applicants will urge the enactment of H.R. 7482 as evidence of congressional intent which should influence the Commission to rule in their favor.

H.R. 7482 does not give adequate recognition to the basic principle of investor control which is a vital part of the 1940 act and which is manifested by the rights granted to shareholders of a management investment company to control fundamental aspects of the company's operations, such as the election of all members of the board of directors. This principle of investor control would be seriously diluted by H.R. 7482. Any such dilution raises difficult questions of meeting the standards of the 1940 act, which limits exemptions to those "necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of this title."

The fact that the issuance of variable annuities has been sponsored by life insurance companies should not obscure the basic similarity between a variable annuitant and any shareholder of a management investment company. A variable annuitant receives more or less depending upon the efficiency of the management and its skill in selecting and managing portfolio securities. In this vital respect he is in the same position as any stockholder of a management investment company and should have the power to control his company, as contemplated by the 1940 act. He who takes the risk of losses and stands to gain from profits should control the company. This is no peculiar, technical concept brought into existence by the 1940 act; it is a traditional concept of a corporate organization.

Finally, I should like to point out that passage of H.R. 7482, even though applicable only to the District of Columbia, may create an impression of congressional sanction to applications for exemptions from basic requirements of the 1940 act. Such an interpretation might result in actions and reliance by State legislatures and insurance companies, a consequence which I believe will be most regrettable and would in fact seriously prejudice general resolution of the problems involved. I would like to make it clear that, if H.R. 7482 is enacted, the Commission will not regard it as reflecting either express or implied congressional sanction to any exemptive solution to the variable annuity problem.

For the above outlined reasons, the Commission strongly recommends postponement of any action on H.R. 7482.

We recognize that it is appropriate to inquire as to when the Commission can announce its position on the status of the local company which, we understand, is the chief proponent of the bill—i.e., Variable Annuity Life Insurance Co. We expect to be able to resolve problems relating to this company by the time Congress reconvenes. However, resolution of the problems involving the entire industry—by legislation or otherwise—will require longer study.

Sincerely yours,

WILLIAM L. CARY,
Chairman.

Mr. ROBERTSON. Mr. President, the Chairman of the SEC is concerned about the possible effects of the bill on the Investment Company Act of 1940 and the potential impact of the bill as creating a nationwide pattern of treatment for insurance companies engaged in variable annuity activities. May I ask the Senator from Maryland, who submitted the report on behalf of the District of Columbia Committee, if the bill is intended by the committee to have any effect in these areas?

Mr. BEALL. Mr. President, I do not so understand the bill. It is confined to an amendment of the Life Insurance Act of the District of Columbia and applies only to life insurance companies organized under the laws of the District. While it permits District life insurance companies to confer certain rights upon variable contract owners, it is not intended to relax any requirements of compliance with the Investment Company Act or to influence the Securities and Exchange Commission's interpretation of that act. The District of Columbia Committee is neither empowered, nor would it presume, to recommend any amendment to the Investment Company Act or modification of the functions of the Securities and Exchange Commission. Committee consideration of these matters is appropriate only for the Banking and Currency Committee. And, of course, we would not presume to intrude upon matters solely within the province of the several State legislatures by suggesting that they treat their domestic insurance companies in any way other than they see fit.

Mr. ROBERTSON. Perhaps some confusion could arise from the statement in the District of Columbia Committee's report to the effect that the bill might reconcile insurance regulatory and investment company concepts.

Mr. BEALL. Although the District of Columbia Committee believed that the bill might provide a method for reconciling certain insurance regulatory and Investment Company Act concepts, it was aware that it was modifying only the insurance regulatory area as applied to District life insurance companies. The committee clearly recognizes that interpretations of the Investment Company Act rest with the Securities and Exchange Commission and the courts and that recommended amendments of that act are not within its jurisdiction.

Mr. ROBERTSON. I thank the Senator from Maryland. I am in complete accord with his views. I favor this bill only on the understanding that it is not intended to have any effect upon the Investment Company Act and that it would still be necessary for an insurance company acting under this statute to obtain from the SEC an exemption under the Investment Company Act.

Mr. BEALL. Mr. President, the understanding of the Senator from Virginia is entirely correct.

Mr. ROBERTSON. Mr. President, I ask that the bill be passed.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 7482) was ordered to a third reading, was read the third time, and passed.

AMENDMENT OF DISTRICT OF COLUMBIA UNEMPLOYMENT COMPENSATION ACT

Mr. MORSE. Mr. President, will the Senator from Tennessee yield for a special request?

Mr. KEFAUVER. I yield, provided I do not lose the floor.

Mr. MORSE. The Senate has ready for consideration an important District of Columbia bill. While the distinguished senior Senator from Maryland [Mr. BEALL] is in the Chamber, I hope the Senate may consider the District of Columbia unemployment compensation bill. I understand that if it can be passed by the Senate this afternoon, the probabilities are exceedingly good that the House will go to conference with us. The bill can be passed within 2 or 3 minutes.

Mr. KEFAUVER. Mr. President, I yield to the Senator from Oregon, provided I do not lose the floor, and that the proceedings in connection with the consideration of the bill are printed elsewhere in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, may I have the permission of the majority leader to ask unanimous consent that the pending business be temporarily laid aside, in order that the Senate may proceed to the consideration of S. 2194?

Mr. MANSFIELD. That is satisfactory.

Mr. MORSE. Mr. President, I ask unanimous consent that the Senate temporarily lay aside the pending business, and that the Senate proceed to the consideration of Calendar No. 262, S. 2194.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2194) to amend the District of Columbia Unemployment Compensation Act of 1935, as amended.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia, with an amendment, to strike out all after the enacting clause and insert:

That section 1(b)(5)(G) of the District of Columbia Unemployment Compensation Act (49 Stat. 946), as amended (D.C. Code, sec. 46–301), is amended to read as follows:

"NONPROFIT ORGANIZATIONS

"(G)(1) service performed by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; (2) service performed in a sheltered workshop owned or operated by an organization described in section 501(c)(3) of the Internal Revenue Code which is exempt from income tax under section 501(a) of such Code other than service performed by instructors, foremen, or other regular staff of the workshop. As used in this subparagraph the term 'sheltered workshop' means a facility conducted for the purpose of (i) carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury, or (ii) of providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market;".

SEC. 2. Section 1 of said Act approved August 28, 1935, as amended (sec. 46–301, D.C. Code, 1951 ed.), is amended by adding at the end thereof the following:

"v. 'Insured work' means employment for employers."

SEC. 3. Section 3(c)(8) of said Act approved August 28, 1935, as amended (sec. 46–303(c)(8), D.C. Code, 1951 ed.), is amended by adding the following:

"iv. Any employer, at any time, may voluntarily pay into the unemployment compensation fund an amount in excess of the contributions required to be paid under the provisions of this Act, and such amount shall be forthwith credited to his reserve account. His rate of contribution shall be computed, or recomputed, as the case may be, with such amount included in the calculation. To affect such employer's rate of contribution for any year, such amount shall be paid not later than thirty days following the mailing of notice of his rate of contribution for such year and not later than one hundred and twenty days after the commencement of such year: *Provided*, That such amount, when paid as aforesaid, shall not be refunded or used as a credit in the payment of contributions in whole or in part."

SEC. 4. Subsections (b), (c), and (d) of section 7 of said Act approved August 28, 1935, as amended (sec. 46–307 (b), (c), and (d), D.C. Code, 1951 ed.), are amended to read as follows:

"(b) An individual's 'weekly benefit amount' shall be an amount equal to one twenty-third (computed to the next higher multiple of $1) of his total wages for insured work paid during that quarter of his base period in which such total wages were highest, with such other following limitations. If an individual's weekly benefit amount is less than $8, it shall be $8. The Director shall determine annually a maximum weekly benefit amount by computing 50 per centum of the average weekly wage paid to employees in insured work, and shall on or before January 1 of the calendar year in which it shall be effective announce by publication in at least one newspaper of general circulation in the District, the maximum weekly benefit amount so determined. Such computation shall be made by determining gross wages reported as paid for insured work by employers in each twelve-month period ending June 30, and dividing said gross wages by a figure resulting from fifty-two times the average of midmonth employment reported by employers for the same period. For the period from the effective date of this Act to December 31, 1961, the maximum weekly benefit amount shall be determined and announced by the Director in accordance with the foregoing formula on the basis of wages and employment in the twelve-month period ending June 30, 1960. The maximum weekly benefit amount so determined and announced for a calendar year shall apply only to those claims filed in that year qualifying for maximum payment under the foregoing formula: *Provided*, That all claims qualifying for payment at the maximum weekly benefit amount shall be paid at the maximum weekly benefit amount in effect when the benefit year to which the claim relates was first established, notwithstanding a change in said amount for a subsequent calendar year: *Provided further*, That if the maximum weekly benefit amount is not a multiple of $1, then said maximum weekly benefit amount shall be computed to the next higher multiple of $1.

"(c) To qualify for benefits an individual must have (1) been paid wages for employment of not less than $130 in one quarter in his base period, (2) been paid wages for employment of not less than $276 in not less than two quarters in such period, and (3) received during such period wages the total amount of which is equal to at least one and one-half times the amount of his wages for the quarter in such period in which his wages were the highest. Notwithstanding the provisions of clause (3), any otherwise qualified individual, the total amount of whose wages during such period is less than the amount required to have been received during such period under such clause, may qualify for benefits if the differences between the amount so required to have been received and the total amount of his wages during such period does not exceed $70, but the amount of his weekly benefit, as computed under section 7(b), shall be reduced by $1 if such difference does not exceed $35 or by $2 if such difference is more than $35.

"An individual voluntarily leaving employment without good cause and who is receiving or has applied for a pension or retirement of any kind, whether under a governmental or private plan or under the Social Security Act, may not have wages used in the computation of a claim for benefits under this Act if—

"(A) earned prior to such voluntary leaving, and

"(B) the employer or employers involved contributed in whole or in part to the pension, retirement, or old-age and survivors insurance.

If such individual has previously established a current benefit year the claim shall be redetermined for the remainder of such benefit year, eliminating all wages coming within the conditions (A) and (B) of this section: *Provided*, That for purposes of this subsection an individual who is separated from employment because of a company rule as to maximum age or pursuant to a union-employer agreement as to maximum age shall not be deemed to have left his employment voluntarily: *Provided further*, That this subsection shall not be applicable to any person who makes application for a pension or retirement compensation and is denied such pension or retirement compensation or is found to be ineligible therefor. The Board is authorized to provide by regulation for determining whether an individual subject to the provisions of this subsection has voluntarily left his employment without good cause."

"(d) Any otherwise eligible individual shall be entitled during any benefit year to a total amount of benefits equal to thirty-four times his weekly benefit amount."

SEC. 5. Section 7(f) of said Act approved August 28, 1935, as amended (sec. 46–307(f), D.C. Code, 1951 ed.), is amended by striking "$30" and inserting in lieu thereof "the established maximum benefit amount".

SEC. 6. Clause (b) of section 9 of said Act approved August 28, 1935, as amended (sec. 46–309, D.C. Code, 1951 ed.), is amended to read as follows:

"(b) that he has during his base period been paid wages for employment by employers equal to those required by subsection (c) of section 7."

SEC. 7. (a) Section 10 of said Act approved August 28, 1935, as amended (sec. 46–310 D.C. Code, 1951 ed.), is amended by striking the second sentence from subsections (a), (b), and (c).

(b) Section 10 of said Act approved August 28, 1935, as amended, is further amended by striking subsections (d) and (e) and inserting in lieu thereof the following:

"CONDITIONS PRECLUDING DENIAL OF BENEFITS

"(d) (1) Benefits shall not be denied to any otherwise eligible individual for refusing to accept new work under any of the following conditions: (A) If the position offered is vacant due directly to a strike, lockout, or other labor dispute; (B) if the wages, earnings, hours, or other conditions of the work offered are less favorable to the individual than those prevailing for similar work in the locality; (C) if as a condition of being employed the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization.

"(2) Compensation shall not be denied to any otherwise eligible individual for any week during which he is attending a training or retraining course with the approval of the Board, and such individual shall be deemed to be otherwise eligible for any such week despite the provisions of section 9(d) and subsection (c) of this section.

"FAILURE OF AN INDIVIDUAL TO ATTEND A TRAINING OR RETRAINING COURSE WHEN APPROVED

"(e) If any individual otherwise eligible for benefits fails, without good cause as determined by the Board under regulations prescribed by it, to attend a training or retraining course when recommended by the manager of the employment office or by the Board and such course is available at public expense, he shall not be eligible for benefits with respect to any week in which such failure occurred."

SEC. 8. This Act shall take effect on the first day of the first calendar quarter following its enactment.

Mr. MORSE. Mr. President, the committee has held hearings on the bill. The bill was approved unanimously by the subcommittee and also by the full Committee on the District of Columbia. The chairman of the full committee, the distinguished Senator from Nevada [Mr. BIBLE], is in the Chamber. The bill is noncontroversial.

I may say to the majority leader and the minority leader that the bill is practically identical in form, with no increases, with a bill which passed the Senate in 1958 but did not receive the action of the House.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement I have prepared relating to the bill, and a very fine Washington Post editorial of September 4, 1961, commenting on my bill, S. 2194, as reported and on H.R. 5968 which passed the House.

There being no objection, the statement and editorial were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

The bill (S. 2194) bears the bill number of the measure which I introduced on June 29, 1961, but in the course of hearings held before the Subcommittee on Public Health, Education, Welfare, and Safety of the Senate Committee on the District of Columbia on August 3, 1961, and during the markup of the bill in executive session, modifications were made. I concurred in the modifications. Among the modifications made was the addition of the first section of the bill as it now reads.

This section would extend the provisions of the District of Columbia Unemployment Compensation Act to employees of certain nonprofit religious, charitable, educational, and humane organizations, with certain exclusions which I shall discuss later.

This is not a new departure in the field of social insurance. For several years the executive branch has advocated coverage of employees of such organizations under the Federal law. It was part of a number of amendments to Federal law submitted by the then administration to both Houses of Congress in 1959. The Ways and Means Committee of the House conducted hearings on those proposals in 1959, including the coverage of nonprofit organizations. This particular provision was not, however, included in the Mills bill, which became the Social Security Amendments of 1960, although the act moved in the direction of covering such employees by covering employees of so-called feeder organizations, i.e., business operations owned by nonprofit organizations.

The proposal to cover employees of nonprofit organizations under the Federal law, which would result in their coverage under all State laws, is part of the program of the Kennedy administration, embodied in S. 2084.

The U.S. Department of Labor has for years recommended to the States that they cover such employees. Our two newest States, Alaska and Hawaii, do and have for some time compulsorily covered such employees.

I am informed that employees of virtually all nonprofit organizations are presently covered under old-age and survivors' insurance. In my considered judgment, their need for unemployment insurance is as great as for the protection afforded by the OASI program.

The workers who would be covered include a wide range of occupations, not distinguishable from those performed in presently covered employment. They are printers, typists, elevator operators, cooks, busboys, janitors, scrubwomen, as well as teachers, nurses and professional social workers. Many of them are employed in hospitals and it is estimated that about 40 percent of hospital workers are food, maintenance, and custodial workers. There are also many clerical workers in nonprofit organizations whose work is not essentially different from that of clerical workers in industry. Such evidence as is available indicates that employees of nonprofit organizations have a risk of unemployment as do presently covered workers. While certain professional groups in the nonprofit field may frequently have the protection of tenure and stable employment, with provisions for severance pay, this could be said of many presently covered workers. Other nonprofit organizations' employees, particularly in the nonprofessional occupations, are often low paid and have a high rate of turnover, which generally indicates unemployment.

I am advised that a substantial part of the funds of nonprofit organizations comes from sources other than voluntary contributions. Many such organizations sell goods and services in competition with profit-making organizations. Using hospitals as illustrative, since they employ a large portion of the workers who would be covered by the proposal, according to the U.S. Department of Labor, a study of one group of 85 nonprofit hospitals throughout the country indicated that only 10 percent of their revenue came from gifts and endowments, while about 70 percent represented payments by patients and their insurance carriers.

Making nonprofit organizations liable to pay unemployment compensation contributions would not change the special status they enjoy in regard to taxation generally. The traditional exemption they enjoy from revenue-raising taxes should not be carried over into programs not designed to raise general revenue but specifically designed for the protection of their workers.

The unemployed individual has the same need for income replacement whether his employer is a large industrial concern or a nonprofit organization.

The exclusions which I referred to are ministers, members of religious orders, and the handicapped in sheltered workshops. A sheltered workshop is defined in the bill as "a facility conducted for the purpose (i) of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury, or (ii) of providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market." The persons excluded are the clients of the workshop who are being rehabilitated or performing remunerative work in the workshop, but not the staff of the workshop, such as instructors, foremen, or clerical help.

In addition, the amendment to which I have just referred would not affect the act's present exclusion of students employed by their educational institutions, student nurses and interns, or individuals earning less than a specified amount.

Section 2 of the bill, as reported, defines insured work.

Section 3 of my bill, as reported, is a decided improvement in the law from the standpoint of the employer, as it safeguards the experience rating of employers who, under it, will be permitted to make voluntary contributions to the fund. In passing, I might add, this feature of the bill received the endorsement of the Washington Board of Trade in testimony before the subcommittee. There was no testimony in opposition to this change presented to the committee.

Section 4 of my bill, as amended, sets the maximum weekly unemployment benefit in the District of Columbia at a level where the great majority of covered workers will be eligible for payments equal to at least one-half of their regular earnings. I should like to point out that the rapid rise in wages since 1954, when the present $30 weekly maximum benefit was enacted for the District of Columbia, makes it imperative that the weekly maximum benefit be increased if we are to provide benefits reasonably related to the present wage levels.

The amendment provides that for each calendar year the maximum weekly benefit amount will be 50 percent of the average wage of covered workers in the District. This means that a new maximum weekly benefit amount would be established annually in accordance with the economic situation without the necessity of legislation. The District of Columbia Unemployment Compensation Board informs me that if this provision were presently effective, the maximum weekly benefit amount would be $46.

I believe I speak for most, if not all, members of the Senate Committee on the District of Columbia, in expressing the very strong feeling that an increase in the maximum benefit in line with rising wages and living standards is imperative not only to assure an adequate benefit to the worker for loss of earnings, but also to assist the whole community, through maintaining the purchasing power of the unemployed.

The next section of the bill raises the number of weeks for which an eligible unemployed benefit claimant may receive payment from the present 26-week maximum to a 34-week maximum. I think it should be pointed out that during the period of unemployment the worker would be required to be able to work, to be available for work and to accept suitable work when offered to him.

While I certainly do not believe that a simple extension of the duration of benefits is the proper answer to all of the problem, I do feel that an additional 8 weeks of

benefit payments, as proposed in the bill, would be of great assistance to many wage earners. The 8-week extension falls short of the 39-week provision contained in my original bill which had the distinguished support from labor representatives and within the committee, but in the considered judgment of the committee, it represents a step in the right direction beyond which it would be difficult to go at this time.

It is appreciated that there may be those who, in all sincerity, view with great caution the extension of benefits for the 34-week period. I personally believe that they are exercised over a scarecrow argument which will be found to have little substance in the actual operation of the program. I am convinced that eventually these men, with whom I have an honest difference on this point, will come to accept the 34-week duration as desirable. I hasten to add, Mr. President, that in reporting this bill to the Senate, the committee unanimously agreed upon this uniform 34-week extension.

The next section of my bill, as amended, eliminates the provisions in existing law which require the cancellation of benefits in those cases where individuals have been disqualified to receive benefits by reason of (1) the voluntary leaving of employment without good cause, (2) discharge for misconduct in connection with the performance of work, or (3) refusal to accept suitable work without good cause. The result of the amendment will be the postponement of the payment of benefits for such period of time as an individual may have been disqualified to receive such benefits. The provision of the present law which calls for variable disqualification periods would be retained.

In testifying before the committee, the Board of Trade representative stated that the Board strongly favors denying benefits completely in the above-mentioned cases. The Board of Trade bill provided that such persons would be ineligible for benefits until they have returned to work and have been paid wages equivalent to at least eight times their weekly benefit amount. In my judgment, the Board of Trade position on this provision is dead wrong, as it perverts the purposes of disqualification from one of protecting the fund to one of penalizing the claimant.

The next section of the amended bill makes modification in the qualification required of a person, insofar as the wages received during his former employment are concerned.

Also, at the present time it is difficult to determine whether elderly individuals who have voluntarily retired are in the labor market and seeking employment. Accordingly, the bill includes a provision to prevent individuals who have voluntarily retired from employment without good cause and who have applied for or are receiving retirement to which the employer has contributed, from using wages paid them by such employer prior to retirement in the computation of a claim for benefits.

The last section of my amended bill contains two amendments designed to encourage unemployed workers to enter appropriate training programs in order to provide them with the skills necessary to prevent them from such frequent unemployment.

The first amendment would provide that unemployment benefits would not be denied to an otherwise eligible individual during any week in which he is attending an approved training course. The second amendment which complements the first would provide that benefits would be denied to individuals who refuse without good cause to accept a referral to an approved training course.

Provisions of this nature have been widely discussed, particularly on the House side, in connection with the considerations by Congress of the administration's manpower and training bill. This latter bill, as Senators know, has already passed the Senate and is awaiting action in the House. It is my understanding that there was considerable discussion on the House side concerning the incorporation of such provisions in the manpower and training bill itself. It was pointed out that Federal legislation in this area involves amendments to the Federal Unemployment Tax Act which falls within the jurisdiction of the Ways and Means Committee. That committee had before it the administration's proposal for such a provision in connection with improving the unemployment insurance system. It was, therefore, agreed that such a provision should not be incorporated in the manpower and training bill.

As I have stated, however, there is wide bipartisan support for such a provision. The supporters recognize that training programs for unemployed individuals are designed to improve their opportunities for employment so that they will be far less subject to unemployment. Such a result would have many beneficial effects. It would reduce the ultimate load on the unemployment compensation programs in the States. It would also be of the greatest economic benefit both to the community and the Nation in that workers would become more productive members of society. They would not only produce more and better goods and services, but they themselves would have greater earnings which would put more money into circulation.

It seems obvious that it is far more desirable to place properly selected individuals in a training program when they are unemployed and eligible for unemployment compensation than to leave them idle.

There is a tremendous growing awareness in the States of the desirability of such a practice. Thirteen States and the District of Columbia already have laws which furnish assurance to unemployment compensation claimants that they will not be denied unemployment benefits if they undertake occupational training to which they have been referred by the unemployment service. It is an indication of the growing awareness of the importance of such training that eight of these States enacted such laws at their recent 1961 legislative sessions.

There seems little doubt to me that more and more employers in this country will recognize that proper training of unemployed workers is one of the best methods for keeping them off the unemployment insurance rolls.

In concluding my statement on S. 2194, I urge that the Senate pass the proposed legislation. It is for the most part the bill proposed by the District Commission. It comes to the Senate with the unanimous recommendation of the Senate Committee on the District of Columbia. It is not new legislation or theoretical legislation. Rather, in the best sense of the word, it is conservative legislation. It seeks to conserve, through renovation, sound principles of unemployment compensation, adopted over two decades ago, which are part of the American tradition of social legislation.

[From the Washington Post, Sept. 4, 1961]

FOR THE UNEMPLOYED

Congress has recognized that the District's unemployment laws are badly out of date, and revisions are underway. Characteristically, the House District Committee drew up a bill reflecting accurately the views of the Washington Board of Trade while the Senate committee's version is based upon the District Commissioners' requests. They agree only that the District's maximum benefit of $30 a week is too low.

The Senate committee has done the better job. When the whole standard of living in the city rises, then unemployment benefits ought to rise with it. The Senators propose a floating maximum, set each year at half the average wage of the District's covered workers. Currently, that would be about $47 a week. The House bill merely sets a flat $38, an unhappy compromise. If the House meant it merely to keep step with inflation, their figure is too high. And if it is to keep step with the rise in the average wage here, which has gone from $68 in 1954 to about $94 today, then it is too low.

Between these two bills, the difference in cost is not sufficient to justify any vast anxiety among the employers whose payroll taxes will support the future compensation program. The Senate committee's bill would add another $1.7 million to the $5.2 million that the present program costs, where the House bill would add about $1.3 million.

The Senate District Committee has also made two valuable additions to the Commissioners' draft. Its language would now make nonprofit institutions' employees eligible. And it would remove the absurd rule that prohibits unemployment payments to a person undergoing training in order to qualify himself for a job. The Senators went even further, authorizing the Compensation Board to cut off benefits to a person refusing to take an appropriate training course. At a time when old skills more swiftly become obsolescent and new skills are increasingly in demand, this reversal of old policy is no more than commonsense.

The PRESIDING OFFICER. The committee amendment in the nature of a substitute is open to amendment. If there be no amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment and third reading of the bill.

The bill (S. 2194) was ordered to be engrossed for a third reading, was read the third time, and passed.

AMENDMENT OF SHIPPING ACT OF 1916

The Senate resumed the consideration of the bill (H.R. 6775) to amend the Shipping Act of 1916, as amended, to provide for the operation of steamship conferences.

Mr. KEFAUVER. I yield to the Senator from California for the purpose of the Senator from Wisconsin asking some questions of him.

Mr. WILEY. Mr. President, will the Senator from California yield?

Mr. ENGLE. I yield.

Mr. WILEY. I desire to ask the distinguished Senator from California a few questions relating to the opinion of the Department of Justice found at pages 30 to 37 of the committee report on H.R. 6775. I read the third paragraph on page 31:

Sections 3 and 4 of the subcommittee print depart radically from the version of H.R. 6775 which was unanimously enacted by the House of Representatives on June 12, 1961. The House legislation contained provisions in sections 1 and 2 (to which secs. 3 and 4 of the subcommittee print are roughly comparable) designed to protect competing carriers, shippers, and the general public from untoward effects of the use of dual-rate contracts by ocean shipping conferences. These competitive safeguards—the very heart of this legislation, in our opinion—have been eliminated, either directly or in effect, from the subcommittee print.

What is the answer of the distinguished Senator to that criticism?

Mr. ENGLE. The Department of Justice wanted in the bill the language which is proposed in an amendment to be offered by the distinguished Senator from Tennessee, which would replace certain House language. The language which the Senator from Tennessee wishes to reinsert in the bill reads: "is intended or will be reasonably likely to cause the exclusion of another carrier from the trade."

That is what the Justice Department is referring to in this paragraph. We struck out that language because the Maritime Board said to us that they could not authorize any conference with that language in the bill. It would exclude the conference system, because the conference system, when set up, may tend to cause an exclusion of some people from the trade. That is the purpose of it. We make no bones about it. We simply say, "If you want the conference system, you have to leave that kind of language out. If you put that language back in, you might as well throw the bill in the wastepaper basket, because all you have done is march up the hill, authorize the conference system, and then marched back down the hill and deauthorized the conference system."

The Maritime Board came before us and said: "If you leave this language in the bill, you are not going to have any conference. The question is whether you want a conference system."

The answer to that question is plain to everyone. They all said they want the conference system. The shippers want it. The ship operators want it. The Maritime Board wants it. The foreign-flag lines want it. The State Department wants it. Everybody wants the conference system. If we put that language I have read back in the bill it will in effect deauthorize the conference system; it will negate the purpose of the bill. That is why we took the language out of the bill. That is the basis on which we will oppose the amendment of the Senator from Tennessee, to add the language to the bill. If we put that language in the bill we might as well throw the bill in the wastepaper basket.

Mr. WILEY. I thank the Senator. I now ask him to refer to page 33 of the committee report. I read from the top of the page:

> The Department of Justice considers indispensable to any reasonable enactment on dual-rate and steamship conference agreements the inclusion of language unequivocally barring the approval of such agreements where they are intended or will be reasonably likely to cause the exclusion of another carrier from the trade. Assistant Attorney General Loevinger indicated in his testimony before the Merchant Marine and Fisheries Subcommittee on August 3, 1961, how important are the actual and potential benefits of this legislative protection to American carriers, shippers and the general public. Judge Loevinger noted that, even though at a given moment there may be no American carrier operating independently of the conferences, the ability of an American carrier to withdraw without fear of conference retaliation provides it with leverage within the conference which may be exerted to avert action which may be adverse to its interests or to the foreign commerce of the United States. This is of extreme significance to American carriers which account for only a small vote in virtually every important conference serving our foreign trade.

Does the Senator agree or does he disagree with that conclusion?

Mr. ENGLE. The first part of the paragraph refers to the barring of approval of such agreements where they are intended or will be reasonably likely to cause the exclusion of another carrier from the trade. That is precisely the language that I read in the amendment that is to be offered by the Senator from Tennessee. The remarks I made with reference to that language would apply in answer to that particular portion of what the Attorney General had to say.

The Justice Department does not support conference arrangements. It is against conference arrangements. The language proposed by the Justice Department would defeat conference arrangements and would make it impossible to have conference arrangements. That is the reason I said in my opening remarks, as well as in the remarks that I made to our committee: We must decide whether or not we want a conference system. If we want the conference system, we must not do things which will deauthorize the conference system and destroy it.

The Justice Department's attitude is that if they cannot stop the bill they want to write into it a provision which will make it impossible for the conference system to work. What I said with respect to the language proposed in the amendment suggested by the Senator from Tennessee applies specifically to this paragraph.

They talk about the common carrier not being able to get out of the conference. The common carrier can get out of it. All it need do is to serve notice within the framework of the bill. They can get out of it if they want to. A common carrier can get out of it if it wants to do so.

Let me emphasize this point. There is not one American-flag line common carrier today who does not want to get into these conferences. The Isbrandtsen Line brought the suit in the Supreme Court, in which it was decided that the conference arrangement—and I said that conference arrangements have been in operation for almost 100 years—violated the antitrust laws. That decision has been held in suspension by repeated enactments by Congress since 1958. The Isbrandtsen Co. appeared before our committee and said that they wanted to get into the conference system and was ready to go along with it. No American-flag line common carrier today has indicated that it did not want to be a part of the conference system. All of the common carriers under the American flag want to get in. This bill applies only to common carriers.

Mr. KEFAUVER. Isbrandtsen is practically forced to get in. The statement that there are no American-flag carriers who do not want to work independently is not borne out by the record.

In my presentation I will show that there are 28 carriers who want to operate independently in at least one trade. Of course, some of these who want to operate independently may be in some conferences. I have a list here dated September 1 of this year which shows that at least one of the lines operates outside 28 conferences. I will be glad to show it to the Senator, if he wishes to see it.

Mr. ENGLE. I do not know of any flag line common carrier that objects to this proposed legislation.

Mr. KEFAUVER. I will show the Senator a list of 28 conferences in which at least one U.S. company wishes to operate independently.

Mr. ENGLE. If they wanted to operate independently, they should have come before the committee and opposed the bill. They have not done so. The record is replete with the support of American flag lines for such legislation.

To reply to the Senator from Wisconsin, I answer in two parts. The first part applies specifically to matters just referred to with respect to the exclusion or possible exclusion of other lines. What I said about that was that that language simply deauthorizes the conference, because the Maritime Board has said that with that language in the bill, they cannot approve them.

With reference to the second point, if a line wants to get out, it can get out after giving 90 days notice.

Mr. WILEY. May I continue? I have a few more questions I wish to ask. I refer the Senator to the following paragraph on page 33. It is a part of the opinion of the Department of Justice.

> It is important also to bear in mind that in the ocean trades competition is the only practical restraint on unduly high freight rates.

Then, beginning in the fourth paragraph on page 33, we read:

> For the reasons outlined above, we urge the committee to delete the provision appearing in the subcommittee print beginning at line 22 on page 5, which completely nullifies the protection for nonconference carriers contained in the House-passed version.

What is the Senator's comment on those statements?

Mr. ENGLE. My comment on the first sentence is that competition is not the only restraint; that in the bill we provide that if any conference establishes a system of rates which is discriminatory, unfair, against the public interest, or detrimental to the foreign commerce of the United States, the Federal Maritime Commission will disapprove of that conference. So the conference must work within the framework of reasonable rates and reasonable procedures. If it does not, then the Maritime Commission is authorized to break up the conference by demanding that the American-flag lines pull out.

It must be remembered that the United States has no power to export the regulatory procedures of our Government. For instance, we cannot apply a rate structure procedure to foreign lines; they simply would not submit to it. I read earlier a list of 12 nations which have made it very plain that they will

not put up with the United States establishing a rate procedure such as we have for the railroads, which are all domestic, or for bus lines or for any of the other several types of domestic carriers. But we have gone as far as we can go in saying that when a conference establishes a rate structure which is discriminatory or unfair to shippers or as between ports or is adverse to the trade of the United States—for instance, the conference might provide for a higher rate going out than the rate coming in—the Commission can stop it.

We have provided a limited or qualified monopoly system. There is no question about it. I call it a qualified monopoly, because ordinarily a monopoly excludes everybody. The bill provides that every shipping line that wishes to do so may enter the conference. It is open-ended. Anybody can get into it on the same basis as those already in it; but even after they get in, if the conference does not establish fair rates, if it establishes rates which are discriminatory or against the public interest, the Commission has the power to pull the American-flag lines out. That would break the conference. That is my answer to what we have provided.

The latter part of the Senator's comment refers to some language in the bill which I would have to locate in order to comment on it specifically. Apparently the Attorney General was referring to a committee print different from the one which finally came from the committee. It is difficult for me to identify the particular language to which reference was made. However, I shall be glad to look it up and answer the Senator subsequently, after I have had time to find the language.

Mr. WILEY. I suppose the Senator does not agree with the conclusion set forth of the opinion, as appears on page 34 of the report:

> We believe that the House approach is the more reasonable. It places the burden where it belongs, that is, upon the proponent and expected beneficiary of the proposed dual-rate contract.

I assume the Senator does not agree with that statement.

Mr. ENGLE. No, I do not. Let me say why. The House version approached the problem backwards. Instead of directly authorizing a conference system and providing conditions, it said that conferences were not authorized except "as follows," and so forth.

We turned it around and put the case in the affirmative; we authorize the conference system and set up the conditions.

Mr. WILEY. Another paragraph in the Attorney General's opinion, on page 34 of the report, reads:

> Another provision deleted from the House enactment which should be reinstated is that precluding any requirement that shippers divert their shipments from natural routings. The purpose of this provision was to insure shippers freedom to choose the ports from which and to which to ship their goods. It is one thing for Congress to permit a system of contracts under which shippers must promise that when they ship from a particular port they will use conference vessels, but it is a wholly different thing to permit conferences to compel shippers to ship from a particular port when it may be more economical for them to ship from other ports which the conferences may not happen to serve. The Department of Justice recommends that the House provision on this point be reinstated in H.R. 6775.

What about that statement?

Mr. ENGLE. We simply require the shippers to use the conference lines routes when the conference lines have the capacity and the space available. If the space is not available, then the shippers do not have to use those routes, and they may be freed immediately from that requirement. The Senator will find that reference on page 11 of the report:

> In addition, no contract could be approved unless it expressly—
>
> (a) permitted prompt relief of the contract shipper with respect to any shipment for which the contract carrier or conference could not provide the space he needs on reasonable notice.

In other words, if a conference agreement were established in which the shipper said he would ship his goods with the conference, at conference rates, and he examined the schedules with reference to what the conference provided with respect to cargo and tonnages, if the conference could not provide the shipper with the service, he would have a right under this provision to get out. I think the committee took care of the Attorney General's complaint in that respect.

Mr. WILEY. The fourth paragraph of the Attorney General's opinion, on page 35 of the report, reads:

> Clause 5 of section 3 of the subcommittee print permits the approval of dual-rate systems where the maximum spread between contract and noncontract rates is 15 percent. We view any spread in excess of 10 percent as unwarranted. In this connection, it should be noted that the House report indicated a problem in determining a maximum spread figure which would not penalize a shipper who does not choose to limit his shipments to conference vessels and which at the same time would provide a reasonable inducement to execute such agreements.

Why was the 5 percent added?

Mr. ENGLE. The 5 percent was not added. The Attorney General favored a 10-percent spread. Let me describe exactly what happened. A dual-rate system is provided for. Dual rate means that a lower rate is provided for shippers who agree to ship all, or substantially all, of their commodities within the conference.

The other rate is a higher one. So, actually, the shipper gets a lower rate if he commits himself to ship with the conference. That leaves two rates—the rate paid if there is no agreement to ship a substantial part of the goods, and the rate if there is such an agreement. What is the spread between them? The spread provided by this measure is 15 percent. Some may argue that it should be 10 percent; some may argue that it should be 20 percent. But the committee examined the entire situation, and arrived at the 15-percent figure on the basis of the information which appears on page 14 of the report, as follows:

> Of the 62 dual-rate conferences serving U.S. ports in 1959, 21 expressed their spread between contract and noncontract rates in percentage figures (showing the percentage above the contract rate of the noncontract rate). Of the 21, 18 were using a 20-percent spread; 1, 15 percent; and 2, 10 percent. [See Hearings Before Antitrust Subcommittee of Committee on the Judiciary, House of Representatives, on Monopoly Problems in Regulated Industries; Ocean Freight Industry, 86th Cong., 2d sess., pt. 1, vol. 1, at 740–741 (1959).]

In short, one group had 20 percent; one group had 10 percent. We provide for 15 percent.

Mr. WILEY. The Department of Justice is convinced that it is not in the public interest to have agreements which may create a monopoly in connection with such shipments. Does the bill as reported create a monopoly?

Mr. ENGLE. It creates what I call a semimonopoly or a qualified monopoly. Such semimonopolies, in one form or another, have been in existence since 1877. Every study made of this subject—and there have been numbers of them; the first was in 1909, by a royal commission of the British Government, which investigated all this conference business; and in 1912 there was the so-called Alexander committee hearings; and there were the hearings with reference to the 1916 Shipping Act; and there were hearings with reference to the 1936 Shipping Act—every one of them arrived at precisely the same answer; namely, that in the area of common carriers in the international maritime business, there cannot be stability within the industry without having a conference system; and the alternative is to go into a rate war, which ends with the big ones swallowing the little ones, and then there is a worse monopoly situation than ever.

In other words, every study made of this subject, over a period of more than 50 years, has arrived at precisely the same answer, which is exactly opposite to what the Attorney General has stated.

So we disagree with the Attorney General; let there be no question about that. That is the issue before the Congress in connection with this legislation. The State Department, the Department of Commerce, and the Maritime Commission all support this legislation. The Department of Justice does not like it, because it proceeds to authorize a quasi-type monopoly operation.

We assert that history and 50 years of study have shown there is no other sensible way to proceed. We think it important not to let these people run hog wild and set rates any way they want to. That is why we have provided for control of this situation by the U.S. Maritime Commission, a public agency which is charged with acting in the public interest; and under our bill, it will have the responsibility of pulling out the American flag lines whenever any of the things listed on page 11 of the report are

done. A contract cannot be approved if the Commission finds the contract—

(a) Detrimental to the commerce of the United States; or

(b) Contrary to the public interest; or

(c) Unjustly discriminatory or unfair as between shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors.

In addition, no contract could be approved unless it expressly—

(a) Permitted prompt release of the contract shipper with respect to any shipment for which the contract carrier or conference could not provide the space he needs on reasonable notice,

(b) Provided that rates shall not be increased for a reasonable period, in no case less than 90 days, except in case of war or other force majeure,

(c) Covered only those goods of the contract shipper as to which he has the legal right at the time of shipment to select the carrier,

(d) Limited liquidated damages to what would be due at the contract rate on the particular shipment, less cost of handling,

(e) Permitted the shipper to terminate on 90 days' notice,

(f) Provided for a reasonable spread between contract and noncontract rates, in no event more than 15 percent of the noncontract rate,

(g) Excluded from the coverage of the contract, cargo loaded in bulk without mark or count, and

(h) Contained other appropriate provisions required by the Commission.

So the Maritime Commission will have power to impose even more regulations.

I am saying that although by means of this measure there will be established and specifically authorized a conference system with quasi-monopolistic features—quasi, because any common carrier can get in on the same basis with any other common carrier—nevertheless, in order to protect the public interest and keep the concerns in the conference from robbing the shippers or discriminating between ports, and so forth, we have provided that the U.S. Maritime Commission, a public agency, shall have the direct responsibility of seeing to it that the actions listed are not taken.

What is the difference between such an arrangement and the arrangements made in connection with the railroads and the airlines and the buslines in the United States today? Such arrangements must be made. The railroads have a monopoly, and there are monopolies in a great many other fields. And the railroads and the other groups are subject to regulation.

The problem of dealing with international shipping is that we cannot force the foreign-flag lines to accept American law. All we can do is provide "If you get out of line, and start robbing the public, we will require our Maritime Commission to pull out the American lines and break up the conference." That is the only power we have.

Mr. KEFAUVER. But there is a great deal of difference between that and the right of the Interstate Commerce Commission to regulate the railroads and the right of the Civil Aeronautics Board to regulate the airline transportation. The main thing they do is set the rates. But under this measure, the Maritime Commission would not have any power to set the rates.

Mr. ENGLE. How could our Government do that? Let the Senator from Tennessee explain how our Government could do that.

Mr. KEFAUVER. I shall explain.

As a matter of fact, at no time in the history of the Maritime Commission has any agreement ever been knocked out because of excessive rates, although there is ample clear proof to the effect that there have been many cases of excessive rates and complaints about the rates.

What can be done is adopt the language voted by the House, to the effect that no conference shall set a rate unreasonably high or unreasonably law. But the Senate committee deleted such language.

The main power of regulatory agencies is the power to set rates. But such a provision is completely absent from the Senate committee's version of the bill; and thus the American shipper would have no protection whatever, ratewise.

Mr. ENGLE. Mr. President, will the Senator yield so I may comment on that last remark?

Mr. KEFAUVER. Yes.

Mr. ENGLE. I wish to comment on the matter of setting rates. We can set the rates for concerns doing business in this country. We have jurisdiction to do that. We can set fares for air lines operating in this country, but we cannot set fares on international lines. We cannot do it; that is all there is to it. The other countries are not going to subject their flag lines to that kind of regulation. I gave a list of the countries that have stated they will not do it.

Mr. KEFAUVER. Mr. President, if the Senator will yield, he will find that the CAB sets the fares on international airlines landing in this country.

Mr. ENGLE. They cannot do it.

Mr. KEFAUVER. Whether they can or not, they do it. I will give the Senator the places and references where they do it.

Mr. ENGLE. We have statements from the State Department and representatives from the flag lines themselves. They simply will not accept the idea of American boards setting these rates. We are dealing with an international business. We are not dealing only with our own lines exclusively. As a consequence, we must enter into an arrangement which makes it possible for the conferences to operate on a voluntary basis, and include foreign nations.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

Mr. WILEY. One particular point which has been discussed concerns me very much. For instance, if we want to ship some cheese to Genoa, we pay $6.38 per hundredweight, and they pay back to America $6.84 per hundredweight. My whole thought is that in a bill such as is under consideration we are trying to get at a situation which is very unhealthy at the present time. Our exports are dwindling. We find the charges we have to pay for exports are sometimes twice what are paid for imports. I presume this question has been examined by the distinguished Senator. If the Senator will refer to page 37——

Mr. ENGLE. Let me comment on that particular matter. We have included that authority in the power of the Commission. As I have said, we cannot put American regulatory bodies in the business of setting international shipping rates, because foreign countries will not accept it; but where they are unfair, discriminatory, or adverse to the foreign commerce of this country, the Commission has the authority and is directed not to approve the conference, but to disapprove it.

Mr. WILEY. I refer to page 37 of the report:

The Department of Justice also recommends the deletion of section 7 of the subcommittee print. This section would permit serious inroads to be made upon the confidential relationship between shippers and carriers established by section 20 of the 1916 Shipping Act.

I wonder what, if any, action was taken with reference to that recommendation.

Mr. ENGLE. Let me say this while we are getting section 7, so the specific language will be before me. As a result of the reprinting of the bill, there is a different alinement than that which was referred to in the Attorney General's letter.

Here is the problem with reference to the matter of asking shippers to supply data.

The House bill provided that foreign ship lines would be required to designate an agent who would be required to supply data with reference to all the contracts and shipping operations of the foreign lines. This is precisely what the State Department and the foreign countries to whom I referred objected. They said they would not permit their citizens to subject themselves to the jurisdiction of the U.S. Federal Maritime Board. As a consequence, they vigorously protested any effort on our part to give extraterritorial force and effect to American law.

What they are saying is that they will not permit their flag lines to supply information to American regulatory agencies.

On page 19 of the report, the last paragraph, at the bottom of the page, relating to section 6—these sections have been changed, as I indicated before—reads as follows:

To this provision we have added two clauses which should make it more acceptable to the Department of Justice. The Department pointed out that as passed by the House this provision would allow conference carriers to solicit and receive the specified information from freight forwarders, terminal operators, and other persons subject to the act, but that such "other persons" would not be immunized from the proscription of those portions of section 20, Shipping Act, 1916, which are not amended by this act. Accordingly, your committee added the phrase "or by any other person subject to this act," to the pertinent portion of the section. In addition, we added a

special protective provision that "the use of such information for any other purpose prohibited by this act or any other act shall be unlawful.

That is the end of the quotation of the section.

Mr. WILEY. Is it the opinion of the Senator that the bill as the committee reported it makes for competition or eliminates competition?

Mr. ENGLE. In my opinion, the bill would have a tendency to limit and restrict destructive competition. There is no question about that. The kind of competition we are trying to eliminate is the cutthroat competition in oceanborne trade which would make it impossible for shipping lines to maintain regular rates and routes, and would cause the big lines to swallow the little ones and result in a worse monopolistic situation. As a matter of fact, when the Royal Commission reported on this problem in 1909, that is exactly what it said.

I am not in favor of monopolies. I usually side with the distinguished Senator from Tennessee on the question. However, I do not know of any other way to handle international shipping than by following the procedure which has been in effect for nearly 100 years.

We are trying to put a regulatory force on top of these conferences to the extent we can execute American law. In my opinion, we have gone as far as we can go and have a conference system at all. The question is raised again, "Do we want a conference or not?" Every agency that has studied the problem for over 50 years has said we should have one.

I assure the Senate the legislation goes just as far as we can go in maintaining regulatory power over the conference system.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. ENGLE. The Senator from Tennessee has been very kind in yielding to me, and I am glad to yield back to him.

Mr. KEFAUVER. The House sent to the Senate a workable bill, with a minimum amount of protection.

Mr. ENGLE. Mr. President, will the Senator yield on that point?

Mr. KEFAUVER. I will yield in a moment. There was a minimum amount of protection provided for the shippers. All that protection has been removed from the Senate bill.

Mr. ENGLE. Mr. President, will the Senator please yield?

Mr. KEFAUVER. The Senator said that the Senate bill went as far as it could in trying to regulate and to treat fairly American shippers. I think the Senator is badly mistaken about that. Never in the history of the Maritime Administration has any conference been set aside because of excessive rates.

The Senator talked about aviation. I shall have the citation in a little while, but I merely say the IATA suggests rates, and then our law provides that the Civil Aeronautics Board must specifically approve or disapprove of the rates. The CAB has the right to disapprove, if the rates are unreasonable. The Senator even took out the little provision that the Maritime Board would have the right to disapprove any rates if it found them to be unreasonable. Even that small protection was taken out.

In connection with international shipping, we should certainly protect the independent carriers and the American shippers, in my opinion. Substantially all the protections have been removed.

Does the Senator wish to have me yield for a question?

Mr. ENGLE. Yes. I should like to make a comment. The Senator says that some provisions of the House bill were removed. The reason we removed the provisions which were in the House bill was that we were informed by everybody associated with the proposed legislation that we might as well throw the bill in the ash can if we kept those provisions in the bill.

Mr. KEFAUVER. I have read the hearings.

Mr. ENGLE. Will the Senator yield, to let me go further?

Mr. KEFAUVER. I wish to challenge that statement.

Mr. ENGLE. I hope the Senator will let me finish.

Mr. KEFAUVER. Mr. Grant Arnold, the chairman of the Special Committee on Study of the Shipping Act of 1916, suggested amendments. One of the amendments he suggested referred to the taking out of the antitrust provisions.

Mr. Thomas E. Stakem, the Maritime Administrator, said the House amendments would be difficult to handle, but, if I read his testimony correctly, he did not say the House bill would be worse than no bill.

In the hearings held by Representative BONNER, a great many shippers objected to the dual rate provisions. Even in the hearings held by the Senator from California, the representative of the Pacific Coast Coffee Association was very critical, as the Senator knows. Mr. J. Richard Townsend, counsel for the Pacific Coast Coffee Association, objected to the Senate bill and said that the House bill should be passed because it had some protections for American shippers.

Mr. ENGLE. The Senator's statement is correct about the counsel representing the Pacific Coast Coffee Association, but the great majority of the shippers are in favor of the proposed legislation. The distinguished chairman of the Committee on Commerce has a stack of telegrams he has received from various industry groups throughout the country. I wish to make it clear, if the Senator will be kind enough to yield once more, that we tried to make the bill which came to us from the House acceptable not only to the shipping industry and to the shippers, but also to the State Department, to the Department of Commerce, and to the Maritime Administration. They came in and said, "We cannot live with this bill." That is what they said. I said, "Why can you not live with it?" They said, "Because it is an attempt to give extraterritorial force to the antitrust laws and regulatory procedures of this country, and the foreign flag lines will not take it. The foreign governments will not take it." I said, "What would you do to get a conference? We cannot mandamus the foreign lines to come in."

We had to come up with a proposal which would be accepted voluntarily for participation. That is precisely what we did. We took out the extraterritorial force of the antitrust laws and domestic regulation. Then we provided, in addition to the arrangement under which the conferences would be affirmatively approved and legalized, that nevertheless the Maritime Administration would be required to see that the conferences were run in the public interest and not with discriminatory rates or procedures.

Mr. KEFAUVER. May I answer the Senator?

Mr. ENGLE. That would be true in all respects, I say to the Senator.

Mr. KEFAUVER. Which member of the Maritime Administration said they could not live with this bill? I cannot seem to find that.

Mr. ENGLE. That was the import of the testimony.

Mr. KEFAUVER. Which one said it?

Mr. ENGLE. This was the import of the testimony.

Mr. KEFAUVER. I cannot find where it was said they could not live with the bill.

Mr. ENGLE. I would not say that precise language was used.

Mr. KEFAUVER. What language was used?

Mr. ENGLE. All three of these agencies support the bill now before the Senate, the bill the committee reported. The committee voted unanimously to report the bill to the Senate.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. KEFAUVER. I had agreed earlier to yield to the Senator from Virginia [Mr. BYRD].

Mr. MAGNUSON. I merely wished to have printed in the RECORD at this point, by unanimous consent, the statement of the Honorable Thomas E. Stakem, Maritime Administrator, shown beginning on page 45 of the hearings.

Mr. KEFAUVER. I yield for that purpose, but I ask unanimous consent that, following, there also be printed the statement by J. Richard Townsend, counsel for the Pacific Coast Coffee Association, as shown beginning on page 129 of the hearings.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF THOMAS E. STAKEM, MARITIME ADMINISTRATOR AND CHAIRMAN OF THE FEDERAL MARITIME BOARD

Mr. STAKEM. Thank you, Mr. Chairman.

Mr. Chairman, my statement is short. Knowing the committee has a short time in which to hear a lot of witnesses, I think I can get by within my time allotted.

The Federal Maritime Board appreciates this opportunity to appear before your committee and to testify on H.R. 6775. I understand that the committee has a number of witnesses scheduled to testify today and accordingly shall make this statement as brief as possible and touch on the highlights of the bill.

The first section of H.R. 6775 deals with dual rates. This portion of the bill while designed to legalize dual rates, imposes certain standards in connection with their ap-

proval. Thus H.R. 6775 requires that before any dual rate system may be approved the Board must find with respect to such system:

(a) That the system is not intended to cause the exclusion of any other carrier from the trade (p. 2, lines 10–12).

(b) That the system will not be reasonably likely to cause the exclusion of any other carrier from the trade (p. 2, lines 11–12).

(c) That the system will not be detrimental to the commerce of the United States (p. 2, line 13).

(d) That the system will not be contrary to the public interest (p. 2, line 14).

In addition, it would require the Board to withdraw permission as to any system if it finds—

(e) That the system tends to cause the elimination from the trade of any carrier (p. 3, lines 21–22).

(f) That the system prevents the entry into the trade of any carrier (p. 3, lines 21–22).

These general standards obviously overlap to a great extent, and yet the inclusion of each by specific mention in a legislative enactment creates the presumption that each has a separate and distinct meaning. The multiplicity of these standards and limitations and the difficulty of allocating separate significance to each one will make for confusion and much litigation.

In addition to these general standards, the bill requires that every dual-rate system shall conform to the seven specific requirements enumerated from page 2, line 15, through page 3, line 15.

These specific requirements are effective curbs upon the competitive impact of the dual-rate system. In addition, the Board is authorized by clause (8) (p. 3, lines 15–17) to require other provisions, not inconsistent with the rest of the section, to be inserted in any dual-rate system.

We believe that these seven specific requirements, together with such other limitations as may be required by the Board under the authority of clause (8), sufficiently insure against the use of any unfair or coercive system.

We believe that it is unnecessary in addition to prohibit expressly any system which is intended to cause the exclusion of any other carrier, or which will be reasonably likely to cause the exclusion of any other carrier, or which will be detrimental to the commerce of the United States, or which will be contrary to the public interest, or which will tend to cause the elimination from, or prevent the entry into, the trade of any carrier.

The accumulation of all of these separately articulated standards would present a difficult problem to the officials responsible for administering the statute.

We favor legalization of the dual-rate system because we have found it to be necessary at times to prevent instability and chaotic rate competition between conference and independent.

We believe that the hearings of the House Merchant Marine and Fisheries Committee over the past 2 years prove that such legalization is favored as well by shippers and receivers of cargo, and by the steamship industry.

Given this general consensus of opinion, we feel that there is a clear call for legislation effecting a legalization of dual rates. The multiplicity of standards established in the bill, however, may mire down applications for permission to use the system into such lengthy litigation as to make the stabilizing effects of the system available, if available at all, only after long delay.

And, finally, even after a system is ultimately permitted, it might be so watered down as to lose its effectiveness as a control over destructive rate competition.

The balance of H.R. 6775 makes certain amendments and additions to the Shipping Act, 1916, generally designed to strengthen the act and make it more effective. Two points therein merit comment at this time.

At page 6, lines 14 through 19, H.R. 6775 appears to establish a mandatory requirement that every conference agreement shall contain effective provisions for policing the obligations under it. It is not clear whether such provisions provide for policing by the members themselves, by the Federal Maritime Board, or by some other body. Presumably, however, this means some form of self-policing. Clarification of this point would be desirable. Assuming that it refers to a system of self-policing, it is suggested that some discretion should be allowed the Board as to the form of system to be used.

Section 7(c) of H.R. 6775 authorizes the Board to make such rules and regulations as may be necessary to carry out sections 14, first (b), 15, 18(b), 19(b), 20, and 21 of this act. The limitation of the Board's rulemaking authority in aid of these specifically named sections may imply an absence of such authority in aid of other sections of the act.

The Board believes that it has such general rulemaking authority, although the Shipping Act does not contain an express grant thereof. We believe that an express grant of such general authority is desirable.

Finally, we should like the record to show that the Federal Maritime Board and the Secretary of Commerce submitted to the House Merchant Marine and Fisheries Committee additional recommendations for the enactment of several largely procedural provisions which we believe to be essential to the adequate and effectual administration of the substantive provisions of the Shipping Act.

These recommended amendments, however, have not been included in H.R. 6775 as it passed the House. The Board will submit to the Congress draft bills covering the points in question so that further consideration can be given on the merits of each recommendation.

The Bureau of the Budget advises there is no objection to the submission of this statement from the standpoint of the administration's program.

Senator ENGLE. How soon, Mr. Stakem, can you have the draft bills available for the committee?

Mr. STAKEM. Yes, we do have them.

Senator ENGLE. Do you have them with you?

Mr. STAKEM. Not with me.

Senator ENGLE. How soon can you have them up here?

Mr. STAKEM. The complete language of the drafts is included in the House hearings. Whether they have been actually put in the form of a bill, I do not know. But it would be a matter of a very short time, Mr. Chairman.

Senator ENGLE. Senator BUTLER.

Senator BUTLER. I have no questions at this time.

Senator ENGLE. Thank you very much for your statement, Mr. Stakem.

If we have a choice between letting this law die and extending it, which do you prefer we do?

Mr. STAKEM. If the choice is between this bill and no bill, which would leave the dual rate systems high and dry, we would say this bill.

If the choice is between this bill and interim legislation for a continued period of study, we would favor the interim legislation.

Senator ENGLE. When you say "interim" you do not mean a long time?

Mr. STAKEM. One year.

Senator ENGLE. Thank you very much.

Thank you for your statement.

Our next witness is Mr. Edwin M. Martin, Assistant Secretary for Economic Affairs, Department of State, Washington, D.C.

Mr. Martin?

STATEMENT OF J. RICHARD TOWNSEND, COUNSEL, PACIFIC COAST COFFEE ASSOCIATION, SAN FRANCISCO, CALIF.

Mr. TOWNSEND. I have a very short statement, Mr. Chairman, that I would like to make. It will take about 10 minutes.

My name is J. Richard Townsend, I am an attorney in San Francisco and am attorney for the Pacific Coast Coffee Association, for which I am appearing today.

The Pacific Coast Coffee Association is a trade organization composed of 70 firms engaged in the importation, sale, or manufacture of coffee on the Pacific coast. Its members constitute practically the entire coffee industry on the Pacific coast.

Coffee is the leading import to the Pacific coast of the United States in dollar value. This coffee is imported principally from Brazil, Colombia, and the west coast of Central America and Mexico.

The Pacific Coast Coffee Association and its members have a very great interest in the dual rate legislation that is under consideration, since the dual rate system applies in three of the four principal trade routes of coffee to the Pacific coast.

Mr. Edward Bransten, chairman of the steamship committee of the association, and I have testified three times at hearings before House committees concerning this legislation, twice before a subcommittee of the House Merchant Marine Committee and once before the Antitrust Subcommittee.

Mr. Bransten is presently in Central America on business and is unable to be here today, so I have been asked to present the views of this association concerning H.R. 6775.

In his earlier testimony, Mr. Bransten pointed out in detail the serious adverse effects of the present dual rate system on the Pacific coast coffee roasters and importers. In the coffee trades to the Pacific coast that employ the dual rate system, the exclusive patronage agreements are signed by the receivers of coffee in this country, and such agreements cover coffee exclusively.

There is absolutely no nonconference competition in the trades which employ the dual rate system on coffee to the Pacific coast. At the present time, therefore, the coffee receivers on the Pacific coast have absolutely no bargaining position concerning the contents of the dual rate agreements, and they have no statutory assistance in that respect under the present law.

They are compelled to enter into any dual rate agreement that the conference places before them because, for competitive reasons, they cannot pay the noncontract rates, which are $3 per ton higher than the contract rates in these trades.

The result of this has been that the dual rate agreements in these trades place very heavy obligations on the receivers of coffee, and practically no obligations on the carriers. Because of this monopolistic situation, the dual rate conferences have been able to disregard the interests of the Pacific coast coffee industry in the matter of rates and steamer service.

The matter of freight rates is discussed in detail in our earlier testimony. Suffice it to say here that the action of these dual rate conferences has placed the Pacific coast coffee industry at a competitive disadvantage with respect to the matter of freight charges.

The effect of the present dual rate system on steamer service is likewise very detrimental to the Pacific coast coffee industry. Although the steamship lines assert that the dual rate system results in improved steamer

service, the experience of our industry has been exactly the opposite, in two respects.

In the first place, the sailings of the different conference lines are not staggered. The lines follow each other into port, apparently for fear that one line will secure more cargo than another. The result is that the steamer sailings are bunched together, and then there is a considerable gap before additional sailings.

In the second place, for their own convenience the conference lines do not adhere to their published schedules, frequently changing announced vessel schedules for as much as 1 or 2 weeks. This creates very serious inventory problems for the coffee industry. Detailed testimony has previously been presented concerning the deficiencies of the steamer service in these dual rate trades.

The steamship conferences have disregarded requests to correct these rate and service situations. In the case of one important dual rate conference, there is not even anyone in authority in the United States with whom problems of the coffee receivers can be discussed. That conference operates from the west coast of Colombia to the Pacific coast of the United States, and its headquarters are in Cristobal, Panama Canal Zone, which is neither a point of origin nor a destination in the trade.

I desire to emphasize that under the present state of the law the Pacific coast coffee receivers are helpless to do anything about this situation. They have no outside steamship competition to which they can resort for assistance. The present statutes afford them no protection of any substance.

It is certainly not in the best interests of the foreign commerce of the United States that a situation such as this be permitted to continue. Two different committees of the House have been investigating the dual rate situation and holding hearings on this subject for more than 2 years last past. All of the interested parties have had a full opportunity to present their views and to suggest language which should be included in a statute that would authorize the use of the dual rate system.

We have taken advantage of this opportunity to offer specific suggestions to those committees, and many others have likewise made suggestions.

On the basis of such extensive investigations and hearings, the House Merchant Marine Committee, in cooperation with representatives of the Antitrust Subcommittee, has devised H.R. 6775, and this bill has been passed by the House.

The position of the Pacific Coast Coffee Association with respect to H.R. 6775 may be summarized briefly as follows: We believe that H.R. 6775 contains the very least protection that shippers and receivers of freight in this country are entitled to have against the tremendous power of a steamship conference which employs the dual rate exclusive patronage system.

In our opinion this is a good bill and it will go far toward eliminating the problems which have herefore existed under the dual-rate system. We believe that the shippers and receivers in this country should not be required to continue to operate any longer under the unregulated dual-rate system that has heretofore existed. Moreover, the continuance of such unregulated dual-rate system is contrary to the best interests of our foreign trade.

We believe that H.R. 6775 should be enacted promptly in its present form. If there are any aspects of this bill, such as the matter of requiring information from foreign steamship lines, which require further consideration, in our opinion these matters should be considered after the bill has been enacted, as possible amendments thereto.

We are strenuously opposed to the postponement of the protective features of this bill for another year or two while other provisions of the bill are being given further consideration.

After all of the investigations and hearings and all of the work that has gone into this matter, we believe that it would be most unfortunate and unfair to the shippers and receivers of freight in this country if they are to be compelled to continue to endure the abuses that are inherent in the existing dual-rate system for another year or two while certain aspects of the bill are reconsidered by the Senate.

The Pacific Coast Coffee Association hopes, and respectfully requests, that H.R. 6775 be enacted promptly, so that it will not be necessary to continue the existing unregulated system in effect and so that the shippers and receivers of cargo will have the protection against the powerful dual-rate conferences to which they have been found by the House committees to be entitled.

Mr. Chairman, with respect to a time schedule may I just add this: We hope that permanent legislation can be enacted by June 30. If this is impossible, we believe that any extension of the interim legislation should be for not more than 60 days, and that permanent legislation should be enacted during this session of Congress.

Our fear is that if all of the conflicting views are reconsidered, another 2 or 3 years will be consumed, and even then probably no one will be any more satisfied than today. And in the meantime the shippers and receivers of cargo will suffer the abuses of the present dual-rate system.

We believe that it is much better to enact H.R. 6775 promptly and then amend the law if experience shows that amendments are necessary.

These are our views in spite of the fact that not all of our suggestions were included in H.R. 6775.

We desire to thank this committee for the opportunity of expressing our views to it.

Senator ENGLE. Thank you, Mr. Townsend. You can be perfectly sure of one thing, that I am not going to sit through 13,000 pages of testimony.

Please express our appreciation to Mr. Bransten, who I know has given this problem very careful consideration over a long period of time.

Mr. TOWNSEND. Thank you, Mr. Chairman.

Senator ENGLE. We appreciate your coming in on such short notice.

Mr. TOWNSEND. Thank you.

Senator ENGLE. The next witness is Mr. T. R. Stetson, director of exports, United States Borax & Chemical Corp., Los Angeles, Calif.

The Chair would like to say that we are trying to get to the witnesses from the faraway places.

Mr. Stetson, can you complete your statement in 5 minutes?

Mr. WILEY. Mr. President, it is imperative that these conferences which have been discussed do not acquire so much power that they injure American industry. That is the purpose of some of my argument today. We must take into account, in making our decision, the question whether these conferences, which are simply a gathering together of various shipping companies, should be granted unfettered authority to set rates by common agreement.

I realize that it is claimed that we cannot interfere with these foreign companies. Why not? They come to our ports. They get the benefit of our merchandise. All we are interested in is to see that we get a fair shake in shipping our merchandise out.

I ask unanimous consent that following my previous remarks there be printed in the RECORD the Attorney General's opinion found at pages 30 through 37 of the committee report.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE,
OFFICE OF THE DEPUTY
ATTORNEY GENERAL,
Washington, D.C., August 16, 1961.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR CHAIRMAN MAGNUSON: We have been furnished by Mr. Webster, counsel for the committee, with the subcommittee print of H.R. 6775, dated August 8, 1961. Mr. Webster informed us on August 3, 1961, that the Department of Justice's comments on this print of the bill would be desired by your committee. Accordingly, we are pleased to submit the following report on the subcommittee print.

H.R. 6775 would amend the Shipping Act, 1916, as amended (46 U.S.C. 801 et seq.), in various respects. The comments which follow are directed to the provisions of the subcommittee print of the bill intended to effect changes in existing law which are of serious concern to this Department.

Section 3 of H.R. 6775 would amend section 14 of the Shipping Act by adding a new section 14b which would require the Federal Maritime Board (hereinafter referred to as "the Board") to permit the use by any common carrier or conference of carriers in foreign commerce of any contract which provides lower rates to shippers or consignees who agree to give all or any fixed portion of their patronage to such carrier or conference, if such contract would not have certain proscribed effects and if it meets requirements enumerated in the bill. The effect of enactment of section 3 would be to sanction the use in the ocean shipping trades of the exclusive patronage contract/noncontract rate system, more frequently referred to as the dual-rate system.

Section 4 of the bill would amend section 15 of the Shipping Act which deals with Board approval of agreements between carriers. The principal changes concern conference agreements.

Sections 3 and 4 of the subcommittee print depart radically from the version of H.R. 6775 which was unanimously enacted by the House of Representatives on June 12, 1961. The House legislation contained provisions in sections 1 and 2 (to which secs. 3 and 4 of the subcommittee print are roughly comparable) designed to protect competing carriers, shippers, and the general public from untoward effects of the use of dual-rate contracts by ocean shipping conferences. These competitive safeguards—the very heart of this legislation, in our opinion—have been eliminated, either directly or in effect, from the subcommittee print. Therefore, were H.R. 6775 to be enacted in its present form, it would give ocean shipping conferences virtually unrestricted license to employ dual-rate contracts, and other conference practices, as deliberate predatory devices to stifle the competition of carriers not affiliated with the conferences.

As the committee is aware, ocean shipping conferences operating in the foreign commerce of the United States are private organizations, somewhat akin to trade associations, organized to further the business interests of the participating steamship lines. While the conferences must file their agreements with the Board and secure approval prior to initiating joint action, because of the international nature of the shipping industry, the supervision which the Board may exercise is quite limited and hardly comparable to the comprehensive regulation exercised with respect to domestic transportation industries by such agencies as the

Civil Aeronautics Board and the Interstate Commerce Commission. For example, the Board has no jurisdiction over the reasonableness of rates charged by steamship lines in American foreign commerce and, except as to subsidized U.S. carriers, has no control over the adequacy, frequency, or regulatory of service provided by steamship lines operating to and from U.S. ports.

The most profound change in H.R. 6775 which would be effected by the subcommittee print deals with the right of nonconference carriers to enter or serve ocean trades with freedom from predatory and anticompetitive onslaughts by the conferences.

The typical shipping conference represents a tremendous concentration of power. On practically every one of the U.S. foreign trade routes the conferences enjoy monopoly control; indeed, there are few, if any, in which the conference does not control at least 80 percent of the liner cargo movement. In most trades the percentage is much higher. Absent the antitrust exemption which Congress provided in the Shipping Act, the joint rate-fixing activity and the other forms of anticompetitive collaboration typical of the conference system would do violence to the antitrust statutes. The history and weight of interpretation of the 1916 act amply demonstrate that while Congress made it possible for steamship lines to cooperate voluntarily in conference arrangements, Congress was equally determined to protect the rights of carriers who choose not to participate in conferences, as well as to insure to shippers the right to patronize nonconference carriers without retaliation from the conferences. Thus, for example, Congress specifically outlawed in section 14, first and second, of the Shipping Act two of the most vicious practices known in 1916 to have been employed by conferences against their competitors; namely, the deferred rebate and the operation of "fighting ships." In section 14, third, Congress similarly prohibited retaliation against shippers who patronize other carriers.

H.R. 6775 as enacted by the House of Representatives took into account the demand for legalization of dual-rate contracts but at the same time provided that such contracts not be used where designed to drive another carrier out of business or where the reasonably likely result of their use would be equally adverse to the public interest in maintenance of free competition. By contrast, the subcommittee print of August 8, 1961, reflects the philosophy that a carrier ought to join a conference or suffer the consequences of predatory conference action. It is this approach to legislation on dual rates which the Department of Justice finds so disturbing.

The changes effected in sections 1 and 2 of H.R. 6775 by the subcommittee print are not fully apparent until study is made of all the provisions of sections 3 and 4 of the subcommittee print, and particularly of section 4. While section 3 appears to retain in substance the language of the House-passed version which would bar approval of any dual-rate contract which is intended or will be reasonably likely to cause the exclusion of any carrier from the trade, section 4 would wholly nullify the purport of this key provision. Section 4 of the subcommittee print provides that "[i]f a common carrier is eligible but unwilling, on reasonable and equal terms and conditions, to join a conference approved by the Board and serving a trade, such carrier may not be deemed excluded from that trade, or prevented from entering it, or eliminated from it, within the meaning of all such terms as used in this section and section 14b of this act." The clear effect of the latter provision would be to deprive the nonconference carrier of the protection against unfair exclusion from a trade whenever the nonconference carrier has chosen to remain independent of the conference. Since almost every conference in the U.S. foreign trade would welcome the membership of the nonconference carrier in order to eliminate the latter's competition, it is impossible to conceive of a situation involving a nonconference carrier in competition with a conference which would not fall within the above-quoted language of the subcommittee print. In sum, therefore, the Committee on Commerce, in considering adoption of the proposed language of the subcommittee print vis-a-vis the language of the House enactment, will be deciding which concept shall henceforth apply to the ocean shipping industry: freedom of opportunity for all steamship lines, whether as conference members or independent operators, according to individual preference, as opposed to compulsory conference membership resulting in elimination of competition and monopolistic freight rates.

The Department of Justice considers indispensable to any reasonable enactment on dual-rate and steamship conference agreements the inclusion of language unequivocally barring the approval of such agreements where they are intended or will be reasonably likely to cause the exclusion of another carrier from the trade. Assistant Attorney General Loevinger indicated in his testimony before the Merchant Marine and Fisheries Subcommittee on August 3, 1961, how important are the actual and potential benefits of this legislative protection to American carriers, shippers, and the general public. Judge Loevinger noted that, even though at a given moment there may be no American carrier operating independently of the conferences, the ability of an American carrier to withdraw without fear of conference retaliation provides it with leverage within the conference which may be exerted to avert action which may be adverse to its interests or to the foreign commerce of the United States. This is of extreme significance to American carriers which account for only a small vote in virtually every important conference serving our foreign trade.

It is important also to bear in mind that in the ocean trades competition is the only practical restraint on unduly high freight rates. In this connection, the Under Secretary of State submitted to the Merchant Marine and Fisheries Committee on August 3, 1961, data obtained from foreign governments in response to the State Department's inquiry of them how reasonableness of rates is assured in waterborne commerce. Eight foreign nations—Belgium, Denmark, Federal Republic of Germany, Finland, Italy, Netherlands, Norway, and Sweden—of the 11 questioned, replied that they rely on free competition to achieve reasonable rates. The subcommittee print, however, would leave the way open for shipping conferences to eliminate the very competition which the United States has historically fostered and which a majority of foreign nations espouse, by withdrawing protection of the rights of the competitor who may choose to offer rate competition.

We would further direct the committee's attention to the example cited in Assistant Attorney General Loevinger's testimony of the unconscionable rate charged on an important commodity moving in American foreign commerce when there was no independent carrier providing competition in the particular trade. The entry of an independent carrier brought about a reduction of the rate from $80 to $40, the latter level being one which, by the admission of one of the American carriers involved, still permitted profitable operations.

For the reasons outlined above, we urge the committee to delete the provision appearing in the subcommittee print beginning at line 22 on page 5, which completely nullifies the protection for nonconference carriers contained in the House-passed version. This important competitive safeguard, but for the language beginning at line 22 on page 5, would be preserved in the subcommittee print. We deem it essential that these protective provisions be retained as they were in the House-enacted version of H.R. 6775.

There are other provisions of the subcommittee print on which comment should also be made. Whereas section 1 of the House enactment would require the proponents of dual-rate systems to establish in Board proceedings that the proposed dual-rate contract would not have the proscribed effects, the subcommittee print would shift the burden to opponents thereof or to the Board. The latter would have to prove by the preponderance of the evidence that a dual-rate contract would contravene the language of the bill. We believe that the House approach is the more reasonable. It places the burden where it belongs, that is, upon the proponent and expected beneficiary of the proposed dual-rate contract.

The subcommittee print also changes the House-enacted provisions dealing with dual-rate contracts by inserting the word "common" before the word "carrier" in several places. The insertion of the word "common" before the word "carrier" on line 17 of page 2 would limit the protection against exclusionary dual-rate systems to common carriers and would appear to permit the use of dual-rate contracts which are designed or are likely to exclude a carrier which is not a common carrier. We are aware of no justification for differentiating between the types of carrier that might be adversely affected by conference use of dual-rate contracts. We therefore recommend that the committee delete the word "common" wherever it has been added to H.R. 6775 by the subcommittee print. This comment would also apply to the addition of the word "common" on line 17 of page 5 of the print.

We turn now to the language of the subcommittee print which relates to provisions which must be expressly incorporated in any dual-rate contract to be lawful under the proposed legislation.

The subcommittee print would strike from H.R. 6775 the provision that prohibits dual-rate contracts from covering shipments of goods where the contract shipper has no legal right to select the carrier. The effect of this deletion will be to create endless controversy as to whether or not certain shipments, notably shipments of goods sold on f.o.b. and f.a.s. terms, are covered by approved dual-rate contracts. Without the provision contained in the House version, the way is left open for conferences to charge contract shippers with breach of their dual-rate contracts when they sell goods to buyers who elect to ship via nonconference carriers. The deletion of this provision could be construed to permit the conferences to forbid contract shippers from doing business with anyone who will not surrender his right to make his own shipping arrangements. We urge that this provision be restored to the bill in order that it be made clear that Congress does not intend to allow the shipping conferences to dictate the terms upon which one merchant must sell to another.

Another provision deleted from the House enactment which should be reinstated is that precluding any requirement that shippers divert their shipments from natural routings. The purpose of this provision was to insure shippers' freedom to choose the ports from which and to which to ship their goods. It is one thing for Congress to permit a system of contracts under which shippers must promise that when they ship from a particular port they will use conference vessels, but it is a wholly different thing to permit conferences to compel shippers to ship from a particular port when it may be more economical for them to ship from other ports which the conferences may not happen to serve. The Department of Justice

recommends that the House provision on this point be reinstated in H.R. 6775.

We are also concerned with clause 3 of section 3 of the subcommittee print. This clause would limit damages recoverable for a shipper's breach of a dual-rate contract to actual damages, but the proviso permits liquidated damages not to exceed the freight charges at the contract rate, less cost of handling.

We reiterate our previous objection to the proviso in this clause. It is our understanding that clause 3 is in the bill for the purpose of barring the past practice of disguising oppressive penalties in the form of liquidated damages. At the same time it was desired to permit liquidated actual damages where desired by the parties so as to avoid possible future uncertainties and controversies in situations where actual damages were difficult to prove.

We are convinced that the present formula will not achieve the objective of eliminating penalties. The proviso assumes that the actual damages for a shipper's breach of a dual rate contract are the same as damages resulting from breach of a space reservation or booking contract. As was made clear in Assistant Attorney General Loevinger's testimony on August 3, 1961, the present proviso, which in effect equates the two types of damage, can only result in damages for a shipper's dual rate contract breach far in excess of actual damages. In its present form, therefore, the bill still leaves the way open for unduly harsh and punitive results.

While we recognize that any effort to specify liquidated damages may not in all cases result in an approximation of the actual damages, we observe that no liquidated damage formula has been advanced which does not also constitute a severe penalty all out of proportion to the actual damages suffered by the conference or its members. Since the demand is for a measure which is certain, is fair to the carrier, but at the same time not oppressively punitive, we respectfully suggest that the committee place a maximum limit on liquidated damages of 1½ times the spread between contract and noncontract rates. This, we believe, is a fair and reasonable approach to the problem. It would deter a shipper from disregarding his dual rate contractual obligations, but would not place him in jeopardy of being required, in the event of breach, to pay the conference an amount clearly having no logical relation to the loss which the conference can be considered to have sustained.

Clause 5 of section 3 of the subcommittee print permits the approval of dual-rate systems where the maximum spread between contract and noncontract rates is 15 percent. We view any spread in excess of 10 percent as unwarranted. In this connection, it should be noted that the House report indicated a problem in determining a maximum spread figure which would not penalize a shipper who does not choose to limit his shipments to conference vessels and which at the same time would provide a reasonable inducement to execute such agreements. It is the considered view of the Department of Justice that the 15-percent maximum spread provided for in clause 5 of section 3 of the subcommittee print does not strike such balance. Rather, it weighs heavily on the side of coercing shippers to limit their cargoes to conference vessels. All would agree that shippers should be provided with a realistic choice in deciding whether to contract to ship exclusively on conference vessels or whether to retain their right to ship on both conference and nonconference vessels as they choose. There is good reason to believe that a spread of 15 percent would foreclose this choice.

While the difference between a 10- and a 15-percent spread may seem to be solely a matter of degree, the fact is that in the highly competitive and price-conscious world of international trade an additional handicap of 5 percentage points in freight rate markedly reduces a shipper's ability to determine whether he would prefer freedom to use both conference and nonconference vessels rather than being limited to the use of one type of service. We recommend that a 10-percent maximum be written into this clause by the committee.

We would next direct the committee's attention to the provision of section 4 of the bill which in effect would permit Board approval of agreements between conferences serving different trades which are competitive, with the proviso that each conference retain what the bill refers to as the right of independent action. We urge the committee to delete the proviso thereby clearly prohibiting any interconference agreements. While the existing language of the bill gives a conference the right to take independent action on matters embraced within the agreement, it nevertheless permits all parties to an agreement to establish a uniform policy on rates and other competitive matters when it serves their purpose to do so. The Department of Justice is convinced that it is not in the public interest to permit agreements which may create a virtual monopoly of ocean transportation to or from this country. Congress should not sanction private rate-fixing schemes or supercartels which could embrace every port through which the foreign commerce of the United States is conducted. Such an arrangement would deny shippers the cost savings resulting from their location on or in proximity to a particular coastal range.

Another amendment to section 15 of the Shipping Act is the provision of section 4 of the subcommittee print requiring conferences to police their agreements. We question the policy requiring conferences to engage in private policing. Congress should neither require nor permit cartels, even the ones in ocean shipping, to use penalties to coerce compliance with their cartel agreements. Nor do we believe Congress should delegate to cartels the responsibility for enforcing our maritime laws, especially in view of the potential harm that could be caused by unwarranted coerced disclosure of confidential business records to competitors and from the assessment by the cartels of harsh or discriminatory penalties.

Section 5 of the subcommittee print provides that agreements filed with the Board after passage of the proposed act are lawful until disapproved by the Board. There is no limit set on the period within which the Board must act on such agreements. The exemption from the antitrust laws of any cartel agreement, and certain cartel tying devices, is a most serious matter and a departure from our free enterprise principle that competition should be the rule of trade. No dual-rate agreement should be permitted to go into effect for an unlimited period.

The Chairman of the Board, in his testimony before the House committee, indicated that a 1-year period would be a realistic one within which to review and dispose of the number of agreements which are likely to be filed after passage of this legislation. If it takes the Board a longer period to review such agreements, at least the unsupervised dual-rate system cannot continue to be employed during any such delay. On the other hand, under the provision in the subcommittee print, any delays experienced by the Board would have the effect of permitting the unsupervised dual-rate system to continue in effect. Clearly, this would encourage dilatory tactics and tend to postpone indefinitely the clarification of status of all fuel-rate contracts which for the past 3 years Congress has been seeking to provide.

The Department of Justice also recommends the deletion of section 7 of the subcommittee print. This section would permit serious inroads to be made upon the confidential relationship between shippers and carriers established by section 20 of the 1916 Shipping Act. It must be appreciated that shippers are required to disclose certain of their private business affairs to carriers to permit the assessment of proper tariff charges. Under section 20 of the Shipping Act the carriers are in return put under the obligation of maintaining such data in secrecy so that the shippers' business transactions are not disclosed to competitors and that such information is not used in any way to the shippers' detriment.

The proposed legislation would depart from the traditional concept of section 20 and would cause a substantial lessening of the protection which shippers now enjoy. Under the instant bill not only could a common carrier furnish data on a shipper's transactions without the shipper's consent but a "conference or any person, firm, corporation, or agency designated by the conference" could solicit information as to a shipper's transactions. Presumably this data could be solicited from freight forwarders, terminal operators, warehousemen, or any other persons subject to the Shipping Act who may have knowledge of the shipper's transactions. This would involve a radical change in public policy and, in our opinion, would open the way for widespread abuses and breaches of confidence in the shipping industry.

In addition to these potential results, the bill creates an apparent paradox. While a conference or its agent would be permitted by the proposed legislation to solicit information without limitation, those other than a conference carrier who might be solicited would still be restrained by the language of section 20 from disclosing the solicited information. Thus section 7 of the instant bill would authorize the solicitation of data from persons whom, were they to divulge it, could be criminally prosecuted for doing so. Any further attempt to deal with this anomalous situation would probably create more problems than it would solve. Even if all persons suoject to the Shipping Act were to be authorized to release data for the purposes stated in the bill, a terminal operator or warehouseman would obviously act at his peril in relying on a representation that confidential data he was solicited to disclose was desired solely for one of the purposes permitted by the bill.

For the reasons indicated in the foregoing analysis, the Department of Justice respectfully urges the Committee on Commerce to amend the subcommittee print of H.R. 6775 in accordance with the recommendations contained herein.

The Budget Bureau has advised that it has no objection to the submission of this report from the standpoint of the administration's program.

Sincerely yours,

BYRON WHITE,
Deputy Attorney General.

Mr. KEFAUVER. Mr. President, I wish to clear up one or two items which the distinguished Senator from Washington [Mr. MAGNUSON], chairman of the Committee on Commerce, placed in the RECORD. He referred to a statement by Mr. Stakem, who was the Maritime Administrator, who testified before the Senate committee. Instead of saying that if he had a choice between the House bill and no bill, he would rather have no bill, I find on page 47 that he said:

> If the choice is between this bill and no bill, which would leave the dual-rate systems high and dry, we would say this bill.

I thought that statement ought to be clarified.

I think also, for the purpose of clarification, it should be stated that the Civil Aeronautics Board, under title 49, section 1373, has the power to reject unreasonable rates. I make this reference so that anyone who is interested may read the provision for the Civil Aeronautics Board in connection with the Senate bill. From a reading of the Civil Aeronautics Board authorization, it is apparent that that Board is given greater power over the fixing of tariffs, passing upon their reasonableness, and also preventing monopoly and unjust discrimination than is provided for in the Senate bill in connection with water carriers.

Mr. ENGLE. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. ENGLE. I am advised that the international airlines, which have an International Air Transport Association, undertake to agree on rates in the same fashion as we provide for the steamship common carriers in the proposed legislation.

Mr. KEFAUVER. That is correct. The IATA does attempt to agree upon rates. Then the rates must be filed and posted with the Civil Aeronautics Board. The Civil Aeronautics Board has the right in its statute to approve or disapprove any rates.

Mr. ENGLE. That is exactly what this bill provides.

Mr. KEFAUVER. The bill does not refer to rates at all.

Mr. MAGNUSON. The bill in effect provides for the fixing of rates because the agreements themselves must be approved upon by the Maritime Commission.

Mr. KEFAUVER. Find me the section where the bill provides that the Maritime Commission can disapprove rates. I have searched the bill carefully. Such language was contained in the House bill, but it has been removed from the Senate bill. We seek to put it back.

The language which was stricken from the House bill appears on page 7 of the bill:

> The Board shall disapprove any conference rate, fare, or charge which after hearing it, finds it to be so unreasonably high or low as to be detrimental to the commerce of the United States.

That language was stricken out by the Senate Committee on Commerce.

The Civil Aeronautics Board, another regulatory agency, had this to say in contrast with what is being said here about ocean shipping:

> No proper concept of governmental responsibility can justify leaving the ultimate determination of a fair and reasonable international rate structure wholly in the hands of an all-embracing international cartel.

In my opinion, and with all due respect, that is what the Senate bill does, because the rate restriction provision was stricken from the House bill.

Mr. ENGLE. Mr. President, will the Senator from Tennessee yield for an addition to the RECORD?

Mr. KEFAUVER. I yield.

Mr. ENGLE. I should like to have included in the RECORD the remainder of Mr. Stakem's answer.

Mr. KEFAUVER. The whole statement has been placed in the RECORD. The distinguished Senator from Washington has placed it in the RECORD.

Mr. ENGLE. Mr. Stakem said, additionally:

> If the choice is between this bill and interim legislation for a continued period of study, we would favor the interim legislation.

In other words, he says the conference system is so important that he would prefer to have it continue for another year, if necessary, to study it, rather than to take the bill as it came from the House.

Mr. KEFAUVER. That is different from saying that if he had a choice, he would rather have no bill than to take the House bill.

Mr. President, in the course of my remarks, I shall refer to certain letters, tables, and other documents. I ask unanimous consent that they may be printed in the RECORD at the point designated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ENGLE. Mr. President, I ask unanimous consent that the communications which I have in my hand from various agricultural groups be printed at this point in the RECORD.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

SAN FRANCISCO, CALIF., *September 7, 1961.*
Hon. CLAIR ENGLE,
Senate Office Building,
Washington, D.C.:

H.R. 6775 my wires August 31 still waiting copies of revised version of August 26 for detailed review my attorneys, Los Angeles, after which can comment more intelligently. Meantime big bugaboo is condition (3) "coverage" of shippers' rate agreement. Legal or actual right to select carrier extremely difficult to determine or establish concisely on each shipment; hence would not only lead to litigation about possible breaches of contract when or if nonconference vessel used, but could cause serious misunderstanding and questions as to whether shippers using conference vessels in good faith were entitled to contract rates, or whether carriers could legally assess contract rates. The most important aspect which should be unequivocally settled by this legislation is f.a.s./f.o.b. question, which unfortunately present language leaves even wider open than before. Earnestly request reconsideration this clause basis language I proposed July 28. Undoubtedly, other parts of bill could be still further improved, but this is the most important issue. While I am supposed be on vacation, am following this closely; and hope comment further and more constructively after more detailed review. Gruening amendment regarding State Governors should be rejected. We do not want international trade complicated by 50 State utility commissions. Any State aggrieved can file complaint before FMC same as any party. Also proposed Kefauver amendments must be rejected. Have seen them only briefly but they contain much of language quite properly stricken from House version by your committee, and it must stay out.

Best regards.

U.S. BORAX,
T. R. STETSON.

NEW ORLEANS, LA.,
September 12, 1961.
Hon. WARREN MAGNUSON,
Chairman, Commerce Committee, U.S. Senate, Senate Office Building, Washington, D.C.:

We commend the action of your Commerce Committee in unanimously reporting to the Senate your revision of H.R. 6775 and consider this legislation very fair and reasonable both from the shippers and carriers standpoint. Particularly is it satisfactory to the members of the association as the bill finally approved by your committee included therein a satisfactory clause covering f.o.b. fast sales which is so essential to the shipper who in order to be competitive must at times sell on this basis. We trust this bill will be promptly passed by the Senate so that the necessary conference can be held with the House of Representatives and out of that conference will come a reasonable and equitable bill at this session of the Congress which is necessary for all concerned. We sincerely trust the Senate leadership will promptly work toward this end.

MISSISSIPPI VALLEY ASSOCIATION,
ROBERT L. SHORTLE.

LITTLE ROCK, ARK.,
September 11, 1961.
Hon. WARREN G. MAGNUSON,
Chairman, Senate Committee on Interstate and Foreign Commerce, Washington, D.C:

The Arkansas-Missouri Cotton Trade Association respectfully asks for your support of H.R. 6775 as reported by Senate Committee on Interstate and Foreign Commerce. We consider legislation fair and reasonable for both shippers and carriers particularly as it contains clause covering f.o.b.-f.a.s. sales which essential to shippers who must sell on that basis to satisfy customers.

ARKANSAS-MISSOURI COTTON TRADE ASSOCIATION,
A. C. MAHAN, Jr., *President.*

OKLAHOMA CITY, OKLA.,
September 12, 1961.
Senator WARREN G. MAGNUSON,
Senate Office Building,
Washington, D.C.:

Urge passage of H.R. 6775 as reported by Senate committee. We consider legislation fair and reasonable for both shippers and carriers.

OKLAHOMA STATE COTTON EXCHANGE,
M. RASCOE,
Secretary-Treasurer.

MEMPHIS, TENN., *September 11, 1961.*
Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, Senate Office Building, Washington, D.C.:

The Southern Cotton Association, composed largely of cotton shippers residing in Tennessee, Mississippi, and Louisiana, want to thank you for your efforts regarding H.R. 6775 and assure you of our support. This legislation needed and particularly clause re f.o.b.-f.a.s. sales. Have today wired Senators from our territory, urging their support.

Best regards.

SOUTHERN COTTON ASSOCIATION,
RICHARD BLOCK, *President.*

MEMPHIS, TENN., *September 11, 1961.*
Senator WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, Senate Office Building, Washington, D.C.:

Members American Cotton Shippers Association heartily endorse your committee's report on H.R. 6775 as we consider it reasonable and fair to both cotton shippers and steamship lines especially as bill contains

clause regarding f.o.b.-f.a.s. sales which very essential to shippers who must sell on those terms to satisfy customers thereby making our cotton competitive in world markets. Sincerely hope Senate will act favorably on your committee's report.

M. H. MILLER,
Chairman, Ocean Freight Committee, American Cotton Shippers Association.

WACO, TEX., *September 11, 1961.*
Hon. WARREN G. MAGNUSON,
Chairman, Senate Committee on Interstate and Foreign Commerce, Washington, D.C.:

On behalf of the cotton exporters of Texas we earnestly urge passage of H.R. 6775 as reported by your committee. We consider this legislation fair and reasonable for both exporters and carriers. It will help our exporters meet competition and satisfy our cotton customers. Cotton needs all the help it can get in holding its export markets.

Respectfully,
TEXAS COTTON ASSOCIATION.

CHICAGO, ILL., *September 6, 1961.*
Senator W. G. MAGNUSON,
Senate Office Building,
Washington, D.C.

As a substantial exporter and importer we strongly urge that the Senate pass without amendment H.R. 6775 the dual ocean rate bill as reported by the Senate Commerce Committee. We consider this legislation necessary to protect and foster our foreign commerce.

THE QUAKER OATS CO.,
J. R. STALEY, *Vice President.*

PITTSBURG, CALIF., *September 5, 1961.*
Senator CLAIR ENGLE,
Senate Office Building,
Washington, D.C.:

The Senate Commerce Committee has published a draft of H.R. 6775 dated August 26, 1961, which includes the following exemption on page 16, line 6: Excludes cargo of the contract shipper loaded in bulk without mark or count. This bulk exemption is of vital interest to U.S. shippers and we strongly urge inclusion of this bulk exemption without qualification in the final bill presented and approved by the Senate. We feel any limiting amendments to this bulk exemption would be detrimental to U.S. commerce.

LELAND A. DOAN,
General Manager, the Dow Chemical Co.

NEW ORLEANS, LA., *September 11, 1961.*
Senator WARREN G. MAGNUSON,
Chairman, Senate Interstate and Foreign Commerce Committee, Senate Office Building, Washington, D.C.:

Advised that your committee reported unanimously as favoring passage of H.R. 6775 which we commend. Understand from reliable sources that American steamship lines strongly in favor of this legislation. Also since your committee included their report satisfactory clause f.o.b.-f.a.s. so essential to American shippers to remain competitive legislation highly acceptable to shippers. Urgently request prompt passage of bill so that necessary conference can be held with House committee out of which should come the passage of a reasonable and equitable bill at this session of Congress which is so vital for all concerned.

NEW ORLEANS TRAFFIC & TRANSPORTATION BUREAU,
LOUIS A. SCHWARZ.

MEMPHIS, TENN., *September 11, 1961.*
Senator WARREN G. MAGNUSON,
Chairman, Senate Commerce Committee, Washington, D.C.:

We commend your committee in approval of revision H.R. 6775 as Association of Hardwood Lumber Exporters we believe fair and reasonable. Particularly commend clause covering f.o.b. sales which are often necessary in export, please use best efforts to get Senate to pass bill so Conference Committee can complete legislation this session.

PHILIP D. HOUSTON,
President, National Lumber Exporters Association.

THE NATIONAL LUMBER EXPORTERS ASSOCIATION,
Memphis, Tenn., September 11, 1961.
Senator WARREN G. MAGNUSON,
Chairman, Commerce Committee, Senate Post Office, Washington, D.C.

DEAR SENATOR MAGNUSON: I have wired you and hereby confirm as follows:

"We commend your committee in approval of revision H.R. 6775. As association of hardwood lumber exporters we believe fair and reasonable. Particularly commend clause covering f.o.b. sales, which are often necessary in export. Please use best efforts to get Senate to pass bill so conference committee can complete legislation this session."

As president of the National Lumber Exporters Association I feel that every aid possible should be extended to American exporters to further penetrate the export market and the bill your committee has unanimously approved is fair and equitable to the shipper as well as the steamship companies.

I have thought to wire you as the time is short, and we feel that such legislation would be very helpful if it were completed this session rather than wait over until the next session.

Respectfully yours,
PHILIP D. HOUSTON,
President.

Mr. KEFAUVER. Mr. President, it is a matter of great regret to me that I disagree with the distinguished Senator from California [Mr. ENGLE] and the distinguished Senator from Washington, chairman of the Committee on Commerce [Mr. MAGNUSON], with whom, in so many antitrust matters, we have fought to protect the interests of the people of the United States.

I am impelled to take the position I take today to try to restore some of the protections which were provided in the House bill, for this reason: One of the unique and fine things about the American economy is our free, competitive enterprise system. There is probably no other nation left in the world today where commerce is regulated, as it is in the United States, largely by competition. What is attempted to be done here is substantially to take out of the competitive field, without restraint, or adequate restraint, at least, a great segment of our competitive system, to wit, our steamship transportation.

I favor strengthening the antitrust laws. I favor making it more possible for little fellows to compete. I do not favor the building up of cartels and cartels of cartels, which the proposed legislation seeks to do.

It is obvious, it is plain, in fact it is admitted in the report, that the purpose of the bill is to force everyone into the conferences and to have no competition.

I know the heads of many of the steamship companies. They are fine friends of mine. They are wonderful Americans. They do excellent work. It is not easy to criticize a bill which many of them have expressed themselves as favoring. However, in the long run, unless we provide some protections, so as to assure competition and to prevent monopolies and the formation of cartels in our economy, everyone will suffer.

It has been stated that the Maritime Board, or Commission, as it is now called, expressed preference for the Senate bill. But Mr. Stakem has said that as between the House bill and no bill, he would certainly take the House bill. I do not seek to restore all the language of the House bill, but there are certain features which ought to appeal to the American shipper, the person who wants competition. They ought to appeal to Congress.

The House Committee on Merchant Marine and Fisheries, under the chairmanship of Representative HERBERT BONNER, of North Carolina, has held extensive hearings, lasting over a period of a year or more, comprising many volumes of testimony, taken in all parts of the United States, on this problem. That committee has examined into every phase of the question. It has conducted excellent, splendid hearings on this subject.

The House Subcommittee on Antitrust and Monopoly, under the chairmanship of the able and great Member of Congress, Representative EMANUEL CELLER, has conducted extensive hearings in connection with the maritime problem, ferreting out all the protections there ought to be for shippers, for the independent carriers, for tramp ships, and for the public.

Under the chairmanship of Representative BONNER, and with the advice and suggestions of Representative CELLER, the House Committee on Merchant Marine and Fisheries has worked out a good, practical bill which passed the House unanimously on the Consent Calendar. So far as I know, it was reported unanimously by the House Committee. That bill provided certain protections.

There is more than one group concerned in this matter. The group for which the Senate bill would provide an absolute cartel or monopoly, with perhaps some minor reservations, is comprised of the so-called conference carriers, the conference steamship companies.

There are others who should be considered. The shippers of freight should be considered; the farmers should be considered.

I wish to point out now—as I shall do in more detail later on—that the Department of Agriculture favored the House version of the bill, but does not like the Senate committee's version of the bill, because it does not provide protection.

Furthermore, as has already been stated, the Antitrust Division of the Department of Justice violently opposes the Senate committee's version of the bill, and states that the minimum protection of the public is provided by the House version.

So I hope the House version will be passed, perhaps with some improvements and changes, but at least so that these protections will be continued.

Mr. MAGNUSON. Mr. President, at this point will the Senator from Tennessee yield?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Tennessee yield to the Senator from Washington?

Mr. KEFAUVER. I am glad to yield.

Mr. MAGNUSON. I must attend a conference in a few minutes. At this time, without discussing the merits of the two versions of the bill, I believe the record should show clearly why we have the bill before us at this time.

Mr. KEFAUVER. Yes.

Mr. MAGNUSON. It was 3 years ago that the Supreme Court of the United States, in its decision in the case of *Federal Maritime Board* v. *Isbrandtsen Company* (356 U.S. 481)—1958, ruled the historic practice of dual rates to be illegal. In effect, in its decision the Supreme Court said the Congress should pass some legislation dealing with the problem of dual rates.

At that time we were faced with an emergency. So, as chairman of the committee, along with Representative BONNER, and the rest, we asked Congress to provide a 1-year extension of this historic practice in the maritime economy, until we could get at this very highly complex matter. That year passed; and because the matter is highly controversial and technical, it was easier to provide for another extension. There now have been three extensions, I believe, of the dual-rate arrangement.

Both the House committee and the Senate committee thought the time had come to have permanent legislation, if possible. The House committee worked hard on this measure, and held long hearings. So did our committee and our subcommittee, headed by the Senator from California [Mr. ENGLE].

So we have covered this field; and from all those studies and all that work have come the House version of the bill and the Senate committee's version.

The present extension expires midnight September 14. So again we are faced with this highly complex matter—and I agree with the Senator from Tennessee that it is complex.

This is why the Senate Committee on Commerce hopes the Senate will pass the bill and send it to conference, so that, after the many extensions, permanent legislation can be had.

I thought it would be well to have the history of this matter placed in the RECORD.

Mr. KEFAUVER. Yes, that is true.

I wish the bill had been taken up earlier, so that there would have been more time for debate and for the conference. Ever since the Senate committee reported the bill, about 2 weeks ago, I have filed some amendments and have been ready to debate the bill. I know that the Senator from California probably has been ready, too. But the consideration of other measures has caused the consideration of this bill to be postponed.

Mr. MAGNUSON. Yes.

The House committee stated that it wished to begin the hearings on the matter of dual rates. So we permitted the House committee to do so; and its hearing took longer than had been expected.

Of course there is always the possibility of providing a further extension; but I hope we can arrive at some conclusion and can get some permanent legislation on the books.

Mr. KEFAUVER. At any rate, the delay has not been my fault.

Mr. MAGNUSON. That is true.

Mr. KEFAUVER. I have been ready to proceed with the consideration of the bill. The Senate committee filed its report on August 31, and we have been ready to proceed to debate the bill. But other measures have prevented that.

Mr. MAGNUSON. Yes, other measures seem to have had priority.

Mr. KEFAUVER. Yes.

Mr. President, the decision to which the chairman of the committee has referred is that of the Supreme Court of the United States in the case of *Federal Maritime Board* v. *Isbrandtsen* (356 U.S. 481. The decision was handed down on May 19, 1958. Since then, there have been three extensions of the present cartel system.

INTRODUCTION

Mr. President, the bill for consideration on the floor today, H.R. 6775, would legalize so-called dual-rate contracts between shippers and conferences of steamship carriers in the foreign commerce of the United States.

What is a dual-rate contract? Essentially, it is an exclusive patronage contract whereby a shipper—or consignee—promises to transport all of the cargo under his control, between ports within the scope of a steamship conference agreement, aboard vessels belonging to that conference. Shippers who do not sign such an agreement are assessed a rate, called the noncontract rate, substantially above the so-called contract rate which is available to signatories. In its most elemental terms, the dual-rate contract is nothing but an exclusive dealing arrangement in which signatory shippers are given preferential treatment while those unwilling to be bound are penalized by higher rates.

It is obvious that the dual-rate system is essentially discriminatory in nature. For the very same transportation services, a steamship line is permitted to assess one rate for contract signatories and a substantially higher one for nonsigners. Indeed, the Federal Maritime Administration has acknowledged the essentially discriminatory features of this form of agreement by referring to the "prima facie discrimination against shippers inherent in the use of dual rates."

Why is it necessary at this time to take congressional action to legalize these essentially discriminatory devices? Back in 1958, the Supreme Court of the United States declared that such contracts, when employed to drive nonconference carriers out of the trade, were in violation of section 14, third of the Shipping Act—*Federal Maritime Board* v. *Isbrandtsen Co.*, 356 U.S. 481 (1958). The bill as it is before the Senate today would overrule most of the implications of this landmark decision and place virtually all of the foreign commerce of the United States at the mercy of foreign dominated steamship conferences with absolutely no residual authority in an American agency to exert any control whatsoever over the rate levels established by these conferences.

Let us examine, for a moment, the nature of these organizations upon which, under the bill as proposed, would devolve almost unrestrained power to set rates for virtually all of the foreign commerce of the United States. A steamship conference is nothing more than an international cartel—in fact, a man named David Marx has written a book about conferences which he has titled "International Shipping Cartels." There are today some 105 of these cartels covering freight traffic in the foreign commerce of the United States and innumerable—but untabulated—other roving international trade routes between foreign nations.

There is no use closing our eyes to the fact that these conferences are wholly dominated by foreign lines. I would like to place in the record at this point a list of the steamship conferences using dual rate systems in the foreign commerce of the United States showing the number of American lines and the number of foreign lines belonging to them.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

List of steamship conferences using the contract/noncontract rate system, showing the number of U.S.- and foreign-flag members as of Nov. 12, 1959

Name and agreement number of conference	Members	
	U.S. flag	Foreign flag
Associated Steamship Lines (Manila) (5600)	8	50
Association of West Coast Steamship Companies (3302)	2	14
Atlantic and Gulf-Indonesia Conference (8080)	3	4
Atlantic and Gulf/Panama Canal Zone, Colon and Panama City Conference (3868)	4	4
Atlantic and Gulf/Straits Settlements, Singapore, Malaya and Thailand Conference (8240)	3	8
Atlantic and Gulf/West Coast of Central America and Mexico Conference (8300)	4	1
Atlantic and Gulf/West Coast of South America Conference (2744)	2	4
Brazil-United States-Canada Freight Conference (5450)	2	13
Calcutta/U.S.A. Conference (6500)	3	5
Camexco Freight Conference (6670)	1	13
Canal, Central America Northbound Conference (6070)	2	11
Capca Freight Conference (6170)	1	8
Colpac Freight Conference (7270)	0	6
Continental-U.S.A. Gulf Westbound Freight Conference (6150)	3	6
Deli/New York Rate Agreement (7190)	3	9
Deli-Pacific Rate Agreement (192)	4	4
East Coast Columbia Conference (7590)	2	2
East Coast South America Reefer Conference (6800)	2	10
Far East Conference (17)	6	17
Gulf/French Atlantic Hamburg Range Freight Conference (140-1)	4	9
Gulf Mediterranean Ports Conference (134)	5	14
Gulf and South Atlantic-Cuban Outports Conference (8150)	1	2
Gulf and South Atlantic Havana Steamship Conference (4188)	4	2
Gulf/United Kingdom Conference (161)	4	4
Havana Steamship Conference (4189)	1	4
Havana/U.S. Atlantic and Gulf Rate Agreement (7550)	2	4

List of steamship conferences using the contract/noncontract rate system, showing the number of U.S.- and foreign-flag members as of Nov. 12, 1959—Continued

Name and agreement number of conference	Members	
	U.S. flag	Foreign flag
The India, Pakistan, Ceylon and Burma Outward Freight Conference (7690)	2	6
Java-New York Rate Agreement (90)	3	8
Java-Pacific Rate Agreement (191)	4	3
Leeward & Windward Islands and Guinas Conference (7540)	2	2
Mid Brazil/United States-Canada Freight Conference (7630)	2	13
New York Freight Bureau (Hong Kong) (5790)	5	16
North Atlantic Baltic Freight Conference (7570)	2	18
North Atlantic French Atlantic Freight Conference (7770)	1	3
North Atlantic Mediterranean Freight Conference (7980)	7	20
North Atlantic United Kingdom Freight Conference (7100)	1	11
North Atlantic Westbound Freight Association (5850)	1	8
North Atlantic Continental Freight Conference (4490)	3	12
North Brazil/United States-Canada Freight Conference (7640)	2	9
Pacific Coast Australasian Tariff Bureau (50-1)	1	7
Pacific Coast/Caribbean Sea Ports Conference (4294)	2	19
Pacific Coast European Conference (5200)	1	23
Pacific Coast/Mexico Freight Conference (7570)	1	11
Pacific Coast/Panama Canal Freight Conference (7170)	2	12
Pacific Coast River Plate Brazil Conference (6400)	1	5
Pacific Indonesian Conference (6060)	3	4
Pacific/Straits Conference (5680)	4	7
Pacific/West Coast of South America Conference (4630)	1	7
Pacific Westbound Conference (57)	7	13
River Plate and Brazil Conferences (59)	2	14
River Plate/United States-Canada Freight Conference (6000)	2	12
Santiago de Cuba Conference (7650)	2	0
South Atlantic Steamship Conference (8310)	1	3
Straits/New York Conference (6010)	3	13
Straits/Pacific Conference (7090)	3	8
Trans-Pacific Freight Conference (Hong Kong) (14-1)	6	17
U.S. Atlantic and Gulf/Australia-New Zealand Conference (6200)	1	3
United States Atlantic and Gulf/Haiti Conference (8120)	3	2
U.S. Atlantic and Gulf Ports-Jamaica (B.W.I.) Steamship Conference (4610)	3	0
United States Atlantic and Gulf/Venezuela and Netherlands Antilles Conference (6190)	3	5
The West Coast of Italy, Sicilian and Adriatic Ports/North Atlantic Range Conference (2846)	4	16
West Coast of South America Northbound Conference (7890)	2	3

Mr. KEFAUVER. Mr. President, out of some 62 conferences having dual rate contracts, in only 5 were American-flag lines in the majority. Some representative conferences in which foreign lines predominated include the mammoth Associated Steamship Lines (Manila), with 50 foreign-flag lines and 8 American; Association of West Coast Steamship Companies, with 14 foreign-flag lines and 2 American; Brazil-United States-Canada Freight Conference with 13 foreign-flag lines and 2 American; Camexco Freight Conference, with 13 foreign-flag lines and 1 American; North Atlantic Baltic Freight Conference with 18 foreign-flag lines and 2 American; North Atlantic United Kingdom Conference with 11 foreign-flag lines and 1 American; and so forth. Thus, it is obvious that any legislation without adequate safeguards permitting the use of dual rate agreements in reality redounds to the interests of foreign lines, any statements to the contrary notwithstanding.

Now, the industry is really aware of the fact that, when all is said and done, it is the foreign lines that will really reap the benefits of the legislation we are considering today. Yet, every effort has been made to obscure this fact by actually representing the movement as sponsored by American lines.

I ask unanimous consent to have printed in the RECORD at this point a "Private and Confidential Memorandum" found in the files of the Gulf Associated Freight Conferences, which covers all of our foreign trade out of gulf ports of Europe.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

[Celler committee hearings, pt. 2, vol. 2, p. 2406]

PRIVATE AND CONFIDENTIAL CONFERENCE AND DUAL RATE SYSTEMS IN THE MARITIME INDUSTRY, NEW ORLEANS, LA., SEPTEMBER 9, 1958

At a joint meeting of the five Conferences within the Gulf Associated Freight Conferences group (Gulf/French Atlantic Hamburg Range Freight Conference, Gulf/Mediterranean Ports Conference, Gulf/Scandinavian and Baltic Sea Ports Conference, Gulf/South and East African Conference, Gulf/United Kingdom Conference) held at New Orleans today (11 a.m., Tuesday, September 9, 1958) the Chairman of the Conferences referred to his private memorandums to the executive representatives of the member lines relative to studies and investigations being conducted by two important committees of the House of Representatives, United States, i.e., the Committee on Merchant Marine and Fisheries, headed by Congressman HERBERT C. BONNER, chairman of that committee, and the Committee on the Judiciary, headed by Congressman EMANUEL CELLER, chairman of that committee, also chairman of the Antitrust Committee of the House of Representatives, United States.

Chairman Carlys then stated that Mr. A. C. Cocke, vice president of Lykes Bros. Steamship Co., Inc., attended an important meeting in New York last week of American steamship interests and he thought it would be highly beneficial to the representatives of all of the member lines (as well as the conference counsel. Mr. Walter Carroll, who was present) to hear, firsthand, from Mr. Cocke what transpired at the meeting, whereupon he called on Mr. Cocke to address the meeting.

Mr. Cocke stated that he attended a meeting in New York last Friday (September 5, 1958) which was held under the auspices of the American Merchant Marine Institute the Committee of American Subsidized Lines and the Pacific American Steamship Association. He said that his company (Lykes Bros. Steamship Co., Inc.) was requested to have a representative at this meeting and he (Mr. Cocke) attended on behalf of Lykes Bros. Steamship Co., Inc. The following gentlemen were present at the New York meeting:

Mr. J. Alexander, vice president, American President Lines.

Mr. Jos. G. Ball, vice president, States Marine Corp.

Mr. Fred Bowers, vice president, Moore-McCormack.

Mr. A. C. Cocke, vice president, Lykes Bros. Steamship Co., Inc.

Mr. Lew Lapham, president, Grace Line.

Mr. W. van Loon, vice president, American Export Line.

Mr. Ralph Casey, president, American Merchant Marine Institute, Inc.

Mr. Ralph Dewey, president, Pacific American Steamship Association.

Mr. Walter Maloney, general counsel, American Merchant Marine Institute.

Mr. Alex Purdon, executive head, committee, American Subsidized Lines.

Mr. Cocke pointed out that lengthy discussions were had and the meeting (which lasted for about 2½ or 3 hours) culminated in a unanimous decision that the fight for the dual rate system and the defense of the conferences should be handled solely (with the exception of conferring with, in an advisory way, from time to time the foreign lines) as an American-flag steamship industry fight, because it was felt that it would be a mistake to, at this time, to bring the foreign lines (as such) into the picture, particularly in view of the existing situation in Congress and the strong attack Mr. CELLER is directing on the antitrust feature of the conferences and, therefore, the fight for the dual rate system and defense of the conferences should be spearheaded by American lines, exclusively.

Mr. KEFAUVER. I read only one paragraph from that memorandum:

Mr. Cocke pointed out that lengthy discussions were had and the meeting (which lasted for about 2½ or 3 hours) culminated in a unanimous decision that the fight for the dual rate system and the defense of the conferences should be handled solely—with the exception of conferring with, in an advisory way, from time to time the foreign lines—as an American-flag steamship industry fight, because it was felt that it would be a mistake to, at this time, to bring the foreign lines—as such—into the picture, particularly in view of the existing situation in Congress and the strong attack Mr. CELLER is directing on the antitrust feature of the conferences and, therefore, the fight for the dual rate system and defense of the conferences should be spearheaded by American lines, exclusively.

The foreign lines are the ones that would gain the most, because, as was pointed out, we know foreign ships are operated more cheaply. So they will reap tremendous benefits out of the conference system. They want to be in the conferences, because they wish to get the highest possible rates. Of course, American-flag ships that operates in the conferences are subsidized to make up the differentials in the wages paid, and those companies make money; but this arrangement will prove to be a particularly big bonanza to the foreign ship lines.

The talk that the only ones who do not want to operate under conferences are foreign ship lines does not hold water. They are the ones who want to, because they can reap the greatest benefits.

This does not mean that foreign lines have not had an active, if concealed, hand in framing this legislation. The document I ask unanimous consent to have printed in the RECORD at this point demonstrates that a huge association of foreign lines was formed in Europe as early as 1959 to do whatever possible to obtain passage of the dual-rate legislation. This association is known as the Committee of European Shipowners and is obviously a lobbying group for the international steamship cartels.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

BREMEN, *December 11, 1958.*

DEAR SIRS: The undermentioned lines; vis: Armement Deppe, Compagnie Générale Transatlantique, Fjell Line, Hamburg America Line, Holland America Line, Johnson Line, North German Lloyd, Fred Olsen, and Oranje Line, have come to the conclusion that it would be advisable to form an association of European conference lines, interested in the trade from the continent including Scandinavia, to U.S. ports and vice versa, for the purpose of watching the development of investigations of the Magnuson, Bonner, and Celler committee, and to cooperate with the American Steamship Committee on Conference Studies in an endeavor to try to achieve the best possible results.

A similar association has already been formed by the British lines in the United Kingdom.

It is not the intention of such an association to interfere with domestic lawmaking, but we feel an adequate organization is necessary to represent the interest of European shipowners.

It would be appreciated to hear from you within a fortnight whether you are interested and prepared to join such an association. If a great majority of the interested lines, which can safely be expected, would be agreeable in principle to the above proposal, a meeting will be arranged to take place on January 14, 2:30 p.m., at the Palace Hotel in Brussels.

The Japanese lines, NYK and OSK are expected to join the intended association as affiliated members.

For and on behalf of the aforementioned lines:

NORDDEUTSCHER LLOYD, BERTRAM.

This letter has been sent to:

Ahrenkiel & Bene, Mattentwiete 8, Hamburg 11.

Navigatione Alta Italia Societa Anonima, Via XX 28/4, Genoa.

Belgian Line Compagnie, Maritime Belge S.A., 61, Rempart Ste. Catherine, Antwerp.

Companhia de Navegacao "Carregadores Acoreanos," Ponta Delgada, St. Michaels, Azores.

Concordia Line Christian Haaland, Möllerveien 6, Haugesund, Norway.

Cosmopolitan Line A/S J. Ludwig Mowinkels Rederoi, Olav Kyrresgate 9, Bergen.

Det Forenede Dampskibs Selskab A/S (Scandinavian American Line), Sankt Annae Plads 30, Copenhagen–K.

Fearnley & Eger (Fernville Line) P.O. Box 355, Oslo.

Finnlake Lines, Kulosaari, Brändö, Helsingfors.

Finska Angfartyges Aktiebolaget, P.O. Box 90, Helsingfors.

Cie, de Navigation Fraissinet & Cyprien Fabre, 3–15, Rue Beauvau, Marseilles.

Fruit Express Line Björn Björnstad & Co., Moss, Norway.

General Steam Navigation Co. Ltd., of Greece (Greek Line), Piraeus, Greece.

Leif Hoegh & Co. A/S, Parkveien 55, Oslo.

Home Lines Fratelli Cosulich, Via Balbi 4, Genoa.

"Italia" Società per Azioni di Navigazione, Piazza de Ferrari 1, Genoa.

A. Kirsten, Dovenhof, Hamburg.

A. F. Klaveness & Co. A/S (Fernville Line), P.O. Box 108, Lysaker near Oslo.

N. V. Koninklijke Rotterdamsche Lloyd (Nedlloyd Line), Veerhaven, Rotterdam.

A. P. Möller (Maersk Line), Kongens Nytov 8, Copenhagen.

N. V. Stoomvaart Maatschappij "Nederland" (Nedlloyd Line), Amsterdam.

A/B R. Nordström & Co. O/Y (Nordlake Line), Lovisa, Finland.

Den Norske Amerika Linje A/S. Jernbanetorget 2, Oslo.

A/S Det O staciatiske Kompagnie, Copenhagen.

Ozean/Stinnes Linien-Gemeinschaftsdienst, Hamburg.

Ernst Russ, Hamburg.

Sartori & Berger, Hamburg.

Aktiebolaget Syenska Amerika Linier Göteborg.

Dampskibscelskabet Torm, Copenhagen.

Compania Transatlantica Espanola, Madrid.

Rederiaktiebolaget Transatlantic, Göteborg.

Westfal-Larsen & Co. A/S, Bergen.

Wilh. Wilhelsen, Oslo.

Deutsche Dampfschiffahrte Gesellschaft Hansa, Bremen.

Swedish Chicago Line, Stockholm.

Mr. KEFAUVER. To show just how effective this high-powered lobby of the international shipping cartel is, and further, to reveal why the Senate Commerce Committee version of the bill is devoid of the salutary safeguards that would protect American shippers, let me read a dispatch from the New York Times, July 31, 1961, reporting on the manner in which foreign interests have attempted to influence the form in which H.R. 6775 now appears before the Senate for consideration:

FOREIGNERS OFFER SENATE SHIP BILL—SUBMIT PLAN TO EASE RULES ON MARITIME CONFERENCES

(By George Horne)

In an action considered to be rare and possibly unique in recent legislative history in this country, representatives of foreign business interests have written a regulatory measure for a committee of Congress.

The bill, dealing with the controversial question of steamship conferences, has not been approved by the foreign interests or by any body or agency here. The chances are that it will not be introduced. And American shipping men who have been working with foreign colleagues on conference legislation hope not. They say it is so liberal, from the conference standpoint, that it will not pass.

A Senate subcommittee on merchant marine, headed by Senator CLAIR ENGLE, Democrat of California, has been considering H.R. 6775, a House bill. It is the product of several years of hearings and staff studies by committees of Congress seeking to overhaul all statutes affecting steamship conferences.

SOME EXEMPTIONS ALLOWED

The conferences make rates and try to maintain stability in their trades. For doing this they receive certain exemptions under antitrust laws. The Congress committees have found many violations in ocean-freight practices.

The House bill has been criticized by the industry generally as a destructive bill that would create "a lawyer's paradise," make the Federal Maritime Board a rate-making body, outlaw dual rates (which give discounts to faithful shippers) and drive foreign lines out of the conferences.

All of the clauses proposed by the foreigners would be highly acceptable to American steamship lines. But spokesmen for these lines said in New York yesterday that such liberal language would never be approved in the House, where sentiment leans strongly to stringent antitrust provisions and tighter regulation.

FOREIGNERS' VIEW SOUGHT

Ten days ago Senator ENGLE told some foreign witnesses at his committee's hearing to come in with some legislative language that they could live with.

Last week these foreigners wrote what amounts to a new bill, retaining little of the original but the title. The Senate panel will consider the language this week. It will hold 2 more days of hearings before it starts writing its own amendments to the House bill.

Observers who have followed the long history of this legislation believe the Senate amendments will adopt many of the foreign suggestions, but not all of them.

Senator ENGLE is eager to get the bill completed in the Senate so it can be returned to the House Committee on Merchant Marine and Fisheries. The action must be finished by September 15, when temporary legislation legalizing the dual-rate system expires.

AFFECTED BY COURT'S RULING

The dual-rate practices, without which shipping men say their conferences would be meaningless, were placed in jeopardy by a decision of the U.S. Supreme Court in 1958. The temporary measure was enacted to maintain the status quo pending the hearings and new legislation.

One prime clause in the House bill objected to by foreigners and Americans alike would, they hold, make dual rates illegal. Exports in and out of the industry agree that such a system is imperative. Another clause would extend the authority of the Federal Maritime Board to demand that foreign lines bring back to this country documents needed to investigate conference practices.

In the light of representations made by foreign nations to the Department of State, it appears likely that the Senate will delete this section before returning it to the House.

The foreign "bill" written at Mr. ENGLE's suggestion had also placed a $5,000 limit on the money penalties that the Maritime Board could impose for certain violations. It changed a $1,000 fine for one type of violation to "up to $1,000." In another section it would authorize the regulatory agency to remit, mitigate or waive fines or civil penalties. It also would eliminate a clause making it mandatory for the Maritime Board to approve dual rates before they were imposed.

In addition it deleted tariff filing requirements and the mandatory filing of any rate reductions 30 days in advance of their effective date.

Mr. President, while the proponents of this version of the bill have urged upon Congress the need for this legislation in order to strengthen international steamship conferences, there has been a general tendency to gloss over the many evils inherent in the cartelized conference system which this version would aid and abet. The Alexander committee which investigated the shipping industry in 1912 and 1913, acknowledged that, with respect to the conferences system, "abuses exist, and the numerous complaints received by the committee show that they must be recognized."

I refer to the Alexander report, House Document No. 805, 63d Congress, 2d session, 1914.

Representative Joshua Alexander, of Missouri, who was chairman of the House Merchant Marine and Fisheries Committee in the 63d Congress, and previous Congresses, carried on one of the most thoughtful, intelligent investigations I have had the opportunity to examine in a long time, in which this whole system was examined into, and a report was made. It was on the basis of this report and his recommendations that the Shipping Act of 1916 was passed by the Congress.

The Alexander committee proposed an elaborate set of controls to restrain the

excesses of the conferences, with numerous restrictions and prohibitions, including bans against the use of fighting ships or the employment of deferred rebates, both of which practices had been employed to drive independent, nonconference carriers from the trades; prohibitions against retaliation against shippers for employing nonconference vessels; and a general condemnation of all forms of discrimination against shippers or competing nonconference carriers. These recommendations of the committee culminated in the landmark Shipping Act of 1916.

It is obvious to anyone who reads the act with care that it was designed to protect shippers and independent carriers against the unlawful practices of giant steamship conferences which were sanctioned under the act. That it has not been entirely successful is due to no fault of those who framed the law but rather to the inherent tendency of the conference cartels to abuse their power, coupled with the lack of adequate supervision on the part of the predecessors of the new Federal Maritime Administration.

That the foreign-dominated conferences have not changed their spots in the almost 50 years since the Alexander committee's investigation is demonstrated in the recent investigations of the House Antitrust Subcommittee, headed by the gentleman from New York, Representative EMANUEL CELLER. In the course of its studies over a 3-year period, the subcommittee uncovered more than 200 apparent violations of Federal laws.

MALPRACTICES AND OTHER ABUSES IN THE OCEAN FREIGHT INDUSTRY

Since the Senate is considering a bill which will radically extend the privileges and powers of the conference system and weakens the Shipping Act of 1916, it is appropriate to call the attention of the Senate the manner in which the steamship industry has abused the privileges already granted to it under the Shipping Act of 1916. During the past 3 years, the House Merchant Marine and Fisheries Committee and the Antitrust Subcommittee of the House Committee on the Judiciary have conducted the most comprehensive investigation of competitive practices in the ocean freight industry since the classic study conducted by the Alexander committee—the House Merchant Marine and Fisheries Committee of the 63d Congress—almost 50 years ago. The hearings before the House Antitrust Subcommittee and the study of the House Merchant Marine and Fisheries Committee under the chairmanship of the Honorable HERBERT C. BONNER, of North Carolina, contain an abundance of valuable material on the subject.

Of course, the distinguished Senator from California [Mr. ENGLE], who is very knowledgeable in this subject, had further hearings on the Senate side, especially during June and August of this year.

What have all these hearings revealed? The President of the United States summarized the matter quite concisely when, in recommending to the Congress the adoption of Reorganization Plan No. 7, he observed:

> Recent findings by committees of the Congress disclose serious violations of maritime laws. (Message from the President of the United States transmitting Reorganization Plan No. 7, H. Doc. No. 187, 87th Cong., 1st sess.)

And the chairman of the House Judiciary Committee and of its Antitrust Subcommittee, EMANUEL CELLER, recently commented:

> I believe I can say without fear of contradiction that they have shown the essential foreign trade routes of the United States to be plagued by many of the same deplorable conditions which prompted the Alexander committee to recommend the sweeping regulatory scheme embodied in the Shipping Act of 1916. These include various types of rebating and malpractices; granting of deferred rebates; employment of many predatory devices designed to drive out independent competitors; overcharges on Government financed shipments of grain; maintenance of freight rates at levels detrimental to the foreign commerce of the United States; granting of preferences to large shippers; falsification of bills of lading; abetting the circumvention of currency regulations of friendly foreign governments; destruction or alteration of documents to hinder Government investigations and so on. (Letter to Hon. ESTES KEFAUVER from Hon. EMANUEL CELLER, Aug. 14, 1961.)

During the debate on the floor of the House with respect to Reorganization Plan No. 7, spokesmen of both parties attested to the widespread abuse and regulatory neglect which characterized the industry—CONGRESSIONAL RECORD, July 20, 1961, at pages 13084–13096.

It may be asked why this discussion of malpractices and other abuses in the ocean freight industry is relevant to a debate on H.R. 6775 as reported by the Senate Committee on Commerce. In the first place, the version of that bill as passed by the House of Representatives contains provisions which would have enhanced the regulatory provisions of the Shipping Act of 1916 and strengthened their enforcement. These provisions have largely been deleted in the bill as reported by the Committee on Commerce. In the second place, H.R. 6775, if enacted as it now stands, will so inflate the power of steamship conferences and steamship conference lines that U.S. shippers and exporters, independent steamship operators and the foreign commerce of the United States will be at the mercy of the conference system. It is therefore highly pertinent to discover that this same conference system has operated as a conduit for the perpetration of practices which run directly counter to the safeguards established by the Congress in 1916 and which are detrimental to the foreign commerce of the United States.

SCOPE OF ABUSES

As a result of the hearings before the House Antitrust Subcommittee, at the direction of its chairman, some 240 matters were referred to various enforcement agencies, principally the Federal Maritime Board—now the Federal Maritime Commission—and the Department of Justice. These matters involved possible violations of Federal laws and/or conference agreements or indicated activities possibly detrimental to the commerce of the United States—letter to Hon. ESTES KEFAUVER from Hon. EMANUEL CELLER, August 14, 1961. A significant number of these items have become the subject of enforcement or rulemaking proceedings before the Federal Maritime Board. In March 1961, the then Chairman of the Federal Maritime Board, Thomas E. Stakem, reported to the House Antitrust Subcommittee that 24 of the matters referred had become the subject of formal administrative proceedings by the Board to enforce the Shipping Act; 29 had become the subject of general rulemaking proceedings aimed at preventing future recurrence of questionable practices; 18 had been referred to the Department of Justice and 45 were then the subject of further study by the Board—Antitrust Subcommittee hearings, part 3, volume II, at 1281–1283.

Only a few of these proceedings have been completed. One has resulted in the Board finding certain lines violated sections 16 and 17 of the Shipping Act in granting free or reduced passage to shippers—"Investigation of Storage Practices at Stockton," FMB Docket No. 871, June 1, 1960. In another proceeding, still pending, a Board hearing examiner has handed down an initial decision finding a violation of law by a carrier and a shipper.

In March 1961, W. Wallace Kirkpatrick,, then Acting Assistant Attorney General in charge of the Antitrust Division of the Department of Justice, testified that a large number of the items which had been referred to the Department had become the subject of a grand jury investigation of the shipping industry—hearings, part 3, volume II, at 1246–1258. Subpenas were issued to some 150 shipping companies—both U.S.-flag and foreign—steamship agents and conferences—see Gardner, "Steamship Conferences and the Shipping Act," 1916, 35 Tulane Law Review, 129,137, 1960. The grand jury investigation involves questions of violation of the antitrust laws and other Federal statutes. According to Mr. Kirkpatrick, the investigation covers, among other areas, secret agreements in the inbound trade from Japan, in the trade between the United States and Africa; the possible use of deferred rebates expressly prohibited by the 1916 act and "fighting rates" in the trade from Mexico and the United States to Europe; and the disclosure of traffic information which could be used to the detriment of shippers and competing carriers in violation of section 20 of the Shipping Act—hearings, part 3, volume II, at 1246–1247. Significantly, with respect to the inbound trade from Japan Mr. Kirkpatrick testified:

> There is evidence that the reason the lines operated under secret agreements, rather than submitting them for Board scrutiny was that the lines wanted to influence the decision of the Supreme Court of the United States in the Isbrandtsen dual-rate case * * * They hoped to do this by appearing to be engaged in chaotic rate competition as a result of having been enjoined from using the dual-rate system. (Id. at 1246–47).

It has been reported that indictments are being drawn by the grand jury in this investigation.

Despite these indicia of the pervasive extent of malpractice in the conference system, some spokesmen for the industry apparently view the record which has been amassed by the congressional investigations with a sense of satisfaction. Mr. Ira Ewers, recently testifying on behalf of the administrative law division, Maritime Law Association of the United States, before the House Merchant Marine and Fisheries Committee, stated:

My recollection is that the foreign commerce of the United States, import and export, is somewhere in the magnitude of $32 billion a year and if you can only find 40, 50, or 200 violations of that volume of transactions, I think it is a record to which you should point with pride. (Hearings before the House Merchant Marine and Fisheries Committee, Reorganization Plan No. 7 of 1961, 87th Cong., 1st sess., 154.)

It is patently clear that this observation misconceives the scope and meaning of the revelations of the congressional investigations. Many of the matters which were referred to the Federal Maritime Board or the Department of Justice by the Antitrust Subcommittee as a single item embraced countless individual transactions involving a possible malpractice; the matters referred to by the Antitrust Subcommittee frequently represented not unique and isolated deviations from law but a course of dealing that permeated an entire trade over a long span of years. Thus, the Antitrust Subcommittee studied the recent history of the so-called WINAC trade between Italy, Sicily and North Atlantic ports of the United States. It found in this trade that it was a common practice to grant fidelity commissions to shippers or freight forwarders. These fidelity commissions were very much like the deferred rebates which were declared illegal by Congress in the Shipping Act of 1916. The use of these commissions, as well as the employment of a complicated hierarchy of secret and discriminatory rebates, stretched over a period of 8 years—hearings, part 2, volume I, at 47–69. Indeed, a responsible official of American President Lines, commenting on the status of this trade, observed:

The prohibition of the Shipping Act of 1916 against deferred rebates has been violated in one way or another almost continuously since the law was passed. (Hearings pt. 2, vol. I, at 138.)

In a similar vein, an official of another steamship line indicated that abuses were the rule rather than the exception in the Far East trade. He states in an interoffice memorandum:

As to malpractices, all the agreements in the world, plus bonds posted, plus conference memberships, will not prevent the Japanese lines from exercising the malpractice policy. (Hearings pt. 1, vol. II, at 1214.)

CONFESSIONS OF LINE OFFICIALS

Other commentators or representatives of the industry have recognized the existence of the widespread abuse which the hearings have demonstrated. Writing in the Tulane Law Review in December 1960, Mr. Warner Gardner, an eminent maritime lawyer, put it quite succinctly, remarking:

The regulatory provisions of the (shipping act have until 1960 largely been ignored. (Gardner, "Steamship Conferences and the Shipping Act," 1916, 35 Tulane L. Rev. 129, 132 (1960).)

During the recent congressional hearings high officials of American steamship lines were frequently heard to express remorse and shame when the malpractice violative of their company principles were disclosed. Thus, it was revealed that United States Lines had granted what were conceded to be immediate rebates on freight charges on eastbound shipments of logs to Swiss importers, by means of secret refunds and corrections of shipping documents. When material dealing with this practice was presented, Mr. W. B. Rand, the vice president of the United States Lines testified:

It is extremely distasteful, and I am personally ashamed of it. It is not within our company principles to behave in this manner. (Hearings pt. 1, vol. II, at 1456.)

Nevertheless, the practice apparently was carried on by Mr. Rand's company from 1954 to 1959—hearings, part 1, volume II, at 1446–1458.

To take another instance, it appears that in 1958 States Marine Lines granted a secret refund on a shipment of cotton to an important shipper of that commodity. (Hearings, pt. 1, vol. III, at 2301–2308). A hearing examiner of the Federal Maritime Board has recently issued an initial decision finding that both the shipper and the carrier thereby violated section 16 of the Shiping Act—"States Marine Lines, Hohenberg Brothers, Violation of section 16," FMB Docket No. 892, January 28, 1960. When this transaction was brought to light at a session of the Antitrust Subcommittee hearings, the president of States Marine Lines conceded that it constituted "a clear-cut violation of our conference agreement" and stated:

I don't want to make any excuse for it, because it was wrong, our people were wrong. Ethically, morally and every other way. (Hearings, pt. 1, vol. III, at 2301.)

Indeed, almost all of the representatives of the industry and of the conferences testified to serious malpractice problems in their trades and conceded the need for a general housecleaning. Such pious statements by top officials after the facts are revealed sound much like those by similar officials in the electrical equipment industry after the antitrust indictments.

DEVICES EMPLOYED TO EFFECT MALPRACTICE

An amazing variety of devices have been utilized on the foreign trade routes of the United States in order to effect rebates and other malpractices. A good number of these were summarized in an illuminating memorandum prepared by a veteran steamship company official for the education of his superiors, who purported to describe the methods which he understood were employed in certain routes to the Orient. The list includes:

1. Cash paid.
2. Issuance of correction notices (with no copies to the Conference), reducing the measurement or the weight of the shipment, or the rate.
3. Free ocean trips for the client, his family or his friends.
4. Financing trips abroad for the client or members of his family.
5. Lavish entertainment.
6. Establishment of credit at a nightclub or bar for the client.
7. Expensive gifts such as a new car, jewels, radios, TV sets, refrigerators, a house, or expensive curios.
8. Establishment of a pension for the client for a given time.
9. Payment for the education of client's child or children at a boarding school or college.
10. Gifts of stocks or bonds, either of the steamship line involved or purchased at an investment house or other corporation.
11. Purchase of land for the client.
12. Establishment of credit at a grocery store, meat store, or provision store.
13. Purchasing of supplies manufactured by the client which can be used aboard ships etc., at prices above those competitive. (Hearings, pt. 1, vol. II, at 1217.)

Mr. President, this list is far from exhaustive in revealing the media through which the art of malpractice is carried on. For example, it was revealed that in the trade between the Philippines and the United States, certain steamship lines participated in a scheme which operated so as to permit shippers to circumvent the exchange regulations of the Philippine Government. The practice involved the issuance of false bills of lading. The company would accept a bill of lading on a shipment from the Philippines which understated the actual amount of the commodity shipped. When the cargo was unloaded in the United States, the shipper would obtain dollars for the entire shipment. However, he needed to account to the Philippine Government only for those dollars which he had received for the shipment as understated in the bill of lading. The remaining dollars would be free of exchange controls and could be sold on the black market. Correction notices issued by the steamship lines showing the actual weight were kept in the United States because, as an official of a steamship line engaged in the practice explained:

Should a copy of these correction notices fall into the wrong hands both (the shipper) and ourselves would be seriously embarrassed with the exchange control authorities there. (Hearings, pt. 2, vol. I, at 328). (The entire document appears, hearings, pt. 2, vol. I, at 429.)

THE EVILS OF MALPRACTICE

It ill behooves the United States to countenance and promote a conference system in which violations, malpractices, and other forms of abuse are the rule rather than the exception and the shipping laws are more honored in their breach than their observance. It is true that Congress has granted limited recognition to the conference system. However, that recognition was based on a clear finding by the Alexander committee that conferences would redound to the benefit of the United States and its foreign commerce only if such conferences were, in the words of the Alexander committee, "honestly and fairly

conducted"—Alexander committee report, House Document No. 805, 63d Congress, 2d session 416, 1914. The committee further stated:

The committee believes that the disadvantages and abuses connected with steamship agreements and conferences as now conducted are inherent, and can only be eliminated by effective Government control; and it is such control that the committee recommends as the means of preserving to American exporters and importers the advantages enumerated, and of preventing the abuses complained of.

The Shipping Act of 1916 embodied the hope that these abuses could be avoided through effective Government control. But history has proven this hope to be vain. The recent congressional investigations disclose that by and large the conferences have not been "honestly and fairly conducted." The Government controls imposed were not sufficient to ward off abuse. Instead, it is frequently said that a Government agency no matter how well staffed cannot police this industry. As Warner Gardner, a practicing maritime lawyer, put it in a recent article:

In the absence of a general tradition of scrupulous adherence to the law, it is extremely doubtful if the regulator job could be done thoroughly with 1,000 investigators (35 Tulane L. Rev., 125, 135).

Yet it is now proposed that; first, the power of this untidy and unruly conference system be immeasurably enhanced by use of dual-rate contracts that would permit the elimination of independent competition; second, that provisions strengthening the powers of the Board to enforce the act be stricken from H.R. 6775 as passed by the House; third, that the Shipping Act be weakened by the dilution of some very essential protective provisions which were established by Congress in 1916; and, fourth, that provisions of the House bill for the protection of competition and shippers be eliminated.

It has also been demonstrated that a conference system in which these abuses persist is detrimental of the foreign commerce and contrary to the public interest. Acts of malpractice, whether technically constituting an infraction of law or merely a breach of a conference agreement, are frequently operated in an invideously discriminatory fashion. Such acts discriminate against small shippers, and favor powerful shippers able to command the routing of large quantities of cargo. Thus, on one occasion a secret refund was granted by a steamship line to a large shipper who "supported" the line whenever possible—hearings, part 1, volume III, at 2301, 2304. On another occasion, by the admission of its president, the same steamship company predated a bill of lading to allow a "large" and "important" cotton shipper to obtain a lower rate—hearings, part 1, volume III, at 2275. In connection with the reorganization of the Continental/North Atlantic Freight Conference, a sliding scale of brokerage payments which, according to a document in the records, "would secure 5-percent brokerage for the most important brokers" was promoted—hearings, part 3, volume I, at 309. In the Spanish trade, a system of discriminatory rebating was in force for a number of years. The details of this system were embodied in a document describing the shippers who were to receive the normal commission and those who were to receive an additional amount. For example, from the port of Alicante, the document reveals that a 5-percent commission was regularly granted to all shippers "except" four named shippers who received 10 percent—hearings, part 1, volume V, at 4842–4845. In granting free or reduced passage to shippers or their families or transporting the property of shippers free or at reduced rates, the lines established criteria based on the amount of business which the shipper had given or could give. Thus, Holland-America Line determined that only those bulb shippers who had paid freight in the amount of $2,000 or more should be considered important enough to be eligible to receive transportation of their automobiles abroad at a reduced rate—hearings, part 2, volume II, at 1613, 1689.

Ports in the United States have also suffered discriminations. In a recent decision, the Federal Maritime Board ruled that certain lines had discriminated against a number of California ports and in favor of the California ports of Stockton and Oakland by granting unlimited free storage to shippers at the latter ports—"Investigation of Certain Storage Practices of Pacific Far East Line, Inc., Trans-Oceanic Agencies, States Steamship Co., and Howard Terminals at the Ports of Stockton and Oakland," FMB Docket No. 871, June 1, 1961. As to certain respondents in the proceeding, the Board concluded that:

PFEL (Pacific Far East Lines) as a common carrier by water in conjunction with another person, and indirectly * * * (a) gave undue preference and advantage to inbound traffic through the port of Stockton and thereby subjected other ports such as San Francisco to undue prejudice and disadvantage (id., slip opinion at p. 11).

Moreover, the widespread incidence of rebating and other malpractice has frequently operated to the detriment of the U.S.-flag merchant marine. It seems to be generally conceded that U.S.-flag steamship lines are at a serious disadvantage in the game of malpractice as it is played in the international ocean freight industry. Foreign-flag lines are generally far less vulnerable to the regulatory provisions of the Shipping Act than their American-flag competitors. The documents of these foreign-flag lines have heretofore been beyond the reach of the Federal Maritime Board, and the malpractices in which they have engaged have frequently been consummated abroad. Thus, these lines are often able to enjoy the fruits of participation in the foreign trade of the United States without the burden of having to comply with U.S. shipping laws. Mr. George Killion, the chief executive of American President Lines, touched on this point in a letter dated March 14, 1960, to Mr. James L. Pimper, then Secretary to the Federal Maritime Board:

We consider that American President Lines is among the group of U.S.-flag lines which has rather consistently been pressing for the elimination of malpractices. Our review of the documents selected by the Celler committee indicates that we have nevertheless been forced on a few occasions into precisely those malpractices to which we are opposed. The only alternative, on each of these occasions, has seemed to be withdrawal from the trade in question. In a much larger group of trades, American President Lines (and other lines as well) has refused to meet the malpractices of some of its competitors and has in consequence been placed under a severe competitive disadvantage.

It is to the heavy interest of American President Lines, and a majority of the U.S.-flag lines as well, that the terms of the conference agreements and of the 1916 act be scrupulously observed. We have ships and service as good as any of our competitors, and expect to come out ahead in any competitive struggle which is waged on fair terms. (Hearings, pt. 2, vol. I, at 307.)

REASONS FOR MALPRACTICE

Some representatives of the steamship industry have tended to attribute the abuses found by the Antitrust Subcommittee to "weak" conferences and the absence of effective tying arrangements. Yet the hearings before the subcommittee demonstrate that flagrant violations and malpractices have taken place prior to 1958—when the Isbrandtsen decision placed in doubt the validity of dual-rate systems—in trades in which tying arrangements were in effect. For many years rebating was practiced on a grand scale in the Italian trade—the so-called WINAC trade—where not only a dual-rate system but also a tying arrangement was known as a fidelity commission system prevailed—hearings, part 1, volume I, at 49 and the following. Rebates were paid to shippers in the Philippine trade in 1954 where the conference—the Associated Steamship Lines—had instituted a dual-rate system which was then in force—hearings, part 2, volume I, at 160; part 1, volume I, at 741. An interoffice memorandum from a steamship line official cognizant with the situation suggests that the continuing malpractice was due not to the absence of a tying arrangement but to the lack of forthright conference action:

The logical place to stop this infraction of conference regulations is in ASSL (Associated Steamship Lines, the conference) but you feel it is hopeless. We are inclined to criticize ASSL for being so spineless. No line has the courage to take the bull by the horns. Evidently discretion is the better part of valor. (Hearings, pt. 2, vol. I, at 200.)

Thus, the notion that discrimination and malpractice can be eliminated if only Congress legalizes the use of an unlimited dual-rate system cannot be accepted as sound. The cause of these abuses are far more complex. The industry suffers from a history of woefully inadequate regulation by the Federal Maritime Board, long-standing disregard of the shipping laws by steamship lines and agents, and conferences, contrary to rudimentary concepts of fairness as laid down in U.S. shipping policy. This was made clear in the two House hearings. Yet, it is under these circumstances and against this background that still more power is to be given to the industry and to the steamship conferences without adequate safeguards to temper this power or to insure that the proliferation

of abuses which have been found will not continue.

Mr. President, this is a very vital and important matter to the shippers and the shipping companies of this Nation. I know there are several Senators who would like to hear the discussion. In order to give them an opportunity of knowing what is going on, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator from Tennessee yield to me?

Mr. KEFAUVER. I am happy to yield, provided I do not lose the floor.

Mr. MANSFIELD. Mr. President, in conjunction with the distinguished minority leader, and after touching all bases, I should like to propound a unanimous-consent request. It is my understanding that the Senator from Tennessee wishes to discuss the shipping bill for about 40 minutes more.

Mr. KEFAUVER. I can discuss it for several hours, or I can discuss it for 1 hour.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at 5 o'clock this afternoon the Senate lay aside the pending business and that at that time the Senate proceed to the consideration of Calendar No. 853, S. 2426, to revise the Federal election laws, to prevent corrupt practices in Federal elections, and for other purposes.

In the meantime, if that request shall be agreed to, I wish to propound, on behalf of the distinguished minority leader and myself, and with the full concurrence of the Senator from Tennessee [Mr. KEFAUVER] and the Senator from California [Mr. ENGLE], a unanimous-consent request that beginning at the conclusion of the morning hour tomorrow the debate on Calendar No. 842, H.R. 6775, be limited to 1 hour on amendments and 1 hour on the bill, the time to be equally divided, the proposal to be reduced to writing in the usual, regular form.

Mr. KEFAUVER. Mr. President, will the Senator yield for an inquiry?

Mr. MANSFIELD. I yield.

Mr. KEFAUVER. Does the Senator mean 1 hour on each amendment, the time to be divided equally?

Mr. MANSFIELD. Yes; 1 hour on each amendment, the time to be divided equally.

Mr. KEFAUVER. That is satisfactory to me.

Mr. RUSSELL. But that reservation does not apply to Calendar No. 853, S. 2426, does it?

Mr. MANSFIELD. Oh, no.

Mr. ENGLE. May I inquire about the time on amendments? Some 13 amendments are at the desk. I thought the distinguished Senator from Tennessee was willing to accept 15 minutes on each side on his major antitrust amendment. May we have that agreement?

Mr. KEFAUVER. I expect to offer three antitrust amendments. That will mean 30 minutes to a side. Some other amendments might take more than 15 minutes on a side, but we will try to be as brief as possible and yield back any time we do not use. I hope the Senator from California will accept about half the amendments.

Mr. JAVITS. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. JAVITS. I had in mind asking the Senator a question about Calendar No. 853, S. 2426. Is it intended to try to finish the consideration of S. 2426 tonight?

Mr. MANSFIELD. Not necessarily.

Mr. JAVITS. I am considering offering an amendment which may result in considerable debate.

Mr. MANSFIELD. I think the Senate should not remain in session too long tonight; I simply wished to indicate that S. 2426 would be the next business before the Senate. If Senators wish to make speeches, they may do so, but I assume there will be no votes tonight.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

(The unanimous-consent agreement, reduced to writing, is as follows:)

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Thursday, September 14, 1961, at the conclusion of routine morning business, during the further consideration of the bill (H.R. 6775) to amend the Shipping Act, 1916, as amended, to provide for the operation of steamship conferences, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. KEFAUVER. Mr. President, from the viewpoint of protecting the Government of the United States from unreasonable and discriminatory charges which have grown out of the conference system, which protection would be afforded by amendments I shall offer including the language of the House bill, I wish to give Senators an actual example of discrimination which has been practiced on the United States, and is in effect. I could also use other specifics than this one.

MALPRACTICE AGAINST THE UNITED STATES—OVERCHARGES ON SHIPMENTS OF GOVERNMENT-FINANCED GRAIN

There is one aspect of this conference situation which has received little publicity, which has been only partially investigated so far, but which would militate against any undue solicitude on the part of the U.S. Government toward the cartels. I refer to the fact that the conferences have not only widely employed discriminatory practices toward private American exporters and importers but also against the Government itself. The extent of these practices is unknown but their clear existence has been amply demonstrated.

During the course of the hearings before the House Antitrust Subcommittee, its chairman, Representative CELLER, requested the Comptroller General of the United States to report on "(w)hether the U.S. Government is or has been paying in excess of the prevailing market rate, or in excess of charges to private shippers for comparable shipments, for ocean transportation of grain under the foreign aid program"—hearings, part 3, volume II, at 927.

In response to this request, the General Accounting Office conducted a study of certain grain shipments made aboard U.S.-flag vessels for the account of the United States during 1957, 1958, and 1959, and in March of 1961, the Comptroller General of the United States, the Honorable Joseph Campbell, appeared before the Antitrust Subcommittee and reported on the results of this investigation—hearings, part 3, volume II at 926–953. Mr. Campbell told the subcommittee that, according to the findings of the GAO, two U.S.-flag carriers, Lykes Brothers Steamship Co. and Bloomfield Steamship Co., had charged rates on ICA financed grain shipments moving from gulf ports to Germany in excess of the rates charged commercial shippers between the same points. Mr. Campbell's statement summarized the findings of the GAO as follows—hearings, part 3, volume II, at 940–942:

With respect to grain shipments during 1958 and 1959, from U.S. gulf ports to Germany, financed by the International Cooperation Administration, we found instances in which two carriers charged the Government at rates in excess of the rates charged commercial shippers between the same points. Had the Government shipments moved at the rates charged commercial shippers during this period, we estimate that transportation charges to the Government would have been reduced by $305,000.

The estimated reduction is comprised as follows:

	1958	1959	Total
Bloomfield Steamship Co.	$141,003	$129,377	$270,380
Lykes Bros. Steamship Co., Inc.		34,731	34,731
Total	141,003	164,108	305,111

Our review of grain shipments during calendar year 1958 revealed that the Bloomfield Steamship Co. transported grains from U.S. gulf ports to Germany for commercial shippers at rates ranging from a low of $4.50 per ton to a high of $9.25 per ton, whereas, on Government-financed shipments of grain during the same period, Bloomfield Steamship Co. rates to the Government ranged from $10.50 to $13.50 per ton. Had the Government shipments moved at the rates charged commercial shippers during this period, we estimate that

transportation charges to the Government would have been reduced by $141,003.

For instance, in our examination of records covering 1958 shipments, we found that bills of lading were issued by Bloomfield for the transportation of both Government-financed and commercial wheat on the SS *Neva West*, voyage No. 7–S, sailing from Houston, Tex., and Galveston, Tex., to Germany in May 1958. The rate charged to the commercial shipper for wheat on this voyage was $6.75 per ton for 1,655 tons, while the rate paid by the Government was $12.50 per ton for 5,250 tons. The total charge to the Government for wheat aboard this vessel was $65,625. Had the Government been charged the commercial rate of $6.75 per ton, transportation charges to the Government would have been reduced by $30,188.

Our examination of other payments revealed a shipment in August 1958 of 2,000 tons of Government-financed wheat from Galveston, Tex., to Hamburg, Germany, on the Bloomfield vessel SS *Margaret Brown*, voyage No. 9–S, for which Bloomfield charged the Government at a rate of $10.50 per ton. On the same vessel between the same points, a commercial company shipped approximately 4,543 tons of barley for which Bloomfield charged at a rate of $9.25 per ton.

Mr. President, as a result of Justice Department action following these disclosures, it is understood that Lykes Brothers has settled a claim in the amount of $34,731.36 presented by the Government on account of alleged overcharges of freight for the carriage of Government-financed cargoes of grain to Germany—hearings, part 3, volume II, at 960. Lykes explained to the chairman of the Antitrust Subcommittee that this claim was settled in order to avoid litigation with the Government with respect to the meaning and application of the ICA supplier's certificate, which it signed in connection with the shipments which it transported for the ICA—hearings, part 3, volume I, at 955–959.

In a further report, dated August 5, 1961, ICA supplemented its earlier material as follows:

There was not available to ICA at the time of the committee's inquiry information upon which to determine whether any freight charged on 1960 parcel-lot shipments of grain at "open" rates exceeded the limitations of regulation 1. To fill this lack, ICA undertook a thorough search of its records and identified all ICA-financed liner shipments of grain during 1960 at "open" rates, the name of the vessel, port of loading, port of discharge, and the name of the carrier.

Attached hereto as exhibit A is the results of this investigation. I ask unanimous consent to have this exhibit placed in the RECORD at this point.

There being no objection, the exhibit was ordered to be printed in the RECORD, as follows:

EXHIBIT A

ICA-financed parcel lot movements of grain during calendar year 1960

Name of vessel	Voyage No.	Port of loading	Port of discharge
I. AMERICAN PRESIDENT LINES			
President Garfield	9	Stockton	Inchon.
II. BLOOMFIELD STEAMSHIP CO.			
Lucille Bloomfield	21	Galveston	Emden.
Neva West	18	do	Bremen.
Lucille Bloomfield	22	Houston	Hamburg.
Margaret Brown	20	do	Bremen.
Neva West	20	do	Do.
Alice Brown	218	do	Bremen/Rotterdam.
Margaret Brown	218	do	Do.
Do	228	do	Bremen.
Neva West	22	Galveston	Do.
Lucille Bloomfield	26	do	Emden.
Margaret Brown	23	do	Do.
Neva West	23	do	Do.
III. LYKES BROS. & CO., INC.			
Elizabeth Lykes	64	Houston	Bremen.
Aimee Lykes	53	Port Arthur	Piraeus.
Helen Lykes	60	do	Barcelona.
IV. PACIFIC FAR EAST LINES			
China Bear	70	Stockton/Oakland	Inchon/Pusan.
V. STATES MARINE LINES, INC.			
Sooner State	2	Galveston	Bremen.
Robin Mowbray	12	Vancouver/Portland	Hamburg/Weser.
Ines	13	do	Hamburg/Weser/Bremen.
V. STATES MARINE LINES, INC.—con.			
Steel Scientist	16	Portland	Pusan.
Palmetto State	70	do	Bremen/Rotterdam.
Bayou State	3	do	Hamburg.
Steel Surveyor	15	Portland/Longview	Weser.
Ocean Deborah	21	Longview	Do.
Rebecca	19	Houston	Hamburg/Bremen.
VI. STATES STEAMSHIP CO.			
Wyoming	64W	Seattle	Keelung.
VII. UNITED STATES LINES CO.			
American Pilot	48	Baltimore	Hamburg/Bremen.
American Traveler	111	Norfolk	Do.
American Scout	107	do	Bremen.
American Ranger	112	Baltimore	Rotterdam.
American Merchant	113	do	Hamburg/Bremen.
American Reporter	95	Baltimore/Norfolk	Do.
American Shipper	115	Norfolk	Do.
American Gunner	52	Baltimore	Rotterdam.
American Pilot	51	do	Hamburg/Bremen.
American Traveler	114	Norfolk	Bremen.
American Pilot	52	New York	Hamburg/Bremen.
American Scout	109	Baltimore	Do.
VIII. WATERMAN STEAMSHIP CORP.			
Hastings	82	Houston	Bremen.
Morning Light	164	Houston/Galveston	Emden.
Maiden Creek	74	Seattle	Pusan.
Choctaw	62W	Portland	Do.
Fairport	75W	do	Do.
Maiden Creek	75W	do	Inchon.
Warrior	83	Galveston	Bremen.

NOTE.—Inquiries were sent to all carriers reported above and replies have been received with the exception of the United States Lines Co.

Mr. KEFAUVER. Mr. President, I read further from the report:

It will be noted that eight separate steamship lines were involved in ICA-financed grain carriage of the type here being considered. Letters were then sent to these eight companies asking each to identify all grain cargoes carried for private shippers at "open" rates during a 30-day period before and a 30-day period after each carriage of an ICA-financed cargo by the carrier questioned. The carrier was expressly asked to identify any private cargo carried on the same voyage of the vessel on which the ICA-financed cargo was transported. In each case the carrier was asked to supply the rates charged the private shipper.

The purpose of this inquiry was to determine of each carrier whether, during any period 30 days before or after a given ICA-financed shipment by it, that carrier also transported a privately financed cargo at a rate lower than the rate charged ICA. This information would, of course, be the basis for determining whether any carrier had violated its certification that the rate charged ICA did not exceed the rate paid to the supplier for similar services by other customers similarly situated.

To date, ICA has received replies from seven of the eight steamship companies contacted, and further steps are being taken to elicit a reply from the one remaining company. These replies disclose that only on two occasions did the steamship companies questioned carry private cargoes during a 60-day period in which they were also engaged in an ICA-financed carriage. In each case the private cargo was carried on the same voyage of the vessel transporting the ICA-financed cargo, and in each case the private cargo was carried at a lower rate than the ICA-financed cargo.

In these cases a further investigation is being made to determine whether the private carriage was strictly comparable to the ICA carriage and claims will be filed in the event the comparability of these shipments is established. In this connection, the maximum recovery possible is approximately $18,000. In addition, the possibility exists that by a comparison of shipments of one of the steamship lines for a 90-day period rather than a 60-day period, additional recoveries may be possible totaling approximately $73,800.

In addition to the investigation of the charges by the carriers mentioned above, it is necessary to make such additional investigation of the open rate liner market for grain shipments as will determine whether the 1960 ICA-financed shipments in question were in compliance with the prevailing rate requirement of regulation 1. This study, which will involve the collection of a rep-

resentative sample of open rate liner charges for grain in the period of the ICA-financed shipments, will require a canvass of carriers by mail and probably some field investigation following. The result of this study will be forwarded to the committee as soon as available.

I think that this ICA material speaks for itself; the U.S. Government need shed no crocodile tears over the thought of regulating the international cartels.

PREDATORY PRACTICES DIRECTED AGAINST NONCONFERENCE COMPETITION

The record developed by the House Antitrust Subcommittee indicates that the conference lines have waged an almost continuous battle against independent or nonconference competitors, and have engaged in practices which were designed to curtail or eliminate independent competition. To cite one well-known example, the Supreme Court decision in the Isbrandtsen case was based on a finding that the members of a steamship conference—the Japan/Atlantic Gulf Freight Conference—had instituted a dual-rate contract system in order to stifle the independent competition of the Isbrandtsen Co. (356 U.S. at 493). Conferences and conference members have utilized, or considered the utilization of, a plethora of other devices designed to curtail, injure or eliminate the independent. These devices almost invariably involve concerted action against the nonconference competitor with the full power of a conference or grouping of regular lines being applied against a single competitor. Joint action of conference members to secure the boycott of an independent was one approach. For example, in the trade between the United States and South Africa a nonconference service under the name of Baron Line has been operated from time to time. During 1957 and 1958 the regular lines in the trade—which included three American-flag and several foreign-flag lines—were concerned with the Baron Line and made attempts to counter its competition. After consorting together to determine what steps to take in this direction, the regular lines agreed to reduce their rates to such a point that they could approach shippers and demand that Baron Line be boycotted—hearings, part 1, volume IV at 4238–39. Subsequently, a high official of one of the regular lines indicated in an intercompany communication:

As you are aware, Baron Lines are advertising two steamers for the month of June. I have had several talks with our various competitors; namely Moore-McCormack, Safmarine and Lykes regarding this competition.

First of all, we have sold Moore-McCormack on the idea that we should both work closely together to try and kill off the Baron Line and then go back to our own private battle. (Hearings, pt. 1, vol. IV at 4298; full document at 4314.)

While officials of these lines denied that this communication stated the purpose of their activities, the record of the Antitrust Subcommittee hearings on this point contains contradicting statements—hearings, part 1, volume IV, at 4298–4308.

Again certain nonconference competition in the North Atlantic trade, other devices were employed. On one occasion, the nonconference operator secured a shipment of lard at $1 per hundred pounds. The conference members with the exception of one, agreed to reduce the rate to 55 cents per hundred pounds—hearings, part 1, volume II, at 1495–1496. The purpose of this step was to discourage the nonconference competition from becoming established—hearings, part 1, volume II, at 1495.

In the Isbrandtsen case, Mr. Justice Brennan described the fighting ship as the "crudest form of predatory practice" which the Alexander committee brought to light (356 U.S. at 488). The Shipping Act of 1916, of course, outlaws this practice. As defined in the act, a fighting ship is a "vessel used in a particular trade by a carrier or group of carriers for the purpose of excluding, preventing, or reducing competition by driving another carrier out of said trade." As commonly understood, a fighting ship was a vessel of one of the conference lines which the conference would select to sail on the same days and between the same ports as the nonconference vessel. Rates on the fighting ship would be reduced low enough to garner the trade from the nonconference vessel. The expenses and losses from the voyage were shared by the conference members. When the outsider had been driven out the conference would be free to raise its rates to a point where it could make up the loss (356 U.S. 488).

It appears that devices similar in their nature and impact to this most predatory of practices have been used by the conferences. The modern version apparently passes under the name of fighting committee or emergency rate committee. A fighting committee is a committee of steamship line representatives authorized to commit the conference to any rate quotation necessary to preserve for the conference lines shipment of a particular commodity which a nonconference operator is seeking—hearings part 1, volume II, at 1517. In June of 1959 it appears that such a committee, denominated a special ratemaking committee, was formed; its objective was spelled out in succinct terms:

The elimination of Mamenic Line from the North Atlantic trade.

Take away from Meyer Line those commodities which they are carrying in volume and of which the conference lines are handling only small quantities.

The Meyer Line which was the object of this attention is a nonconference operator plying the North Atlantic trade routes. Some steamship conference operators claim that independent lines are irresponsible, do not provide valuable service; and have an advantage over conference lines because they charter rather than own their vessels. A high official of United States Lines, a large conference operator, testified freely that Meyer Line was a respected and valuable member of the shipping fraternity, albeit nonconference. Mr. Rand stated:

The Meyer Line is a very reputable outfit. They charge as far as I can tell you now, almost an even 10 percent under conference rates. They provide a weekly sailing between continental Europe, and the east coast, and they provide in return a weekly sailing from the east coast to continental Europe * * * They put a lot of money in their ships * * * and they have built up a large organization. They are providing an excellent service * * * Meyer will stay with us, and we are perfectly happy to have him, because he is not trying to underquote all our rates * * * As far as I am personally concerned, he can stay there just as long as he wants. We will, of course, try to get him into the conference. We have done so before unsuccessfully, but we will not relinquish our efforts. (Hearings, pt. 1, vol. II, at 1627.)

Despite all these glowing accolades for the Meyer Line and the excellence of its service, documentary material in the printed record of the Antitrust Subcommittee hearings would indicate that certain influential conference lines have been for years conspiring to restrict and stifle the independent competition of this line.

During the period 1953 to 1955, attempts were being made to induce two powerful German steamship lines—the North German Lloyd and the Hamburg-American Line—to join a conference operating between the North Atlantic ports of the United States and the Continent. As a condition to their entry, the German lines wanted the conference to adopt a method to curtail or stifle the independent competition of Meyer. In communications between these lines and their general agents, they appear to have considered the possibility of the conference waging limited warfare against Meyer in order to make things sufficiently difficult for Meyer to force him to restrict his sailings to not more than two per month or taking drastic rate action against Meyer "to convince Meyer of the error of his ways"—hearings, part 3, volume I, at 295. At one point it was suggested that a delegation of German lines and certain conference lines should be sent to "seriously warn Meyer not to increase his sailings" or to overdo his activities—hearings, part 3, volume I, at 297–299.

In the end the German lines took the position that to deal with Meyer the conference must establish a committee which was apparently similar to the fighting committee—referred to above—and a somewhat more sophisticated version of the fighting ship principle. The committee was to be called an emergency rate committee and was described as follows:

The Emergency Rate Committee should consist of three lines only and decide with two-thirds majority (the chairman having no right to vote) and making definite decisions about rates without asking the owners. The committee must have the right to induce fighting rates not only for substantial parcels but must have free hands to fight Meyer and Mitsui (another nonconference operator) the way they feel it effective without unnecessarily cutting the rates. (Hearings, pt. 3, vol. I, at 326.)

It was also proposed that such a committee be established in the corresponding westbound conference on the grounds:

We need a two-edged sword to cut Meyer down. (Hearings, pt. 3, vol. I, at 305.)

It appears that the conference did establish the emergency rate committee

in 1955—hearings, part 3, volume I, at 341–342.

Is this the kind of practices we want to legalize, and are they reconcilable with our basic economic policy?

PROGNOSTICATION

It is obvious, from this sampling of the practices of conferences and the record compiled by the Celler committee, that these steamship conferences authorized under the Shipping Act have been prone to abuse their authority. Their history is replete with instances where they have acted contrary to the public interest and in open violation of law. Yet it is to the not-so-tender mercies of these foreign-dominated cartels, which have repeatedly demonstrated their irresponsibility in the past, that the present bill would leave our thousands of shippers—with wholly inadequate safeguards.

Let us examine the power which these foreign dominated steamship conferences would be able to wield over American shippers if this bill is enacted as presently drawn. In the first place, sanctioning of the dual-rate contract will allow the conferences to obligate thousands of American shippers to employ their vessels exclusively and to abide by all other clauses contained in dual-rate agreements. Exactly how many American shippers will fall into the coils of the conferences, if the system is finally legalized, is unknown, but the number would appear substantial according to figures in a table which at best are an approximation for a representative sampling of conferences only.

Mr. President, I ask unanimous consent that the table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Dual-rate contracts of selected steamship conferences in the foreign commerce of the United States

Conference:	*Approximate number of contracts*
Pacific Westbound	4,100
Pacific Coast European	3,500
Pacific Coast Latin America [1]	3,500
Pacific Straits / Pacific Indonesian	3,500
Trans-Atlantic [2]	35,000
India, Pakistan & Burma Outward	6,500
River Plate and Brazil [3]	8,000
Associated Latin America [4]	60,000
Atlantic and Gulf Indonesia / Atlantic and Gulf Malaya	5,000
Gulf Associated [5]	6,233

Source: Bonner committee hearings, passim; hearings before the House Committee on Merchant Marine and Fisheries on H.R. 12751, 85th Cong., 2d sess., passim (1958).

[1] Includes the following conferences which employ dual rates: Canal Central America Northbound Conference, Capca Freight Conference, Colpac Freight Conference, Pacific Coast/Caribbean Seaports Conference, Pacific Coast/Mexico Freight Conference, Pacific Coast/Panama Canal Freight Conference, Pacific/West Coast of South America Conference, Pacific Coast River Plate Brazil Conference, West Coast of South America/North Pacific Coast Conference.

[2] Includes the following conferences which employ dual rates: North Atlantic Baltic Freight Conference, North Atlantic Continental Freight Conference, North Atlantic French Atlantic Freight Conference, North Atlantic Mediterranean Freight Conference, North Atlantic United Kingdom Freight Conference.

[3] Includes the following conferences which employ dual rates: River Plate and Brazil Conferences, East Coast South America Reefer Conference, Brazil-United States-Canada Freight Conference, Mid-Brazil/United States-Canada Freight Conference, North Brazil/United States-Canada Freight Conference, River Plate/United States-Canada Freight Conference.

[4] Includes the following conferences which employ dual rates: Havana Steamship Conference, Santiago de Cuba Conference, United States Atlantic and Gulf-Haiti Conference, U.S. Atlantic and Gulf Ports-Jamaica (B.W.I.) Steamship Conference, Leeward & Windward Islands & Guianas Conference, East Coast Colombia Conference, Atlantic and Gulf/Panama Canal Zone, Colon and Panama City Conference, Atlantic & Gulf/West Coast of South American Conference, Havana Northbound Rate Agreement, West Coast South America Northbound Conference, Atlantic and Gulf/West Coast of Central America & Mexico Conference, United States Atlantic & Gulf-Venezuela & Netherlands Antilles Conference.

[5] Includes the following conferences which employ dual rates: Gulf/French Atlantic Hamburg Range Freight Conference, Gulf Mediterranean Ports Conference, Gulf/United Kingdom Conference.

Source: Walden, "The Dual Rate Moratorium—End of the Isbrandtsen Odyssey," 10 J. of Public Law, 78, 85 (1961).

Mr. KEFAUVER. However, if a shipper does sign a dual-rate contract and subsequently breaches it, he may be subject to a heavy penalty for failure to fulfill his agreement in the form of liquidated damages equal to the actual freight rate for the cargo involved. This type of penalty, in the guise of a liquidated damage provision, has long been frowned upon by Anglo-American common law; yet is sanctioned by the bill. The effect of this liquidated-damage provision is not to recompense the carrier for damages suffered through breach—which is the standard measure of contract damages, as any lawyer knows—but to "coerce shippers to refrain from using nonconference carriers"—*Isbrandtsen Co.* v. *United States* (239 F. 2d 933, 940 (D.C. Cir. 1956); affirmed 356 U.S. 481 (1958)).

On the other hand, what remedy does the poor shipper have should the conference, for one reason or another, fail to provide transportation facilities for his goods? Is there any liquidated-damage provision? Any penalty? The answer in both cases is "No." Indeed, there is no obligation whatsoever on the part of conference carriers to transport the cargo of the shipper in most dual-rate contracts, so that failure to haul the shipper's goods does not even constitute a breach. Under such circumstances, it is true that, under the Senate bill, the shipper is released from his contractual obligation and may then seek transportation facilities elsewhere—that is, if he can find them. But the bill as reported would also permit dual-rate contracts to be employed to eliminate independent carriers from the trade and establish a monopoly for conference lines. Thus, the freedom of the shipper to seek outside tonnage granted in the bill is, at best, an empty gesture without some safeguards to assure the existence of other carriers in the trade, should such circumstances arise.

Why have not shippers openly opposed the dual-rate system in view of these restrictions which bind them so irrevocably to conference lines? To begin with, many large shippers have favored dual-rate agreements because they have been able to obtain favorable terms not available to other shippers. The cotton shippers association, for example, which has supported dual-rate contracts, has been able through collective bargaining with the conferences, to obtain special concessions such as the right to cancel on 30 days' notice, and the promise on the part of the lines to provide regular sailings, as well as favorable treatment on rates. Furthermore, a lot of shipper support has been "drummed up" by the conferences and lacks genuine spontaneity, as witness the following telegram dispatched by the Transatlantic Associated Freight Conferences, a group of conferences covering the export trade of the United States from North Atlantic ports to Europe:

> In mutual interest your support respectfully requested on interim legislation just introduced House and Senate to maintain status quo dual-rates systems until June 30, 1960. Urge you or your representative appear personally before House Merchant Marine and Fisheries Committee hearing June 3 through June 5, 1958, by contacting Mr. John Drewery, committee counsel, room 219, Old House Office Building, Washington, D.C. If you unable attend hearing suggest you telegraph your support interim legislation to Hon. HERBERT C. BONNER, chairman, House Merchant Marine and Fisheries Committee and to Hon. WARREN MAGNUSON, chairman, Committee on Interstate and Foreign Commerce.

This telegram was sent to more than 60 major shippers.

Some shippers have obviously opposed dual-rate contracts inasmuch as they have seen fit to violate them and subject themselves to severe penalties, and in some instances, outright cancellation of their agreements. For example, Anderson & Clayton was assessed some $145,000 for shipping cotton aboard nonconference lines from Pacific coast ports to Europe in violation of their dual rate-contract with the Pacific Coast European Conference—hearings on H.R 12751, 85th Congress, 2d session, at page 219, 1958. This is one of the highest penalties ever levied by a conference against a shipper violating a dual-rate contract. But, what is still more surprising is that Anderson & Clayton, the shipper, is 50 percent owner of States Marine, a steamship company belonging to the Pacific Coast European Conference. Thus, despite, for all practical purposes, its controlling interest in a conference line, this company chose to breach rather than adhere to the rigid terms of the agreement. The table I ask unanimous consent to insert in the RECORD at this time reveals the names of other shippers who have become disillusioned with dual-rate agreements and have been penalized by the conferences by virtue of their resort to nonconference lines.

There being no objection, the table was ordered to be printed in the RECORD,

Violations of conference merchants contracts by contract signatories, 1950 to Sept. 1, 1958

Name of conference	Name and address of violator	Approximate date	Cargo	Violation	Penalty and/or damages	Disposition
Gulf/French Atlantic Hamburg Range Freight Conference (No. 140-1).	None					
Gulf/Mediterranean Ports Conference (No. 134)	H. Kempner, Galveston, Tex.	May 16, 1950	Cotton	Shipped by nonconference vessel *Virginia*.	$6,010.20	Unpaid; pending.
Gulf/United Kingdom Conference (No. 161)	None					
Atlantic and Gulf-Singapore, Malaya and Thailand Conference (No. 8240).	do					
Atlantic and Gulf-Indonesia Conference (No. 8080).	do					
Far East Conference (No. 17)	United States Pipe & Foundry Co.	February 1950			None	None.
	H. Kempner, Galveston, Tex.	June 1950			$41,886.25	Unpaid.
	do	October 1950			$26,069.03	Do.
	do	December 1950			$116,319.28	Do.
	Schaefer-Hauser Corp.	May 1949 / February 1950			$119,955.56	Do.
	Ball Bros.	January 1950			$37,275.53	Do.
Associated Steamship Lines (No. 5600)	L. A. Johnson	Nov. 11, 1954		Used nonconference vessel	None	
	United Commodities Corp.	May 27 to June 13, 1957.		do		
	Aboitiz & Co., Inc.	May 30 to June 8, 1957.		do		
	Conrad & Co., Inc.	do		do		
	Corominas, Richards & Co.	do		do		
	Jose Yap	do		do		
	Union Import & Export Co.	do		do		
	World-Wide Progressive Co.	do		do		
	United Commodities Corp.	July 4-15, 1957		do		
	Aboitiz & Co., Inc.	July 12-24, 1957		do		
	Corominas, Richards & Co.	do		do		
	Domestic Products Export Co.	do		do		
	Jose Yap	do		do		
	Ultramar Traders, Inc.	do		do		
	Union Import & Export Corp.	do		do		
	Copra Agencies, Inc.	July 28-29, 1958		do		Paid ₱5,000 in lieu of full liquidated damages.
Pacific Coast European Conference (No. 5200)	Mutual Orange Distributors (Pure Gold, Inc.).	July 12, 1951		do	$950	Paid $950.
	California Fruit Growers Exchange (Sunkist Growers).	do		do	$5,950.10	Paid $5,950.10.
	Duthie & Co.	do		do	$800	Paid $800.
	Sinason-Teicher Inter-American Grain Corp. and North Atlantic Seed Co., Inc.	Aug. 6, 1954		do	$109,000	Settlement pending.
	New England Waste Co.	Aug. 17, 1954		do	$3,010	Settled without penalty.
	American Potash & Chemical Corp., Three Elephant Borax Co. and Norman Cheney.	Sept. 2, 1954		do	$15,008.92	Do.
	General Hide & Skin Corp.	Sept. 10, 1954		do	$1,725	Paid $100.
	Parsons & Whittemore, Inc.	Sept. 25, 1954		do	$106,012.50	Settlement pending.
	Samincorp South American Minerals & Merchandise Corp.	Oct. 29, 1954		do	$2,790	Paid $200.
	Borax Consolidated, Ltd., and Pacific Coast Borax Co.	Dec. 30, 1954		do	$8,715.56	Settled without penalty.
	Stauffer Chemical Co.	do		do	$3,240	Do.
	Kaufmann Trading Corp.	Dec. 31, 1954		do	$1,687.44	Do.
	Sterling International	Nov. 15, 1957		do	$16,000	Paid $1,600.
	Allied Canners & Packers, Inc.	do		do	$5,000	Paid $425.
	Anderson, Clayton & Co., Inc., Anderson, Clayton & Co., Inc., S.A. of Panama, and Compania Algodonera de Mexicali S.A. de C.V.	Nov. 22, 1957		do	$145,750	Settlement pending.
	Hohenberg Bros. Co. and Algodonera Hohenberg S.A. de C.V.	do		do	$5,500	Do.
	Shaw Cotton Co., Inc., and E. A. Shaw & Co., Inc.	do		do	$14,300	Paid $880.

Violations of conference merchants contracts by contract signatories, 1950 to Sept. 1, 1958—Continued

Name of conference	Name and address of violator	Approximate date	Cargo	Violation	Penalty and/or damages	Disposition
Pacific Coast European Conference (No. 5200)	Ziel & Co., Inc.	Dec. 19, 1957		Used nonconference vessel	$800	Paid $80.
	Johns-Manville International Corp.	Jan. 27, 1958		do	$63,000	Settlement pending.
	Schwabach & Co.	Oct. 24, 1958		do	$2,100	Do.
	Railway Supply & Manufacturing Co.	do		do	$4,180	Do.
	Van Waters & Rogers, Inc., Braun Chemical Co., and Braun-Knecht-Heimann Co.	do		do	$5,060	Do.
Deli New York Rate Agreement (No. 7190)	None					
Association of West Coast Steamship Companies (No. 3302).	do					
Continental-U.S.A. Gulf Westbound Freight Conference No. 6150).	do					
Java New York Rate Agreement (No. 90)	do					
Java Pacific Rate Agreement (No. 191)	do					
Associated Latin American Freight Conferences.[1]	do					
North Atlantic Westbound Freight Association (No. 5850).	George Cohen Sons & Co., Ltd., London, England.	May 1953			Contract terminated May 28, 1953.	Readmitted as signatories Nov. 4, 1953.
	Cigarette Components, Ltd., London, England.	November 1953			Contract terminated Jan. 18, 1954.	Noncontract rates applied.
	Amicale Trading Co., Inc., New York.	March 1958			Consignees denied they violated and were shipping by conference vessels.	No further action taken.
Pacific Coast River Plate Brazil Conference (No. 6400).	None					
Pacific/West Coast of South America Conference (No. 4630).	Raymond Concrete Pile Co.	Mar. 6, 1953	1 box machinery parts	Used nonconference vessel *Irish Rose*	Unknown	Dropped.
	Santa Fe Drilling Co.	Nov. 17, 1953	Oil drilling equipment	Used nonconference vessel *Flying Eagle.*	$39,900	Paid $3,600.
	Utah Construction Co.	December 1957 (2). February 1958 (2).	Machinery explosives	Used nonconference vessel *Annitsa L., Peimar Edzard Fritzen, Batis,* and *Andros Mentor.*	$217,188.86	Contract suspended May 14, 1958. Signatory canceled contract June 30, 1958.
	Globe Distributors Co.	June 13, 1958	6 buses	Used nonconference vessel *Andros Mentor.*	$15,242.48	Contract suspended Sept. 1, 1958.
	J. R. Townsend	June 1958	Machinery	do	$147.56 approximately	Pending.
	Atlas Powder Co.	Aug. 12, 1958		Used nonconference vessel *Callao*	$6,375	Contract suspended Oct. 13, 1958.
	Pillsbury Mills, Inc.	Sept. 6, 1958	3,750 tons bran, 4,450 tons flour.	Used nonconference vessel *Andros Legend.*	$213,450	Contract suspended Oct. 13, 1958. Signatory canceled contract Nov. 25, 1958.
	U.S. Trading Co., Inc., Seattle.	August 1952	Lumber	Used nonconference vessel *Crickett*		Paid $100.
Pacific Coast/Panama Canal Freight Conference (No. 7170).	None					
West Coast South America/North Pacific Coast Conference [2] (No. 6270).	do					
Pacific Coast/Mexico Freight Conference (No. 7570).	Dulien Steel Products, Inc.	January 1958	3,000 tons steel rails	Used nonconference vessel *Romulus*	$61,500	Contract suspended May 13, 1958.
Capca Freight Conference (No. 6170)	Exchange Orange Products	Mar. 5, 1953	36 cartons fruit concentrate	Used nonconference vessel *Irish Rose*	Unknown	Settled for $1.
	Petrex Corp.	Mar. 6, 1953	100 bags paraffin wax	do	do	Dropped.
	Peerless Pump Division, Food Machinery & Chemical Corp.	Apr. 1, 1953	12 packages pumps and parts.	do	do	Do.
	San Francisco Chemical Co.	April 1953	100 tons phosphate rock	Used nonconference vessel *Irish Willow*	$1,650	Contract suspended May 12, 1953.
	Albert D. Denis & Co., Inc.	May 22, 1953	2 boilers	do	$3,000 approximately	Contract suspended July 6, 1953; signatory canceled July 11, 1953.
	Minnesota Mining & Manufacturing Co.	May 27, 1953	53 packages abrasives	Used nonconference vessel *Pelion*	Unknown	Dropped.
Canal, Central America Northbound Conference (No. 6070).	Pacific Vegetable Oil Corp.	Feb. 16, 1953	202 tons sesame seed	Used nonconference vessel *Irish Rose*	$3,546.55	Settled for $350.
Pacific Coast/Caribbean Sea Ports Conference (No. 4294).	Elof Hansson, Inc.	June 19, 1950	Paper and woodpulp	Used nonconference vessel *Hoperidge*	$23,841	Settled for $5,500.
	Farmer's Rice Growers Cooperative.	Jan. 21, 1957	1,941 bags of rice	Used nonconference vessel *Yapeyu*	$3,031.13	Settled for $150.
	Stokely Van Camp, Inc.	do	10,880 cases of canned goods	do	$9,313.04	Settled for $400.
	Bonner Packing Co.	Jan. 21, 1958	200 cases dried fruit	do	$359.38	Settled for $14.31.
	American Metal Climax, Inc.	February 1957	Pumps and paint	do	$17.71	Settled for $1.77.
	Star Kist Foods, Inc.	do	5,750 cases sardines	do	$10,697.20	Settled for $500.
	Bukley Dunton Paper Co. S.A.	do	350 cartons paper	do	$631.40	Settled for $63.14.
Camexco Freight Conference (No. 6670)	None					
Straits/New York Conference (No. 6010)	Hock Huay Hin	Apr. 29, 1952		Used nonconference vessel *Flying Spray.*	None	
	Ek Liong Hin	May 26, 1957		Used nonconference vessel *Sir John Franklin.*	do	

	Teck Bin Trading Co.	Apr. 26, 1958		Used nonconference vessel *Brooklyn Heights.*	do	
	do	May 9, 1958		Used nonconference vessel *Flying Gull.*	do	
	do	May 31, 1958		Used nonconference vessel *Flying Enterprise II.*	do	
	do	June 6, 1958		Used nonconference vessel *Flying Independent.*	do	
	do	June 15, 1958		Used nonconference vessel *Flying Trader.*	do	
	do	July 15, 1958		Used nonconference vessel *Flying Cloud.*	do	
Trans-Pacific Freight Conference (Hong Kong) [3] (No. 14-1).	Kwong Tai Cheung	June 1953		Used nonconference vessel *Brooklyn Heights* and *Remsen Heights.*	do	Shipper promised no repetition.
	Chung Shing Shun, Ltd.	July 2, 1953	74 bales rattan furniture	Used nonconference vessel	HK$163.97	Paid HK$163.97.
	Dah Chung Industrial Co. (1947), Ltd.	Sept. 28, 1953	7 cases needle compacts and pads.	Used nonconference vessel *Flying Clipper.*	None	Shipper strongly cautioned.
	Chinese Produce Shippers	May 24, 1955	101 drums of soy	Used nonconference vessel	do	None.
	Gordon, Woodroffe Co. (Far East) Ltd.	June 15, 1955	1 case damask silk	Used nonconference vessel	do	Warned.
	United Electric Manufacturing Factory.	Mar. 16, 1954	20 cases flashlights	Used nonconference vessel *Flying Eagle.*	do	Shipper promised no repetition.
	Wai Hing Kong	January 1956	375 and 787 bales rattan furniture.	Used nonconference vessel *Sir John Franklin* and *Flying Enterprise.*	do	None.
New York Freight Bureau (Hong Kong) [4] (No. 5700).	The Ling Nam Hardware Manufacturing Co., Ltd.	Nov. 9, 1953	30 cases miniature bulbs	Used nonconference vessel *Remsen Heights.*	do	Voluntarily paid difference of HK$44.40, accepted.
	Kwong Hing Hong		4 cases bracelets	Used nonconference vessel *Flying Clipper.*	do	None.
	Honour Metal Manufacturing Co.	Mar. 14, 1954	156 cases flashlights	Used nonconference vessel *Flying Eagle.*	do	Do.
	United Electric Manufacturing Factory.	do	15 cases flashlights	do	do	Cautioned.
	Sammy Y. Lee & Wangs Co., Ltd.	Mar. 31, 1954	Teakwood furniture	Used nonconference vessel *Flying Independent.*	do	None.
	Sun & Son Co.	Apr. 22, 1954	Mirrors and flashlights	Used nonconference vessel *Flying Arrow.*	do	Do.
	Amoy Canning Corp. (Hong Kong), Ltd.	Apr. 17, 1954	Soy	Used nonconference vessel *Remsen Heights.*	do	Shipper guaranteed no repetition.
	Chinese Commodity Shippers.	May 28, 1954	700 cases canned waterchestnuts.	Used nonconference vessel *Flying Cloud.*	do	None.
	Kui Fat Yuen, Ltd.	Oct. 5, 1954	Flashlights	Used nonconference vessel *Sir John Franklin.*	do	Cautioned.
	Baldwin, Payne & Co.	Oct. 28, 1954	Rattan core	Used nonconference vessel *Flying Trader.*	do	Dropped.
Continental-U.S.A. Gulf Westbound Freight Conference (No. 6150).	None					
The West Coast of Italy, Sicilian, and Adriatic Ports North Atlantic Range Conference (No. 2846).	S.A.I.M.A., Genoa	July 1, 1950	220 drums zinc, cyanide	Used nonconference vessel *Maria C.*		No action on account of justification by shipper.
	S.T.A.T., Genoa	Jan. 7, 1951	106 tons naphthalene	do		Denied contract rate benefits as of Feb. 20, 1951.
	Mario Brambilla, Genoa	do	9,792 tons wool	do	Denied contract rate benefits Feb. 20, 1951.	Readmitted as of Mar. 6, 1951.
	Perasso & C., Genoa		Several small shipments	Used nonference vessel. Used several vessels.		No action on account of justification.
	Saterna, Genoa	Feb. 3, 1951	50 tons broom corn	Used nonconference vessel *Hellen Maersk.*		Do.
	Luigi Rossi, Genoa	do	50 tons waste hemp; 39 tons magnesium scraps.	do		Do.
		Feb. 20, 1951	50 tons waste hemp	Used nonconference vessel *Enrico C.*		Do.
	S.I.T.I.A.M., Genoa	Mar. 5, 1951	20,363 tons rabbit skins	Used nonconference vessel *Hellen Stevenson.*		Do.
	Gaslini S.A., Genoa	Mar. 13, 1951	20,880 tons oil	Used nonconference vessel *Maria C.*		Do.
	Ghigliotti A. M.& L., Genoa	Apr. 9, 1951	400 tons iron sheets	Used nonconference vessel *Dorothy Stevenson.*		Do.
	David Christoforo, Genoa	Apr. 5, 1951	1 ton machinery	Used nonconference vessel *Cornelius Maersk.*		Do.
	Emilio Oliva, Genoa	Apr. 9, 1951	38,750 tons caustic soda	Used nonconference vessel *Dorothy Stevenson.*		Do.
	Stimar, Genoa	Apr. 13, 1951	590 tons smoking pipes	Used nonconference vessel *Paolina*		Do.
	Soccotra, Genoa	May 6, 1951	51 tons caustic soda	Used nonconference vessel *T. J. Stevenson*		Do.
	Puliafito & C., Genoa	Aug. 20, 1951	7,610 tons cobalt	Used nonconference vessel *Maria C.*	Denied contract rate benefits Sept. 25, 1951.	Readmitted as of Oct. 23, 1951.
	Gritti & De Foresta, Genoa	July 31, 1951	490 kos. small tables	Used nonconference vessel *Paolina*		No action on account of justification.
	Francesco Pelizza, Genoa	Sept. 22, 1951	40 kos. faucets	Used nonconference vessel *T. J. Stevenson.*		Do.
	San Christoforo, Genoa	Oct. 2, 1951	155 kos, textiles	Used nonconference vessel *Paolina*		Do.
	Giovanni Pedevilla, Genoa	Mar. 20, 1952	1,200 tons tiles	Used nonconference vessel *T. J. Stevenson.*		Do.
	Stefano Calderoni, Genoa	Sept. 20, 1952	50 tons zinc	Used nonconference vessel *Dorothy Stevenson.*		Do.
	Giovanni Gandiglio, Genoa	Jan. 4, 1951	2,500 tons slates	Used nonconference vessel *Arnold Maersk.*		No action on account of jurisdiction
	do	June 17, 1958	8 tons slates	Used nonconference vessel *Kohka Maru.*		Warned about future violations.
	Succ. Pietro Del'Acqua, Genoa.	Jan. 4, 1951	53 tons sodium cyanide in drums.	Used nonconference vessel *Arnold Maersk.*		No action on account of justification.

See footnotes at end of table, p. 19357.

Violations of conference merchants contracts by contract signatories, 1950 to Sept. 1, 1958—Continued

Name of conference	Name and address of violator	Approximate date	Cargo	Violation	Penalty and/or damages	Disposition
The West Coast of Italy, Sicilian, and Adriatic Ports North Atlantic Range Conference (No. 2846).	O.T.I.M., Genoa	Jan 4. 1951	1,338 tons spare parts	Used nonconference vessel *Arnold Maersk.*		No action on account of justification.
	Mario Salvetti, Genoa	Jan. 7, 1951	25 tons magnesium scraps	Used nonconference vessel *Maria C.*		Do.
	do		Several undetailed shipments.	Used nonconference vessel.		Do.
	Cisimar, Genoa		do	do	Denied contract rate benefits Aug. 7, 1953.	Readmitted as of Oct. 18, 1955.
		June 17, 1958	800 bags cocoa and 1 automobile.	Used nonconference vessel *Kohka Maru.*		Continued on docket.
		Aug. 6, 1958	1,200 bags cocoa	Used nonconference vessel *Kochu Maru.*		Warned about future violations.
	Heritrans, Genoa	Nov. 30, 1953	9,777 tons silk waste	Used nonconference vessel *Leise Maersk.*		No action on account of justification.
	Celso Repetto, Genoa	Apr. 30, 1954	Small undetailed parcels	do		On account of pending admission of Maersk Line no action taken.
	Mario Tasso, Genoa	Mar. 30, 1954	19,843 tons jute cloth, used	Used nonconference vessel *Leza Maersk.*		No action on account of justification.
	Textile Transport, Genoa	Apr. 30, 1954	Small undetailed parcels	Used nonconference vessel *Leise Maersk.*		On account of pending admission of Maersk Line no action taken.
	Masini G., Genoa	Oct. 1, 1957	94 tons tractors, crawler type, tracks.	Used nonconference vessel *Hrvatska*		Warned about future violations.
	Angelo Rosaco, Genoa	May 9, 1958	1,755 kos. machinery	Used nonconference vessel *Kokoh Maru.*		Do.
	Francesco Parisi, Genoa	June 17, 1958	45 tons Paradise see is, 2 automobiles.	Used nonconference vessel *Kohka Maru.*	Decisions regarding shipper pending July 1, 1958.	Warned Oct. 2, 1958; no action taken re past violations.
	Oliver D., Genoa	Aug. 6, 1958	33 tons old bagging	Used nonconference vessel *Kochu Maru.*		Denied contract rate benefits as of Sept. 23, 1958.
	Attilio fu A. Galletto, Genoa	do	25 tons cotton waste	Used nonconference vessel *Kochu Maru.*	Denied contract rate benefits as of Sept. 23, 1958.	Readmitted as Galletto Attilio & C. from Mar. 11, 1958.
	Pietro Montanelli, Leghorn	Aug. 31, 1958	240 tons marble chips	Used nonconference vessel *Korai Maru*		Denied contract rate benefits as of Sept. 23, 1958.
	Fischer & Rechsteiner, Genoa.	Oct. 6, 1958	6 tons lamp glass	Used nonconference vessel *Kokoh Maru.*		Warned about future violations.
	Francesco Borzone, Genoa	Aug. 6, 1958	15 tons iron screws	Used nonconference vessel *Kochu Maru.*		Do.
		Oct. 6, 1958	7 tons iron screws	Used nonconference vessel *Kokoh Maru.*	Denied contract rate benefits Oct. 7, 1958.	Readmitted as of Dec. 9, 1958.
	Levrero & Kunz, Genoa	Aug. 6, 1958	5,700 kos. goat skins	Used nonconference vessel *Kochu Maru.*		Warned about future violations.
	Gotelli & C.S.P.A., Genoa	do	30 tons jute rags	do		Do.
	Pierucci & Riccioni, Leghorn	Aug. 31, 1958	75 tons motor vehicle tires	Used nonconference vessel *Korai Maru*		Do.
	Renato Riccio, Naples	Oct. 23, 1958	28 tons macaroni, spaghetti, vermicelli.	Used nonconference vessel *Capt. M. Lyras.*		Do.
South Atlantic Steamship Conference (No. 8310).	Finberg Trading Co., Dallas, Tex.	June 26, 1950	1,731 bales of cotton	Used nonconference vessel *Governor Graves.*	$12,117	Did not pay; contract canceled Sept. 13, 1950.
	Railway Supply & Manufacturing Co.	June 1954	396 bales cotton waste	Used nonconference vessel *Merwede*		Contract canceled Sept. 4, 1954.
U.S. Atlantic and Gulf/Australia-New Zealand Conference (No. 6200).	None					
Colpac Freight Conference (No. 7270)	do					
Calcutta/U.S.A. Conference (No. 6500)	do					
River Plate and Brazil Conferences (No. 59)	Pressed Steel Car Co	Sept. 30, 1953		Used nonconference vessel	None [5]	None.[5]
	Pan American Freight Development Corp.	June–July 1954		do	do	Do.
	Hummell Chemical Co., Inc.	do		do	do	Do.
	International Commodity Corp.	do		do	do	Do.
	Leval & Co., Inc	May 1956		do	do	Do.
	Davidson Chemical Co	1958		do	do	Do.
Straits/Pacific Conference (No. 7090)	Industrial Trading, Ltd	Mar. 13, 1952		Used nonconference vessel *Sir John Franklin.*	do	Do.
The India, Pakistan, Ceylon, and Burma Outward Freight Conference (No. 7690).	None					
Pacific/Indonesian Conference (No. 6060)	do					
Pacific-Straits Conference (No. 5680)	do					
Pacific Coast-Australasian Tariff Bureau (No. 50-1).	do					
Gulf and South Atlantic Havana Steamship Conference (No. 4188).	(6)					
Pacific Westbound Conference (No. 57)	Marsman Co. of California	Sept. 1, 1953		Used nonconference vessel *Muncaster Castle.*	?	Paid $300.
	Leval & Co., Inc.[7]			Used nonconference vessel *Cyclope*		
	Robin Hood Flour Mill, Inc.	October 1957		Used nonconference vessel *Panagiotis D*	?	Paid $1,000.
The West Coast of Italy, Sicilian and Adriatic Ports North Atlantic Range Conference (No. 2846).	I.N.D.A., Genoa	Feb. 3, 1951	500 tons aluminum ware	Used nonconference vessel *Hellen Maersk.*		No action on account of justification by shipper.
	Mario Molinari, Genoa	Feb. 20, 1951	9 tons waste rubber	Used nonconference vessel *Enrico C.*	Denied benefits of contract rates Mar. 30, 1951.	Readmitted Oct. 29, 1952.

	Occhiuto G. & C.S.p.A., Genoa.	July 1, 1950	6,800 tons kidskins	Used nonconference vessel *Maria C.*		No action on account of justification by shipper.
	Carrara, Marson, Seccenti, Genoa.	May 4, 1950	1,000 kos. dried skins	do		Deferred to next rate committee meeting.
		June 6, 1950	11,500 tons coffee	Used nonconference vessel *Luisa C.*		Matter dropped.
	Otto & Rosoni S.r.l., Genoa.	May 15, 1950	23 tons wool	Used nonconference vessel *Enrico C.*		
		July 1, 1950	8.8 tons wool	Used nonconference vessel *Maria C.*		Continued on docket for explanation.
		July 13, 1950	20 tons wool	Used nonconference vessel *Eugenio C.*		Lines agreed no action to be taken.
		Aug. 6, 1958	2 tons wooden and iron works.	Used nonconference vessel *Kochu Maru.*	Denied benefits of contract rates Sept. 23, 1958.	Readmitted Oct. 1, 1958 on account of justification.
	Gastaldi & Co., Genoa	May 15, 1950	23 tons rubber	Used nonconference vessel *Enrico C.*		No action on account of justification by shipper.
	Globe Transport, Genoa	Sept. 26, 1950	11,027 kos. "iron pipes," 700 kos. "rubber pipes," and 69 kos. "faucets."	do		Denied contract rates benefits as of Jan. 15, 1951.
	Luigi Serra, Genoa	June 6, 1950	3,250 kos. machinery	Used nonconference vessel *Luisa C.*		No action on account of justification by shipper.
		Mar. 15, 1951	10 tons machinery	Used nonconference vessel *Hellen Stevenson.*		Do.
	Pelli Cuoi Ed Affini, Milan.	July 22, 1950	18 tons dried rabbitskins	Used nonconference vessel *Enrico C.*		No action taken.
	Sorveglienza S.P.A., Genoa.	July 13, 1950	18,800 tons mercury	Used nonconference vessel *Eugenio C.*		Continued on docket.
		Aug. 1, 1950	100 tons lentils	Used nonconference vessel *Dorothy Stevenson.*	Denied benefits of contract rates Sept. 6, 1950.	Readmitted as of Nov. 15, 1950.
		Sept. 24, 1955	1,425 cases preserves	Used nonconference vessel *Lawak*	Denied benefits of contract rates Nov. 10, 1955.	Readmitted as of Jan. 12, 1955.
	Marengo & C., Genoa	Sept. 26, 1950	3,653 kos. coffee percolators	Used nonconference vessel *Enrico C.*		No action taken on account of justification.
	Giuseppe Buscaglia, Genoa	do	50 tons rags	do	Denied benefits of contract rates Jan. 15, 1951.	Readmitted as of Jan. 29, 1952.
	Andrea Merzario S.A., Genoa.	Aug. 3, 1950	3,665 tons feathers	Used nonconference vessel *Arnold Maersk.*		No action on account of justification by shipper.
	Roberto fu Giuseppe Viggiani, Genoa.	Sept. 20, 1950	30,000 kos. jute bags	Used nonconference vessel *Hellen Stevenson.*		Continued on docket pending further information.
		Sept. 26, 1950	101,360 kos. lithopone; 30,000 kos. jute bags.	Used nonconference vessel *Enrico C.*		
		Oct. 6, 1950	101,360 kos. lithopone	Used nonconference vessel *T. J. Stevenson.*		
		Oct. 19, 1950	"Several parcels"	Used nonconference vessel *Dorothy Stevenson.*		
		Nov. 5, 1950	do	Used nonconference vessel *Maria C.*		Denied benefits of contract rates as of Nov. 15, 1950.
	Giordano Oreste, Genoa	Oct. 11, 1950	2,190 tons textiles, silk and cotton.	Used nonconference vessel *Eugenio C.*		Denied benefits of contract rates Nov. 15, 1950.
		Nov. 5, 1950	Yarns	Used nonconference vessel *Maria C.*		Readmitted as of July 19, 1951.
	Edoardo Consorti & Figli, Prato.	Dec. 7, 1950	Rags	Used nonconference vessel *Enrico C.*		No action on account of justification.
	Alpina Marittima, Genoa	Sept. 20, 1950	176 kos. hats	Used nonconference vessel *Hellen Stevenson.*		Do.
	Salata & Ferrando, Genoa	Oct. 13, 1950	5,092 tons nougat-torrone	Used nonconference vessel *Christian Maersk.*		Do.
	Riomar, Genoa	Oct. 11, 1950	5,279 kos. empty flasks	Used nonconference vessel *Eugenio C.*		Do.
		Jan. 7, 1951	154 tons magnesium scraps	Used nonconference-vessel *Maria C.*		Do.
	Princeps S.A., Genoa	Nov. 5, 1950	45 tons sulfured cherries	do		Do.
	Goldoni & Iodio, Genoa	Oct. 11, 1950	151,600 tons cellulose	Used nonconference vessel *Eugenio C.*	Denied benefits of contract rates Nov. 15, 1950.	Readmitted as of Jan. 8, 1951.
	Odino-Valperga, Genoa	Nov. 5, 1950	45 tons sulfured cherries	Used nonconference vessel *Maria C.*		No action taken on account of justification by shipper.
		Mar. 13, 1951	14 tons bulk aluminum and 37,300 tons magnesium.	do		Do.
	Puliti & Vassallo, Genoa	Nov. 10, 1950	5,637 tons machinery	Used nonconference vessel *Paolian*		No action on account of justification.
The West Coast of Italy, Sicilian and Adriatic Ports North Atlantic Range Conference (No. 2846).	Puliti & Vassallo, Genoa	Aug. 6, 1951	49,950 tons iron nails	Used nonconference vessel *Henry Stevenson.*		No action on account of justification.
		Sept. 22, 1951	50 tons iron nails	Used nonconference vessel *T. J. Stevenson.*		Denied contract rates benefits Oct. 9 1951.
	Benigno Repetto, Genoa	Dec. 6, 1950	1,018 tons washed wool	Used nonconference vessel *Enrico C.*		No action on account of justification.

[1] Includes the following conferences:
(1) Atlantic & Gulf/Panama Canal Zone, Colon, and Panama City Conference (No. 3868).
(2) Atlantic & Gulf/West Coast of Central America and Mexico Conference (No. 8300).
(3) Atlantic & Gulf/West Coast of South America Conference (No. 2744).
(4) East Coast Colombia Conference (No. 7590).
(5) Havana Steamship Conference (No. 4189).
(6) Leeward & Windward Islands and Guianas Conference (No. 7540).
(7) Santiago de Cuba Conference (No. 7620).
(8) U.S. Atlantic & Gulf-Bermuda Freight Conference (No. 7900). (Does not employ dual rate contract.)
(9) U.S. Atlantic & Gulf-Haiti Conference (No. 8120).
(10) U.S. Atlantic & Gulf-Venezuela and Netherlands Antilles Conference (No. 6870).
(11) U.S. Atlantic & Gulf Ports-Jamaica (B.W.I.) S.S. Conference (No. 4610).
(12) West Coast South America Northbound Conference (No. 7890).

Source: Celler committee hearings, pt. 1, vol. 1, facing p. 742.

[2] Covers period 1950–57. No Merchants' Freighting Agreement in effect as of Oct. 15, 1958.
[3] No active investigation conducted on suspected violations since summer of 1956.
[4] No active investigation conducted on suspected violations since 1955.
[5] Suit filed to recover damages but denied by courts. See *River Plate & Brazil Conferences* v. *Pressed Steel Car Co.*, 227 F. 2d 60, aff'g. 124 F. Supp. 88 S.D.N.Y., 1955.
[6] Conference replied "* * * it is virtually impossible to comply with your request due to fact that, first, we do not have the staff to compile such information * * *."
[7] Violation subject of suit in circuit court of Multonomah County, Oreg. Decided adversely to conference July 16, 1951, and subsequently affirmed by Supreme Court of Oregon.

Mr. KEFAUVER. I honestly believe many shippers are opposed to dual-rate agreements but are fearful of voicing their protests, first, because of the power possessed by the conferences over all of our foreign trade routes, and second, because a number of big companies, who are able to get their own terms, supported the conferences because they have nothing to lose thereby. But, a number of shippers have pointed with concern to the defects in the system, and I ask unanimous consent to place in the RECORD, a summary of these defects, with the comment that these formed an important part of the background for the safeguards ultimately written into the Bonner bill:

The summary was printed by the Steamship Conference Reporter, March 2, 1961, and the references are to pages in the Bonner hearings.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

CRITICISMS RE CONTRACT RATE SYSTEM

(a) Contracts are not uniform (Thorpe, p. 449; Maynard, pp. 483, 485–486; Staley, pp. 561–562; Meredith, (accompanied by Glass), pp. 818–819; Deane, p. 831; Sinclair, p. 1345; Stetson, p. 1394; Bransten, pp. 1424, 1432–1433; Connolly, p. 1473; Gavigan, p. 1540; Falk, pp. 1548–1550).

(b) Contracts are unilateral, give shippers few rights (do not guarantee space, etc.) (O'Connor, pp. 582–583; Spedden, p. 924; Eikel, pp. 1018–1019; Stetson, p. 1395; Bransten, pp. 1413, 1462; Falk, pp. 1548–1550).

(c) Contracts' liquidated damage provisions are unfair (O'Connor, pp. 582–583; Sinclair, p. 1344; Stetson, p. 1395; Gavigan, p. 1540).

(d) Spread or differential between contract and noncontract rates is too great; noncontract rate is unrealistic and a penalty rate (Crinkley, p. 214; O'Connor, pp. 583–584; Stetson, pp. 1395–1396; Connolly, p. 1474; Gavigan, p. 1540).

(e) Contracts unfairly cover 100 percent of contract signer's shipments (French, pp. 1000–1001; Burke, p. 1097; Hinrichs, p. 1187; Bordelon, p. 1202).

(f) Contracts unfairly cover signer's affiliates and subsidiaries (Shields, p. 502; O'Connor, p. 595; Arnold, pp. 1111–1112; Sinclair, p. 1343; Morin, p. 1534).

(g) Contracts unfairly cover practically all of a shipper's cargo including bulk-type cargoes, shipments contract signer moves in vessels it owns or charters, and full-shipload cargoes (Shields, pp. 502, 504–507; O'Connor, p. 595; Finley, pp. 803–805; Arnold, p. 1112; Sinclair, p. 1344).

(h) Contracts unfairly cover cargoes not being carried by nonconference competitors (Classen, p. 494).

(i) Contracts unfairly being construed to cover f.o.b./f.a.s. sales of contract signers (Maynard, pp. 483–486; Coron, p. 523; O'Connor, pp. 639–640; Kneessy, pp. 705, 709, 712–714; Heist, pp. 721–724; Gravely, pp. 794–795; Meredith, pp. 813–814, 818; Deane, pp. 827–829; Ryon, pp. 833–834; Gould, pp. 891–893; Spedden, p. 916; Creekmore, pp. 980, 983; Eikel, p. 1015; Neuert, pp. 1056–1057; Arnold, pp. 1111–1112; Houston, p. 1137; Knight, pp. 1139–1142, 1151–1152; Tolpo, p. 1164; Sinclair, pp. 1342–1343; Tolan, pp. 1489–1525; Quinn, pp. 1524–1525; Morin, pp. 1531, 1534; Gavigan, p. 1541; Falk, pp. 1548–1550; Gray, p. 1025; Lewis, p. 1082).

(j) Contracts unfairly being construed not to cover f.o.b./f.a.s. sales of contract signer (Stetson, pp. 1394–1395; Labagh, p. 1406; Robb, pp. 1481–1482).

(k) Contracts unfairly run indefinitely or are renewed automatically and are difficult for shipper to cancel (Sinclair, p. 1344; Stetson, p. 1395).

(l) Conferences fail to notify contract shipper of proposed changes in the existing contract at least 4 months before effective date of such changes (Radcliffe, p. 475).

(m) Contracts not needed; e.g., other conferences get along without them (Crinkley, pp. 223–224; O'Connor, pp. 589–590; Ryon, p. 834; Bransten, pp. 1421–1422).

(n) Contracts will or might seriously damage or destroy nonconference lines (Crinkley, pp. 198, 208; Triggs, p. 567; O'Connor, pp. 580–581, 632–634, 643–644; Kneessy, p. 706; Peabody, p. 785; Gravely, p. 794; Meredith, pp. 816–817; Williams, pp. 969, 974–975; Wolfle, p. 1082; Lewis, p. 1082; Knight, pp. 1140–1141, 1150; Tolpo, p. 1163; Muzzy, p. 1528).

(o) Contracts' benefits unfairly extended to "associate member" lines (O'Connor, p. 589).

(p) Law authorizing contracts would be unconstitutional (O'Connor, pp. 644–645).

(q) Contracts cause rates to be too high (Kneessy, pp. 705–706; Gravely, p. 794; Bransten, pp. 1413–1417; Gavigan, p. 1540).

(r) Contracts unfairly cover certain ports not served (Sinclair, pp. 1343–1344; Stetson, p. 1395).

(s) Contract rates do not stabilize trade, can be increased on less than 90 days' notice (Stetson, p. 1395; Bransten, pp. 1413, 1417–1418; Morin, p. 1531; Gavigan, p. 1540).

(t) Contracts keep lines from entering trade (Bransten, p. 1470).

Mr. KEFAUVER. Now, why is it today proposed to permit these harsh, stringent contracts to bind every American shipper from coast to coast to the foreign-dominated steamship cartels which have a past record of abuses and disregard of American law second to none? It would seem more reasonable that the committee would report a bill designed to place effective controls on the future actions of conferences, rather than to confer even more power upon them. The Senate report is rather brief in answering this important question. It argues, first, that the conferences need a dual-rate system; second, that it is enforced on all the other trade routes of the world except the United States; and, third, that without them, there will be rate wars.

While one or more of these reasons have been advanced over the years in support of dual-rate agreements, their validity has never been satisfactorily demonstrated. In fact, their falsity can be readily shown.

First, the fact that dual-rate contracts exist in other foreign trade routes is absolutely no argument for legalizing them in the foreign trade of the United States. One might just as well argue that the provisions in the Shipping Act against fighting ships, or deferred rebates, should be repealed because these practices also are permitted, as can be seen from the table which I now ask unanimous consent to have printed in the RECORD, in wholly foreign trades.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Conferences to which American Export Lines belongs, which operate under a deferred rebate system

Conference	Deferred rebate system	Formation	Joined
South French Ports/Levant Conference (from Marseilles and other south French ports to Egypt, Lebanon, Greece, Turkey, Syria, Malta, and Cyprus).	Yes	Apr. 1, 1951	Apr. 1, 1951.
Egypt/Italy Freight Conference	Yes	March 1947	March 1947.
Alexandria/Marseilles Freight Conference	Yes	Apr. 1, 1949	Apr. 1, 1949.
Egypt-India-Pakistan Cotton Conference	Yes	June 24, 1946	Aug. 22, 1946.
Calcutta/Port Said, Eastern Mediterranean and North African Freight Rate Agreement (Calcutta/Nafra).	Yes	Jan. 1, 1951	Jan. 1, 1951.
Calcutta/Aden and Red Sea Freight Rate Agreement (Calcutta/Aredfra).	Yes	Apr. 1, 1958	Apr. 1, 1958.
Chittagong and Pussur River/Port Said, Eastern Mediterranean and North African Freight Rate Agreement (East Pakistan/Nafra).	Yes	Dec. 1, 1953	Dec. 28, 1953.
Karmahom Conference (from Karachi, Bombay, Mormugao, Bedi Bunder, Bhavnagar, Cutch Mandui, Kundla, Navalakhi, Porbandar, Port Okha, and Verawal to Gibraltar, ports in United States and Eire, Greece, Yugoslavia, Italy, France, Spain, Portugal, Belgium, Holland, Germany, Denmark, Norway, Sweden, and Finland).	Yes		Jan. 13, 1949.

Source: Celler committee hearings, pt. 1, vol. V, p. 5097.

Mr. KEFAUVER. The second argument; namely, that rate wars will ensue if there is no dual-rate agreement, is equally faulty. In the first place, there are a large number of conferences which do not have dual-rate systems, and there has been no showing that these conferences have been any more prone to suffer from rate wars than the conferences that have promulgated such agreements. I ask unanimous consent to insert a list of the 47 conferences which did not have dual-rate agreements as of November 28, 1959. I might add further that in the RECORD there is no indication that these conferences have not prospered to the same extent as conferences with dual rates.

There being no objection, the list was ordered to be printed in the RECORD.

APPENDIX B.—*Number of regular member and nonmember operators in each of the 47 non-dual-rate conferences as of Nov. 28, 1958*

Conference number	Member and nonmember operators			Member operators			Nonmember operators		
	American	Foreign	Total	American	Foreign	Total	American	Foreign	Total
93	0	11	11	0	10	10	0	1	1
116	1	11	12	1	11	12	(1)	(1)	(1)
138	5	8	13	0	2	2	5	6	11
150	8	18	26	7	18	25	1	0	1
194	5	11	16	5	11	16	0	0	0
3103	5	14	19	4	14	18	1	0	1
3357	0	4	4	0	4	4	0	0	0
3578	1	8	9	1	5	6	0	3	3
3579	2	7	9	1	6	7	1	1	2
5300	1	3	4	0	3	3	1	0	1
5400	1	3	4	1	3	4	0	0	0
5660	2	9	11	2	8	10	0	1	1
6080	3	7	10	3	3	6	0	4	4
6310	5	0	5	5	0	5	0	0	0
7200	2	9	11	2	9	11	0	0	0
7530	4	8	12	2	6	8	2	2	4
7560	1	7	8	0	3	3	1	4	5
7580	1	7	8	1	5	6	0	2	2
7680	5	8	13	3	6	9	2	2	4
7700	2	6	8	2	4	6	0	2	2
7780	1	3	4	1	1	2	0	2	2
7810	1	4	5	1	2	3	0	2	2
7820	0	11	11	0	9	9	0	2	2
7830	0	9	9	0	8	8	0	1	1
7860	3	13	16	3	11	14	0	2	2
7880	4	11	15	2	5	7	2	6	8
7900	1	4	5	0	2	2	1	2	3
8040	5	9	14	4	9	13	1	0	1
8050	3	13	16	3	13	16	0	0	0
8090	2	1	3	2	1	3	0	0	0
8100	4	14	18	4	14	18	0	0	0
8130	0	8	8	0	3	3	0	5	5
8140	0	7	7	0	4	4	0	3	3
8160	1	6	7	1	3	3	0	3	3
8180	0	4	4	0	3	3	0	1	1
8190	5	14	19	4	14	18	1	0	1
8210	2	12	14	2	7	9	0	5	5
8220	1	1	2	1	1	2	0	0	0
8230	3	12	15	2	12	14	1	0	1
8250	0	4	4	0	4	4	0	0	0
8260	0	4	4	0	4	4	0	0	0
8290	3	0	3	3	0	3	0	0	0
8320	0	3	3	0	2	2	0	1	1
8350	2	5	7	1	1	2	1	4	5
8390	3	9	12	3	9	12	0	0	0
8410	1	2	3	1	2	3	0	0	0
8420	1	1	2	1	1	2	0	0	0

[1] No report.

Source: Federal Maritime Board. [Berman committee hearings, pt. 1, at p. 169.]

Mr. KEFAUVER. I think it should be pointed out at this time that the Isbrandtsen opinion does not rule out dual rates. Under the Isbrandtsen opinion and under the House bill, there is absolutely no prohibition against a conference agreement and there is no prohibition against dual rates, unless they are predatory devices for the purpose of putting somebody else out of business. In the case of the Isbrandtsen decision, it was admitted a dual-rate system was established for a predatory purpose, that of eliminating Isbrandtsen. If any steamship line wants to operate under a conference system or a dual-rate system, it is legal to do so under the Isbrandtsen decision or the House bill, provided it does not operate in a predatory manner for the purpose of putting another steamship line out of business.

The actions which are declared to be predatory under section 14 of the Shipping Act are, first, the use of a fighting ship, which is outlawed and is a per se violation; second, the use of deferred rebates; third, what we had in the Isbrandtsen case, a predatory system for the purpose of eliminating a competitor.

Yet any steamship line that wants to operate under a conference and dual-rate system can do so, legally, right now, or could do so under the House bill, unless it resorted to the predatory actions which were stricken by the Shipping Act of 1916 as unlawful, and which should continue to be unlawful.

The Commerce Committee makes some allusion to the rate war in Japan. What is the real story behind this so-called rate war? Far from the blitzkrieg it has been made out to be, it was really a sitzkrieg. As a matter of fact, the Celler committee record shows that even without the benefit of dual-rate contracts, and with so-called open rates in force where individual lines were supposedly imposing their own rates without conference concurrence, the rates in the Japanese trade were illegally agreed upon. In other words, rates were supposedly open. But, minimum rates had been covertly agreed upon by the lines and they had not been filed with the Federal Maritime Board. Moreover, the Japanese lines had voluntarily limited their sailings and carryings in the trade, again without approval by the Board. All of this tended to mitigate the so-called rate war. And, indeed, when the Japanese lines pressed for a complete end to open rates and a return to full stability, this movement was resisted by American lines because it would impair their argument—the same argument, by the way, which is now advanced in the committee report—before the Supreme Court of the United States. The three letters I ask unanimous consent to place in the RECORD now reveal the extent to which agreement was reached on so-called open rates in Japanese trade, during the rate war and the resistance offered by certain lines to closing the rates, ending the war, and achieving stability because to do so would refute all of the arguments that the conferences had made to the Supreme Court and that the committee now makes to the Senate today.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JANUARY 30, 1957.

Mr. E. D. FLAHERTY,
American President Lines,
Los Angeles, Calif.:

Attached you will find six copies of agreed minimum rates on open items Japan/Pacific effective April 1, 1957.

Please note that we have made no reference to rates from Otaru on lumber, loose or bundled, nor have we mentioned plywood. We have written Tokyo today (copy attached) suggesting that we maintain the same spread that we have in the past; namely, lumber loose and bundled $11 over base rate and plywood $6 over base rate.

For your confidential information all lines except PFEL will be quoting similar rates as shown on the attached sheet. Although PFEL have announced a 10-percent increase they will still be considerably below us on a great many items. As you know, it has not been possible for us to convince PFEL that they should quote the same rates as the other lines in this trade. However, we are not too much worried as in the past they have been quoting considerably below our rates. Regardless of this we have been maintaining a fair share of the cargo which we expect to maintain and with a little more effort in our solicitation our carryings could be increased particularly in the higher bracket.

E. J. FAGGIANO.

Note for New York and Chicago: For your ready reference we are attaching hereto two copies of the rate list referred to above together with copy of our traffic—28 of even date to Tokyo.

UNITED STATES LINES CO.,
FAR EAST DIVISION,
Manila, October 31, 1957.

Mr. W. B. RAND,
Vice President, United States Lines,
New York, N.Y.

DEAR MR. RAND: Prior to departure from Japan, the matter of my replacement on the Ethics Committee was discussed with Messrs. Ariyoshi and Hove, the other two members and it was agreed that they would propose Mr. Dodd as a replacement in the next joint conference meeting.

It was also proposed that the Ethics Committee be broadened to include other areas in the Far East in which case I would remain in the committee as a sort of roving member. Just how far this proposal will get is indefinite but I think it is a good idea.

Referring to my letter to you of September 9, 1957, Mr. Ariyoshi advised during the final meeting with him that he felt compelled to again request USL-New York to limit space in Japan on the USL mariners. He said that pressure from the Japanese group which he represented as a spokesman was overwhelming.

The day before departing from Japan, I received a draft of a letter from him, copy attached, with a statement that he planned to write you accordingly.

I have no sympathy with the Japanese request for limited space and refer you to the closing paragraph of my letter of September 9, 1957.

Very truly yours,

S. E. WALKER,
Far East Manager.

I find myself in the position of having to write to you again regarding the Japan-United States trade.

As you are probably aware, the stability and promotion of this trade are now in a very precarious condition due to an increasing number of malpractices rumored. The conference is making its utmost efforts in taking countermeasures, by establishing the Committee on Ethics, et cetera. However, coupled with the sharply declining freight market of the world, and ever more poignant competition aggravated among the carriers thereby, the condition is serious enough to remind one of the pre-1953 days and I, for one, am deeply concerned with it.

On this very important trade route the conference itself is on an unstable foundation, the contract/noncontract rate system currently being subjected to the most thoroughgoing scrutiny of the foremost legal brains of the United States. However, there is no denying that there exists somewhat peculiar stability on this trade although it may be regarded as quite anomalous from the point of an orthodox commercial view. While the rates on most staple items are open, all the Japanese lines are quoting these rates nearly the same, and at the same time, non-Japanese lines are voluntarily following suit with slight differences.

Furthermore, the Japanese lines have observed faithfully the self-imposed loading ceiling of 4,500 tons per vessel so far and have endeavored to transfer the excess to non-Japanese lines, whereby the latter could secure their fair share of the trade. During the period of the 3 years from 1954 to 1956, the Japaneses and non-Japanese lines trading on this route had shared the cargo at a fairly stable demarcation line of 60 and 40 respectively.

However, the equilibrium was utterly shaken about a year ago, when your mariner-type vessels made their appearance on the trade and took away a lion's share of the trade by virtue of their superior speed and facilities. From the beginning of this year up to July, the average loading of U.S. Atlantic-bound cargo of a mariner from Japan is 8,331 tons while that of Japanese vessels is 3,171 tons per vessel. You can readily see that now the Japanese lines are not carrying their ceiling of 4,500 tons.

The United States Lines has carried during the first 7 months of this year well over 25 percent of the total cargo moved, and in April the percentage was an alarming 34. In this connection, the Japanese lines are not only the victims of this tendency, but non-Japanese lines have also lost heavily as the United States Lines is now carrying more than a half of all the non-Japanese-flag carryings combined. The vacant space thus unused of both the Japanese and non-Japanese vessels can easily become a hotbed of malpractice.

As I have made it known several times in the past, I have no objection whatsoever to your introducing a new and fast fleet in the trade. On the contrary, I welcome such an improvement inasmuch as it is a betterment of the service on this trade. As long as the rates remain open, it is quite within the right to quote whatever rates one may wish and no unfair competition is constituted thereby.

I only wish to remind you, however, that there existed a practice, however irregular and anomalous it may be, which had worked quite successfully to safeguard the stability of the trade in this part of the world. Naturally, we may again resort to the orthodox method of dual rate system for the equilibrium in the trade in the near future, but until such time as the Supreme Court will render a favorable decision, we most sincerely and earnestly wish to keep the present flimsy but successful stability and safeguard the established balance of the trade.

I described the situation rather minutely in an earnest desire that you will realize the situation and come to share my conclusion that in order to safeguard the stability, there is but one way left and that is that your line, being the strongest, sympathetically give a part of your carryings away to the less fortunate, by the same method as that of the Japanese lines, that is the self-imposed ceiling of loading cargo in Japan ports.

I am fully aware that this is entirely against the orthodox commercial practice but as I pointed out above, in this corner of the world, a modified method though peculiar works good sometimes.

I have to remind you again that this is only the temporary measure with a view to tiding over the hardest the most dangerous time.

Things should be restored to normalcy as soon as the time comes when the orthodox conference rules prevail in this important trade.

Will you kindly give your best consideration to the foregoing and let me hear your conclusion at an earliest date.

With warmest personal regards.

———— ————.

———

MAY 14, 1957.

DEAR SIR: Reference is made to letter from Mr. C. L. Dodd, dated April 24, dealing with correspondence and cables exchanged on lumber rates homebound and rates in general.

We are very much concerned with the rate situation from Japan and the possible effect that the closing of the lumber rate may have on future carryings of this commodity and principally any effect that the closing of an important open-rate item may have on the dual-rate system now before the Supreme Court.

Of greater concern is the statement in the penultimate paragraph of Mr. Dodd's letter reading as follows: "There is, of course, a very definite trend on the part of the Japanese lines, as well as a few foreign lines to close the rates on all commodities; they are using every angle to accomplish this even if it means closing such rates item by item."

If this is the plan of the Japanese lines, then we fear that irreparable harm would come to the dual-rate case now before the Supreme Court. It may be argued that the only issue before the Supreme Court is the legality of the contract—noncontract system but we must be very careful that nothing is done between now and the rendering of the decision by the Supreme Court to hurt our cause.

We are inalterably opposed to the closing of any additional open-rate items between now and the decision date. We must not only oppose such action on our own behalf but do everything we can both in Japan and at this end to enlist sufficient support to prevent the closing of any additional open-rate items until a decision has been rendered by the Supreme Court.

We will very much appreciate receiving prompt cable advices on any proposal put forth by either a Japanese-flag line or any other line to the closing additional open-rate items.

Very truly yours,

S. H. RICHTER.

Mr. KEFAUVER. Finally, I ask unanimous consent to have printed in the RECORD, the profit figures of American lines for Far East trades only, during the period of the so-called rate wars. They show the trade to have been relatively profitable to American lines despite the rate war.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Profits from vessel operations, Far East trade

UNITED STATES LINES

Year	Net profits [1]	Number of voyages	Average net profit per voyage
1958	$6,637,649	36	$184,379
1957	8,037,377	29	277,151
1956	3,931,323	23	170,927
1955	2,143,511	20	107,176
1954	171,988	18	9,555
1953	944,567	21	44,979
1952	2,575,715	22	117,078
1951	2,384,319	18	132,462
1950	2,167,301	21	103,205
1949	4,103,443	26	157,825

[1] Includes profits from nonsubsidized, as well as subsidized operations.

Source: Maritime Administration Forms 72.

AMERICAN PRESIDENT LINES

Year	Net profits [1]	Number of voyages	Average net profit per voyage
1958	$2,028,030	31	$65,420
1957	2,561,438	40	64,036
1956	2,568,212	35	73,377
1955	2,317,124	38	60,977
1954	336,278	45	7,473
1953	2,079,369	44	47,258
1952	2,056,328	35	57,324
1951	3,200,436	35	91,441
1950	1,987,298	30	66,243
1949	2,076,830	29	71,615

[1] Profits do not include those realized from freight carriage on voyages of the *President Cleveland, President Wilson, President Hoover,* and other predominantly passenger-carrying vessels.

Source: Maritime Administration Forms 72.

STATES STEAMSHIP CO.

Year	Net profits [1]	Number of voyages	Average net profit per voyage
1958	$1,559,347	69	$22,599
1957	1,182,060	33	35,838
1956	[1] 1,821,581	[1] 38	47,936
1955	[2] 900,909	[2] 35	25,740
1954	[3] 752,783	[3] 27	27,881
1953	[4] 1,036,379	[4] 31	33,432
1952	[5] 1,124,490	[5] 26	43,250

[1] Includes net profit of $282,748 from 6 voyages made by vessels chartered from others.
[2] Includes net profit of $155,383 from 24 voyages made by vessels chartered from others.
[3] Includes net profit of $261,599 from 13 voyages made by vessels chartered from others.
[4] Includes net profit of $368,448 from 16 voyages made by vessels chartered from others.
[5] Includes net profit of $366,544 from 12 voyages made by vessels chartered from others.

Source: Maritime Administration Forms 72.

LYKES BROS. STEAMSHIP CO. (LINE D)

Year	Net profits [1]	Number of voyages	Average net profit per voyage
1958	$2,631,959	37	$71,134
1957	5,198,175	47	110,599
1956	5,720,539	45	127,123
1955	3,705,301	40	92,632
1954	2,356,370	40	58,909
1953	3,158,033	48	65,792
1952	[2] 6,869,998	[2] 51	134,706
1951	7,666,196	49	156,494
1950	[3] 5,920,074	[3] 44	134,547
1949	[4] 7,947,025	[4] 58	137,018

[1] All revenues listed are from subsidized operations.
[2] Includes net profit of $275,448 from 6 voyages made by vessels chartered from the U.S. Maritime Administration.
[3] Includes net profits of $135,326 from 1 voyage made by a vessel time-chartered from another company.
[4] Includes net profits of $1,222,300 from 16 voyages made by vessels chartered from others.

Source: Maritime Administration Forms 72.

Mr. KEFAUVER. No need whatever has been shown in the brief Senate hearings or in the lengthy hearings before either the Celler committee or the Bonner committee for the dual-rate system and all bonds it imposes on American shippers. The conference lines know this to be the case, but are loath to admit it. Among themselves, however, they are more candid, as witness a letter from the San Francisco manager of a large Japanese line to his principals abroad wherein he declares:

> The Pacific coast members also feel that the committee should not show a weakness at this time, as all of the testimony presented up to this date has not greatly helped the dual-rate situation, and that if legislation was requested at this time, our position would be very weak. (Celler committee hearings, pt. 3, vol. 1, at p. 274.)

INDEPENDENT COMPETITION IS A BRAKE ON MONOPOLISTIC PRACTICES

The preservation of independent competition in the foreign trade of the United States is of consummate importance because it is the only brake on monopolistic practices of steamship conferences. This means that not only must existing independent carriers be allowed to continue independent operation, but in addition, new entrants into the industry must be encouraged and conference members' right to leave the conference and establish themselves as independents must be preserved.

Why is it that independent carriers are the only check on monopolistic practices in ocean shipping? The reason is simply that there is no rate regulation. Shipping conferences are monopolistic cartels and, without the threat of price competition from independents, will have the unrestrained power to raise rates to unreasonably high levels.

As Chairman Morse of the Federal Maritime Board said in his testimony before the Bonner committee:

> The regulation of water carriers in the foreign trade of the United States is substantially different from the regulation of carriers in our domestic trades. The Board has been given no direct control over the reasonableness of rates in the foreign trade. It may not prescribe either maximum or minimum rates in these trades; in fact, it has little to say as to the measure of the rates of common carriers by water serving our foreign trade. There is no requirement for the advance filing of freight rates in the foreign trade, nor any authority to suspend these rates. However, by its General Order 83, the Board requires common carriers by water in the foreign trade to file their export rates within a period of 30 days after they have become effective and it requires a similar filing of all rates established by common carriers by water pursuant to any agreement subject to the Board's jurisdiction.

Lloyd Tibbott, Chief of the Office of Regulation of the Federal Maritime Board, stressed this important point in his testimony before the Bonner committee:

> Mr. TOLLEFSON. Do I understand from what you said, Mr. Tibbott, that you have no control over the rates? People may complain to you about rates being too high. Can you legally do anything about the rates if you think they are too high?
>
> Mr. TIBBOTT. No; the utmost that could be done would be to initiate a proceeding that the rate was so high as to be detrimental to the commerce of the United States.
>
> Mr. TOLLEFSON. Suppose you made a finding that it was detrimental to the commerce of the United States. What could you do?
>
> Mr. TIBBOTT. The Board could withdraw its approval of the agreement at that stage.
>
> Mr. TOLLEFSON. The conference agreement?
>
> Mr. TIBBOTT. The conference agreement; yes, sir. The lines individually could continue to charge the same rate if the agreement was disapproved but they could not act collectively.
>
> Mr. TOLLEFSON. So that they could continue to charge the same rate and you could not stop them?
>
> Mr. TIBBOTT. No; we could not stop them.

Thus, the fundamental problem is brought into sharp relief. On the one hand, monopolistic cartels of ocean shippers in the U.S. foreign commerce are permitted to exist by the act of 1916; the antitrust laws notwithstanding. However, no effective regulation is imposed on their rates. This is, indeed, a unique situation in our American economy. The usual practice, when monopolies are chartered by the Government, is to impose rate regulation upon them.

Mr. President, there is no substantial difference between the problems affecting ocean commerce and those affecting air commerce, yet the Civil Aeronautics Board has substantially more power to give the American shipper a fair deal than is proposed under the Senate bill.

In the case of ocean marine carriers, however, not only are their rates unregulated, but in addition, the conferences are specifically authorized to regulate themselves. The granting of authority to a monopolistic cartel to regulate its own rates seems to me to be unparalleled in our American economic history.

While the Board has no rate regulating authority, it does, however, possess the power to disapprove conference agreements which operate "to the detriment of the commerce of the United States." It would seem that this authority would effectively permit the Board to control rates. Unfortunately, however—and indeed in my view, strangely—this power appears to have been of limited value since it has never actually been exercised to compel a conference to reduce rates—"The American Shipping Industry and the Conference System," 2 Stamford Law Review 136–153, 1958. As former Assistant Attorney General in Charge of Antitrust, Robert A. Bicks, pointed out in his testimony before the Bonner committee:

> In shipping, in the more than 40 years of the 1916 Shipping Act's life, neither the Board nor its predecessor has ever—I repeat, has ever—forced a shipping conference to reduce its rates.

Bicks went on to summarize the importance of independent carriers with greater clarity:

> The upshot is that American shippers, as well as American purchasers of foreign-made goods, are at the mercy of rates jointly set by private groups—the shipping conferences. Moreover, 82 percent of these conferences are dominated by foreign shipowners. And there is absolutely no effective American Government review of rates thus fixed. Against this background, whatever limited rate competition independents may afford takes on added importance. For independents provide the prime effective check on foreign fixed shipping rates. And it is this very check that the dual-rate system seeks to destroy. For these reasons we urge that Congress have the benefit of some years of operating experience before reaching the drastic conclusion that dual-rate systems "designed to stifle outside competition" and "employed as predatory devices" may stand.

There is no doubt that regulation of America's foreign trade cannot be accomplished with anything like the degree that purely domestic economic activities can be regulated. This fact makes even more urgent the encouragement and preservation of independent carriers, if American shippers are to be protected against unreasonably high, monopoly rates. M. S. Crinkley, executive vice president of Isbrandtsen, made this point with great clarity before the Bonner committee:

> Shipping on foreign-trade routes is international in character and it is claimed no effective or complete governmental control of rates is possible. In this country we do allow certain monopolies, such as public utilities, but in all such cases prices and rates are completely controlled by some regulatory agency for the protection of the public. Serious consideration should not be given to a rate device which would enable these international shipping cartels to obtain a monopoly of shipping on American foreign trade routes with no governmental overall control of rates. As a matter of commonsense, where such conference groups are allowed to exist and operate, the public interest can only be protected by the presence of energetic and bona fide independent competition.

Mr. Crinkley prepared two tables which I should like to insert in the RECORD at this time. The first shows the shipping rates on various products from New York and from Hamburg to various Eastern and South American ports.

I ask unanimous consent to have the first table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

From/to	Karachi, Bombay	Hong Kong	Buenos Aires	Genoa, Piraeus, Istanbul, Alexandria
Cotton textiles:				
New York	55.50	60.00	66.00	63.25
Hamburg	38.64	36.59	54.00	20.84
Machinery:				
New York	52.50	56.00	51.00	38.50
Hamburg	29.14	29.42	24.71	24.69
Hand tools:				
New York	52.50	77.00	66.00	63.25
Hamburg	26.61	29.42	26.75	22.88
Electric motors:				
New York	*52.50*	56.00	*57.00*	38.50
Hamburg	*29.14*	29.42	*24.71*	24.69
Radios:				
New York	55.50	56.00	66.00	63.25
Hamburg	31.67	29.42	24.71	24.69
Typewriters:				
New York	55.50	77.00	66.00	63.25
Hamburg	38.64	36.59	37.96	25.00
Unboxed automobiles:				
New York	39.00	47.25	36.00	33.00
Hamburg	30.09	27.99	14.78	20.84

Mr. KEFAUVER. Mr. President, the figures in this table reveal, in many instances, that the rates from New York

are 100 percent and more higher than those from Hamburg. For example, the rate per ton on electric motors from New York to Hamburg is $52.50. From Hamburg, it is $29.14. To Buenos Aires, the New York rate is $57 and the Hamburg rate is $24.71. Loading costs in New York are only $3.50 or $4 per ton more than in Hamburg.

The second table prepared by Mr. Crinkley shows conference contract rates on leaf tobacco from Virginia and North Carolina ports, and on cotton from U.S. gulf ports to various oversea destinations.

I ask unanimous consent to have the second table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

To	Leaf tobacco (100 pounds)	Cotton (100 pounds)
London, Liverpool, and Antwerp		
Rotterdam, Hamburg, and Bremen	$1.65	$1.45
Genoa and Alexandria	2.85	1.45
Yokohama and Kobe	4.00	2.00
Hong Kong	4.00	2.25
Manila	3.40	2.00
Buenos Aires	3.75	[1] 2.95
Rio de Janiero and Santos	[1] 5.50	[1] 2.95
La Guaira and Puerto Cabello	[1] 3.00	1.65
Valparaiso and other South American ports	[1] 6.75	1.80
Australian ports	[1] 4.25	2.75

[1] Equivalent.

Mr. KEFAUVER. Mr. President, the table shows, for example, that it cost $1.65 to ship 100 pounds of leaf tobacco to Rotterdam, and $3.75 to ship the same amount of leaf tobacco to Buenos Aires. There is active, independent competition on shipments to Rotterdam. However, shipments to Buenos Aires are effectively tied up by the conference cartels.

The monopoly power of conference cartels, when unrestrained by independent carriers, permits conference members not only to raise rates unreasonably, but in addition to take advantage of American shippers in other ways. Mr. Bransten of the Pacific Coast Coffee Association, brought this to the attention of the Bonner committee in his testimony.

There is absolutely no nonconference competition in the trades which employ the dual-rate system on coffee to the Pacific coast. At the present time, therefore, the coffee receivers on the Pacific coast have absolutely no bargaining position concerning the contents of the dual-rate agreements, and they have no statutory assistance in that respect under the present law.

They are compelled to enter into any dual-rate agreement that the conference places before them because, for competitive reasons, they cannot pay the noncontract rates, which are $3 per ton higher than the contract rates in these trades.

The result of this has been that the dual-rate agreements in these trades place very heavy obligations on the receivers of coffee, and practically no obligations on the carriers. Because of this monopolistic situation, the dual-rate conferences have been able to disregard the interests of the Pacific coast coffee industry in the matter of rates and steamer service.

Suffice it to say here that the action of these dual-rate conferences has placed the Pacific coast coffee industry at a competitive disadvantage with respect to the matter of freight charges.

I desire to emphasize that under the present state of the law the Pacific coast coffee receivers are helpless to do anything about this situation. They have no outside steamship competition to which they can resort for assistance. The present statutes afford them no protection of any substance.

In addition, Mr. President, the Federal Maritime Board has pointed out that the existence of healthy, active, independent competitors insures "conference consideration of shipper needs and desires." Isbrandtsen provides a dramatic example of the impact which independent carriers can have in keeping conference rates within reasonable bounds. Isbrandtsen was able to carry 30 percent of the cargo in the Pacific-Japan trade, with only 12 percent of the sailings. It did this by maintaining its rates at levels substantially below those of the conference cartel. One conference member admitted to the Board that the conference rates were too high, and that Isbrandtsen discovered this conference vulnerability and took advantage of it by hard-hitting competition. As this conference member put it:

> We are simply holding up an umbrella under which Messrs. Isbrandtsen have been thoroughly enjoying themselves (Isbrandtsen at p. 575).

The Board admitted that it could not see that—

> The presence of an independent in the trade does not aid in keeping conference rates at a somewhat reasonable level (Isbrandtsen at p. 762).

The Department of Agriculture has taken the view that the dual-rate system is a tool of monopoly and a device for the elimination of competition to the conference cartels. In a powerful statement before the Bonner committee, George A. Dice, Director of the Special Services Division, Agricultural Marketing Service of the U.S. Department of Agriculture, speaking for the Department, said:

> Our objection to the dual-rate system is quite simple. We believe it to be unduly discriminatory and prejudicial to the interests of agricultural shippers. Under the system two identical shipments from the same port, in the same vessel, stowed side by side in the same hold, moving to the same destination, and receiving exactly the same transportation service, are or may be charged for at different rates. Not only do we believe this practice to be unduly discriminatory and prejudicial against the interests of shippers but we believe it to be a form of retaliation against a shipper who does not desire to tie himself and his business to an exclusive patronage contract.
>
> It is our view that the dual-rate system and its coercive contractual arrangements tend to deprive shippers of agricultural commodities of the freedom of choice of transportation service. If practiced successfully, the system would result in a monopoly for the steamship conference lines. We say "if practiced successfully" because the elimination of competition from independent steamship lines appears to be the objective of the dual-rate system.
>
> The Department is agent for the International Cooperation Administration in the shipment of agricultural commodities. The Department, however, does not become a party to contractual arrangements of the sort followed under the dual-rate system, although, in instances, because of the nature of the programs involved, members of the conferences do extend special rate consideration.
>
> It is our opinion that if a dual-rate system is practiced and if it is successful in eliminating competition from independent lines, it could eliminate this rate consideration on special program shipments.
>
> We believe that if, through the dual-rate system, a steamship conference gains a monopoly, rate increases might very well follow. Certainly the factor of competition would not be present to deter such instances. This would be extremely unfortunate both from the standpoint of agricultural shippers and exporters.

I have received a letter from the Acting Secretary of Agriculture in which he, speaking for the Department, once again reaffirmed the position taken by the Department in its letter of July 26, 1961, supporting the version of H.R. 6775 as it passed in the House of Representatives. I ask unanimous consent that this letter be printed in the RECORD, and I also ask unanimous consent to have printed in the RECORD two letters from the Secretary of Agriculture to the chairmen of the House Committee on Merchant Marine and Fisheries and the Senate Committee on Commerce.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., September 7, 1961.

Hon. ESTES KEFAUVER,
Chairman, Subcommittee on Antitrust and Monopoly, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR SENATOR KEFAUVER: This has reference to your request for a statement of our views regarding H.R. 6775 as reported by the Senate Committee on Commerce. This bill would amend the Shipping Act of 1916, as amended, to provide for the operation of steamship conferences.

As originally introduced on February 15, 1961, the bill was H.R. 4299. This Department reported favorably on that bill by letters dated March 17 and April 3, 1961, to the chairman of the Committee on Merchant Marine and Fisheries of the House. After a number of days of public hearings on H.R. 4299 by that committee of the House, H.R. 6775 was introduced as a substitute bill and was passed by the House on June 12, 1961.

On June 15, 1961, we received a request from the chairman of the Senate Committee on Commerce for a report on H.R. 6775 as passed by the House and, in response to that request, we informed the committee on July 26, 1961, that we were agreeable to passage of the bill by the Senate. Our position with respect to this bill remains the same as that stated in the letters to the House committee and in the letter of July 26 to the Senate committee.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

CHARLES S. MURPHY,
Acting Secretary.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 17, 1961.

Hon. HERBERT C. BONNER,
Chairman, Committee on Merchant Marine and Fisheries, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN BONNER: This has reference to your letter of February 16, 1961, requesting our comments on H.R. 4299, a bill to amend the Shipping Act, 1916, as

amended, to provide for the operation of steamship conferences.

This bill, among other things, would authorize a carrier or conference of carriers in foreign commerce, under specified conditions, and subject to approval of the Federal Maritime Board, to enter into contracts with shippers at rates lower than published tariff rates and providing for exclusive patronage by the contracting shippers.

The Department believes passage of this bill would promote stability in the steamship industry while protecting the interests of shippers.

For many years, this Department opposed the use of the contract/noncontract or dual system of rates because of the extent to which discrimination, prejudice, and reprisals could be practiced against shippers under such system. At the same time, however, we have recognized that practical limitations on the ability of a regulatory agency to effectively regulate operations of foreign-flag vessels, and the fact that most trades are overtonnaged much of the time, made some form of self-regulation by conferences of carriers necessary.

Much of the testimony submitted to your committee by interested persons during the series of hearings in 1959 was heard by representatives of this Department. In addition, we have given the matter considerable study and submitted to your committee on April 1, 1960, certain suggestions designed to promote stability in the steamship industry and to protect the interests of shippers.

We note that a number of the suggestions (or modifications of them) contained in our submission of April 1, 1960, have been incorporated in H.R. 4299 and that additional safeguards have been added to minimize the possibility of destructive competition, and further to assure a higher degree of rate stability. We believe that, with these safeguards, and with the more intensive supervisory role provided for the Federal Maritime Board, the Department need no longer object to the use of exclusive patronage contracts.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., July 26, 1961.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate.

DEAR SENATOR MAGNUSON: This has reference to your letter of June 15, 1961, requesting our comments on H.R. 6775, an act to amend the Shipping Act, 1916, as amended, to provide for the operation of steamship conferences.

This act would, among other things, authorize carriers or conferences of carriers in foreign commerce, under specified conditions and subject to the approval of the Federal Maritime Board pursuant to stated requirements or safeguards, to enter into contracts with shippers providing for rates lower than published rates upon agreement by such shippers to give all or any part of their patronage to such carriers or conferences of carriers.

The Department has been opposed to the use of the exclusive contract or dual system of rates because of the extent to which discrimination, prejudice, and reprisals can be practiced against shippers under such a system. However, we believe passage of this act, as presently written, will promote stability in the steamship industry and protect the interest of the shippers to a greater extent than at present.

The Department would, therefore, be agreeable to the passage of this act by the Senate.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

Mr. KEFAUVER. Mr. President, the Department of Justice's concurrence in these views is well known. In urging the Bonner committee to provide effective safeguards against the monopoly power of conference cartels, Assistant Attorney General Loevinger stressed the importance of the preservation and encouragement of independent competitors last month. He said:

Under the conference system, carriers are free to join together to set the level of rates they choose, and to obtain that stability of rates amongst themselves which they deem desirable. Carriers that do not desire to join the conference should be free to engage in business independently. Furthermore, no check on unconscionable rate charges will remain if conference members can, by use of dual-rate contracts or other means, eliminate the nonconference competitor which may serve as the only check upon extortionate rate practices. That it is in the public interest to preserve some rate competition and to preserve the independent who may provide it is illustrated by just one example which our investigation has produced. In a certain trade covered by a Federal Maritime Board-approved agreement, the entry of an independent carrier and the rate competition to which that entry gave rise caused the gradual reduction of the rate on an important commodity from more than $80 per ton to about $40 per ton. There are those who would say that the rate cutting of the independent had caused instability or even a rate war. Yet, documents showed—and, incidentally, these were documents of an American carrier, so that it will be clear that foreign operating costs were not used as the yardstick—that the $40 per ton rate still afforded a reasonable profit on that commodity.

This is what concerns us about the attempts to delete the safeguards from H.R. 6776. The steamship lines understandably favor conditions more conducive to an $80 rate than a $40 rate. Shippers who have testified in favor of a so-called effective tying device, are more interested in so-called stability of rates than in rate levels. This means they are less concerned about the actual rate than they are in making certain that no competitor obtains a lower rate than the one which they are paying. In the final analysis, therefore, if the safeguards are stripped from H.R. 6775, with the result that conference and dual-rate agreements may be approved by the FMB even where they are intended to, or are reasonably likely to exclude other carriers from the trade, the public interest will suffer and the consumer will suffer because in the end he will pay in the form of higher prices for the goods which will have been transported under monopoly conditions. We do not conceive it to be in the public interest to give the conferences a blank check on the pocketbooks of American consumers without knowing what the ultimate costs in the form of high noncompetitive freight rates are likely to be. Moreover, foreign-flag carriers, rather than American lines, will receive the largest proportion of such monopoly profits. For the foregoing reasons, the Department of Justice restates once more its conviction that the overall public interest of the United States will not be advanced by surrender of our traditional principles of freedom of opportunity.

Mr. President, one of my good staff members has handed me a notice as to what the assistant legislative director, the American Farm Bureau Federation, Mr. Matt Triggs, said before the Celler committee of the House:

We believe that it is important to preserve the competitive influence of independent carriers to insure that ocean shipping conferences may not abuse the ratemaking authority granted them by exemption from antitrust statutes. The exclusive dual rate contracts used by many ocean shipping conferences can operate to eliminate the influence of independent carriers in establishing ocean shipping rates. We believe that any legislation to modify the Shipping Act of 1916 would [sic] insure that the competition of independent lines is not impaired (Celler hearings, p. 567).

On August 31, I wrote the Attorney General and asked his views on H.R. 6775 as reported by the Senate Commerce Committee. I read his reply of September 5:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., September 5, 1961.

Hon. ESTES KEFAUVER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KEFAUVER: This is in response to your letter of August 31, 1961, requesting the views of the Department of Justice on H.R. 6775, as it was reported by the Senate Committee on Commerce.

The Senate committee version of H.R. 6775 differs materially from the bill as passed by the House of Representatives. The bill, as it was passed by the House of Representatives, contained specific safeguards to prevent ocean steamship conferences from using dual-rate systems or other concerted activity as predatory devices to drive nonconference competition out of business. These safeguards have been omitted in the Senate committee bill. In particular the Senate committee bill has deleted: (1) The provision that the dual-rate contracts referred to in the bill shall not be intended or reasonably likely to cause the exclusion of any other carrier from the trade; and (2) the provision that the Board shall not approve agreements whose probable effect will be reasonably likely to exclude any other carrier from the trade.

The deletion of these provisions would have the effect of reversing the rule of the Isbrandtsen case, thereby permitting ocean steamship conferences, which are international cartels, to stifle independent competition by resort to predatory dual-rate systems. In the opinion of the Department of Justice these provisions constitute competitive safeguards which are indispensable to any reasonable enactment on this subject. The public interest would be disregarded were these provisions to be omitted.

It is our opinion that no legislation on this subject should be enacted unless such provisions are included. We urge that these provisions, as they have appeared in the House-enacted bill, be restored.

In addition, for your information I am attaching a copy of a letter from Deputy Attorney General Byron White to Senator WARREN G. MAGNUSON, which expresses in detail the views of the Department of Justice on the Senate Merchant Marine and Fisheries Subcommittee Print, which is substantially similar to the Senate committee version of H.R. 6775.

Sincerely,

ROBERT KENNEDY,
Attorney General.

Mr. President, previously the Senator from Wisconsin [Mr. WILEY] had printed in the RECORD a letter of August

16, 1961, to the Senator from Washington [Mr. MAGNUSON] from the Honorable Byron White, Deputy Attorney General of the United States, which states in some detail the objections of the Department of Justice to the approach taken by the Senate Commerce Committee in its redrafting of H.R. 6775. I should state that subsequent to this letter the committee made a few of the corrections suggested by the Department; however, most of the objections are not met by the bill before us; after I finish my general presentation, I shall offer amendments to remedy these defects.

It seems to me unequivocally clear that the existing ability of independent carriers to compete on a parity with federally subsidized members of shipping conference cartels must be preserved, if American shippers are to be protected against monopolistic abuses.

In my view, Mr. Max Kampelman, counsel for the American-owned independent Sabre Line, has summarized this problem most effectively:

> The protections of the Bonner bill are crucial if Sabre is to survive as an independent line. We believe that the antitrust features of the House bill grant us a vital measure of protection. We further believe that the ratemaking safeguards of the bill are in the public interest. The very fact that the conferences are opposed to the antitrust and ratemaking safeguards is a clear indication of their intent, should the recommendations of the Senate committee become law. We regret that the competition offered by independent lines is today so meager. Meager as it is, however, it is the only effective check against excessive conference rates.

THE U.S. POLICY HAS ALWAYS BEEN TO PRESERVE AND PROTECT INDIVIDUAL COMPETITION

Section 14 of the shipping action of 1916 proscribes certain activities by carriers which were deemed by the Congress to be particularly noxious in their impact on American foreign trade; for example, deferred rebates, fighting ships, and other retaliatory, predatory devices. Thus, section 14 Second prohibits the use of a fighting ship, which is a vessel used in a particular trade by a carrier or a group of carriers, for the purpose of excluding, preventing, or reducing competition by driving another carrier out of said trade. The Alexander report of 1914, on which the 1916 Shipping Act was based, shows clearly that what Congress had in mind when it said driving another carrier out of the trade, was the protection of independent competition. The Alexander report said:

> The use of fighting ships and deferred rebates * * * is * * * prohibited in both the export and import trade of the United States. All carriers should be prohibited from retaliating against any shipper by refusing space accommodations when such are available, or by resorting to other unfair methods of discrimination, because such shipper has patronized an independent line, or has filed a complaint charging unfair treatment, or for any other reason.

The 45-year-old intent of Congress to protect independent carriers was restated with great vigor in the Isbrandtsen case. There, the Court said:

> It must be emphasized that the freedom allowed conference members to agree upon terms of competition subject to Board approval is limited to the freedom to agree upon terms regulating competition among themselves. The Congress in section 14 has flatly prohibited practices of conferences which have the purpose and effect of stifling the competition of independent carriers (p. 492).

The Board agreed with the Court that—

> The continued participation of Isbrandtsen in the trade, as well as the existence of strong shipper organizations, stand as strong deterrents against exorbitant freight rates and other objectionable monopolistic practices. (Japan-Atlantic-Gulf Freight Rate Conference, p. 739.)

Mr. Morse, Chairman of the Federal Maritime Board, stated the law as follows:

> In the trades to and from ports of the United States, the Board's precedent decisions have insured that carriers entering a trade will be entitled without discrimination to admission to full membership in the conference covering such trade. A carrier may nevertheless choose to operate as an independent, that is, to remain outside of the conference. The choice is up to each individual carrier, for a carrier cannot be forced to join a conference.
>
> The use of the dual-rate system has been surrounded by safeguards directed to the prevention of any greater limitation upon competition than is absolutely necessary. Thus, the Board's predecessors have held that the dual-rate system will not be approved when inaugurated by a single line which seeks to exclude all other carriers (*Eden Mining Co.* v. *Bloomfield Fruit & Steamship Co.*, 1 U.S.S.B. 41 (1922)).

The House report on the version of H.R. 6775—House Report No. 498, June 8, 1961—makes clear that it was the intention of the Bonner and Celler committees to preserve this long-lived policy of the Congress of fostering and protecting those lines which desire to compete with the conference cartels on an independent basis. The committee, referring to one of the antitrust safeguards, specifically said that it was "intended to protect the status of nonconference carriers." Moreover, several provisions of the House version of H.R. 6775, retained in the Senate version, make it clear that the continuing existence of independent carriers is assumed.

For an example, the provision of section 2 of the bill, which provides for the prompt release from a contract of a contract shipper as to any shipment for which the contracting carrier or conference cannot provide as much space as the shipper requires on reasonable notice, would be meaningless, if independent alternative carriers were unavailable to the shipper. Also, the provision of the bill which permits contract shippers to terminate at any time without penalty upon 90-day notice, would be meaningless and of no avail to the shipper if he does not have independent carriers to turn to. It seems to me, therefore, that for the Senate to eliminate the antitrust safeguards from H.R. 6775 and thereby so emasculate the bill as to effectively eliminate the ability of individual carriers to compete with conference cartel monopolies, would be a basic contradiction of the underlying assumption of the bill. And, this is true even of the version approved by the Senate Commerce Committee. The American shipper must always have independent carriers to turn to.

The recent Isbrandtsen problem makes dramatically clear the importance of reaffirming the longtime congressional policy of protecting independent carriers. Isbrandtsen sought to obtain Board approval of acquisition by it of the American Export Line, and the obtaining by it of an operating subsidy agreement. Isbrandtsen is the largest independent U.S. line. Admiral Wilson, Chairman of the Federal Maritime Board at that time—that is, 1960—wrote the following to Isbrandtsen:

> After careful consideration of this matter, the Board has determined that, in the event it should award a subsidy agreement to Isbrandtsen Steamship Co., Inc., it will require that such agreement contain a provision to the effect that the operator agrees to maintain conference rates, rules, and regulations effective for the subsidized services contained in such agreement, irrespective of whether the operator is a member of such conference, unless, due to special circumstances, the Board, in its sole discretion, should decide to modify temporarily this requirement as to a particular conference.

In other words Admiral Wilson was telling Isbrandtsen that if it wished to receive a subsidy, it would have to get in line with conference rates and stop competing with conference cartel members.

I find this shocking. It is forcing an independent, competing American company to fall in line with the wishes and best interests of a cartel monopoly which, incidentally was dominated by foreign lines. It is encumbent upon us to insure that this sort of Board action never occurs again.

It may be that the Senate has no choice but to authorize a dual-rate contract system which enhances the monopoly power of cartelized conferences. But, we have no right, either legally or morally, to refrain from strongly voicing our objection, both on the bill we approve and in the legislative history, to abusive practices by both conferences and the Board itself, designed to oppress, discourage and impede independent carriers.

WHY COMPETITION IN OCEAN FREIGHT RATES MUST BE ENCOURAGED

It has been argued that competition in ocean freight rates is bad because it will result in decreased revenues for American carriers, most of which are members of the various conferences in the foreign commerce of the United States. In fact, Senate Report No. 860, 87th Congress, 1st session, at page 23, goes so far as to say that—

> No American-flag line today desires to operate on a regular nonconference rate-cutting basis. Isbrandtsen has announced its intention to become a conference operator, and, according to testimony given by Mr. Crinkley, the Isbrandtsen Co., quite apart from its becoming subsidized, plans to join conferences.

I would like to comment on the first sentence of this quote with respect to American-flag lines today desiring to operate on a regular nonconference rate-cutting basis. It is difficult to surmise whether U.S. lines presently operating

on a nonconference basis will necessarily wish to continue to operate on this basis, or whether they desire to compete openly and actively. But, it is true that there are a large number of U.S. lines who presently do operate outside the conferences in a number of trades. I have checked with the Maritime Administration and I have a list of 28 steamship conferences against which at least one U.S. line competes independently today. Many of these are major conferences and I request that the list be made a part of the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

List of steamship conferences serving the foreign commerce of the United States as of Sept. 1, 1961, in which at least 1 U.S. line operates outside the conference

Name of conference	Conference No.	Use dual rates
Trans-Pacific	14-1	Yes.
North Atlantic Spanish	138	No.
Trans-Pacific Freight Conference of Japan.	150	No.
Japan-Atlantic and Gulf	3103	No.
U.S.A./South Africa	3578	No.
South Africa/U.S.A.	3579	No.
Atlantic and Gulf/Panama Canal Zone, Colon and Panama City.	3868	Yes.
North Atlantic Continental	4490	Yes.
Norway/North Atlantic	5300	No.
New York Freight Bureau (Hong Kong).	5700	Yes.
Straits/New York	6010	Yes.
U.S. Atlantic and Gulf-Santo Domingo.	6080	No.
U.S. Atlantic and Gulf-Puerto Rico	6120	No.
The Pacific Coast Puerto Rican	6130	No.
Straits/Pacific	7090	Yes.
Atlantic and Gulf, Red Sea and Gulf of Aden.	7530	No.
Leeward and Windward Islands and Guianas.	7540	Yes.
North Atlantic Portuguese	7560	No.
American West African (Azores only)	7680	No.
The India, Pakistan, Ceylon and Burma Outward.	7690	Yes.
North Atlantic-French Atlantic	7770	Yes.
Middle East Mediterranean Westbound.	7880	No.
U.S. Atlantic and Gulf-Bermuda	7900	No.
North Atlantic Mediterranean	7980	Yes.
West Coast of India and Pakistan/U.S.A.	8040	No.
Japan/Puerto Rico and Virgin Islands	8190	No.
Atlantic and Gulf-Singapore, Malaya and Thailand.	8240	Yes.
Greece, Turkey and Syria Area Westbound Tobacco.	8350	No.

NOTE.—Total number of conferences, 28; total number using dual rates, 11.

Mr. KEFAUVER. Moreover, Mr. President, in addition to Isbrandtsen and American Export, the following lines operate in at least one trade on a nonconference basis: Prudential, Stevenson, United States Lines, Robin Line, Lykes Line, American Union Transport, Moore-Mac, States Marine, and Central Gulf.

In addition to these U.S. lines—which use American-flag ships and American crews—there are other shipping lines which are U.S. owned and which operate independently of conferences. The Sabre Line is a good example. It carries a sizable portion of the Far East tonnage in competition with the conferences.

All of the profits from these competitive U.S.-flag ship lines and U.S.-owned lines redound to the benefit of the United States.

As to Isbrandtsen, the largest U.S. line operating in competition with the conferences, there is considerable doubt whether this line really desires to join the conferences or is being forced into this by the Maritime Administration. In my view, it is peculiar that the U.S. agency which is charged with the duty of regulating conferences should act as their agent in forcing independent U.S. lines to join the conferences by withholding a subsidy. However, in any event, Isbrandtsen is operating on a competitive basis outside the conferences today.

If the Senate Commerce Committee version of H.R. 6775 is adopted, not only will lines such as Isbrandtsen be forced into joining conferences, but also in the future U.S. lines will be economically precluded from dropping out of conferences and continuing on a competitive and independent basis. Likewise, new companies will be foreclosed from entering a trade on a nonconference basis.

In my view, it is also not as important whether independent competitors are U.S. lines or foreign lines, because the primary benefactor of competition is the U.S. shipper. Competition, whether by domestically or foreign-owned carriers, acts to hold down conference rates to a reasonable level, as roughly half of world trade consists of exports from and imports into the United States. The benefits of reasonable and competitive ocean freight rates are not only enormous but redound to the great mass of American businessmen and farmers who import or export innumerable commodities. From their standpoint, it does not make too much difference whether the rates are held down by competition coming from independent U.S. lines or independent foreign lines. Their competitive position in world trade is markedly affected by the reasonableness of ocean freight rates.

FOREIGN CARRIERS WOULD BE THE PRIME BENEFICIARIES OF THE MONOPOLY RATES WHICH THE SENATE VERSION OF H.R. 6775 WOULD PERMIT CONFERENCE CARTELS TO CHARGE

The effect of antitrust safeguards is, of course, to prevent undue monopoly power. But more important, prevention of monopoly power prevents unreasonably high prices. The elimination of the antitrust safeguards from H.R. 6775 would permit conference cartels to set unreasonably high prices.

Who would benefit by such a grant of monopoly in power? The answer is that it is foreign carriers—not American carriers—who would most benefit, because it is the foreign carriers who dominate the conference cartels engaged in U.S. foreign trade.

I do not believe that I can emphasize this important point half as well as Mr. Crinkley did in his testimony before the Bonner committee. Let me quote from Mr. Crinkley's statement:

> In considering the whole question, it should be constantly repeated that the interests which are mostly involved with the conference contract dual rate system, and who would be the chief beneficiaries of any advantages to be gained through its legalization, would be the about 360 foreign-flag lines operating on American foreign trade routes.
>
> It may be thought I am exaggerating the circumstances involved, but if you examine the roster of the 63 conferences now using the conference contract dual rate system, you will see that as to 16 of these conferences there are no American-flag-line members; as to 12 other of these conferences there is only 1 American member. As to these various conferences using the conference contract dual rate system, there is one where there are 23 foreign-flag members and 1 American, another with 16 foreign-flag members and 1 American, another with 14 foreign-flag members and 1 American, another with 11 foreign-flag members and 1 American, another with 9 foreign-flag members and 1 American, another with 7 foreign-flag members and 1 American, another with 15 foreign-flag members and 2 American, another with 14 foreign-flag members and 2 American, another with 13 foreign-flag members and 2 American, another with 12 foreign-flag members and 2 American, another with 9 foreign-flag members and 2 American, another with 18 foreign-flag members and 3 American, another with 20 foreign-flag members and 4 American, and another with 45 foreign-flag members and 7 American.

VALUE OF NONCONFERENCE COMPETITION

It appears to be the belief of some that the foreign commerce of this country should be dependent entirely on carriers who are members of conferences—that there should be no nonconference carriers. This, in my opinion, will be the end result of the Commerce Committee's bill. With the protective provisions of the House bill removed, the conferences will have carte blanche power to destroy independent carriers or force them into the conferences. I cannot be a party to the granting of legislative authority to any cartelized monopoly to force out all independent competition, leaving the public interest to the whims of such cartels. We know too well the results. Why did we break up the German international cartels? Why do we demand Government regulations to fill the gap caused by antitrust exemptions in trades where monopolies have been recognized as in the public interest?

In the interest of American exporters, importers, and consumers, it is essential that independent competition in the ocean freight industry be preserved, and that conferences not be permitted to employ devices intended to, and which would exclude or eliminate nonconference carriers from operation in a trade.

First, independent competition provides the only effective brake upon the level of ocean freight rates which are established through rate-fixing agreements by steamship conferences and unregulated by the Government. Where members of other industries are permitted to set rates, fares, or tariffs through cooperative arrangements, exempt from the antitrust laws, the Government is able to scrutinize the results and adjust them if they are unreasonable and not in the public interest. The point was stressed in testimony before a special subcommittee of the House Committee on Merchant Marine and Fisheries which was studying the conference system, by the then first assistant, Antitrust Division of the Department of Justice, Robert Bicks, who stated:

> It [the shipping industry] is absolutely the only area in our economy where Congress has delegated to a private group the power to set rates without any Government regulation (id. at 184).

Where independent competition has operated in foreign trade routes of the United States, its effectiveness in controlling rate levels has not gone unobserved by shippers and consignees. Thus, when the independent service of the Baron Line was plying the sealanes between the United States and South Africa, an official of Lykes Bros., a regular line engaged in that trade, frankly reported to its New Orleans office:

> There is no question but that various importers feel that Baron Line have been a helpful factor by driving down the freight rates on most of the heavy moving commodities. (Hearings, pt. 1, vol. 4, at 4252.)

American importers have complained of the unlimited power of steamship conferences to set rates in trades where nonconference operators are not available to temper the monopoly of the conference lines. Edward Bransten, chairman of the Steamship Committee of the Pacific Coast Coffee Association, which is an organization embracing 70 firms engaged in the importation of coffee on the Pacific Coast of the United States, testified on behalf of his organization before the House Antitrust Subcommittee in March 1961. Mr. Bransten pointed out that in each of the conferences which serve his group, a dual-rate system is employed and independent competition does not exist—hearings, part 3, volume I, at page 152. He described the impact of this as follows:

> Since there is nothing in the dual rate agreement or in the law to prevent them from doing so, and there is no nonconference competition, the conferences have increased our freight charges from time to time without proper consideration of our interests. These increases have had a very serious effect on the competitive position of the Pacific coast coffee industry. Although we have what the conferences call a rate agreement with them, we have no voice in preventing or controlling rate increases whenever the conferences desire to make them. Because the conference has a complete monopoly in our trades, we have no outside competition to which we can turn for assistance (hearings, pt. 3, vol. I, at 153).

Second, if nonconference operation were rendered impossible, due to the employment of exclusionary dual-rate systems or other predatory practices, a U.S.-flag carrier could not leave—or seriously threaten to leave—a conference, although the conference was taking action detrimental to the U.S.-flag carrier or to the foreign commerce of the United States. It is well known that in most conferences, U.S.-flag lines are outnumbered by foreign-flag lines, who are thus able to dominate the conference.

On occasion, U.S.-flag carriers have utilized their present freedom to leave the conference in order to prevent or preclude activities which they deemed harmful to their interests. For example, American President Lines, a U.S.-flag line, attempted to stem the tide of rebating in a particular trade in which it was engaged by threatening to resign from the conference. On two occasions, American President Lines tendered its resignation but subsequently rescinded its notice of withdrawal because, in the words of one of its high officials, "our resignation prompted the other carriers in the trade to make renewed and a more strenuous effort to clean up some of these things in this particular trade"—hearings, part 2, volume I, at page 340.

It is evident to me that, if we are to have rates at reasonable levels and other advantages to shippers, we must legislate so as to afford the opportunity to survive in fair competition to new carriers, those now in existence and to those who choose to withdraw from a conference. Absent Government review of rates, this is the only protection of rates. It is the only protection left in our foreign commerce. We know too well the history of cartels so far as price competition within the cartel is concerned.

OCEAN FREIGHT RATE LEVELS MAY ADVERSELY AFFECT FOREIGN COMMERCE OF UNITED STATES

Ocean freight rates set by the uncontrolled mechanism of conference rate fixing are potentially harmful to the foreign commerce of the United States. Rates set by this process have wide ramifications, not only with respect to the price the American consumer must ultimately pay for imported products, but also with regard to the volume of commerce exported from this country. If ocean freight rates from the United States to a given export market are too high as compared with rates from a country which is competing for sales to that market, U.S. export commerce will obviously suffer. In an era during which our efforts to sell our goods abroad will meet increasing competition from the Common Market and other sources, it is essential that ocean freight rates not discriminate against this country's waterborne export commerce. Indeed, in establishing a far-reaching promotional policy for the American merchant marine, Congress ought to aid and foster the foreign commerce of this country. It would therefore be anomalous and contrary to the interests of this Nation if the conference system to which our merchant marine generally adheres were to contribute to the atrophy of our trade with other nations. Yet, if steamship conferences are rendered so powerful that they may with safety ignore the interests of American exporters and shippers, there is a great danger that our foreign commerce will be adversely affected. To forestall this danger independent competition must be preserved as a practical check upon the otherwise unlimited power of conferences to fix rates and as an alternative for the shipper who can obtain no relief from the conference.

This is not a mere assumption by me. Testimony and documentary material in the record of the recent House hearings illustrate the dangers to our foreign commerce which may accrue from discriminatory rate levels and indicate that independent competition may provide a safeguard and check against these dangers. The record of the House Antitrust Subcommittee hearings contains vigorous appeals by or on behalf of exporters of major U.S. products. These appeals, directed to conferences and conference lines, stressed the need for reduction of ocean freight rates on the movement of these products to certain export markets in order to meet foreign competition and alleged that U.S. exports had been severely restricted as a result of freight rates set by conferences engaged in the foreign commerce of the United States—see hearings, part 1, volume V, at pages 4962–4967.

Take iron and steel, for example. In a letter, dated May 23, 1958, to Mr. Frank Slater, vice president of American Export Lines, a conference carrier; from Ore Navigation Co. of New York City, stated:

> It is quite generally known in all trades that present iron and steel rates from U.S. ports are unreasonably excessive in view of today's freight market, general cargo rates from Europe and the decline of steel shipments from here.
>
> Of all the problems confronting steel exporters today, the primary obstacle to the recapturing of diminished markets and booking cargo again with the berth operators from our ports is the extreme inequality of berth rates (hearings, pt. 1, vol. V, at 4928; the Senator may desire to read further from this letter).

American Export Line replied to this request, advising Ore Navigation that it was not in a position to reduce its rates so as to establish them on a parity with those quoted from the United Kingdom and the Continent to Portugal on the grounds that a reduction to that level would render the rates "noncompensatory"—hearings, part, 1, volume V, at pages 4930–4931; the letter appears at 4931.

The disparity on rates was apparently quite marked. An American Export Line official told the Antitrust Subcommittee the rate on steel from the United Kingdom to the Mediterranean Basin was $10 a ton while the rate from the United States to the Mediterranean Basin was $30 per ton—hearings, part 1, volume V, at page 4932.

Asked to explain the reasons for this disparity, the official stated:

> I am guessing when I give you the answer on this, because again I do not have the facts. But I would say that they are using continental or United Kingdom vessels which are very cheap to operate. I also know that there is a great deal of nonconference competition operating from that area, from the United Kingdom and Continent into the Mediterranean area. And I believe that competitive factors have driven the rates down to that level (id. at 4932).

The influence of freight rates on U.S. export trade was even more strikingly presented in evidence with respect to ocean freight rates on electrical appliances moving from the United States to Greece—hearings, part 1, volume V, at pages 4936–4953. Distributors of General Electric Co., Westinghouse, and Philco electrical appliances complained that freight rates on these products from U.S. ports to Greece were excessive as compared to rates from Continental ports and that this disparity in freight rates was sharply curtailing U.S. exports of these products to Greece.

In October 1957, a Mr. Riginos, the agent or distributor of International General Electric Co. products in Greece, advised International General Electric Co. concerning the impact of ocean

freights upon the movement from the United States to Greece of electric ranges, electric fans, electric water-heaters, household appliances and fluorescent light fixtures—hearings, part 1, volume V, at page 4937.

As to the rate from the United States on electric ranges, Mr. Reginos made the following observations:

The freight rate on electric ranges to Piraeus is $41 per 40 cubic feet. On the basis of this rate, an apartment size electric range of a value of about $110 pays about $22 ocean freight rate or about 20 percent of the f.a.s. value. A 30-inch range of a value of about $122 pays about $35 ocean freight rate or about 28 percent of the f.a.s. value.

In a subsequent letter, International General Electric Co. was informed that the freight rate on ranges shipped from Europe generally ran to about 8 percent of the free alongside ship value—hearings, part 1, volume V, at page 4948.

Mr. Riginos pointed out, that, partly as a result of these rates, during 1956 the equivalent of only about 150 ranges had been imported into Greece from the United States, while to his understanding, 10,000 ranges had been imported from Europe. He concluded:

By keeping the freight rates on electric ranges at $41 per cubic foot nobody gains anything. A reduction of freight up to $20 would be advisable. This will help to reduce the landed cost by about $37 per range which will help increase the volume of business considerably (id. at 4940).

In a December 1957 letter to the North Atlantic/Mediterranean Conference, which covers the trade between the United States and Greece, the Philco distributor for Greece charged the conference with partial responsibility for loss of the market for U.S. ranges in Greece:

The last 3 years you increased three times your freight from New York to Piraeus with result that one of our articles, the electric range, be so charged, so that allow the German industry to gain the market and all shipments from United States to Greece stop. One glance at the 1957 figures will convince you that this is reality since not even 100 pieces totally came into Greece in this year from America as against the 13,000 pieces which have come from Germany. The high freight rate on electric ranges renders you too somewhat responsible for the result of the disappearance from the Greek market of this very important kind of article (hearings, pt. 1, vol. V, at pp. 4944–4945).

To return to Mr. Riginos, the General Electric distributor also protested that the rate on electric fans—$63.25 per 40 cubic feet to Piraeus—were excessive:

During 1956 the total American shipments of fans to Greece amounted to $16,000. We estimate that shipments of fans from the United States should be at least $50,000 per year. Therefore, by keeping the rates high, nobody gains and particularly the American industry (hearings, pt. 1, vol V, at p. 4940).

A subsequent letter to International General Electric pointed out European fans paid ocean freight rates amounting to about 5 percent on the f.a.s. value, and that "very small quantities of fans are imported from the United States due to high transportation expenses"—hearings, part 1 volume V, at page 4948.

As to household appliances—such as electric irons, vacuum cleaners, et cetera—Mr. Riginos asserted:

The freight of $63.25 is tremendous. It should not be more than $35. In 1956 there have been shipped to Greece from the United States: $2,667 worth of vacuum cleaners only; $4,622 worth of electric irons only; $2,459 worth of mixers only; $2,115 worth of table cooking appliances only (id. at pp. 4940–4941).

The distributors of Westinghouse products as well as the Philco and General Electric agents sought reductions on these items. When the conference delayed action on these requests, the Westinghouse distributor reminded American Export Lines that other alternatives were available—presumably he meant nonconference competition. In a letter dated May 1958, it stated:

We are afraid that the matter is dragged unnecessarily and regret to inform you that, although we have been very loyal to your line so far, we shall be compelled to consider certain attractive propositions from other lines which will help us to be more competitive (hearings, pt. 1, vol. V, at p. 4951).

Ultimately, the conference must have recognized the validity of the charges for on some of these items it reduced the rates. In a letter dated January 19, 1960, American Export Lines informed the Antitrust Subcommittee that the conference had made a reduction on the rate on electric ranges from $41 per ton W/M to $33.20—however, not the $20 reduction sought by Mr. Riginos—and a reduction of the rate on electric fans from $63.25 to $33.25 per ton W/M. However, the rates on household appliances—$63.25—washing machines, air conditioners, radios, and parts remained the same.

Thus, while rate reductions were belatedly made on some of these items, it appears that the reaction of the conference was sluggish and that, based on the correspondence from the Greek distributors, the market in a number of these items was lost before the conference acted. Thus, the need for nonconference competition as an alternative to conference shipment and as a factor working toward more reasonable rates would appear to be clearly demonstrated.

That shippers and exporters have found the availability of nonconference sailings useful in pressing their claims for rate reductions is further illustrated by the following letter addressed to the North Atlantic/Mediterranean Freight Conference from the American Metal Climax Co., of New York City, relating to copper from Genoa, Italy.

A set of letters indicating that a small American importer had lost business as a result of conference freight rates can also be found in the record of the hearings of the Senate Committee on Commerce on H.R. 6775.

The writer of the letter stated: "It was the cost of the ocean freight which rendered us uncompetitive", and continued:

This is called to your attention because here is a clear and concrete example of how the American exporter and in turn the United States, suffers because of unrealistic ocean freight rates—rates based upon what the traffic will bear and not upon competition and a fair and just profit.

These illustrations are sufficient to indicate how conference may discriminate against our foreign commerce and the need for independent carriers as a check on the conference carriers.

THE EFFECT OF THE DUAL RATE SYSTEM ON AMERICAN AGRICULTURE

In 1959 the United States exported, by water, a total of 35,992,660—computed from Department of the Army, Corps of Engineers, "Waterborne Foreign Commerce of the United States," part 5, national summaries (1959)—net tons of agricultural products. This accounted for 32.08 percent of our total export waterborne trade. If coal, lignite, and coke are excluded, agricultural exports amounted to 48.06 percent of our total export waterborne commerce. Wheat waterborne exports alone were 10,727,744 net tons, or 9.56 percent of total waterborne exports.

Other major agricultural waterborne exports were:

	Net tons
Corn	6,068,265
Rice	763,549
Barley and rye	2,846,508
Oats	735,780
Wheat flour and semolina	1,384,101
Grain sorghums	2,877,380
Animal feeds (fodder and feeds)	1,007,272
Edible vegetable oils and fats	349,386
Soybeans	3,646,900
Flaxseed	250,823
Inedible and/or crude vegetable oils, fats, and waxes	418,296
Unmanufactured cotton	1,304,075
Unmanufactured tobacco	271,323

Thus, American agriculture is vitally dependent on ocean shipping and American export trade is vitally dependent on American agriculture.

Agricultural interests are particularly vulnerable to the dual rate system, as was pointed out by the Department of Agriculture, in its brief in the U.S. Court of Appeals for the District of Columbia, attacking a particular dual rate system in the brief, under a heading entitled "Interest of the Secretary of Agriculture," which contains the following:

The Secretary of Agriculture intervened in this case (1) to represent the interests of the agricultural community in obtaining equitable transportation rates and services for shipments of agricultural products, and (2) to represent the Department of Agriculture's direct interest as a large shipper of agricultural commodities.

The issue as to the validity of the dual rate system is of basic and widespread importance with respect to the transportation of agricultural products. For example, approximately 27 million tons of agricultural products were exported by ocean carriers in 1951. It is important to the agricultural industries and to the Department of Agriculture that shipping rates be competitive and reasonable so as to encourage and favor the exportation of American agricultural products. If the conference lines can coerce shippers into discontinuing to patronize the nonconference lines, and economic freedom of bargaining of shippers becomes a nullity—having no place else to go—the shippers must accept conference rates.

With a complete monopoly of the trade, the conference lines would have the economic power to charge much higher rates than would be possible with the check of independent competition. The recourse of

appealing excessively high rates to the Maritime Board, which may disapprove the conference agreements, is not an adequate remedy for shippers. Such recourse would probably involve extended hearings as to the excessiveness of the rates and require the hiring of counsel to present the shipper's case.[1] It could not be as effective in curbing excessive rates as independent competition.

The position of the Secretary is that shippers of agricultural products should be free to bargain with both the conference and nonconference lines and thereby obtain the cheapest rates available—and obtain them without being penalized for patronizing the nonconference lines. Congress, in enacting the Shipping Act, 1916, did not intend to sanction the destruction of free competition in ocean shipping, but sought rather to guarantee to shippers both the economic freedom of bargaining and the right of equal treatment.

It should also be remembered that the Maritime Commission has no power over the reasonableness of rates in foreign commerce. It has sometimes been suggested that the Commission could disband a conference if it charged an excessive rate. However, there is no direct legal authority for such action by the Commission, and this is reflected by the fact that in the entire history of the Shipping Act, since 1916, the Commission and its predecessor agencies have never revoked approval of any conference agreement because of an unreasonably high freight rate.

A further demonstration of the danger to agriculture of the uncontrolled dual rate system is found in the testimony of Mr. George A. Dice, Director, Special Services Division, Agricultural Marketing Service, U.S. Department of Agriculture, before the House Merchant Marine and Fisheries Committee on March 4, 1959—"Steamship Conference Study," pages 118–122. Mr. Dice stated:

Our objection to the dual rate system is quite simple. We believe it to be unduly discriminatory and prejudicial to the interests of agricultural shippers. Under the system two identical shipments from the same port, in the same vessel, stowed side by side in the same hold, moving to the same destination, and receiving exactly the same transportation service, are or may be charged for at different rates. Not only do we believe this practice to be unduly discriminatory and prejudicial against the interests of shippers but we believe it to be a form of retaliation against a shipper who does not desire to tie himself and his business to an exclusive patronage contract.

It is our view that the dual rate system and its coercive contractual arrangements tend to deprive shippers of agricultural commodities of the freedom of choice of transportation service. If practiced successfully, the system would result in a monopoly for the steamship conference lines. We say "if practiced successfully" because the elimination of competition from independent steamship lines appears to be the objective of the dual rate system.

The Department is agent for the International Cooperation Administration in the shipment of agricultural commodities. The Department, however, does not become a party to contractual arrangements of the sort followed under the dual-rate system, although, in instances, because of the nature of the programs involved, members of the conferences do extend special rate consideration.

It is our opinion that if a dual-rate system is practiced and if it is successful in eliminating competition from independent lines, it could eliminate this rate consideration on special program shipments.

We believe that if, through the dual-rate system, a steamship conference gains a monopoly, rate increases might very well follow. Certainly the factor of competition would not be present to deter such instances. This would be extremely unfortunate both from the standpoint of agricultural shippers and exporters.

We believe that anyone who does not choose to bind himself to such a contract and who is thereby required to pay a higher rate than another shipper of the same commodity would be discriminated against.

We believe also that, if competition is eliminated through the operation of the system, that that militates against the best interest of agriculture.

Specifically, the dual-rate system when used as a predatory device affects American agricultural exports by eliminating independent liners from business, and a vast quantity of agricultural products go on liners. This includes so-called general cargo, that is, cargo in containers or handlers in separate units, such as canned fruits, vegetables, tobacco, cotton, and wheat flour in bags.

The following are a few examples which illustrate the size of the shipments of such cargoes on liners. In the first quarter of 1960 alone, under Public Law 480, we shipped, on liners, the following:

	Long tons
To Turkey:	
Wheat	29,850
Soybean oil	14,247
To India:	
Cotton	34,696
Milled rice	39,702
To Korea:	
Wheat flour	50,960
Corn	9,491

There is no rate regulation in our foreign commerce. This leaves American foreign commerce, including the vital interests of American agriculture without Government protection against monopolistic freight rates charged by ocean shipping cartels. Without Government protection, it is doubly important that the protection offered by independent competition be maintained. It is therefore essential that no dual rate legislation which would jeopardize this independent competition be enacted.

APPLICATION OF U.S. ANTITRUST LAWS TO FOREIGN COMMERCE

It is argued that it would be an unheard-of effrontery to try to regulate international commerce and place it under certain U.S. antitrust restrictions.

It is difficult for me to see the reasoning behind this argument in view of the historical application of our antitrust laws to foreign commerce. Going back to the famous case of *U.S.* v. *American Tobacco Company* (221 U.S. 106 (1911)), where the Supreme Court applied the Sherman Act to an agreement "executed in England" between an American company and its British competitor, we find a whole series of cases applying the Sherman Act to foreign companies engaged in international commerce. For example, in 1951 in the *Timken* case (341 U.S. 593), the Court held illegal an arrangement between American Timken and its foreign competitors. In that case, the Court said:

The fact that the cartel arrangements were made on foreign soil does not relieve defendant from responsibility. * * * [For] they had a direct and influencing effect on trade in tapered bearings between the United States and foreign countries. * * * [Clearly] defendant's territory was affected.

The Attorney General's National Committee To Study the Antitrust Laws points out:

Beyond these cases involving arrangements joined by American firms, the Sherman Act may cover certain acts by foreign combinations alone.

As an example, they cite *U.S.* v. *Alcoa* (148 F. 2d 416 (1945)). Although I have some reservations with respect to these totally foreign transactions, it is clear with respect to agreements involving Americans and foreigners. At page 76 of the report, the Celler committee states:

We feel that the Sherman Act applies only to those arrangements between Americans alone, or in concert with foreign firms, which have such substantial anticompetitive effects on this country's "trade or commerce with foreign nations" as to constitute unreasonable restraints. Where a U.S. court holds a contract between an American and foreign company illegal under our antitrust laws, and the foreign party attempts to enforce that contract under foreign law, U.S. agencies, including the State Department, should endeavor to protect the U.S. party.

I certainly am in accord with the conclusion of this eminent committee. Further, there is regulatory control of international air traffic by an American agency, the Civil Aeronautics Board. In fact, the CAB has the power to disapprove any rates involving the United States which it believes are unreasonable.

Certainly there are differences between international air traffic and international sea traffic. However, these differences do not go to the heart of the question of whether or not the United States should preclude itself from any sort of effective regulation of anticompetitive arrangements simply because they involve foreign companies. I see no reason whatever that foreign shipping companies should be any more exempt from some U.S. antitrust control, when they engage in the foreign commerce of the United States, than any other foreign corporation, be it a manufacturer, a shipping concern, or an airline.

SUBSIDIES

There may be some confusion among my colleagues as to the impact of Federal subsidies to American carriers on

[1] The Alexander committee recognized, on p. 306 of its report (House Doc. No. 805, 63d Cong., 2d sess., 1941), that: conference lines, through their monopolistic powers, so completely dominate the shippers with whom they deal that these shippers cannot afford, for fear of retaliation, to place themselves in a position of active antagonism to the lines by openly giving particulars of their grievances.

Shippers, on the contrary, live far apart and because of their different and frequently antagonistic interests can only combine for mutual protection with the greatest difficulty.

the matters we are discussing today. Let me attempt to clarify the subsidy question.

There are two types of subsidies given to carriers: operating and construction. It is the operating subsidy with which we are concerned. This subsidy, briefly stated, puts an American carrier on a parity, with respect to costs, with its lowest cost competitor. It compensates American carriers for high wage, subsistence, repair, and insurance costs. In other words, a subsidized American carrier is reimbursed by the Federal Government for the difference between his operating costs and those of his lowest cost competitor, for example, Japanese carriers. This means that the American carrier cannot only compete on a parity with his most efficient competitor, but in addition, has a competitive advantage over all his foreign and unsubsidized domestic competitors, whose costs are higher than those of the lowest cost, foreign carrier, to which the subsidy is pegged.

I cannot stress too strongly that the subsidy to a carrier is not determined by his rate or his success as a competitor. It is designed merely to get him started—costwise—on an equal footing with foreign lines, which have the advantage of cheap labor. What he does beyond this, is determined solely on the basis of his skill in his business operations. As one of the witnesses before the Bonner committee testified:

> [T]he operating subsidy is intended to enable the American operator to take care of himself in any situation that develops in foreign trade (Mr. Stakem, at p. 42).

WHY AMENDMENTS ARE ESSENTIAL

Basically, a cartel is a monopoly device. Looking at the shipping industry and weighing things in the balance, there is probably no justification for cartels and their dual rate system when the interests of the conference cartels are weighed in the balance with the impact of such agreements upon American shippers and independent carriers, and the generally restrictive effect of such agreements on the foreign commerce of the United States. But if the Congress of the United States, in its wisdom, views the matter differently, then the least that should be done is to surround these all-embracing cartel systems and dual rate contracts with adequate safeguards. This, I regret to say, the present law, as reported by the Senate Commerce Committee, fails to do.

Let me emphasize that I mean no criticism of the distinguished gentleman in charge of the bill. Indeed, there are some very excellent provisions in the bill for which I wish to commend the committee earnestly. For instance, section 8 of the bill is a landmark provision. It would allow the Governors of the several States to file a protest over discriminatory rates in our foreign commerce with the Maritime Commission. Within 120 days thereafter, the Commission must act on the complaint and either find the rate nondiscriminatory or set it aside. This is indeed a forward-looking section. For the first time in history the Commission would be expressly granted actual supervisory jurisdiction over rates in our foreign commerce. I hope the Senators will insist in conference that this provision remain, as it is the type of safeguard that is absolutely necessary to protect our commerce against the international cartels that are legalized by the Shipping Act. I also hope, in view of the vast authority over rates conferred by this section, that there will be little objection to amendments along the same line that I shall propose.

However, with a few exceptions, which do not relate directly to dual-rate contracts, we find the bill before the Senate as reported by the committee virtually stripped of adequate protections for the foreign commerce of the United States, independent lines, shippers, and ports. I realize this is a rather broad indictment so I should like to outline briefly the respects in which the Senate bill would denude the law of essential protections.

First. The bill rejects the antitrust safeguards of the House bill.

The House bill had three provisions which, if I may summarize, would prevent the Commission from granting permission for any dual-rate contract which is not intended or reasonably likely to exclude any carrier from the trade. The purpose of these safeguards was manifold:

(a) They would keep the sealanes of the United States open to all vessels in conformity with traditional concepts of freedom of the seas.

(b) They would assure that American lines could, with safety, resign from conferences if necessary to protect the foreign commerce of the United States and at the same time have access to cargo.

(c) They would assure that no American line would be forced into a conference without its consent.

(d) They would safeguard the business of tramp vessels which form an essential part of the American merchant marine.

(e) They would protect American shippers against excessive rates charged by steamship conferences having a monopoly in the trade, by assuring the existence of independent competition.

Why were these salutary safeguards eliminated by the Senate Commerce Committee when they appeared in a bill that was unanimously passed by the House after 3 years of study by two congressional committees? The Senate report—No. 860—declares that they were eliminated because every effective dual-rate contract is intended and reasonably likely to exclude independent competition, and therefore no dual-rate contracts could ever be permitted under the law. This simply is not the case.

The committee report relies to a large extent on the statement of former Chairman of the Federal Maritime Board, Clarence B. Morse, that such was the intent and effect of every dual-rate agreement. But as a matter of fact, this opinion of Chairman Morse was a minority opinion, as reflected by decisions of the Board itself. In *Contract Rates-Trans Pacific Freight Conf. of Japan* (4 F.M.B. 744 (1955)), for example, the Board disapproved a dual rate agreement in the Japan-Pacific trade because it found the malpractices in the trade due, not to the carryings of Isbrandtsen, but to overtonnaging. In his dissenting opinion, Chairman Morse declared that the purpose of a dual-rate agreement was "the elimination of nonconference competition, as such, as a significant force in that trade"—4 F.M.B. at 768. He went on to say further:

> To test the validity of a dual-rate system by its effect on independent operators is to permit the tail to wag the dog (4 F.M.B. at 769).

But the Board failed to agree with him in this case and has consistently considered the impact on independents in determining the legality of dual-rate agreements.

Now, the conferences know that the Board has consistently adhered to the position that no dual-rate agreement will be approved if it tends to eliminate an independent from the trade. They were so informed by the Board in 1957, by Mr. Aptaker, of the General Counsel's office in no uncertain terms, according to a conference memorandum on their discussions with him which reads in part as follows:

> Since that decision, the Board has extended these fallacious principles to other conferences. Mr. Aptaker stated that the Board would no longer approve any contract rate system where there was not a firm showing of existing nonconference competition, and further, that such nonconference competition is making undue inroads in the trade. He further advised that the Board would not approve any contract rate system which denies to nonconference operators a fair and equitable share of traffic; nor approve a contract rate system which prevents shippers from exercising a choice between conference and nonconference vessels. These standards stem directly from representations made to the Board by the Japan-Atlantic and Gulf Freight Conference in docket No. 730. Sponsors of the brief amicus curiae copy the same representations (Celler committee hearings, pt. 3, vol. II, at 987).

The committee report also quotes conference leaders in support of the conclusion that no dual-rate agreement would be approved under the bill with the antitrust safeguards of the Bonner bill included because all dual-rate agreements would tend to drive carriers from the trades. I would like to quote, however, from the examination of Mr. J. A. Dennean, chairman of the very important Far East conference—with 23 lines—when he appeared before the Celler committee this spring, which is directly contrary to the Senate Commerce Committee's findings.

> Mr. SINGMAN. Well, just let me put it simply and ask you whether you agree that the purpose of the contract rate syste.n is to prevent shippers from patronizing nonconference lines?
>
> Mr. DENNEAN. No, sir; I do not, and I want to tell you this, that there are a lot of things in that memorandum I disagreed with as you read it to me, but there is one thing that I don't agree with, and that is our system, our contract system, is devised with the idea of preventing the operation of nonconference lines.
>
> Now, bear this in mind, please, that in the Far East trade we have had a contract system for 30 years. I think it is about that length of time.
>
> Now, we have never deprived an outside line from operating. We have always had

outside competition. So I don't think that is the purpose of our system at all.

Mr. SINGMAN. It may be that it doesn't work, but the question is, What is the purpose of it?

Mr. DENNEAN. Well, I don't think that is the purpose of it at all.

Mr. SINGMAN. What is the purpose?

Mr. DENNEAN. I think the purpose of it is to assure as much cargo as possible to the members of the conference, the regular lines operating in the trade.

Now, if that is 100 percent; fine. We would like to get 100 percent. But I want to tell you right now that in my judgment there is no contract system which will ever operate to that extent.

If you get 80 percent of the cargo, you are operating at 100 percent efficiency, because you cannot put everything under contract; shippers will not contract with you, some shippers will not contract with you.

So those are some of my opinions on this subject.

Mr. SINGMAN. Your objective is to, in effect, secure a monopoly—

Mr. DENNEAN. No, sir.

Mr. SINGMAN (continuing). Through the rate system.

Mr. DENNEAN. No, sir. There cannot be a monopoly. Even if we had gotten completely all of the cargo in the trade, I still don't think that is a monopoly. You might think so, but I don't, because we have 23 members in the conference and all are fighting to get cargo.

(At this point in the proceedings, Mr. Donohue is presiding.)

Mr. SINGMAN. Yes. But somebody who is not a member, doesn't join your club, can't operate, though; isn't that correct?

Mr. DENNEAN. Yes, but he can join if he wants to.

Mr. SINGMAN. But if he doesn't want to, he is out of luck?

Mr. DENNEAN. Well, not in our trade. That hasn't been the case at all (Celler committee hearings, pt. 3, vol. II, at pp. 974–975).

I suggest, then, that there is absolutely nothing illusory about the antitrust safeguards prohibiting dual-rate contracts intended to eliminate independent carriers from the trade. Certainly the test is much less rigid than the Supreme Court test in the Isbrandtsen case where the Court found the agreement unlawful merely because it was taken as a competitive measure to offset the competition of Isbrandtsen. And as a matter of fact, in that very case, the Board, which had approved the agreement in question in the Japan-Atlantic trade, expressly found that notwithstanding the dual-rate agreement "the continued existence of Isbrandtsen as an effective competitor and the existence of strong shipper groups insure conference consideration of shipper needs and desires—contract rates, *Japan-Atlantic-Gulf Freight Conf.* (4 F.M.B. 706, 741 (1955)). All those in support of the antitrust safeguards are asking is assurance that the standards laid down by the Commission prior to the Isbrandtsen decision will be adhered to in the future notwithstanding the fact that dual-rate agreements generally will be legislatively authorized.

The committee suggests that by advocating these amendments we are supporting only foreign lines. They refer to the fact that Isbrandtsen, the only American nonconference line, will soon join the conferences. In the first place, the illustration is inapt because, if anything, Isbrandtsen is being forced into the conference by the Maritime Administration which refused to give a subsidy to Isbrandtsen unless it promised to abide by the conference tariffs, rules, and regulations. This is documented, chapter and verse, by the following correspondence:

DECEMBER 30, 1960.

Rear Adm. RALPH E. WILSON,
Chairman, Federal Maritime Board,
Washington, D.C.

DEAR ADMIRAL WILSON: We acknowledge receipt of your letter of December 23, 1960, replying to our letter of December 13, 1960, relating to maintenance of conference rates. In the light of your letter we have reviewed our position and submit the following which we believe to be in accordance with your requirements.

We hereby agree, if subsidized, to participate in conferences on the same basis as other subsidized operators in all the areas in which we will operate subsidized services. Naturally we will, on our part, comply with the rates, rules, and regulations of all conferences of which we are members, and we shall make every effort to see that the conferences in which we participate operate effectively and to see that those conferences provide adequate machinery to enforce compliance by all conference members with conference rates, rules, and regulations.

There is no reservation whatsoever as to our commitment on this matter. We do believe that we should have the same right as other subsidized operators now have to withdraw from a conference where special circumstances warrant, or where such special circumstances exist, to refuse to join a conference that does not cover a substantial portion of the trade or is otherwise ineffective. We wish to assure you, however, that even those actions would be taken only after this matter had been discussed with the Maritime Board.

In any areas where conferences do not exist we will use our best efforts to work toward stabilization of rates and conditions.

We are advised that American Export intends to continue to follow the policy on conference matters that it has followed in the past and that it concurs in the position that we have now taken, as set forth above.

As we feel that the position which we present here is in harmony with the policies and practices of the other 14 American-flag subsidized lines, we hope that you will agree that there is no need to impose exceptional conditions or restrictions on the two lines here involved.

Sincerely yours,

ISBRANDTSEN CO., INC.,
JAKOB ISBRANDTSEN,
President.

FEDERAL MARITIME BOARD,
Washington, D.C., December 23, 1960.

Mr. JAKOB ISBRANDTSEN,
President, Isbrandtsen Co., Inc.,
New York, N.Y.

DEAR SIR: This will acknowledge the receipt of your letter of December 13, 1960, in which you set forth your position with respect to the maintenance of conference rates by American Export Lines, Inc., as well as Isbrandtsen Steamship Co., Inc. The position expressed in your letter is not acceptable.

The views expressed are substantially reiterations of statements made by officials of your company for many years prior to the time that you became affiliated with a subsidized operator. They convey nothing whatever of which the Board is not already aware, nor do they serve any useful purpose insofar as the problem at hand is concerned; viz, the award of an operating differential subsidy agreement to Isbrandtsen Steamship Co., Inc., and to the future operation of American Export Lines, Inc.

After careful consideration of this matter, the Board has determined that, in the event it should award a subsidy agreement to Isbrandtsen Steamship Co., Inc., it will require that such agreement contain a provision to the effect that the operator agrees to maintain conference rates, rules, and regulations effective for the subsidized services contained in such agreement, irrespective of whether the operator is a member of such conference, unless, due to special circumstances, the Board, in its sole discretion, should decide to modify temporarily this requirement as to a particular conference. Furthermore, the Board will require that an addendum to American Export Lines' subsidy agreement be executed which will contain this provision.

We shall appreciate your early reply and acceptance of the above condition in order that we may proceed with the processing of the subsidy application.

Very truly yours,

RALPH E. WILSON,
Chairman.

But Isbrandtsen aside, what about the trade routes where American conference operators have, for one reason or another, failed to join a conference, such as those shown in the following list, which are simply illustrative:

LIST OF TRADE ROUTES IN WHICH STATES MARINE LINES OPERATE WHERE THEY ARE NOT MEMBERS OF THE CONFERENCE ON THAT ROUTE

U.S. ports—Outbound: U.S. Atlantic ports to United Kingdom/European Atlantic ports.

U.S. ports—Inbound: United Kingdom and European Atlantic ports to U.S. Atlantic-Gulf-Pacific ports.

Mediterranean ports to U.S. North Atlantic ports (Celler committee hearings, pt. 1, vol. III, at 2777).

The trades in which American President Lines carries cargo where there are conferences of which American President Lines is not a member are as follows:

1. Pacific Coast/European.
2. Japan/Saigon.
3. Mediterranean/Orient.

(Celler committee hearings, pt. 2, vol. I, at 821).

Would the committee have dual-rate systems employed to drive them out of business? Or suppose an American line wishes to withdraw from a conference. Would the committee have the dual-rate contract employed to eliminate it from the trade? Moreover, what about the American tramp vessels which, latest studies show, compete in large measure for a good deal of cargo with conference lines, including liner type cargo. Would the committee want these essential elements of the American merchant marine driven out of business to appease the foreign dominated conferences employing dual rate contracts? I would hope the answer to all of these questions would be "No."

I am inserting in the RECORD at this point, a table showing these American operators and their vessels:

U.S. shipping companies owning tramp vessels operating in foreign trade—Number of freighters owned as of Jan. 1, 1959

Aeolian Steamship Corp	1
American Coal Shipping Co	1
American Union Transport Co	3
Arrow Steamship Co	1
American Waterways Corp	1
Atlantic Carriers, Inc	1
Atlantic Ocean Transport Co	1
Aspin Steamship Co	1
Blidberg Rothschild Co	1

U.S. shipping companies owning tramp vessels operating in foreign trade—Number of freighters owned as of Jan. 1, 1959—Continued

Bulk Carriers Corp	1
Burbank, A. L. & Co	1
Cargo Ships & Tankers	2
Compass Steamship Corp	1
Effort Steamship Corp	1
Eastern Maritime Corp	1
DeLappe, W. A., Co	1
Dolphin Steamship Corp	1
Doric Shipping & Trading Co	1
Edison Steamship Corp	1
Elam Shipping Corp	1
Epiphany Tankers Corp	1
Falmouth Steamship Co	1
Grainfleet, Inc	1
Intercontinental Transport Co	2
Intercontinental Liberty, Inc	2
Liberty Navigation & Trading Co	2
Inter Ocean Steamship Co	1
Long, Quinn & Boylan, Inc	5
Marine Bulk Carriers	1
Herald Steamship Corp	1
Martis Steamship Corp	1
New England Industries, Inc	1
Ocean Transport Co	4
Ocean Freight & Brokerage Corp	1
Ocean Shipping, Inc	1
Ocean Clippers	2
Pacific Waterways Corp	1
Panagopule, Eugene	1
Pan Cargo Shipping Co	1
Pegor Steamship Co	1
Peninsular Navigation Co	2
Penntrans Co	3
Pacific Navigation Corp	1
Pier Shipping Co., Inc	1
Ocean Tramp, Inc	1
Pacific Wind Corp	1
Rockland Steamship Corp	1
Shepard Steamship Corp	1
Standard Steamship Corp	2
Harry Sperling	1
Tak Shipping Co	1
Terrace Navigation Corp	1
Traders Steamship Corp	2
Trans Pacific Co	4
Transfuel Corp	1
Transport Utilities Co	2
Veritas Steamship Co., Inc	1
Victory Carriers	7
West Coast Steamship Co	3
Whitehead Steamship Corp	1
World Carriers, Inc	1
Total	92

(NOTE.—These 61 companies compose the nucleus of the tramp fleet. However, a number of these companies frequently charter their ships to liner companies, on extended charter hire, for operation in liner service.)

(Celler committee hearings, pt. 1, vol. I at p. 759.)

Mr. KEFAUVER. Second. The bill would overrule *Isbrandtsen Co.* v. *United States* (211 F. 2d 51 (D.C. Cir. 1954, certiorari denied 347 U.S. 990 (1954)) by allowing dual-rate agreements to go into effect without a hearing by the Commission.

In *Isbrandtsen* v. *United States* (211 F. 2d 51, certiorari denied 347 U.S. 990 (1954)), the Court of Appeals for the District of Columbia held that a dual-rate agreement could not be lawful until it had received the express approval of the Federal Maritime Commission—Board—after hearing. Under the bill as reported, approval of dual-rate systems is no longer required on the part of the Commission. Instead, the Commission is to confer its "permission" on such agreements. It is not clear to what extent "permission" under new section 14b—applicable to dual-rate contracts—differs from "approval" under section 15—formerly applicable both to dual-rate contracts and to all other agreements. However, it is clear that "permission" "shall" be given after "notice" under section 14b, whereas "approval" may be given only after "notice and hearing" under section 15. Thus a safeguard formerly applicable to dual-rate agreements—namely, a formal hearing—is now stricken from the law and dual-rate contracts are not only made lawful but are the beneficiaries of special and preferred procedures which differ from that accorded every type of other agreement under the Shipping Act.

Third. The bill does not make unlawful execution and enforcement of an unpermitted dual rate agreement, contrary to the holding of *Isbrandtsen Co.* v. *United States* (211 F. 2d 51 (D.C. Cir. 1954), certiorari denied 347 U.S. 990 (1954)).

In Isbrandtsen against United States, supra, the Court of Appeals of the District of Columbia made it explicitly clear that a dual-rate contract put into effect without the express approval of the Federal Maritime Commission—Board—was illegal; the court in that case said:

> In either case, section 15 requires that such agreements or modifications "shall be lawful only when and as long as approved" by the Board. Until such approval is obtained, the Shipping Act makes it illegal to institute the dual-rate system.

The holding in this important decision was cited with approval and followed in a long line of cases including: *Pacific Westbound Conference* v. *Leval & Co.* (201 Ore. 390, 269 P. 2d 541 (1954), certiorari denied, 348 U.S. 897 (1954)); *River Plate & Brazil Conferences* v. *Pressed Steel Car Co.* (124 F. Supp. (S.D.N.Y. 1954), affirmed, 227 F. 2d 60 (2d Cir. 1955)); *Anglo Canadian Shipping Co.* v. *United States* (264 F. 2d 405, 411 (9th Cir. 1959)).

Now the language in quotation marks, supra, relied on by the court in the Isbrandtsen case for requiring Board approval of dual-rate contracts and for making such contracts unlawful until approved has been omitted from section 14b of the bill. In other words, under section 14b, it apparently is not unlawful under the Shipping Act to carry out a dual-rate agreement before permission has been obtained from the Board, or for that matter, even to carry out an unpermitted dual-rate contract. I might ask the gentlemen who sponsor this legislation why all other agreements in our foreign commerce are made unlawful by the act until Board approval is obtained, but dual-rate contracts are not subject to this prohibition. Again, we see another of the safeguards of the law whittled away by the Senate bill.

Fourth. The bill would eliminate all fines and penalties under the Shipping Act for carrying out dual-rate agreements in violation of the act.

As I have pointed out above, under *Isbrandtsen Co.* v. *United States* (211 F. 2d 51 (D.C. Cir. 1954), certiorari denied, 347 U.S. 990 (1954)), it was unlawful under section 15 of the Shipping Act to carry out an unapproved dual-rate agreement. Any conference line employing an unapproved agreement was therefore subject to heavy fines inasmuch as section 15 formerly provided:

> Whoever violates any provision of this section shall be liable to a penalty of $1,000 for each day such violation continues, to be recovered by the United States in a civil action.

However, under section 14b of the Senate version of the dual-rate bill, there is absolutely no penalty provided for employing a dual-rate agreement in violation of the provisions of that section. The $1,000 per day penalty in section 15—which is now amended to provide for not more than $1,000—would no longer appear applicable because it is limited to violations of section 15 only. It is also doubtful whether the penalty contained in section 32 could be invoked. That section states:

> That whoever violates any provision of this Act, except where a different penalty is provided, shall be guilty of a misdemeanor, punishable by a fine not to exceed $5,000.

However, there is no declaration in section 14b that the carrying out of an unpermitted agreement or an agreement in violation of the section is in any way unlawful, and it could therefore well be argued that such action in no way "violates any provision" of the act.

Once again are the safeguards eroded by the Senate bill. Under the old law, a dual-rate agreement carried into effect without the approval of the Board subjected the conference or lines to heavy penalties of $1,000 per day; under the Senate bill, this deterrent, for no reason at all, is wiped out.

Fifth. The bill would permit the use of heretofore unlawful discriminatory practices to injure independent competition.

The very first section of the Senate version of H.R. 6775 would add a new word "unjustly" to the terms of the Shipping Act as they have existed for nearly half a century. The reason given for this novel addition is that it will thereby "conform that section to all other portions of the Shipping Act, 1916"—Senate Report No. 860, 87th Congress, 1st session, page 11. The point is, the framers of the Shipping Act of 1916 made section 14 different from all of the other sections of the act referred to by the committee, and for very good reason. As the Supreme Court of the United States pointed out in the *Isbrandtsen decision* (357 U.S. 481, 494 (1958)):

> The characterizations "unjustly discriminatory" and "unjustly prejudicial" found in other sections imply a congressional intent to allow some latitude in practices dealt with by those sections.

In section 14, however, the intent of Congress has been to eliminate all discriminatory measures against independents.

By making lawful dual-rate contracts, which, because of their rate spreads and tying provisions, are prima facie discriminatory, the bill would remove a single type of discriminatory device from the all-exclusive terms of this section of the law. But this amendment, injected by the committee into the House bill,

would not only remove dual-rate contracts from section 14, third, of the Shipping Act, but every other type of discriminatory arrangement which the conferences and their counsel can contrive, unless such devices are found to be "unjustly" discriminatory, whatever that may mean.

To take a single illustration, on June 27, 1961, in docket No. 908, Japan-Atlantic and Gulf Freight Conference-Fidelity Commission System, the hearing examiner of the Commission approved a proposed Fidelity Commission System—which is a hybrid between a rebate and a deferred rebate—on the grounds that it was not a "discriminatory" measure within the meaning of section 14, third. I hope this determination by the examiner will be reversed by the new Commission. But it will be all but impossible to reverse it if Congress now softens section 14, third of the act by the insertion of the word "unjustly." For if the examiner did not think that this Fidelity Commission System discriminated in the first place, a fortiori, it stands to reason that it would probably not unjustly discriminate, either.

Now, there has been little if any testimony taken regarding the use of Fidelity Commission Systems by the Congress, or of the myriad of other types of tying devices that ingenious counsel for the conferences would contrive to avoid the strictures of the act. But it is clear that inserting the word "unjustly" into the act opens up a Pandora's box of potential evils which the committees, not to mention Congress, have not even considered.

Once again, the Senate version drops the barriers of the Shipping Act in favor of the foreign-dominated conference lines.

Or take as another illustration, the provision in dual-rate agreements requiring nonnatural routing of cargo through nontributary ports. The Bonner bill endeavored to prevent this discriminatory practice by requiring that all dual rate contracts contain a provision that they do not require the contract shipper "to divert shipment of goods from natural routings not served by the conference. This was eliminated from the Senate version of the bill on the ground that the Commission already has ample power to prevent dual-rate carriers and conferences from doing that sort of thing, citing Gulf and South Atlantic Havana Conference, docket Nos. 849, 851, and 854, decided February 2, 1961.

Now, one of the grounds of the Commission's decision in that case was section 14, third, prohibiting all—not merely unjustly discriminatory—measures against independents. The Commission cited with approval the following language of the Supreme Court in the Isbrandtsen decision:

> The Congress in section 14 has flatly prohibited practices of conferences which have the purpose and effect of stifling the competition of independent carriers (356 U.S. at 491).

But, if the committee strikes the safeguard in the Bonner bill against unnatural routings and at the same time removes perhaps the most important elements of the Board's authority to declare unlawful unnatural routings by inserting the word "unjustly" into section 14, third, our commerce may well be at the mercy of the routing restrictions of conference carriers despite the good intentions of the committee.

Once more, it is obvious that in deference to the conference carriers, the Shipping Act has been significantly weakened by the Senate version of the bill.

Mr. President, I have spoken at some length; this is a complicated subject. I hope that I have demonstrated the evils of an unregulated dual-rate conference system. The malpractices of the past are certainly blatant enough to justify restoration of the competitive safeguards built into the House version of H.R. 6775. I have introduced and shall call up amendments to accomplish this purpose. I hope the managers of the bill will find some of these printed amendments acceptable to them.

Mr. WILEY. Mr. President, the Senate has before it today H.R. 6775 as amended by the Senate Commerce Committee. The senior Senator from Tennessee has already called attention to several antitrust and monopoly matters involved in this bill and in the dual rate which it recognizes. I would like to deal with another aspect of this legislation—its impact on American exports.

Probably the most important international economic problem confronting our country today, is the relative decline of American exports, coupled with rapidly dwindling gold reserves and an unfavorable balance of payments. I have long stressed the need to continuously promote our exports—I have called for studies of the world markets; I have requested studies of our tariff structure; I have asked our industries to be more keen to the needs of world trade.

However, in assessing our ability to compete with other countries we must take into account many factors which cannot be easily modified, among which the most prominent is the high cost of labor in this country. Yet, in recent days there has come to my attention one factor which I am unable to fully explain—and this is the extremely heavy burden put on our exports by the international shipping rates.

We, in this country, are accustomed to the idea that each part of a round-trip ticket costs the same. But this apparently is not the case in ocean shipping. There one gets as much as the traffic will bear.

I am deeply concerned about this disparity in shipping rates between what is charged to American exporters, on the one hand, and what is charged to foreign exporters of the same products, on the other hand.

I have discovered, for example, that American cheese producers must pay twice as much to ship their cheeses to Genoa, as the Genoese shipper has to pay to send his cheese to this country. The dairy industry is, needless to say, a source of great interest and concern to me. I am at a loss to understand what possible justification can be made for this unwarranted discrimination against American farmers, producers, and shippers.

The international shipping rates are established by various shipping conferences, to which this bill, H.R. 6775, relates. These conferences file their rates with our Maritime Commission. Ship lines have been long permitted to band together and agree on rates because it has been thought that unrestrained competition would be disastrous to ocean carriers. Shipping conferences, as pointed out by the Senate Commerce Committee, are obviously organized "for the purpose of reducing the rigors of competition which otherwise would exist."

I am no expert on the ocean-shipping industry, but I am afraid that in this case the shipping conferences have taken advantage of the American manufacturer and shipper. I have always felt that a little fair, honest competition never hurt anyone.

Certainly, I agree it is important to protect the American shipping industry. But, at the same time, it is clearly equally important to protect the interest of all other American industries. Among other things, this means assuring that American farmers and manufacturers are able to ship their produce in international trade on a parity with foreign competition.

But this is not the case. Why is it, Mr. President, that a Wisconsin exporter, shipping his cheese products from Milwaukee to Marseille has to pay $6.38 per hundredweight, while the French shipper of the same product to Milwaukee has to pay $3.84? As my appendix reveals, this discrimination is not directed against the dairy farmers only. It is shown that similar injustices are worked against other American industries which vitally touch and concern the economic welfare of nearly every State in the Union. Among these industries are electrical products, steel, glass, and ceramic tile.

The second of my appendixes, containing excerpts from a memorandum prepared by the U.S. Department of Commerce in November 1960, shows the further impact of shipping rates on other industries. It reveals this same sort of discrimination against American producers attempting to compete with foreign manufacturers in such articles as automobiles, farm machinery, industrial chemicals, rubber, fertilizer, and many other crucial products.

We certainly want to protect American shipping. Yet, at the same time, it is important that we make certain that these shipping conferences do not let their power go to their heads. It is important also to note that many of these shipping conferences, which establish these shipping rates, are largely dominated by foreign lines. It is imperative that we do not give these shipping conferences so much power that they are completely protected in their efforts to enforce this handicap on American industry.

I understand full well, Mr. President, that there may be perfectly good reasons

for protecting steamship conferences from destructive competition in every way possible; but, in balancing the needs of our national economy, we must observe that the past record of these conferences shows that exorbitant and uncompetitive shipping rates have been charged by these conferences to American shippers. This we must take into account in making our decision as to whether or not these conferences ought to be granted unfettered authority to set their own rates by common agreement.

The version of H.R. 6775 approved by the Senate Commerce Committee gives great power to shipping conferences. The decisions of these conferences, reached under this power, will have far-reaching impact on America's exports, gold reserves and balance of payments. Have these shipping conferences—most of which are controlled by foreign carriers—earned this trust by virtue of their past performance? In view of the facts which I have put before you, I have grave doubts whether the power of these conferences should be strengthened. I must, therefore, go along with the amendments to H.R. 6775 prepared by the senior Senator from Tennessee, which will restore this bill to the language which it had when it was voted upon in the House.

I must stress that this is not sufficient action, in my own mind. I feel it is important that further action be taken by the Government of this country to remedy the situation as it now exists. We must make certain that our farmers, manufacturers and exporters are given an equal opportunity in the quest for world markets.

I ask unanimous consent to have printed in the RECORD the appendixes to which I have referred.

There being no objection, the appendixes were ordered to be printed in the RECORD, as follows:

APPENDIX A

(Statement by Senator WILEY on the impact of shipping conference cartels on American exports)

The following materials are self-explanatory. You will note that there is a gross discrimination against American exports, in that freight rates for the same item over the same distance are much higher with respect to exports than imports. It is suggested that the impact of the situation revealed by these statistics on American exports, American industry, and America's gold balance be kept in mind in considering the dual-rate shipping bill, H.R. 6775.

Current shipping rates in the North Atlantic (United States-Japan trade)

	Outbound [1]	Inbound [2]
Electric motors	$54 per short ton (lower rate)	$39.50 per short ton.
Stainless steel (bars, billets, pipe, plates, rods, shapes, sheets, slabs, ships, tubes, wire).	$61.25 per long ton (lower rate)	$33 per long ton.
Glass plate and plate glass	$42.25 per short ton (lower rate)	$28 per short ton.
Ceramic tile	$65.25 per short ton (lower rate)	$27.75 per short ton.
Electric bulbs and photo flashbulbs	$63.50 per short ton (lower rate)	$32.50 per short ton.

[1] Far East Conference; has dual-rate contracts.
[2] Japan-Atlantic and Gulf Freight Conference; has no dual-rate contracts.

Source: Tariffs filed by respective conferences with Federal Maritime Board.

CURRENT SHIPPING RATES ON ELECTRIC MOTORS IN THE GREAT LAKES-BORDEAUX-HAMBURG RANGE TRADE

Outbound (U.S. Great Lakes-Bordeaux-Hamburg Range Eastbound Conference):

Chicago, Milwaukee, Detroit, Toledo, and Cleveland to Bremen and Hamburg (per long ton) ---------- $74.25

Inbound (U.S. Great Lakes-Bordeaux-Hamburg Range Westbound Conference):

	Per 1,000 kilos [1]
Bremen and Hamburg to Detroit	$48.50
Bremen and Hamburg to Chicago	49.00
Bremen and Hamburg to Toledo and Cleveland	48.00

[1] 1,000 kilos=2204.6 pounds. Long tons=2240 pounds. Therefore, the inbound figures should be increased, by approximately 1.5 percent to make them precisely comparable to the outbound figures.

Source: Tariffs filed by respective conferences with Federal Maritime Board.

COMPARISON OF CONFERENCE FREIGHT RATES ON CHEESE MOVING FROM UNITED STATES WITH RATES ON CHEESE MOVING TO UNITED STATES

Great Lakes ports of Chicago and Milwaukee-Mediterranean ports of Marseille, Genoa, Leghorn:

Per hundredweight on American exports ---------- $6.38
Per hundredweight on imports ---------- 3.84

Source: Tariffs of American Great Lakes Mediterranean Eastbound Freight Conference and Mediterranean-U.S.A. Great Lakes Westbound Freight Conference on file with Federal Maritime Commission, September 8, 1961.

Great Lakes ports of Chicago and Milwaukee-Scandinavian ports:

Per hundredweight on American exports ---------- $5.45
Per hundredweight on imports ---------- 2.74

Source: Tariffs of U.S. Great Lakes, Scandinavian and Baltic Eastbound Freight Conference and Scandinavia Baltic-Great Lakes Westbound Freight Conference on file with Federal Maritime Commission, September 8, 1961.

Great Lakes ports of Chicago and Milwaukee-ports of Bordeaux, Antwerp, Rotterdam, Amsterdam:

Per long ton on American exports (minimum [1]) ---------- $110
Per long ton on imports (flat rate) ---------- 110

[1] Depending on density of cheese and manner of packing rate may be as much as almost twice this minimum rate.

Source: Tariffs of U.S. Great Lakes-Bordeaux-Hamburg Range Eastbound Conference and U.S. Great Lakes-Bordeaux/Hamburg Westbound Conference on file with Federal Maritime Commission, September 8, 1961.

(NOTE.—All rates cited above are for refrigerated space.)

APPENDIX B

(Statement by Senator WILEY on the impact of shipping conference cartels on American exports)

The following is an excerpt from a memorandum, dated November 3, 1960, prepared by the U.S. Department of Commerce, Bureau of Foreign Commerce, Office of Economic Affairs, Transportation and Utilities Division staff.

OCEAN FREIGHT RATES AS A DETERRENT TO THE EXPANSION OF U.S. EXPORT SALES

Since the early part of this year (1960), the Department of Commerce has been holding weekly meetings with representatives of various industries to discuss ways and means of increasing export sales in connection with our current export sales expansion program.

During several of these meetings industry spokesmen have pointed out that one of the principal deterrents to increased export sales is the high level of outbound ocean freight rates as compared with the inbound rates for the same commodity on the same trade route. Complaints have also been registered regarding the discrepancy between rates from U.S. ports to foreign destinations and from foreign ports to these same foreign destinations for the same commodity. Specifically, the following industries have provided the Department with statements regarding this matter: automotive equipment, industrial chemicals, major appliances, jewelry industry, electronics, rubber and rubber products, farm machinery, textile machinery, fertilizers, air conditioners, and refrigeration equipment.

Following is a synopsis of the statements presented by these industries:

AUTOMOTIVE INDUSTRY

The eastbound automobile rate level particularly to the continental-United Kingdom ports has been higher than the inward or westbound rate to U.S. ports, since 1945. After extended discussion with the AMA Ocean Rate Committee, the conference lines made a rate reduction in 1958 and another in 1959.

The impression exists that these concessions were prompted, however, by the then impending congressional investigation. Concern exists that as soon as the conference lines decide to boost the eastbound rates once again, this will be done, regardless of protest.

United Kingdom trade

	Boxed	Unboxed
Present eastbound conference rate,[1] per 40-cubic-foot ton	$23.00	$26.00
Reported westbound rate,[2] per 40 cubic feet	11.55	[3] 16.45

[1] Rate applies to 8,960 pounds.
[2] Rate applies to 4,481 pounds.
[3] 240 cubic feet or greater; $12.60 per 40-cubic-foot units under 240 cubic feet.

Continental trade

	Present eastbound conference rate [1]		Reported westbound rate [2] from Antwerp (per cubic meter, 35 feet)
	French-Belgium-Dutch ports (per 40-cubic-foot ton)	German ports (per 40-cubic-foot ton)	
Boxed	$15	$16.50	[3] $22.00
Unboxed	18	20.00	1a.30

[1] Rate applies to 8,960 pounds.
[2] Rate applies to 3,000 kilos (6,615 pounds).
[3] To a value of $2,000; $33 per cubic meter if value over $2,000.

INDUSTRIAL CHEMICALS

There is such great disparity between eastbound and westbound transatlantic freight

costs as to make it impossible, in many cases, to effect eastward sales at all. A typical chemical commodity, which is sufficiently universal in application to make it worth using as an example, is sodium cyanide. To the best of our knowledge, this material comes to the United States from Germany, France, and the United Kingdom to the extent of some 18 million pounds, valued at about $3 million per year. Movement eastward is, to all intents and purposes, nil, despite the fact the published going prices in the home market in all producing countries are roughly the same.

This one-way movement is explained more by the discrepancy in freights than by tariff differentials:

	Per hundredweight
Hamburg to New York	$0.82
Rotterdam to New York	.82
Liverpool to New York	.873
New York to Hamburg	6.61
New York to Rotterdam/Antwerp	5.85
New York to Liverpool	(1)
New Orleans to Antwerp	6.44

[1] Not yet available.

MAJOR APPLIANCES

At the August 17, 1960, meeting of the ocean rate committee, consumer products division, various members reported that they had been informed of your interest in the level of ocean rates of freight insofar as they affect unfavorably the exports of American products to world markets.

This committee holds that the disparity between American and European—and in some instances, Asian—ocean rates of freight is one of various important factors which have an adverse influence on the flow of a considerable number of American products to foreign markets. Electrical household appliances such as refrigerators, freezers, ranges, washing machines, dryers, and others are in this category.

The objectives of this ocean rate committee include continued negotiations with steamship conferences concerning rate levels which are detrimental to U.S. exports and, incidentally, harmful to the lines themselves, in the firm conviction that thereby a contribution will be made toward a rising volume of exports.

RUBBER

In many cases, ocean freight rates are the deciding factor as to whether U.S. producers can obtain the business. An industry representative stated that both United States and West German producers quoted prices on a substantial order for surgeons' gloves in Ecuador. U.S. prices were lower but ocean freight rates were so much higher that the landed cost from Germany was less than that for U.S. products, so that the business was placed with a German company.

FARM MACHINERY

Ocean freight rates handicap American exports. Some rates from the United States to Europe are considerably higher than rates from Europe to the United States. Some rates from Europe to a third country are lower than rates for the same distances on voyages originating in the United States.

TEXTILE MACHINERY

Marine freight rates are higher from U.S. ports to Europe than rates from Europe to the United States.

FERTILIZERS

Whereas ocean freight costs on potash to the Far East or Oceania are approximately the same from the United States as they are from Western Europe, it is a well known fact that it costs twice as much to ship potash across the ocean from the United States to Europe as it costs to ship the same product and quality in the opposite direction. For this reason European potash producers have long been able to secure a substantial part of our domestic market in the costal strip from Maine to Florida. The opening of the St. Lawrence Seaway may for the first time give European potash suppliers access to the important Midwest market. In general, a rail haul may add $10 to $15 per ton and an ocean freight another $10 to $15 per ton on U.S. potash exports. The significance of a freight advantage to a European supplier of, say $5 per ton is obviously very important for a product which sells for $20 per ton free on board plant (Southwest Potash Corp.).

AIR CONDITIONING AND REFRIGERATION

A general statement was made by several industry representatives that ocean freight rates on shipments from the United States to foreign destinations are not competitive with similar rates for shipments to these same destinations from foreign points of origin.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. ENGLE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1962—CONFERENCE REPORT

Mr. McCLELLAN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of September 12, 1961, pp. 19116–19117, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. McCLELLAN. Mr. President, as unanimously agreed to by the conferees, the bill provides a total appropriation of $756,422,550. This sum is $39,468,652 under the estimates, $20,047,560 over the 1961 appropriations, $5,122,500 above the House allowances, and $5,616,000 below the Senate recommendations for fiscal 1962. In my judgment the bill provides adequate sums to carry on the important activities of the departments and agencies. Unless Senators desire to ask about the bill, I do not propose to discuss any items in detail.

Mr. President, I ask unanimous consent to have summary tables on the bill printed at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

SUMMARY OF BILL

Activity	1961 appropriation	1962 estimate	1962 House bill	1962 Senate bill	Conference action
State	$254,745,754	$289,675,000	$267,478,000	$272,695,000	$269,717,000
Justice	296,600,180	298,384,000	294,239,900	294,489,900	294,489,900
Judiciary	52,445,488	56,050,202	54,497,650	55,064,650	54,777,650
USIA	131,695,568	151,480,000	134,782,500	138,901,000	136,550,000
Civil Rights Commission	888,000	302,000	302,000	888,000	888,000
Total	736,374,990	795,891,202	751,300,050	762,038,550	756,422,550

TITLE I—DEPARTMENT OF STATE

Item	Appropriations, 1961	Budget estimates, 1962	House bill, 1962	Senate bill, 1962	Conference action
ADMINISTRATION OF FOREIGN AFFAIRS					
Salaries and expenses	$125,265,000	$136,367,000	$132,000,000	$134,750,000	$133,250,000
Representation allowances	872,000	954,000	925,000	925,000	925,000
Acquisition, operation, and maintenance of buildings abroad	10,723,000	20,000,000	10,000,000	10,000,000	10,000,000
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program)	4,500,000	5,300,000	4,500,000	5,300,000	4,650,000
Emergencies in the diplomatic and consular service	2,300,000	1,500,000	1,500,000	1,500,000	1,500,000
Payment to the foreign service retirement and disability fund	2,540,000	----------	----------	----------	----------
Extension and remodeling, State Department Building	500,000	----------	----------	----------	----------
Total, administration of foreign affairs	146,700,000	164,121,000	148,925,000	152,475,000	150,325,000

TITLE I—DEPARTMENT OF STATE—Continued

Item	Appropriations, 1961	Budget estimates, 1962	House bill, 1962	Senate bill, 1962	Conference action
INTERNATIONAL ORGANIZATIONS AND CONFERENCES					
Contributions to international organizations	$48,700,754	$61,576,000	$61,576,000	$61,576,000	$61,576,000
Missions to international organizations	1,953,000	2,190,000	2,100,000	2,100,000	2,100,000
International conferences and contingencies	1,943,000	2,135,000	1,943,000	1,943,000	1,943,000
International tariff negotiations	650,000	180,000	171,000	171,000	171,000
U.S. Citizens Commission on NATO	150,000	150,000	125,000	[1] 150,000	150,000
Total, international organizations and conferences	53,396,754	66,231,000	65,915,000	65,940,000	65,940,000
INTERNATIONAL COMMISSIONS					
International Boundary and Water Commission, United States and Mexico:					
Salaries and expenses	616,000	618,000	604,000	604,000	604,000
Operation and maintenance	2,021,000	1,966,000	1,950,000	1,950,000	1,950,000
Construction	9,225,000	15,173,000	13,173,000	13,173,000	13,173,000
American sections, international commissions	382,000	428,000	415,000	415,000	415,000
International fisheries commissions	1,896,000	1,938,000	1,938,000	1,938,000	1,910,000
Total, international commissions	14,140,000	20,123,000	18,038,000	18,080,000	18,052,000
EDUCATIONAL EXCHANGE					
International educational exchange activities	26,016,000	30,000,000	27,000,000	27,000,000	27,000,000
International educational exchange activities (special foreign currency program)	6,600,000	8,200,000	6,600,000	8,200,000	7,400,000
Total, educational exchange	32,616,000	38,200,000	33,600,000	35,200,000	34,400,000
OTHER					
Rama Road, Nicaragua	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Pan American Health Organization building site	875,000				
Payment to the Government of Japan for Bonin Islanders' claims	6,000,000				
Presentation of a statue to Uruguay	18,000				
Total, other	7,893,000	1,000,000	1,000,000	1,000,000	1,000,000
Total, Department of State	254,745,754	289,675,000	267,478,000	272,695,000	269,717,000

TITLE II—DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION					
Salaries and expenses, general administration	$4,036,000	$4,240,000	$4,165,000	$4,165,000	$4,165,000
Salaries and expenses, general legal activities	14,265,000	15,660,000	15,325,000	15,325,000	15,325,000
Salaries and expenses, Antitrust Division	5,074,000	5,500,000	5,500,000	5,500,000	5,500,000
Salaries and expenses, U.S. attorneys and marshals	24,583,180	25,715,000	25,085,400	25,085,400	25,085,400
Fees and expenses of witnesses	1,835,000	1,875,000	1,835,000	1,835,000	1,835,000
Total, legal activities and general administration	49,793,180	52,990,000	51,910,400	51,910,400	51,910,400
FEDERAL BUREAU OF INVESTIGATION					
Salaries and expenses	125,550,000	127,216,000	127,216,000	127,216,000	127,216,000
IMMIGRATION AND NATURALIZATION SERVICE					
Salaries and expenses	62,887,000	65,360,000	63,500,000	63,500,000	63,500,000
FEDERAL PRISON SYSTEM					
Salaries and expenses, Bureau of Prisons	45,195,000	47,168,000	46,613,500	46,613,500	46,613,500
Buildings and facilities	9,875,000	2,350,000	1,800,000	2,050,000	2,050,000
Support of U.S. prisoners	3,300,000	3,300,000	3,200,000	3,200,000	3,200,000
Total, Federal prison system	58,370,000	52,818,000	51,613,500	51,863,500	51,863,500
ALIEN PROPERTY ACTIVITIES					
Limitation on salaries and expenses, alien property activities	(755,000)	(690,000)	(690,000)	(690,000)	(690,000)
Total, Department of Justice	296,600,180	298,384,000	294,239,900	294,489,900	294,489,900

TITLE III—THE JUDICIARY

SUPREME COURT OF THE UNITED STATES					
Salaries	$1,440,000	$1,479,000	$1,479,000	$1,479,000	$1,479,000
Printing and binding Supreme Court reports	90,000	92,000	92,000	92,000	92,000
Miscellaneous expenses	69,800	100,000	82,800	82,800	82,800
Care of buildings and grounds	287,200	288,000	284,400	284,400	284,400
Automobile for the Chief Justice	6,588	6,702	6,700	6,700	6,700
Total, Supreme Court	1,893,588	1,965,702	1,944,900	1,944,900	1,944,900
COURT OF CUSTOMS AND PATENT APPEALS					
Salaries and expenses	357,300	359,000	359,000	359,000	359,000
CUSTOMS COURT					
Salaries and expenses	840,500	935,000	895,000	895,000	895,000
COURT OF CLAIMS					
Salaries and expenses	914,600	955,000	955,000	955,000	955,000
Repairs and improvements	9,500	9,500	9,500	9,500	9,500
Total, Court of Claims	924,100	964,500	964,500	964,500	964,500

[1] In addition, $122,130 of unobligated prior-year balances was authorized.

TITLE III—THE JUDICIARY—Continued

Item	Appropriations, 1961	Budget estimates, 1962	House bill, 1962	Senate bill, 1962	Conference action
COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES					
Salaries of judges	$9,200,000	$9,200,000	$9,200,000	$9,200,000	$9,200,000
Salaries of supporting personnel	23,751,000	24,862,000	24,500,000	24,500,000	24,500,000
Fees of jurors and commissioners	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Travel and miscellaneous expenses	3,835,000	4,818,000	4,407,500	4,407,500	4,407,500
Administrative office, salaries and expenses	1,367,800	1,526,000	1,426,750	1,426,750	1,426,750
Referees, special account:					
Salaries	(2,125,000)	(2,455,000)	(2,290,000)	(2,455,000)	(2,370,000)
Expenses	3,651,200	(4,465,000)	(4,010,000)	(4,412,000)	(4,210,000)
Total, other courts and services	42,653,800	44,906,000	44,034,250	44,034,250	44,034,250
Total, the judiciary, excluding special accounts	46,669,288	49,130,202	48,197,650	48,197,650	48,197,650
Total, the judiciary, including special accounts	52,445,488	56,050,202	54,497,650	55,064,650	54,777,650

TITLE IV—RELATED AGENCIES

U.S. INFORMATION AGENCY					
Salaries and expenses	$105,330,300	$118,600,000	$110,000,000	$111,700,000	$110,000,000
Salaries and expenses (special foreign currency program)	3,000,000	8,500,000	7,500,000	9,300,000	9,300,000
Special international program	8,917,848	9,000,000	7,382,500	8,603,000	8,000,000
Special international program (special foreign currency program)	650,000	1,250,000	250,000	250,000	250,000
Acquisition and construction of radio facilities	8,740,000	10,580,000	7,150,000	7,548,000	7,500,000
Payment to informational media guarantee fund	3,691,680	3,550,000	2,500,000	1,500,000	1,500,000
Philippine-American Cultural Foundation	1,365,740				
Total, U.S. Information Agency	131,695,568	151,480,000	134,782,500	138,901,000	136,550,000
COMMISSION ON CIVIL RIGHTS					
Salaries and expenses	888,000	302,000	302,000	888,000	888,000
Total, related agencies	132,583,568	151,782,000	135,084,500	139,789,000	137,438,000
Grand total, Departments of State and Justice, the judiciary, and related agencies excluding special accounts	730,598,790	788,971,202	745,000,050	755,171,550	749,842,550
Grand total, Departments of State and Justice, the judiciary, and related agencies including special accounts	736,374,990	795,891,202	751,300,050	762,038,550	756,422,550

Mr. JAVITS. Mr. President, will the Senator yield for a question?

Mr. McCLELLAN. I yield.

Mr. JAVITS. Is this the bill upon which the Senate suspended its rule so as to provide for the extension of the life of the Civil Rights Commission?

Mr. McCLELLAN. The Senator is correct.

Mr. JAVITS. Is that amendment retained in the conference report?

Mr. McCLELLAN. It is.

Mr. JAVITS. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 7371, which was read as follows:

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 24 and 26 to the bill (H.R. 7371) entitled "An Act making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes", and concur therein;

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 25, to aforesaid bill and concur therein with an amendment as follows: In lieu of the date of "September 9, 1963" in said amendment, insert "September 30, 1963."

Mr. McCLELLAN. Mr. President, I move that the Senate agree to the amendment of the House to the amendment of the Senate numbered 25.

The motion was agreed to.

Mr. McCLELLAN. Mr. President, I believe that is the amendment about which the Senator from New York inquired. The House made a slight amendment, changing the date of the expiration of the Commission.

Mr. JAVITS. May we know the change?

Mr. McCLELLAN. From September 9 to September 30, 1963. I believe the House desired to have the term of the Commission expire at the end of a month. That is the amendment just referred to.

Mr. JAVITS. I thank the Senator from Arkansas.

ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations tonight, it stand in adjournment until 9 o'clock a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR COMMITTEE ON ARMED SERVICES TO MEET DURING SENATE SESSION TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Armed Services may meet during the session of the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

DISTRICT OF COLUMBIA APPROPRIATIONS, 1962

Mr. MANSFIELD. Mr. President, the hour of 5 o'clock having almost arrived, I ask unanimous consent that the previous order be vitiated, and that at 5 o'clock the pending business be made H.R. 8072, the District of Columbia appropriations bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 8072, the District of Columbia appropriations bill.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 8072) making appropriations for the Government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1962, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

HELP FROM KANSAS TO VICTIMS OF HURRICANE CARLA

Mr. SCHOEPPEL. Mr. President, within the last several days, we have been reading about the terrible devastation which has been inflicted upon certain sections of our great country by Hurricane Carla.

I have just received information today that through the efforts of radio station KIRL of Wichita, Kans., my hometown, there has been effected what is called Operation Helping Hand. I am informed that five planeloads of bed-

ding, supplies, and clothing have been sent out of Wichita, Kans., as the first shipment.

The first shipment of supplies was sent to Dallas, Tex., and will be distributed there by the Salvation Army and other agencies which are taking care of some of the stranded individuals. I understand that additional supplies from all over the State of Kansas are still pouring into Wichita in response to the appeal for aid and help.

Many Kansans know full well the horrors and suffering of such disasters, having experienced the destructive force of tornadoes and floods in years past, and have demonstrated their deep understanding of the urgent needs of the unfortunate victims of this disaster.

It is commendable that people all over the country have a desire to help those in trouble cases like this.

THE GOVERNMENT AND THE ARTS

Mr. JAVITS. Mr. President, I call the attention of the Senate to a very interesting editorial in the Musical Courier of September 1961, entitled "Government and the Arts." I ask unanimous consent that it may be made a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GOVERNMENT AND THE ARTS

The Federal Government has been subsidizing certain industries like shipping and agriculture for a hundred years or more. But the arts—possibly the most financially unstable of all industries—remain outside the scope of Washington.

Most municipal and State governments also consider this industry outside their spheres of obligation. Thus, the arts are left to shift for themselves. Composers and writers are forced to take on added jobs to pay for their keep. Opera companies, symphony orchestras, and theatrical enterprises are obliged to live on financial breadcrumbs from year to year.

The United States is the only major nation in the world which does not directly subsidize the performing arts at least to some extent.

Every country in Europe—East and West—Australia, Japan, Argentina, Brazil, Mexico, virtually any country you can name accepts certain responsibilities toward its arts and artists.

We concern ourselves at this juncture not with government support of the arts in Russia and her satellites for there support has become control. The arts—as all activities—are dominated and run by the state. Art flourishes, but it is controlled art.

We must concern ourselves with the free nations which accept government responsibility in the arts. In most of these countries the theater, opera, symphony orchestras, citizens in the form of authors and composers remain private, individual, nongovernmental. They are aided by government funds and policies, not controlled.

Ironically, although our Government does not subsidize music for its own people, it does support music and the allied performing arts for others. Through the American National Theater and Academy and the State Department's cultural exchange program our Government has supported tours of American artists overseas. Through foreign aid we helped build new opera houses in Vienna, Milan, Istanbul, Berlin, and a host of other German cities. Our Voice of America beams music to other lands, and our information centers abroad offer musical scores and recordings—all at Government expense.

When, however, it comes to support—direct support—for theater, opera, ballet, symphonic music on our own shores—Congress says no. Perhaps more accurately—Congress says nothing. Numerous bills have gone before our legislators, but little has been approved, save for the cultural exchange program and the setting aside of nine acres of land along the Potomac for the construction of a National Cultural Center. That center would be built, however, with money received from voluntary contributions.

Thus, earlier this summer we found ourselves in the unusual, untenable position of accepting a $2.5 million gift from the West German Government for the new Metropolitan Opera House at Lincoln Center in New York. The wealthiest nation accepted a gift from a foreign government which has accepted much of our economic aid during the postwar years. Remarkable.

Is it enough these days for a President and his Labor Secretary to offer their good offices to help solve a financial crisis which threatened to close down the Metropolitan Opera for a season?

Is it enough to vocally support a National Cultural Center or to have poet Robert Frost read at the inauguration or to promote a series of concerts for young people and by young people on the White House lawn, as Mrs. Kennedy graciously has done?

These are sincere gestures, but are they serious enough?

Russia has promoted the arts to cold war status, using these expressions of the mind of man to promote its own theories. As Paul Henry Lang of the New York Herald Tribune, put it recently: "The Russians decorate a distinguished artist, giving him the title 'People's Honored Artist,' the title carrying very substantial emoluments. In these United States only Miss America can hope for such national accolade and financial rewards; we have no 38-22-36 composers."

The problem, as Lang would suggest, goes deeper. We accept the arts as part of the cold war struggle. Our artists are sent overseas to show others that the materialism which Russians claim has engulfed us actually has produced great musical and theatrical and scholastic talent. Our money is sent overseas in the form of foreign aid, to be used in the rebuilding of theaters and the support of European opera companies and symphony orchestras.

But we have not accepted the arts as something beyond that, as a most vital food for our minds, as a necessity to improve our society, as a means of deepening our own faith in the greatness and importance of man as a free individual.

The Education and Labor Committee of the House of Representatives recently passed legislation to create a Federal Advisory Council on the Arts; a meager but important start toward Government recognition of its cultural responsibilities. We hope that bill will pass the entire House and Senate and that other measures of support will follow.

A section of this issue of Musical Courier is devoted to the relationship of the arts to government: the arts in general, music in particular. Perhaps we can help shed some light on a most important topic.

Mr. JAVITS. Mr. President, the whole issue of Government and the arts is dealt with in this publication, and I hope that Members of the Senate will find the whole edition of great interest.

I am convinced that one of the critical aspects of this whole struggle for freedom in which we are far behind the times and very far behind our competition is the matter of some governmental program both for what we send abroad in the way of the artistic expression of our country and its appropriate development at home.

I am convinced that this can be done without interfering with that part of our artistic endeavor which is self-supporting through the box office and through philanthropists and foundations, and that governmental intercession is vital in order to realize anywhere near the full potential of giving as many of our people as possible the benefit of participation in the cultural and artistic development of the country.

I believe Congress is getting very close to acting on this matter, certainly in its aspects of competition with the Communist bloc. It is absolutely critical, and about as critical as anything we have done in our whole national establishment.

I hope very much that we may bring that about sooner than those of us, like myself and the distinguished occupant of the chair [Mr. PELL] and others who are sponsoring bills for the establishment of a proper role for a governmental role in the arts, dare hope it will be done.

I trust very much that reading this edition of the Musical Courier, the leading publication in this field, may encourage Members of the Senate to do some hard thinking about making their selection of legislative measures which are available, including my own, for a U.S. Arts Foundation.

FORCED RESIGNATION OF FOREST RANGER DON CARON

Mr. THURMOND. Mr. President, an article in the latest edition of the Wanderer, a National Catholic Weekly published in St. Paul, Minn., has brought to my attention one of the most deplorable situations it has been my misfortune to run into lately. The article relates the forced resignation of Mr. Don Caron from the U.S. Forest Service, after having served there for 15 years. Mr. Caron, who was a ranger in the Conconully district in the State of Washington, was directed by his superiors to discontinue writing educational articles unfavorable to communism which had been appearing in a local publication. In the directive which ordered Mr. Caron to discontinue these activities, the Regional Forester said that Caron was writing on a controversial matter that could cause alienation of groups or individuals. Rather than give up his anti-Communist activities, Mr. Caron has chosen to resign his position with the Forest Service.

Mr. President, it is incomprehensible to me why this man must be faced with the choice of either discontinuing his anti-Communist activities or giving up a Government job which he has held for 15 years. Why can he not continue both?

The directive which forced Mr. Caron's resignation states:

> The editorials reflect a zealous and almost fanatical patriotism, and an active effort to awake the public to the danger of communism.

How this could be the basis for terminating the employment of a person whose performance as district ranger was termed by his immediate superior "very good," remains a mystery. It seems to

me that Mr. Caron can justifiably be accused only of being a patriotic American, dedicated to fighting the menace of communism, who is willing, as the article relates, to devote his off-time hours to preparing articles in an effort to awaken his fellow citizens to the menace of communism. If this action is tolerated, the jobs and the livelihood of many other patriotic Americans are in jeopardy also.

Mr. President, I ask unanimous consent that the article from the September 7 edition of the Wanderer, entitled "Communism Fighter Refuses 'Gag'; Quits Forest Service," be printed in the RECORD at this point in my remarks. I have contacted the Forest Service, and have been informed that the article is substantially correct.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COMMUNISM FIGHTER REFUSES "GAG"; QUITS FOREST SERVICE

In Okanogan, Wash., a professional forester who once was told he had "a bright future" with the Forest Service, resigned from the Service late last week rather than be muzzled in his fight against communism.

Don Caron, Conconully District Ranger who has spent 15 years with the Forest Service in the Okanogan District, submitted his resignation after the Portland regional office, supported by the local administration of the Okanogan Forest, directed him to discontinue writing educational articles against communism which appear weekly in the Okanogan Independent. (See editorial, "Citizen Principles.")

In being directed to stop his articles on communism, by Regional Forester J. Herbert Stone, Caron was told he was writing on a controversial matter that could cause alienation of groups or individuals. The directive to Caron added: "The editorials reflect a zealous and almost fanatical patriotism, and an active effort to awake the public to the danger of communism. The opinions, views and attitudes expressed have much in common with those, as reported by the press, held by the currently controversial John Birch Society."

Caron, one of the founders of the Okanogan County Anti-Communist League, denied an affiliation with the John Birch Society, or using any of that group's material for his writing. He said he had been studying communism for 2 years, and uses material for his weekly discussion of communism from the House Un-American Activities Committee, the Senate Judiciary Committee, the Senate Internal Security Subcommittee, and the Federal Bureau of Investigation. "Other sources include the American Legion, the American Bar Association, and the CONGRESSIONAL RECORD," Caron added.

Caron denied any violation of the Hatch Act forbidding political activities by Government employees, saying: "A recent decision by the Supreme Court has specifically placed communism outside the realm of politics."

His resignation, dated August 24th, is effective September 1, and was tendered after his request for permission to continue writing his educational column was denied by the regional office.

One of the prime reasons given in denying Caron's request for permission to continue his column is the demand upon an employee's time by the Forest Service. "We do not feel you can do justice to both causes," the letter stated.

The denial was recommended by Okanogan Forest Supervisor F. J. Moisio because Caron's writings were controversial. His performance as District Ranger was termed as "very good" by Moisio, who said the deposed ranger had not been doing his anti-Communist work on Government time "that I know of."

In his letter of resignation Caron stated: "I do feel that your decision is an infringement upon my rights as a citizen in that it will not allow me freedom of speech during my nonworking hours. The fact that I am a Government employee should in no way change my status as a full citizen."

Mr. THURMOND. Mr. President, I ask unanimous consent that the editorial concerning this matter, which first appeared in the August 31, 1961, edition of the Okanogan Independent, of Okanogan, Wash., and was reprinted in the September 7, 1961, edition of the Wanderer, and a copy of a letter which I have written to the Chief of the Forest Service, asking for a full explanation of the matter, be printed in the RECORD also.

There being no objection, the editorial and the letter were ordered to be printed in the RECORD, as follows:

[From the Wanderer, Sept. 7, 1961]

U.S. FORESTER MUZZLED—WHY?

(Reprinted from the Okanogan Independent, Okanogan, Wash., Aug. 31, 1961)

An Okanogan man pounded 15 years' public service down the drain and hammered the stopper over it last week—all because of principle and his devotion as a first-rate citizen of his country.

Elsewhere in this issue [p. 1, "Communism Fighter Resigns Forest Service"] is a story of the resignation of Don Caron from the Forest Service, a sad and deplorable ending to the years he has devoted to this work, all on the Okanogan forest. He started with seasonal work at Chelan while going to college at a time when that area was included as a part of this forest, and since becoming a full-time professional forester, has continued on here in various capacities. Most recently he has been ranger on the Conconully district.

Caron resigned. He was not fired. Why then the tears?

Readers of the Okanogan Independent are aware that he had been contributing a weekly column to the paper discussing communism. This column has not been political in nature, but educational in concept, prepared from information by Government agencies, investigating committees of Congress, the FBI, and like groups. All of his background material is a matter of public record. But recently his superiors in the Forest Service sought to clamp a muzzle on Caron and a directive from the Portland regional office told him in effect to cease and desist his columns. Why?

A variety of reasons were given—all of which leak like a sieve—especially in the light of documented proof of the Communist threat to the United States.

First Caron was told he was in violation of the Hatch Act forbidding political activity by Federal employees. He was no such thing. Next he was told that the subject of communism is controversial and he shouldn't be mixed up in it.

The final reason given in asking him to stop his fight against communism was the demands which the Forest Service places upon its employees, and the fear that it might take too much of his time. This is preposterous nonsense aimed at a forester whose annual report cards have been highly complimentive of the devotion and skill with which he has handled his assignments.

What are the real reasons, then, for directing Caron to stop writing his articles? We wish we knew. It is difficult to think that Forest Service objectives for our country could differ greatly from those of any sincere and dedicated citizen. The esteem in which many hold the Forest Service may suffer because an employee is refused the right of free speech on his own time in performing a service to his country and its people, and reduce his status to less than that of a full citizen.

For 2 years Caron has been reading about, and studying communism. As an upshot of the knowledge he has gained, he was among many prominent people here who formed the Okanogan County Anti-Communist League. From this educational organization has grown many study groups of people who wish to learn more of the methods and evils of communism that they might more effectively fight this cancerous philosophy. We cannot think they are all ignorant peasants.

Caron is not asking for his job back. We are not asking that his resignation be refused. As his letter of resignation said, "If the columns were stopped tomorrow for other reasons, my decision would be the same * * * they are only one phase of the total activity."

We wonder who pulled the strings.

SEPTEMBER 13, 1961.

Hon. RICHARD E. MCARDLE,
Chief, U.S. Forest Service,
Department of Agriculture,
Washington, D.C.

DEAR MR. MCARDLE: An article in the September 7 edition of the Wanderer has brought to my attention the forced resignation of Mr. Don Caron, who formerly served as the Conconully District Ranger in the Okanogan Forest in the State of Washington. According to the article, Mr. Caron resigned as the result of a directive issued to him by the Portland office ordering him to discontinue his controversial activities in writing an anti-Communist column in a local newspaper. I am enclosing a copy of the article for your further information.

I would like to know by what authority the regional forester has demanded that Mr. Caron discontinue this activity. From the information furnished in the article, which, according to your office is substantially correct, it seems to me that Mr. Caron is a patriotic American dedicated to informing himself and the public as to the menace of communism. I cannot conceive of how this can in any light be termed controversial, and I would therefore like to have a full explanation of the matter.

With best wishes,

Sincerely,

STROM THURMOND.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate at this time, I move that the Senate now adjourn until tomorrow at 9 o'clock a.m.

The motion was agreed to; and (at 5 o'clock and 3 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Thursday, September 14, 1961, at 9 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate September 13, 1961:

U.S. ATTORNEYS

John W. Bonner, of Nevada, to be U.S. attorney for the district of Nevada for the term of 4 years, vice Howard W. Babcock.

Harry G. Camper, Jr., of West Virginia, to be U.S. attorney for the southern district of West Virginia for the term of 4 years, vice Duncan W. Daugherty.

EXTENSIONS OF REMARKS

The Right To Know

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 13, 1961

Mr. HOFFMAN of Michigan. Mr. Speaker, for more than 5 years a subcommittee of the Committee on Government Operations, of which the gentleman from California [Mr. Moss] is chairman, has been holding hearings and issuing reports in an endeavor to establish the practice of requiring the executive departments to disclose to congressional committees, and perhaps Congressmen, information which is necessary to determine whether new legislation is needed, and, if needed, the type of legislation which will best serve the public interest, and also to learn the effect which existing legislation had, or is having, upon the general welfare.

This issue is as old as the Government itself.

In my humble judgment, the Congress, through its committees, and perhaps individual Congressmen, is entitled to be informed by the executive departments of all information needed to enable the Congress to adequately serve the people.

Several times, as the only Republican on the special subcommittee, it has been suggested by me that the subcommittee or its counsel frame a series of questions calling for information vitally needed to enable the Congress to properly execute its legislative functions.

Those questions should be submitted to the Department and, if refusal is made, then the subcommittee should report to the full committee, which should in turn call the situation to the attention of the House, and if, in the judgment of the House, the questions were proper, the refusal to answer not justified, the issue should be referred to the Attorney General for contempt proceedings, or the House, itself, should cite those responsible for the denial of information to appear before the House and make defense to a contempt charge, or submit to whatever procedure the House might determine to be necessary.

The matter could then be brought before the U.S. Supreme Court, whose function it is to determine disputes between the legislative and the executive departments.

The special subcommittee has been highly critical of the past administration. When a new administration came into power, the same position as to the disclosure of information by the executive departments which was established when the issue was first presented to our first President was adhered to.

In fact, the Kennedy administration went further in its refusal than perhaps did the previous administration.

Still more recently, the Secretary of Defense has taken a firm position that certain information on which the disciplining of General Walker was based would not be disclosed.

In my judgment, the limitation or the extent of the right of the legislative branch to information in the hands of the executive departments will never be determined until the Supreme Court has made a decision.

Commodore John Barry

EXTENSION OF REMARKS
OF
HON. HUGH L. CAREY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 13, 1961

Mr. CAREY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

COMMODORE JOHN BARRY

I beg the indulgence of the House for a few moments in order to pay tribute to one of the great heroes of American history, and one of the stoutest sailors who ever bestrode a quarterdeck. John Barry, "the fighting commodore," was born in the tiny village of Tacumshane, County Wexford, Ireland, in the year 1745, the exact date of his birth being unknown. Those were the days when all Ireland groaned under the oppressor's heel and the lot of the genuine sons of the soil was foredoomed from birth. There was but one hope for the enterprising: to quit their native land and seek their fortunes under more clement skies, under kindlier governments. More than half a million Irish are said to have emigrated during the first half of the 18th century alone, the greater part to take service as foreign mercenaries. There was plenty of fighting going on in those days, and battle is a milieu in which an Irishman always feels quite at home.

To young Barry the sea, lapping at his door on Wexford Harbor, sent an imperative call; the lad heard and answered, and thenceforth, to the end of his long life, the sea remained his first, last, and enduring love. At the age of 10 he shipped as cabin boy on a merchantman, carrying with him, his biographer tells us, "hatred of the oppressors and recollections of the misery and want of his childhood years, which stayed with him throughout his life." And to the end of his days his purse was ever open to his poverty-stricken kindred from the old country.

By the year 1770 he had settled in Philadelphia, discovering in America, we are told, "the land of his desire." The outbreak of the Revolution found him with the certificate of master mariner, married to an American wife and a well-known and respected figure in the city of his adoption. He hastened to offer his services to the State and country which had taken him in and whose hospitality he was so richly to repay. Placed by the Continental Congress in command of the brig, *Lexington*, one of the first ships of the infant American Navy, Barry captured, on April 17, 1776, the small auxiliary ship *Edward*—the first capture, in actual battle, of a British naval vessel by a regularly commissioned American warship. On August 10 following, Barry was placed by resolution of Congress seventh in order of commission on the list of captains. Incidentally, it might be pointed out that, contrary to popular belief, Barry never attained the rank of commodore save by courtesy. By the end of his active career, however, he had become the senior captain in the U.S. Navy and bore, by common consent, the courtesy title of "Commodore" until his death. Whenever, in the years following the establishment of independence, the word "commodore" was heard in American naval circles it could mean but one man. Again, as his able biographer, the naval historian, William Bell Clark, observes, "John Barry was not 'the first officer appointed to the first vessel purchased' by the Continental Congress. His initial service was far more important—he outfitted the first Continental Fleet. He was never the senior officer of the Continental Navy, but his record through the Revolution was consistently finer than any of his naval contemporaries save John Paul Jones. And he can be classed on a par with Jones." "He was not," writes Mr. Clark, "'the Father of the American Navy' in the sense of being its founder, but his devotion to that navy, whose first ship he launched and equipped, coupled with the fact that he trained many of the lads who later added glory to its history, entitles him to the appellation in the modified form it was first bestowed upon him in 1813."

I cannot, of course, in this brief talk enter into a discussion of the brilliant engagements which starred Barry's brilliant career in the Revolution and the two unofficial wars against the Algerine pirates and the French which followed. Suffice to say that his ships, notably the *Raleigh*, the *Alliance* and the *United States*, shine forever luminous in the pages of American naval history.

He died full of years and honor on the 13th day of September, 1803. He sleeps in old St. Mary's Churchyard in the city and country of his adoption, which he so faithfully and nobly served. A contemporary poet wrote of him:

"There are gallant hearts whose glory
Columbia loves to name,
Whose deeds shall live in story
And everlasting fame.

But never yet one braver
Our starry banner bore
Than saucy old Jack Barry
The Irish commodore."

Death Takes Distinguished West Virginian

EXTENSION OF REMARKS
OF
HON. CLEVELAND M. BAILEY
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 13, 1961

Mr. BAILEY. Mr. Speaker, it is with sadness that I advise the House of the death of the Honorable Clarence W. Meadows, a former Governor of West Virginia, who died at the young age of 57 of a heart attack in Clifton Forge, Va.

I extend my sincere and heartfelt sympathy to his grieving widow and children.

Governor Meadows served as the chief executive of our State from January 1945 until January of 1949.

His career as a lawyer and a public servant was distinguished.

"Improving the Urban Environment"—Address by Senator Williams of New Jersey

EXTENSION OF REMARKS
OF
HON. JOSEPH S. CLARK
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Wednesday, September 13, 1961

Mr. CLARK. Mr. President, no member of this body has contributed more to legislative progress on urban matters than the junior Senator from New Jersey [Mr. WILLIAMS]. He is the author of two outstanding legislative breakthroughs written into this year's housing bill—one launching a new program of aid to mass transportation, the other a new program of assistance to local communities in the preservation of open space.

At the recent conference of the American Municipal Association in Seattle, the Senator from New Jersey [Mr. WILLIAMS] delivered an address which is a cogent and penetrating analysis of some of the current dilemmas facing urban America. I ask unanimous consent that the text of this address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

IMPROVING THE URBAN ENVIRONMENT

(Address by Senator HARRISON A. WILLIAMS, Democrat, of New Jersey, to the annual conference of the American Municipal Association, Seattle, Wash., August 28, 1961)

I regard my task today as rather formidable, as a layman charged with the task of telling this assemblage of the Nation's foremost body of expert practitioners how to improve the urban environment.

But if I may, I'd like to plunge ahead and say that if there is one characteristic that stands out about our cities and towns it is our general complacency toward them.

I think we would agree that most of our cities do not fulfill our conception of our own private Brazilia. In fact, when you get right down to it, they leave much to be desired. Slums, traffic congestion, city crime, minority group ghettos, suburban sprawl, polluted air, roadside slum towns, neon nightmares—most of our cities are scarred with them.

Yet so few people ever seem to complain about the ever-present eyesores in the urban environment. As a nation of mostly urban people, we seem to have become almost insensate to the staggering ugliness and squalor surrounding us.

A commentary on our times can be seen in the scholarly books that are being written, jam-packed with statistics on urban living, that project the statistics into future and usually disturbing trends. But notice how often you see a statement in the preface of the book that says: "The conclusions or projections made in the succeeding chapters are based on the assumption that no significant public policy changes will occur from those public policies of the present."

At the other end of the scale from the disinterested chronicles of our urban perdition are the urbane critics.

For example, Frank Lloyd Wright, who when asked to come to Pittsburgh and look at its problems, is said to have replied to the city fathers: "Gentlemen, there is only one solution. Abandon it."

I think, however, that we wouldn't be here today if we didn't have hope for the urban future of America. Certainly the task presents the greatest challenge that any of us could ask for. I think that in a very real sense the mayors and officials charged with the development of our urban and metropolitan areas are on the frontlines of the cold war battlefield.

When you stop to think that the metropolitan areas account for 75 percent of the Nation's economic productivity, it becomes apparent that the decisions affecting the growth of development of these areas have a major impact on our ability to meet the grave international challenges of the sixties.

I would like to talk today about several important but more or less random problem areas that loom large in our efforts to improve the urban environment.

HOUSING AND URBAN RENEWAL

The first is housing and urban renewal. A decade ago we made a national commitment to eliminate our slums, to replace them with new housing and a better environment. It was a great and inspiring idea, and after a slow start, we are now ready for full-scale action, with the new authorization of the Housing Act and with a new and determined administration.

For this reason, I think it is appropriate for us to stop a moment to review our past accomplishments. We have produced a great deal that has had good and lasting value, but at the same time, we have all seen mammoth public housing projects that look more like penal institutions than homes for people. We have seen months and years of enormous effort result in a vapid, almost sterile civic centers and urban renewal projects.

I think the moral we can draw from our past experience is that money isn't everything.

Now that we have $2 billion to work with, thanks to the Housing Act, I think it is of greatest importance to redouble and reemphasize our concern for the esthetic and human values involved in any program to rebuild our cities.

For a long time I think it is fair to say that we scarcely even recognized that there even was a problem in reconciling the old and the new. But the storms of protest over the destruction of treasured buildings that had a flavor of charm or history have made us more conscious of this problem.

Perhaps some of you saw the dramatic photograph not too long ago of the group of Greenwich Villagers who painted the white crosses of demolition in their eyeglasses. It was a haunting sight.

Fortunately, under the able new leadership of Dr. Weaver and as a result of the 1961 Housing Act, I think we will begin to see a much more vigorous exploration of the potentialities of rehabilitation and restoration. The dividends—both financial and esthetic—can be considerable, as you can see from a walk in Georgetown, in the Nation's Capital.

However, there is no getting around the inherent conflicts involved in reconciling the old and the new. In some cases, good sound buildings may have to give way for the sake of the overall design of the urban renewal project.

As Dr. Weaver said in a speech not too long ago in New York, "Where there is an occasional sound structure in a sea of hopeless ones, it is not feasible—or in my opinion desirable—to destroy a redevelopment plan by an inflexible application of sound principle."

And then there is the problem that arises when we do try to preserve and restore existing structures in an urban renewal project.

This is the design problem of making the new harmonize with the old. Sometimes the contrasts of old and new are quite effective. Other times they strike a jarring and discordant note.

The other day I saw a photograph of a new high-rise apartment that was developed privately on Beacon Street in Boston. While I haven't seen it in person, the picture struck me as one of the best reconciliations of old and new that I have seen in some time. The staid four-story townhouses on the street feature prominent bay windows, and the apartment building, rising next to them on the street carried out this bay window effect by constructing the front walls and windows of each apartment on prow-shaped angles, thereby giving a bay window motif to the whole face of the apartment building.

Philadelphia has also been giving great attention to the design problem of blending old and new. Its Washington Square East renewal project, which includes the very historic area of Society Hill, put five developers into competition not only on the inherent merit of the architectural designs, but also on the extent to which they fit into and enhance the surrounding environment. The competition was taken so seriously that the five developers spent some $260,000 on their own on the site and architectural plans.

Similar kinds of problems can be seen in the area of public housing.

I was struck, for example, by the renewal program for southwest Washington. In one of the blocks that has been completed, there is a high-rise apartment separated by a mall from a series of rather high-priced townhouses, painted in various pastel colors. Directly across the street from these townhouses is a similar series of attached public housing units, with a uniform and rather drab brick facade. And of course wire fences around each small backyard.

What pains me about this above-average-looking public housing project is that for only slightly more money, the appearance of this project could have been made every bit as attractive—and as much of an asset to the whole area—as the luxury townhouses right across the street.

I have been disturbed by the legislative restrictions written into the public housing law requiring maximum economy-type construction. In other words, keep the housing bone bare, no matter how much of a community eyesore is produced.

Added to this are regulations that have accumulated like barnacles over the years. They are enough to sap the initiative and imaginative energy of the most dedicated housing official. I knew that the new Public Housing Commissioner, Mrs. McGuire, is determined to breathe new life and imagination into this program, and I am confident that we are going to see wholehearted encouragement of better public housing from now on.

The Housing Act also provides $5 million for demonstrations in low-income housing, which could be of great help in putting a better face on a very important program.

Not too long ago the New York Times carried a front page article reporting on a recommendation made by Elizabeth Wood of Chicago that we start building English-style

pubs in our public housing projects, the way they do in England and the Scandinavian countries.

Of course I can hear someone asking whether the tenants of public housing in this country would care for darts and warm beer. But the principle behind this proposal is an important one—to provide a convivial meeting place where people can gather to enjoy themselves, rather than feed in isolation on their miseries or frustrations.

Obviously this is but one of many possibilities of dealing with the social as well as the physical aspects of public housing.

OPEN SPACE

Closely related to housing and urban renewal is the problem of open space, both in the cities and at the suburban fringe.

As a part of the Housing Act, Congress passed the major provisions of the open space bill I had introduced earlier this year, providing up to 30 percent in grants to State and local governments for the acquisition and preservation of open space. We now have a program of $50 million for this purpose.

I think it goes without saying that we need much more open space in our cities, and we need open space of all kinds—parks, playgrounds, recreation areas, intimate islands of green, stately malls, shop-lined plazas, wooded pathways, and cloisters—to meet the multitude of human needs in a city.

I recognize that providing open space in cities means a loss of tax ratables. But I am convinced that open space in our cities can be not only esthetically rewarding, but good business too.

For one thing, if well placed, open space can materially enhance adjacent property values, and curb the spread of deterioration and decay. As my good friend from East Orange, Mayor Kelly, is fond of saying: "When the amenities go, blight moves in."

Business and community leaders are also beginning to realize that commercial attractions alone will not lure many suburban housewives, if they must continue to endure the slings and arrows of outrageous annoyance in the downtown areas. Kalamazoo, Mich. has done it, San Francisco has done it, and I earnestly hope more and more cities will begin to explore the possibility of converting some of their tension-filled thoroughfares into tree-lined malls for exclusive pedestrian use.

Open space at the fringe is equally important, for the onrush of urbanism is gobbling up more than a million acres a year. Thus each year we push nature's horizon farther and farther away from more and more people.

Some people seem to think that this is mostly a problem for the heavily populated eastern seaboard—that megalopolis of 31 million people stretching from New Hampshire to Newport News.

Indeed it is a problem for us in the East. But there is a real opportunity for the many smaller rapidly growing urban areas all over the country to acquire open space out beyond the fringe at reasonable cost so that when the growth and development and expansion does come, the open space will be there as an integral part of the total community.

And we need the open space for a variety of reasons—for recreation needs that cannot be met by the backyard or a weekend drive to the country. We need it to prevent the spread of gray areas, to enhance adjacent property values, to provide relief from the monotony of continuous suburban development, to serve as buffers to keep communities from merging into an indistinguishable blob, to protect stream valleys, forest preserves, flood plains, and prime agricultural land.

We influence land use patterns when we preserve land for open space; we influence it when we decide to subdivide the land for residential development.

One problem that I don't think has received sufficient attention is the nearly total commitment of nearly all our suburban communities to uniformly low-density residential development.

We seem to have given very little thought to the fact that low-density sprawl means greater costs for more schools, more roads, more public facilities of almost every kind, and less open space. Then, of course, there will be the repair bills to pay when all these relatively new facilities begin to wear out.

A very revealing illustration of the comparative costs of different types of land use can be seen in the proposal of a developer to cluster some 250 homes on 6 percent of the 516-acre Whitney estate in Old Westbury, Long Island. The land was zoned 2-acre, which means with conventional development the entire tract would have been taken up by the 250 houses, and the land development costs, for earthwork, street paving, drainage, sewers, utilities, landscaping and so forth, would have been $2.7 million. By clustering the homes on only a small part of the tract in a series of two- or three-family townhouses, each with a private patio, the land development costs for the same facilities would have been $1.1 million—a saving of $1.6 million. And 94 percent of the very lovely land would have remained in its natural state—to the benefit of the residents and to the benefit of the town which would have gained from the enhanced value of the adjacent property.

I am sorry to report that this proposal did not gain the approval of the town fathers, but I think it illustrates the important economic implications that lie behind the zoning ordinance.

I am sure all of you have experienced occasions where prime industrial land needed for the future development of your area has been nibbled away by residential development because funds weren't available for acquisition on the land. Then there is the problem of acquiring land for highways, which could be done in advance at tremendously less cost, but usually isn't because of lack of funds or statutory authority.

Edward Higbee, in his informative book, "The Squeeze," described the costs involved in building a highway through a small community out on Long Island. Just before the suburban development was built in the early 1950's, he writes, the land "might have cost between $2,000 and $4,000 per acre. Once it had been covered with split-levels, the condemnation charges had risen to perhaps $50,000 per acre—and it takes 60 acres per mile to build a modern expressway. To cut a 10-mile swath through settled communities, in order to make roads leading to other newer communities beyond, can cost as much as $30 million."

At $4,000 an acre 10 years ago, the land for the same 10 miles of highway would have cost only $4 million.

I think it is fair to say that the subject of urban land use is overripe for serious study at all levels of Government.

It might interest you to know that I had the pleasure of introducing an administration proposal, in conjunction with my open space bill, which would have provided loans for the acquisition of land for future public or private development. Unfortunately, this proposal received no serious consideration, largely because there were so many other things to talk about during the hearings on the housing bill.

This proposal was directed toward the kinds of problems I have mentioned—the need for land for future industrial development, for future highways, schools, parks and so forth. I think we ought to be giving much more thought to this problem than we have been, and I hope some consideration will be given next year.

URBAN TRANSPORTATION

Finally, I would like to touch on the problem of urban transportation. I don't think I will be saying anything to cause the rocks to fly, but I will say that someday we—all of us—have got to start coming to grips with that wonderful and infernal thing we call the automobile.

It is one of the great paradoxes that the invention that gave more people more physical freedom than anything else in our history is now on the verge of tying almost all of us into paralyzing knots at least two times a day.

Probably no one has ever devised a more cunning device of human torture—in peacetime at least—than the traffic jam.

And its economic implications are staggering. Each year we lose more than $5 billion in traffic jams, through wages lost, lower retail sales, higher costs for moving freight, overly rapid depreciation of vehicles, and so forth. The cost of accidents is even greater, estimated at about $6 billion a year.

This problem of traffic congestion in our larger urban and metropolitan areas manifestly cannot be solved by highways alone, as the President noted in his housing message to Congress.

But even if we were willing to take the tax increases in an effort to meet all our transportation needs with an urban highway program averaging some $10 million or more a mile, there is every possibility that the remedy would only succeed in killing the patient—by replacing valuable tax ratable property with nontaxable concrete and asphalt, by creating huge downtown parking demands which would further remove land for commercial and cultural purposes, and by slowly carving away the very activities that created the demand for access in the first place.

I don't think there is any question that we need limited access highways to meet urban transportation needs that can be met in no other way.

But improvement of inherently more efficient and less space-consuming forms of modern mass transportation is an absolute necessity if our cities are to survive the onslaught of the automobile and continue as viable structures for human existence and enterprise.

The only alternative is a massive decentralization of our metropolitan areas, which, if pursued, could easily cover every square mile of land in the country with developments within a few hundred years, given our present population growth rate.

Even the short-range future gives cause for concern. The urban population today is over 100 million, and 90 percent of our national population growth will occur in and around our urban areas. The number of vehicles on the road today is around 70 million. By 1975, that number is expected to climb to well over 100 million.

At the same time, we have been suffering a serious decline in ridership on all forms of mass transportation. Since 1950, the decline has been 38 percent. More than 300 smaller towns have lost all forms of public transportation completely, despite the fact that half of our population is not able to drive: the young, the old, the infirm, and those too poor to own an automobile.

Because of these trends, there has been a tendency to assume that this is a dying

and unnecessary service, not worth preserving.

But it is important to point out that most of this decline has occurred in off-peak hours and on weekends. The decline in rush hour use has been much smaller, and in many areas is showing an upturn.

But we have tended to overlook the fact that if we allow this service to go under, the alternative costs would be staggering. For example, your own organization has estimated that if the five cities of New York, Chicago, Boston, Philadelphia, and Cleveland were to lose just their rail commuter service, it would cost $31 billion with 30-year, 4 percent financing to build the highways necessary to serve a comparable number of people.

The trouble is that this loss in passenger revenue, combined with rising operating costs, is making it harder and harder for the railroad and bus companies to stay alive, without taking retrenching action, which merely makes the service less desirable.

Despite the almost total lack of imaginative effort in this field, there are some illustrations of the potential for progress if funds are made available.

Several years ago, the Boston and Albany Railroad, down to about 3,000 riders a day on its Highland branch line, was petitioning strenuously to eliminate all its service. The Boston MTA took over the 11-mile line, linked it up with the subway system, turned it into rapid transit-type service, and is now pushing the figure of 30,000 riders a day, despite the fact that it isn't really rapid service operating on an exclusive right of way.

Philadelphia entered into a contract with the Pennsylvania Railroad to provide more frequent service at lower fares on a line running out to Chestnut Hill. The experiment proved so successful, increasing ridership by some 30 percent and reducing by 400 the number of cars coming into the downtown each day, that the program is being expanded to other lines, and now the counties are so interested that they plan to enter into a compact with the city to improve rail transportation for the region as a whole.

Chicago can point to two significant developments. The first being the almost unprecedented phenomenon of a railroad making money on its commuter service. Not much money, to be sure, but in the black. That railroad is the Chicago and Northwestern, under the aggressive, far-sighted leadership of its chairman, Ben Heineman, who is providing modern, clean and courteous service to the commuters.

The second is the rapid transit system operating in the median strip of the Congress Street Expressway. This line is operating at only about 25 percent of its capacity, but it is already carrying more rush-hour traffic than the 8-lane highway, which is operating at full capacity. The value of this transit line is immeasurable, when you think of what would happen if the transit riders were forced to their cars on this already crowded highway.

Many other cities are far advanced in the planning stages, and with the acceptance by the Federal Government of its proper responsibility in this problem of national concern, and with the full efforts of our State and local governments, we should begin to get the creaking wheels turning again.

As I stated in the beginning, I have chosen just some of the problem areas that concern me. There are many others, from water pollution to family relocation.

In discussing these particular problems, I should stress that they are inter-related and, indeed, inseparable problems. It is my hope that the Housing and Home Finance Agency will begin to coordinate its programs more effectively in the future, so that they help to complement one another, rather than conflict with each other as they sometimes do. Creation of a Department of Housing and Urban Affairs should go a long way toward providing that coordination, and I hope that someday we will see all our Federal aid programs geared into comprehensive, area-wide plans for the urban and metropolitan areas—plans for the people, of the people, and by the people whose lives are being affected by them.

If this planning and coordination is achieved, I think we will have a fighting chance of becoming the masters of our urban destiny, rather than the victims of it.

Tribute to David Sarnoff

EXTENSION OF REMARKS

OF

HON. E. L. BARTLETT

OF ALASKA

IN THE SENATE OF THE UNITED STATES

Wednesday, September 13, 1961

Mr. BARTLETT. Mr. President, on Wednesday, August 30 it was my privilege to be a guest of my Senate colleagues Senators AIKEN, MAGNUSON, PASTORE, JAVITS, and KEATING as tribute was paid to Gen. David Sarnoff, chairman of the board of the Radio Corp. of America. The occasion of the tribute was the 55th anniversary of General Sarnoff's participation in the field of electronics.

Mr. President, I ask unanimous consent that the introductory remarks of Senator AIKEN in presenting General Sarnoff to the assembled guests at this luncheon gathering and the text of the general's response be printed in the RECORD.

It has been my pleasure to hear many outstanding speeches by our Nation's leaders and I do not know that I have ever been more moved than I was on this occasion as I listened to David Sarnoff. It is with pride I present his remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

INTRODUCTORY REMARKS BY SENATOR AIKEN

General Sarnoff, Mrs. Smith, gentlemen, we are not proceeding according to plan. Some considerate person has insisted on a live quorum over in the Senate and that necessitates a change in our plans.

Twenty-one years ago, I attended the World's Fair in New York as part of the Governor's Conference of the United States. While we were there we had a demonstration of something new. It was new to all of us—and it was called television. I don't remember what the program was but I think the Governors themselves were part of the program. What I remember best about it is that the receiving set was upstairs and the transmitting equipment was downstairs, with a floor between us. Now that seemed like a whale of a distance in those days to transmit a picture. It isn't so far now. But I didn't know at that time that the man responsible for that new and promising innovation would be honored by the Members of the Senate as their guest here today. But it certainly is appropriate that he should be.

I'm not going into his background, which is known not only to everybody here in the United States, but all over the world as well. At the age of 15 he got into his only good suit and went out and got a job. Twenty-four years later, and several suits later, he became president of the RCA and then chairman of the board. But I do want to call attention to one thing. He was first educated in a public school, but thereafter he attended the Sarnoff school—which is the best in the world, scientifically speaking—and he plans to attend that school for many years to come. Even though his formal education ended with the public schools in New York, he has been honored by receiving 21 degrees from the best colleges in our country.

Now that is a record for men, I guess. But I want to tell you, General, that you're in the presence of a champion here today because our colleague, Senator SMITH from Maine, has 36 degrees, or she did have 36 the last time I counted them. So I'm sure that you are honored by having a world's champion at this luncheon today.

This is the occasion of General Sarnoff's 55th anniversary in communications. He has been honored by scientific, industrial, military, civil, cultural groups, and now I think it's a great privilege that we Members of the U.S. Senate also honor him at this luncheon. We had planned to have my colleague, the chairman of the Commerce Committee of the U.S. Senate, introduce some of the Senators who then would be called upon for brief remarks. However, we know what the Sergeant at Arms does to us when we don't answer rollcalls and, in order to keep us all out of jail, or out of what correspondents to jail in the Senate, I'm going to ask General Sarnoff to speak to us right now instead of later, had we gone through with the program as planned. [Applause.]

REMARKS BY DAVID SARNOFF

Mr. Chairman and distinguished Members of the U.S. Senate. I am unprepared for this sudden projection into the arena, and there are times in one's life when the tongue is a little dry and the mind a little overwhelmed. In the language of my profession, that makes for a poor transmitter—and that describes me at this moment. However, I am comforted by the knowledge that your receivers are unimpaired and in good tune. Therefore I would like, Mr. Chairman, with your permission, to transmit for a few minutes on the frequency that originates in the heart, without interference from that of the mind.

During the years I have spent in the electronics industry, which is worldwide in its scope, I have had to travel widely both at home and abroad. Of all my trips, four stand out in my memory and they will remain with me as long as I live. I would like to say a word or two about each of these four trips—not because I would presume upon your patience to indulge in reminiscence, but because I think that these trips, together, symbolize the spirit, the meaning, the purpose, and the opportunities of America.

My first trip was made in 1900 when I left with my mother and two brothers the country of my birth, Russia. I was then 9 years old and the oldest of the children. We sailed across the Atlantic Ocean in a small and slow ship. We traveled in the steerage and it took us more than a month to arrive in the United States—the wonderful new land of opportunity. When I arrived in New York, I was unable to speak or understand a word of English. I was in a new world, in a new society, a new people. However, it didn't take me very long to reap all the advantages of America's fine and free public school system—nor did anybody interfere with me when I worked as a news-

boy before and after school hours, in order to help support myself and my family.

That was trip No. 1 in my memory.

Trip No. 2 came only 9 years later. As a boy of 18, I sailed on the S.S. *New York* of the American Line, from New York to Southampton, England. This time I traveled as the Marconi wireless operator on the ship. I was the only operator aboard, for it wasn't until the *Titanic* disaster in 1912 that a law was passed by the Congress requiring each passenger ship to carry a complement of wireless operators who could serve around the clock. So there I was, 9 years after arriving in this country, serving as the Marconi wireless operator on a first-class passenger liner, with a first-class cabin all to myself, with a uniform and gold braid, classified as a ship's officer, messing with the captain and the other officers, and entertaining and being entertained by the first-class passengers.

That was another trip for my memory.

My third trip, 20 years later, in 1929, was on the SS *Aquitania*. I left New York for Paris as an assistant to Mr. Owen D. Young, who was Chairman of the U.S. Reparations Commission. In addition to Mr. Young, I accompanied Mr. J. P. Morgan, Mr. Thomas Lamont, and Mr. Nelson Perkins, all members of the Commission. Our mission was to reach final agreement with the Germans on the debts and other problems left by World War I, and to replace what was then the Dawes plan with what later became the Young plan. In the company of these financial and industrial giants, and working as Mr. Young's assistant, I was selected to negotiate on behalf of our allies with Dr. Hjalmar Schacht, who represented the Germans. I carried on these negotiations with Dr. Schacht for some 6 weeks. Of course, we thought then we had solved the pressing problems of that time but we found out very soon thereafter that our plans and our hopes were all dashed to the ground by Adolf Hitler who repudiated the agreement that was signed in Paris.

However, the impressive and human part of that trip to me was not only the companionship of these important men, who were much older and wiser than I, but the fact that I was a member of that group, and that we were met at Cherbourg by high officials of the French Government. This time, no passport problems, no baggage problems, no customs problems. Our reception was conducted with the pomp and protocol that the French are so expert in providing. We were taken from a special tender to a private train supplied by the French Government which whisked us to Paris and the comforts of the Ritz Hotel.

I shall never forget the moment, during this third trip, when I stood on the deck of that tender, reflecting upon this novel experience. The picture that flashed through my mind then was my first crossing of the Atlantic in the steerage. I thought of the contrast between the two trips and the fact that this could happen only in America. For it is as true today as it was then, that no other country in the world provides such vast opportunities to develop and to express whatever talents an individual may possess. On that occasion, I remember saying to myself, "God bless America." Surely I am no exception for there are many, many others in the United States who have also developed, advanced and prospered. I have tried to convey this message to the rising generation of Americans and to point out to them that in my view there are more opportunities in our country today than there were when I arrived in New York in 1900. There are more people in the world, more wants to satisfy, and more resources and tools to employ today than there were then. No American boy or girl needs to weep with Alexander that there are no more worlds to conquer.

Now I come to my fourth trip, and that has occurred only today. From New York, I have come to the Capital of this Nation to be received and honored by the distinguished Members of the U.S. Senate—the greatest deliberative body in the world. I am not sure that any man deserves so great an honor as you are bestowing upon me, but I do want to express to you, Mr. Chairman, and to your distinguished colleagues, how deeply moved and profoundly grateful I am for the friendship you have shown me, for this handsome tribute and this wonderful reception.

I will not presume further upon your time, because I know that you must respond to the Senate rollcall. So I simply say, with all my heart, thank you and God bless you.

CLOSING REMARKS BY SENATOR AIKEN

And now, General Sarnoff, in order that you may have something with which really to remember your visit here today, it is my privilege to present you with this scroll and to read its inscription: "55th anniversary testimonial to David Sarnoff in commemoration of his dedicated service and outstanding contributions to the advancement of communications and electronics in the United States." [Applause.] And so that there may not be any anticlimax to the general's response, we will consider the meeting adjourned.

Emergency Feed Grains Bill, H.R. 4510

EXTENSION OF REMARKS

OF

HON. RALPH F. BEERMANN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1961

Mr. BEERMANN. Mr. Speaker, in the support of my continual plea for less Federal interference in agriculture, and the operation of free marketing system, I would like to offer the following feature story from the September 10 issue of the Kansas City Star. To properly digest the point made by the article it is necessary that I roll back the calendar a bit, specifically to Tuesday, February 21, 1961, when the Subcommittee on Livestock and Feed Grains was considering the emergency feed grains bill, H.R. 4510. During that hearing the bill received the complete backing of the U.S. Department of Agriculture. Referring to the published hearings on H.R. 4510, serial A, pages 42 and 43, the following colloquy between the new Secretary of Agriculture, Mr. Orville Freeman, and me took place. Secretary Freeman was supporting the bill:

Mr. BEERMANN?

Mr. BEERMANN. Mr. Secretary, I appreciate your position. I am an operating farmer, with five brothers. You have an operation with someone else.

I would like to ask a question: Are we to understand that the Secretary is establishing the price of soybeans at $2.30.

Secretary FREEMAN. It has not been established as of now. This is at present my intention, to so establish it.

Mr. BEERMANN. Thank you.

Now, corn is $1.06 and it is in trouble. Soybeans are $1.85 and they are not in trouble. I fail to understand how raising the price of soybeans to $2.30 and eventually asking me to grow soybeans, which I do not now, and then eventually asking the Government to buy my soybeans, is going to be a solution of our problem.

Secretary FREEMAN. I would only answer that by saying that although the support price is as you represented it, the market price is now about $2.47, and, as I have tried to indicate before, the best estimates we make are that there will be a stronger demand for soybeans and a greater need for them than there will be for feed grains.

Mr. BEERMANN. Thank you.

The soybean market price is presently strong because of industry promotion and grower ability to produce for a consuming market at a fair price, with a minimum of Government intervention. This is not so with the other feed grains. I do not think that two wrongs make a right. I would not like to see us get soybeans in the same position as feed grains.

I will say here that I do not know how to run your farm; I do not suppose that you know how to run mine, and I do not believe it is within the jurisdiction of this group of people to tell us how to run our farms, which is what is taking place by establishing market prices. I would like to offer for your consideration in all future legislation that when you submit these things, I am asking it simply from a farmer's standpoint, that you do it on the basis of having less Government in farm business instead of more.

I thank you.

Secretary FREEMAN. Thank you.

The point I was attempting to make in the above colloquy was that by raising the support price of soybeans, the Secretary would create the same problem for the soybean growers and soybean industry that Government intervention had created for feed grains.

I believe the following article indicates that my concern about the action of Secretary Freeman is becoming a reality. I recommend the article to my colleagues who may feel Federal interference is the way to solve agricultural problems:

[From the Kansas City Star, Sept. 10, 1961]

SURPLUS THREAT IN SOYBEAN CROP

(By Roderick Turnbull)

Around Kansas City, across the whole of the Corn Belt and in many other parts of the country, the finest soybean crop this Nation has ever seen is heading toward maturity. The acreage is the biggest ever and the estimated average yield is at a new record.

Everything apparently is lovely except for one thing. Many growers and others interested in the soybean industry are wondering if the yield is going to be so big that soybeans will join the category of crops in surplus. Once a crop is in surplus, usually it's in trouble.

A MIRACLE CROP

With all the difficulties we have had in recent years with overproduction in farm crops it shouldn't be too unusual for another to join the list. However, this is a particular case. Soybeans have been the miracle crop in the American scene in the last couple of decades.

The acreage has grown by leaps and bounds—always in response to a growing market demand. Price supports have been kept below market levels and the crops have moved into consumption with no troublesome surpluses developing for Government bins.

This year, Orville L. Freeman, secretary of agriculture, boosted soybean price supports in a deliberate effort to increase the bean acreage to take some pressure off corn. He got a 14-percent increase in acres and with nature providing almost perfect growing weather, the increase in production now is estimated at 22 percent over last year or 683 million bushels. This estimate was made as of August 1. Many authorities are suggesting the final total will be 700 million bushels or more. The harvest last year was 558,771,000 bushels.

Is this too much of a jump in yield for 1 year? Secretary Freeman and his administrators in the Department of Agriculture express confidence that this year's huge crop will find a market.

They point to difficulties with soybeans in China, where exports are down. Other nations have smaller yields both of beans and other oil-producing crops. Japan is taking more U.S. beans. Thus the market seems to be good. Also, the administration has a big ace in the hole. It always can give more beans or soybean oil away through the Public Law 480 program.

But this is just what the soybean industry fears. The industry has grown on dollar sales. Industry representatives have gone all over the world selling the American crop.

EDUCATIONAL PROGRAM

They have determined what other nations wanted in soybeans, in variety and in quality. They have taught other nations how to use soybeans and have convinced them in many cases that soybean oil is as good or better than other vegetable oils. The result has been a huge increase in the export trade. Nearly all bean sales have been for dollars although considerable of the oil has moved under Public Law 480 deals. The Department of Agriculture has cooperated with the industry in these efforts.

The soybean industry as represented by the American Soybean Association and the Soybean Council of America has been extremely proud of the record of the crop in the market. When Secretary Freeman boosted the price support this year from $1.85 a bushel to $2.30, the soybean association along with the American Farm Bureau protested that this was too high, even though bean prices at the time were still higher. Soybean prices on the market last winter hit $3 a bushel—after most of the 1960 crop was out of farmers' hands.

RESPONSE TO PRICE

The high price last winter definitely indictated a bigger acreage this year, but a guaranteed price (Government) usually is more of a stimulus to greater production than prospects of a higher price on the market.

Farmers are using their own judgment when they increase production in response to prospective demand. They win or lose. The Government is guiding production when it sets a price support high enough to induce a larger acreage. If there is a surplus, it becomes the Government's responsibility. But surpluses hurt farm prices in Government hands or otherwise.

At the recent convention of the American Soybean Association in Indianapolis, Charles V. Simpson, president of the group, in his annual address said the major problem facing soybean farmers is to avoid expanding production faster than they can build markets for the crop.

"Let us not allow ourselves," he said, "to be priced out of world markets by those who mean well, but fail to realize that we wish only to use support prices as a means to bring the soybean crop to market in an orderly manner."

MUST FIND PLACE

George M. Strayer, the association's executive vice president, said, "I sincerely hope we can, through united efforts of industry and Government, find a place to utilize the 683- to 700-million-bushel soybean crop. It is going to take concerted effort on the part of all concerned."

Strayer also commented that in raising price supports this year to $2.30, the U.S. Government had announced to the remainder of the world that it was, in effect, holding a price umbrella over the production of peanuts and palm kernels, sunflower seed, rapeseed and mustard seed, cottonseed, copra and all others in the long list of oilseeds and oil-bearing materials.

The association commended the Department of Agriculture and the soybean industry for "untiring efforts in the sales and trade promotional programs for soybeans and soybean products" and urged continued efforts on these programs. It also thanked Secretary Freeman for implementing the use of fats and oils in the oversea church and charity relief feeding program.

Soybeans are called America's miracle crop because of the remarkable growth in production in recent years. In 30 years the crop has come from a $10 million one to the billion-dollar class.

In the mid-1920's 1½ million acres were planted in soybeans; this year the acreage is 26.4 million. The yield has jumped in the same period from 5 million bushels to the prospective 683 million.

Many reasons may be given for this big increase in production, but the main one has been the growing demand for soybean meal as a protein feed for livestock and for soybean oil.

The crop first came into prominence in this country for use as hay and green manure. There was quite a buildup during the 1930's when the AAA encouraged the use of soybeans as a soil-building crop—to be turned under as green manure. In fact, up to 1941, over half the soybean acreage was for hay, grazing or green manure.

SUPPLIES CUT OFF

Before World War II, the United States was a net importer of oilseeds, fats and oils for both food and nonfood uses as well as livestock feed. Hostilities cut off many of our Far Eastern supplies at the same time a huge demand was building for them. The mixed feed industry called for great amounts of protein for livestock rations. Vegetable oils were in demand for shortening and for margarine which was replacing butter to a large extent. This demand was the springboard for soybeans. The acreage increased from 10.1 million acres in 1941 to 14.2 million in 1943 and averaged 12.8 million through the war.

Significantly, the big increase came after the end of the war. The demands for protein feeds and oils continued and expanded. Millions of acres which had been taken out of wheat, corn, and cotton under Government production control programs were diverted to the soybeans. A huge acreage once in oats also went to the beans—the oats, once needed for horses, were less in demand. During the 1950s, when every other major crop was showing a reduction in acreage, the soybean acreage jumped 124 percent—always in answer to market demand.

During this period, soybean growers actually asked that price supports be kept low enough to permit the crop to move to market.

Soybean authorities are convinced that peak has not yet been reached in demand for the crop and its byproducts. Longrun prospects suggest that within the next 10 to 15 years a billion-bushel crop may be utilized. But they wonder if the market can take in 1 year the big increase that is coming with this harvest.

BOOST FOR FARMERS

The 26 million acres in soybeans is a wonderful thing for American farmers. In a time when we have tried to cut plantings of other crops, think how much greater our troubles would be if we did not have soybeans.

I wonder how this new crop could have developed in this country if we had had in the past production controls that specified how each acre was to be used. Where is the man, in Government or out, who could have said in 1935 that we would need 26 million acres in soybeans in 1961? Where is the man who can tell us today the acreage that should be allotted for some new crop in 1980?

The District of Columbia Government Seems To Rely Entirely on Public Urban Renewal Programs Supported by Taxes, and Has Discouraged Renovation and Restoration of Commercial and Residential Property by Private Owners by Immediately Raising Taxes on Such Improved Property, Says Kalorama Citizens Association President

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EXTENSION OF REMARKS

OF

HON. CARROLL D. KEARNS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1961

Mr. KEARNS. Mr. Speaker, the president of the Kalorama Citizens Association, G. M. Koockogey, has written to me in part, as follows:

Our District of Columbia government seems to rely entirely on public urban renewal programs, supported by tax money, and has discouraged renovation and restoration of commercial and residential property by private owners by immediately raising taxes on such improved realty. Your House Joint Resolution 532 would correct this inequity by a reasonable tax adjustment that would encourage private redevelopment without the use of public funds.

Georgetown is an outstanding example of private restoration that didn't cost the taxpayers 1 cent and greatly increased the taxable basis. Another private restoration showcase is our own Kalorama triangle area, where over half a million dollars has been spent on more than 50 houses and apartments in less than 2 years.

Other citizen groups and the Federation of Citizens Associations have joined us in endorsing your idea of reasonable tax abatement to encourage private restoration of commercial and residential property."

The Washington (D.C.) Post reported that the contest-winning design for residential development of an 8.4-acre urban renewal site in southwest Washington will provide rental apartments up to $325 a month.

Since the urban renewal program was designed by the Congress to rehouse slum-dwellers, it would be helpful at this time if the Board of Commissioners, District of Columbia, told us how slum-dwellers in the Nation's Capital are able to afford apartments renting up to $325 a month.

A letter published in the Washington (D.C.) Post on September 13 comments tellingly on these $325-a-month apart-

ments which the New Frontier is providing in Southwest Washington with the aid of $70 million in Federal tax funds:

Once upon a time I was naive enough to believe that the southwest redevelopment plans would include housing I could afford. However, I see by the Washington Post that still another high-rise luxury apartment project is now off the drawing boards.

I'm not rich enough for the apartments now available in Southwest, and I'm not poor enough to qualify for one of the housing projects.

A new approach to urban renewal in the District of Columbia is long overdue, and I am pleased that the able and distinguished gentlemen from New York [Mr. MULTER], Delaware [Mr. McDOWELL], and Iowa [Mr. KYL] have joined with me in trying to develop a new, far less costly, and more human approach to the renovation, restoration, and rebuilding of our cities.

I include here the text of the measure introduced by my colleague the gentleman from New York [Mr. MULTER].

I include, in addition, the letter from Mr. Koockogey, president of the Kalorama Citizens Association, to which I have referred, as well as a letter published today in the Washington (D.C.) Post:

SEPTEMBER 9, 1961.

Hon. CARROLL D. KEARNS,
House Office Building,
Washington, D.C.

DEAR SIR: On behalf of the Kalorama Citizens Association, of Washington, I wish to express our deep appreciation of your leadership in introducing the most constructive urban renewal legislation in the past decade; I refer to House Joint Resolution 532.

Our thanks are due also to Congressmen MULTER, Democrat, of New York, KYL, Republican, of Iowa, and MCDOWELL, Democrat, of Delaware, for introducing similar bills.

This new bipartisan approach to urban renewal puts private renewal efforts in the District of Columbia on an equal basis with public urban renewal projects, which is as it should be.

Our District of Columbia government seems to rely entirely on public urban renewal programs, supported by our tax money, and has discouraged renovation and restoration of commercial and residential property by private owners by immediately raising taxes on such improved realty. Your House Joint Resolution 532 would correct this inequity by a reasonable tax adjustment that would encourage private redevelopment without the use of public funds.

Georgetown is an outstanding example of private restoration that didn't cost the taxpayers 1 cent and greatly increased the taxable basis. Another private restoration showcase is our own Kalorama Triangle area, where over half a million dollars has been spent on more than 50 houses and apartments in less than 2 years.

Other citizen groups and the Federation of Citizens Associations have joined us in endorsing your idea of reasonable tax abatement to encourage private restoration of commercial and residential property.

The fact that other Members are joining you in this legislation shows that it is of national importance to put private redevelopment all over the Nation on an equal footing with public urban renewal. This could save the taxpayers many millions of dollars and do the job in much less time.

Respectfully,

G. M. KOOCKOGEY,
President, Kalorama Citizens Association.
WASHINGTON, D.C.

HOUSING COSTS

LETTERS TO THE EDITOR

Once upon a time I was naive enough to believe that the Southwest redevelopment plans would including housing I could afford. However, I see by the Washington Post that still another high-rise luxury apartment project is now off the drawing boards.

I'm not rich enough for the apartments now available in Southwest, and I'm not poor enough to qualify for one of the housing projects.

Is there to be no end of these overpriced new projects? Is there no hope for persons in my income bracket who would like to live close by in a place that is new and clean? Not everyone wants an air-conditioned efficiency, or a larger unit in which to double up with another salaried member of the middle class. Some of us have only one income in our family, and are old-fashioned enough to want a more conventional home that is not in the suburbs.

SUZANNE T. COOPER.

WASHINGTON.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 6 of the Act of August 14, 1894 (D.C. Code, sec. 47–705), is amended by inserting "(a)" after "SEC. 6.", and by adding at the end thereof the following new subsection:

"(b) Notwithstanding any other provision of law, any increase in the value of the tract or lot of real property on which the taxpayer's personal residence is located (or of the improvements thereon) which is the result of the repair, alteration, renovation, or restoration of such residence shall be disregarded in making the valuation of the property under subsection (a) for the fiscal year in which such repair, alteration, renovation, or restoration is completed and for the four succeeding fiscal years. As used in the preceding sentence, the term 'taxpayer's personal residence' means real property which is owned by the taxpayer or his spouse or both at the time of the repair, alteration, renovation, or restoration involved and is occupied by them or either of them as their person residence at such time or within six months thereafter."

(b) The amendments made by subsection (a) shall apply only with respect to repairs, alterations, renovation, and restoration completed in fiscal years ending after the date of the enactment of this Act.

SEC. 2. (a) Section 3(a) of title III of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47–1557b(a)) is hereby amended by adding at the end thereof the following new paragraph:

"(16) EXPENSES OF HOME REPAIR, MAINTENANCE, ALTERATIONS, AND ADDITIONS.—In the case of an individual, the expenses paid during the taxable year for the repair and maintenance of, or alterations or additions to, the personal residence of the taxpayer. The deduction under this paragraph shall be allowable only to the extent of the aggregate of such expenses actually paid by the taxpayer, and in no case shall it exceed $2,000. Such deduction shall be applicable only to expenses which are not otherwise allowable as deductions in computing net income under section 1 of this title. As used in this paragraph, the term 'personal residence of the taxpayer' means real property which is owned by the taxpayer or his spouse or both at the time of the repair, maintenance, alterations, or additions involved and is occupied by them or either of them as their personal residence at such time or within six months thereafter."

(b) The amendment made by subsection (a) shall apply only with respect to expenses paid during taxable years beginning after the date of the enactment of this Act.

SEC. 3. Section 7 of the District of Columbia Redevelopment Act of 1945 (D.C. Code, sec. 5–706) is hereby amended by adding at the end thereof the following new subsection:

"(j) Notwithstanding any other provision of this Act—

"(1) housing (including both residential and commercial structures) which are not substandard in any project area shall be preserved and shall not be demolished or included in the acquisition and assembling by the Agency of the real property in such area; and

"(2) the owner of any substandard structure (residential or commercial) which can be rehabilitated or restored to good condition in a project area shall be encouraged and assisted by the Agency to undertake and carry out such rehabilitation or restoration, and such structure shall not be demolished or included in the acquisition and assembling by the Agency of the real property in such area unless such owner, after having had a reasonable time following notification by the Agency to complete such rehabilitation or restoration has failed to do so; and in the case of any such failure the Agency, after acquiring the structure, shall itself provide for such rehabilitation or restoration whenever it determines that such rehabilitation or restoration is desirable or appropriate and shall dispose of the structure so rehabilitated or restored at such time and on such terms and conditions as it may determine to be in the public interest."

SEC. 4. The Act entitled "An Act providing for the zoning of the District of Columbia and the regulation of the location, height, bulk, and uses of buildings and other structures and of the uses of land in the District of Columbia, and for other purposes", approved June 20, 1938, as amended (D.C. Code, sec. 5–413 et seq.), is amended by redesignating section 17 as section 18 and by inserting after section 16 the following new section:

"SEC. 17. The provisions of this Act shall apply to chanceries and other business-type buildings of foreign nations in the District of Columbia, so as to conform with the general practice among nations of requiring the observance (by countries with which they maintain diplomatic relations) of their laws and zoning regulations in the location of such buildings; and the Zoning Commission shall accordingly include in its regulations under the first section of this Act such provisions as may be necessary to insure that such buildings are hereafter located only in areas appropriately zoned for such purposes."

Nation's Small Businessmen Strongly Oppose Free Delivery of Communist Propaganda

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EXTENSION OF REMARKS

OF

HON. GLENN CUNNINGHAM

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 13, 1961

Mr. CUNNINGHAM. Mr. Speaker, the National Federation of Independent Business regularly polls its membership of over 170,000 on key issues before the country.

The NFIB Mandate No. 268 recently contained the question: "Should the Post Office carry Communist propaganda free?"

The results, forwarded to me by Mr. George P. Burger, vice president of the NFIB, show 90 percent opposed to this distribution of Communist propaganda. Only 7 percent favored the distribution and 3 percent indicated no opinion.

This is graphic evidence of the support in the Nation for legislation such as that I introduced, H.R. 9004, which would ban from our mails any material found by the Attorney General to be Communist propaganda.

I am pleased to report also that a number of our colleagues have joined me in introducing this legislation, including the gentleman from Wyoming [Mr. HARRISON], the gentleman from South Dakota [Mr. BERRY], the gentleman from Kansas [Mr. DOLE], the gentleman from California [Mr. UTT], the gentleman from Ohio [Mr. HARSHA], and the gentleman from Michigan [Mr. HARVEY].

Feeding the Communist Menace

EXTENSION OF REMARKS
OF
HON. CATHERINE MAY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 13, 1961

Mrs. MAY. Mr. Speaker, on September 5 my very able and respected colleague, the Honorable GLENARD P. LIPSCOMB, of California, performed a valuable service to all Members of this body in bringing to our attention a number of shocking facts regarding our export control program with particular reference to controls on trade with the Soviet Union. This was in connection with House consideration of House Resolution 403, creating a select committee to conduct an investigation and study of the administration, operation, and enforcement of the Export Control Act of 1949, and related acts.

The concern of the Congress in the continued U.S. export of goods to Communist-dominated countries is testified to in the division vote in passage of House Resolution 403 of 90 yeas to 1 nay.

In further regard to this situation, I believe the Members will be interested in some additional facts revealed recently during a hearing before the Interstate and Foreign Commerce Committee on a bill to prohibit any exchange of articles between the United States and Cuba, except those destined for U.S. military use at Guantanamo Naval Base. Although a partial economic embargo was imposed on Cuba by the United States in October 1960, trade with Cuba today is being carried on as though relations between the two nations were nearly normal.

Under the restrictions, no U.S. goods are supposed to be exported to Cuba unless they can be classified as foodstuffs or medical supplies. However, according to committee testimony, exports to Cuba from the United States for the period January through March 1961, exceeded $6.9 million, of which $3.6 million consisted of lard. Lard, Mr. Speaker, is vital to the manufacture of nitroglycerine. Other exports include $400,000 in machinery and vehicles. Just last month, as an example, U.S. shipments to Communist Cuba included 42 diesel engines adaptable for military tank use.

At the same time, incoming shipments are appearing almost regularly at U.S. ports in Eastern and Gulf States, even though public indignation is so high that trucks transporting these commodities are masking their insignia to avoid public identification.

Although our Government has officially branded Cuba a clear and present danger to the security of this hemisphere, and the Congress has adopted a resolution recognizing the Communist affiliation of the present Government of Cuba, the executive branch has failed to invoke various means available for curtailing Cuban trade. Hesitation and inaction by the State Department and other offices of the administration only further serve as evidence of the executive branch's inability to combat Cuban communism in the forceful manner preached by Candidate Kennedy.

The State Department witness opposed the bill, H.R. 8459, apparently because it would weaken the flexibility of the State Department. This witness also seemed of the opinion that current shipments to Cuba are not of great consequence and therefore would not be worth the repercussions of a total economic embargo.

Other testimony before the committee brought to light the rising tide of congressional vexation against the Cuban dictatorship and determination of Members of the House to take action unless the administration does something soon.

The sponsorship of H.R. 8465 by Members of the majority party, the action of the Florida State Legislature in endorsing the resolution, and the support of the bill by Members on both sides of the aisle in this body gives testimony to the fact that the Congress, as are all Americans, is growing impatient with the administration's wait-and-see attitude regarding Cuba.

Although for humanitarian reasons, Mr. Speaker, certain organizations such as the Red Cross should be allowed to provide medical supplies to Cuban hospitals, we must refuse to continue to bolster Cuba's Communist economy. We must take a strong and decisive step as a symbol of leadership to other nations of the free world. Under present circumstances, how can we ask our friends to do what we do not do ourselves? How can we be critical of Canadian trade with Red China when we trade with Communist Cuba?

In instances such as this, I believe that when the administration refuses to take positive action, the Congress has every obligation and right to take the initiative.